

ALCAN INC
Form 425
May 07, 2007

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Subject Company: Alcan Inc.
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Forward-Looking Statements
Certain
statements
and
assumptions
in

this
communication
contain
or
are
based
on
"forward-looking
information
and
involve
risks and uncertainties. Forward-looking statements may be identified by their use of words like "anticipates," "believes,"
"estimates," "expects," "hopes," "targets," "should," "will," "will likely result," "forecast," "outlook," "projects" or other words
similar
meaning.

Such
forward-looking
information
includes,
without
limitation,
the
statements
as
to
the
impact
of
the

proposed acquisition on revenues, costs and earnings. Such forward looking statements are subject to numerous
assumptions, uncertainties and risks, many of which are outside of Alcoa's control. Accordingly, actual results and
developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking
statements contained in this communication. These risks and uncertainties include Alcoa's ability to successfully integrate the
operations of Alcan; the outcome of contingencies including litigation, environmental remediation, divestitures of businesses,
and anticipated costs of capital investments; general business and economic conditions; interest rates; the supply and
demand for, deliveries of, and the prices and price volatility of primary aluminum, fabricated aluminum, and alumina produced
by Alcoa and Alcan; the timing of the receipt of regulatory and governmental approvals necessary to complete the acquisition
of Alcan and any undertakings agreed to in connection with the receipt of such regulatory and governmental approvals; the
timing of receipt of regulatory and governmental approvals for Alcoa's and Alcan's development projects and other
operations; the availability of financing to refinance indebtedness incurred in connection with the acquisition of Alcan on
reasonable

terms;
the
availability
of
financing
for
Alcoa's
and
Alcan's

development
projects
on
reasonable
terms;
Alcoa's
and

Alcan's respective costs of production and their respective production and productivity levels, as well as those of their competitors;

energy
costs;

Alcoa's
and

Alcan's
ability

to
secure

adequate

transportation

for

their

respective

products,

to

procure mining equipment and operating supplies in sufficient quantities and on a timely basis, and to attract and retain skilled staff; the impact of changes in foreign currency exchange rates on Alcoa's and Alcan's costs and results, particularly the Canadian dollar, Euro, and Australian dollar, may affect profitability as some important raw materials are purchased in other currencies, while products generally are sold in U.S. dollars; engineering and construction timetables and capital costs for Alcoa's and Alcan's development and expansion projects; market competition; tax benefits and tax rates; the outcome of negotiations

with

key

customers;

the

resolution

of

environmental

and

other

proceedings

or

disputes;

and

Alcoa's

and

Alcan's

ongoing

relations

with

their

respective
employees
and
with
their
respective
business
partners
and
joint
venturers.

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Forward-Looking Statements

Additional risks, uncertainties and other factors affecting forward looking statements include, but are not limited to, the following:

Alcoa is, and the combined company will be, subject to cyclical fluctuations in London Metal Exchange primary aluminum prices, economic and business conditions generally, and aluminum end-use markets;

Alcoa's operations consume, and the combined company's operations will consume, substantial amounts of energy, and profitability may decline if energy costs rise or if energy supplies are interrupted;

The profitability of Alcoa and/or the combined company could be adversely affected by increases in the cost of raw materials; Union disputes and other employee relations issues could adversely affect Alcoa's and/or the combined company's financial results; Alcoa and/or the combined company may not be able to successfully implement its growth strategy;

Alcoa's operations are, and the combined company's operations will be, exposed to business and operational risks, changes in market conditions and events beyond its control in the countries in which it operates;

Alcoa is, and the combined company will be, exposed to fluctuations in foreign currency exchange rates and interest rates, as well as inflation and other economic factors in the countries in which it operates;

Alcoa faces, and the combined company will face, significant price competition from other aluminum producers and end-users of Alcoa products that are highly competitive;

Alcoa
and/or
the
combined
company
could
be
adversely
affected
by
changes
in
the
business
or
financial
condition
of
a
significant
customer
or
customers;

Alcoa and/or the combined company may not be able to successfully implement its productivity and cost-reduction initiatives;

Alcoa and/or the combined company may not be able to successfully develop and implement new technology initiatives;

Alcoa is, and the combined company will be, subject to a broad range of environmental laws and regulations in the jurisdiction in which it operates and may be exposed to substantial costs and liabilities associated with such laws;

Alcoa's smelting operations are expected to be affected by various regulations concerning greenhouse gas emissions;

Alcoa and the combined company may be exposed to significant legal proceedings, investigations or changes in law; and

Unexpected events may increase Alcoa's and/or the combined company's cost of doing business or disrupt Alcoa's and/or the combined company's operations.

See also the risk factors disclosed in Alcoa's Annual Report on Form 10-K for the fiscal year ended December 31, 2006. Readers are cautioned not to put undue reliance on forward-looking statements. Alcoa disclaims any intent or obligation to update these forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable law.

Alcoa's Commitment to Canada
Shared History, Shared Values, One Future

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A Winning Strategic Combination

Creates a premier fully integrated aluminum company

Enhanced cash flow and \$1 billion in annual synergies

Significant scale to compete in a changing environment

Optimized portfolio of upstream assets

Enhanced capacity for growth

Strong technology, operations and talent
Shared values and commitment to sustainability

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Shared History

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Deeply Committed to Canada Today
1,400 kMT
7%
1,400 kMT
24%
-

-

Alumina Capacity

Canada % of Total Company

\$769

19%

\$371

21%

\$398

18%

Income from Continuing Ops

Canada % of Total Company

2,773 kMT

35%

1,774 kMT

51%

999 kMT

23%

Aluminum Capacity

Canada % of Total Company

16,100

9%

11,000

17%

5,100

4%

Employees

Canada % of Total Company

\$8,555

12%

\$5,451

17%

\$3,104

10%

Total Revenue

Canada % of Total Company

Combined

2006 **(US\$ millions)**

Source: Alcoa analysis; Company filings

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Dual headquarters in Montreal and New York

Strategic management functions in each city

Significant Canadian Board representation

Alumina and Primary Metals business based in Montreal

Would be the largest aluminum company in the World

\$32.3 billion in total revenue

38,000 employees operating in 29 countries

Headquarters of Global Growth group

decision-making

centered in Quebec

Quebec becomes center of aluminum innovation

Alcan AP50 carbon smelting technology at the Complexe Jonquiere

Alcoa post carbon inert anode

technology pilot deployment in

Quebec

Increased Commitment to Canada

Corporate

Presence

Global

Business

R&D

Center

Alcoa/Alcan Global Primary Products business headquartered

in Montreal among largest companies by revenue in Canada

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Increased Commitment to Canada
British Columbia
Quebec
Alcoa
Alcan
Shared

Refinery
Smelter
11 smelters
1 refinery
Upstream in Canada
Potential Investment

Saguenay Lac-Saint-Jean
region: AP50 pilot first step in
ten-year, \$1.8B program

Baie Comeau: \$1.2B, 110kMT
expansion and modernization

Deschambault: \$1.4B, ~300kMT
expansion
Quebec

Kitimat: \$1.8B, 123kMT
expansion and modernization
British Columbia
Source: Company filings and press releases
Largest private sector investment
program in Quebec history
Montreal

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Shared Commitment to Sustainability
Winner
Alcoa 1996, Alcan 2007
Alcoa
Founding Member 2006
Alcan

Founding Canadian Member 2007

Alcoa

5 Time Member

Alcan

4 Time Member

Founded \$1 million

Prize for

Sustainability

Founded \$9 million

Conservation and

Sustainability Program

Alcoa's Commitment to Canada
Shared History, Shared Values, One Future

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In connection with the offer by Alcoa to purchase all of the issued and outstanding common shares of Alcan (the Offer), Alcoa will be filing with the Securities and Exchange Commission (the SEC) a registration statement on Form S-4 (the Registration Statement), which contains a prospectus relating to the Offer (the Prospectus), and a tender offer statement on Schedule TO (the Schedule TO). This communication is not a substitute for the Prospectus, the Registration Statement and the Schedule TO that

Alcoa
will
file
with
the
SEC.
ALCAN
SHAREHOLDERS
AND
OTHER
INTERESTED
PARTIES
ARE

URGED TO READ THESE DOCUMENTS, ALL OTHER APPLICABLE DOCUMENTS (AND ANY AMENDMENTS OR SUPPLEMENTS TO THESE DOCUMENTS), WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT ALCOA, ALCAN AND THE OFFER. Materials filed with SEC will be available electronically without charge at the SEC's website,

www.sec.gov. Materials filed with the Canadian securities regulatory authorities also will be available electronically without charge at www.sedar.com. Materials filed with the SEC or the Canadian securities regulatory authorities may also be obtained without charge at Alcoa's website, www.Alcoa.com, or by directing a request to Alcoa's investor relations department at 212 836 2674. In addition, Alcan shareholders may obtain free copies of such materials filed with the SEC or the Canadian securities regulatory authorities by directing a written or oral request to the Information Agent for the Offer,

MacKenzie

Partners, Inc., toll-free at (800) 322-2885 (English) or (888) 405-1217 (French). While the Offer is being made to all holders of Alcan Common Shares, this communication does not constitute an offer or a solicitation in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made in, nor will deposits be accepted in, any jurisdiction in which the making or acceptance thereof would not be in compliance with the laws of such jurisdiction. However, Alcoa may, in its sole discretion, take such action as they may deem necessary to extend the Offer in any such jurisdiction.

Where to Find Additional Information

