

Arconic's Board Has Deep Experience and Is Focused on Creating Shareholder Value



OUR NOMINEES WILL HAVE JOINED BOARD WITHIN LAST 16 MONTHS & BRING NEW PERSPECTIVES

~160
Combined Years of Aerospace and Defense Experience



James "Jim" F. Albaugh
New Nominee

- Internationally recognized aerospace executive who was the President and Chief Executive Officer of Boeing Commercial Airplanes until his retirement in 2012
- Chairman of the National Aeronautic Association, past Chairman of the Aerospace Industries Association and serves on the Boards of American Airlines and Harris Corporation



Amy E. Alving
Joined November 2016

- Technology leader whose career spans business, government, cybersecurity, defense and academia
- Former CTO of Science Applications International Corporation (SAIC), one of the largest U.S. defense contractors; Former Director, Special Projects Office at DARPA, a highly respected agency of the U.S. Department of Defense responsible for the development of emerging technologies for use by the military



David P. Hess
Joined March 2017; Appointed Interim CEO April 2017

- Numerous leadership roles over a nearly 40-year career with aerospace and defense companies
- Former EVP and Chief Customer Officer for Aerospace at United Technologies Corp.; Former President of Pratt & Whitney



Ulrich R. Schmidt
Joined February 2016 following nomination by Elliott Management

- Background of over 22 years in the aerospace industry, plus financial management and strategic planning experience as an executive and director
- Former EVP and CFO of Spirit Aerosystems Holdings, Inc.; Former EVP and CFO of Goodrich Corporation; Former Director of aerospace supplier Precision Castparts Corporation



Janet C. Wolfenbarger
New Nominee

- Retired Four-Star General who was responsible for procurement, science and technology, test and evaluation, logistics and supply chain for the U.S. Air Force, where she oversaw an approximately \$60 billion annual budget, including a large portion of the \$1 billion of business that Arconic does in the defense industry; first female Four-Star General in Air Force history
- Background of 35 years as a commissioned officer in the U.S. Air Force with a Master's degree in Aeronautics and Astronautics from the Massachusetts Institute of Technology

NEW, HIGHLY INDEPENDENT BOARD

IF ARCONIC NOMINEES ELECTED, **9 OF 13** DIRECTORS ADDED SINCE BEGINNING OF 2016



3 ELLIOTT NOMINATED DIRECTORS

ARCONIC IS ON THE RIGHT TRACK

STRONG FIRST FULL QUARTER AS NEW INDEPENDENT COMPANY

↑ 4.5%
REVENUE

↑ 11%
EARNINGS¹

\$61M
NET COST SAVINGS



ELLIOTT IS SEEKING EXTRAORDINARY INFLUENCE THROUGH QUESTIONABLE TACTICS



Attempting to hand-pick Arconic's CEO



Rejected settlement after previously agreeing on terms — twice



Seeking to designate a new Operations Committee



Rejected offer for two of its nominees to join the Board

Your Vote Is Important! Keep Arconic strong.

Vote the **WHITE** Proxy Card Today

VOTE BY TELEPHONE,
INTERNET OR MAIL



We urge you to discard any BLUE proxy card you might receive from Elliott Management. Only the last proxy card you submit counts!

If you have any questions, please call our proxy solicitor:

Innisfree M&A Incorporated

(877) 750-5836

(TOLL-FREE from the U.S. and Canada)

(412) 232-3651

(from other locations)

Non-GAAP Financial Measures

Some of the information included in this communication is derived from Arconic's consolidated financial information but is not presented in Arconic's financial statements prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). Certain of these data are considered "non-GAAP financial measures" under SEC rules. These non-GAAP financial measures supplement our GAAP disclosures and should not be considered an alternative to the GAAP measure. Reconciliations to the most directly comparable GAAP financial measures and management's rationale for the use of the non-GAAP financial measures can be found below. Arconic has not provided a reconciliation of any forward-looking non-GAAP financial measures to the most directly comparable GAAP financial measures because Arconic is unable to quantify certain amounts that would be required to be included in the GAAP measure without unreasonable efforts, and Arconic believes such reconciliations would imply a degree of precision that would be confusing or misleading to investors. In particular, reconciliations of forward-looking non-GAAP financial measures such as adjusted EBITDA, adjusted EBITDA margin and Free Cash Flow to the most directly comparable GAAP measures are not available without unreasonable efforts due to the variability and complexity with respect to the charges and other components excluded from these non-GAAP measures, such as the effects of foreign currency movements, equity income, gains or losses on sales of assets, taxes and any future restructuring or impairment charges. These reconciling items are in addition to the inherent variability already included in the GAAP measures, which includes, but is not limited to, price/mix and volume.

¹Reconciliation of Arconic Adjusted EBITDA and Adjusted EBITDA Excluding Special Items

(\$ in millions)	1Q16	4Q16	1Q17
Net income (loss) attributable to Arconic	\$16	\$(1,258)	\$322
Discontinued operations*	94	(33)	-
(Loss) income from continuing operations after income taxes and noncontrolling interests	110	(1,291)	322
Add:			
Provision for income taxes	51	1,246	162
Other income, net	(12)	(54)	(354)
Interest expense	121	128	115
Restructuring and other charges	16	122	73
Provision for depreciation and amortization	133	133	133
Arconic adjusted EBITDA	\$419	\$284	\$451
Special items:			
Separation costs	18	76	18
Proxy, advisory and governance-related costs	-	-	16
Arconic adjusted EBITDA excluding special items	\$437	\$360	\$485
Last twelve months Arconic adjusted EBITDA excluding special items			\$1,750
Sales	\$3,055	\$2,967	\$3,192
Arconic adjusted EBITDA margin	13.7%	9.6%	14.1%
Arconic adjusted EBITDA margin excluding special items	14.3%	12.1%	15.2%

Arconic's definition of Adjusted EBITDA (Earnings before interest, taxes, depreciation, and amortization) is net margin plus an add-back for depreciation and amortization. Net margin is equivalent to Sales minus the following items: Cost of goods sold; Selling, general administrative, and other expenses; Research and development expenses; and Provision for depreciation and amortization. Adjusted EBITDA is a non-GAAP financial measure. Management believes that this measure is meaningful to investors because Adjusted EBITDA provides additional information with respect to Arconic's operating performance and the Company's ability to meet its financial obligations. The Adjusted EBITDA presented may not be comparable to similarly titled measures of other companies.

Additionally, Adjusted EBITDA, excluding special items, is a non-GAAP financial measure. Management believes that this measure is meaningful to investors because management reviews the operating results of Arconic excluding the impacts of special items, such as costs associated with the separation of Alcoa Inc. and proxy, advisory and governance-related costs (collectively, "special items"). This measure provides additional information with respect to Arconic's operating performance and the Company's ability to meet its financial obligations excluding the impact of such costs.

*On November 1, 2016, the former Alcoa Inc. was separated into two standalone, publicly-traded companies, Arconic and Alcoa Corporation, by means of a pro rata distribution of 80.1 percent of the outstanding common stock of Alcoa Corporation to Alcoa Inc. shareholders. Accordingly, the results of operations of Alcoa Corporation have been reflected as discontinued operations for all periods presented.