

ALCAN INC
Form 424B3
January 03, 2007

PROSPECTUS

Dividend Reinvestment Plan for Shareholders of **Alcan Inc.**

We are offering to holders of our Common Shares the right to participate in the following plan:

Dividend Reinvestment Plan

You may elect to have your cash dividends reinvested in our Common Shares at market value.

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No securities commission or similar authority in Canada has, in any way, passed upon the merits of the securities offered hereby and any representation to the contrary is an offense.

Neither the Securities and Exchange Commission nor any state securities commission in the United States has approved or disapproved of the Common Shares to be issued under the Dividend Reinvestment Plan or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is January 1, 2007.

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You should rely only on the information contained in this document or that we have referred you to.

We are a Canadian corporation. A substantial portion of our assets are located in Canada and elsewhere outside the United States, and many of our Directors and executive officers, including many of the persons who signed the registration statement on Form S-3, of which this document is a part, and the experts named herein are resident outside the United States, and all or a substantial portion of the assets of our Directors and executive officers and the experts named herein are located outside the United States. As a result, it may be difficult for you to effect service of process within the United States upon our Directors and executive officers and the experts named herein and to enforce against them in the United States judgments of courts of the United States predicated upon, among other things, civil liability provisions of the federal Securities laws of the United States. In addition, it may be difficult for you to enforce, in original actions brought in courts in jurisdictions located outside the United States, among other things, civil liabilities predicated upon the federal Securities laws of the United States. Roy Millington, Corporate Secretary of Alcan Inc., our Canadian counsel has, however, advised that the civil liability provisions of the federal Securities laws of the United States may be enforced in original actions taken in the Province of Quebec against us or any of our Directors and executive officers and the experts named herein, but there is substantial doubt as to the enforceability in the Province of Quebec of judgments of United States courts obtained in actions predicated upon the federal Securities laws of the United States.

ALCAN INC.

We are a Canadian corporation and the parent company of an international group involved in many aspects of the aluminum, engineered products and packaging industries. Our activities include bauxite mining, alumina refining, production of specialty alumina, aluminum smelting, manufacturing and recycling, engineered products, flexible and specialty packaging, as well as related research and development. For more information, please visit: www.alcan.com.

We were incorporated on June 3, 1902 under the laws of Canada for an unlimited duration. Our principal executive offices are located at: 1188 Sherbrooke Street West, Montreal, Quebec, Canada H3A 3G2, telephone number (514) 848 8000.

DIVIDEND REINVESTMENT PLAN

Overview

We are offering to holders of our Common Shares the right to participate in the Dividend Reinvestment Plan. We refer to the Dividend Reinvestment Plan as the DRP. If you elect to participate in the DRP, you can elect to receive the dividends on some or all of the Common Shares you own in an amount of newly-issued Common Shares equal to the market value of the average of the closing prices of Common Shares during the last five trading days prior to the dividend payment date, less any applicable withholding tax, instead of in cash. You may elect to participate in the DRP by meeting the eligibility requirements below and by following the instructions in the section "How Can I Participate?" beginning on p. 5.

Eligibility

To be eligible to participate in the DRP, you must generally own Common Shares registered in your own name on our records. It may be the case that you hold your Common Shares in "street name", which means that your Common Shares are held in a nominee account with an investment dealer such as a broker, a bank or a trust company. If you hold your Common Shares in street name, you must transfer shares into your own name on our records to be eligible to participate in the DRP or make other arrangements with your investment dealer for your participation.

Participation

You may reinvest cash dividends, less any applicable withholding tax, paid on all or a portion of your Common Shares in newly-issued Common Shares. For example, if you own 125 Common Shares, you may decide to participate in the DRP with respect to 70 Common Shares only and to continue to receive cash dividends on the remaining 55 Common Shares in the usual manner.

Your participation commences on the first dividend record date following receipt by CIBC Mellon Trust Company ("CIBC Mellon"), our transfer agent, of the duly completed form enclosed with this prospectus. The dividend record date is the date set by the Board of Directors as the date for determining the shareholders of record that are entitled to receive a dividend on Common Shares. The dividend record dates are usually established in February, May, August and November of each year and are made public.

Once you are enrolled in the DRP, your participation will continue automatically unless and until you terminate your participation in the manner described under "Termination of Participation" below. Following the initial dividend record date, you will receive dividends in the form of newly-issued Common Shares on both the Common Shares you elected to include in the DRP. In other words, dividends on Common Shares acquired under the DRP (including fractions of Common Shares), less any applicable withholding tax, will be reinvested in further newly-issued Common Shares (including fractions) together with the dividends on the Common Shares initially elected for participation in the DRP. Dividends, whether in the form of cash or newly-issued Common Shares, are paid or issued on the dividend payment dates following the applicable dividend record dates, which are usually established in March, June, September and December of each year and are made public.

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To change a DRP election already made, please write to CIBC Mellon giving details of the change desired. Any written notification received by CIBC Mellon prior to a dividend record date will be effective on the next subsequent dividend payment date.

Determination of market value and the number of Common Shares you will receive

For each Common Share you elect to include in the DRP, you will receive the number of newly-issued Common Shares equal to the aggregate cash dividend (less any applicable withholding tax) you would otherwise receive divided by the market value of each Common Share on the dividend payment date. The market value is the average of the closing sale prices for board lots for our Common Shares on The Toronto Stock Exchange and for round lots for our Common Shares as reported on the New York Stock Exchange Consolidated Trading on each day during the last five trading days on each exchange prior to the relevant dividend payment date.

If your registered address is in Canada, the market value is expressed in Canadian dollars and if your registered address is outside of Canada, the market value is expressed in U.S. dollars. If one of the stock exchanges is closed for trading during these five trading days, different days will be used to calculate the market value. Currency conversions will be made at the Bank of Canada noon rates of exchange on each trading day.

Your account will be credited, as of each dividend payment date, with the number of newly-issued Common Shares, including, if applicable, fractions of Common Shares calculated to three decimal places, to which you become entitled.

Statements of account

CIBC Mellon, on our behalf, will maintain an account for you in respect of your Common Shares subject to the DRP and will mail a statement of account to you at the end of each month in which a dividend payment date occurs. This statement will record the cash dividends payable on the Common Shares subject to the DRP, the taxes withheld, if applicable, the number of newly-issued Common Shares (calculated to three decimal places) resulting from reinvestment of the net cash dividends payable, the market price per Common Share and the new total number of Common Shares (calculated to three decimal places) credited to your account under the DRP. These statements should be retained for tax purposes.

Certificates representing your Common Shares

You may at any time obtain a certificate for any number of whole Common Shares in your DRP account that are not already represented by an outstanding certificate, by written request to CIBC Mellon.

Voting of your Common Shares

You may vote each of the whole Common Shares credited to your account under the DRP, in person or by proxy, at any meeting of shareholders. A fractional Common Share does not carry any right to vote.

Sale or other transfer of shares

In order to sell or otherwise transfer Common Shares credited to your account under the DRP, you must obtain from CIBC Mellon a certificate representing your Common Shares. A certificate will only be issued for a whole number of Common Shares - see "Certificates representing your Common Shares" above. We will not recognize a pledge of, or other encumbrance against, the Common Shares credited to an account under the DRP for which a certificate has not been issued.

If you transfer a portion of the Common Shares registered in your name, through a sale or otherwise, such transfer will be deemed, in the absence of written instructions to CIBC Mellon to the contrary, to have been made first out of the Common Shares, if any, that are not subject to the DRP.

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Termination of participation

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You may, at any time by written notice to CIBC Mellon, terminate participation as to all or a portion of your Common Shares subject to the DRP. Any subsequent dividends payable on the Common Shares you withdraw will be paid to you in cash. Participation in the DRP will terminate automatically upon receipt by CIBC Mellon of written notice of your death.

Upon termination, a certificate for the appropriate number of whole Common Shares will be issued and mailed together with a cheque for the proceeds of sale of any fraction of a Common Share. If the notice is received after a dividend record date, the termination is effective only after the related dividend payment date. In other words, the notice of termination must be received by CIBC Mellon prior to a dividend record date to be effective on the related dividend payment date.

Notices

Notices and other communications provided to participants in the DRP will be mailed to you at your address as shown in the records of CIBC Mellon.

Administration and costs

CIBC Mellon will administer the DRP. We will pay all administrative costs related to the DRP.

Our responsibility with respect to the DRP

We are not liable under the DRP for any good faith act or omission, including, without limitation, any claim of liability with respect to any form, notice or other writing sent to CIBC Mellon, or with respect to the calculation of the market value of Common Shares on the dividend payment date and the number of new Common Shares issued under the DRP.

Amendment, suspension or termination of the DRP

We have the right to amend, suspend or terminate the DRP at any time. However, any such action will not have retroactive effect with respect to cash dividends reinvested prior to the date of amendment, suspension or termination. Written notice of any amendment, suspension or termination affecting the DRP will be sent to each participant in the DRP. If the DRP is terminated by us, a certificate for the appropriate number of whole Common Shares will be issued and mailed to you together with a cheque for the proceeds of sale of any fraction of a Common Share.

No right to receive dividends

Our Board of Directors may declare dividends on Common Shares entirely at its discretion and in accordance with applicable law. Your participation in the DRP does not entitle you to any dividend payment except to the extent a dividend is declared by the Board of Directors.

HOW CAN I PARTICIPATE?

You may participate in the DRP if you own one or more of our Common Shares.

How can I participate if my Common Shares are recorded in my own name in Alcan's records?

If your Common Shares are recorded in your own name, to participate in the DRP you must complete the form accompanying this prospectus as described below. A pre-addressed envelope for returning completed forms is enclosed.

To participate in the DRP, please return the form to CIBC Mellon Trust Company, our registrar and transfer agent, which we refer to as CIBC Mellon.

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The completed form should be addressed as follows:

If delivered by hand or courier, to:

CIBC Mellon Trust Company

320 Bay Street

3rd Floor

Toronto, Ontario, Canada

M5H 4A6

If mailed, to:

CIBC Mellon Trust Company

P.O. Box 7010

Adelaide Street Postal Station

Toronto, Ontario, Canada

M5C 2W9

How can I participate if my Common Shares are held through an account with an investment dealer?

If your Common Shares are owned through an account with an investment dealer, to participate in the DRP you must contact your investment dealer and require the investment dealer to transfer one or more Common Shares into your name.

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If you hold your Common Shares in a segregated registered account with an investment dealer, such as a Registered Retirement Savings Plan in Canada or a 401(k) investment plan in the United States, to participate in the DRP you must contact your investment dealer and request that some or all of your Common Shares be enrolled in the DRP.

Where can I obtain additional forms or more information?

Additional forms and other information about the plan may be obtained from CIBC Mellon at the above addresses or by telephoning (416) 643-5500 or toll free throughout North America 1-800-387-0825 or on our website at www.alcan.com.

TAX CONSEQUENCES

The following summary of the material Canadian and United States Federal income and estate tax consequences to participants in the DRP is intended for general information only, and is not tax advice. You are urged to consult with a tax advisor regarding the tax consequences to you of participation in the DRP, including the Canadian and United States federal, state and local tax consequences of participation, as well as the tax consequences of subsequent disposition of Common Shares acquired pursuant to the DRP. In some countries, certain transactions may require foreign exchange approval.

CANADA

Shareholders resident in Canada will be treated as having received a cash dividend equal to the amount applied to purchase newly-issued Common Shares under the DRP. Individual shareholders and trusts taxable as individuals will include in income such dividends grossed up for the purpose of income calculation and will be entitled to a tax credit. Public corporations will not be subject to tax in respect of such dividend. Special rules apply to other types of corporations.

For purposes of calculating a capital gain or loss, the adjusted cost base of the Common Shares purchased under the DRP will equal the amount paid therefor. The cost of these Common Shares will be averaged with the adjusted cost base of all other Common Shares acquired by the shareholder after 1971. If the shareholder holds Common Shares considered for tax purposes to have been acquired prior to 1972 and Common Shares acquired since 1971, the shareholder is deemed to have first disposed of the Common Shares acquired prior to 1972. Upon disposition of any Common Shares, including fractions, the shareholder will include in income one-half of the excess of the proceeds of disposition over the adjusted cost base thereof.

For minimum tax purposes, the four fifths of net capital gains are to be included in computing adjusted taxable income.

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UNITED STATES

General

The following discussion summarizes both the material United States federal income tax consequences and the Canadian withholding tax consequences to you as a participant in the DRP if you are a beneficial owner of Common Shares that is:

- a citizen or resident of the United States,
- a domestic corporation,
- an estate the income of which is subject to United States federal income tax, regardless of its source, or
- a trust if a United States court is able to exercise primary supervision over administration of the trust and one or more United States persons have authority to control all substantial decisions of the trust.

This summary applies to you only if you hold your Common Shares as capital assets. This summary does not deal with the tax consequences applicable to all categories of investors, some of which (such as broker-dealers, traders in securities that elect to mark to market, banks, regulated investment companies, tax-exempt organizations, certain insurance companies, persons liable for the alternative minimum tax, persons that hold securities that are a hedge or that are hedged against currency risks or that are part of a straddle or conversion transaction, or persons

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whose functional currency is not the United States dollar) may be subject to special treatment under the federal income tax laws. This summary is based on the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as currently in effect and all subject to change at any time, perhaps with retroactive effect. You are advised to consult your own tax advisor with respect to your particular circumstances and with respect to the effects of United States federal, state, local or other laws to which you may be subject.

Dividend Reinvestment Plan

A dividend received by you will be subject to United States federal income tax and may also be subject to state and local taxation. In addition, a dividend received pursuant to the DRP by a Shareholder residing in the United States will generally be subject to a 15% Canadian withholding tax. Subject to certain limitations, you may credit the Canadian withholding tax against your United States federal income tax liability or, if you elect not to credit any foreign taxes in the taxable year that that withholding tax is paid, you may deduct that tax from your United States federal gross income.

For United States federal income tax purposes, you must include in gross income a distribution equal to the fair market value on that date of the shares credited to your account plus the amount of the Canadian withholding tax. The market value of a share on any day will be the average of the closing sale prices for board lots of the Common Shares on the Toronto Stock Exchange and for round lots of the Common Shares as reported on the New York Stock Exchange - Consolidated Trading during the last five trading days prior to the relevant dividend payment date. As described in "Dividend Reinvestment Plan - Determination of market value and the number of Common Shares you will receive", beginning on page 4 the number of Common Shares to be credited may be based on a value different from the market value of a Common Share on the dividend payment date. The United States dollar value of the Canadian withholding tax of 15% of the cash dividend that you would have received in the absence of an election to reinvest in newly-issued Common Shares will be determined by using the currency exchange rate on the dividend payment date.

Distributions with respect to your Common Shares will be treated as ordinary dividend income to the extent of your share of current or accumulated earnings and profits as determined for United States federal income tax purposes. Such dividends will not be eligible for the dividends-received deduction allowed to United States corporations under the Internal Revenue Code. The amount of any distribution in excess of your share of current and accumulated earnings and profits will first be applied to reduce your tax basis in the Common Shares, and any amount in excess of tax basis will be treated as gain from the sale or exchange of your Common Shares.

You will recognize gain or loss upon sale or exchange of a share received pursuant to the DRP, including the sale of any fractional Common Share upon termination of participation in the DRP. The amount of gain or loss will be the difference between the amount received for the Common Share and its tax basis. The tax basis of the Common Share will be its market value on the dividend payment date. Any gain or loss will be capital gain or loss, and will be long-term capital gain or loss if the Common Share was held for more than one year. The holding period for a Common Share acquired pursuant to the DRP will begin on the day following the dividend payment date.

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You will not realize any taxable income upon receipt of certificates for whole shares credited to your account, either upon your request for one or more certificates for certain of those Common Shares or upon termination of your participation in the plan.

Withholding

Information reporting to the IRS by us or paying agents and custodians located in the United States will be required with respect to payments of dividends on the Common Shares to United States persons. In addition, under the backup withholding rules, you may be subject to backup withholding with respect to dividends paid unless you (a) are a corporation or come within certain other exempt categories and, when required, demonstrate this fact, or (b) provide a taxpayer identification number, certify as to no loss of exemption from backup withholding, and otherwise comply with applicable requirements of the backup withholding rules. A United States shareholder that does not provide us with his or her correct taxpayer identification number may also be subject to penalties imposed by the IRS. Backup withholding is not an additional tax and may be credited against your regular federal income tax liability.

OTHER COUNTRIES

Dividends applied under the DRP to the purchase of newly-issued Common Shares for shareholders residing in countries having tax treaties with Canada are, generally speaking, subject to a 15% Canadian withholding tax. Dividends so applied for shareholders resident in other countries are

subject to a 25% Canadian withholding tax.

DESCRIPTION OF SHARE CAPITAL

Securities presently issued by us

Authorized

Outstanding*

Common Shares

unlimited

366,686,115

Preference Shares, issuable in series, of which the following series are outstanding:

unlimited

Floating Rate Cumulative Redeemable Preference Shares, Series C, 1984

4,199,900

4,199,900

Floating Rate Cumulative Redeemable Preference Shares, Series C, 1985

1,500,000

1,500,000

Cumulative Redeemable Preference Shares, Series E

2,999,000

2,999,000

** As at November 30, 2006.*

Authorised capital

We may issue an unlimited number of additional Common Shares and preference shares from time to time upon approval by our Board of Directors for such consideration as the Board of Directors deems appropriate, without the need of further shareholder authorisation. However, the Board of Directors is not allowed to create or issue any series of preference shares with voting rights, other than voting rights arising only in the event of non-payment of dividends, without the consent of our shareholders, given by way of special resolution. The terms of any preference shares, including dividend rates, conversion and voting rights, if any, redemption prices and similar matters will be determined by the Board of Directors prior to issuance.

Summary of certain provisions of the preference shares

We currently have the following preference shares outstanding: Floating Rate Cumulative Redeemable Preference Shares Series C, 1984 and 1985 and Cumulative Redeemable Preference Shares Series E. The holders of each class of preference share will be entitled to receive cumulative cash dividends at the following rates:

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Series C, 1984 and 1985: quarterly dividends in an amount determined by applying to C\$ 25 per share 25% of the greater of (1) 72% of the average of the Canadian prime interest rates quoted by two major Canadian banks for stated periods, and (2) the lesser of 7.5% and the average of the Canadian prime interest rates quoted by two major Canadian banks for stated periods.

Series E: quarterly dividends in an amount determined by applying to C\$ 25 per share 25% of 75% of the average of the Canadian prime interest rates quoted by two major Canadian banks for stated periods.

The holders of preference shares are not entitled to vote at meetings of shareholders unless we fail to pay six quarterly dividends on such preference shares. Thereafter, so long as such dividends remain in arrears, the holders will be entitled, voting separately as a class, to elect two members of the Board of Directors.

In the event that we liquidate, dissolve or wind up or distribute our assets among shareholders for the purpose of winding up our affairs, the holders of the preference shares will be entitled to receive, in preference to holders of the Common Shares, the sum of C\$ 25 per preference share for Series C and E plus all accrued and unpaid dividends. Additionally, if such distribution is voluntary, an additional amount equal to the premium, if any, will be payable on redemption.

The preference shares are redeemable at our option at C\$ 25 per preference share plus all accrued and unpaid dividends.

Unless all dividends then payable on the preference shares have been declared and paid or set apart for payment, we will not (1) pay any dividends, other than stock dividends, or make any distributions on any shares ranking junior to the preference shares with respect to the payment of dividends or return of capital, (2) retire for value any shares ranking junior to the preference shares with respect to payment of dividends or return of capital, or (3) except in connection with the exercise of a retraction privilege, retire less than all of a series of preference shares.

Summary of certain provisions of the Common Shares

Attributes

The Common Shares are subject to the rights of the holders of the preference shares, as described above, and of any other preferred securities issued in the future.

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The holders of Common Shares are entitled to one vote per Common Share at all meetings of Shareholders, to participate rateably in any dividends which may be declared on Common Shares by our Board of Directors and, in the event of our liquidation, dissolution or winding-up or other distribution of our assets or property, to a pro rata share of our assets after payment of all liabilities and obligations. The Common Shares have no pre-emptive, redemption or conversion rights.

The provisions of the Canada Business Corporation Act ("CBCA") require that the amendment of certain rights of holders of any class of shares, including the Common Shares, must be approved by not less than two-thirds of the votes cast by the holders of such shares. A quorum for any meeting of the holders of Common Shares is 40% of the Common Shares then outstanding. Therefore, it is possible for the rights of the holders of Common Shares to be changed other than by the affirmative vote of the holders of the majority of the outstanding Common Shares. In circumstances where certain rights of holders of Common Shares may be amended, however, holders of Common Shares will have the right, under the Canada Business Corporation Act, to dissent from such amendment and require us to pay them the then fair value of their Common Shares.

Shareholders are also entitled to rights and privileges under the shareholder rights plan summarized below.

Shareholder Rights Plan

In 1990, Shareholders approved a plan whereby each Common Share of Alcan carries one right to purchase additional Common Shares. The plan, with certain amendments, was reconfirmed at the 1995 Annual Meeting and further amendments were approved at the 1999 Annual Meeting. The plan was reconfirmed with no amendments at the 2002 Annual Meeting. The plan was again reconfirmed for a three-year period with further amendments at the 2005 Annual Meeting. The terms of the plan are contained in the Shareholder Rights Agreement made as of December 14, 1989 between us and CIBC Mellon, as amended. A copy of the plan was filed as Exhibit 99 to Form 8 K dated April 29, 2005. The rights under the plan are not currently exercisable but may become so upon the acquisition by a person or group of affiliated or associated persons ("Acquiring Person") of beneficial ownership of 20% or more of Alcan's outstanding voting shares or upon the commencement of a take-over bid. Holders of rights, with the exception of an Acquiring Person, in such circumstances will be entitled to purchase from us, upon payment of the exercise price (currently U.S.\$100.00), such number of additional Common Shares as can be purchased for twice the exercise price based on the market value of Alcan's Common Shares at the time the rights become exercisable.

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The plan has a permitted bid feature which allows a take-over bid to proceed without the rights under the plan becoming exercisable, provided that it meets certain minimum specified standards of fairness and disclosure, even if the Board does not support the bid.

The plan expires in 2008, but may be redeemed earlier by the Board, with the prior consent of the holders of rights or Common Shares, for U.S.\$0.01 per right. In addition, should a person or group of persons acquire outstanding voting shares pursuant to a permitted bid or a share acquisition in respect of which the Board has waived the application of the plan, the Board shall be deemed to have elected to redeem the rights at U.S.\$0.01 per right.

USE OF PROCEEDS

The net proceeds we receive from the issuance of Common Shares under the plan will be added to our general funds and made available for general corporate purposes, including capital expenditures and working capital requirements.

LEGAL MATTERS

The validity of the Common Shares offered through this prospectus and the Plan herein described has been passed upon by Roy Millington, Alcan lawyer.

EXPERTS

The financial statements and management's report on the effectiveness of internal control of financial reporting, incorporated by reference in this prospectus to our Annual Report on Form 10 K for the year ended December 31, 2005, have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, Montreal, Quebec, Canada, chartered accountants, given on the authority of the said firm as experts in auditing and accounting.

INDEMNIFICATION

As a corporation incorporated under the CBCA, we may indemnify our directors and officers. In general, the CBCA provides that one of our directors or officers may be indemnified by us against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment if (i) he or she acted honestly and in good faith with a view to our best interests and (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he or she had reasonable grounds for believing that his or her conduct was lawful. The directors have entered into agreements with us providing for indemnification as permitted by the CBCA.

The right to indemnification is more limited, however, where directors and officers are sued by us or on our behalf by a shareholder. In those cases, we may, with the approval of a court, indemnify a director or officer against all costs, charges and expenses reasonably incurred by him or her but not the amount of the judgment or settlement of an action, provided he or she fulfills the conditions of (i) and (ii) above. A director or officer must be indemnified for costs, charges and expenses reasonably incurred by him or her if he or she was not judged by the court or other competent authority to have committed any fault or omitted to do anything that the individual ought to have done and fulfills the conditions of (i) and (ii) above.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 of the United States of America may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable.

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We carry insurance covering liability, including defense costs, of our directors and officers and all subsidiaries incurred as a result of acting as such directors and officers, provided he or she acted honestly and in good faith with a view to our best interests or those of the relevant subsidiary.

In respect of indemnity payments made by us to a director or officer for a claim covered by the liability insurance, we will be reimbursed for such payments (subject to the deductible and policy limit) by our insurers.

WHERE YOU CAN FIND MORE INFORMATION

We have filed this prospectus with the Securities and Exchange Commission, under the Securities Act of 1933, as amended, that registers the Common Shares to be issued under the DRP. The registration statement, including the attached exhibits and schedules, contains additional relevant information about us and our Common Shares. The rules and regulations of the SEC allow us to omit some information included in the registration statement from this document.

We file annual, quarterly and special reports and other information with the SEC. Any document so filed can be viewed at the SEC's public reference room at 100 F Street, N. E., Washington, D. C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the SEC's website at www.sec.gov. Such documents, and amendments thereto, filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, are also available, as soon as reasonably practicable, after Alcan has electronically filed such materials, through its website at www.alcan.com.

The SEC also maintains Internet website that contains reports, proxy statements and other information about issuers like us who file electronically with the SEC. The URL of that website is www.sec.gov.

The SEC allows us to "incorporate by reference" information into this document. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be a part of this document, except for any information that is superseded by information that is included directly in this document.

This document incorporates by reference the documents listed below that we previously filed with the SEC. They contain important information about us and our financial condition.

1. Our Annual Report on Form 10-K for the year ended December 31, 2005;
2. Our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2006, June 30, 2006 and September 30, 2006; and

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3. Our Current Reports on Form 8-K dated October 24, 2006, October 31, 2006, November 8, 2006, December 12, 2006 and December 22, 2006.

All documents subsequently filed by us pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act, prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which deregisters all such securities then remaining unsold, shall be deemed to be incorporated by reference in this prospectus and to be a part of this prospectus from the date of filing of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

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You may obtain, without charge, a copy of any of the documents incorporated by reference in this prospectus, excluding any exhibits to those documents unless the exhibit is specifically incorporated by reference as an exhibit in that document. You can obtain these documents by requesting them by telephone from CIBC Mellon at (416) 643-5500 or toll free throughout North America 1-800-387-0825 or in writing at the following address:

P.O. Box 7010
Adelaide Street Postal Station
Toronto, Ontario, Canada
M5C 2W9

inquiries@cibcmellon.com

Proxy circulars, annual reports and other information concerning us can also be inspected on Alcan's Internet website at www.alcan.com and on SEDAR (website of the Canadian Securities Administrators) at www.sedar.com.

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