

# Press Release

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**FOR IMMEDIATE RELEASE**

## **ALCAN KITIMAT EMPLOYEES RATIFY NEW FIVE-YEAR LABOUR AGREEMENT**

***First key condition met for US\$1.8 billion Kitimat Works Modernization Project***

**Kitimat, British Columbia, Canada – May 3, 2007** – Alcan announced today that employees at its Kitimat operations in northwest British Columbia have ratified a new five-year Collective Labour Agreement (CLA). More than 61% of the hourly workers represented by the Canadian Auto Workers (CAW) Local 2301 voted to ratify the new CLA.

“Alcan is very pleased with the outcome of the vote. It is a clear demonstration that the parties are determined to work together toward common objectives, including the modernization of the Kitimat smelter. We are pleased to have reached this agreement within such a short time period. I would like to commend the union and management negotiating teams for this significant accomplishment,” said Jean Simon, President, North America, Alcan Primary Metal Group.

The new labour contract takes effect today and runs through to July 23, 2012.

“This agreement brings us one step closer to securing the future of the aluminum business in British Columbia,” said Paul Henning, Managing Director, Kitimat Project and Operations. “The modernization of the smelter would mean that one of B.C.’s largest private construction projects would take place right here in the Kitimat Terrace area.”

A long-term competitive labour contract was one of three conditions set by Alcan when the modernization project was first announced in August 2006. Intended to ensure stability in labour relations during construction and ramp-up of the project, it also demonstrates strong support from the community, critical to the final go-ahead of the Kitimat Works Modernization Project. Steady progress has been made on the other two key conditions: obtaining the necessary environmental permits and a new long-term energy agreement.

Following a commitment made by Michel Jacques, President and CEO, Alcan Primary Metal Group, when he met with union representatives in Kitimat four weeks ago, Alcan will now proceed with the project’s preparations. They include, for example, Engineering Procurement Construction Management (EPCM) contracting, preliminary engineering and soil analysis, while continuing to work on the two other conditions.

The agreement provides for a competitive wage increase of 2.5% per year to the basic hourly rate, significant improvements in monetary and non-monetary packages, and a signing bonus of CAD\$2,300 per active member. The new CLA also includes provisions for a smooth transition from the old to the new technology.

CAW Local 2301 at Alcan in Kitimat represents approximately 1,300 production and maintenance workers.

The Kitimat smelter currently produces 243,000 tonnes of aluminum yearly and employs approximately 1,500 people. Today, Alcan has a global smelting capacity of 3.5 million tonnes per year, represented by the Company's network of 22 smelters in 11 countries.

Alcan Inc. (NYSE, TSX: AL) is a leading global materials company, delivering high quality products and services worldwide. With world-class technology and operations in bauxite mining, alumina processing, primary metal smelting, power generation, aluminum fabrication, engineered solutions as well as flexible and specialty packaging today's Alcan is well positioned to meet and exceed its customers' needs. Alcan is represented by 68,000 employees, including its joint-ventures, in 61 countries and regions, and posted revenues of US\$23.6 billion in 2006. The Company has featured on the Dow Jones Sustainability World Index consecutively since 2003. For more information, please visit: [www.alcan.com](http://www.alcan.com).

*Statements made in this press release which describe the Company or management's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of securities laws. The Company cautions that, by their nature, forward-looking statements involve risk and uncertainty and that the Company's actual actions or results could differ materially from those expressed or implied in such forward-looking statements or could affect the extent to which a particular projection is realized. Reference should be made to the Company's most recent Quarterly Report on Form 10-Q or Annual Report on Form 10-K for a list of factors that could cause such differences.*

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