



Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, FEBRUARY 24, 2010
WWW.JUSTICE.GOV

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

**JUSTICE DEPARTMENT REQUIRES DIVESTITURES IN ORDER FOR
BEMIS COMPANY INC. TO PROCEED WITH ITS ACQUISITION OF THE ALCAN
PACKAGING FOOD AMERICAS BUSINESS**

*Divestitures Will Preserve Competition for
Flexible Packaging for Natural Cheese and Fresh Meat*

WASHINGTON — The Department of Justice announced today that it has reached a settlement that will require Bemis Company Inc. to divest certain assets used in the production and sale of flexible packaging for natural cheese and fresh meat in order to proceed with its acquisition of the Alcan Packaging Food Americas business from Rio Tinto plc, the parent company of Alcan Corporation. The acquisition is valued at approximately \$1.2 billion. The department said that the acquisition as originally proposed would combine Bemis and Alcan, two of the leading U.S. manufacturers of flexible-packaging rollstock for chunk, sliced and shredded natural cheese packaged for retail sale and flexible-packaging shrink bags for fresh meat. Without the divestitures, the department said 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 the 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.

Flexible packaging is any package the shape of which can be readily changed. Although flexible packaging is used for a variety of products, flexible packaging products for natural cheese and fresh meat are unique. They must meet rigorous performance standards to prevent spoilage, maintain product appearance, run properly on customers' packaging equipment and meet unique requirements specific to the particular products. As a result, these types of flexible packaging are difficult to manufacture and commercialize successfully.

"The acquisition as originally proposed would have lessened the vigorous competition that currently exists among suppliers of flexible packaging for natural cheese and fresh meat," said Christine Varney, Assistant Attorney General in charge of the Department of Justice's Antitrust Division. "These divestitures will preserve competition in the markets for flexible-packaging for these products, which allows for lower prices, higher quality and more innovation, benefiting consumers."

The department's complaint alleges that the proposed acquisition would eliminate the significant competition between Bemis and Alcan that currently exists in the markets for flexible packaging for chunk, sliced and shredded natural cheese packaged for retail sale and make Bemis the dominant supplier of these products. The complaint also alleges that the proposed acquisition would reduce competition substantially in the already highly concentrated market for shrink bags for fresh meat.

The proposed settlement requires the companies to divest all of Alcan's contracts and intellectual property as well as plants located in Catoosa, Okla., and Menasha, Wis., along with certain other assets necessary to the manufacture of flexible packaging for natural cheese and fresh meat.

Bemis is a Missouri corporation with its principal place of business in Neenah, Wis. Bemis and its subsidiaries—including Curwood Inc., which is Bemis's subsidiary that produces flexible packaging for cheese and meat—made approximately \$3.8 billion in sales in 2008, of which \$2.1 billion was attributable to the sale of flexible packaging in the United States.

Rio Tinto plc, the parent of Alcan Corporation, is a United Kingdom-based global mining corporation. It made approximately \$58 billion in sales in 2008. The sales of the Alcan Packaging Food Americas business amounted to approximately \$1.5 billion in 2008.

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 this 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 enter the proposed settlement upon a finding that it is in the public interest.

###