X-pand into the Future

e u r e x *circular 059/00*

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Alcan Offer to Algroup Shareholders

Related Eurex Circulars: 101/99

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On 01 June, 2000 Alcan Aluminium Ltd. announced a change in the conditions of the planned conversion offer for Alusuisse Group shareholders.

In contrast to the original conditions, the new offer includes an additional cash component. For each Alusuisse Group share the shareholder will receive 17.1 Alcan Common Share as well as a capital repayment of CHF 90.00 and a special dividend of CHF 135.00. Alusuisse Group shareholders will vote on the repayment and the special dividend at the extraordinary general meeting called for 17 July, 2000.

Furthermore, Alcan have announced that payment of the special dividend is dependent on a minimum acceptance of the conversion offer by 67%. The start of the offer period will be in the third quarter of 2000 and the merger is expected to be finalised in October 2000 at the earliest.

Provided the merger takes place on the basis of the conditions noted above, the following should be taken into account related to the adjustment to the option on the Alusuisse/Lonza basket (ALUB):

In the calculation of the adjustment factor, a special dividend amount of CHF 120.00 will be taken into account instead of CHF 135.00. This results from the Eurex Trading Conditions, section 2.2.15.7 (3) “In the event of such distributions, the exercise price for options which are tradable prior to the capital transaction shall be reduced by an amount that reflects the value of the distribution to the extent that it exceeds the previous year's dividend, as determined in accordance with a formula established by the Eurex Exchanges;”.

Last year’s dividend on Algroup shares was CHF 25.00. In June 2000, following the Annual General Meeting, no dividend was distributed to Alusuisse shareholders. However, Lonza shareholders received a payment of CHF 10.00 in June 2000 in connection with the spin-off completed in 1999. Consequently, CHF 15.00 is subtracted from the CHF 135.00 in the calculation of the adjustment factor.

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