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Alcan's Strategic Move To Create New Rolling Company Also Achieves Regulatory Divestiture Objectives

Montreal, Canada— Alcan Inc. (NYSE, TSX:AL) confirmed that its planned strategic spin-off of its rolling operations to shareholders, as announced last week, will have the collateral benefit of achieving the separation of competing businesses that Alcan agreed to last year in order to obtain necessary antitrust approvals for its acquisition of Pechiney.

"Our proposal to create a global rolling company, including substantially all of Alcan's rolled products facilities prior to our acquisition of Pechiney, follows from our commitment to maximize value for Alcan shareholders. The strategic basis for the spin-off ensures that both Alcan and the new rolling company are well-positioned to succeed," said Travis Engen, president and chief executive officer of Alcan Inc. "This initiative also addresses our divestiture obligations with the European Commission and introduces an alternative solution to our U.S. divestiture obligations."

The announced transaction affects Alcan's Pechiney related regulatory obligations as follows:

- Alcan and the U.S. Department of Justice today executed and filed with the United States District Court in Washington, D.C. an Amended Final Judgement. The amendment recognizes that Alcan's proposed spin-off transaction provides an alternative remedy to the existing order to divest the Ravenswood, West Virginia rolling mill. According to the terms of the amendment, either the sale of Ravenswood or the execution of the proposed spin-off will satisfy the Amended Final Judgement. Alcan has 180 days from the filing of the Amended Judgement to complete either the divestiture or the spin-off. The Department of Justice may extend that period by up to 60 days. Alcan also agreed to continue operating the Ravenswood business separately.
- Alcan previously agreed with the European Commission to separate the ownership and control of the Neuf-Brisach rolling facilities and the Norf/Gottingen/Nachterstedt rolling facilities. Alcan's proposal to create a separate, independent world-leading rolled products company accomplishes that requirement. Earlier this year during the planning for the proposed spin-off transaction, Alcan and the European Commission held detailed discussions concerning the terms of and rationale for the proposed transaction and the asset composition of the company to be spun-off. As part of its planning, Alcan took into account the comments received from the European Commission.

Alcan is a multinational, market-driven company and a global leader in aluminum and packaging, as well as aluminum recycling. With world-class operations in primary aluminum, fabricated aluminum as well as flexible and specialty packaging, aerospace applications, bauxite mining and alumina processing, today's Alcan is even better positioned to meet and

exceed its customers' needs for innovative solutions and service. Alcan employs 88,000 people and has operating facilities in 63 countries.

Note on Forward Looking Statements

Statements made in this press release which describe the Company's intentions, expectations or predictions may be forward-looking statements within the meaning of securities laws. The Company cautions that, by their nature, forward-looking statements involve risk and uncertainty and that results could differ materially from those expressed or implied in such statements. Reference should be made to the most recent Form 10-K for a summary of major risk factors.

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