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**Amcor expands PET operations in Latin America with \$115 million acquisition**

Amcor announced today that it has entered into a binding agreement to purchase Alcoa's Latin American PET packaging business for \$115 million (US\$75 million).

Alcoa is one of the largest PET container producer in Latin America, behind Amcor, with sales of \$200 million (US\$130 million) and nine production facilities located across Brazil, Argentina, Colombia, Peru, Uruguay and Chile. The purchase price represents a trailing EBITDA multiple of around 4.8 times.

The business, which is in carbonated soft drink (CSD) and bottled water containers, has strong relationships with our key global customers, including both Coca-Cola and Pepsi-Cola, as well as the large regional CSD producers.

Production volume is around 1.7 billion units, split 75% preforms and 25% blown-bottles.

Amcor currently has 13 PET container plants throughout Latin America and with the addition of the nine Alcoa operations there is scope for plant rationalisation to improve both operating efficiencies and customer service. In five locations where PET assets are co-located with Alcoa closure facilities, it is planned to relocate those assets and PET employees to existing Amcor PET operations in the relevant country.

Synergy benefits from plant closures and improved operating efficiencies are expected to be in excess of \$8 million per annum (US\$5 million) after three years.

Amcor's existing operations in Latin America have consistently delivered above expectations and over the past five years has achieved compound PBITA growth more than 20%. The strong local management team have achieved this substantial growth, despite country specific issues at various periods that have impacted on the business.

Amcor's Managing Director, Mr Russell Jones, said: "The acquisition of Alcoa's PET operation in Latin America will strengthen Amcor's number one position in the region and is consistent with the strategy of growing the PET business globally.

"Latin America is one of the fastest growing regions in the world for PET containers and the young population in many of the countries ensures this high growth rate should continue.

“The price of \$115 million (US\$75 million) represents a trailing 12 month EBITDA multiple of 4.8 times and with synergies expected to be around \$8 million (US\$5 million), the acquisition will deliver returns on funds invested in excess of 15% by the end of year three.

“Amcor has 13 PET plants and 14 customer in-house blow-moulding facilities in 10 countries across Latin America. This acquisition is a natural extension of the business in the region building on the success of the past seven years. We are the clear market leader with combined production of 6 billion units and sales of \$600 million (US\$390 million). This acquisition further strengthens our position and ensures we participate in the strong volume growth expected in the region.”

**ENDS**

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