

PECHINEY  
Form 425  
December 12, 2003

# **Alcan + Pechiney**

## **A New World of Opportunity**

**December 2003**

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Alcan has filed with the Securities and Exchange Commission (“SEC”) a registration statement to register the Alcan Common Shares to be issued in the U.S. offer, including related tender/exchange offer materials, and such registration statement has become effective. Investors and Pechiney securityholders are urged to read the registration statement and related tender/exchange offer materials and any other relevant documents filed with the SEC, as well as any amendments or supplements to those documents, because they contain important information. Investors and Pechiney securityholders may obtain a free copy of the registration statement and related tender/exchange offer materials and other relevant documents at the SEC’s Internet web site at [www.sec.gov](http://www.sec.gov), and the transaction-related documents have been mailed to Pechiney securityholders. Additional copies of the transaction-related documents may be obtained at Alcan’s expense by contacting the Information Agent for the offers, D.F. King & Co., Inc, toll-free at 1-800-488-8035 (North America), 0-800-90-2614 (France), 0-800-389-7892 (U.K.) or (44) 20-7920-9700 (collect in Europe).

This communication is for informational purposes only. It shall not constitute an offer to purchase or buy or the solicitation of an offer to sell or exchange any securities of Pechiney, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The solicitation of offers to buy Alcan Common Shares will only be made pursuant to the prospectus, dated October 24, 2003, and related materials. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

#### **FORWARD-LOOKING STATEMENTS**

Certain statements made in this communication are forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Although Alcan’s management believes that the expectations reflected in such forward-looking statements are reasonable, readers are cautioned that these forward-looking statements by their nature involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Many factors could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including those listed under “Cautionary Statement Concerning Forward-Looking Statements “ and “Risk Factors” in the prospectus, dated October 24, 2003, included in the registration statement filed with the SEC. See the previous paragraphs for information about how you can obtain a free copy of the registration statement.

## **IMPORTANT ADDITIONAL INFORMATION**

This presentation includes certain information concerning Pechiney and the combined business of Alcan and Pechiney. This information is subject to risks and uncertainties. We have based this information on publicly available information about Pechiney (primarily filings by Pechiney with the SEC and the French *Commission des opérations de bourse*). However, to date Pechiney has granted Alcan only limited access to non-public information regarding Pechiney and Alcan has no means of compelling such access. In addition, Pechiney's primary financial statements are prepared in accordance with generally accepted accounting principles ("GAAP") in France while Alcan's primary financial statements are prepared in accordance with Canadian GAAP. There are differences between Canadian and French GAAP. The unaudited pro forma information included herein is prepared based on the US GAAP information that Pechiney discloses publicly. Alcan has not been in a position to verify the Pechiney information or the pro forma information about the combined entity included in this presentation. Some of the information about Pechiney in this presentation is based on good faith estimates by Alcan or industry sources that may be materially inaccurate. The pro forma information presented is not necessarily indicative of the operating results or financial condition that would have been achieved had Alcan's offer for Pechiney been completed during the periods or at the times presented, nor is this information necessarily indicative of future results or conditions of Alcan after it has acquired Pechiney. The pro forma information does not reflect the impact of synergies that Alcan expects to realize over time or the costs associated with the integration of operations necessary to achieve such synergies nor does it reflect the impact of significant divestitures that Alcan must make as required by antitrust regulators. Some of the risks associated with the information about Pechiney and the combined Alcan and Pechiney is discussed under "Risk Factors" in the prospectus, dated October 24, 2003, included in the registration statement that we have filed with the SEC in connection with the offer.

Certain terms used in this presentation are defined in the appendix.

# **Alcan + Pechiney**

## **A New World of Opportunity**

- **Strategic Rationale**
- **Pechiney Overview**
- **The Combined Company**
- **Business Group Impacts**
- **Financial Dimensions**
- **Summary**

## **Strategic Rationale**

### **Compelling Strategic Rationale**

#### **Creates Substantial Value for Shareholders**

- Fits strategy & value-maximizing objectives
- Strengthens Alcan as a world-leading aluminum company
- Provides broad technology leadership - core smelting technology
- Enhances aluminum fabrication portfolio, e.g. aerospace
- Creates US\$6 billion packaging leader
- Accretive to EPS, free cash flow, ROCE from year one
- Well timed
- Increases future options

## **Strategic Rationale**

### **US\$250 Million Annual Pre-Tax Cost Synergies**

#### **Synergies are Realistic and Achievable**

**100% percent of synergies  
by year-end 2005**

**Costs**

**Implementation:**

**US\$200million**

**CAPEX: US\$50 million**

**\$50 million of synergies adds  
US\$0.10 to EPS.**

# Strategic Rationale

## Regulatory Review

### Clearance by MTF, DOJ and French Treasury

European Commission	US Department of Justice	French Treasury
<ul style="list-style-type: none"><li>● Divestiture of either<ul style="list-style-type: none"><li>◆ 50% share in the AluNorf<sup>(1)</sup> mill and the Göttingen and Nachterstedt mills</li><li>◆ Neuf-Brisach<sup>(1)</sup>, Rugles and, at purchaser's option, Annecy</li></ul></li><li>● Continue licensing of alumina refining and smelter cell technologies</li><li>● Divestiture of Alcan's anode baking technology business</li><li>● Elimination of the overlap in aluminum aerosol cans and aluminum cartridges</li></ul>	<ul style="list-style-type: none"><li>● Divestiture of Pechiney's aluminum rolling mill located in Ravenswood (West Virginia)</li></ul>	<ul style="list-style-type: none"><li>● Continuity of operations at industrial sites except those which Pechiney has announced would be closed</li><li>● Location in France of:<ul style="list-style-type: none"><li>◆ Global HQ for packaging and aerospace operations</li><li>◆ Global HQ of new cell technology for primary aluminum</li><li>◆ European headquarters for primary aluminum operations</li><li>◆ Global HQ for engineered products</li></ul></li></ul>

Total commitments amount to approximately 5% of pro-forma sales

<sup>(1)</sup> Alcan's Latchford casting operations can also be added to either the AluNorf or Neuf-Brisach packages at the purchaser's option.

# Strategic Rationale

## Integration Underway

### Successful Track Record

Lessons Learned	Milestones
<p>Maintain current operating focus</p> <p>Line leadership of integration process</p> <p>Jointly staffed integration teams</p> <p>Fill and announce key jobs as soon as possible</p> <p>Timeline to achieve full synergy run-rate within 2 years</p>	<p><b>Dec 2003</b></p> <p>Top-level executive team and structure announced</p> <p>Integration leadership team in place</p> <p><b>Jan 2004</b></p> <p>Completion of personnel review</p> <p><b>April 2004</b></p> <p>Completion of synergies review</p> <p><b>June 2004</b></p> <p>Final decisions on key assets</p>



# Strategic Rationale

## Organization

## Leadership Team

# **Pechiney Overview**

## **Pechiney's Key Strengths**

### **An Industry Leader**

## **Pechiney Overview**

### **Aluminum Smelting Technology Sales**

#### **Unrivaled Leadership as #1 Technology Provider**

- **80% market share in the Western World in the past 10 years**
- **New AP50 technology ready for deployment**
- **Main break-through from AP50 is 15% reduction**

**in capital  
invested  
per ton**

- **Presence  
in  
technology  
market and  
profitability  
is further  
enhanced  
by ECL, a  
leading  
provider of  
equipment  
for  
smelters**

# **Pechiney Overview**

## **Aerospace**

**50% market share with Airbus**  
**Long-term Trend Towards More Plate Intensive Aircraft**

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# Pechiney Overview

## Aerospace

**The A380 Will Significantly Impact Airbus' Plate Consumption**  
**56% Market Share Secured To Date On New Model**

### **Airbus plate consumption**

**Reference : base 100 in 2003 in equivalent A320 aircrafts**

**Source: Airlines monitor & Pechiney**

**Weight of plates  
on A320 = 90t**

**Weight of plates  
on A380 = 900t**

# Pechiney Overview

## International Trade

### A Profitable Business That Benefits From Scale

#### Three businesses:

- **Agencies:** International network trading goods for Pechiney as well as for third parties
- **Distribution:** France, Germany / mostly semi-finished aluminum
- **Physical trading:** Alumina, aluminum, copper, etc.

#### Rationale:

- Takes advantage of volumes shipped by business units to enhance traded quantities and to improve margins
- Conservative risk approach and strict monitoring of risk limits
- A long standing track record of high profitability



# Pechiney Overview

## Continuous Improvement

- Took 2 1/2 years to prepare before it was launched in December 2001
- Operational for almost 2 years
- Delivered 228 million euros of cumulative gains at the end of Q3 2003

# **The Combined Company**

## **Global Group □ Balanced Presence**

**88,000 Employees, 322 Operating Facilities  
in 50 Countries Around the World**

Revenues are presented on the basis of the average US\$/Euro exchange rate during 2002

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# **The Combined Company**

## **Diversified Business Mix**

### **Balanced Portfolio 2002 Revenue**

**Alcan: US\$12.3 Bn**

**Pechiney: US\$11.4 Bn (1),(2)**

**Pro Forma: US\$23.7 Bn (1),(2)**

- (1) Including Pechiney trading revenue of US\$4.8 billion
- (2) On the basis of average US\$/€ exchange rate during 2002 of .95

# **The Combined Company**

## **Increased Core Market Presence**

### **Strengthens Current Position**

#### **2002 Revenue By End-Use Market (1) (2)**

**Alcan**

**Pechiney**

**Pro Forma**

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- (1) Excludes Pechiney trading revenues of US\$4.8 billion
- (2) On the basis of average US\$/€ exchange rate during 2002 of .95

Source: Pechiney figures are based on estimates derived from publicly available documents

# Business Group Impact

## Bauxite & Alumina

8 Alumina Refineries on 4 Continents -- 6.0 Mt of Capacity\*

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- **No. 2 in global capacity**
- **Combined position balanced**
- **Further 20% of QAL increases ownership to 41.4%, making Alcan single largest shareholder**

### **Integrate complementary bauxite mines and alumina refineries**

- **Re-evaluate alumina expansion opportunities**
- **Optimize technology of the two companies**

\*Equity share of capacity

# Business Group Impact

## Primary Aluminum

24 Smelters on 5 Continents -- 3.4 Mt of Capacity

Largest share of low-cos

### **1st smelting capacity in the world**

50% in bottom third of global cost curve

Advanced high-amperage smelting technology (AP-30 & AP-50 cell)

Alcan's wholly-owned hydro power

Diversified low-cost primary position

Greater scale and financial strength to leverage AP-50 technology

Increased brownfield and greenfield opportunities

(1) Adjusted to include Alouette for full year Source:

CRU (Industry and Market Outlook, January 2003)





## **Business Group Impact**

### **Rolled Products**

**Largest Low-cost Rolling System  
3.4 Mt of Sheet and Foil Capacity in 12 Countries**

**Positioned to serve growing demand for automotive applications in North America and Europe**

**Capacity and reach to address expanding aluminum fabrication needs in any region**

**Leverage best manufacturing practices**

Product mix optimization/plant reloading opportunities



## **Business Group Impact**

### Engineered Products

\$2.6 Billion in Revenues and 74 Facilities in 17 countries

**Entry into high value-added aerospace market and excellent platform to grow business. No. 1 supplier to Airbus.**

**Hard-alloy extrusions complement Alcan's specialty soft/medium extrusion**

**operations in Europe**

**Full range of product and technical solutions for aerospace and transportation**

**applications**

Synergy opportunities

## **Business Group Impact**

### **Packaging**

**Creates No. 1 Food Flexibles and Pharma Packaging Supplier  
\$6 Billion in Revenues and 190 Facilities in 26 Countries**

- **Improves ability to serve multinational customers through size and scale**
- **Increases presence in Americas and reinforces leadership position in Europe**
- **Leverages technological and geographic diversity**
- **Creates significant synergy opportunities**
- **Increases backward integration into film production**
- **Strong platform for future growth**

## Financial Dimensions

### Summary of Terms

#### 92% of Pechiney Shares Tendered in Initial Offer Period

##### Consideration

##### Per Pechiney share

□ €28.60 in cash, plus €1 bonus if more than 95% of Pechiney capital and voting rights on a fully diluted basis are tendered (including subsequent offering period).

□ .5441 Alcan shares

€83.40 per OCEANE, plus €0.40 bonus.

## Financial Dimensions

## Remaining Transaction Milestones

Alcan Committed to Successful Process

## Financial Dimensions

### Sensitivities

Estimated After-tax Impact on Long-term Profitability

	Change in full year average	Pre-Pechiney		Post-Pechiney	
		Net Inc.	EPS	Net Inc.	EPS
Aluminum	+US\$100/mt	\$120 M	\$0.37	\$190 M	\$0.52
Exchange Rates *					
Canadian dollar	+1 US cent	(\$11) M	\$(0.03)	(\$11) M	\$(0.03)
Euro	+1 US cent	\$4 M	\$0.01	\$0 M	\$0.00
Australian dollar	+1 US cent	(\$2) M	\$0.00	(\$3) M	\$(0.01)

\*Excludes balance sheet translation impact



# Summary

## Invest with Confidence

### Committed to Maximizing Value

- **Modern asset base**
- **CAPEX in line with depreciation**
- **Strong and stable free cash flow**
- **Increased leverage to the LME**
- **Resilient performance in downturns**
- **Solid track record capturing synergies**
- **Greater opportunities to create value**

# Appendix

# Business Group Profiles

## Combined Company

	<b>President and CEO</b>	<b>Head Office Location</b>	<b>Sales Revenue* (billions)</b>	<b>Number of Employees</b>
<b>Bauxite and Alumina</b>	Michael Hanley	Montreal, Canada	US\$ 1.64,8009	9
		<b>Primary Metal</b>	Cynthia Carroll	Montreal, Canada
			US\$ 7.120,00013	13
		<b>Rolled Products Americas and Asia</b>	Martha Finn Brooks	Cleveland, USA
			US\$ 3.55,6005	5
		<b>Rolled Products Europe</b>	Chris Bark-Jones	Zurich, Switzerland
			US\$ 2.46,7007	7
		<b>Engineered Products</b>	Michel Jacques	Paris, France
			US\$ 2.69,70020	20
		<b>Packaging</b>	Christel Bories	Paris, France
			US\$ 5.833,00026	26

## Bauxite & Alumina

8 Alumina Refineries on 5 Continents -- 6.0 Mt of Capacity\*

\*Equity share of plant capacity

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# Primary Aluminum

24 Smelters on 5 Continents -- 3.4 Mt of Capacity\*

\*Equity share of capacity

# Rolled Products Americas & Asia

## 2.0 Mt of Sheet and Foil Capacity in 5 Countries

# Rolled Products Europe

1.4 Mt of Sheet and Foil Capacity in 7 Countries

## Engineered Products

US\$2.6 billion in Revenues  
80 Sites in 20 Countries



## Packaging

**\$6 billion in Revenues**  
**190 Sites in 26 Countries**

## Western World Aluminum Balance

## Primary Metal

	2001	2002	2003 <sup>f</sup>
Production	16,670	17,230	17,730
FSU/China/E. Europe	2,700	2,750	3,150
<b>SUPPLY</b>	19,370	19,980	20,880
% Change	-1.9%	+3.1%	+4.5%
<b>DEMAND</b>	18,920	19,570	20,490
% Change	-6.2%	+3.4%	+4.7%
<b>INVENTORY CHANGE</b>	+450	+410	+390

# Aluminum □ Rolled & Fabricated Products

## 2002 Pro Forma Revenues by End Market

Source: Pechiney figures based on estimates derived from publicly available documents.

## 2002 Financial Highlights Pro-forma

(\$US million)	Alcan	Pechiney <sup>(1)</sup>	Pro Forma <sup>(1), (2)</sup>
Revenues	\$12,327	\$11,404	\$23,731
BGP <sup>(3)</sup> from operating segments	\$2,029	\$783	\$2,832
% Margin	16.4%	6.9%	11.9%
<b>% Margin without trading revenues</b>	<b>16.4%</b>	<b>10.7%</b>	<b>14.4%</b>
Capital Expenditures	\$711	\$455	\$1,183

(1) Includes US\$4.8 billion of trading revenue and US\$72 million of related BGP

(2) Indicative only. Unaudited figures. Accounting principles and policies not harmonized.

Combination represents sum of the two standalone businesses without transaction adjustments

(3) Business Group Profit

## 2003 Nine-Month Highlights Pro-forma

(\$US million)	Alcan	Pechiney <sup>(1)</sup>	Pro Forma <sup>(1), (2)</sup>
Revenues	\$10,105	\$9,081	\$19,186
BGP <sup>(3)</sup> from operating segments	\$1,576	\$675	\$2,251
% Margin	15.6%	7.4%	11.7%
<b>% Margin without trading revenues</b>	<b>15.6%</b>	<b>12.1%</b>	<b>14.4%</b>
Capital Expenditures	\$578	\$375	\$953

(1) Includes US\$3.9 billion of trading revenue and US\$50 million of related BGP

(2) Indicative only. Unaudited figures. Accounting principles and policies not harmonized.  
Combination represents sum of the two standalone businesses without transaction adjustments

(3) Business Group Profit

