Department of Justice

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JUSTICE DEPARTMENT REQUIRES DIVESTITURE IN ALCOA'S ACQUISITION OF GOLDEN ALUMINUM COMPANY

WASHINGTON, D.C.-- The Department of Justice today announced that Alcoa Inc. has agreed to sell a manufacturing facility in Fort Lupton, Colorado to resolve antitrust concerns involving Alcoa's $41 million acquisition of Golden Aluminum Company from ACX Technologies Inc.

The Department's Antitrust Division filed a civil lawsuit today in U.S. District Court in Washington, D.C. to block Alcoa's proposed acquisition of Golden. At the same time, the Department filed a proposed consent decree that, if approved by the court, would resolve the Department's competitive concerns.

According to the Department, Alcoa controls over 50 percent of the aluminum can lid stock market in North America. Golden is one of only four other companies that manufactures lid stock in North America. Alcoa's acquisition of Golden, as originally proposed, would have increased Alcoa's ability to raise prices, reduce quality and decrease production of lid stock through the elimination of a low-cost competitor in a highly concentrated industry.

Lid stock is aluminum sheet that is used by can manufacturers to make the ends, tabs, and lids of food and beverage cans.

The proposed consent decree requires Alcoa to divest Golden's Fort Lupton, Colorado manufacturing facility in order to preserve competition in the $1.6 billion market for the manufacture and sale of aluminum food and beverage can lid stock.

(more)

"The sale of Golden's Fort Lupton facility ensures that competition in the aluminum lid stock market is preserved," said Joel I. Klein, Assistant Attorney General in charge of the Antitrust Division. "Ultimately, consumers of canned food and drinks will benefit from this continued competition."

Alcoa is a Pennsylvania corporation headquartered in Pittsburgh, Pennsylvania. In 1998, the company had sales of over $15 billion. Alcoa is an integrated aluminum company, engaging in all phases of the aluminum business - from the mining and processing of bauxite to the production of primary aluminum and fabrication of aluminum products.

ACX is a Colorado corporation headquartered in Golden, Colorado. It had approximately $988.4 million in sales in 1998. Golden is a subsidiary of ACX with two aluminum sheet manufacturing facilities in Fort Lupton, Colorado and San Antonio, Texas.

As required by the Tunney Act, the proposed consent decree will be published in the Federal Register, along with the Department's competitive impact statement. Any person may submit written comments concerning the proposed decree during a 60-day comment period to Roger W. Fones, Transportation Energy & Agriculture Section, Antitrust Division, U.S. Department of Justice, 325 7th Street, N.W., Suite 500, Washington, D.C. 20530.

At the conclusion of the 60-day comment period, the court may enter the consent decree upon its finding that it serves the public interest.

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