



Alcan Investor Workshop

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Forward Looking Statements



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Discussion Topics



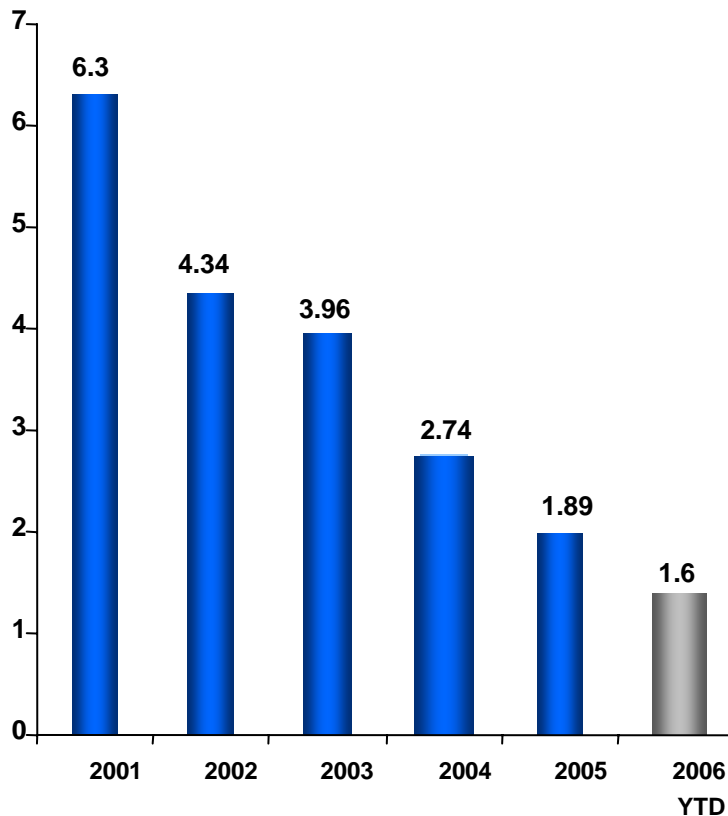
- Group Performance
- Update on Current Portfolio
- Alumina Market / China
- Additional Growth Opportunities
- Summary

EHS Performance

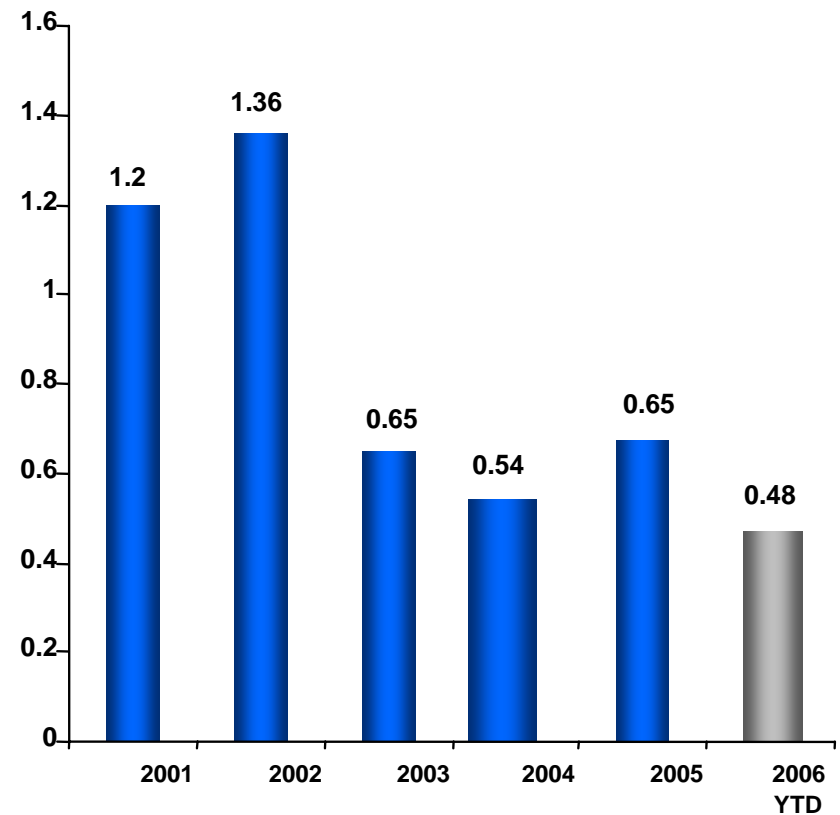


Improving trend on environment, health and safety performance

Recordable Case Rate



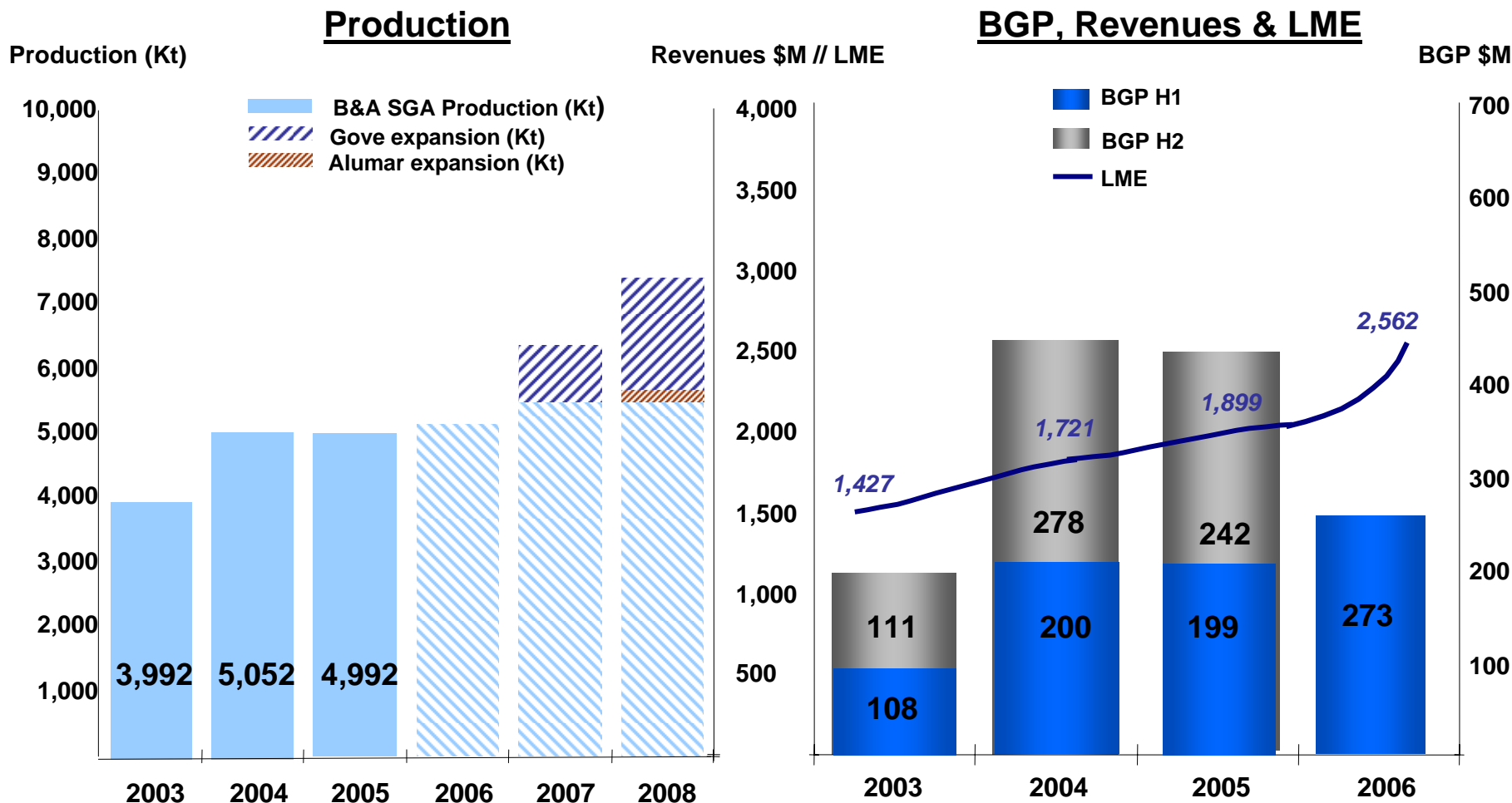
LTII Cases



Alumina Production & Revenues



Strong B&A production growth



Alcan Bauxite and Alumina Balance



	<u>Current</u>	<u>Post-Approved Expansions</u>
Balance of Bauxite Portfolio (Kt)		
Internal Production	16,500	19,900
Internal Demand	<u>13,500</u>	<u>17,300</u>
Internal Balance	3,000	2,600
 Balance of Alumina Portfolio (Kt)		
Internal Production	5,200	7,200
Internal Demand	<u>6,600</u>	<u>7,100</u>
Internal Balance	(1,400)	100

Key Competitive Advantages



■ Low cost position

- with completion of the Gove expansion, the gas to Gove project and the Alummar expansion, B&A will have 50% of its production in lowest cost quartile

■ Technology/engineering capabilities

- best commercially available technology

■ Preferred partner

- sustainability consolidates our “license to operate” and supports access to new resources

Technology and Innovation



Alcan's technology is well-recognized

- Breakthroughs are being realized in process improvement with impact on capital costs, footprint and schedule
- Alcan uses advanced exploration techniques with the contribution of satellite imaging and 3D modelling, providing a new, sophisticated, low-cost exploration approach

Process improvement



- These 8 new grey tanks will replace all 28 old tanks in the centre of the picture while:
 - Increasing production from 2m Mt to 3.8m Mt and
 - Freeing up space for another possible expansion and reducing capital cost

Capex reduction

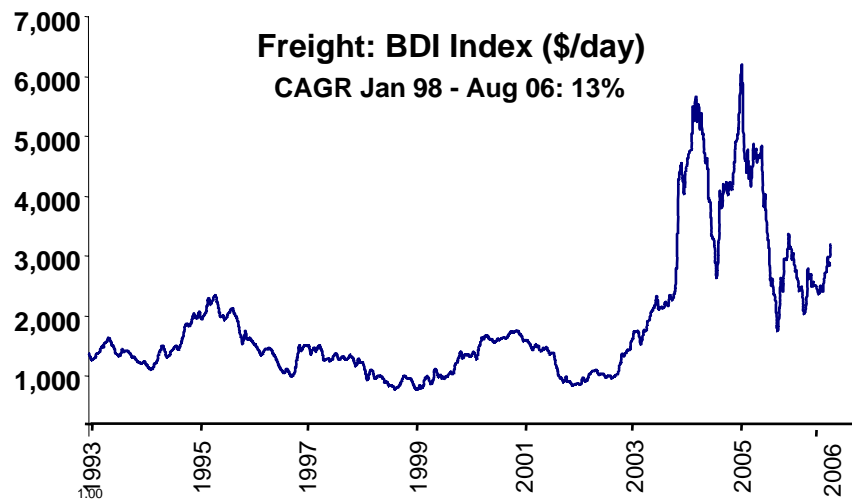
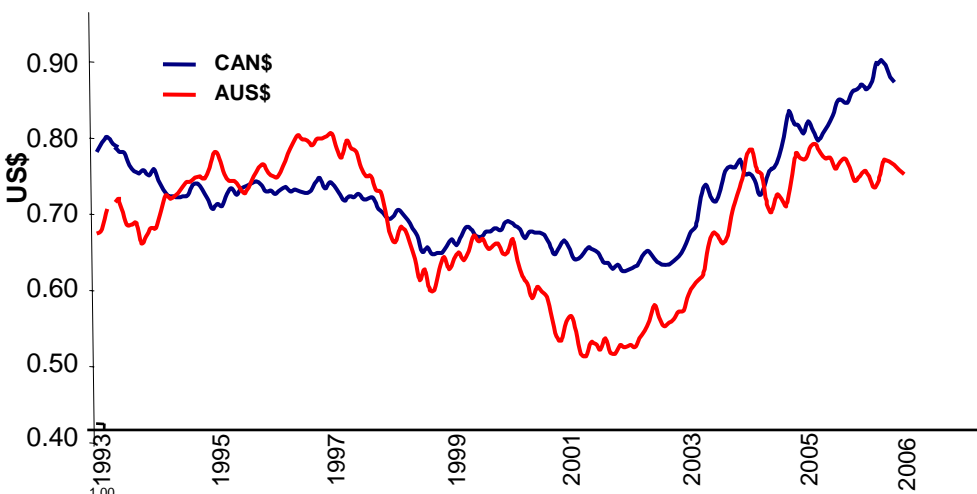
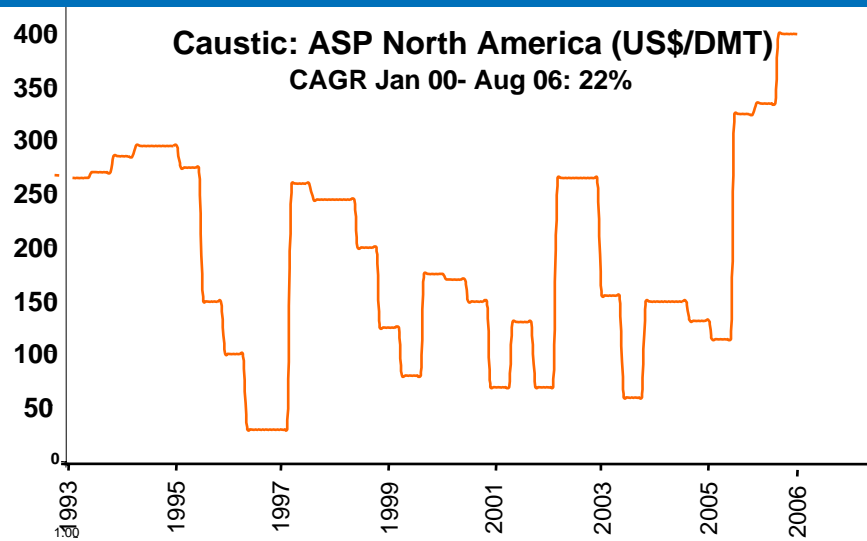
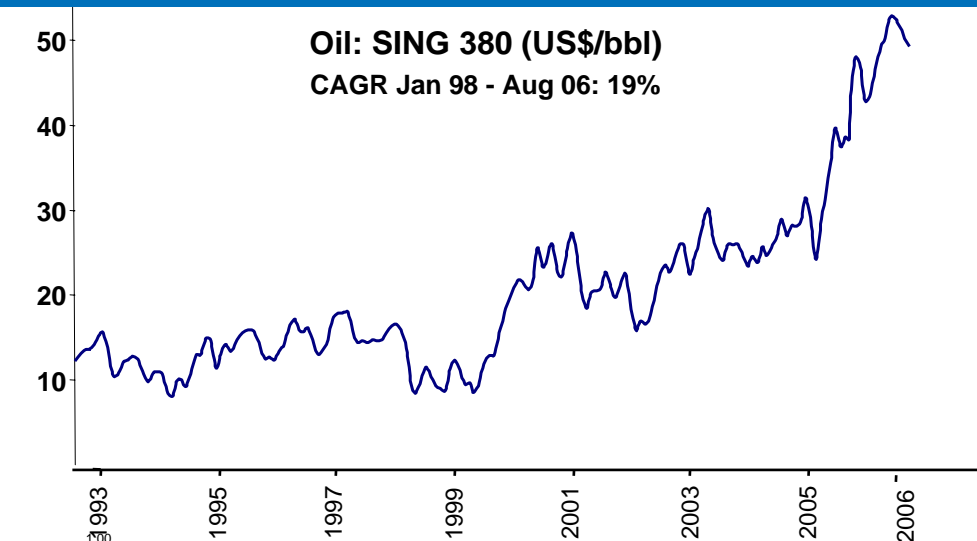
- Low-cost country sourcing of major modules helped reduce schedule and exposure to Australian market conditions



Raw Material Price & Currency Volatility



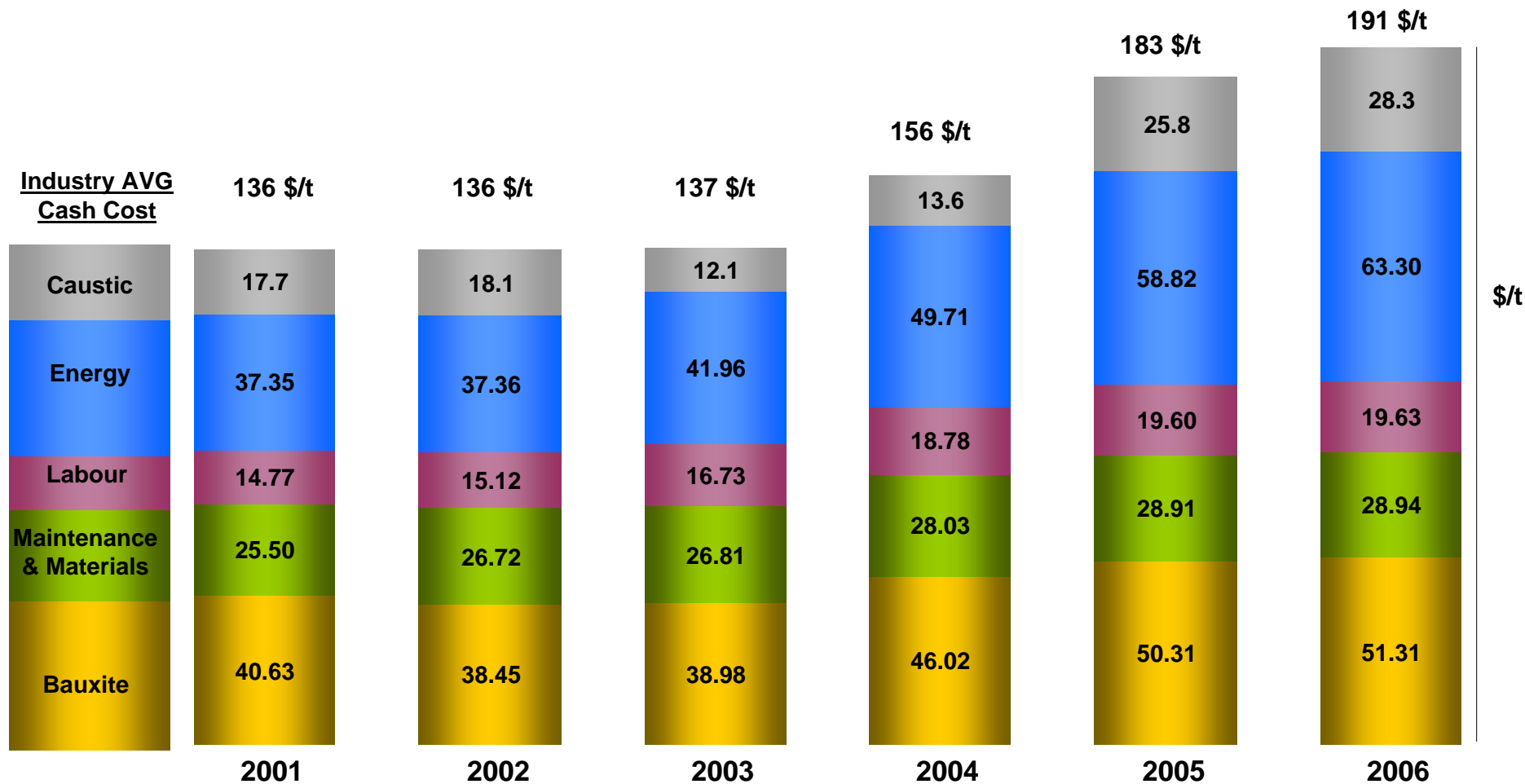
The alumina industry has been affected by unprecedented price increases...



Alumina Industry Block Cost 2001-2006



... impacting substantially the industry cost curve



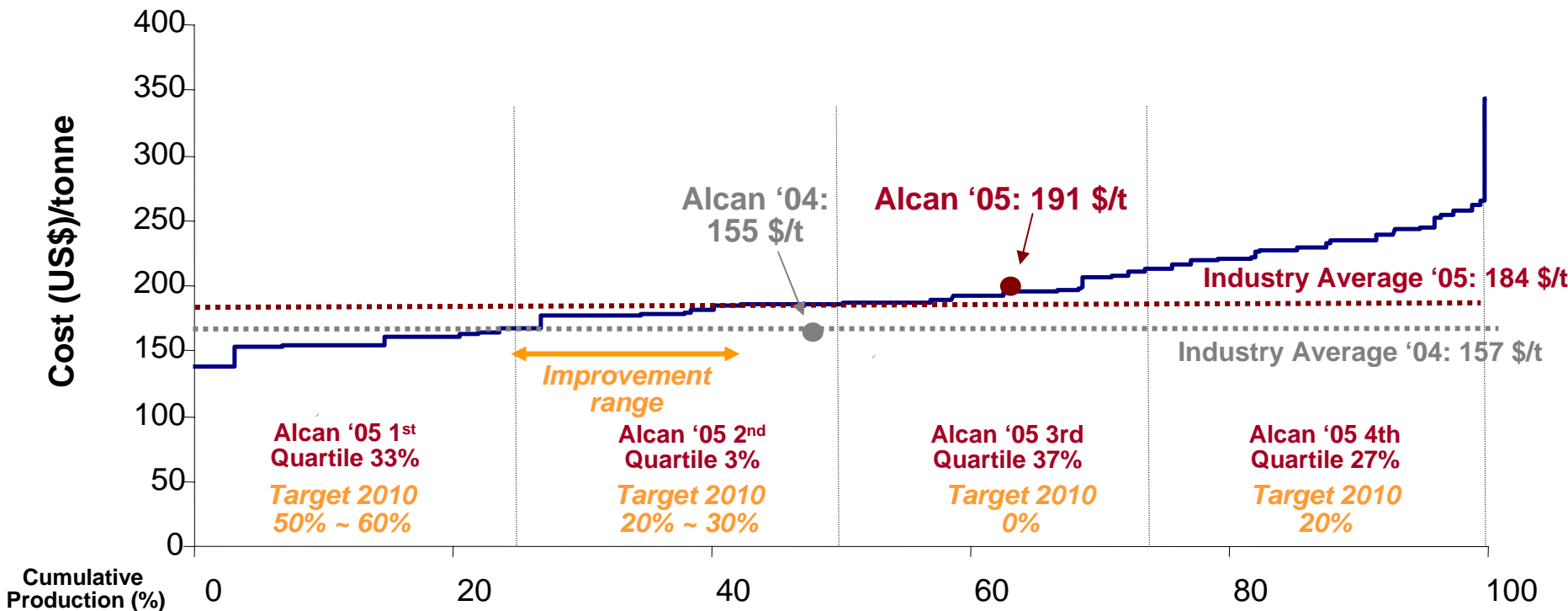
Source: CRU

Evolution of Competitive Position 2005 -2010



Target 50% of production in 1st quartile by 2009

World Ranking Site Operating Costs, 2005



Source: CRU & Alcan Internal.

Gove Expansion



Project on schedule despite challenging industrial environment in Australia

- Excellent EHS performance
- Some 25-30% of the capital cost enhances current operating efficiency and environmental performance
- Assembly of modules in low-cost countries allowed for:
 - Rapid construction schedule (27 months)
 - Partial mitigation of exposure to high-cost environment in Australia
- Unplanned hours for brownfield work became obvious in July-August as we started commissioning of some systems
- Expansion reduces cash cost by 30\$/t
- Gas conversion is also exposed to tight construction environment in Australia and we are assessing other options while maintaining support for PNG

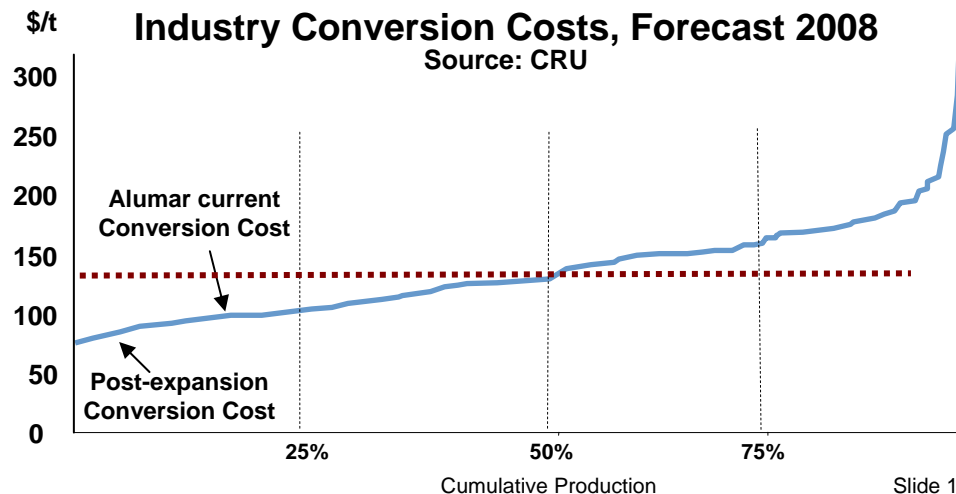


Gove Expansion



Construction underway with excellent EHS performance

- Expansion of 2.1 Mt from existing capacity of 1.4 Mt.
- Alcan owns 10% with Alcoa and BHP holding the remaining 90%
- Construction underway (20% in overall progress) with outstanding EHS performance
- First production in Q3-2008 (expected 33-month construction)



Cost Optimization



■ Gardanne

- Continue concentration on value-added products
- Closure of UPCA and migration of products to Gardanne

■ Vaudreuil

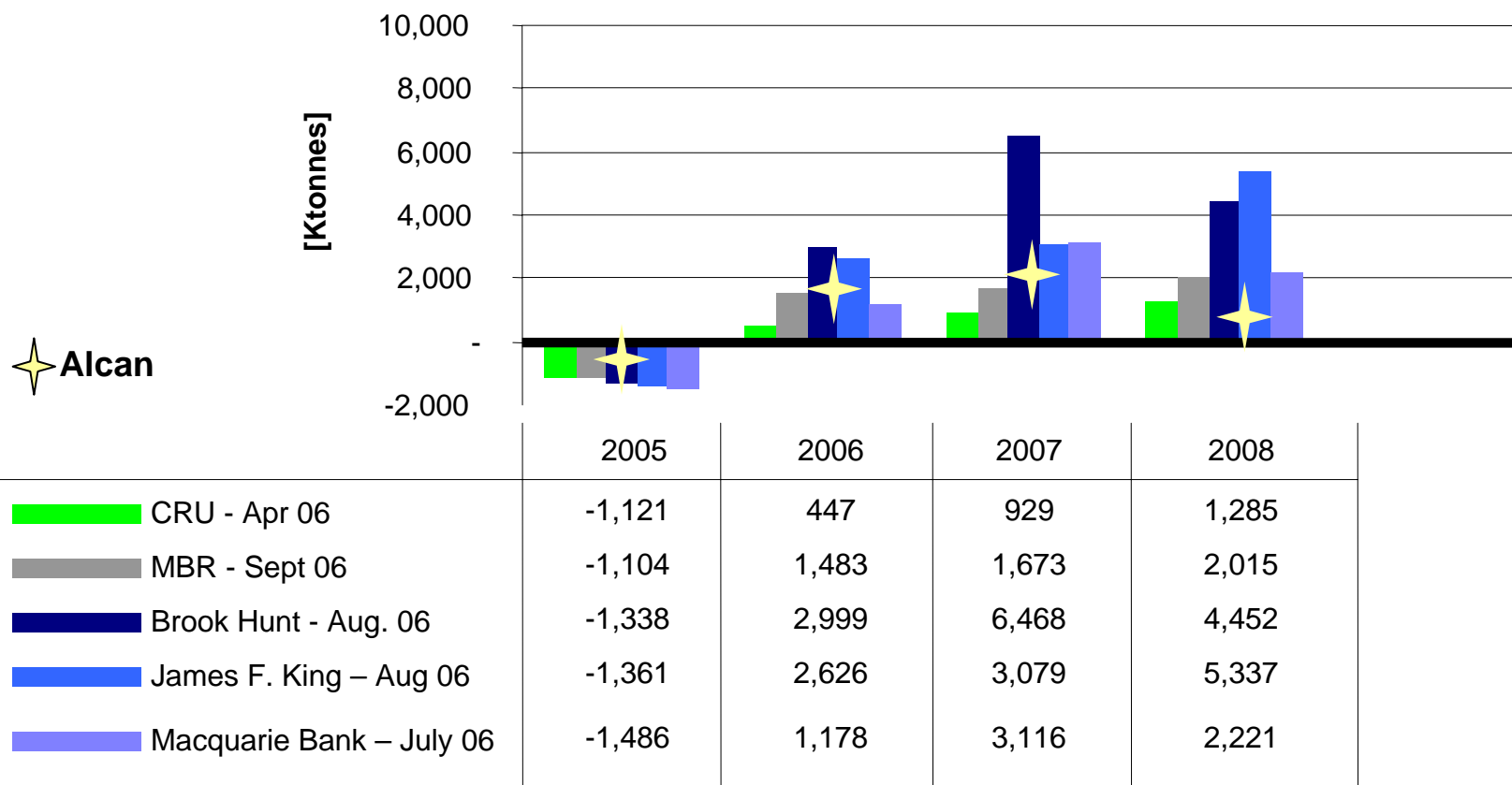
- Productivity improvements and cost cutting measures being implemented
 - **Hydrate production increased by 11% in the last two years**
- Increased outsourcing offering reduced labour cost and flexibility to adjust to changing market conditions

Alumina World Balance



Moving from supply deficit to near-term surplus

Alumina World Market Balance Forecast



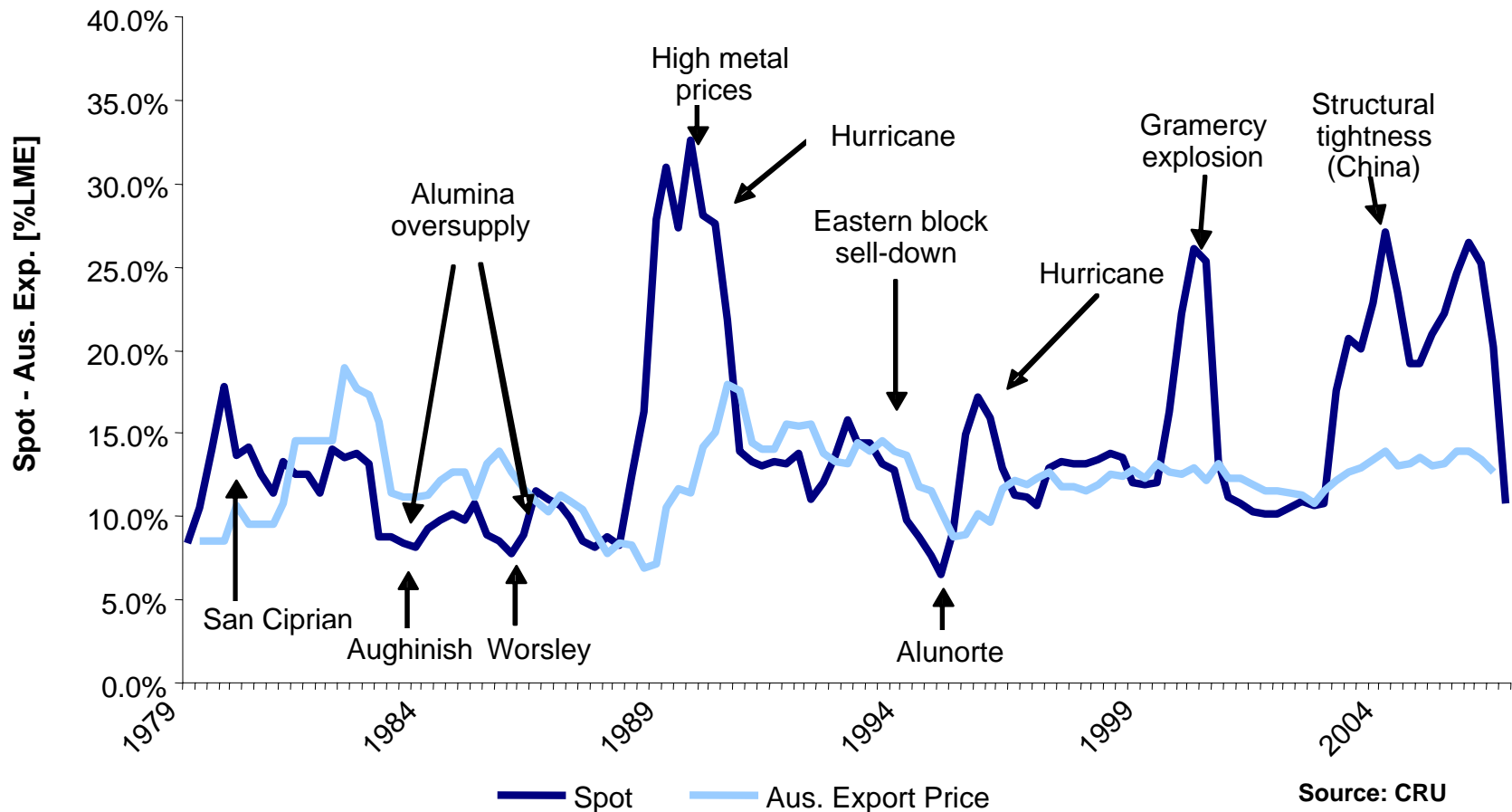
Sources : CRU, Metal Bulletin (MBR), Brook Hunt, Macquarie Bank, James F. King

Historical Prices



Market returns to surplus – immediate impact on spot prices

Spot and Australian Export Price Evolution

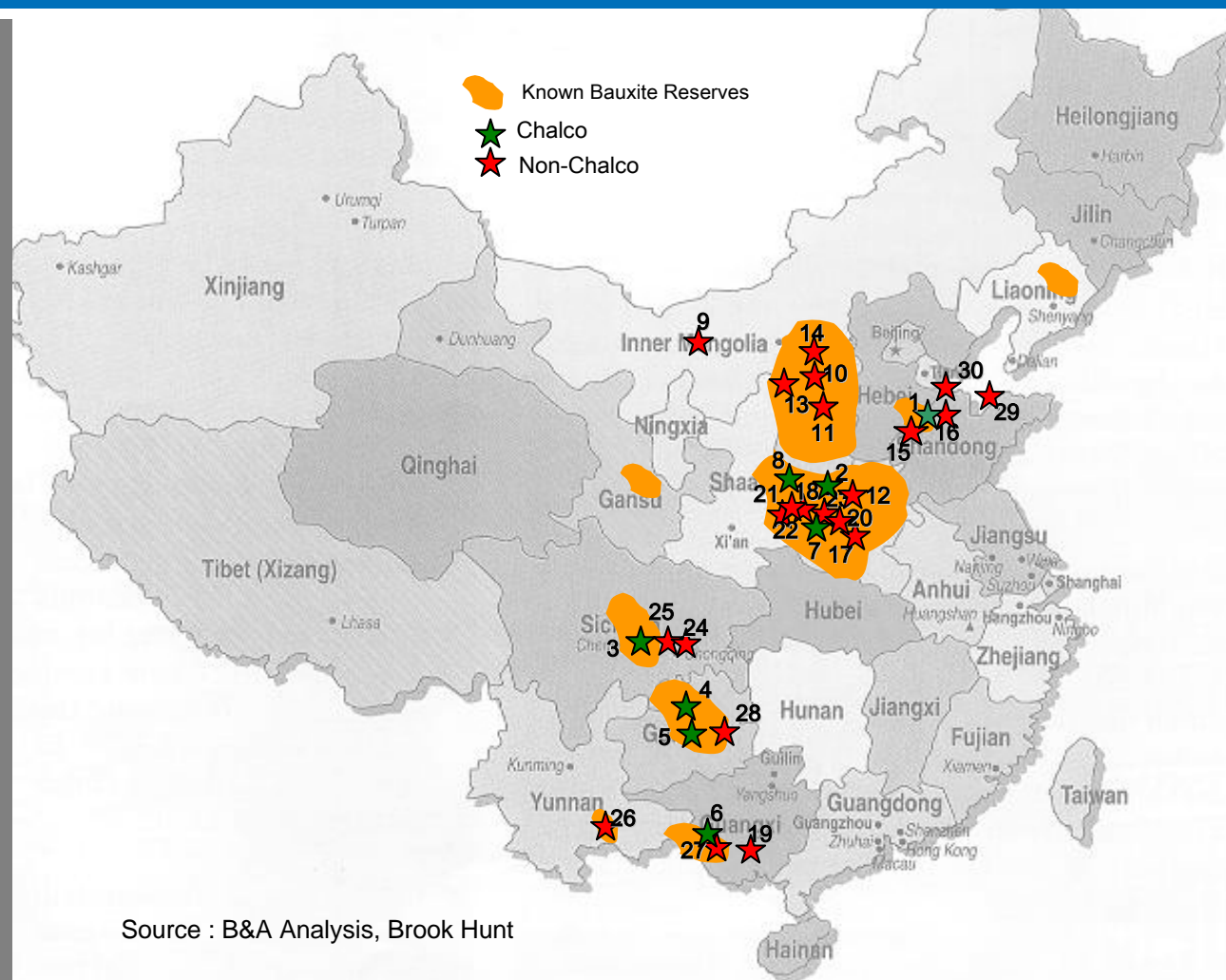


China Alumina Landscape



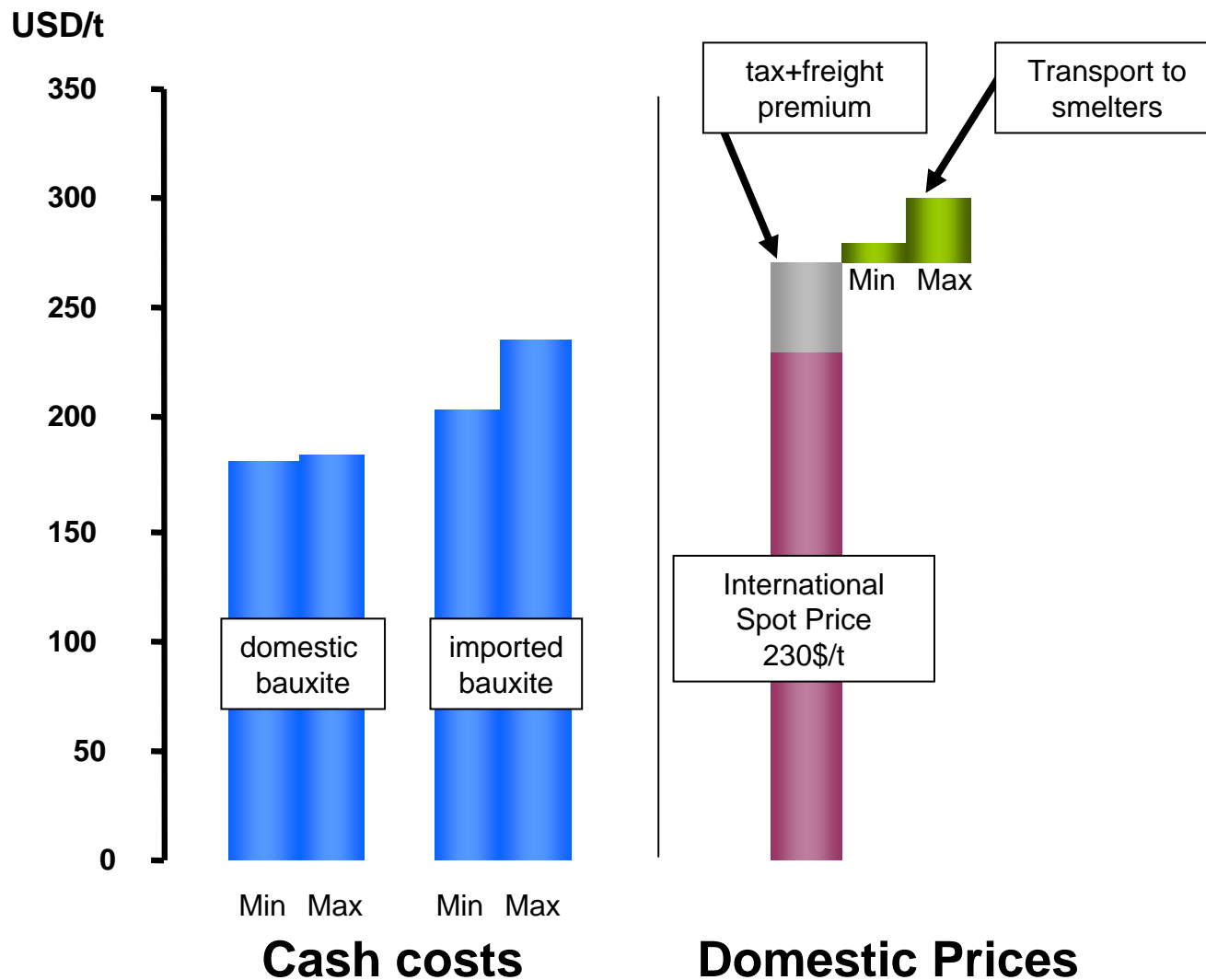
China could have up to 30 alumina refineries up and running by 2010

MAP	REFINERY
1	Shandong [Chalco]
2	Zhongzhou [Chalco]
3	Chongqing-Nanchuan [Chalco]
4	Zunyi-Guizhou [Chalco]
5	Guizhou [Chalco]
6	Pingguo [Chalco]
7	Zhengzhou [Chalco]
8	Shanxi [Chalco]
9	Mengxi (Inner Mongolia)
10	Luneng Jinbei (Shanxi)
11	Yangquan (Shanxi)
12	Weilai Aluminum (Henan)
13	Tongde (Datong- Shanxi)
14	Feicheng (Shanxi)
15	Xin-fa Chipping (Shandong)
16	Weiqiao (Shandong)
17	Pingdingshan Huiyuan Chemical(Henan)
18	Yimei (Henan)
19	Guangxi project (Guangxi)
20	Zhongmei (Henan-Dengfeng)
21	East Hope (Henan)
22	Cayman (Henan)
23	Wanji(Henan)
24	Chongqing -Dingtai (Sichuan)
25	Bosai (Chongqing-Nanchuan)
26	Yunnan Aluminum (Yunnan)
27	Guangxi Huayin (Guangxi)
28	Kaili (Guizhou)
29	Nanshan (Shandong)
30	Shandong Lubei Group

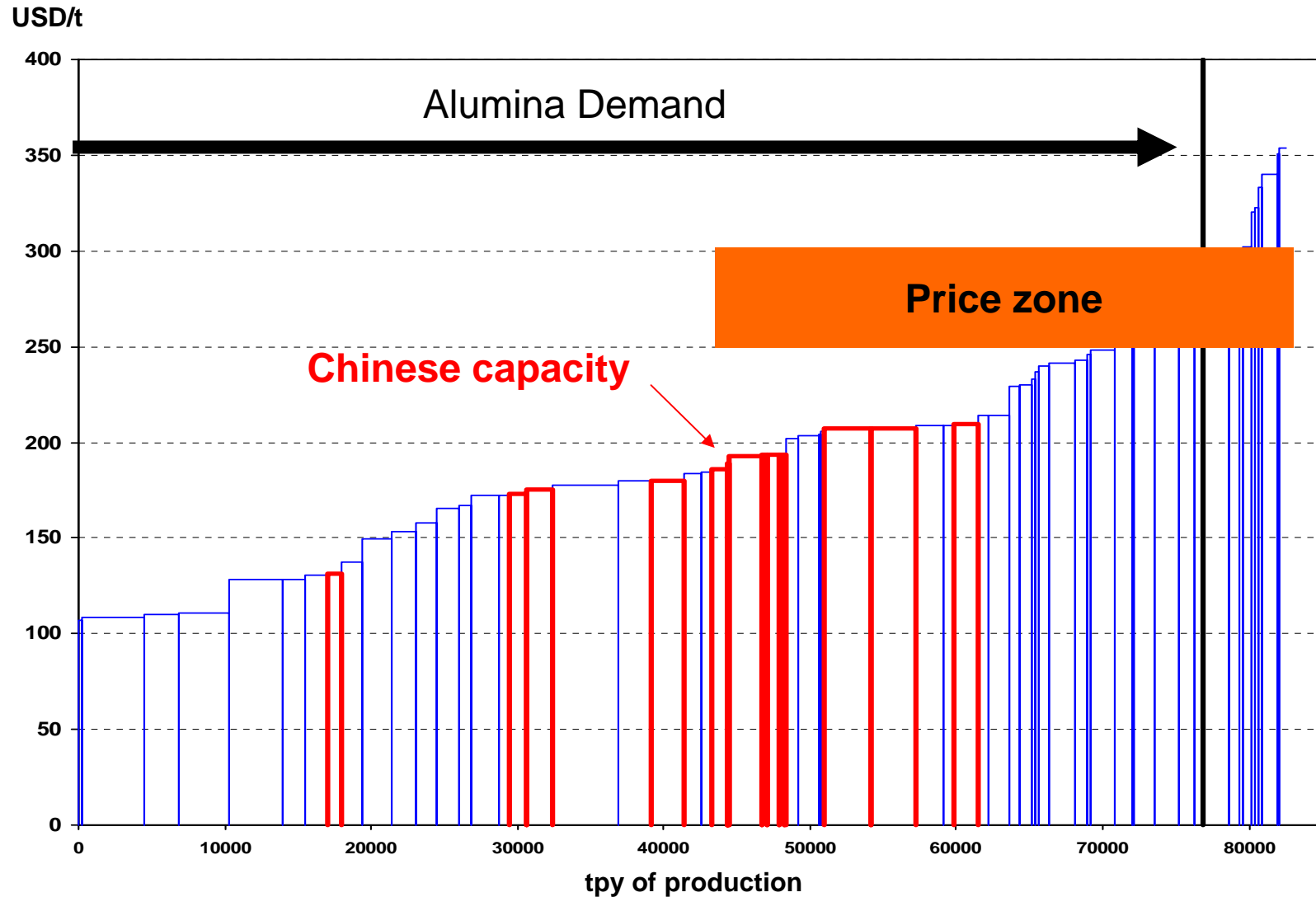


Source : B&A Analysis, Brook Hunt

China New Alumina Refineries



2007 Alumina Cash Cost Curve



Market Outlook



- Alumina market expected in surplus for the next 2~3 years
- China alone will represent more than 50% of the global growth in supply and demand
- Chinese alumina imports expected to decrease
- Due to the poor quality of the Chinese bauxite and the use of imported bauxite, the Chinese refineries are expected to be on the 3rd and 4th quartile of the industry cost curve
- Self-regulating price is expected to remain in the 250~300\$/mt range

Additional Growth Opportunities



Opportunities in lowest cost quartile

Project	Description and Benefits
Guinea	<ul style="list-style-type: none">• Greenfield project of 1.5Mt in Guinea• Alcan to own 40% with Alcoa holding another 40%• Basic Agreement with the Government of Guinea now effective• Expect to make a decision on DFS by the end of 2006
Utkal	<ul style="list-style-type: none">• Greenfield project of 1.5 Mt in the province of Orissa, India• Alcan owns 45% with Hindalco holding the other 55%• Investment decision expected by H1-2007
Ghana	<ul style="list-style-type: none">• MoU signed for the analysis of a mine and an alumina refinery project in joint venture with the State• Conceptual and pre-feasibility studies underway
Cameroon	<ul style="list-style-type: none">• Potential development of a large-scale integrated aluminium facility (bauxite mine + alumina refinery + aluminium smelter)• Large high-quality bauxite resources (in excess of 500 Mt)

Summary and Key Priorities

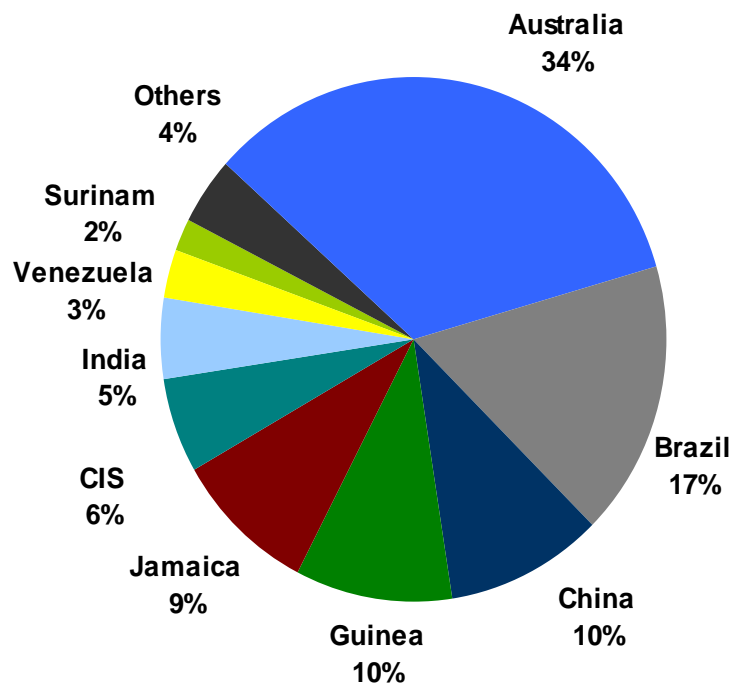


- Leverage AIMS – operational excellence
- Complete construction and start-up of Gove
- Complete expansion of Alumar
- Continue action on high-cost facilities
- Leverage our sustainability & technology/engineering know-how to pursue growth opportunities of large-scale assets in lowest cost quartile

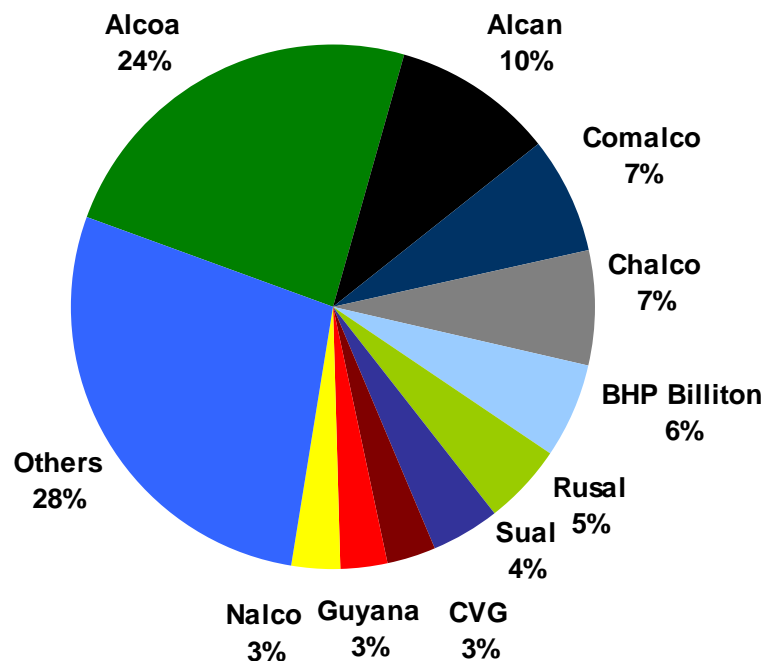
APPENDIX

10% of world bauxite production

Bauxite Production by Country



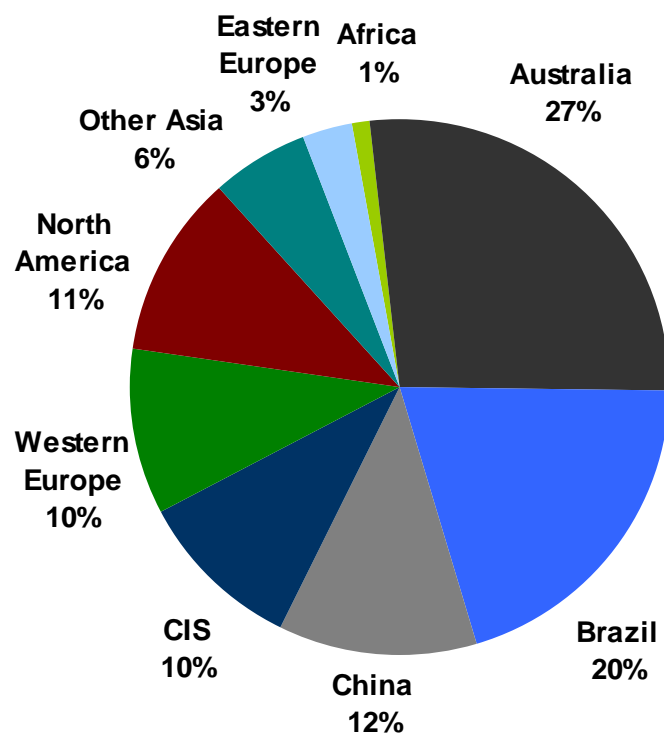
Bauxite Production by Company



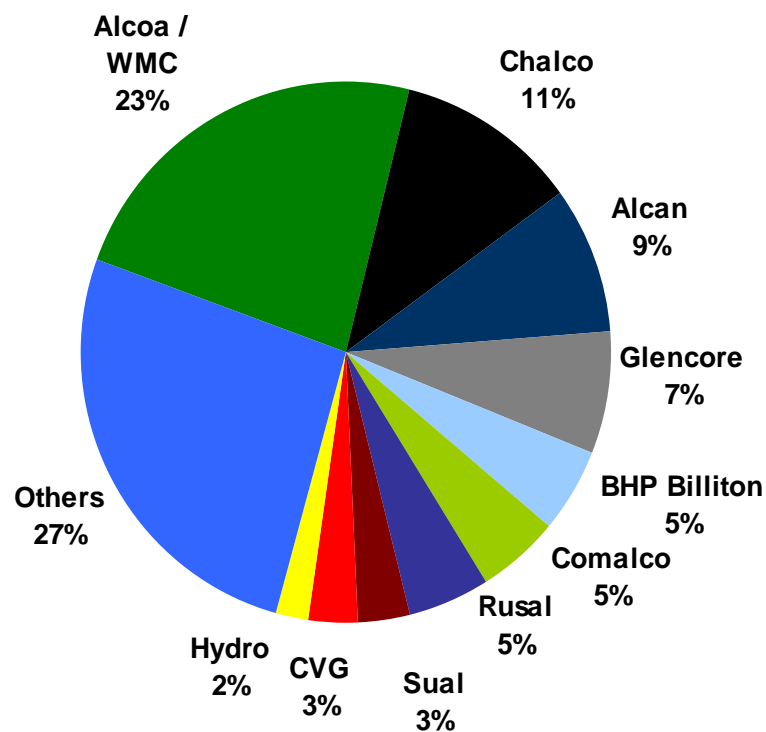
Source: James King, B&A analysis

9% of world alumina production

Alumina Production by Region



Alumina Production by Company



Source: James King, B&A analysis

