

ALCAN INC  
Form 425  
May 14, 2007

The Aluminum Value Chain  
The Aluminum Value Chain  
Unlocking Aluminum's value and building a sustainable future  
Unlocking Aluminum's value and building a sustainable future  
Bernt

Reitan  
Executive Vice President, Alcoa  
President, Alcoa Primary Products  
CRU s  
12  
th  
World Aluminium  
Conference  
Bahrain  
13-16 May 2007  
Filed by Alcoa Inc.  
Pursuant to Rule 425  
Under the Securities Act of 1933  
Registration Statement:  
333-142669  
Subject Company: Alcan Inc.  
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001-03677

2  
CRU s  
12  
th  
World Aluminium  
Conference --  
2007  
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," "hope," "will," "will likely result," "forecast," "outlook," "projects" or other words of similar meaning. Such forward-looking information includes the statements as to the impact of the proposed acquisition on revenues, costs and earnings. Such forward looking statements are based on 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. Such uncertainties include Alcoa's ability to successfully integrate the operations of Alcan; the outcome of contingencies including 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 aluminum products produced by Alcoa and Alcan; the timing of the receipt of regulatory and governmental approvals necessary to complete the acquisition; any undertakings agreed to in connection with the receipt of such regulatory and governmental approvals; the timing of receipt of governmental approvals for Alcoa's and Alcan's development projects and other operations; the availability of financing to refinance debt incurred in connection with the acquisition;

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  
exchange rates on Alcoa's and Alcan's costs and results, particularly the Canadian dollar, Euro, and Australian dollar, may affect  
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;  
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.

3  
CRU s  
12  
th  
World Aluminium  
Conference --  
2007  
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 jurisdictions 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.



4  
CRU s  
12  
th  
World Aluminium  
Conference --  
2007  
Additional information

WHERE TO FIND ADDITIONAL INFORMATION

In connection with the offer by Alcoa to purchase all of the issued and outstanding common shares of Alcan (the Offer), Alcoa has filed 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. **ALCAN SHAREHOLDERS AND OTHER INTERESTED PARTIES ARE URGED TO READ THESE DOCUMENTS, ALL OTHER APPLICABLE DOCUMENTS AND ANY AMENDMENTS OR SUPPLEMENTS TO ANY SUCH DOCUMENTS WHEN THEY BECOME AVAILABLE, BECAUSE EACH CONTAINS OR WILL CONTAIN IMPORTANT INFORMATION ABOUT ALCOA, ALCAN AND THE OFFER.** Materials filed with SEC are available electronically without charge at the SEC's website, [www.sec.gov](http://www.sec.gov). Materials filed with the Canadian securities regulatory authorities ("CSRA") are available electronically without charge at [www.sedar.com](http://www.sedar.com).

Materials filed with the SEC or the CSRA may also be obtained without charge at Alcoa's website, [www.alcoa.com](http://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 CSRA 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.

The Aluminum Value Chain  
Unlocking  
Unlocking  
Aluminum's value and  
Aluminum's value and  
building a sustainable  
building a sustainable

future  
future

Alcoa at a glance  
Alcoa on the leading  
edge  
Megatrends that  
drive our business  
Unlocking  
aluminum's value

Industry landscape  
Agenda

7  
CRU s  
12  
th  
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2007  
Alcoa at a glance

Leading aluminum products company

Primary aluminum and alumina

Flat-rolled aluminum and hard-alloy extrusions

Active in all major segments of the industry:

Technology

Smelting

Mining

Fabricating

Refining

Recycling

Products serving the aerospace, automotive, commercial transportation, packaging, building and construction, and industrial markets.



8  
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12  
th  
World Aluminium  
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Financial performance -

2006

9%

20%

27%

14%

18%

11%

Engineered

Solutions

Alumina

Primary Metals

Flat Rolled

Extruded & End

Packaging &

Consumer

2006 3

rd

Party Revenue by Segment

2006 ATOI by Segment

30%

50%

7%

2%

9%

3%

Engineered

Solutions

Alumina

Flat Rolled

Primary Metals

Packaging &

Consumer

Extruded & End

\$30.4 Billion -

highest revenue and income in

Alcoa history



9  
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12  
th  
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2007  
44 Countries  
123,000 Employees  
2006 Sales  
by Geography  
Pacific  
ROW  
57%  
13%  
Europe  
24%  
6%  
U.S.  
Global organization

10  
CRU s  
12  
th  
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2007  
Alcoa Primary Operations

Refinery  
Smelter  
Stand-alone bauxite mine  
Refinery  
Smelter  
Stand-alone bauxite mine  
North America:  
Smelting 2.8M tonnes  
Refining 2.3M tonnes  
Latin America:  
Smelting 0.3M tonnes  
Refining 2.6M tonnes  
Europe:  
Smelting 0.6M tonnes  
Refining 1.3M tonnes  
Australia:  
Smelting 0.4M tonnes  
Refining 7.8M tonnes  
Refinery  
Smelter  
Stand-alone bauxite mine  
Refinery  
Smelter  
Stand-alone bauxite mine  
North America:  
Smelting 2.8M tonnes  
Refining 2.3M tonnes  
Latin America:  
Smelting 0.3M tonnes  
Refining 2.6M tonnes  
Europe:  
Smelting 0.6M tonnes  
Refining 1.3M tonnes  
Australia:  
Smelting 0.4M tonnes  
Refining 7.8M tonnes  
Iceland  
Smelting 0.3M tonnes  
Key Facts (2006)

25 Smelters on 5  
continents

9 refineries on 4  
continents

3.6 mmt  
Aluminum  
Production --  
11% of

world output

15.1 mmt  
Alumina  
production  
23% of  
world output

\$8.9 billion in 3  
rd  
Party  
Revenue

\$15 billion total Revenue  
incl intercompany sales  
to down-streams

11  
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12  
th  
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2007  
A values-driven company



Integrity

Environment, Health and Safety

Customer

Excellence

People

Profitability

Accountability

Living the  
Living the  
Values  
Values

13  
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12  
th  
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2007  
Committed to sustainability

2020  
Strategic  
framework

14  
CRU s  
12  
th  
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2007  
Sustainability goals

From base year 2000:

60% reduction sulfur dioxide by 2010

50% reduction volatile organic compounds by 2008

30% reduction nitrogen oxides by 2007

80% reduction mercury emissions by 2008

50% reduction landfill waste by 2007

Reduce energy intensity 10% by 2010

60% reduction in process water use and discharge by 2009

From base year 1990:

25% reduction in greenhouse gas emissions by 2010.

15  
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12  
th  
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2007  
Land stewardship

Reclamation

Conservation/biodiversity

Management

Alcoa-sponsored  
environmental parks,

Brazil

Award-winning forest  
restoration, Australia

Great Smoky Mountains  
conservation agreement,

USA



16  
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12  
th  
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Safety leader

0.00  
0.50  
1.00  
1.50  
2.00  
2.50  
3.00  
3.50  
1995  
1996  
1997  
1998  
1999  
2000  
2001  
2002  
2003  
2004  
2005  
2006  
U.S Industry Average  
Alcoa

Alcoa facilities worldwide are 20 times safer than U.S average

More than 82% of Alcoa facilities had zero lost workdays in 2006  
Lost workdays

17  
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12  
th  
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2007  
Community support

Commitment  
to  
Communities  
-  
2006

Alcoa and Alcoa Foundation  
investments totaled \$42.3 million

More than 500,000 volunteer work  
hours, equivalent of 55 years of  
work

Launched \$8.6 million Conservation  
and Sustainability Fellowship  
research program  
Employee volunteers in Australia

18  
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12  
th  
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2007  
United States Climate Action

Partnership

Alcoa a founding member

10 US Corporations and 4 NGOs

Slow, stop and reverse climate change

A call for action to the US Government

Founding principles

Account for the global dimensions of climate change

Recognize the importance of technology

Be environmentally effective

Create economic opportunity and advantage

Be fair to sectors disproportionately impacted

Recognize and encourage early action

I am convinced that we can build a global plan of action on climate change in ways that create more economic opportunities than risks.

Alain Belda

NGO Members

Environmental Defense

Natural Resources Defense  
Council

Pew Center on Global  
Climate Change

World Resources Institute  
Industry Members

Alcoa

BP America

Caterpillar

Duke Energy

DuPont

General Electric

PG&E

PNM Resources

19  
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12  
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Recognition



Member Dow Jones Sustainability Indexes

Most Sustainable Corporation / World  
Economic Forum in Davos

Top Green Company by BusinessWeek  
magazine and the Climate Group for GHG  
reductions

\$8.6 million Conservation & Sustainability  
Research Fellows Program

Named by CERES as a leader in climate  
change and governance

UNEP Global 500 Role of Honour

World Environment Center Gold Medal

Creating value:  
Creating value:  
Alcoa at the leading  
Alcoa at the leading  
edge of sustainable  
edge of sustainable  
production

production

21  
CRU s  
12  
th  
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Sustainable aluminum production

Recycled content

Sustainable energy sources

Energy conservation

GHG control achievements

Smelting Technology

Anode effect management

Breakthrough smelting  
technologies

GHG Neutral by 2020

22  
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12  
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2007  
Leader in recycled content

Scrap recycling center, Hungary  
30% growth in recycled content --  
2004-2006

0  
200  
400  
600  
800  
1000  
2004  
2005  
2006

Currently Alcoa uses nearly 1 million  
mt/year of recycled aluminum  
25%  
of primary production  
mt

23  
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12  
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2007  
Anode effect management



Operational excellence in  
smelting process

Consistent, stable reaction

26% reduction in CO  
2  
emissions 5 years ahead of  
target

75% reduction in PFC  
emissions since 1990

Concurrent energy savings

Best practices shared across  
the Alcoa system

24  
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12  
th  
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2007  
Progress -

greenhouse gas  
reductions

(Direct GHG Emissions from Managed Facilities)

0%

5%

10%

15%

20%

25%

30%

Alcoa primary aluminum  
production nearly doubled from

1.9 mmt/y

to 3.6 mmt/y

during

this period.

25  
CRU s  
12  
th  
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2007  
Leader in sustainable energy

More than a century of hydropower  
expertise

new technology improving yield of  
existing projects  
LIHI certification

Cogeneration at Wagerup  
and Pinjarra

Biofuels  
for plant equipment

Green Power  
renewable energy  
contracts

Geothermal

Under consideration for proposed  
second smelter in Iceland  
Calderwood  
dam, Tennessee  
Pinjarra  
cogeneration plant

26  
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12  
th  
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Cogeneration in Australia

Pinjarra  
and Wagerup  
refineries, Western Australia

First of four 140 MW plants completed in 06 at Pinjarra

Potential 1.6 million tons/year GHG savings for both  
plants

240 tonnes/hour of steam for refineries, electricity for  
municipal grid

Energy efficiency is 75% compared to 30-35% for  
coal-fired generation; 50% for gas turbine

Electricity greenhouse gas saved: 450,000 tons/year

Steam greenhouse gas saved: 135,000 tons/year

Alcoa is Australia's largest cogeneration customer

27  
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12  
th  
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Energy conservation



US DOE energy reduction program

Nitrogen oxide emissions reduced by 770 mtpy

Sulphur

Dioxide emissions reduced by 1600 mtpy

Carbon Dioxide emission reduced by 420,000 mtpy

Operating costs cut by \$15 million

Best practices shared worldwide

28  
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12  
th  
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Carbon capture

Waste CO

2

from neighboring  
facility used to reduce alkalinity of  
bauxite residue

Captures 70,000 tonnes/year of

CO

2

Potential 300,000 tonnes/year in  
Australia

Researching technology for  
extracting CO

2

from Alcoa's flue  
gases

Carbon capture plant, Kwinana, Western Australia

29  
CRU s  
12  
th  
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2007  
Breakthrough smelting

technologies  
Post-Carbon technology

Possible next-generation  
process

Replaces most CO  
2  
emissions  
with O  
2  
emissions

Reduces operating costs

Eliminates all sulfur and carbon  
emissions from anodes  
Carbothermic  
process

Electrolysis-free process

Significant reduction in energy  
Alcoa Technical Center

30  
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12  
th  
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Sustainable growth in Iceland

Alcoa Fjardaal

344,000 mtpy  
capacity

First metal April 2007

Compliant with  
Iceland's stringent  
environmental  
requirements  
North Iceland

Possible second  
smelter site in Bakki

Phase 2 feasibility  
study

Geothermal power  
under consideration  
First shipment of alumina, Alcoa Fjardaal, Iceland  
28 March 2007

31  
CRU s  
12  
th  
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2007  
Fjarmaal



on line  
April 07  
Bath transfer

32  
CRU s  
12  
th  
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2007  
0

1  
2  
3  
4  
5  
6  
7

Iceland: a leader in  
sustainable power

Hydro

Geothermal

Estimated per capita CO

2

emissions from electricity  
production in selected countries

Source: Orkuveita Reykjavíkur

Megatrends  
Megatrends  
that drive our  
that drive our  
business  
business

Global urbanization

Climate change



34  
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12  
th  
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Rapid growth of cities presents significant opportunities for physical infrastructure utilizing products that we currently make

New opportunities in areas like rail cars, lightweight bridge decks, non corrosive signage, portable power sources, integrated B&C solutions

1  
2  
3  
4

Lightweight a key enabler of rapid migration  
fast ferries, transport  
planes, containers, payload increases of trucks

Lead the development of technologies and solutions for  
security products (e.g. lightweight armor, blast proof containers)

Flexible solar energy panels using aluminum substrates as integrated  
building and construction products

Enhance grid efficiencies by supplying co-extruded, high conductivity  
Al-Cu wire

Promote the use of aluminum in multi-fuel vehicles

Increased aluminum content in thermal management solutions driven by miniaturization

Demographics

Globalization

Natural Resources

& Environment

Science and

Technology Advances

Global Megatrends present opportunities for Alcoa



35  
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12  
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Building for the future

Aluminum consumption

World Aluminum Consumption (MT)

2005: 32M

2020E: 60.6M

+0.4

+1.1

+0.9

+0.5

+7.1

+0.5

Latin America

+4.1

Western Europe

+2.4

E. Europe, CIS & Other

+4.4

North America

+17.2

Asia

Source: CRU; McKinsey & Co

1998: 22M

7.2

6.7

1.7

5.6

0.8

14.3

7.2

2.6

6.7

1.2

31.5

11.6

5.0

10.8

1.7

36  
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12  
th  
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2007  
Climate change

A Megatrend  
and a global issue

The global dialog has moved  
from debate to action

Global consumption growth is  
raising the stakes

Aluminum has tremendous  
value in addressing the  
challenge

Aluminum is part of the  
solution to climate change

37  
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12  
th  
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Climate change: beyond debate

10 years ago, UN's Kyoto Protocol moved the issue to the global stage. It's currently endorsed by 169 governments

In the US, industries and NGOs are working together to provide proactive and effective voluntary strategies

US Climate Action Partnership

Alcoa founding member

Global Roundtable on Climate Change

Columbia University

EU's new 2020 Energy Policy will reduce CO2 emissions by 20% by 2020

Last year's ASEM 6 Summit pledged Asian/European collaboration on addressing climate change

In Australia, Kyoto and climate change are a key factor in the upcoming election  
Alcoa began addressing climate change in the late 90s

Aluminum: part  
Aluminum: part  
of solution to  
of solution to  
climate change  
climate change

Recyclability

Lasting value

Automotive lightweighting

Aerospace growth

Greenhouse gas neutral



39  
CRU s  
12  
th  
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Part of the solution: Recycling

One of the most recyclable, reusable materials on earth

Less than 1% melt loss

Saves 95% of mine-to-ingot energy of primary production

Saves 95% of mine-to-ingot GHG emissions

40  
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12  
th  
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Part of the solution: Lasting value

73% of all aluminum  
ever  
produced is still in use today

Since 1888, about 800  
million tonnes of aluminium  
have been produced.

About 580 million tonnes of  
this amount is still in  
productive use.

Recycling the metal  
currently stored in use  
would equal 15 years  
primary aluminium output.

580

800

Global Metal Pool (Inventory) (tonnes)

Total Metal Produced (tonnes)

Source: IAI

41  
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12  
th  
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Part of the solution:

Aluminum lifecycle

Source: IAI

Total Products

Stored in Use

Since 1888

586.0

Finished

Products

40.4

Oxidized in

Applications

0.8

Fabricated and

Finished

Products

67.4

Traded

New

Scrap

8.6

Traded

New

Scrap

1.4

Ingots 68.8

Metal Losses 1.4

Not Recycled in 2006 3.5

Under Investigation 3.7

Old

Scrap

7.8

Primary

Aluminium used

34.0

Remelted / Recycled

34.8

Net Addition 2006

24.4

Fabricator

Scrap

18.4

Internal

Values in million of metric tons

42  
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12  
th  
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Part of the solution:

Automotive lightweighting

Aluminum is the most sustainable automotive material in the world

Aluminum is infinitely recyclable.

95% of the aluminum from a scrapped vehicle is recycled at the end of the vehicle's useful life

The amount of aluminum used in automobiles has doubled over the last decade

Audi spaceframe

Source: IAI



43  
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12  
th  
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Part of the solution:

Automotive lightweighting

Aluminum use in transportation  
saves 250 million tons of CO

2  
emissions per year

Using aluminum to replace  
steel saves 22.9 kg of CO

2  
per  
kg of aluminum

Aluminum adds performance,  
safety and style without adding  
weight

Body and chassis  
for GM/Chevrolet  
Sequel hydrogen-  
powered vehicle

44  
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12  
th  
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Part of the solution: Aerospace

The world fleet  
will more than  
double in the  
next two  
decades

Alcoa is the  
leading supplier  
and innovator in  
aerospace

45  
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Part of the solution:

Growth in all areas

Next-generation aircraft will have significant high-value aluminum content

A380: 1000 tonnes of plate

Boeing 787: composite design uses advanced, high-value aluminum alloys

Current generation will continue to use aluminum through 2015

737, 777, A320, A330, A340

Growth in new aircraft categories (VLJ/Very Light Jets) will be strong

Boeing 747-8

Eclipse 500 4-passenger jet

Airbus A380

46  
CRU s  
12  
th  
World Aluminium  
Conference --  
2007  
Part of the solution:

Aerospace value drivers

Historic durability, inspectability

Alloy and product form flexibility

Aluminum's weight/strength ratio  
creates new opportunities for  
sustainability:

Reducing engine noise

Reducing emissions

Reducing fuel consumption

GE

NX

engine

-

787

Forged bulkhead

Joint

Strike Fighter

Fuselage

Airbus A380



47  
CRU s  
12  
th  
World Aluminium  
Conference --  
2007  
Part of the solution:

Adding value to everything that moves

Aluminum lightweighting saves energy and emissions in automotive, truck, rail, aerospace and other applications

Emissions saved by aluminum lightweighting can offset the climate impact of aluminum manufacturing

Aluminum can be a greenhouse-neutral material in the foreseeable future

48  
CRU s  
12  
th  
World Aluminium  
Conference --  
2007  
Part of the solution:

GHG neutral by 2020

Growing aluminum  
lightweighting in road  
and rail vehicles

Production and  
energy improvements

Recycling

Aluminum's value in  
reducing greenhouse  
gases can offset  
emissions from  
production

Alcoa and Alcan:  
Alcoa and Alcan:  
Response to an  
Response to an  
evolving industry  
evolving industry  
landscape

landscape

Creating an industry  
leader

Evolving competitive  
landscape and the need  
for scale

Combined strengths

50  
CRU s  
12  
th  
World Aluminium  
Conference --  
2007  
Creating an industry leader

Bauxite & Refining

Access to  
World-Class  
Reserves

2  
nd  
Quartile  
on Cost  
Curve

Capacity:  
21.5 MMT  
Energy

Self  
Generation:  
34%

Long Term  
Contracts:  
54%

Smelting  
Global Rank:  
#1

2  
nd  
Quartile  
on Cost  
Curve

Capacity:  
7.8 MMT  
End Markets

Renewable  
Hydro:  
54%

Building &  
Construction  
Packaging  
Commercial  
Transportation

Automotive  
Aerospace  
Global Rank:

#1



51  
CRU s  
12  
th  
World Aluminium  
Conference --  
2007  
Evolving competitive landscape

Access to quality  
bauxite and  
alumina

Aluminum consumption  
projected to double over 15  
years

Emerging global competitors  
in Russia, China, India and the  
Middle East

Scale required to maintain  
competitiveness

Evolving end markets  
demanding product innovation

Industry Fundamentals

Access to long-term,  
low cost energy

Innovation through  
world-class

technology and

R&D

Proven commitment  
to sustainability

Keys to Success

Alcoa / Alcan well positioned to compete with large global peers  
and

deliver profitable growth

52

Industry landscape demands

large scale

Source: Factset and public filings. Market data as of May 4, 2007.

Note:

Alcoa

/

Alcan

represents

the  
combined  
enterprise  
value  
pro  
forma  
for  
shares  
and  
new  
debt  
issued  
for  
transaction.

(1) United Company Rusal. Enterprise value estimate per Wall Street research.

\$155  
\$121  
\$93  
\$91  
\$66  
\$55  
\$41  
\$41  
\$41  
\$38  
\$30  
\$29  
\$28  
\$27  
\$25  
\$74  
\$0  
\$20  
\$40  
\$60  
\$80  
\$100  
\$120  
\$140  
\$160  
\$180

Top 15 Metals & Mining Companies

Combination creates

the  
5  
th  
largest  
metals  
& mining company in the world

53  
South America  
6.5%  
CIS/E. Europe  
5.1%  
BHP Billiton  
5.6%  
India  
3.2%  
Alcan

8.3%

Alcoa

19.8%

Transforming alumina

landscape

Alcoa

23.2%

Reynolds

5.7%

Pechiney

3.5%

India

2.8%

E. Europe

3.9%

South America

5.8%

Alcan

9.8%

Alusuisse

2.3%

Billiton

3.4%

Inespal

2.1%

1998

2006

Total Market: 53 MMT

Total Market: 79 MMT

Source: CRU

Note: Percentages may not add to 100%

Significant Growth in the East

Alumina Capacity

Rusal

13.2%

Chalco

12.1%

Other China

9.8%

Hydro

2%

RTZ Comalco

4%

Other W. World

10%

China

6.8%

CIS

10.8%

Hydro

1%  
VAW  
1%  
Comalco  
3%  
Other W. World  
15%

54  
Alcan  
9.4%  
Alcoa  
10.9%  
Middle East  
4.2%  
BHP Billiton  
3.5%  
India



2.1%  
CIS/E. Europe  
2.8%  
South America  
3.9%  
Transforming aluminum  
landscape  
Rusal  
10.3%  
Chalco  
9.2%  
Other China  
21.0%  
Alcoa  
8.9%  
Pechiney  
3.3%  
Reynolds  
4.5%  
E. Europe  
1.9%  
Middle East  
3.6%  
Alcan  
6.7%  
Alusuisse  
1.1%  
Billiton  
4.2%  
Inespal  
1.4%  
Alumax  
2.8%  
1998  
2006  
Significant Growth in the East  
Aluminum Capacity  
Total Market: 25 MMT  
Total Market: 39 MMT  
Source: CRU  
Note: Percentages may not add to 100%  
Hydro  
3%  
VAW  
2%  
Comalco  
3%  
Other W. World  
29%  
Hydro

4%  
RTZ Comalco  
2%  
Other W. World  
16%  
China  
10.4%  
CIS  
14.9%

55  
CRU s  
12  
th  
World Aluminium  
Conference --  
2007  
Access to quality bauxite &

alumina

Alcoa

Alcan

Shared

Alcoa

Alcan

Shared

Total Potential

Bauxite

Alumina

12 mines and 13 refineries on 6 continents

Note: Includes ownership in JVs

56  
CRU s  
12  
th  
World Aluminium  
Conference --  
2007  
World class bauxite and

alumina franchise

9,564

2,269

2,930

4,448

5,907

10,443

15,617

21,524

6,926

16,490

0

5,000

10,000

15,000

20,000

25,000

Alumina Refinery Cash Costs (\$/MT)

0

50

100

150

200

250

300

350

400

450

0

10,000

20,000

30,000

40,000

50,000

60,000

70,000

Worldwide

Production

-

000

MT

2006 Cost Curve

Alcan Average

Alcoa Average

66

th

Percentile

38

th

Percentile

Bauxite & Alumina

2006 (\$Millions)

2006 Refining Capacity (kMT)

Chalco

Other China

Source: CRU full operating cost, Alcoa analysis; Company filings

Global supplier with premier facilities

Low cost production base -

majority of

production in bottom half of cost curve

Best in class operational expertise and

technology

Investing in high return growth projects

Combined

Total Revenue

4,929

3,845

8,774

EBITDA

1,670

609

2,279

57  
CRU s  
12  
th  
World Aluminium  
Conference --  
2007  
Attractive smelter portfolio



Alcoa

Alcan

Shared

46 smelters on 6 continents

Note: Includes ownership in JVs

58  
CRU s  
12  
th  
World Aluminium  
Conference --  
2007  
Attractive smelter portfolio

7,788  
855  
1,364  
1,683  
3,418  
3,985  
4,370  
3,534  
853  
771  
8,096  
11,630  
0  
2,000  
4,000  
6,000  
8,000  
10,000  
12,000  
14,000  
Primary Metals  
Aluminum Smelter Cash Costs (\$/MT)  
1,000  
1,200  
1,400  
1,600  
1,800  
2,000  
2,200  
2,400  
2,600  
2,800  
3,000  
0  
5,000  
10,000  
15,000  
20,000  
25,000  
30,000  
Worldwide  
Production  
-  
000  
MT  
2006 Cost Curve  
Alcan Average  
Alcoa Average  
34  
th

Percentile

51

st

Percentile

2006 Smelting Capacity (kMT)

Chalco

Other China

2006 (\$Millions)

Global supplier with premier facilities

Low cost production base

Best in class operational expertise and  
technology

88% of power requirement self-generated  
or under long-term contracts

Investing in high return growth projects

Source: CRU full operating cost, Alcoa analysis; Company filings

Combined

Total Revenue

12,379

11,147

23,526

EBITDA

2,881

2,962

5,843

Alcoa **aspires to be**  
the best company in  
the world.