

INFORMATION FOR ALCAN COMMON SHAREHOLDERS ON THE ALLOCATION OF THE TAX BASIS TO NOVELIS COMMON SHARES

On January 6, 2005, Alcan Inc. (Alcan) completed the spin-off of its rolled products businesses into an independent company called Novelis Inc. (Novelis) pursuant to a Plan of Arrangement, explained in the Management Proxy Circular dated November 23, 2004. As a consequence of the spin-off, each Alcan shareholder of record received one (1) share of Novelis common stock for each five (5) shares of Alcan common stock owned.

Novelis began trading as a separate company on the Toronto Stock Exchange on January 7, 2005 and on the New York Stock Exchange on January 19, 2005. The company's ticker symbol is "NVL".

For tax purposes, shareholders are generally required to allocate the cost of their Alcan common shares held immediately before the spin-off to their Alcan and Novelis common shares held immediately after the spin-off in proportion to their respective fair market values. Alcan has determined that it is reasonable for shareholders to allocate 9 percent of the cost of their pre spin-off Alcan common shares to their Novelis common shares and 91 percent to their post spin-off Alcan common shares.

Alcan's estimated allocation is not binding on tax authorities or any individual shareholder, and a variety of methods may be used to determine relative fair market values in different jurisdictions. However, it is recommended that allocations made by shareholders be consistent with Alcan's estimate, and that they consult their own tax advisors with respect to the specific tax consequences to them.

Example:

This example assumes that Alcan's estimated allocation of the fair market values is used to determine the post spin-off cost bases of Alcan and Novelis common shares.

- Assume that as of the record date of spin-off you owned 100 shares of Alcan common shares with a cost base of \$30 per share (total cost base of \$3,000).
- Based on the spin-off distribution ratio, you were entitled to receive 20 shares of Novelis common stock.
- The total cost base in your Alcan shares would be allocated \$2,730 to the Alcan common shares (91% of \$3,000), or \$27.30 per share, and \$270 to the Novelis common shares (9% of \$3,000), or \$13.50 per share.

Since tax authorities in many countries do not specify how to determine the relative fair market values, for the convenience of our shareholders, we have provided tables (Exhibit I) setting out trading prices at various dates on both the Toronto and New York Stock Exchanges as well as alternative implied tax basis allocations.

Example:

This example uses an allocation based on the closing share prices on the New York Stock Exchange on January 19, 2005 to determine the post spin-off cost bases of Alcan and Novelis common shares.

- Assume that as of the record date of spin-off you owned 100 shares of Alcan common shares with a cost base of \$30 per share (total cost base of \$3,000).
- Based on the spin-off distribution ratio, you were entitled to receive 20 shares of Novelis common stock.

- The total cost base in your Alcan shares would be allocated \$2,682 to the Alcan common shares (89.4% of \$3,000), or \$26.82 per share, and \$318 to the Novelis common shares (10.6% of \$3,000), or \$15.90 per share.

The information presented here does not constitute tax advice. It does not purport to cover all the income tax consequences that may apply to all categories of shareholders. Each shareholder should consult their own tax advisor as to the particular tax consequences of the spin-off to them. Please refer to the Management Proxy Circular dated November 23, 2004 for additional information on the tax considerations related to the spin-off.

Exhibit I

Toronto Stock Exchange

	January 6, 2005 When Issued Trading	January 7, 2005 Regular way Trading					
		Close	Hi	Lo	Average (Hi & Lo)	Open	Close
(in Cdn. dollars)							
Alcan Inc.	50.10	52.00	49.75	50.88	50.10	50.47	
Novelis Inc.							
Value per share	30.00	29.90	28.05	28.98	30.00	29.00	
Relative value	6.00	5.98	5.61	5.80	6.00	5.80	
Allocation							
Alcan Inc.	89.3%	89.7%	89.9%	89.8%	89.3%	89.7%	
Novelis Inc.	10.7%	10.3%	10.1%	10.2%	10.7%	10.3%	

New York Stock Exchange

	January 18, 2005 When Issued Trading	January 19, 2005 Regular way Trading				
		Close	Hi	Lo	Average (Hi & Lo)	Open
(in U.S. dollars)						
Alcan Inc.	39.71	40.37	39.16	39.77	39.70	39.25
Novelis Inc.						
Value per share	23.45	23.55	23.00	23.28	23.49	23.30
Relative value	4.69	4.71	4.60	4.66	4.70	4.66
Allocation						
Alcan Inc.	89.4%	89.6%	89.5%	89.5%	89.4%	89.4%
Novelis Inc.	10.6%	10.4%	10.5%	10.5%	10.6%	10.6%