

Two Proud Histories, One Great Future:

“A New and Stronger Inco”

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Operations



On Monday evening, the Boards of Directors of Inco and Falconbridge approved Inco's acquisition of Falconbridge

Inco will acquire all outstanding shares of Falconbridge, subject to the necessary regulatory approvals



Metals and Mining Powerhouse

- Friendly transaction
- Good news for:
 - Companies
 - Communities
 - Shareholders
 - Customers
 - Employees
- And good news for Sudbury

A Compelling Transaction: The "New" Inco

- Global leader in nickel
- Leading copper company
- Geographically diversified
- Outstanding nickel and copper growth prospects
- Strong cash flow; financial strength to grow
- Exceptional management team and experienced and committed employee base
- \$350 million annual synergies by the end of 2007 identified to date
- Strong synergies in Greater Sudbury



Transaction Summary

Structure:	Friendly takeover offer recommended by both Inco and Falconbridge boards
Ownership⁽¹⁾:	Inco 54% / Falconbridge 46%
Name of company:	Inco Limited, headquartered in Toronto

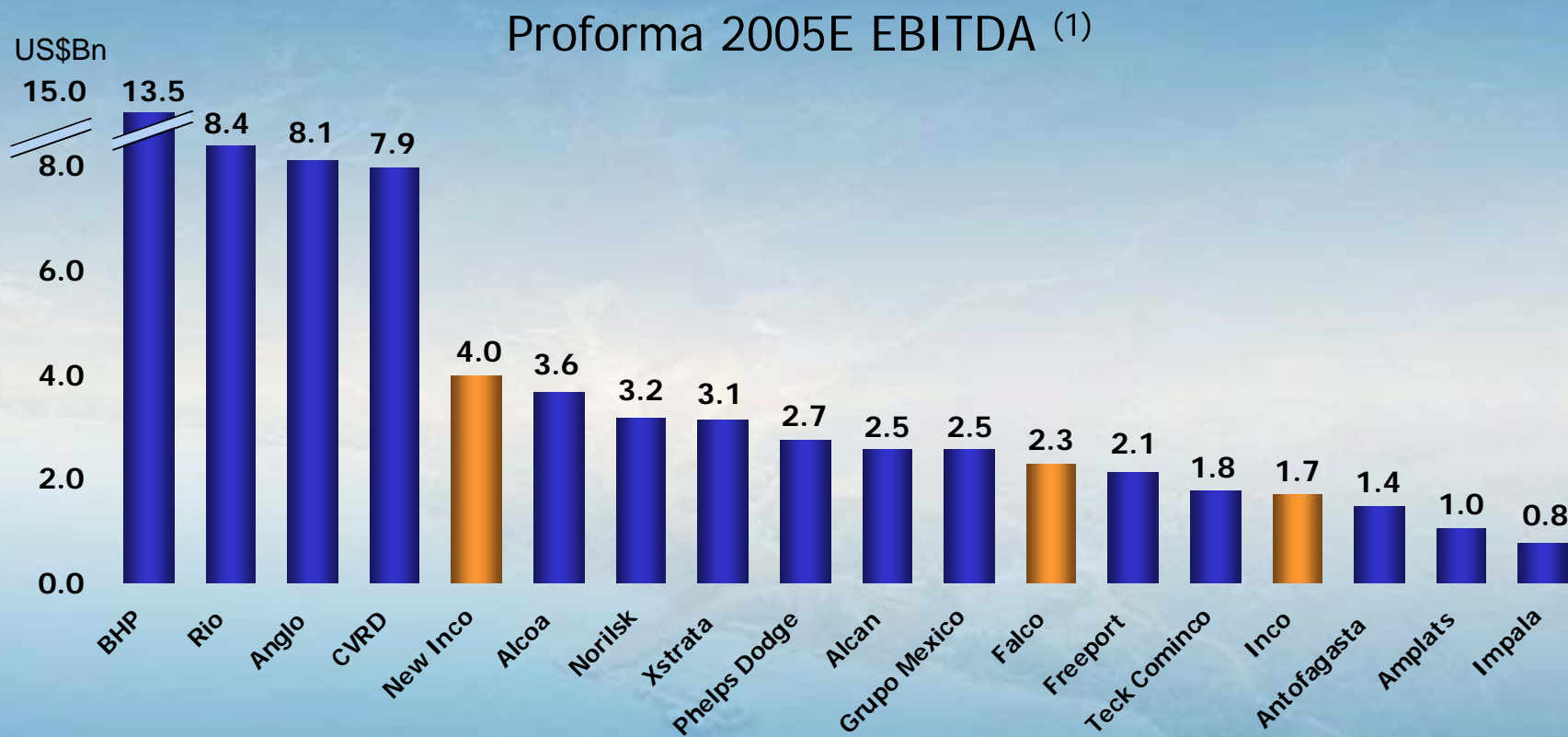
Canada's Number 1 Mining Player

Canada's Fifth Largest Non-Financial Services Company

(1) Fully-diluted basis



World-class, metals and mining company



(1) Earnings before interest, taxes, depreciation and amortization based on First Call consensus median estimates

FALCONBRIDGE

INCO



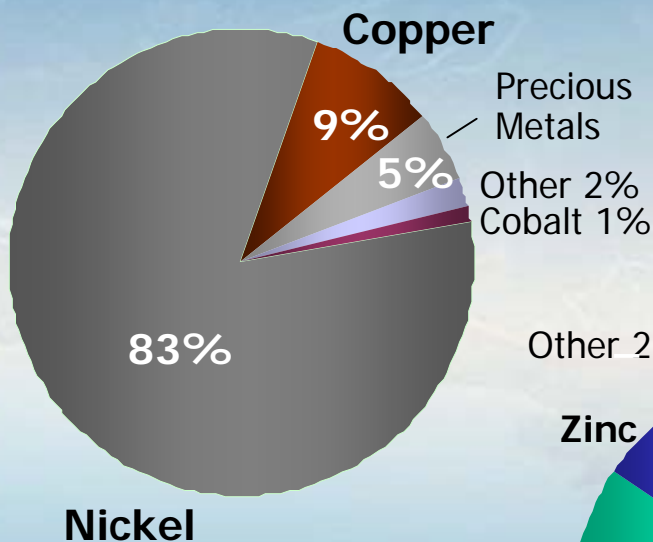
A larger and more diversified company



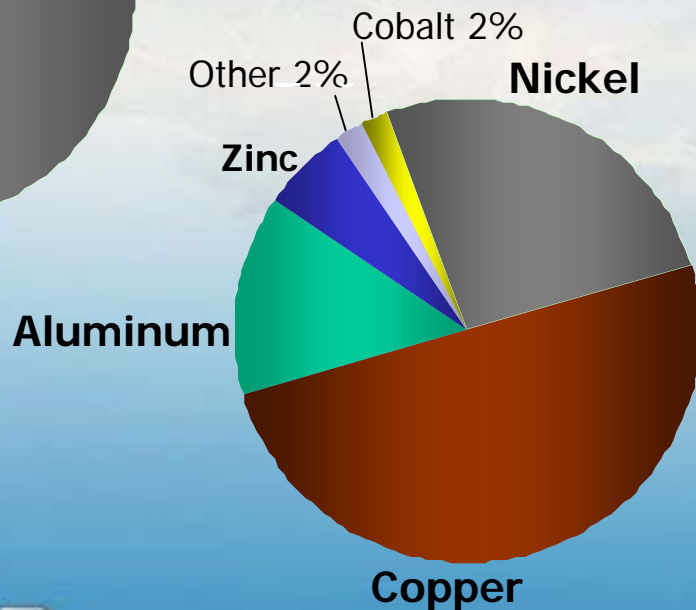
Diversified business profile

2005(e) revenue

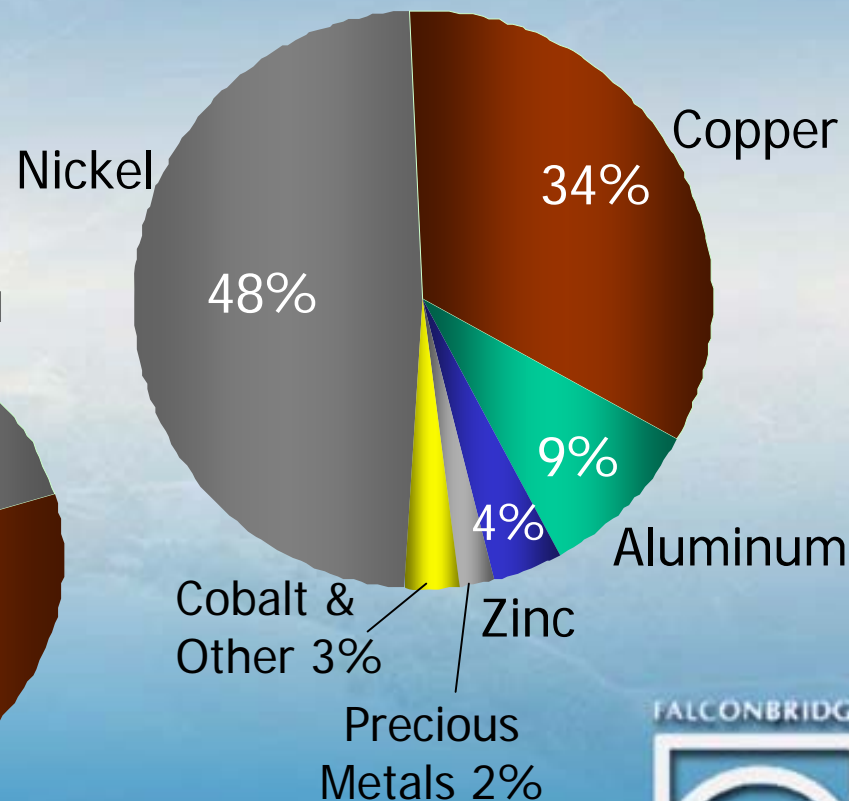
Inco



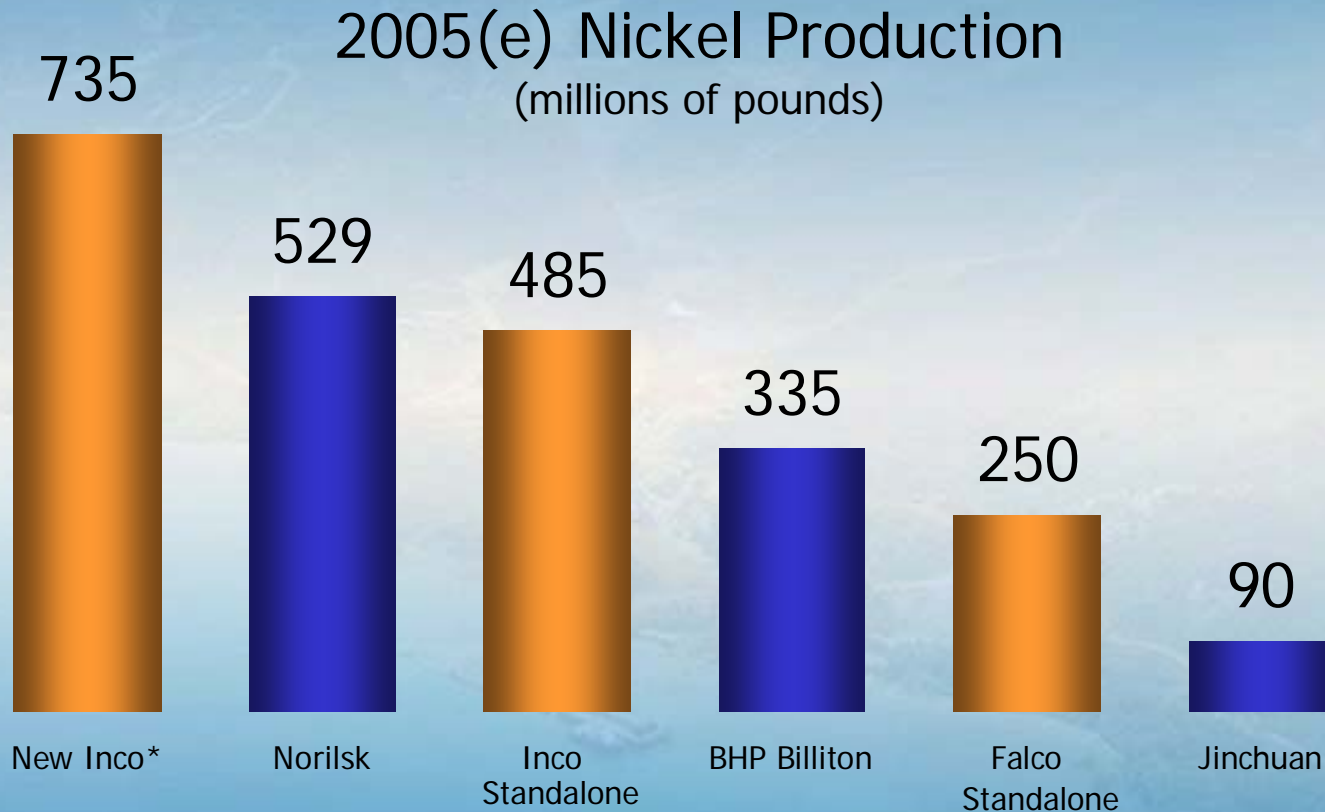
Falconbridge



Pro Forma New Inco



Creating the leading nickel producer

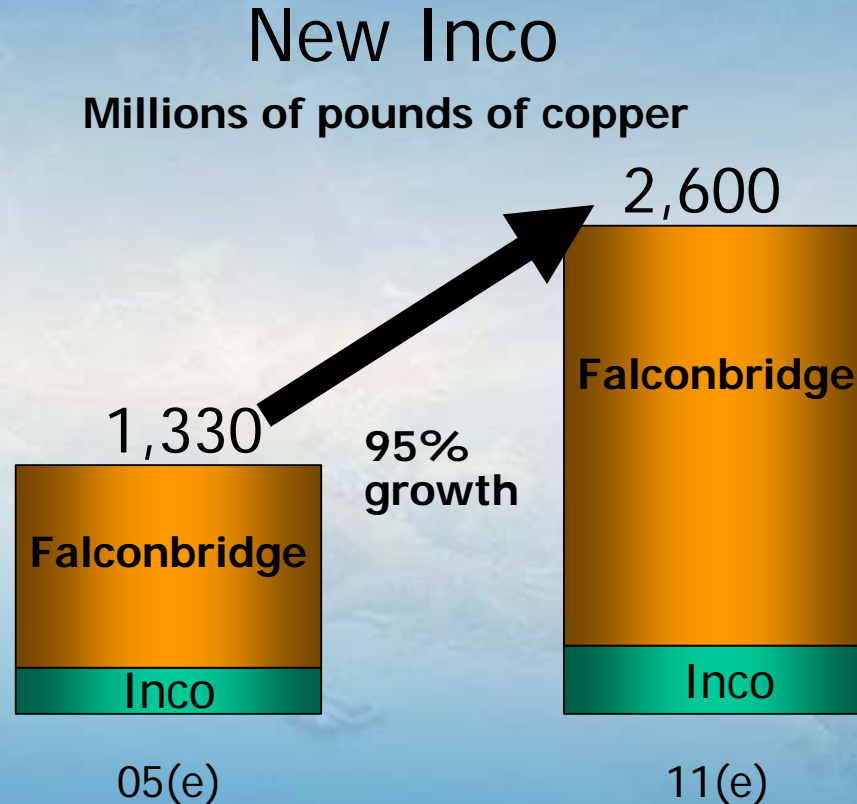


* Inco and Falconbridge combined

Source: Inco; Latest published information from Company reports



World's 8th largest producer of copper: Potential to double copper production by 2011



We'll become a leading cobalt producer;
the world's third largest producer of zinc and
supply 10% of U.S. demand for aluminum



- Zinc existing operation
- Zinc development project
- Aluminum operation

- Excellent cash flow generation
- Stronger, more diverse economic and geographic platform

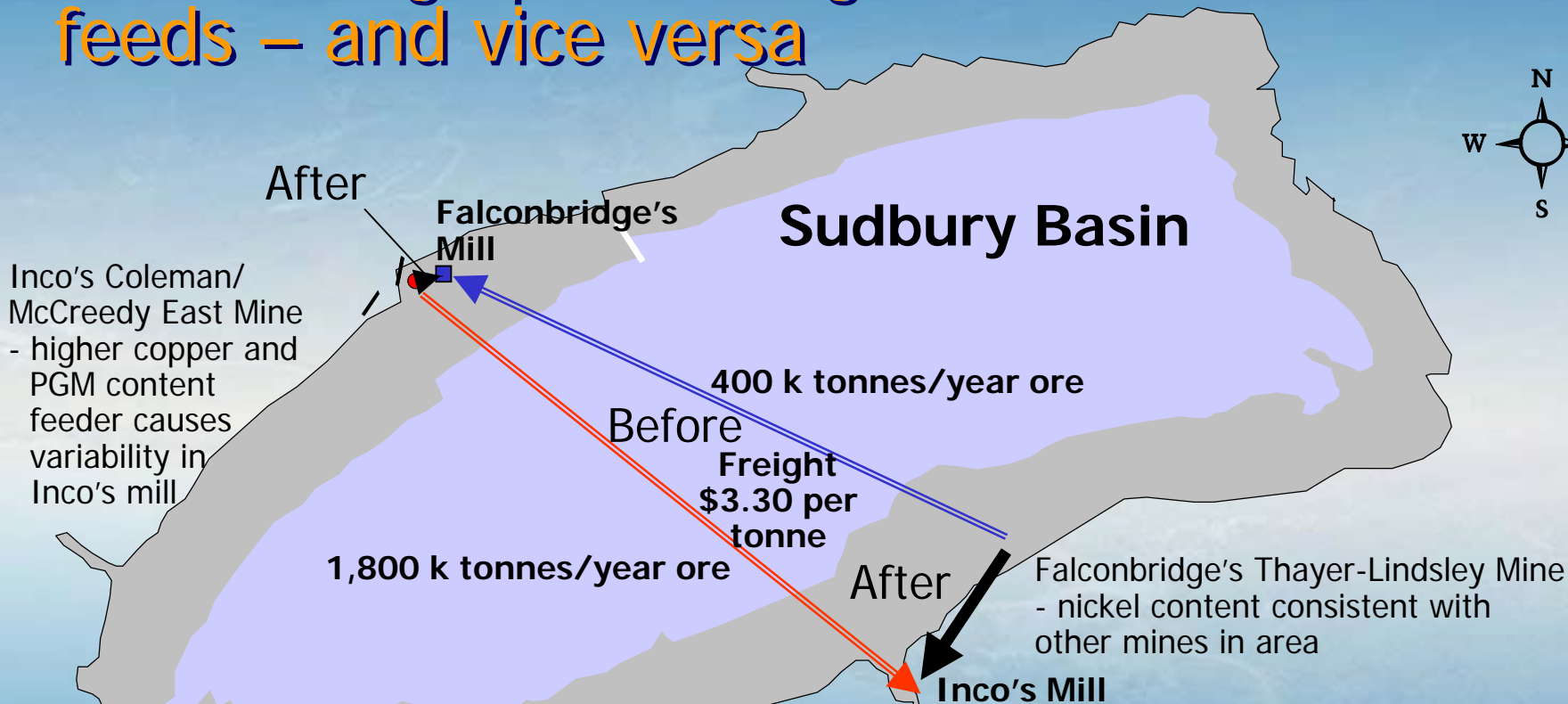
\$350 million of annual synergies identified to date by both management teams

- Synergies at operating and corporate levels
- Synergies unique to our two companies
- Best use of Sudbury processing facilities → increased nickel, copper, cobalt and PGM production
- Accelerated mine development in Sudbury → more jobs and investment in the medium and longer term; some necessary short-term rationalization
- Integration and planning well advanced with dedicated integration teams

Synergies are real; they're major and we're organized to get them



For example...we can mix and match Falconbridge processing facilities with Inco feeds – and vice versa



Results

- Save on freight cost (example above over \$7 million per year)
- Reduce feed variability
- Improve mill recoveries



Feed flow optimization



- Reconfigure Clarabelle mill processing circuit to produce copper concentrate to feed Falconbridge's Kidd Creek smelter
- Benefits to new Inco:
- Increases nickel smelting capacity and nickel production while avoiding capital expenditures that would otherwise be required
 - Reduces working capital
 - Reduces freight charges

What about jobs in Sudbury?

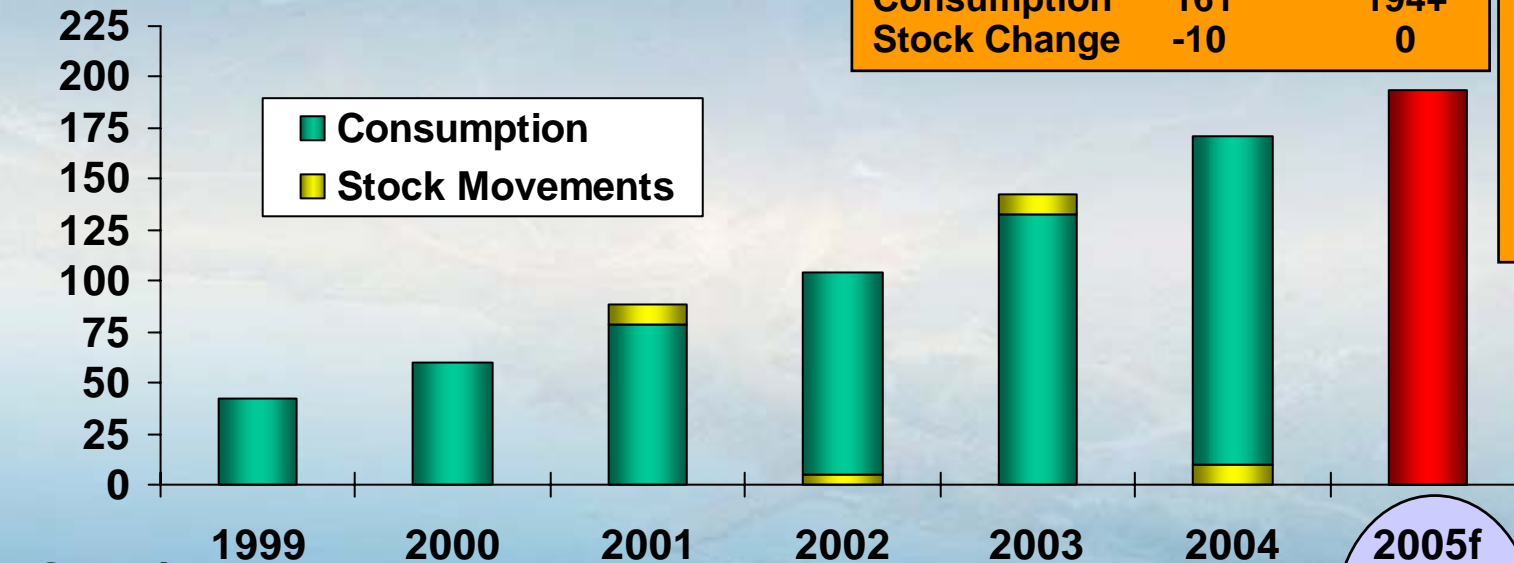
- Short-term: 150-150 jobs compared to a combined employee base of over 6,000, managed primarily through attrition
- 200 employees at Inco have retired so far this year
- Long-term: added jobs through mine development and growth

Respect for employees will continue to be a fundamental principle

China remains key driver of global growth and higher nickel consumption...

Chinese Nickel Demand and Consumption

000s
tonnes



	2004	2005f
Demand	151	194+
Consumption	161	194+
Stock Change	-10	0

No hidden demand, low inventories, destocking cannot recur

Growth	1999	2000	2001	2002	2003	2004	2005f
Consumption	42%	30%	27%	36%	22%	20%+	20%+
Demand	42%	39%	4%	52%	6%	28%+	28%+
Industrial Production	11.4%	9.9%	12.6%	17.0%	16.7% ^{oe}	15.0%	15.0%



New Inco will remain committed to fundamental values both companies hold and live by

- Continued value creation for our shareholders
- Dedication to safety
- Respect for the environment
- Ensuring a workplace that shows consideration for employees, encourages them to pursue best practices and offers them opportunities to thrive in a growing company
- Supporting the communities in which we operate



The 'New Inco' – Sudbury and the world



Thank you for coming today.

INCO

