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
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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.
Commission File No.:
001-03677

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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," "hop "will," "will likely result," "forecast," "outlook," "projects" or other words of similar meaning. Such forward-looking informati the statements as to the impact of the proposed acquisition on revenues, costs and earnings. Such forward looking statements a 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 comm and uncertainties include Alcoa's ability to successfully integrate the operations of Alcan; the outcome of contingencies includi environmental remediation, divestitures of businesses, and anticipated costs of capital investments; general business and econo interest rates; the supply and demand for, deliveries of, and the prices and price volatility of primary aluminum, fabricated alun produced by Alcoa and Alcan; the timing of the receipt of regulatory and governmental approvals necessary to complete the ac any undertakings agreed to in connection with the receipt of such regulatory and governmental approvals; the timing of receipt governmental approvals for Alcoa's and Alcan's development projects and other operations; the availability of financing to refi 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 exchange rates on Alcoa's and Alcan's costs and results, particularly the Canadian dollar, Euro, and Australian dollar, may affe 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.

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Forward-Looking Statements

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

Alcoa is, and the combined company will be, subject to cyclical fluctuations in London Metal Exchange primary aluminum p 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 profit 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 r

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 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 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 jurisdictio 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 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. Reade cautioned not to put undue reliance on forward-looking statements. Alcoa disclaims any intent or obligation to update these for looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable

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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. Materials filed with the Canadian securities regulatory authorities ("CSRA") are available electronically without charge at www.sedar.com.

Materials filed with the SEC or the CSRA 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 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

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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.

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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

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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

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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

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A values-driven company

Integrity

Environment, Health and Safety

Customer

Excellence

People

Profitability

Accountability

Living the
Living the
Values
Values

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2007
Committed to sustainability

2020
Strategic
framework

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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.

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Land stewardship

Reclamation

Conservation/biodiversity

Management
Alcoa-sponsored environmental parks, Brazil
Award-winning forest restoration, Australia
Great Smoky Mountains conservation agreement, USA

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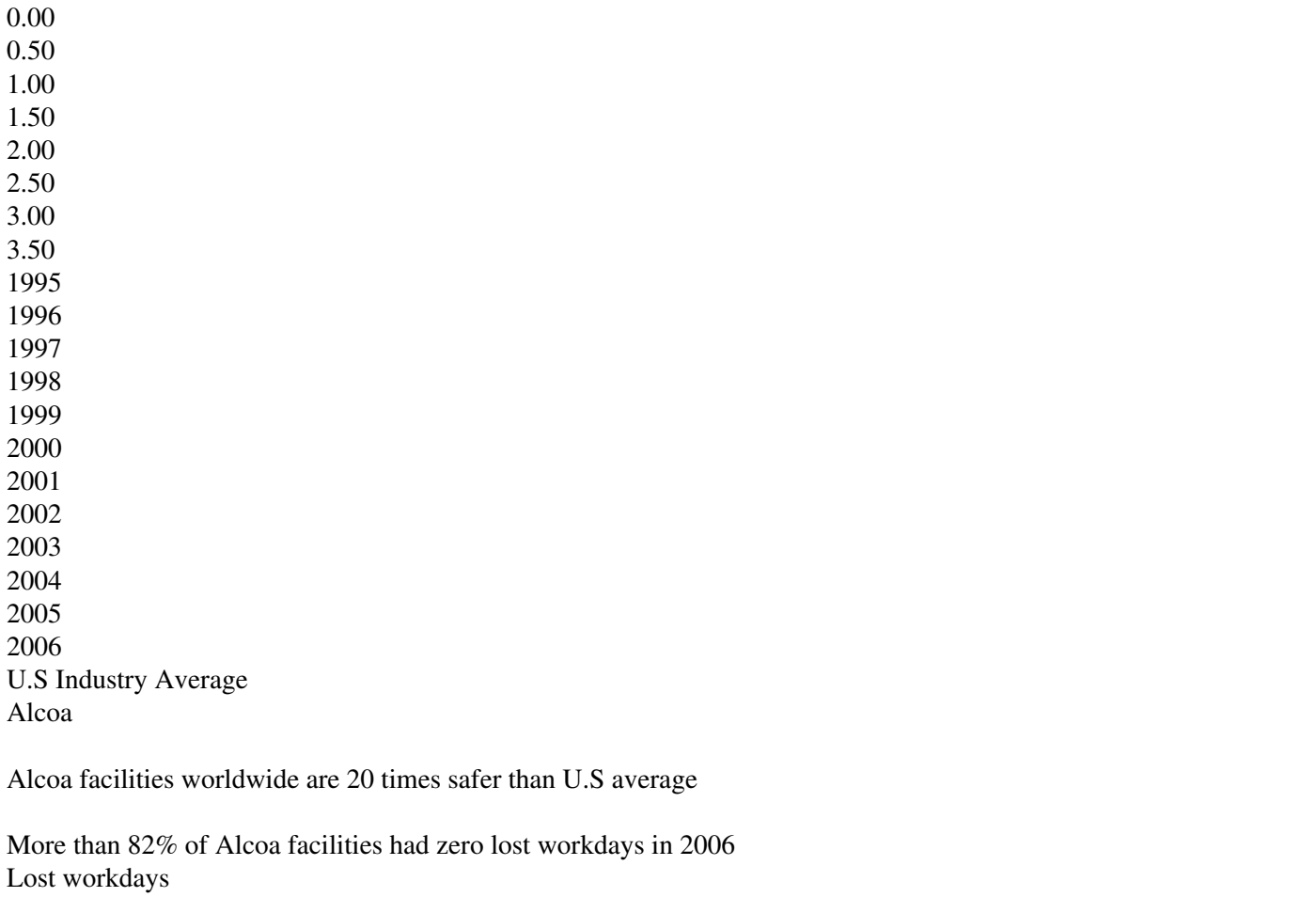
2007
Safety leader



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

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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

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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

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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:
Alcoa at the leading
edge of sustainable
production

Creating value:
Alcoa at the leading
edge of sustainable
production

production

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2007
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
th
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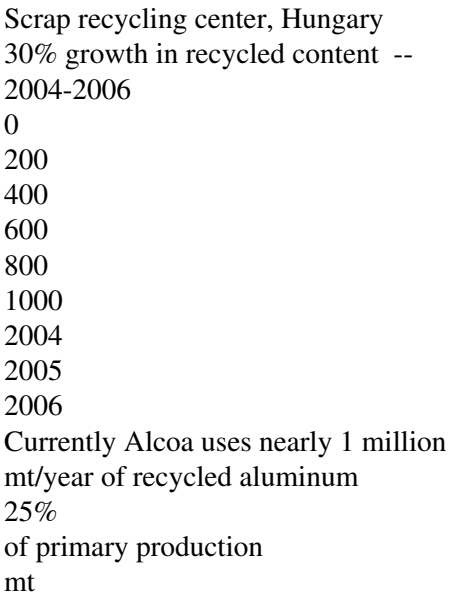
2007
Leader in recycled content


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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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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Conference --
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
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World Aluminium
Conference --
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

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2007
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

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2007
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

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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

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12
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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

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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

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2007
Fjardaal

on line
April 07
Bath transfer

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2007
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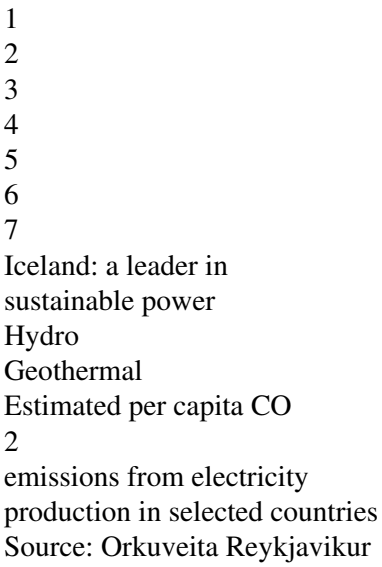
1
2
3
4
5
6
7
Iceland: a leader in
sustainable power
Hydro
Geothermal
Estimated per capita CO
2
emissions from electricity
production in selected countries
Source: Orkuveita Reykjavikur

Megatrends
Megatrends
that drive our
that drive our
business
business

Global urbanization

Climate change

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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

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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

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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

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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 of solution to climate change

Aluminum: part of solution to climate change

Recyclabity

Lasting value

Automotive lightweighting

Aerospace growth

Greenhouse gas neutral

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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

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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

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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

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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

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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

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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

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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

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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

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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

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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:
Response to an
evolving industry
landscape

Alcoa and Alcan:
Response to an
evolving industry
landscape

landscape

Creating an industry leader

Evolving competitive landscape and the need for scale

Combined strengths

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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

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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

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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.