



algroup

Public Exchange Offer

of

Alcan Aluminium Limited

(a company incorporated under the laws of Canada)

for all

Registered Shares in Alusuisse Group Ltd

with a nominal value of CHF 100 each

Offer Period: 29 August to 25 September 2000, 4 p.m. Central European Time (CET)

Exchange Ratio: 17.1 Alcan Aluminium Limited Common Shares

will be exchanged for

One Alusuisse Group Ltd registered share with a nominal value of CHF 100 (CHF 10 after the registration with the Zurich Commercial Register of the capital reduction approved by the algroup shareholders on 17 July 2000)

Recommendation: The algroup board of directors unanimously recommends that the algroup shareholders accept the Exchange Offer.

Advisor/Manager:

UBS Warburg

Alusuisse Group Ltd**Security number****ISIN**

first line (not notified for exchange)

141 832

CH 0001418323

second line (notified for exchange in Common Shares)

1 118 321

CH 0011183214

Alcan Aluminium Limited**Security number****ISIN**

Fractions

1 118 323

CH 001183230

Common Shares

676 958

CA 0137161059

Exchange Offer Prospectus of 29 August 2000

The Exchange Offer Prospectus refers in certain respects to the Listing Particulars, in particular as regards information on Alcan Aluminium Limited, Montreal, Canada (hereinafter referred to as "**Alcan**") after the Combination (as defined below) and a summary of the terms of the Combination Agreement (as defined below).

After completion of the Exchange Offer, Alcan intends to cause Alusuisse Group Ltd, Zurich, Switzerland (hereinafter referred to as "algroup") to delist the algroup Shares from the SWX Swiss Exchange. In this regard, holders of algroup Shares who do not tender same in acceptance of the Exchange Offer may find themselves holding shares for which no liquid market exists. Alcan's intention is to pursue all means legally available to it with a view to eliminating any minority interests remaining after completion of the Exchange Offer.

No action has been taken to permit the issuance, publication or distribution of the Exchange Offer Prospectus or the accompanying form of Declaration of Acceptance and Assignment or the Listing Particulars referred to herein (together, the "**Exchange Offer Documentation**"), or to permit the making of any offer to acquire the shares in Alusuisse Group Ltd in any country other than Switzerland. Accordingly, the Exchange Offer Documentation may not be issued or distributed or passed on to a person resident in a country or jurisdiction where such issuance, publication or distribution would be considered unlawful and the Exchange Offer does not constitute an offer to acquire algroup Shares to any person resident in a country or jurisdiction outside Switzerland to whom it is unlawful for such offer to be made under the laws of that country or jurisdiction.

The Exchange Offer referred to in the Exchange Offer Documentation is not being made, directly or indirectly, in or into the United States, and the Exchange Offer Documentation is not being and may not be mailed or otherwise forwarded, distributed or sent in, into or from the United States. The Alcan Shares to be issued pursuant to the Exchange Offer have not been registered under the U.S. Securities Act of 1933 (the "**Securities Act**") or under any relevant securities laws of any state of the United States. Accordingly, the Alcan Shares issued under the Exchange Offer may not be offered, sold or delivered, directly or indirectly, in or into the United States or to or for the account or benefit of any United States person except in transactions registered under the Securities Act or exempt from, or not subject to, the registration requirements of the Securities Act and otherwise in accordance with all applicable legislation.

In the UK, the Exchange Offer Documentation must only be distributed to persons who are authorised persons or exempted persons within the meaning of the UK Financial Services Act 1986 or any order made thereunder or to other persons of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 (as amended).

In Germany, the Alcan Shares are being offered only to professional investors within the meaning of § 2 no. 1 of the German Sales Securities Prospectus Act (Wertpapier-Verkaufsprospektgesetz).

In the Republic of Ireland, the Exchange Offer Documentation is being presented to a very limited number of institutional investors. Institutional investors in the Republic of Ireland who subscribe for or purchase the Alcan Shares must do so as part of their ordinary business for their own account or the account of others.

In Belgium, the Belgian Banking and Finance Commission has not reviewed or approved the Exchange Offer Documentation or commented on its accuracy or adequacy or recommended or endorsed the purchase of the securities.

Listing Particulars

This document should be read in conjunction with the terms of the Listing Particulars, copies of which can be obtained free of charge from UBS Warburg at the addresses mentioned at the end of the Exchange Offer Prospectus. algroup shareholders will be deemed to have read the Listing Particulars.

Manager and Listing Agent

UBS Warburg has been appointed by Alcan as manager for the purposes of the Exchange Offer. UBS Warburg has also been appointed listing agent for the listing of the Alcan Shares on the SWX Swiss Exchange. To the knowledge of Alcan no other person is UBS Warburg's customer in relation to the transaction and they neither owe nor undertake any duties or obligations to, and will not be liable in any respect to, any other person, nor do they owe to any other person the protections afforded to customers under any relevant regulatory system.

Definitions

In this document:

1. **"Additional Acceptance Period"** means the extension of the Offer Period by 10 trading days to permit additional acceptances only;
2. **"algroup"** means Alusuisse Group Ltd, Zurich, Switzerland;
3. **"algroup Shares"** means algroup registered shares, currently with a nominal value of CHF 100 each; which nominal value shall be CHF 10 upon the registration with the Zurich Commercial Register of the shareholders' resolution dated 17 July 2000 approving the reduction of the nominal value of each algroup registered share by CHF 90;

4. **"Amending Agreement"** means the 1 June 2000 agreement entered into by Alcan and algroup amending the Combination Agreement;
5. **"Articles"** means Alcan's Articles of Amalgamation, which were issued on 1 January 1995 under the CBCA;
6. **"CBCA"** means the Canada Business Corporations Act;
7. **"CIBC Mellon"** means CIBC Mellon Trust Company;
8. **"Combination"** means the proposed Alcan-algroup combination resulting from the successful completion of the Exchange Offer as provided for in the Combination Agreement;
9. **"Combination Agreement"** means the combination agreement dated 15 September 1999 as amended by its termination insofar as it related to Pechiney (see below) and by the Amending Agreement;
10. **"Combined Company"** means Alcan following the completion of the Combination;
11. **"Exchange Offer"** means the offer by Alcan to acquire, on and subject to the terms and conditions set forth in the Combination Agreement, all of the algroup Shares in exchange for Alcan Shares;
12. **"Listing Particulars"** means the listing particulars to be filed with the SWX Swiss Exchange before the listing of the additional Alcan Shares with the SWX Swiss Exchange;
13. **"Offer Period"** means the period during which the Exchange Offer will be open for acceptance (excluding the Additional Acceptance Period);
14. **"Shares"** or **"Alcan Shares"** means Alcan Common Shares;
15. **"Special Swiss Shareholder Payments"** means both a capital repayment of CHF 90 and a dividend payment of CHF 135 together totalling CHF 225 per algroup Share;
16. **"Swiss Minimum Condition"** means Alcan having received within the Offer Period valid acceptances in respect of more than 67 % of the total number of all outstanding algroup Shares calculated on a fully diluted basis at the end of the Offer Period.

A. The Combination of Alcan and algroup

1. Background to the Exchange Offer

Alcan, algroup and Pechiney announced on 11 August 1999 the terms of a combination of the three companies through two independent exchange offers to be made by Alcan for all of the shares in each of algroup and Pechiney (the "**Three-way Combination**"). The Three-way Combination was to be effected in accordance with the terms of a combination agreement dated 15 September 1999 as subsequently amended.

In the Three-way Combination, the exchange ratio for each algroup Share was initially set at 20.6291 Alcan Shares, but subsequently adjusted to 20.1745 Alcan Shares by virtue of the Three-way Combination agreement, since all of algroup's outstanding convertible bonds were not converted into algroup Shares prior to the demerger of algroup's chemicals business.

Following discussions with the European Commission's Merger Task Force, Alcan, Pechiney and algroup concluded that the divestments which would ultimately be required to meet the objections of the European Commission in respect of the Three-way Combination would seriously undermine its strategic viability. Accordingly, on 14 March 2000 the Combination Agreement was terminated as regards Pechiney and now operates as an agreement between Alcan and algroup only. As Alcan and algroup anticipated, the European Commission proceeded to clear the Alcan/algroup Combination on 14 March 2000, subject to the following conditions: (a) the divestiture of the alumina tri-hydrate plant operated by algroup's subsidiary, Alusuisse Martinswerk GmbH, at Bergheim-Erft, Germany; (b) the divestiture of the lithographic operations carried out by algroup at Bridgnorth, UK; and (c) the divestiture of certain machines that produce semi-rigid aluminium containers, all as more fully described in the European Commission's decision of 14 March 2000.

On 1 June 2000, Alcan and algroup entered into the Amending Agreement, providing (i) that the consideration for each algroup Share would be 17.1 Alcan Shares for each algroup Share, (ii) that if the Swiss Minimum Condition were satisfied algroup would pay a special dividend of CHF 135 per algroup Share on the second business day prior to the exchange of shares under the Exchange Offer, (iii) that if the Swiss Minimum Condition were satisfied algroup would make a capital repayment equal to CHF 90 per algroup Share to the algroup shareholders on the second business day prior to the exchange of shares under the Exchange Offer, and (iv) that the proposed composition of the board of directors of the Combined Company would be revised as described below. The Amending Agreement also provides that if the Swiss Minimum Condition is not satisfied or the Exchange Offer is not completed for any other reason, the CHF 90 capital repayment will be paid on 24 October 2000.

algroup shareholders approved the payment of the special dividend and the making of the capital repayment at an extraordinary shareholders' meeting held on 17 July 2000.

On 1 June 2000, Alcan entered into an agreement whereby BZ Group Holding Limited, BZ Bank Limited and Stillhalter Vision AG, all of Wilen in Switzerland, committed, as principal and on behalf of their clients, to irrevocably tender algroup Shares representing in aggregate approximately 34% of the outstanding algroup Shares to the Exchange Offer (the "**Tender Agreement**").

If the Exchange Offer is completed and all of the algroup Shares are acquired and exchanged for Alcan Shares, shareholders of algroup will own approximately 35% of the Shares of the Combined Company (on a fully diluted basis) and the current Alcan shareholders will own approximately 65% of the outstanding shares of the Combined Company (on a fully diluted basis).

2. Reasons for the Combination

The Combination is expected to create significant value for the shareholders of both companies. The Combination will establish one of the world's largest aluminium companies with complementary operations and technologies, a low-cost position in primary aluminium and advanced aluminium fabricating facilities located globally. The Combined Company will provide opportunities for future low-cost growth and expansion. It will also include a major flexible and speciality packaging business. The Combined Company would have had pro forma 1999 sales and operating revenues of USD 12.4 billion and will have a strong strategic position in the global marketplace.

a) Customers

The Combined Company will be positioned to work with customers on a worldwide basis to address their needs by supplying them with existing products and by the development of new technologies and applications which the customers require.

b) Cost Synergies

Management of both of Alcan and algroup expect that the Combined Company will generate approximately USD 150 million in annual cost synergies, over and above existing profit improvement programs that are already underway in each of the companies. These synergies are expected to be achieved in the following areas:

- *Selling, General and Administrative Expenses.* Cost savings are expected to be realized by combining corporate and head office services and trading, sales and distribution staff support services.
- *Purchasing.* Operating and capital cost savings are expected to be realized through volume purchasing and the ability to manage projects on a larger scale.
- *Operations.* Operating cost savings are expected to be realized through optimizing production and reloading of facilities and extending production runs.

It is expected that a very substantial portion of these savings will be realised within approximately 24 months of the completion of the Combination. Estimated one-time costs (including severance costs) to achieve these savings are expected to be approximately USD 150 million.

c) Financial Resources

The Combined Company will be financially strong. For the year ended 31 December 1999, its pro forma sales and operating revenues and earnings before interest, taxes, depreciation and amortisation (EBITDA) would have been USD 12.4 billion and USD 2.0 billion, respectively. As at 30 June 2000, the pro forma consolidated assets and shareholders' equity of the Combined Company would have been USD 17.8 billion and USD 9.5 billion, respectively. These figures include the assets, liabilities and operating results of the divestitures referred to in Section A.1. See the Alcan/algroup pro forma financial statements set out in Chapter 6 of the Listing Particulars.

d) Key Facts about the Combined Company

The Combined Company will be one of the world's largest low-cost primary aluminium producers with:

- interests in nine bauxite mines and eight alumina refineries;
- interests in 15 aluminium smelters on four continents;
- control of 2.2 million tonnes of global smelting capacity (including capacity under construction); and
- 1.4 million tonnes of smelting capacity in the lowest third of the cost curve of smelters world-wide (including that which is under construction).

The Combined Company will have:

- interests in 25 sheet/light gauge production facilities on four continents (2,322 kt shipments in 1999);

- interests in 30 other fabrication facilities (305 kt other fabricating product shipments in 1999);
- interests in over 70 facilities serving the flexible and speciality packaging markets; and
- a position as significant supplier to key industries such as automotive, other transport, and beverage can on a global basis.

In the automotive industry, where the use of aluminium is growing, the Combined Company will be a leading player. In can sheet, which is the largest application for aluminium sheet, the Combined Company will have a significant position.

The Combined Company will have leadership positions in research and development and new product development in several key areas including:

- alumina refining;
- aluminium rolling; and
- automotive applications.

The Combined Company will also be a significant world supplier of both flexible and speciality packaging with pro forma 1999 sales of USD 2.8 billion. The Combined Company will be a major supplier of food flexible, pharmaceutical and tobacco packaging products to customers around the world. Speciality packaging is a profitable high-growth business and the Combined Company will be well positioned to pursue further opportunities in this consolidating industry.

B. Exchange Offer

1. Offer

In accordance with Art. 7 et seq. of the Ordinance of the Takeover Board on Public Takeover Offers, the Exchange Offer was publicly announced in the electronic media on 17 August 2000 and by means of notices published in newspapers on 21 August 2000. The Exchange Offer is made for all algroup Shares.

The algroup Shares shall be acquired with all rights attached thereto excluding the right to receive the Special Swiss Shareholder Payments which shall have been paid prior to the date when the algroup Shares are taken up and paid for by Alcan.

2. Exchange Ratio

17.1 Alcan Shares will be exchanged for **each algroup Share** tendered in acceptance of the Exchange Offer.

The exchange will be free of charge for all algroup Shares which are held in a safekeeping account at banks in Switzerland.

3. Shareholder Payments by algroup

algroup will make the Special Swiss Shareholders Payments to all its shareholders of record on the close of business on the second business day **prior** to the exchange of shares under the Exchange Offer, providing the Swiss Minimum Condition is satisfied. If the Swiss Minimum Condition is not satisfied or the Exchange Offer is not completed for any other reason, only the capital repayment portion of the Special Swiss Shareholder Payments will be paid on 24 October 2000.

The 17.1 Alcan Shares per algroup Share consideration was agreed between Alcan and algroup based upon the assumption that the shareholders of algroup would also receive CHF 225 per algroup Share in cash.

If Alcan acquires any algroup Shares pursuant to the Exchange Offer and the Special Swiss Shareholder Payments have not been paid even though the requisite conditions have been satisfied, according to the Amending Agreement Alcan shall guarantee to the shareholders of algroup who tendered the algroup Shares so acquired that the funds necessary to make their Special Swiss Shareholder Payments will be available to algroup. algroup has agreed to take all reasonable actions necessary to complete the Special Swiss Shareholder Payments promptly and in reasonable consultation with Alcan.

4. Fractions of Alcan Shares

Fractions of Alcan Shares will **not** be issued. Instead, Alcan is making arrangements with CIBC Mellon and UBS Warburg for Shares representing fractional entitlements to be aggregated and sold on the market on behalf of the persons entitled thereto and the net proceeds of sale in Swiss francs will be distributed amongst the depository banks of the persons entitled thereto.

5. Share Prices

a) The range of closing prices of Algroup Shares on the SWX Swiss Exchange was as follows during the periods indicated (in CHF, adjusted in line with changes in capital):

	1995	1996	1997	1998	1999	2000*
High	572	630	900	1185	1174	1295
Low	355	538	652	651	884	945

* up to 16 August 2000

Closing price prior to the official announcement
of the Three-way Combination on 11 August 1999 CHF 1044

Closing price prior to the official announcement
of the Two-way Combination on 1 June 2000 CHF 1068

Closing price as of 16 August, 2000 before announcing the Exchange Offer CHF 1177

Source: Bloomberg

b) The range of closing prices of Alcan Shares on the Toronto Stock Exchange was as follows during the period indicated (in CAD, adjusted in line with changes in capital):

	1995	1996	1997	1998	1999	2000*
High	49.375	48.200	54.900	48.000	59.950	65.750
Low	33.500	39.375	37.800	29.750	34.500	43.000

* up to 16 August 2000

Closing price prior to the official announcement
of the Three-way Combination on 11 August 1999 CAD 54.500

Closing price prior to the official announcement
of the Two-way Combination on 1 June 2000 CAD 47.850

Closing price as of 16 August , 2000 before announcing the Exchange Offer CAD 49.300

Source: Bloomberg

c) The range of closing prices of Alcan Shares on the New York Stock Exchange was as follows during the period indicated (in USD, adjusted in line with changes in capital):

	1995	1996	1997	1998	1999	2000*
High	36.250	36.000	39.750	33.938	41.375	45.125
Low	23.625	29.000	26.563	19.000	23.125	29.250

* up to 16 August 2000

Closing price prior to the official announcement of the Three-way Combination on 11 August 1999	USD 36.688
Closing price prior to the official announcement of the Two-way Combination on 1 June 2000	USD 32.000
Closing price as of 16 August 2000 before announcing the Exchange Offer	USD 33.375

Source: Bloomberg

6. Certain Regulatory Requirements

On 18 October 1999 pursuant to an undertaking made by algroup under the Combination Agreement, an extraordinary shareholders' meeting of algroup adopted a new clause in algroup's articles of association whereby algroup opted out for one year from the regulations on mandatory public tender offers, in order to avoid any lack of clarity with respect to the minimum price calculation in the event of unforeseen market fluctuations. These regulations, which would otherwise be applicable to the Exchange Offer by virtue of art. 32 of the Federal Act on Stock Exchanges and Securities Trading (Switzerland), require that in certain public exchange offers the price of the shares offered to the shareholders of the target company must correspond to the market price of the shares of the target company over a certain period immediately preceding the launch of the exchange offer. On 21 July 2000, at the request of both algroup and Alcan, the Swiss Takeover Board issued a recommendation that the value of the algroup Shares for the purposes of calculating the Minimum Price under the Exchange Offer should be determined on the basis of the average opening stock price of the algroup Share for each of the relevant 30 trading days, less the special dividend amount of CHF 135, less the capital reduction of CHF 90. Consequently, the minimum price condition is met in the present case and this has been confirmed by the Review Body (see Section K. below).

7. Offer Period

The Offer Period will be from **29 August to 25 September 2000, 4 p.m. (CET)** .

8. Additional Acceptance Period

If the conditions to the Exchange Offer are satisfied or waived at the end of the Offer Period, the Exchange Offer Period will be extended by 10 trading days to permit additional acceptances only.

9. Completion

The exchange of algroup Shares tendered during the Offer Period or during the Additional Acceptance Period for Alcan Shares will, if the Exchange Offer becomes or is declared unconditional, be completed within four trading days after the end of the Additional Acceptance Period.

Cash payments in respect of fractional entitlements to Alcan Shares related to algroup Shares tendered during the Offer Period or the Additional Acceptance Period will be settled within seven trading days after the end of the Additional Acceptance Period.

10. Conditions

The Exchange Offer is subject to the Swiss Minimum Condition, i.e. Alcan having received within the Offer Period valid acceptances in respect of more than 67% of the total number of outstanding algroup Shares calculated on a fully diluted basis at the end of the Offer Period.

The Exchange Offer is also conditional upon there being no legal or regulatory proceedings pending during the time in which the Exchange Offer is outstanding, which proceedings are of a serious or material nature and have the object of declaring the Exchange Offer or any material term thereof illegal, unenforceable or inoperative.

The conditions may be waived by Alcan, subject to the prior written consent of algroup in the case of the Swiss Minimum Condition. Should these conditions not have been satisfied and not have been waived as provided above by the end of the Offer Period, the Exchange Offer will lapse.

C. Information on the Offeror

The following information is a summary in relation to Alcan and the rights of its shareholders. For more detailed information, please refer to the Articles and the by-laws of Alcan, the Combination Agreement, the Amending Agreement and Chapters 3.1 and 3.2 of the Listing Particulars which can be obtained free of charge from UBS Warburg at the addresses mentioned at the end of the Exchange Offer Prospectus.

1. Name and Domicile of Alcan

The name of the offeror is Alcan Aluminium Limited. It is incorporated and organised in Canada under the CBCA with the registered number 310145-2. The duration of Alcan is unlimited. The registered and principal office is at 1188 Sherbrooke Street West, Montreal, Quebec, Canada.

2. Corporate Powers

Alcan is a multinational producer of aluminium and aluminium products. With operations and sales offices in more than 30 countries, Alcan is one of the most international aluminium companies. It is a producer of primary metal and a global producer and marketer of rolled aluminium products.

The Articles impose no restrictions on the business that Alcan may carry on or on its corporate powers.

3. Description of Alcan Shares

The authorised capital of Alcan includes an unlimited number of Alcan Shares of which 210,358,558 Shares were issued and outstanding as of 14 August 2000.

On 15 June 2000, Alcan was authorised to purchase up to 21,800,000 Common Shares representing approximately 10% of the public float of its Shares at 31 May 2000, i.e. 218,739,452 Shares, under a normal course issuer bid made in accordance with the rules of The Toronto Stock Exchange. The Shares purchased under the program are cancelled. Purchases commenced on 19 June 2000 and will terminate at the latest on 18 June 2001. As of 14 August 2000, Alcan has purchased 8,600,000 Shares under the program. In accordance with the said rules, no purchases will be made during the Offer Period and Additional Acceptance Period.

Alcan Shares are subject to the rights of the holders of the Preference Shares and of any other preferred securities issued in the future.

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

4. Information regarding Alcan's Share Capital

a) Authorised Capital

Alcan may issue an unlimited number of additional Shares and Preference Shares from time to time upon approval by the Alcan board of directors for such consideration as the board deems appropriate, without the need of further shareholder authorisation. However, the board 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 the shareholders of Alcan, 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 Alcan board of directors prior to issuance.

b) Preference Shares

The holders of currently issued and outstanding Preference Shares of Alcan will be entitled to receive cumulative cash dividends at the following rates:

Series C, 1984 and 1985: quarterly dividends in an amount determined by applying to CAD 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 CAD 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 Alcan fails 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 Alcan liquidates, dissolves or winds up or distributes its assets among shareholders for the purpose of winding up its affairs, the holders of the Preference Shares will be entitled to receive, in preference to holders of the Shares, the sum of CAD 25 per 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 Alcan's option at CAD 25 per share, and all accrued and unpaid dividends.

Unless all dividends then payable on the Preference Shares have been declared and paid or set apart for payment, Alcan 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) retire less than all of a series of Preference Shares.

c) Common Shares

The Shares (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.

The provisions of the CBCA require that the amendment of certain rights of holders of any class of shares, including the 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 Shares is 40% of the Shares then outstanding. Therefore, it is possible for the rights of the holders of Shares to be changed other than by the affirmative vote of the holders of the majority of the outstanding Shares. In circumstances where certain rights of holders of Shares may be amended, however, holders of Shares will have the right, under the CBCA, to dissent from such amendment and require Alcan to pay them the then fair value of their Shares.

d) Capital Issued

	<u>Authorised</u>	<u>Outstanding*</u>
Preference Shares, issuable in series.....	Unlimited	
Of which the following series are outstanding:		
Floating Rate Cumulative Redeemable		
Preference Shares, Series C, 1984.....	4,200,000	4,200,000
Floating Rate Cumulative Redeemable		
Preference Shares, Series C, 1985.....	1,500,000	1,500,000
Cumulative Redeemable Preference		
Shares, Series E.....	3,000,000	3,000,000
Common Shares.....	Unlimited	210,358,558

** As at 14 August 2000*

5. Shareholders' Meetings

a) Notice

According to sections 1.01 and 1.02 of By-law No. 1A, the Alcan directors shall call an annual meeting of shareholders not later than 15 months after the holding of the last preceding annual meeting and may at any time call a special meeting of shareholders to be held at such place within Canada and at such time as directors shall determine.

Notice of the time and place of a meeting of shareholders shall be sent not less than 21 days and not more than 50 days before the meeting to each shareholder entitled to vote at the meeting, to each director and to the auditors of the corporation. The accidental failure to give notice of a meeting of shareholders to any person entitled thereto or any error in such notice not affecting the substance thereof shall not invalidate any action taken at the meeting.

According to the CBCA, the holders of not less than five per cent of the issued shares of a corporation that carry the right to vote at a meeting sought to be held may requisition the directors to call a meeting of shareholders for the purposes stated in the requisition.

b) Quorum

According to section 1.03 of By-law No. 1A, the holders of not less than 40% of the Shares entitled to vote at a meeting of shareholders present in person or by proxy shall constitute a quorum.

c) Conditions of Exercise of Voting Rights

There are two types of shareholders' resolutions: a special resolution and an ordinary resolution. A special resolution is a resolution passed by a majority of not less than two-thirds of the votes cast by the shareholders and an ordinary resolution is a resolution passed by a majority of the votes cast by the shareholders. Special resolutions are required in order for Alcan to effect various fundamental changes such as amending its Articles, liquidation, dissolution and most amalgamations.

A shareholder entitled to vote at a meeting of shareholders may by means of a proxy appoint a proxyholder or one or more alternate proxyholders who are not required to be shareholders, to attend and act at the meeting in the manner and to the extent authorised by the proxy and with the authority conferred by the proxy.

According to section 1.06 of By-law No. 1A, voting at every meeting of shareholders shall be by show of hands except where, either before or after a show of hands, a ballot is required by the

chairman of the meeting or is demanded by any person present and entitled to vote at the meeting.

The holders of Shares of a class or series who have no voting rights will nevertheless be entitled to vote at any meeting where the business will modify the rights and privileges related to their class or series.

6. Dividends

According to the Articles, the Preference Shares of each series shall rank *pari passu* with the Preference Shares of every other series and shall be entitled to preference over the Shares with respect to payment of dividends.

According to section 2.05 of By-law No. 1A, the directors of Alcan, when declaring dividends payable in cash on the Shares of Alcan shall have the option of declaring such dividends payable in U.S. currency or in Canadian currency.

According to the CBCA, a corporation shall not declare or pay a dividend if there are reasonable grounds for believing that the corporation is, or would after the payment be, unable to pay its liabilities as they become due or if the realisable value of the corporation's assets would thereby be less than the aggregate of its liabilities and stated capital of all classes. (See Section C.3 and C.4.b) above).

7. Limits on Ownership of Shares, Disclosure of Interests

No specific provision exists in the Articles or in the by-laws of Alcan on limits on ownership of Shares.

Under the CBCA, no specific obligation is imposed with respect to the disclosure by shareholders of their holdings, whether directly or indirectly, acting alone or with other shareholders. There are however rules with respect to insider trading which apply to shareholders of 10% or more of a company.

United States securities legislation to which Alcan is subject requires shareholders of five per cent or more of the total outstanding Shares to file a report with the US Securities and Exchange Commission. Canadian securities legislation requires reports from shareholders of ten per cent or more of the total outstanding Shares.

8. Shareholder Rights Plan

Alcan has a Shareholder Rights Plan ("**Rights Plan**") which is embodied in the Shareholder Rights Agreement ("**Agreement**") between Alcan and CIBC Mellon, as trustee ("**Rights Agent**") dated 14 December 1989, as amended and restated most recently as of 22 April 1999. The Rights Plan will remain in effect until 1 May 2008, unless terminated earlier. Set out below is a summary of the Rights Plan. Capitalised terms used in this summary have the meanings specified in the Rights Plan.

Pursuant to the Agreement, one right ("**Right**") to purchase additional securities, subject to the terms and conditions of the Agreement, has been issued for each Share outstanding and Rights will likewise be issued in respect of Shares issued in the future until the Separation Time or until the termination of the Rights Plan. The Rights are not exercisable until the Separation Time.

The **Separation Time** is the close of business on the tenth business day after either the first date that a person has acquired beneficial ownership of 20% or more of the outstanding Shares in Alcan, or the date of commencement or announcement of a Take-Over Bid.

Until the Separation Time (or earlier termination or expiration of the Rights), the Rights are evidenced by the certificates for the Shares to which the Rights attach. The Rights are transferred with, and only with, the associated Shares. Furthermore, until such time, Share certificates issued will contain a notation incorporating the Agreement by reference.

The Rights will separate and trade independently of the Shares after the Separation Time.

Promptly following the Separation Time, separate certificates evidencing the Rights ("**Rights Certificates**") will be given to holders of record of Shares as of the close of business at the Separation Time and such separate Rights Certificates alone will evidence the Rights.

The Exercise Price and the number of Rights outstanding are subject to adjustment from time to time to prevent dilution (i) in the event of a stock dividend on, or a subdivision, combination or reclassification of the Shares, (ii) upon the grant to Shareholders of certain rights or warrants to subscribe for the Shares or convertible securities at less than the current market price of the Shares, or (iii) upon distribution to Shareholders of evidences of indebtedness or assets (excluding Regular Periodic Cash Dividends as defined in the Agreement) or of rights or warrants (other than those referred to above).

A Flip-In Event occurs when a Person becomes an Acquiring Person. Upon the occurrence of a Flip-In Event, each Right (except for Rights beneficially owned by an Acquiring Person or a person acting in concert with an Acquiring Person or certain transferees of an Acquiring Person, which Rights shall be void) shall constitute the right to receive, upon the exercise thereof at the

then current Exercise Price of the Right, Shares having an aggregate Market Price on the date of occurrence of such Flip-In Event equal to twice the Exercise Price. For example, if at the time of the Flip-In Event, the Exercise Price is USD 200 and the Alcan Shares have a Market Price of USD 50 each, the holder of each Right will be entitled to receive USD 400 in market value of Alcan Shares (8 shares) for USD 200, i.e. at a 50% discount.

The Alcan board of directors may, upon notice delivered to the Rights Agent, determine to waive the application of the provisions of the Flip-In Event section of the Agreement to a particular Flip-In Event or any particular acquisition or other transaction or event that would, but for the waiver, constitute or result in a Flip-In Event, provided that such waiver shall automatically constitute a waiver of the application of such provisions to all contemporaneous Flip-In Events.

At every third annual meeting following the Meeting of shareholders held on 22 April 1999, the Alcan board of directors shall submit a resolution to the Shareholders for approval ratifying the continued existence of the Rights Plan. If a majority of greater than 50% of the votes cast on such a resolution is against the continued existence of the Rights, then the Agreement, the Rights Plan and any outstanding Rights shall be of no further force or effect.

Any Person who makes a Take-Over Bid in compliance with the provisions of a Permitted Bid will not become an Acquiring Person. The requirements of a Permitted Bid include the following:

- the bid, which may be for all or part of the shares of a particular class, must be made to all holders thereof,
- the bid must remain outstanding for a minimum period of 60 calendar days after which period the shares may be taken up and paid for only if more than 50% of the shares held by Independent Shareholders (as defined in the Agreement) have been tendered and not withdrawn, and
- if more than 50% of the shares held by Independent Shareholders have been tendered and not withdrawn at the end of the above-mentioned 60-day period, the bid must remain open for an additional 10 business days.

A competing Permitted Bid may proceed contemporaneously provided it expires no earlier than the initial Permitted Bid and is outstanding for a minimum period of 21 calendar days.

Alcan may from time to time supplement or amend the Agreement with the approval of the Rights Agent but without the consent of the holders of the Rights or the holders of the Shares in order to correct a clerical or typographical error or in order to maintain the validity of the Agreement as a result of a change in applicable legislation or regulation, provided that such latter

change is subsequently approved by the holders of the Shares or the holders of the Rights, as applicable.

Until a Right is exercised, the holder thereof, as such, will have no rights as a Shareholder including, without limitation, the right to vote or to receive dividends.

9. Transfer of Alcan Shares

There are no restrictions of general application as to the transferability of the Alcan Shares.

10. Form of Alcan Shares

The Alcan Shares to be issued pursuant to the Exchange Offer will be issued in registered form. They are either registered in the name of a depository bank's nominee, the name of the nominee of SIS SegInterSettle AG's ("SIS") correspondent bank or as a special case in the name of the shareholder by keeping the shares at home or in a bank safe ("Heimverwahrer").

A physical delivery of Alcan Shares in Switzerland is possible, but only after transfer of the Alcan Shares to the shareholder's own name. Share certificates registered in the shareholder's name are usually only eligible for normal trading on the SWX Swiss Exchange after re-transfer to a depository bank's nominee's name. The transfer of Alcan Shares, held through depository banks into certificates, registered in the shareholder's name or vice versa is expected to take approximately 15 business days; costs associated with such transfer and delivery will have to be borne by the holder requesting the transfer.

11. Alcan Board of Directors and Executives

Following completion of the Exchange Offer, it is intended that the Combined Company's directors will be Jacques Bougie, Travis Engen, John R. Evans, Guy Saint-Pierre, J.E. Newall, Gerhard Schulmeyer, Paul M. Tellier, Martin Ebner, Rupert Gasser, Willi Kerth and Sergio Marchionne. The Chairman will be Dr. John R. Evans. The Chief Executive Officer will be Jacques Bougie.

The board of directors will have such committees as it determines, provided that it will at all times have (a) audit, (b) corporate governance and (c) human resources and compensation committees.

12. Major Shareholders of algroup, Alcan and the Combined Company

a) Major Shareholders of algroup

algroup has advised Alcan that to the best of its knowledge the only holders of more than 5% of the voting rights or capital of algroup are:

- BZ Group Holding Limited, directly and indirectly (27.5% as at 3 February 2000);
- Merrill Lynch Capital Markets Ltd, 8004 Zürich, Switzerland, together with Mercury Asset Management Group Ltd, London, UK, Merrill Lynch International, London, UK, and Merrill Lynch Asset Management, Plainsboro, NJ, USA (approx. 6% as at 9 June 2000).

b) Major Shareholders of Alcan

To the best of Alcan's knowledge, the only holder as at 31 July 2000 of more than five percent of the Alcan Shares is:

- Sanford C. Bernstein & Co, Inc. 6.9%.

c) Major Shareholders of the Combined Company after the Combination

Based upon shareholdings of Alcan and algroup as disclosed in the Exchange Offer Prospectus, after completion of the Exchange Offer and assuming the acquisition of all of the algroup Shares in accordance herewith, no person alone or group of persons acting in concert would beneficially own or exercise control or direction over Shares of Alcan carrying more than five percent of the aggregate voting rights attached thereto, except for BZ Group Holding Limited, which would hold, directly and indirectly, approximately 9.1%.

13. Persons Acting in Concert

In the context of the Exchange Offer, the applicable law is such that the following persons are deemed to be acting in concert with Alcan:

- All companies under Alcan's control.

14. Consolidated Annual Reports and Financial Statements of Alcan and algroup

Copies of the consolidated annual reports and financial statements of Alcan for the year ended 31 December 1999, the two previous business years as well as the interim report as of 30 June 2000, and the consolidated annual reports and financial statements of algroup for the year ended 31

December 1999, the two previous business years as well as the interim report as of 30 June 2000, can be obtained free of charge at the addresses mentioned at the end of the Exchange Offer Prospectus.

15. Pro Forma Financial Information

Historical accounts and pro forma presentation of the Combination are included in the Listing Particulars.

16. algroup Shares

As at 31 March 2000, algroup had 6,790,242 issued fully paid-up registered shares, and conditional capital which would allow the issuer to issue 119,983 registered shares, with a nominal value of CHF 100 each (CHF 10 after the registration with the Zurich Commercial Register of the capital reduction approved by the algroup shareholders on 17 July 2000). The algroup Shares are listed on the SWX Swiss Exchange.

Over the period starting from 1 January 1999 to 17 August 2000 Alcan neither bought nor sold any algroup Shares, any convertible bonds issued by algroup nor any call or put options for algroup Shares or securities.

On 17 August 2000, Alcan held no algroup Shares or convertible bonds issued by algroup and held no call or put options for algroup Shares or securities.

17. Listings of Alcan

Alcan Shares are listed on the stock exchanges of Toronto, New York, London and the SWX Swiss Exchange. Applications to list the Alcan Shares to be issued pursuant to the Exchange Offer are being made to each of these stock exchanges, including the SWX Swiss Exchange. It is expected that listing on the SWX Swiss Exchange will become effective and that dealings will commence on the first day of or the first business day after the settlement of the Exchange Offer.

18. Alcan Shares to be Received by algroup Shareholders

Shareholders of algroup who accept the offer will receive Alcan Shares, tradeable on the SWX Swiss Exchange as well as on the Toronto, New York and London stock exchanges assuming acceptance of the listing applications. The Alcan Shares to be received by algroup shareholders carry the same rights and privileges as Alcan's currently outstanding Shares and as described in the Articles. These rights and privileges are governed by Canadian law. The right to dividends of newly-issued Alcan Shares resulting from the Exchange Offer will arise as from the date of their issuance.

The sale of Alcan Shares, whether by Swiss resident or non-resident holders, may be subject to a Swiss securities transfer stamp duty up to 0.3 percent calculated on the sale proceeds if it occurs through or with a Swiss or Liechtenstein bank or a Swiss or Liechtenstein securities dealer as defined in the Swiss Federal Stamp Tax Act or on the SWX Swiss Exchange with foreign securities dealers being members (remote access). In addition to the stamp duty, the sale of Alcan Shares by or through a member of the SWX Swiss Exchange may be subject to a stock exchange levy.

19. Significant Changes

Other than described herein and in Part 2 Paragraph 4A. 14. of the Listing Particulars, no material changes in Alcan's assets and liabilities, financial position, earnings and prospects taken as a whole have taken place since 30 June 2000 and up to 17 August 2000.

D. Taxation of a Swiss Resident Holding Shares in a Canadian Company

Information on the tax treatment of Swiss residents holding shares in a Canadian company is included in Part 1 of the Listing Particulars.

E. Information on the Target Company

1. Intentions of Alcan with regard to algroup

It is Alcan's intention that, if the Exchange Offer is successful, it will continue to hold the algroup Shares it has acquired as a result of the Exchange Offer.

After completion of the Exchange Offer, Alcan intends to exercise all rights and influence available to it to cause algroup to obtain the delisting of the algroup Shares on the SWX Swiss Exchange. In this regard, holders of algroup Shares who do not tender same in acceptance of the Exchange Offer may find themselves holding shares for which no liquid market exists.

Alcan's intention is to pursue all means legally available to it with a view to eliminating any minority interests remaining after completion of the Exchange Offer. In particular, if after completion of the Exchange Offer Alcan holds more than 98% of the algroup Shares, Alcan will seek the cancellation of the remaining share certificates in accordance with art. 33 of the Federal Act on Stock Exchange and Securities Trading (Switzerland).

Other means which may be pursued by Alcan for the purpose of eliminating minority interests in algroup may include mergers, amalgamations, transfers of assets or corporate restructurings.

The resulting financial strategies and dividend policies of algroup may differ from those that would be established by algroup if it remained an independent company.

Alcan and algroup are not currently in a position to state what their dividend policy will be in respect of algroup Shares after a successful offer, but it is likely that such policy will be determined in the context of algroup's integration into the Combined Company and could result in a large reduction or an end to dividends being paid by algroup.

If the Exchange Offer is completed, Alcan will seek to initiate the necessary steps to change the composition of the algroup board of directors so that it reflects the position of algroup as a subsidiary of Alcan. These steps could include the convening of a general meeting of algroup by the algroup board of directors for the purpose of passing the required resolutions.

2. Agreements between Alcan and algroup, its Subsidiaries and Shareholders

Save as noted below, there are no agreements in place between Alcan and algroup, its subsidiaries and shareholders.

algroup and Alcan have entered into the Combination Agreement and the Amending Agreement as referred to above in Section A.1.

Alcan and BZ Group Holding Limited, BZ Bank Limited, and Stillhalter Vision AG, all of Switzerland, have entered into the Tender Agreement as referred to above in Section A.1.

On 11 August 1999, subject to certain limitations Alcan undertook to algroup that if, before the fifth anniversary of the completion of the Exchange Offer, it sells all or substantially all of the shares or assets of algroup and distributes the proceeds of such sale to its shareholders then it will indemnify those former shareholders of algroup who (a) were on 11 August 1999 Swiss tax resident, (b) held their algroup Shares as business assets and (c) became, and continuously remained, shareholders of Alcan as a result of the Exchange Offer and receive such distribution, for any Swiss Federal income or capital gains tax arising as a consequence of the demerger of Lonza Group Ltd in light of the completion of the Exchange Offer and which would not have arisen had the demerger of Lonza Group Ltd not occurred.

algroup has agreed to take the requisite steps such that one of its nominees will qualify as soon as practicable as a "resident Canadian" to the extent necessary to assure the valid constitution of the board of directors for purposes of the CBCA. In the event that none of them is able to do so in

time for the completion of the Exchange Offer, algroup shall select a replacement nominee who shall be a "resident Canadian".

From and after the completion of the Exchange Offer, Alcan has agreed to:

- indemnify the present and former directors and officers of algroup and its subsidiaries against damages, costs and expenses incurred in connection with matters existing or occurring at or prior to the completion of the Exchange Offer; and
- maintain in effect for a period of six years the existing directors' and officers' liability insurance of algroup.

3. Treatment of Existing algroup Options

By virtue of the algroup share option plan and the grants of options thereunder, upon exercise of any options following the completion of the Exchange Offer, the optionee will receive 21.66 Alcan Shares for each algroup Share covered by the options. The difference between this rate of exchange from the exchange ratio of the Exchange Offer results from the fact that the option holder will not receive the Special Swiss Shareholder Payments in respect of the algroup Shares covered by the options. Options in respect of 21,000 algroup Shares are outstanding under the plan and a maximum of 460,000 Alcan Shares may be issued as a consequence.

4. Confidential Information

Alcan confirms that neither it nor any persons acting in concert with it have directly or indirectly received material confidential information in respect of algroup from algroup itself or from the companies under its control which could have a material influence on the decision of the algroup shareholders.

F. Financing

The Alcan Shares to be issued pursuant to the Exchange Offer will be newly issued shares, created by means of an increase in the aggregate number of Shares outstanding which was approved at the Alcan shareholders' meeting on 22 November 1999.

All further necessary measures for the issuance of the increased amount of Alcan Shares will be taken by Alcan.

G. Publication

A summary of the Exchange Offer Prospectus will be published in German in the *Neue Zürcher Zeitung*, *Schweizerisches Handelsamtsblatt*, *Finanz und Wirtschaft* and *Handelszeitung* and in French in *Le Temps* and *l'AGEFI*. An extract of this summary will also be supplied to Telekurs, Bloomberg and Reuters.

H. Report of the algroup Board of Directors

The following is the report of the algroup board of directors:

"Report of the Board of Directors of Alusuisse Group Ltd, Zurich

1. Recommendation

The Board of Directors of Alusuisse Group Ltd („algroup“, respectively the „Board“) has examined the exchange offer of Alcan Aluminium Limited („Alcan“) to the shareholders of algroup (the „Exchange Offer“). The Board, including the member who will not be appointed to the Board of Directors of Alcan, unanimously recommends that algroup's shareholders accept the Exchange Offer.

2. Statement of Reasons

Pursuant to the Exchange Offer, one algroup registered share with a nominal value of CHF 100 (from the registration with the Zurich Commercial Register of the capital reduction approved by the shareholders of algroup on 17 July 2000, CHF 10) will be exchanged for 17.1 Alcan common shares. In addition, algroup will make a capital repayment amounting to CHF 90 per algroup share and (in case the Swiss Minimum Condition foreseeing that valid acceptances are tendered in respect of more than 67% of algroup registered shares is met) will pay a special dividend of CHF 135 per algroup share.

The Board considers the Exchange Offer and the exchange ratio together with the capital repayment and the special dividend to be fair and reasonable and in the best interest of algroup's shareholders as a whole. The Board furthermore believes that the combination of algroup with Alcan (the „Combination“) will create significant value for the shareholders of both companies. The Combination will establish one of the world's largest aluminium companies with complementary operations and technologies, a low-cost position in primary aluminium and advanced aluminium fabricating facilities located globally. It will also create

a major flexible and specialty packaging business. The Board expects that the combined company will generate annual cost synergies of approximately USD 150 million.

In recommending the acceptance of the offer, the Board also relied on the Fairness Opinion of Goldman Sachs International, London, dated 12 June 2000, as reproduced in the Exchange Offer Prospectus.

3. Conflicts of Interest and Intentions of Major Shareholders

Following the Combination, Mr. Martin Ebner, Chairman of the Board, Rupert Gasser, member of the Board, and Sergio Marchionne, member of the Board and CEO (Managing Director) of algroup, will be elected to the Board of Directors of Alcan. The terms and conditions of these mandates have not yet been determined. The Board is not aware of any other contractual agreements or other arrangements which might result in a conflict of interest affecting members of the Board or members of senior management of algroup.

In an agreement with Alcan dated 1 June 2000, BZ Group Holding Limited and affiliates have committed, as principals and on behalf of clients, to irrevocably tender algroup shares representing approximately 34% of the outstanding algroup shares in the Exchange Offer. The Board has no indication that Merrill Lynch Capital Markets AG (together with Mercury Asset Management Group Ltd, Merrill Lynch International and Merrill Lynch Asset Management as of 9 June 2000 holding approximately 6% of the outstanding algroup shares) will not tender their algroup shares in the Exchange Offer.

Zurich, 16 August 2000

*Martin Ebner,
Chairman
of the Board of Directors*

*Sergio Marchionne,
CEO (Managing Director)
and member of the Board of
Directors"*

I. Fairness Opinion

A copy of the Fairness Opinion from Goldman Sachs International, London, to the board of directors of algroup recording its advice is attached as Appendix A.

J. Recommendations of the Swiss Takeover Board

On 21 July 2000 the Swiss Takeover Board issued the following recommendation (English translation from the German original):

"For the purpose of calculating the minimum price of the exchange offer of Alcan Aluminium Limited to the shareholders of Alusuisse Group AG, the amount of the special dividend of CHF 135 as well as the amount of the capital reduction payment of CHF 90 are required to be deducted from the stock price according to art. 32 al. 4 SESTA."

The Exchange Offer was submitted to the Swiss Takeover Board prior to its publication. In the recommendation dated 18 August 2000, the Swiss Takeover Board formally determined that the Exchange Offer of Alcan complies with the Stock Exchange Act (Switzerland).

The Swiss Takeover Board granted the following exception from the Takeover Ordinance (art. 4): waiver of the cooling-off period (art. 14.2).

K. Report of the Review Body pursuant to Article 25 of the Federal Act on Stock Exchanges and Securities Trading

As independent auditors recognised by the supervisory authority to review public takeover offers in accordance with the Federal Act on Stock Exchanges and Securities Trading (hereinafter "SESTA"), we have reviewed the Exchange Offer Prospectus and the summary provided for in Article 18 para. 3 of the Ordinance of the Swiss Takeover Board on Public Takeover Offers (hereinafter "O-TB") pursuant to Article 25 of the SESTA and Article 26 of the O-TB taking into consideration the recommendations issued and the exception(s) granted by the Swiss Takeover Board.

All information included in the Exchange Offer Prospectus and the summary are the responsibility of Alcan. Our responsibility is to express an opinion on the compliance of the two documents with the SESTA, the O-TB and the rules of the Ordinance of the Federal Banking Commission on Stock Exchanges and Securities Trading (hereinafter "SESTO-FBC") governing the minimum price (Articles 37 – 43 SESTO-FBC) based on our review.

Our review is limited to the information, required by the SESTA and the O-TB, included in the two documents and therefore we do not express an opinion in respect of any information not strictly required by the SESTA and the O-TB.

Our review was conducted in accordance with the standards promulgated by the profession, which require that a review be planned and performed to verify the compliance of the Exchange Offer Prospectus and the summary with the SESTA, the O-TB and the SESTO-FBC rules governing the minimum price (Articles 37 – 43 SESTO-FBC) and that reasonable assurance be obtained as to whether the Exchange Offer Prospectus and the summary are free of material misstatements. We have examined on a test basis evidence supporting the information included in the two documents. Furthermore, we have verified the compliance with SESTA, O-TB and the SESTO-FBC rules governing the minimum price (Articles 37 – 43 SESTO-FBC). We believe that our review provides a reasonable basis for our opinion.

Based on our review we concluded that:

- the Exchange Offer Prospectus and the summary comply in view of the recommendations issued and exceptions granted by the Takeover-Board with the SESTA, the O-TB and the SESTO-FBC rules governing the minimum price (Articles 37 – 43 SESTO-FBC);
- the Exchange Offer Prospectus and the summary are complete and accurate;
- the Exchange Offer provides for the equal treatment of algroup shareholders and the modification of the share option plan (see E.3 above) does not result in an unreasonable premium being paid to the optionee in relationship with the price offered to algroup's shareholders; and
- Alcan has taken the steps necessary to have the Alcan Shares required for the exchange available for issuance upon completion of the Exchange Offer.

Zurich, 17 August 2000

KPMG Fides Peat

Hieronymus Dormann
Swiss Certified Accountant

Rudolf Züger
Swiss Certified Accountant

L. Execution of the Exchange Offer

1. Information / Submission of Applications

Shareholders whose shares are held in a Safekeeping Account

The relevant custodian banks are requested to inform these shareholders of the Exchange Offer, who are asked to proceed according to the custodian bank's instructions.

Shareholders who keep their shares other than in a Safekeeping Account

These shareholders should contact the share registrar of algroup. They are asked to complete and sign the Form "Declaration of Acceptance and Assignment", which they can obtain from the share registrar of algroup, and submit it along with the corresponding share certificate(s), **not invalidated**, directly to their bank or an exchange agent by 4 p.m. (CET) on 25 September 2000 at the latest.

2. Management of the Offer

Alcan has commissioned UBS Warburg to manage operations relating to the Completion of the Exchange Offer.

3. Exchange Agent

The exchange agent for all algroup Shares is UBS AG.

4. Registered Shares Notified for Exchange

algroup Shares which have been notified for exchange in Alcan Shares will be assigned the following security number 1 118 321.

This security number must be used for safekeeping accounts and in dealings with the SIS until such time as the algroup Shares notified for exchange are actually exchanged for Alcan Shares.

5. Exchange Trading

Trading in algroup Shares on the SWX Swiss Exchange during the offer period will be organised as follows:

- First line: Shares not notified for exchange
Security number: 141 832
- Second line: Shares notified for exchange in Shares
Security number: 1 118 321

6. Exchange and Settlement

The outstanding share capital of Alcan will be increased according to section C.4. "Information regarding Alcan's Share Capital". algroup Shares notified for exchange will be exchanged for Alcan Shares, security number from 1 118 321 to 676 958.

The exchange of algroup Shares tendered during the Offer Period or during the Additional Acceptance Period for Alcan Shares will, if the Exchange Offer becomes or is declared unconditional (see Section B.10 above), take place on 17 October 2000.

Fractions of Alcan Shares will not be issued (see Section B.4 above). Cash payments in respect of fractional entitlements to Alcan Shares related to algroup Shares tendered during the Offer Period or the Additional Acceptance Period will be dispatched on 20 October 2000, three trading days after the Settlement day.

7. Charges and Taxes

algroup Shares held in safekeeping at banks in Switzerland will be exchanged after the Offer Period and the Additional Acceptance Period at the Settlement day (17 October 2000) free of cost and charges for algroup shareholders. According to external tax advice obtained by algroup, taxation will be governed by the following principles:

- The exchange of algroup Shares is expected to be tax-free for individual shareholders domiciled in Switzerland holding their shares as part of their private property except for any compensatory payments from algroup or cash received from algroup in lieu of fractional Alcan Shares. However, should Alcan or an affiliate of Alcan merge with algroup so that algroup's legal existence ceases within five years, individual shareholders domiciled in Switzerland would be liable for income tax in the event of an increase of the par value, if any, of the Alcan Shares or those of the affiliate.
- It is recommended that shareholders domiciled in Switzerland who hold their algroup Shares as business assets consult with their own tax advisers for an analysis of the tax consequences of the exchange. The cantonal tax treatment may differ in certain cantons from the federal tax treatment.
- The tax treatment of the exchange for shareholders domiciled abroad will be subject to the relevant foreign tax legislation. Shareholders should consult qualified professional advisors in order to review their individual tax situation in this regard.

8. Dividend Rights

The right to dividends of the newly issued Alcan Shares resulting from the Exchange Offer will arise as from the date of their issuance.

9. Applicable Law and Place of Jurisdiction

The Exchange Offer and all reciprocal rights and obligations resulting therefrom shall be subject to **Swiss law**. The exclusive place of jurisdiction shall be Zurich 1.

M. Illustrative Timetable*

29 August 2000	Start of the Offer Period
25 September 2000	End of the Offer Period
28 September 2000	Start of the Additional Acceptance Period
11 October 2000	End of the Additional Acceptance Period
13 October 2000	Payment to algroup shareholders of the Special Swiss Shareholder Payments
17 October 2000	Settlement for the algroup Shares tendered
20 October 2000	Settlement of fractional cash

* This timetable is provided for illustrative purposes only and may be subject to change.

The following documents can be obtained free of charge from the addresses below:

- Listing Particulars
- 1997, 1998 and 1999 Annual Reports of algroup for the years ended 31 December 1997, 1998 and 1999
- Interim report of algroup as of 30 June 2000
- 1997, 1998 and 1999 Annual Reports of Alcan for the years ended on 31 December 1997, 1998 and 1999
- Interim report of Alcan as of 30 June 2000

- Certificate and Articles of Amalgamation and By-Laws of Alcan
- Combination Agreement dated 15 September 1999 as amended
- Amending Agreement dated 1 June 2000
- Shareholder Rights Plan / Agreement

algroup
attn. Corporate Communication
Feldeggstrasse 4
Postfach
CH- 8034 Zürich
Switzerland
Phone: +41 1 386 22 22

Alcan Aluminium Limited
attn. the Secretary
1188 Sherbrooke Street West
Montreal, Quebec
Canada H3A 3G2
Phone: +1 514 848 80 00

Bank responsible for handling the Exchange Offer:

UBS AG

Legal Advisor to the Offeror, International Co-ordination
Freshfields

Legal Advisor to the Offeror, Switzerland
Lenz & Staehelin

Legal Advisors to the Offeree
Bär & Karrer
Sullivan & Cromwell

Offer Structure Advisor
UBS Warburg

Bank mandated to execute the Offer
UBS AG

Review Body
KPMG Fides Peat

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APPENDIX A

Fairness Opinion of Goldman Sachs International, London

PERSONAL AND CONFIDENTIAL

June 12, 2000

The Board of Directors
 Alusuisse Lonza Group Ltd
 Feldeggstrasse 4
 PO Box
 CH 8034 Zürich
 Switzerland

Attn: Sergio Marchionne

Gentlemen:

You have requested our opinion as to the fairness from a financial point of view to the holders of the outstanding shares, nominal value CHF 100 per share ("the Company Shares"), of Alusuisse Lonza Group Ltd (the "Company") of the exchange ratio of 17.1 shares of Common Stock of Alcan Aluminium Ltd. ("Alcan"), without par or nominal value (the "Alcan Shares"), to be received for each Company Share (the "Consideration") pursuant to the exchange offer contemplated by the combination agreement, dated as of September 15, 1999, among the Company, Alcan and Pechiney S.A. ("Pechiney"), as amended most recently by the amending agreement, dated as of June 1, 2000, between the Company and Alcan (as so amended, the "Agreement"). We understand and have assumed with your consent for the purposes of rendering this opinion that the Company will actually pay CHF 225 in cash in respect of each Company Share pursuant to the cash dividend and the capital repayment as contemplated by the Agreement. The Agreement sets forth the terms and conditions for the business combination to be effected through an exchange offer by Alcan for Company Shares.

Goldman Sachs International, as part of its investment banking business, is continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes. We are familiar with the Company having acted as its financial advisor in connection with, and having participated in, certain of the negotiations leading to the Agreement. In addition, we are also familiar with the Company having acted as an underwriter in connection with the issuance by the Company of U.S.\$252,500,000 2% Guaranteed Convertible Bonds Due 2001, as its financial advisor in certain negotiations in connection with a proposed but not completed business combination between the Company and VIAG AG and as information agent in the 2% special premium conversion offer for the U.S.\$252,500,000 2% Guaranteed Convertible Bonds Due 2001. Goldman Sachs International provides a full range of financial advisory and securities

services and in the course of its normal trading activities may from time to time effect transactions and hold securities, including derivative securities, of the Company and/or Alcan for its own account and the accounts of customers. Goldman, Sachs & Co. Bank, an affiliate of Goldman Sachs International, acted as co-manager in the offering of 6,423,985 registered shares of Lonza Group Ltd ("Lonza") in October 1999.

In connection with this opinion, we have reviewed, among other things, the following:

- (i) the Agreement; and
- (ii) certain publicly available information, including:
 - a. in the case of the Company, the annual reports to shareholders for each of the four years ended December 31, 1999, including the audited financial statements of the Company contained in its annual reports to shareholders for each of the four years ended December 31, 1999 and the Information Brochure for the Extraordinary Shareholders' Meeting of the Company dated September 24, 1999; and
 - b. in the case of Alcan, the annual reports to shareholders for each of the four years ended December 31, 1999, including the audited financial statements of Alcan included in its annual reports on Form 10-K for each of the four years ended December 31, 1999, the unaudited quarterly reports on Form 10-Q for the six quarterly periods ended June 30, 1998, September 30, 1998, March 31, 1999, June 30, 1999, September 30, 1999 and March 31, 2000, and the Management Proxy Circular for the Special Meeting of Shareholders dated October 28, 1999; and
 - c. in the case of Lonza, the Prospectus relating to the offering of 6,423,985 registered shares of Lonza; and
 - d. certain other communications from the Company and Alcan to their respective shareholders; and
- (iii) certain internal financial analyses and forecasts for the Company and Alcan prepared by their respective managements.

We also have held discussions with members of the senior management of the Company and Alcan regarding the strategic rationale for, and the potential benefits of, the transaction contemplated by the Agreement and the past and current business operations, financial condition and future prospects of their respective companies. In addition, we have (i) reviewed the reported price and trading activity for the Company Shares and Alcan Shares, (ii) compared certain financial and stock market information for the Company and Alcan with similar information for certain other companies the securities of which are publicly traded, (iii) reviewed the financial terms of certain recent business combinations in the aluminum and packaging industry specifically and in other industries generally, and (iv) performed such other studies and analyses as we considered appropriate.

We have relied without independent verification upon the accuracy and completeness of all of the financial and other information reviewed by us and have assumed such accuracy and completeness for purposes of rendering this opinion. In addition, we have not made an independent evaluation or appraisal of the assets and liabilities of the Company or Alcan or any of their subsidiaries, and we have not been furnished with any such evaluation or appraisal.

In that regard, we have assumed with your consent that:

- (i) the internal financial forecasts prepared by the managements of the Company and Alcan have been reasonably prepared on a basis reflecting the best currently available estimates and judgments of the Company and Alcan, and that such forecasts will be realized in the amounts and time periods contemplated thereby; and
- (ii) the expected synergies in respect of a business combination between the Company and Alcan as contemplated by the Agreement will be at least \$150 million as projected by the Company and Alcan in their press release dated as of June 1, 2000.

Our advisory services and the opinion expressed herein are provided for the information and assistance of the Board of Directors of the Company in connection with its consideration of the transaction contemplated by the Agreement and such opinion does not constitute a recommendation as to how any holder of Company Shares should vote with respect to, or whether or not any holder of Company Shares should tender such Company Shares in connection with, such transaction.

Based upon and subject to the foregoing, and based upon such other matters as we consider relevant, it is our opinion that as of the date hereof the Consideration to be received by the holders of Company Shares pursuant to the Agreement is fair from a financial point of view to such holders.

Very truly yours,

GOLDMAN SACHS INTERNATIONAL

By: (signed: Richard M. Campbell-Breeden)
Managing Director