

## Alcan Shareholders Approve Novelis Spin-Off

Montreal, Canada – December 22, 2004 – Alcan Inc. (NYSE, TSX: AL) announced today that its shareholders have approved the plan of arrangement required for the proposed spin-off of its rolled products businesses into an independent company named Novelis Inc. Following the unanimous recommendation of the spin-off by Alcan's Board of Directors, shareholders voted overwhelmingly in favour by a margin of 99.92 to 0.08 percent.

"Alcan shareholders have identified the spin-off as a value-creating opportunity and have spoken strongly in its favour," said Travis Engen, President and Chief Executive Officer of Alcan. "Receipt of shareholder approval is a major milestone toward the successful completion of the spin-off," he added.

Novelis will be the world's largest aluminum rolled products company — based on shipment volumes – with 2003 pro forma revenues of US\$6.2 billion. While domiciled in Toronto, Canada, Novelis will have its executive office in Atlanta, Georgia, United States. The company will operate on four continents, with 38 operating facilities in 12 countries and 13,600 employees. Novelis shares are expected to be traded on both the New York and Toronto stock exchanges under the ticker symbol NVL.

Competition authorities in both the United States and the European Union have confirmed that the spin-off satisfies the critical anti-trust divestment requirements associated with Alcan's acquisition of Pechiney. In addition, Alcan has also received the expected tax ruling from the Canadian Revenue Agency confirming that, for purposes of the Income Tax Act (Canada), the spin-off will be treated as a tax-deferred "butterfly" reorganisation. This means that there will be no material Canadian federal income tax payable in connection with the spin-off by Alcan and Novelis and that there will be no Canadian Federal income tax liability for Alcan Common Shareholders who hold their shares as capital property.

In accordance with the usual procedure, it is anticipated that the definitive court approval of the plan of arrangement will be obtained in the next few days. The actual effective date of the spin-off has yet to be determined by Alcan's Board, but it is expected to be in early January 2005.

Novelis is expected to raise US\$2.9 billion in debt comprised primarily of a 7-year term loan of approximately US\$1.5 billion and 10-year bonds in the amount of US\$1.4 billion. In addition, Novelis expects to enter into a US\$500 million 5-year revolving credit facility that will be available for general corporate purposes.

"I am pleased with the significant step in the creation of Novelis taken by Alcan shareholders today. Our energies are now appropriately focused on continuing to build on our strengths and satisfying our rolled products customers," said Brian W. Sturgell, President and Chief Executive Officer elect of Novelis. "We come from a proud heritage and will be well-positioned to launch Novelis as the global leader in aluminum rolling. We will have the world's leading technologies, facilities and people to deliver superior solutions to our customers and value to our shareholders," he added.

The ongoing Alcan will continue to focus on growing its leading bauxite and alumina businesses, its best-in-class primary aluminum business, as well as its high value-added, high growth packaging and engineered products businesses. In addition, the ongoing Alcan will benefit from a continued participation in the aluminum cycle, with downstream diversification and stability.

Today's 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, Alcan is well positioned to meet and exceed its customers' needs for innovative solutions and service. Alcan employs 88,000 people and has operating facilities in 58 countries and regions.

Statements made which describe the Company's intentions, expectations or predictions may be "forward-looking statements" within the meaning of securities laws. By their nature, forward-looking statements involve risk and uncertainty; the Company's actual results could differ materially from those expressed or implied in such forward-looking statements.

Media Contact:  
Anik Michaud  
Tel.: +1-514-848-8151  
[media.relations@alcan.com](mailto:media.relations@alcan.com)

Investor Contact:  
Corey Copeland

Tel.: +1-514-848-8368  
investor.relations@alcan.com

---