

# ALCOA AND BHPB TO DIVEST INTEGRIS IN \$100 MILLION IPO

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■ CHICAGO — Alcoa and BHP Billiton expect to sell up to \$100 million in common stock and divest all ownership in Integris Metals in an initial public offering (IPO) of the Minneapolis-based metals service centre company.

The move comes 18 months after the two owners said they were attempting to divest the company. The November 2001 merger of Reynolds Aluminum Supply, a unit of Pittsburgh-based Alcoa, and the distribution businesses of Anglo-Australian miner BHP Billiton — Vincent Metal Goods and Atlas Ideal Metals — led to the formation of Integris.

Details on the number of shares to be sold by Alcoa and BHP Billiton and the price of the shares will be announced before the offering becomes effective. Integris will not receive any proceeds from the sale of shares unless the underwriters exercise an option to purchase additional shares, it said.

New York-based investment banks Deutsche Bank Securities and J P Morgan Securities are acting as joint book-running managers of the offering, but no date was set for the IPO in a filing with the Securities & Exchange Commission (SEC).

The SEC filing described Integris as the fourth-largest metals service centre in North America and the largest distributor of aluminium and stainless steel, which together accounted for about 85 percent of the company's sales last year.

Operations include three dedicated processing centres and 59 branches across the USA and Canada providing services and production capabilities such as levelling, polishing, slitting, shearing, blanking, precision sawing and plasma and water-jet cutting.

Other services performed by the company include just-in-time inventory management, logistics management, quality-control services and cost-reduction initiatives. Integris served more than 20,000 customers in 2003 and said that, as of last month, it had about 2,400 employees.

The company generated revenue of \$1.5 billion and net income of \$10.9 million in fiscal 2003.

Improving market conditions, including higher industrial demand and metals prices this year, had contributed to fiscal first-half revenue of \$969.5 million and net income of \$33.5 million.