

ALCAN INC
Form 10-Q
November 09, 2005

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2005

Commission file number 1-3677

ALCAN INC.

(Exact name of registrant as specified in its charter)

CANADA

Inapplicable

(State or Other Jurisdiction of

(I.R.S. Employer Identification No.)

Incorporation or Organization)

1188 Sherbrooke Street West, Montreal, Quebec, Canada H3A 3G2

(Address of Principal Executive Offices and Postal Code)

(514) 848-8000

(Registrant's Telephone Number, including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

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Yes No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

At November 8, 2005 the registrant had 370,691,124 shares of common stock (without nominal or par value) outstanding.

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SIGNATURE

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PART I. FINANCIAL INFORMATION

In this report, all dollar amounts are stated in U.S. dollars and all quantities in metric tons, or tonnes, unless indicated otherwise. A tonne is 1,000 kilograms, or 2,204.6 pounds. The word "Company" refers to Alcan Inc. and, where applicable, one or more of its consolidated subsidiaries.

Item 1. Financial Statements

ALCAN INC.

INTERIM CONSOLIDATED STATEMENT OF INCOME (unaudited)

Third Quarter

Nine Months

Periods ended September 30

2005

2004

2005

2004

(in millions of US\$, except per share amounts)

Sales and operating revenues

4,887

6,184

15,271

18,412

Costs and expenses

Cost of sales and operating expenses, excluding depreciation

and amortization noted below

3,921

4,997

12,141

14,887

Depreciation and amortization

266

322

806

982

Selling, administrative and general expenses

331

398

1,056

1,159

Research and development expenses

66

54

164

173

Interest

92

73

267

253

Other expenses (income) - net (note 11)

55

49

152

100

4,731

5,893

14,586

17,554

Income from continuing operations before income taxes and

other items

156

291

685

858

Income taxes (note 9)

101

134

269

300

Income from continuing operations before other items

55

157

416

558

Equity income

16

13

73

46

Minority interests

1

1

(1)

(14)

Income from continuing operations

72

171

488

590

Income (Loss) from discontinued operations (note 3)

9

(4)

2

14

Net income

81

167

490

604

Dividends on preference shares

2

1

5

4

Net income attributable to common shareholders

79

166

485

600

Earnings (Loss) per share (note 4)

Basic:

Income from continuing operations

0.19

0.46

1.30

1.60

Income (Loss) from discontinued operations

0.02

(0.01)

0.01

0.03

Net income per common share - basic

0.21

0.45

1.31

1.63

Diluted:

Income from continuing operations

0.19

0.46

1.30

1.59

Income (Loss) from discontinued operations

0.02

(0.01)

0.01

0.03

Net income per common share - diluted

0.21

0.45

1.31

1.62

Dividends per common share

0.15

0.15

0.60

0.60

The accompanying notes are an integral part of the interim financial statements.

ALCAN INC.

INTERIM CONSOLIDATED BALANCE SHEET (unaudited)

September 30, 2005

December 31, 2004

(in millions of US\$)

ASSETS

Current assets

Cash and time deposits

236

184

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Trade receivables (net of allowances of \$70 in 2005 and \$99 in 2004)

2,490

3,247

Other receivables

925

936

Deferred income taxes

125

214

Inventories (note 12)

2,805

4,040

Current assets held for sale (note 3)

176

791

Total current assets

6,757

9,412

Deferred charges and other assets

2,334

2,877

Deferred income taxes

964

870

Property, plant and equipment

Cost (excluding Construction work in progress)

16,706

21,595

Construction work in progress

1,439

1,177

Accumulated depreciation

(7,097)

(9,478)

11,048

13,294

Intangible assets (net of accumulated amortization of \$194 in 2005

and \$172 in 2004)

884

1,230

Goodwill

4,958

5,496

Long-term assets held for sale (note 3)

28

162

Total assets

26,973

33,341

The accompanying notes are an integral part of the interim financial statements.

ALCAN INC.

INTERIM CONSOLIDATED BALANCE SHEET (cont'd) (unaudited)

September 30, 2005

December 31, 2004

(in millions of US\$)

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities

Payables and accrued liabilities

4,386

5,843

Short-term borrowings

284

2,486

Debt maturing within one year

841

569

Deferred income taxes

28

23

Current liabilities of operations held for sale (note 3)

75

335

Total current liabilities