

ALCAN INC  
Form 425  
June 11, 2007

JP Morgan Basics and Industrials Conference  
Alcoa  
The Momentum Continues  
Alain Belda, Chairman and CEO  
11 June 2007  
Filed by Alcoa Inc.  
Pursuant to Rule 425  
Under the Securities Act of 1933  
Registration Statement:

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Subject Company: Alcan Inc.

Commission File No.:

001-03677

2  
World  
Aluminum  
Consumption  
(MT)  
Outlook for Aluminum is Strong  
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

3

Rapid growth of cities presents significant opportunities for physical infrastructure utilizing products that we currently make  
New opportunities in areas like passenger rail, bus, natural disaster survivability products (e.g. hurricane resistant panels), modular housing, integrated building and construction solutions  
Global Mega Trends Support Growth

1  
2  
3  
4

Increasing trade. Lightweight a key enabler of rapid migration  
payload increases of trucks, transport planes, containers  
Lead the development of lighter, faster, and stronger multi-  
product offerings to combat the increasing potential for conflicts  
and terrorism (e.g. tactical / combat vehicles, fighter aircraft)  
Products for ultra-deep oil and gas exploration  
Green Building products and solutions to conserve resource  
usage (e.g. energy, water, construction materials)  
Solar energy products for buildings and utilities  
Trends towards miniaturization, hybridization and information  
integrated products  
Light and low maintenance hybrid aircraft structures, lightweight  
multi-fuel vehicles, durable and easy to clean nano-coated  
aluminum  
Integrated thermal management for enhanced fuel efficiency  
Demographics  
Globalization  
Natural Resources  
& Environment  
Science and  
Technology Advances

4  
Market Dynamics  
Aerospace  
Automotive  
Oil and Gas  
Aerospace

5

Aluminum Consumption Growth Rates

Source: Alcoa analysis



6

China Production Rising to Meet Demand Growth

Source: IAI and China Nonferrous Industry Association

7

Source: Alcoa analysis  
Supply / Demand Projections

8

Days of Consumption

Source: IAI, Reuters and LME

9  
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 Smelter Cash Cost Curve

Source: CRU full operating cost

75

th

Percentile

\$2,044

10  
Momentum Continues

11  
Momentum Builders  
Record 2006 Financial Performance  
Disciplined Capital Management

Debt restructuring

2007 peak capital spending year

Shareholder return initiatives



12

Momentum Builders

Continued Improvement in Downstream Performance

Consistent quarter over quarter improvement

Proprietary technology and unique equipment

Continued new product development

Significant investments in productive assets

Unique and proprietary products for growing end markets

13

Momentum Builders

Realization of the Growth Projects

Pinjarra refinery expansion

50% aerospace sheet & plate capacity increase

Iceland smelter

Russia and China rolling assets

Sao Luis refinery expansion

Juruti bauxite mine development

14

Momentum Builders

Continued Portfolio Management

Sale of Alcoa Home Exteriors

Creation of a soft alloy extrusions joint venture

November 2006 downstream restructuring

Exploration of disposition of packaging assets

Strategic review of selected automotive businesses

Offer for Alcan

15

A Winning Strategic Combination

Creates the 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



16  
Alcoa  
Alcan  
Shared  
Refinery  
Smelter  
Mine

Juruti  
Suriname  
Brunei  
North Iceland  
Kitimat  
Coega  
Quebec  
Isal  
Ningxia  
Jamalco  
Sohar I  
Sohar II  
Sao Luis  
Wagerup  
Vietnam  
Ghana  
Gove  
Guinea  
Global Growth Opportunities  
Source: Company filings and press releases  
Victoria Ops  
Saudi Arabia  
Trinidad  
Madagascar

17

\$1 billion annual pre-tax synergies

Includes overhead, manufacturing process  
optimization and procurement

Phased in over 3 years

One-time implementation costs  
approximately \$1 billion

\$1 Billion of Defined & Achievable Synergies

Direct materials

Indirect materials

\$200

Procurement

Eliminate redundant overhead costs

Complementary technology

\$400

Overhead Productivity

Comments

Value (\$mm)

Type

Leverage expertise from both companies to create  
more efficient combined company

\$1,000

Total Synergies

Supply chain / logistics efficiencies

Manufacturing overhead optimization

Cross-Deployment of best practices

\$400

Manufacturing Process Optimization

Overhead

Manufacturing

Procurement

40%

40%

20%

18

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

The Global Primary Products business headquartered in

Montreal will be one of the largest companies in Canada

19

The industry has changed significantly with emerging global players in Russia, China, India and the Middle East who are quickly expanding and adding capacity

We have carefully considered the regulatory approvals

We have a well-developed, detailed roadmap to resolve regulatory approvals through targeted divestitures in the appropriate

industry segments

We continue to be engaged in significant and meaningful discussions with the regulatory agencies

On

June

5

th

,

we

filed

the

notification

and

report

forms

required

under

the

Hart-Scott-Rodino

Antitrust

Improvement

Act

of

1976

We are confident that the transaction will be approved

Regulatory Approvals



20

A Winning Strategic Combination

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22  
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.

23

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, general 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 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-use markets for 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.

24

In connection with the offer by Alcoa to purchase all of the issued and outstanding common shares of Alcan (the Offer ), Al 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 AND ANY OTHER APPLICABLE DOCUMENTS AND ANY AMENDMENTS OR SUPPLEMENTS TO ANY SUCH DOCUMENTS

THEY BECOME AVAILABLE, BECAUSE EACH CONTAINS OR WILL CONTAIN IMPORTANT INFORMATION ABOUT ALCOA, ALCAN AND THE OFFER. Materials filed with the 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 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



26

Return on Capital (ROC) is presented based on Bloomberg Methodology which calculates ROC based on trailing four quarters.

Reconciliation of Return on Capital

1Q'07

4Q'06

3Q'06

2Q'06

1Q'06

4Q'05

3Q'05

2Q'05

1Q'05

Bloomberg

Bloomberg

Bloomberg

Bloomberg

Bloomberg

Bloomberg

Bloomberg

Bloomberg

Bloomberg

(In Millions)

Method

Method

Method

Method

Method

Method

Method

Method

Method

Net income

\$2,302

\$2,248

\$2,113

\$1,865

1,581

\$1,233

\$1,270

\$1,271

\$1,215

Minority interests

\$446

\$436

\$418

\$368

304

\$259

\$230

\$239

\$252

Interest expense (after-tax)

\$281

\$291

\$272

\$268

\$274  
 \$261  
 \$263  
 \$234  
 \$206  
 Numerator (sum total)  
 \$3,029  
 \$2,975  
 \$2,803  
 \$2,501  
 \$2,159  
 \$1,753  
 \$1,763  
 \$1,744  
 \$1,673  
 Average Balances  
 Short-term borrowings  
 \$441  
 \$386  
 \$349  
 \$306  
 \$342  
 \$279  
 \$155  
 \$152  
 \$185  
 Short-term debt  
 \$360  
 \$451  
 \$449  
 \$55  
 \$53  
 \$58  
 \$272  
 \$273  
 \$269  
 Commercial paper  
 \$972  
 \$1,192  
 \$1,678  
 \$1,501  
 \$1,652  
 \$771  
 \$581  
 \$553  
 \$815  
 Long-term debt  
 \$5,767  
 \$4,861  
 \$4,915



\$5,333

\$5,243

\$5,309

\$5,746

\$5,920

\$6,023

Preferred stock

\$55

\$55

\$55

\$55

\$55

\$55

\$55

\$55

\$55

Minority interests

\$1,669

\$1,583

\$1,416

\$1,340

\$1,280

\$1,391

\$1,332

\$1,253

\$1,263

Common equity

\$14,621

\$13,947

\$14,120

\$13,834

\$13,611

\$13,282

\$13,045

\$12,761

\$12,766

Denominator (sum total)

\$23,885

\$22,475

\$22,982

\$22,424

\$22,236

\$21,144

\$21,185

\$20,967

\$21,376

Return on Capital

12.7%

13.2%

12.2%

11.2%  
9.7%  
8.3%  
8.3%  
8.3%  
7.8%

27

Return on capital, excluding growth investments is a non-GAAP financial measure. Management believes that this measure is meaningful to investors because it provides greater insight with respect to the underlying operating performance of the company's productive assets. The company has significant growth investments underway in its upstream and downstream businesses, as previously noted, with expected completion dates over the next several years. As these investments generally require a period of time before they are productive, management believes that a return on capital measure excluding these growth investments is more representative of current operating performance.

Reconciliation of Adjusted Return on Capital

1Q'07

4Q'06

3Q'06

2Q'06

1Q'06

4Q'05

3Q'05

2Q'05

1Q'05

Bloomberg

Bloomberg

Bloomberg

Bloomberg

Bloomberg

Bloomberg

Bloomberg

Bloomberg

Bloomberg

(In Millions)

Method

Method

Method

Method

Method

Method

Method

Method

Method

Numerator (sum total)

\$3,029

\$2,975

\$2,803

\$2,501

\$2,159

\$1,753

\$1,763

\$1,744

\$1,673

Russia, Bohai, and Kunshan

net losses

(\$79)

(\$74)

(\$85)

(\$78)

(\$86)

(\$71)

(\$48)

(\$41)

(\$12)

Adjusted numerator

\$3,108

\$3,049

\$2,888

\$2,579

\$2,245

\$1,824

\$1,811

\$1,785

\$1,685

Average Balances

Denominator (sum total)

\$23,885

\$22,475

\$22,982

\$22,424

\$22,236

\$21,144

\$21,185

\$20,967

\$21,376

Capital projects in progress and

Russia, Bohai, and Kunshan

capital base

\$3,945

\$3,655

\$2,540

\$2,330

\$2,139

\$1,913

\$1,776

\$1,478

\$1,403

Adjusted denominator

\$19,940

\$18,820

\$20,442

\$20,094

\$20,097

\$19,231

\$19,409

\$19,489

\$19,973

Return on capital, excluding

growth investments

15.6%

16.2%

14.1%

12.8%

11.2%

9.5%  
9.3%  
9.2%  
8.4%