



Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, JUNE 10, 2010
WWW.JUSTICE.GOV

AT
(202) 514-2007
TDD (202) 514-1888

**JUSTICE DEPARTMENT REQUIRES DIVESTITURE IN ORDER FOR
AMCOR LTD. TO PROCEED WITH ITS ACQUISITION OF ALCAN'S
MEDICAL FLEXIBLE PACKAGING BUSINESS**

***Divestiture of North Carolina Plant Will Preserve Competition for
Vented Bags for Medical Use***

WASHINGTON – The Department of Justice announced today that it has reached a settlement that will require Australia-based Amcor Ltd. to divest a North Carolina plant used in the development, production and sale of certain bags used for medical purposes in order to proceed with its acquisition of the Alcan Packaging Medical Flexibles business from Rio Tinto plc, the parent company of Alcan Corporation. The department said that the acquisition as originally proposed would combine Amcor and Alcan Packaging, two of the leading U.S. manufacturers of vented bags for medical use. Without the divestiture, the department said that the acquisition would lead to higher prices, lower quality, less favorable supply-chain options, reduced technical support and less innovation.

The Department of Justice's Antitrust Division filed a civil antitrust lawsuit today in U.S. District Court for the District of Columbia to block the proposed acquisition. At the same time, the department filed a proposed settlement that, if approved by the court, would resolve the competitive concerns alleged in the lawsuit.

Vented bags for medical use are a type of flexible packaging used to package large or bulky medical items, such as drapes, gowns, and surgery trays and kits. Vented bags must meet rigorous performance and qualification standards because failure of the package in the sterilization process could expose the contents to microbes, bacteria or particulates, which could cause injury, sickness or even death to a patient.

"The acquisition as originally proposed would have lessened the vigorous competition that currently exists among suppliers of vented bags for medical use," said William F. Cavanaugh Jr., Deputy Assistant Attorney General in the Department of Justice's Antitrust Division. "This divestiture will preserve competition in the market for vented bags for medical use, which has benefited consumers."

The department's complaint alleges that the proposed acquisition would eliminate the significant competition between Amcor and Alcan Packaging in the already highly concentrated U.S. market for vented bags for medical use.

The proposed settlement requires the companies to divest Alcan Packaging's Marshall, N.C. plant, which manufactures all of Alcan Packaging's vented bags for medical use.

Amcor Ltd. is an Australia-based global packaging company. It had approximately \$7.7 billion in sales in the fiscal year ending in June 2009. That same year, Amcor had approximately \$170 million in U.S. sales of flexible packaging for medical use.

Rio Tinto plc, the parent of Alcan Corporation, is a U.K.-based global mining corporation. It had approximately \$44 billion in sales in 2009. The sales of the Alcan Packaging Medical Flexibles business amounted to approximately \$115 million in 2009.

As required by the Tunney Act, the proposed settlement, along with a competitive impact statement, will be published in the Federal Register. Any person may submit written comments concerning the proposed settlement during a 60-day comment period to Maribeth Petrizzi, Chief, Litigation II Section, Antitrust Division, U.S. Department of Justice, 450 Fifth Street, N.W., Suite 8700, Washington, D.C. 20530. At the conclusion of the 60-day comment period, the U.S. District Court for the District of Columbia may approve the proposed settlement upon finding it is in the public interest.

#

10-682