Advancing each generation. ALCOA

2nd Quarter Earnings Conference

July 8, 2014

Cautionary Statement

Forward-Looking Statements

This presentation contains statements that relate to future events and expectations and as such constitute forward-looking statements. Forward-looking statements include those containing such words as “anticipates,” “estimates,” “expects,” “forecasts,” “intends,” “outlook,” “plans,” “projects,” “sees,” “should,” “targets,” “will,” or other words of similar meaning. All statements that reflect Alcoa’s expectations, assumptions or projections about the future other than statements of historical fact are forward-looking statements, including, without limitation, forecasts concerning global demand growth for aluminum, end market conditions, supply/demand balances, and growth opportunities for aluminum in automotive, aerospace, and other applications; targeted financial results or operating performance; statements about Alcoa’s strategies, outlook, and business and financial prospects; and statements regarding Alcoa’s portfolio transformation and the proposed acquisition of the Firth Rixson business, including the expected benefits of the transaction and Firth Rixson’s expected sales growth and contribution to revenues and EBITDA. These statements reflect beliefs and assumptions that are based on Alcoa’s perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. Forward-looking statements are subject to a number of known and unknown risks and uncertainties and are not guarantees of future performance. Important factors that could cause actual results to differ materially from those expressed or implied in the forward-looking statements include: (a) material adverse changes in aluminum industry conditions, including global supply and demand conditions and fluctuations in London Metal Exchange-based prices and premiums, as applicable, for primary aluminum, alumina, and other products, and fluctuations in indexed-based and spot prices for alumina; (b) deterioration in global economic and financial market conditions generally; (c) unfavorable changes in the markets served by Alcoa, including aerospace, automotive, commercial transportation, building and construction, packaging, and industrial gas turbine; (d) the impact of changes in foreign currency exchange rates on costs and results, particularly the Australian dollar, Brazilian real, Canadian dollar, euro, and Norwegian kroner; (e) increases in energy costs or the unavailability or interruption of energy supplies; (f) increases in the costs of other raw materials; (g) Alcoa’s inability to achieve the level of revenue growth, cash generation, cost savings, improvement in profitability and margins, fiscal discipline, or strengthening of competitiveness and operations (including moving its alumina refining and aluminum smelting businesses down on the industry cost curves and increasing revenues and improving margins in its Global Rolled Products and Engineered Products and Solutions segments) anticipated from its restructuring programs and productivity improvement, cash sustainability, technology, and other initiatives; (h) Alcoa’s inability to realize expected benefits, in each case as planned and by targeted completion dates, from sales of non-core assets, or from newly constructed, expanded, or acquired facilities, or from international joint ventures, including the joint venture in Saudi Arabia; (i) political, economic, and regulatory risks in the countries in which Alcoa operates or sells products, including unfavorable changes in laws and governmental policies, civil unrest, imposition of sanctions, expropriation of assets, or other events beyond Alcoa’s control; (j) the outcome of contingencies, including legal proceedings, government investigations, and environmental remediation; (k) the impact of cyber attacks and potential information technology or data security breaches; (l) failure to receive, delays in the receipt of, or unacceptable or burdensome conditions imposed in connection with, all required regulatory approvals, or the inability to satisfy the other closing conditions to the proposed Firth Rixson acquisition; (m) the risk that the Firth Rixson business will not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected; (n) Alcoa’s inability to complete financing for the Firth Rixson acquisition as contemplated or otherwise secure favorable terms for such financing; (o) the possibility that certain assumptions with respect to Firth Rixson or the proposed transaction could prove to be inaccurate; (p) the loss of customers, suppliers and other business relationships of Alcoa or Firth Rixson as a result of the proposed acquisition; and (q) the other risk factors summarized in Alcoa’s Form 10-K for the year ended December 31, 2013, Form 10-Q for the quarter ended March 31, 2014, and other reports filed with the Securities and Exchange Commission (SEC). Alcoa disclaims any obligation to update publicly any forward-looking statements, whether in response to new information, future events or otherwise, except as required by applicable law.

This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities. The common shares of Alcoa will only be issued pursuant to the terms of the definitive agreement for the acquisition of Firth Rixson.

Non-GAAP Financial Measures

Some of the information included in this presentation is derived from Alcoa’s consolidated financial information but is not presented in Alcoa’s financial statements prepared in accordance with accounting principles generally accepted in the United States of America. 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 in the Appendix to this presentation and on our website at www.alcoa.com under the “Invest” section. Any reference to historical EBITDA means adjusted EBITDA, for which we have provided calculations and reconciliations in the Appendix and on our website. Alcoa has not provided a reconciliation of any forward-looking non-GAAP financial measure to the most directly comparable GAAP financial measure, due primarily to variability and difficulty in making accurate forecasts and projections, as not all of the information necessary for a quantitative reconciliation is available to Alcoa without unreasonable effort.

Transformation Accelerates - All Groups Improve QoQ and YoY

2Q 2014 Overview

Delivering Strong Operational Performance

- **Strong Earnings Increase:**
  - ***Downstream: Highest Ever*** *quarterly* ***ATOI*** *and* ***EBITDA*** *Margin;* ***$204*** *million and* ***23.1%***
  - ***Midstream: ATOI up 34%***
  - ***Upstream: Improved Performance – 11*** *Consecutive* ***Quarters***
- **Productivity: $302** million **Across All Segments** YoY
- **Net Debt[1]: $6.9** billion; **Lowest Level** since September **2007**
- Positive **Free Cash Flow[1]: $260** million

Accelerating Portfolio Transformation

- **$2.85** billion Firth Rixson **acquisition** announcement
  Global Leader *in* ***Jet Engine*** *Components****; strengthens*** *robust aerospace* ***portfolio***
- **$100** million Investment **Expands Structural Engine** Component **Reach**
- **$25** million Investment further **Enhances** Jet Engine **Blade Performance**
- **Safely Executed** Brazil **Curtailments** of 147 kmt
- **Letter of Intent** signed to **Pursue Sale** of **Jamalco[2]** Ownership **Interest**

1) $8.1 billion debt and $518 million cash from operations 2) Alcoa Minerals of Jamaica bauxite mine and alumina refinery
Any reference in our presentation to historical EBITDA means adjusted EBITDA, for which we have provided calculations and reconciliations in the appendix

Advancing each generation. ALCOA

William Oplinger

Executive Vice President and Chief Financial Officer

July 8, 2014

Income Statement Summary

$ Millions, except aluminum prices and per-share amounts	2Q13	1Q14	2Q14	Prior Year Change	Sequential Change
Realized Aluminum Price ($/MT)	$2,237	$2,205	$2,291	$54	$86
Revenue	$5,849	$5,454	$5,836	($13)	$382
Cost of Goods Sold	$4,933	$4,495	$4,765	($168)	$270
COGS % Revenue	84.3%	82.4%	81.6%	(2.7 % pts.)	(0.8 % pts.)
Selling, General Administrative, Other	$254	$236	$245	($9)	$9
SGA % Revenue	4.3%	4.3%	4.2%	(0.1 % pts.)	(0.1 % pts.)
Other Expense, Net	$19	$25	$5	($14)	($20)
Restructuring and Other Charges	$244	$461	$110	($134)	($351)
Effective Tax Rate	(16.5%)	28.1%	37.7%	54.2 % pts.	9.6 % pts.
EBITDA	$616	$672	$776	$160	$104
Net Income (Loss)	($119)	($178)	$138	$257	$316
Net Income (Loss) Per Diluted Share	($0.11)	($0.16)	$0.12	$0.23	$0.28
Income per Diluted Share excl Special Items	$0.07	$0.09	$0.18	$0.11	$0.09

Any reference in our presentation to EBITDA means adjusted EBITDA, for which we have provided calculations and reconciliations in the appendix. See appendix for Adjusted Income reconciliation.

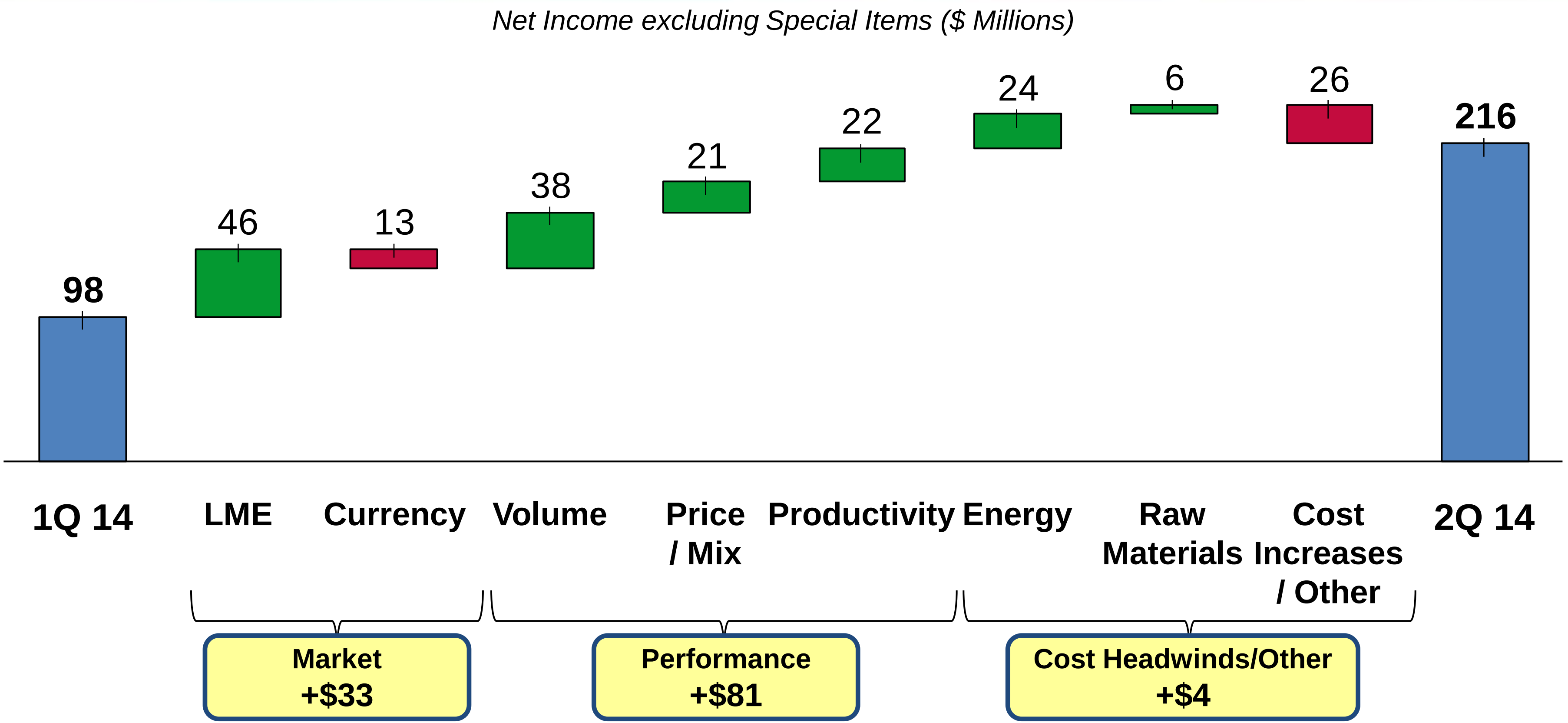
Special Items

$ Millions, except per-share amounts	1Q14	2Q14	Income Statement Classification	Segment
Net Income (Loss)	**($178)**	**$138**		
Net Income (Loss) Per Diluted Share	**($0.16)**	**$0.12**		
Restructuring-Related[1]	($296)	($54)	Restructuring/COGS/ Other Expenses, Net	Corporate / Primary Metals/ GRP
Tax Items	$22	($2)	Income Taxes	Corporate
Master U.S. Labor Agreement	$0	($11)	COGS	Corporate / All
Firth Rixson Acquisition Costs	$0	($11)	SG&A	Corporate
Saudi Arabia Smelter Potline	($13)	($6)	COGS Other Expenses, Net	Primary Metals
Mark-to-Market Energy Contracts	$0	$6	Other Expenses, Net	Corporate
Surgold Gain	$11	$0	Other Expenses, Net	Alumina
Special Items	**($276)**	**($78)**		
Net Income excl Special Items	**$98**	**$216**		
Net Income per Diluted Share excl Special Items	**$0.09**	**$0.18**		

1) Total restructuring-related charges in 2Q14 of $54 million (83 percent non-cash, 17 percent cash)

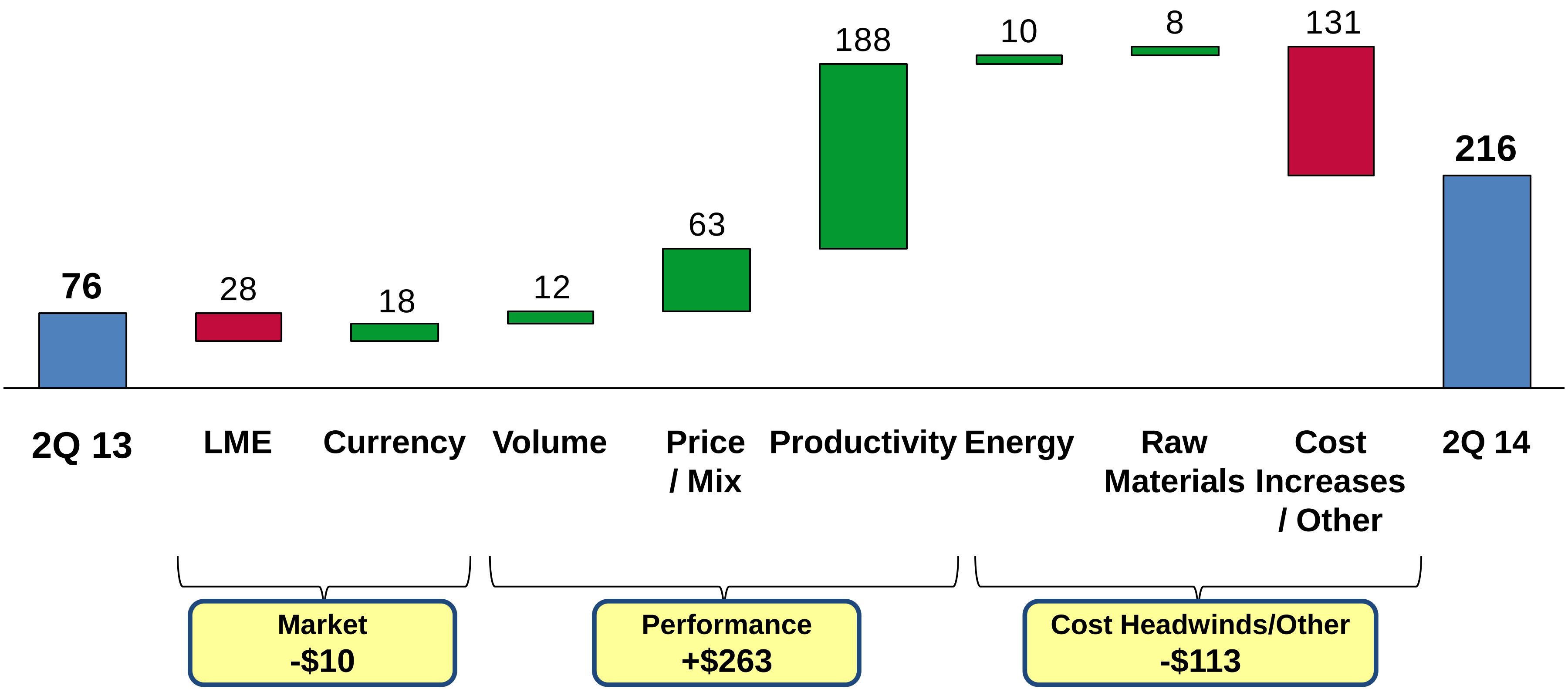
See appendix for Adjusted Income reconciliation

Volume, productivity and price drives sequential improvement



Earnings nearly triple year-over-year on productivity and pricing

Net Income excluding Special Items ($ Millions)



Record results for Engineered Products and Solutions

2Q14 Actual and 3Q14 Outlook – Engineered Products and Solutions

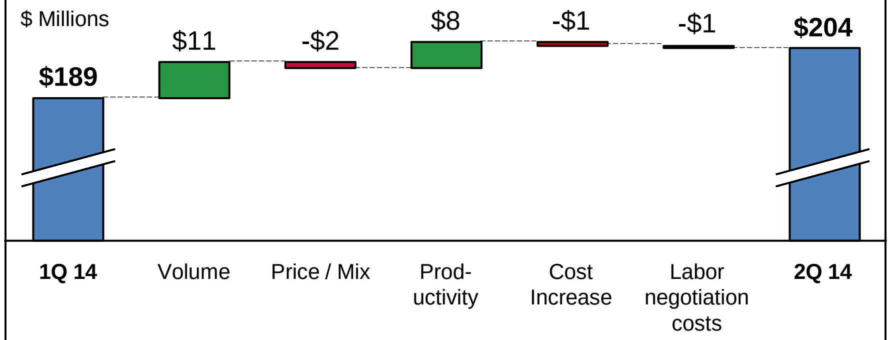
2nd Quarter Results

	2Q 13	1Q 14	**2Q 14**
3rd Party Revenue ($ Millions)	1,468	1,443	**1,502**
ATOI ($ Millions)	193	189	**204**
EBITDA Margin	22.2%	22.2%	**23.1%**

2nd Quarter Business Highlights

- **Revenue up 4%** sequentially driven by **share gains** across **all sectors**
- **Best ever** quarterly **EBITDA margin** at **23.1%**
- **Best ever** quarterly **ATOI** of **$204M**
- **Quarterly ATOI up 6%** year-over-year driven by **productivity** and strong **Aerospace, Commercial Transportation and Building and Construction** demand

2nd Quarter Performance Bridge



3rd Quarter Outlook

- **Aerospace** market remains **strong, but** impacted by **lower U.S. Defense spare parts demand**
- Continued **recovery in N.A. Non-Residential Construction**; **European** market remains weak
- **European summer slowdown** across all sectors
- **Stronger N.A. Heavy Duty Truck** build rates partially offset by Europe
- **Share gains** through innovation **& productivity continue** across all sectors
- **ATOI** is expected to **increase 5%-10% year-over-year**

GRP improves on higher seasonal volume and productivity

2Q14 Actual and 3Q14 Outlook – Global Rolled Products

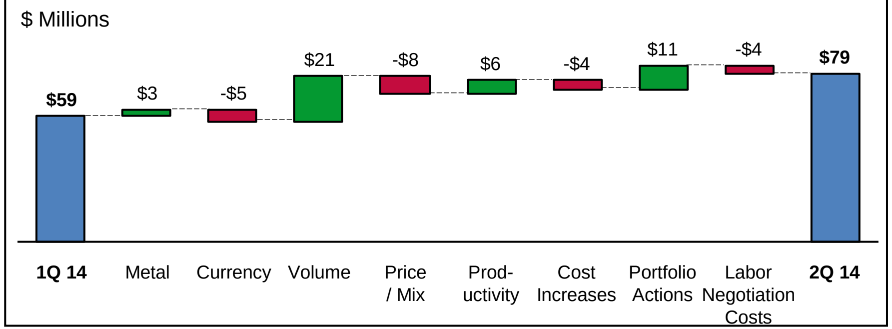
2nd Quarter Results

	2Q 13	1Q 14	**2Q 14**
3rd Party Revenue ($ Millions)	1,877	1,677	**1,860**
ATOI ($ Millions)	79	59	**79**
EBITDA/MT	322	315	**313**

2nd Quarter Business Highlights

- **Higher volume** from **seasonal Packaging** and **stronger** demand for **Industrial, Commercial Transportation**
- **Pricing pressures** continue in **Packaging** and **Industrial**
- **Costs** associated with **renewing** the **U.S. labor contract**
- **Absence of costs** associated with **portfolio actions** in **Australia**

2nd Quarter Performance Bridge



3rd Quarter Outlook

- **Auto demand** staying **strong**; AIVs **ramping up**
- **Volume** and **cost absorption impacts** due to seasonal **summer shutdowns**
- Continued **pricing pressure** in **packaging** and **industrial**
- **ATOI** is expected to be **down ~15%** sequentially; mainly **seasonal impacts**

Any reference in our presentation to EBITDA means adjusted EBITDA, for which we have provided calculations and reconciliations in the appendix. AIVs = Aluminum intensive vehicles.

Alumina earnings reflect portfolio actions, lower volumes, cost increases

2Q14 Actual and 3Q14 Outlook – Alumina

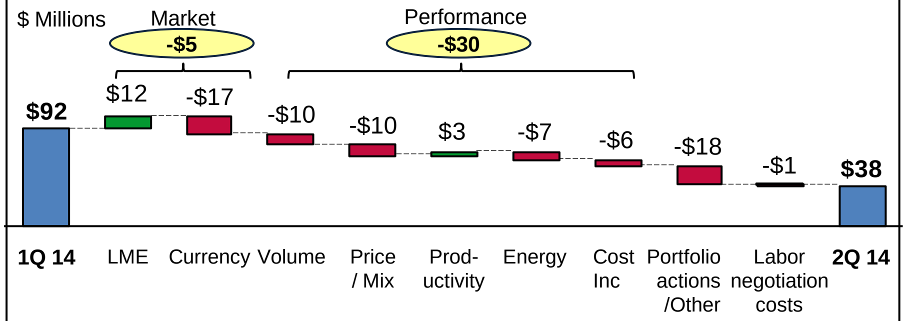
2nd Quarter Results

	2Q 13	1Q 14	**2Q 14**
Production (kmt)	4,161	4,172	**4,077**
3rd Party Shipments (kmt)	2,328	2,649	**2,361**
3rd Party Revenue ($ Millions)	822	845	**761**
ATOI ($ Millions)	64	92	**38**

2nd Quarter Business Highlights

- **Production and shipments decline** due primarily to Brazil curtailments and the Pt. Comfort interruption
- Negative **API price impact**
- Higher **maintenance** and **power interruption** costs; higher **energy prices**
- **Saudi JV refinery** pre-operational **costs increased $3M**
- Portfolio actions include **absence** of the **Suralco gold mine sale**

2nd Quarter Performance Bridge



3rd Quarter Outlook

- **65%** of 3rd party shipments on spot or API for 2014
- **Lower 2Q API** pricing will **impact 3Q** due to **30-day** lag; **LME** pricing follows **60-day lag**
- **Saudi JV refinery** pre-operational **costs continue**
- **Non-recurrence** of Pt. Comfort **interruption; +75 kmt** production
- **Volume** improvement and **productivity** gains will **offset energy** and **cost increases**

Strong Primary earnings reflect portfolio actions, power sales, premiums

2Q14 Actual and 3Q14 Outlook – Primary Metals

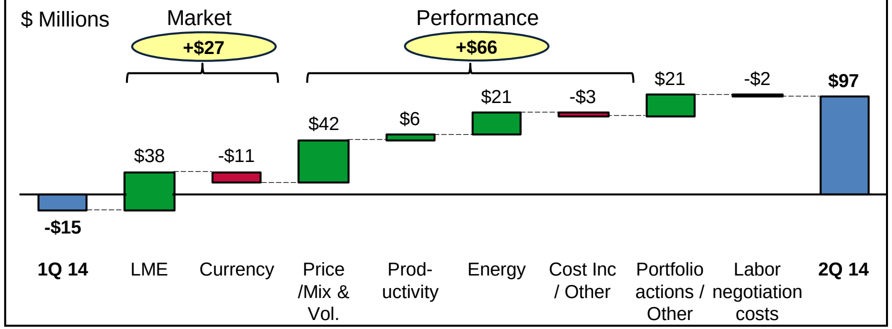
2nd Quarter Results

	2Q 13	1Q 14	**2Q 14**
Production (kmt)	896	839	**795**
3rd Party Shipments (kmt)	693	617	**638**
3rd Party Revenue ($ Millions)	1,620	1,424	**1,659**
3rd Party Price ($/MT)	2,237	2,205	**2,291**
ATOI ($ Millions)	(32)	(15)	**97**

2nd Quarter Business Highlights

- **Production down** due to capacity **closures** and **curtailments**
- Strong **performance** driven by **pricing, mix and energy** sales
- Saudi JV smelter **restart completed**
- Portfolio actions/Other includes the **absence of $14M** closure **costs** for **Pt Henry** and **Massena East**

2nd Quarter Performance Bridge

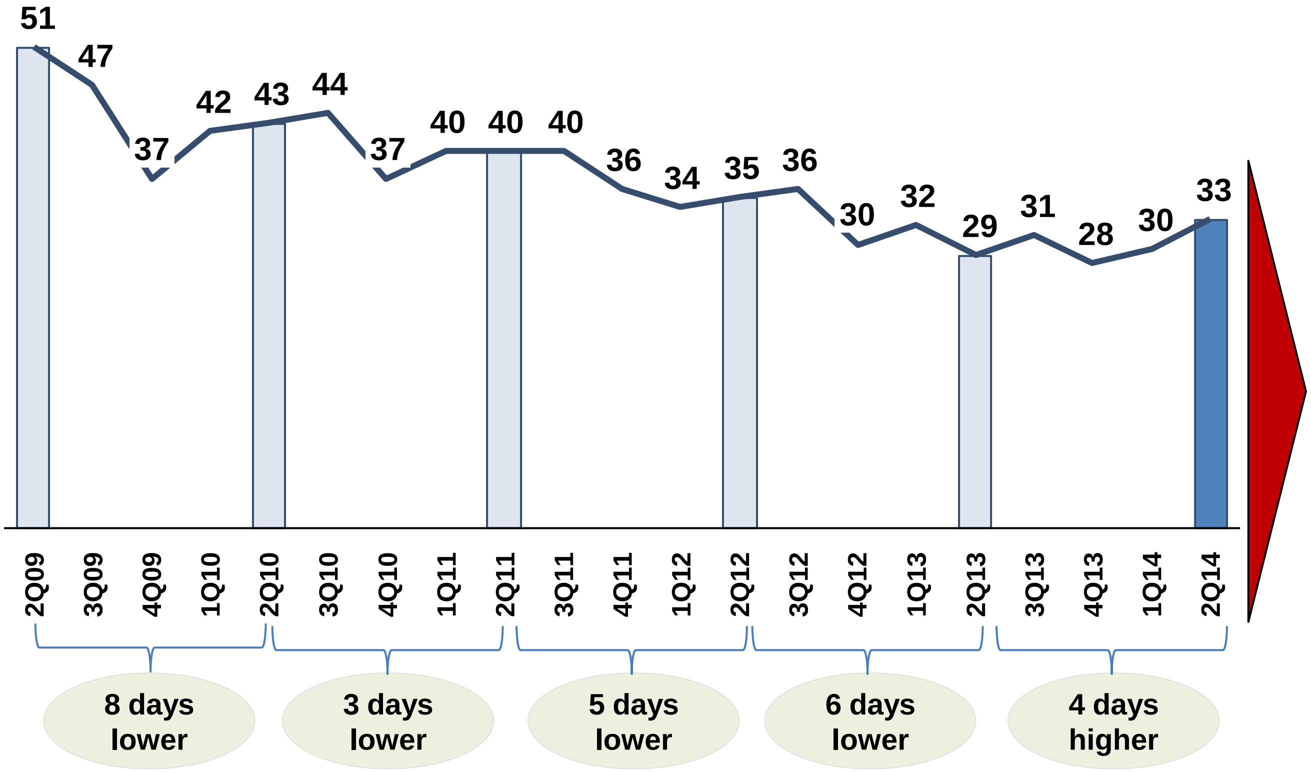


3rd Quarter Outlook

- **Pricing** follows a **15-day** lag to LME
- Saudi Arabia JV smelter is **fully operational**
- **Lower production** 50 kmt from Pt. Henry closure; **additional closure** costs of **$7M**
- **Lower energy sales of $10M**
- **Productivity** gains will **offset cost increases**

Four day year-over-year increase in average DWC

Average Days Working Capital since Second Quarter 2009



18 day reduction since 2Q09

4 day increase since 2Q2013

Driver	**Horizon**
Labor negotiations	Near-term
Future sales expectations	Near-term
Curtailments	Near-term
Automotive growth	Mid-term

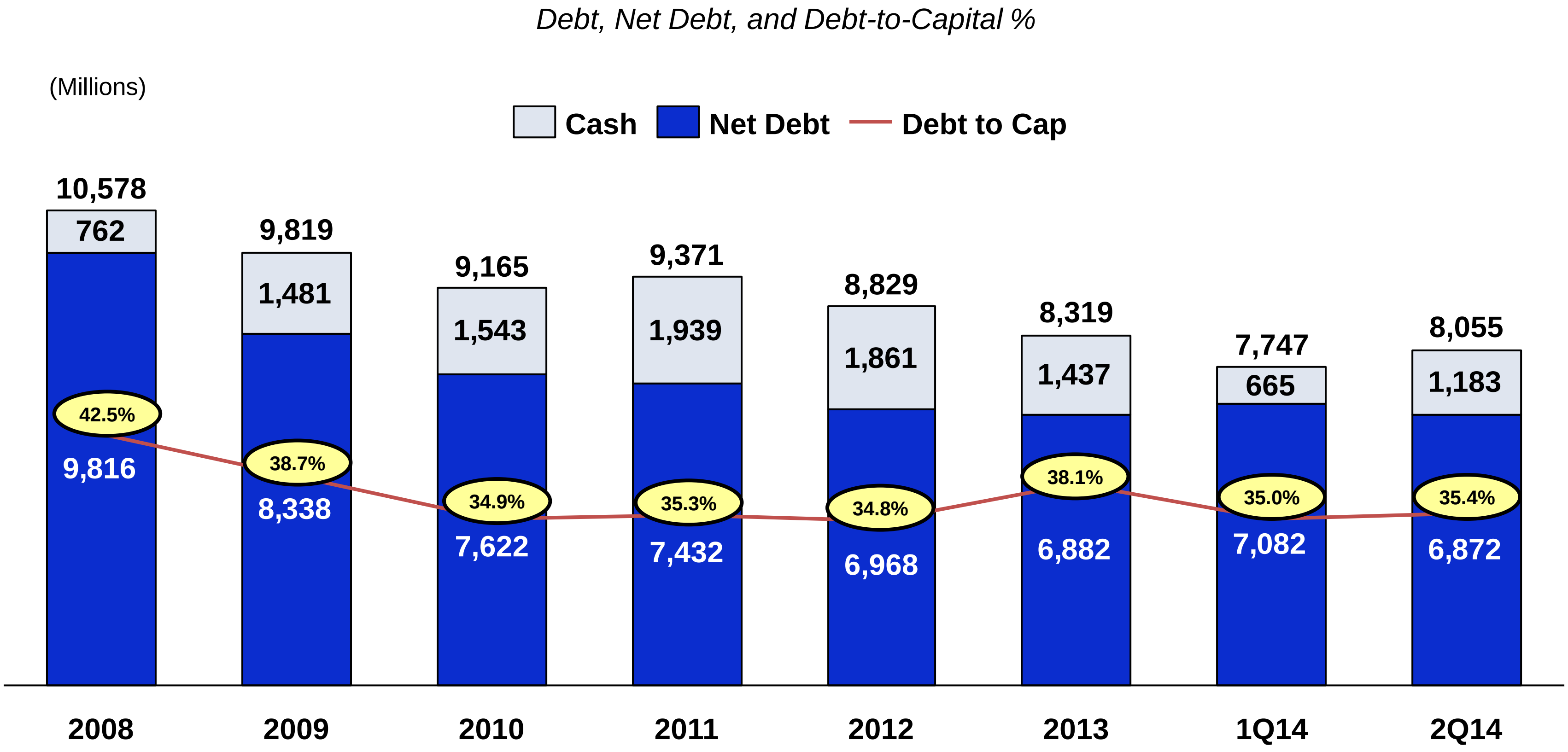
2nd Quarter Cash Flow Overview

2Q13, 1Q14 & 2Q14 Cash Flow

($ Millions)	2Q13	1Q14	2Q14
Net Income before Noncontrolling Interests	($148)	($197)	$129
DD&A	$363	$340	$350
Change in Working Capital	$72	($687)	$1
Pension Contributions	($98)	($91)	($191)
Other Adjustments	$325	$84	$229
Cash from Operations	**$514**	**($551)**	**$518**
Dividends to Shareholders	($33)	($33)	($36)
Change in Debt	($531)	($14)	$296
(Distributions to)/Contributions from Noncontrolling Interests	($5)	($15)	$4
Other Financing Activities	$1	$72	$17
Cash from Financing Activities	**($568)**	**$10**	**$281**
Capital Expenditures	($286)	($209)	($258)
Other Investing Activities	$10	($31)	($28)
Cash from Investing Activities	**($276)**	**($240)**	**($286)**

See appendix for Free Cash Flow reconciliation

Lowest Net Debt since September 2007



On track to meet our 2014 targets

2014 annual financial targets and year-to-date results

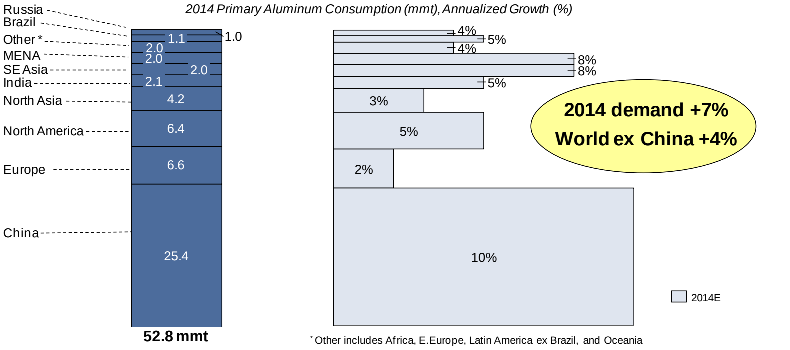
Taking the right actions	YTD:
Drive Productivity Gains of $850M	$556M ✓
Build Value-Add with Growth Capital of $500M	$206M ✓
Manage Sustaining Capital of $750M	$261M ✓
Invest in Saudi JV $125M	$64M ✓
Attain 30%-35% Debt-to-Capital	35.4% ✓

Overarching 2014 Financial Target

Positive Free Cash Flow

Market fundamentals remain positive

Reaffirm 7% global demand growth



* Other includes Africa, E.Europe, Latin America ex Brazil, and Oceania

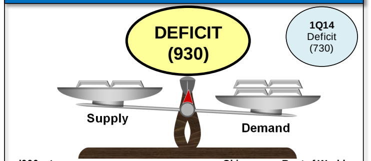
Metal deficit rising, alumina surplus shrinking

Supply/Demand Analysis

2014E Alumina Supply/Demand Balance

'000 mt	China	Rest of World
2014 Production	44,782	55,384
2014 Production to be added	1,820	628
2014 Capacity to be curtailed	(852)	(500)
Imports/(exports)	4,000	(4,000)
Total supply	49,750	51,512
Demand	(49,660)	(50,778)
Net Balance	**90**	**734**

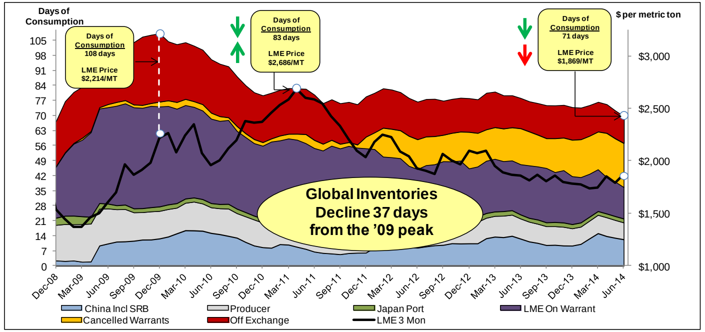
2014E Aluminum Supply/Demand Balance



'000 mt	China	Rest of World
2014 Production	24,650	26,000
2014 Production to be added	1,704	465
2014 Capacity to be curtailed	(799)	(155)
Total supply	25,555	26,310
Demand	(25,450)	(27,345)
Net Balance	**105**	**(1,035)**

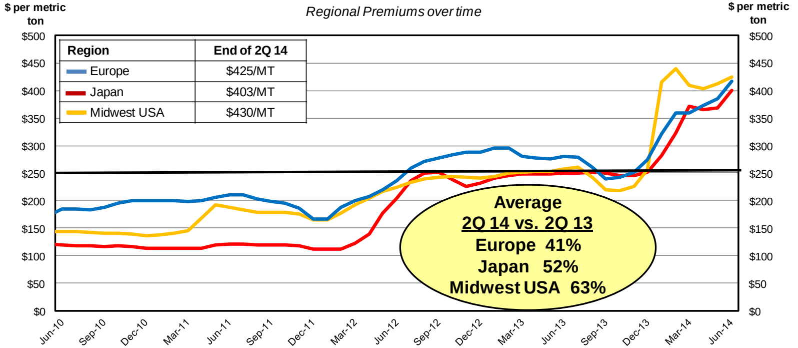
Inventories declined 5 days in 2Q

Global Inventories vs. LME Price Over Time $



Premiums move to record highs

Regional Premiums over time



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Klaus Kleinfeld

Chairman and Chief Executive Officer

July 8, 2014

Aerospace and Automotive markets remain strong; forecast unchanged

Alcoa End Markets: Current Assessment of 2014 vs. 2013

End Market	Growth	Global and Regional Commentary

Aerospace

8% to 9% Global sales growth

- **Large Commercial Aircraft** segment **Growth** of **12.1%**
- **Strong** commercial jet **Order Book: 9 Years of Production** at 2013 delivery rates
- **Good Airline Fundamentals**[1]: +5.9% Passenger and +3.1% Cargo Demand, Airline Profits Up ($18B)
- **Strong Commercial Jet Engine Order Book**: **~23,000** Engines on firm order
- **Rebounding Regional Jet** segment: +**13.2%** with **highest order book** in 5 years

Automotive

1% to 4% Global production growth

NA 2-5%

- **Sales Up:** June **1.4m units**, **+1% YoY**; **YTD +4%** from **prior year**
- **Pent Up Demand:** Average **fleet age 11.4** years vs**. 9.4 historical** average
- **Inventory Down: 59 days** in June (Historic avg. 60 to 65)
- **Incentives Steady:** Average $2,673/unit
- **Production Up:** May production +**4% YoY**; **YTD +3%** from **prior year**

EU 0-4%

- **Registrations +7% YTD** from prior year; **Production +0.1%** YoY

China 6-10%

- **Sales +9%** YTD; Growth driven by **increasing middle class**

Source: Alcoa analysis

1) International Air Transport Association 2014 Expectations

Global HDT market steady, stronger N.A.; Packaging +2% to 3% globally

Alcoa End Markets: Current Assessment of 2014 vs. 2013

End Market	Growth		Global and Regional Commentary
Heavy Duty Truck and Trailer 	**-1% to 3%** Global production flat/growth	**NA** 10-14%	• **Orders:** 2Q increased **+20% YoY** with continued strength YTD **+28%** from **prior year** • **Good Order Book:** May 119k trucks (historical average 114k), up **+39%** YoY • **Decent Fundamentals:** +3.7% Freight ton miles; +1% Freight price • **Production:** Forecast increased; 140k units YTD June, **+15%** YoY
		EU -1 - -5%	• **Orders: - 12% YoY** as expected (EURO VI); **Production: +3% YTD** (W.Eur)
		China 0-4%	• Market **stabilizing** (30% growth in 2013); + **infrastructure** for **reg.changes** (Low Sulfur Gas Avail.)
Packaging 	**2% to 3%** Global sales growth	**NA** -1 - -2%	• **Demand decline:** Weakness (-3.7% YTD) in **Carbonated Soft Drinks** (CSD) • **Improved** performance (+3.4% YTD) in **Beer Segment** partially offsets CSD
		EU 2-3%	• **Demand Up: Steel to Aluminum** can **Conversion**
		China 8-12%	• **Strong Demand :** Increased **Beer** and **Herbal Tea** segments

Source: Alcoa analysis
HDT = Heavy duty truck and trailer

Solid commercial B&C growth; Global airfoil market down YoY

Alcoa End Markets: Current Assessment of 2014 vs. 2013

End Market	Growth		Global and Regional Commentary
Building and Construction 	**4% to 6%** Global sales growth	**NA** 3-4% ↑	***Positive Early Indicators:*** • **Non-Residential Contracts Awarded**: **+11%** in May (12-month rolling average) • **Architectural Billing Index**: **Positive** at **52.6** in May, up from 49.6 in April • **Case-Shiller Home Price Index**: **+10%** in 1Q, **growth; ~ +10%** for **5 consecutive qtrs.**
		EU -2 - -3% ↓	• Decline as **weakness continues**, outlook varies across markets
		China 7-9% ↑	• Growth as fundamentals stabilize
Industrial Gas Turbines 	↓ **-8% to -12%** Global airfoil market decline		• **Orders: Globally flat** to **2012** and down significantly from **2011 levels** • **Spares demand: Negative** Impact from **shift in energy mix/usage** in key regions • **N.A.: Natural gas** prices **increased** driven by **harsh winter; coal** gains **share** • **Europe: Gas-fired power** squeezed by **low-priced coal** and **subsidized renewables**

Executing our Strategy - Alcoa's Transformation Continues

Invented Aluminum Process → **Aluminum Applications & Globalization** → **Multi-Material Solutions**

Lightweight Multi-Material Innovation Powerhouse

Highly Competitive Commodity Business

Lightweight Solutions: Fuel Efficiency + High Performance

Alcoa's innovative lightweighting solutions

Al-Li: $100M Already contracted in 2017

Al-Li: Better **Efficiency**, Lower **Maintenance**

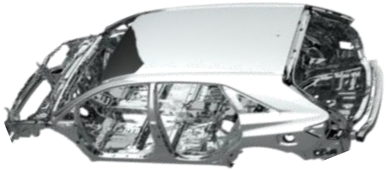
- Up to **10% lower weight** vs. **composite** for single aisle fuselage applications
- Lower **density**[1] (5-7%), Higher **stiffness**[1] (7%); contributes to **20%** better **fuel efficiency**
- Better **corrosion resistance**[1]; **2X longer** inspection **intervals,** contributes to **30% lower costs**

Alcoa Wheels: $1B Revenue in 2016

Ultra ONE™: **World's Lightest** Wheel at 40 lbs

- **47% lighter** than **steel**; helps **save** up to **1,400 pounds** per rig[2]
- **3%** more **payload**; 5% lower fuel cost
- Replacing **18** Steel wheels offsets **annual carbon footprint** of average **family of four**

AIVs: Better **Fuel Economy**, Superior **Performance**



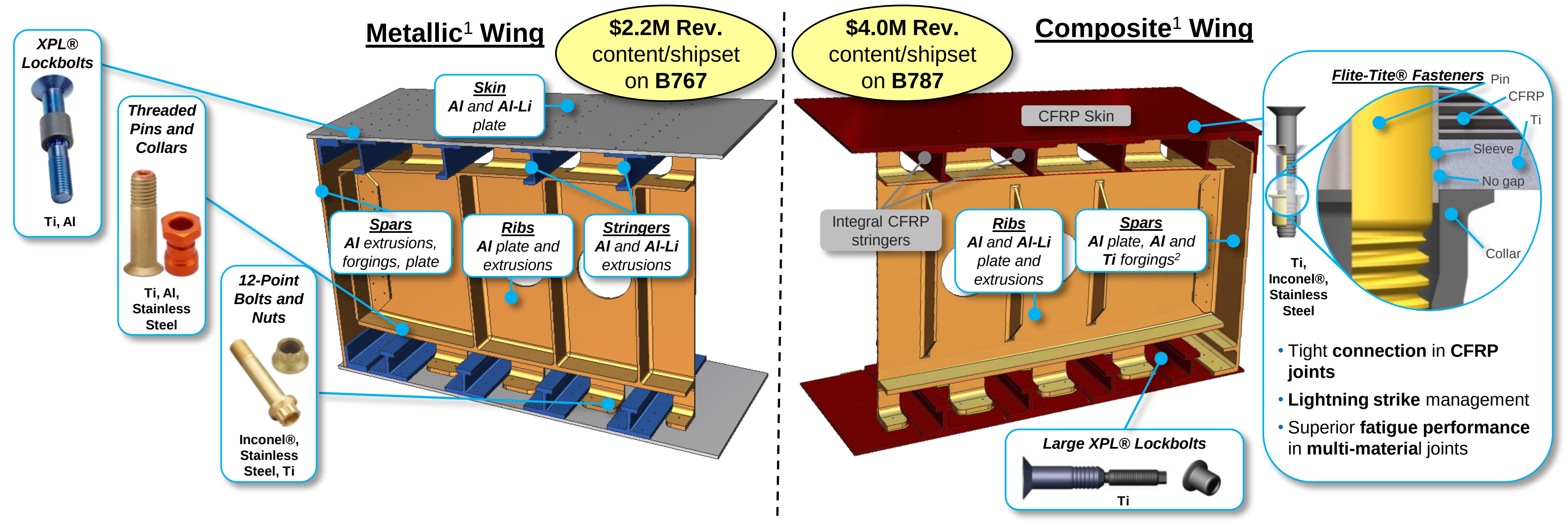
- Will enable OEMs to meet **54.5 MPG target** by 2025
- Can **reduce weight** of a midsize sedan by 28% and **improve fuel efficiency** by 18%[3]
- **2015 F-150** up to **700 lbs lighter**; **accelerates, brakes, tows** and **resists corrosion** like never before

Auto Sheet: $1.3B Revenue in 2018

1) Versus conventional aluminum 2) Based on conversion from Standard Steel to Wide-Base Aluminum
3) EDAG April 2013 AIV = Aluminum intensive vehicle

Expertise provides solutions in a Multi-Material Environment

Alcoa's multi-material aerospace solutions – Example: Wing Structures



Multi-Materials **and** ***Configuration*** **each serve a structural role**

Providing a ***Stronger****,* ***Lighter*** *and more* ***Aerodynamic*** *wing,* ***Regardless of Material***

1) The graphics represent a sample metallic and composite wing ; not attributed to a specific aircraft platform
2) Spars on composite wings are primarily CFRP (Carbon Fiber Reinforced Polymer), with some Al and Ti applications
Note: Revenue per platform excludes ~$700k 2013 Firth Rixson revenue on B787

Alcoa's Innovation Expertise Shines in our product offerings

+$1.8B value-add organic **revenue**[1] in 2016

Alcoa innovations

Alcoa 951: Breakthrough Durable Bonding

- **Key enabler** for AIVs; **+1 mmt of Al** by 2025
- Chemically **bonds** aluminum to **adhesive**
- Bond **9x More Durable** than competition
- Allows **20-25% fewer rivets**
- **Licensed** to suppliers

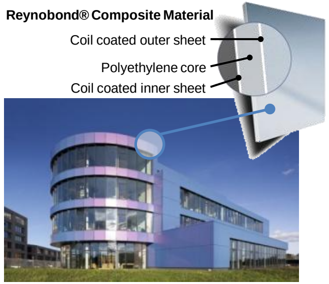
Dura-Bright ® EVO™: Low Maintenance

- **10x Corrosion Resistance**
- **No** Mechanical or Chemical **Cleaning**
- **Looks New** Longer; **6x Brighter**
- Increased **environmental** sustainability

Advanced Coatings: High Temp Protection

- **Protects Airfoils** from **Effects of High Temperature** environments
- **Coating Life 3.0x to 3.5x** with **Less** high-cost **Platinum**

Reynobond®: Unique Building Panels



- **Polyethylene core** between sheets of **Al, Zn, Cu or Stainless steel**
- **Multiple design** options
- Up to **50% lighter, 20% less costly** than solid metal
- Easier **installation** and **fabrication**

1) $900M each from Engineered Products and Solutions and Global Rolled Products innovation and share gains

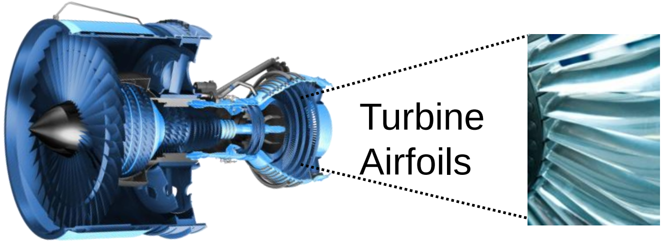
Capturing Growth in Advanced Jet Engine Components via Investments

Alcoa investments to expand jet engine component offerings

APP: $2.2B Revenue in 2016

Hampton: Blade Performance Enhancements

- **$25M** Investment; **Completion** by **4Q 2015**
- Utilize primarily **Nickel-based Superalloys**
- **Cuts Weight** of Blades **by 20%** with **Enhanced Aerodynamic** Performance
- Contributes to **15%** Jet Engine **Fuel Burn Reduction**
- Increased **Fatigue Resistance Lowering** Maintenance **Cost**
- Allows **Retrofit** existing Aircraft **Engines or Build Next-Generation**



La Porte: Broadens Jet Engine Reach

Extends to Large Commercial Jet Engines

- **$100M** Investment; **Completion** by **4Q 2015**
- Investment **Supported** by **Contracts**
- **Produce Structural Castings ~60% larger** than today
- Used in **Current** and **Next Generation** of **Large Commercial Aircraft**

Most Advanced Manufacturing

- Utilizes the latest in **High-Tech Advanced Manufacturing:**
  - **Digital X-Ray** Inspection
  - **3D Printing** of Prototypes
  - **Automated** Casting Furnaces

APP = Alcoa Power and Propulsion

Firth Rixson Acquisition: Strengthening Alcoa's Value-Add Suite

$1.6B Revenue
$350M EBITDA
in 2016

Firth Rixson portfolio overview

Rings

Strong Aerospace Offering

- **Largest** seamless **Rings** (Ni-based alloys, TI) 200" in diameter
- **Full Range** of forged closed-die aero **Engine Disks** (12" to 53" diameter)
- **Doubles Alcoa's Engine Content** on key programs

Metal

Array of Material Composition

- **Multi-Material** mix; 60% **Ni**, 25% **Ti**, 15% **Steel** and **Al**
- **Critical** rotating **Disks** forged from **Metal Powder**
- **Integrated Nickel Supply** of cast stick and billet

Disks

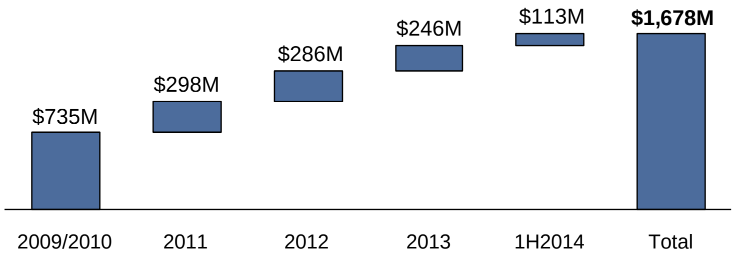
Leading Edge Technology

- **Specialized Isothermal** process; **State-of-the-Art** Equipment**, Automation**, Controls
- Disks enable **Higher** Operating **Temperatures** (+70°F over legacy engines)
- **40% Improvement** in **Combustion Efficiency**

Remaining Cost Focused; Improving a Strong Alumina Position

Cost curve reduction levers and global alumina cost curve

1 *Capturing Cost Improvements[1]*



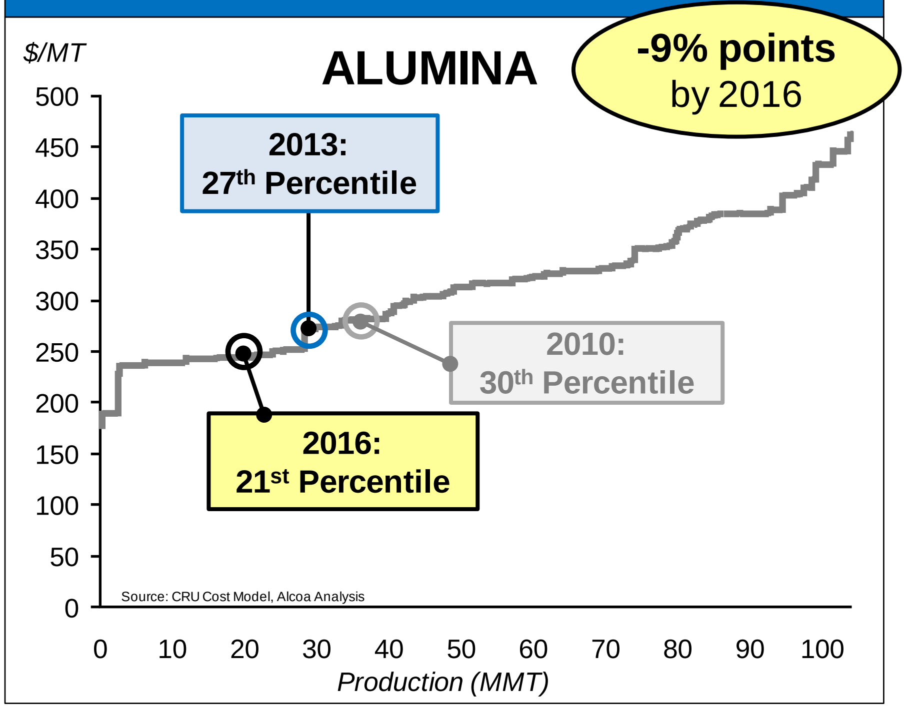
2 *Optimizing Refining Capacity*

- **Record** 1H **production** by **Low Cost Australian** System
- **1.7 mmt** currently **Curtailed**
- **LOI** to pursue **Sale of Jamalco[2]** interest

3 *Pulling Additional Levers to Lower Cost*

- Continued **Productivity Gains**
- San Ciprian **Natural Gas** solution; **complete** in **4Q14; ~$20** per metric ton cost **improvement**
- **First** Saudi Arabia **Bauxite** in **2Q14; Refinery** online **4Q14**

Targeting 21st Percentile by 2016

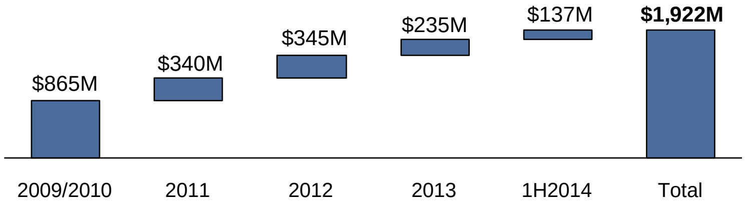


1) All figures are pretax and pre-minority interest. 2009/2010 represent net productivity; 2011-2014 represent gross productivity
2) Alcoa Minerals of Jamaica bauxite mine and alumina refinery

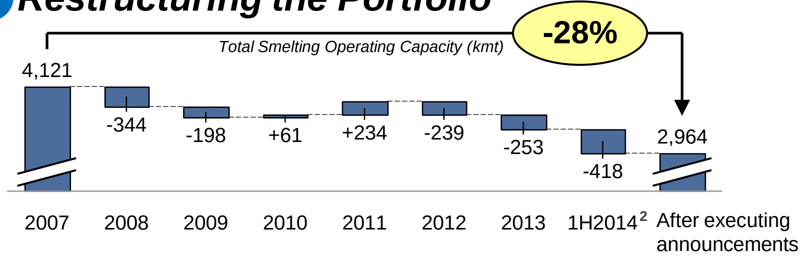
Building a Highly Competitive Smelting Business

Cost curve reduction levers and global aluminum cost curve

1 *Capturing Cost Improvements*[1]



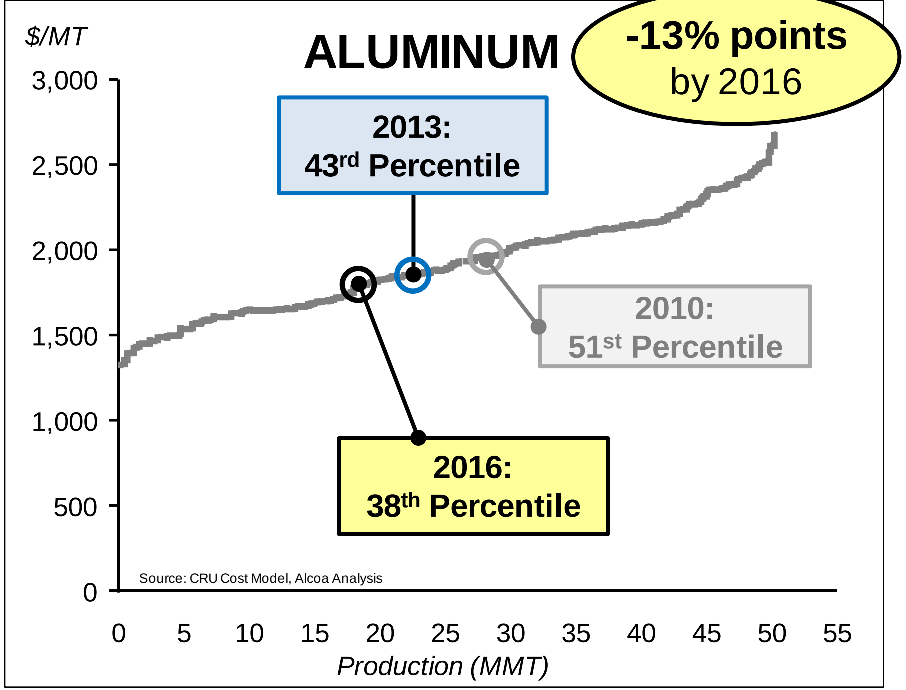
2 *Restructuring the Portfolio*



3 *Pulling Additional Levers to Lower Cost*

- **Productivity Gains** continue
- Secured **Long Term Energy Agreement** in Quebec
- Completed **Saudi Arabia Smelter** Start Up

Targeting 38th Percentile by 2016



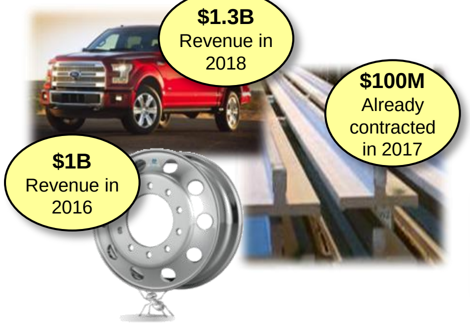
1) All figures are pretax and pre-minority interest. 2009/2010 represent net productivity; 2011-2014 represent gross productivity
2) Pt. Henry closure of 190 kmt will occur in 3Q 2014 Operating capacity = Alcoa total base capacity less idled capacity

Transforming Alcoa – Creating Compelling Sustainable Value

Value-Add and Upstream transformation strategy

Value-Add: Building a Lightweight Multi-Material Innovation Powerhouse

Lightweight



$1.3B Revenue in 2018

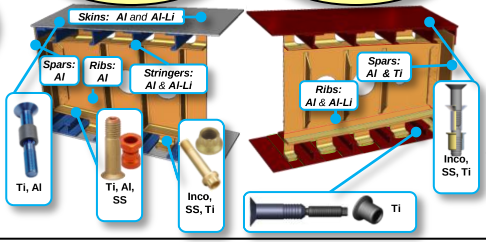
$100M Already contracted in 2017

$1B Revenue in 2016

Multi-material

$2.2M Rev. content/shipset on **B767**

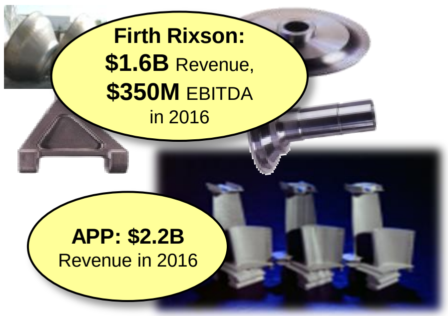
$4.0M Rev. content/shipset on **B787**



Innovation

+$1.8B value-add organic revenue in 2016

Growth

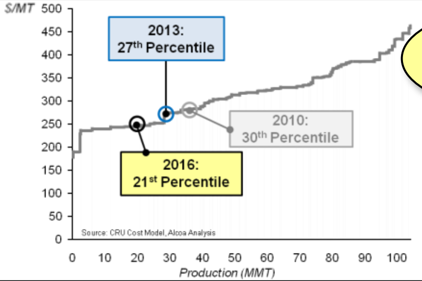


Firth Rixson: $1.6B Revenue, **$350M** EBITDA in 2016

APP: $2.2B Revenue in 2016

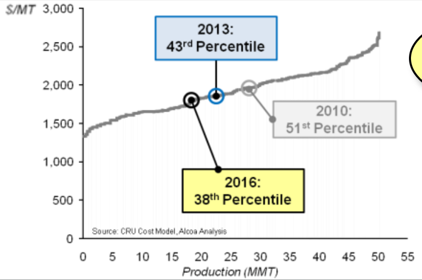
Upstream: Creating a Highly Competitive Commodity Business

Alumina Cost Position



-9% points by 2016

Aluminum Cost Position



-13% points by 2016

Advancing each generation.

ALCOA

Additional Information

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Annual Sensitivity Summary

LME Aluminum Annual Net Income Sensitivity

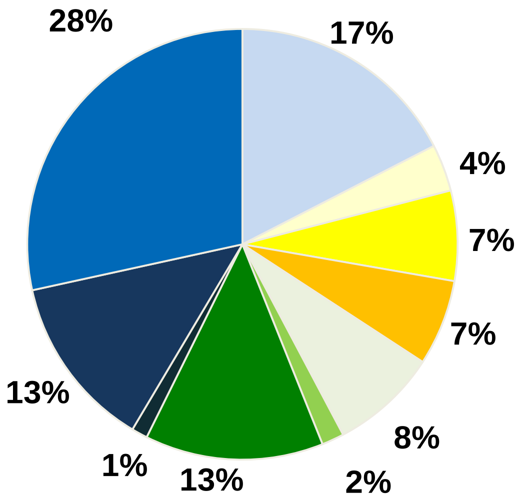
+/- $100/MT = +/- $240 million

Currency Annual Net Income Sensitivity

Australian $	+/- $11 million	per 0.01 change in USD / AUD
Brazilian $	+/- $ 3 million	per 0.01 change in BRL / USD
Euro €	+/- $ 2 million	per 0.01 change in USD / EUR
Canadian $	+/- $ 5 million	per 0.01 change in CAD / USD
Norwegian Kroner	+/- $ 5 million	per 0.10 change in NOK / USD

Revenue Change by Market

2Q'14 Third-Party Revenue



Market	Sequential Change	Year-Over-Year Change
Aerospace	1%	(1%)
Automotive	5%	4%
B&C	9%	4%
Comm. Transport	11%	17%
Industrial Products	7%	(5%)
IGT	15%	(9%)
Packaging	14%	(5%)
Distribution/Other	5%	27%
Alumina	(10%)	(7%)
Primary Metals	17%	2%

Special Items

$ Millions, except per-share amounts	Pre-tax, Before NCI 1Q14	Pre-tax, Before NCI 2Q14	After-tax, After NCI 1Q14	After-tax, After NCI 2Q14	Income Statement Classification	Segment
Net Income (Loss)	**($274)**	**$207**	**($178)**	**$138**		
Net Income (Loss) Per Diluted Share	**($0.25)**	**$0.17**	**($0.16)**	**$0.12**		
Restructuring-Related	($499)	($110)	($296)	($54)	Restructuring/COGS/ Other Expenses, Net	Corporate / Primary Metals/ GRP
Tax Items	$0	$0	$22	($2)	Income Taxes	Corporate
Master U.S. Labor Agreement	$0	($17)	$0	($11)	COGS	Corporate / All
Firth Rixson Acquisition Costs	$0	($13)	$0	($11)	SG&A	Corporate
Saudi Arabia Smelter Potline	($13)	($6)	($13)	($6)	COGS/ Other Expenses, Net	Primary Metals
Mark-to-Market Energy Contracts	$0	$11	$0	$6	Other Expenses, Net	Corporate
Surgold Gain	$28	$0	$11	$0	Other Expenses, Net	Alumina
Special Items	**($484)**	**($135)**	**($276)**	**($78)**		
Net Income excl Special Items	**$210**	**$342**	**$98**	**$216**		
Net Income per Diluted Share excl Special Items	**$0.19**	**$0.29**	**$0.09**	**$0.18**		

See appendix for Adjusted Income reconciliation.

Composition of Regional Premium Pricing Convention

2014E Shipments	Regional Premiums	Estimated Pricing Convention
55%	Midwest – Platts	15-day lag
30%	Rotterdam DDP – Metal Bulletin	45-day lag
10%	CIF Japan – Platts	Month prior to Quarter start
5%	Negotiated	Annual

Alcoa smelting closures and curtailments when announced actions are complete

Alcoa smelting capacity closures, since Dec 2007

Location	Year	kmt
Baie Comeau	2008	53
Eastalco	2010	195
Badin	2010	60
Warrick	2010	40
Tennessee	2011	215
Rockdale	2011	76
Baie Comeau	2013	105
Fusina	2013	44
Massena East	2013	41
Massena East	2014	84
Point Henry(1)	2014	190
Total		**1,103**

Alcoa smelting capacity curtailments

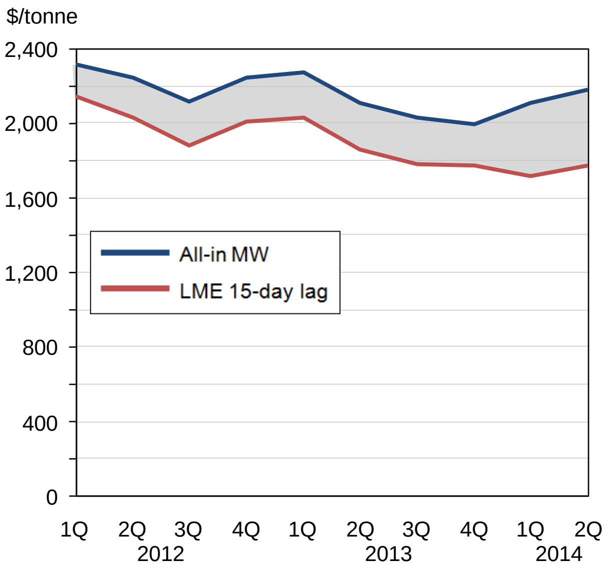
Location	kmt
Rockdale	191
Sao Luis	182
Portovesme	150
Pocos	96
Intalco	49
Wenatchee	41
Aviles	35
Portland	30
La Coruna	28
Total	**803**

(1) Announced, but not executed

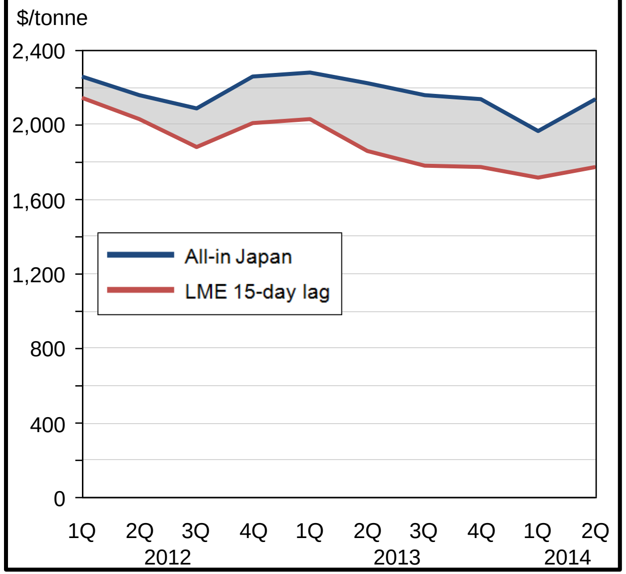
All-in prices down despite increase in regional premiums

LME 15-day lag vs. All-in regional price, $USD/tonne, 2012-present

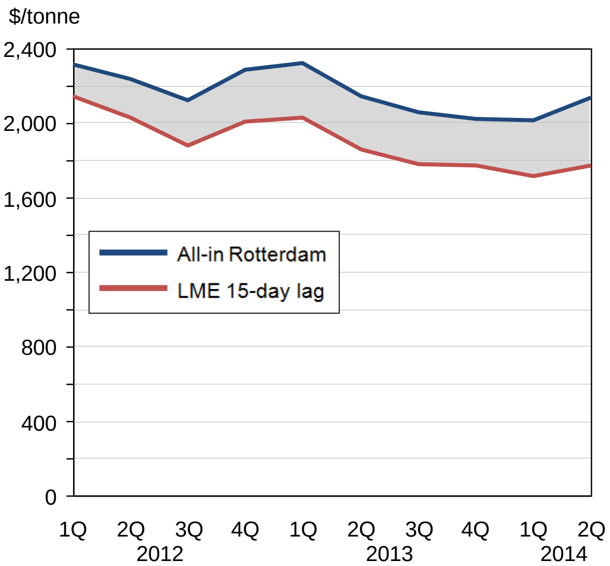
Midwest



Japan

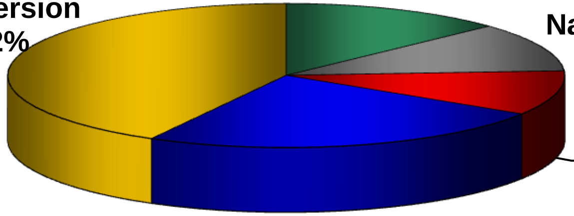


Europe



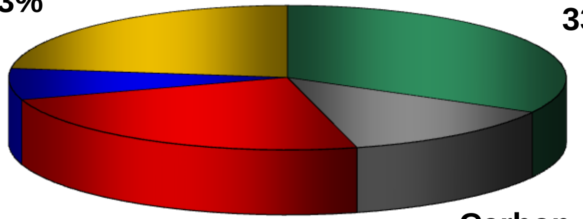
Composition of Upstream Production Costs

Refining Cost Structure



Input Cost	Inventory flow	Pricing convention	Annual ATOI Sensitivity
Fuel oil	1 – 2 months	Prior month	$3m per $1/bbl
Natural gas	N/A	Spot[1]	$16m per $1/GJ[1]
Caustic soda	3 - 6 months	Spot & semi-annual	$8m per $10/DMT

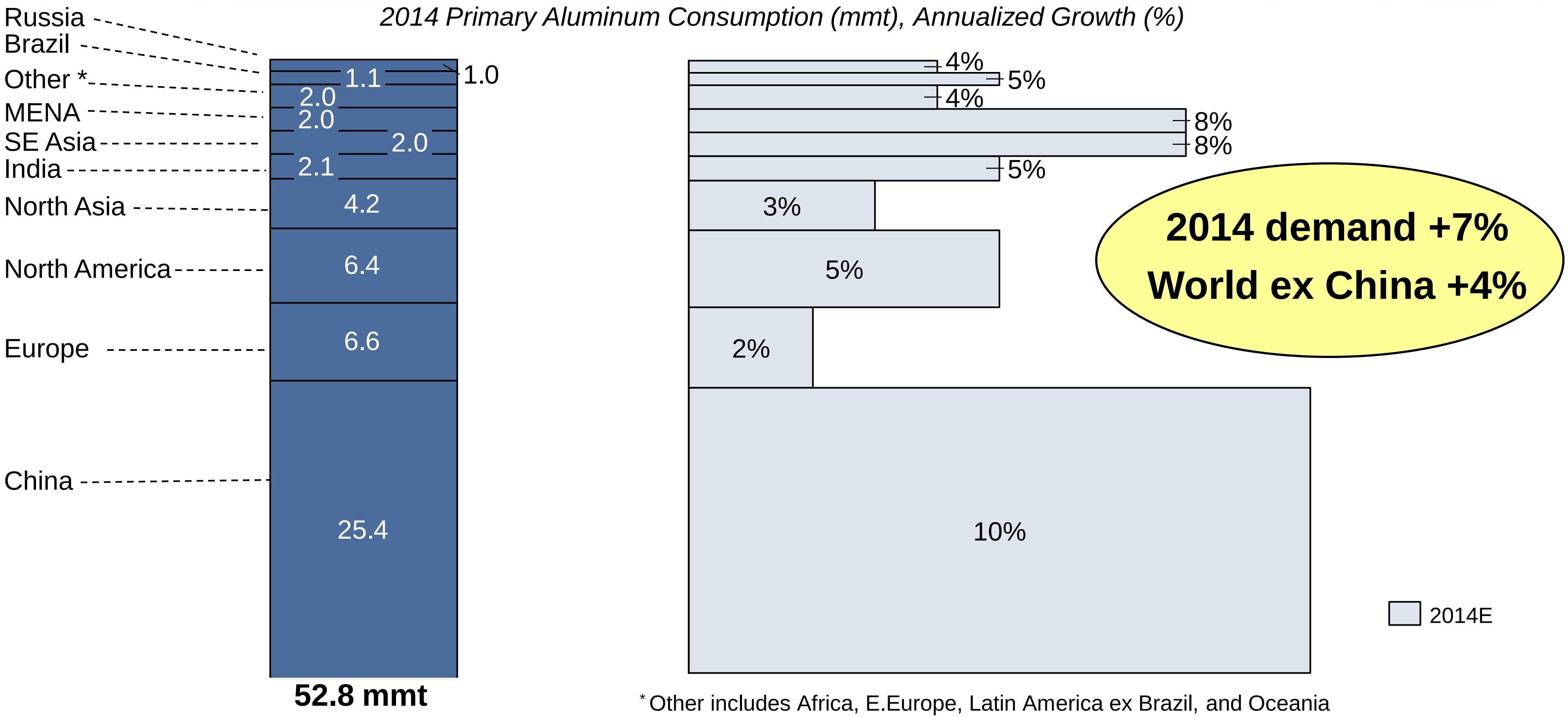
Smelting Cost Structure



Input Cost	Inventory flow	Pricing convention	Annual ATOI Sensitivity
Coke	1 - 2 months	Spot, quarterly & semi-annual	$8m per $10/MT
Pitch	1 - 2 months	Spot, quarterly & semi-annual	$2m per $10/MT

[1]Natural gas information corresponds to Point Comfort, as Australia is priced on a rolling 16 quarter average

Reaffirm 7% global demand growth

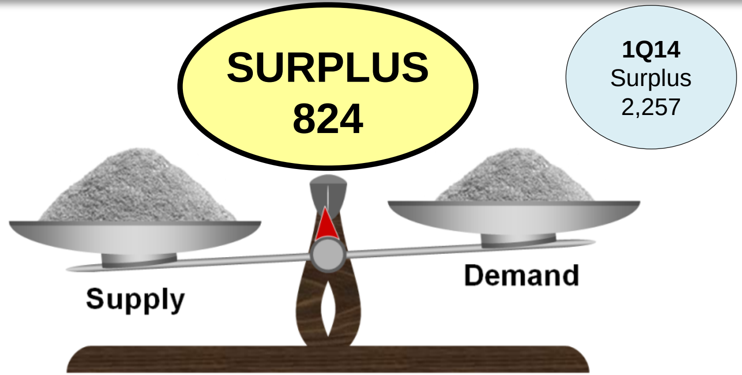


* Other includes Africa, E.Europe, Latin America ex Brazil, and Oceania

Metal deficit rising, alumina surplus shrinking

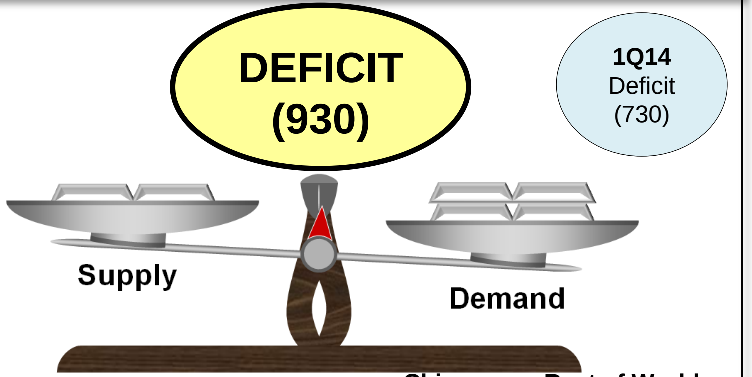
Supply/Demand Analysis

2014E Alumina Supply/Demand Balance



'000 mt	China	Rest of World
2014 Production	44,782	55,384
2014 Production to be added	1,820	628
2014 Capacity to be curtailed	(852)	(500)
Imports/(exports)	4,000	(4,000)
Total supply	49,750	51,512
Demand	(49,660)	(50,778)
Net Balance	**90**	**734**

2014E Aluminum Supply/Demand Balance

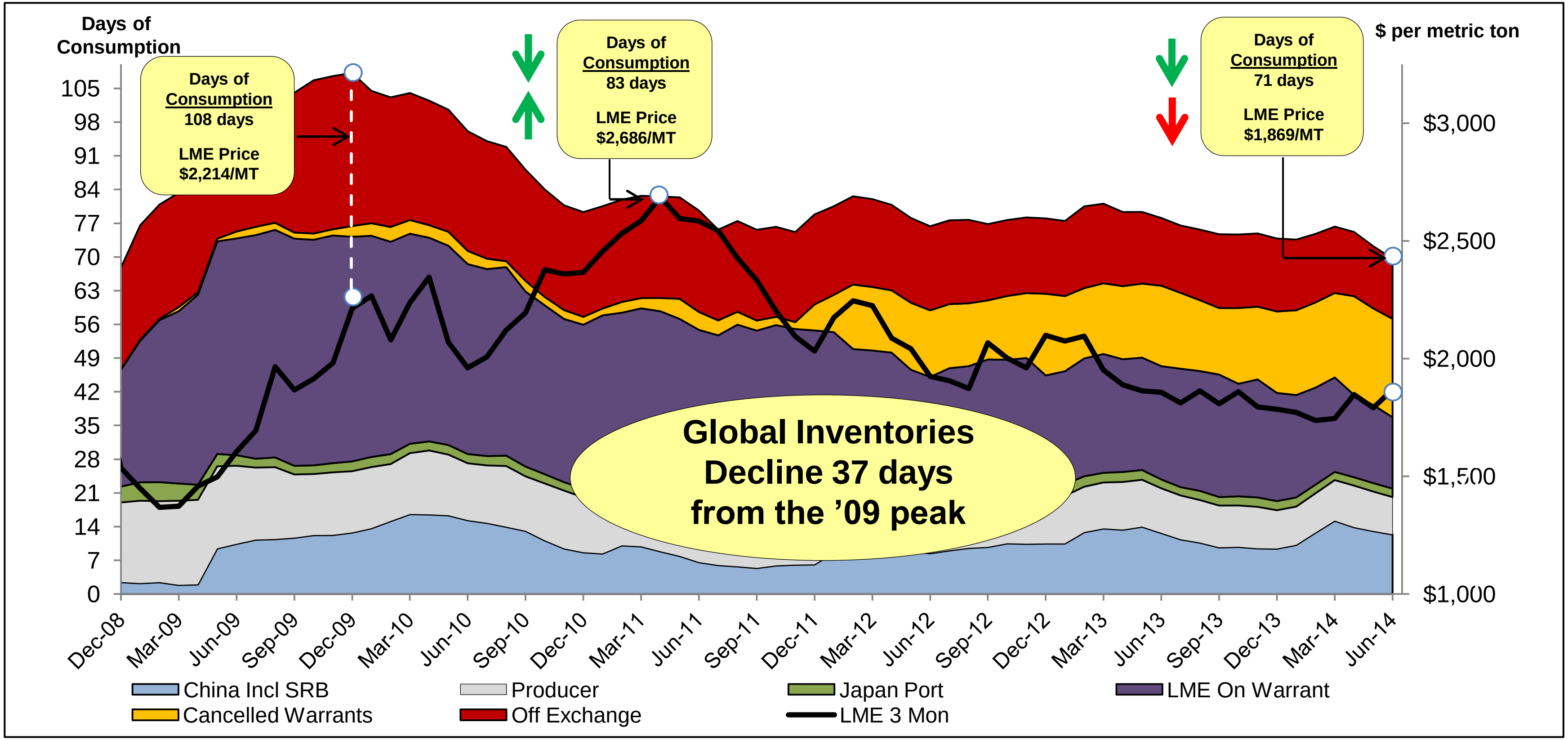


'000 mt	China	Rest of World
2014 Production	24,650	26,000
2014 Production to be added	1,704	465
2014 Capacity to be curtailed	(799)	(155)
Total supply	25,555	26,310
Demand	(25,450)	(27,345)
Net Balance	**105**	**(1,035)**

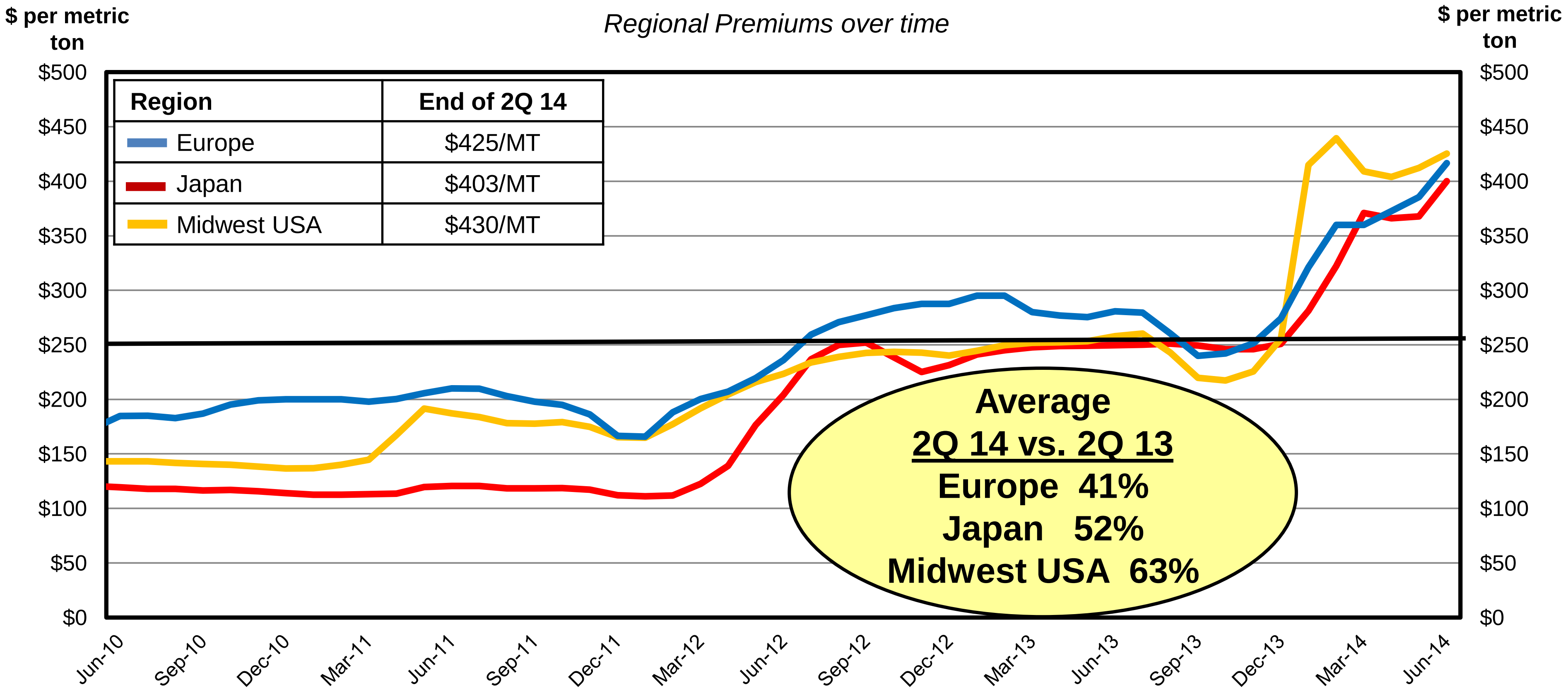
Source: Alcoa analysis, Brook Hunt, CRU, CNIA, NBS, Chinese Customs

Inventories declined 5 days in 2Q

Global Inventories vs. LME Price Over Time $



Premiums move to record highs



Source: Monthly average of daily prices - Platts Metals Week

Reconciliation of ATOI to Consolidated Net Income (Loss) Attributable to Alcoa

(in millions)	1Q13	2Q13	3Q13	4Q13	2013	1Q14	2Q14
Total segment ATOI	$351	$304	$338	$224	$1,217	$325	$418
Unallocated amounts (net of tax):							
Impact of LIFO	(2)	5	9	40	52	(7)	(8)
Interest expense	(75)	(76)	(70)	(73)	(294)	(78)	(69)
Noncontrolling interests	(21)	29	(20)	(29)	(41)	19	9
Corporate expense	(67)	(71)	(74)	(72)	(284)	(67)	(70)
Impairment of goodwill	–	–	–	(1,731)	(1,731)	-	-
Restructuring and other charges	(5)	(211)	(108)	(283)	(607)	(321)	(77)
Other	(32)	(99)	(51)	(415)	(597)	(49)	(65)
Consolidated net income (loss) attributable to Alcoa	$149	$(119)	$24	$(2,339)	$(2,285)	$(178)	$138

Reconciliation of Adjusted Income

(in millions, except per-share amounts)	(Loss) Income			Diluted EPS		
	Quarter ended			Quarter ended		
	June 30, 2013	March 31, 2014	June 30, 2014	June 30, 2013	March 31, 2014	June 30, 2014
Net (loss) income attributable to Alcoa	$(119)	$(178)	$138	$(0.11)	$(0.16)	$0.12
Restructuring and other charges	170	274	54			
Discrete tax items*	11	(6)	(2)			
Other special items**	14	8	26			
Net income attributable to Alcoa – as adjusted	$76	$98	$216	0.07	0.09	0.18

Net income attributable to Alcoa – as adjusted is a non-GAAP financial measure. Management believes that this measure is meaningful to investors because management reviews the operating results of Alcoa excluding the impacts of restructuring and other charges, discrete tax items, and other special items (collectively, "special items"). There can be no assurances that additional special items will not occur in future periods. To compensate for this limitation, management believes that it is appropriate to consider both Net (loss) income attributable to Alcoa determined under GAAP as well as Net income attributable to Alcoa – as adjusted.

* Discrete tax items include the following:

· for the quarter ended June 30, 2014, a net benefit for a number of small items;

· for the quarter ended March 31, 2014, a net benefit for a number of small items; and

· for the quarter ended June 30, 2013, a charge related to prior year taxes in Spain and Australia ($10), a benefit for a tax rate change in Jamaica ($2), and a net charge for other miscellaneous items ($3).

** Other special items include the following:

· for the quarter ended June 30, 2014, a favorable tax impact related to the interim period treatment of operational losses in certain foreign jurisdictions for which no tax benefit is recognized ($20), an unfavorable tax impact resulting from the difference between Alcoa's consolidated estimated annual effective tax rate and the statutory rates applicable to restructuring and other charges ($24), costs associated with (i) a planned acquisition of an aerospace business ($11) and (ii) the successful execution of a new labor agreement with the United Steelworkers ($11), a net favorable change in certain mark-to-market energy derivative contracts ($6), and an unfavorable impact related to the restart of one potline at the joint venture in Saudi Arabia that was previously shut down due to a period of pot instability ($6);

· for the quarter ended March 31, 2014, a favorable tax impact resulting from the difference between Alcoa's consolidated estimated annual effective tax rate and the statutory rates applied to restructuring and other charges ($72) (impact is expected to reverse by the end of 2014), an unfavorable tax impact related to the interim period treatment of operational losses in certain foreign jurisdictions for which no tax benefit was recognized ($56) (impact is expected to reverse by the end of 2014), the write-off of inventory related to the permanent closure of a smelter and two rolling mills in Australia and a smelter in the United States ($20), an unfavorable impact related to the restart of one potline at the joint venture in Saudi Arabia that was previously shut down due to a period of pot instability ($13), a gain on the sale of a mining interest in Suriname ($11), and a loss on the writedown of an asset to fair value ($2); and

· for the quarter ended June 30, 2013, a net unfavorable change in certain mark-to-market energy derivative contracts ($9) and the write off of inventory related to the permanent closure of two potlines at a smelter in Canada and a smelter in Italy ($5).

Reconciliation of Alcoa Adjusted EBITDA

($ in millions)	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2Q13	1Q14	2Q14
Net income (loss) attributable to Alcoa	$938	$1,310	$1,233	$2,248	$2,564	$(74)	$(1,151)	$254	$611	$191	$(2,285)	$(119)	$(178)	$138
Add:														
Net income (loss) attributable to noncontrolling interests	212	233	259	436	365	221	61	138	194	(29)	41	(29)	(19)	(9)
Cumulative effect of accounting changes	47	–	2	–	–	–	–	–	–	–	–	–	–	–
Loss (income) from discontinued operations	–	27	50	(22)	250	303	166	8	3	–	–	–	–	–
Provision (benefit) for income taxes	367	546	464	853	1,623	342	(574)	148	255	162	428	21	(77)	78
Other (income) expenses, net	(278)	(266)	(478)	(236)	(1,920)	(59)	(161)	5	(87)	(341)	(25)	19	25	5
Interest expense	314	271	339	384	401	407	470	494	524	490	453	118	120	105
Restructuring and other charges	(28)	(29)	266	507	268	939	237	207	281	172	782	244	461	110
Impairment of goodwill	–	–	–	–	–	–	–	–	–	–	1,731	–	–	–
Provision for depreciation, depletion, and amortization	1,110	1,142	1,227	1,252	1,244	1,234	1,311	1,450	1,479	1,460	1,421	362	340	349
Adjusted EBITDA	$2,682	$3,234	$3,362	$5,422	$4,795	$3,313	$359	$2,704	$3,260	$2,105	$2,546	$616	$672	$776
Sales	$18,879	$21,370	$24,149	$28,950	$29,280	$26,901	$18,439	$21,013	$24,951	$23,700	$23,032	$5,849	$5,454	$5,836
Adjusted EBITDA Margin	14.2%	15.1%	13.9%	18.7%	16.4%	12.3%	1.9%	12.9%	13.1%	8.9%	11.1%	10.5%	12.3%	13.3%

Alcoa's definition of Adjusted EBITDA (Earnings before interest, taxes, depreciation, and amortization) is net margin plus an add-back for depreciation, depletion, 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, depletion, 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 Alcoa'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.

Reconciliation of Alumina Adjusted EBITDA

($ in millions, except per metric ton amounts)	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2Q13	1Q14	2Q14
After-tax operating income (ATOI)	$415	$632	$682	$1,050	$956	$727	$112	$301	$607	$90	$259	$64	$92	$38
Add:														
Depreciation, depletion, and amortization	147	153	172	192	267	268	292	406	444	455	426	115	97	100
Equity (income) loss	–	(1)	–	2	(1)	(7)	(8)	(10)	(25)	(5)	4	1	5	7
Income taxes	161	240	246	428	340	277	(22)	60	179	(27)	66	14	40	12
Other	(55)	(46)	(8)	(6)	2	(26)	(92)	(5)	(44)	(8)	(6)	–	(28)	–
Adjusted EBITDA	$668	$978	$1,092	$1,666	$1,564	$1,239	$282	$752	$1,161	$505	$749	$194	$206	$157
Production (thousand metric tons) (kmt)	13,841	14,343	14,598	15,128	15,084	15,256	14,265	15,922	16,486	16,342	16,618	4,161	4,172	4,077
Adjusted EBITDA / Production ($ per metric ton)	$48	$68	$75	$110	$104	$81	$20	$47	$70	$31	$45	$47	$49	$39

Alcoa's definition of Adjusted EBITDA (Earnings before interest, taxes, depreciation, and amortization) is net margin plus an add-back for depreciation, depletion, 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, depletion, and amortization. The Other line in the table above includes gains/losses on asset sales and other non-operating items. 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 Alcoa'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.

Reconciliation of Primary Metals Adjusted EBITDA

($ in millions, except per metric ton amounts)	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2Q13	1Q14	2Q14
After-tax operating income (ATOI)	$657	$808	$822	$1,760	$1,445	$931	$(612)	$488	$481	$309	$(20)	$(32)	$(15)	$97
Add:														
Depreciation, depletion, and amortization	310	326	368	395	410	503	560	571	556	532	526	132	124	129
Equity (income) loss	(55)	(58)	12	(82)	(57)	(2)	26	(1)	7	27	51	7	28	17
Income taxes	256	314	307	726	542	172	(365)	96	92	106	(74)	(25)	(11)	30
Other	12	20	(96)	(13)	(27)	(32)	(176)	(7)	2	(422)	(8)	(3)	–	(5)
Adjusted EBITDA	$1,180	$1,410	$1,413	$2,786	$2,313	$1,572	$(567)	$1,147	$1,138	$552	$475	$79	$126	$268
Production (thousand metric tons) (kmt)	3,508	3,376	3,554	3,552	3,693	4,007	3,564	3,586	3,775	3,742	3,550	896	839	795
Adjusted EBITDA / Production ($ per metric ton)	$336	$418	$398	$784	$626	$392	$(159)	$320	$301	$148	$134	$88	$150	$337

Alcoa's definition of Adjusted EBITDA (Earnings before interest, taxes, depreciation, and amortization) is net margin plus an add-back for depreciation, depletion, 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, depletion, and amortization. The Other line in the table above includes gains/losses on asset sales and other non-operating items. 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 Alcoa'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.

Reconciliation of Global Rolled Products Adjusted EBITDA

($ in millions, except per metric ton amounts)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2Q13	1Q14	2Q14
After-tax operating income (ATOI)	$232	$223	$232	$290	$300	$317	$151	$(41)	$(106)	$241	$260	$346	$252	$79	$59	$79
Add:																
Depreciation, depletion, and amortization	167	184	190	200	220	223	227	216	227	238	237	229	226	55	58	58
Equity loss	2	4	1	1	–	2	–	–	–	–	3	6	13	2	5	6
Income taxes	112	90	77	97	135	113	77	14	12	103	98	159	108	32	34	23
Other	(5)	(8)	(5)	1	1	20	1	6	(2)	1	1	(2)	–	–	(2)	1
Adjusted EBITDA	$508	$493	$495	$589	$656	$675	$456	$195	$131	$583	$599	$738	$599	$168	$154	$167
Total shipments (thousand metric tons) (kmt)	1,863	1,814	1,893	2,136	2,250	2,376	2,482	2,361	1,888	1,755	1,866	1,943	1,989	521	489	533
Adjusted EBITDA / Total shipments ($ per metric ton)	$273	$272	$261	$276	$292	$284	$184	$83	$69	$332	$321	$380	$301	$322	$315	$313

Alcoa's definition of Adjusted EBITDA (Earnings before interest, taxes, depreciation, and amortization) is net margin plus an add-back for depreciation, depletion, 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, depletion, and amortization. The Other line in the table above includes gains/losses on asset sales and other non-operating items. 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 Alcoa'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.

Reconciliation of Engineered Products and Solutions Adjusted EBITDA

($ in millions)	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2Q13	1Q14	2Q14
After-tax operating income (ATOI)	$126	$161	$276	$382	$423	$522	$311	$419	$537	$612	$726	$193	$189	$204
Add:														
Depreciation, depletion, and amortization	166	168	160	152	163	165	177	154	158	158	159	39	40	41
Equity loss (income)	–	–	–	6	–	–	(2)	(2)	(1)	–	–	–	–	–
Income taxes	57	70	120	164	184	215	138	198	258	297	348	94	91	102
Other	11	106	(11)	(2)	(7)	2	1	–	(1)	(9)	(2)	–	–	–
Adjusted EBITDA	$360	$505	$545	$702	$763	$904	$625	$769	$951	$1,058	$1,231	$326	$320	$347
Third-party sales	$3,905	$4,283	$4,773	$5,428	$5,834	$6,199	$4,689	$4,584	$5,345	$5,525	$5,733	$1,468	$1,443	$1,502
Adjusted EBITDA Margin	9.2%	11.8%	11.4%	12.9%	13.1%	14.6%	13.3%	16.8%	17.8%	19.1%	21.5%	22.2%	22.2%	23.1%

Alcoa's definition of Adjusted EBITDA (Earnings before interest, taxes, depreciation, and amortization) is net margin plus an add-back for depreciation, depletion, 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, depletion, and amortization. The Other line in the table above includes gains/losses on asset sales and other non-operating items. 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 Alcoa'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.

Reconciliation of Free Cash Flow

(in millions)	Quarter ended											
	30-Sep-11	**31-Dec-11**	**31-Mar-12**	**30-Jun-12**	**30-Sep-12**	**31-Dec-12**	**31-Mar-13**	**30-Jun-13**	**30-Sep-13**	**31-Dec-13**	**31-Mar-14**	**30-Jun-14**
Cash from operations	$489	$1,142	$(236)	$537	$263	$933	$(70)	$514	$214	$920	$(551)	$518
Capital expenditures	(325)	(486)	(270)	(291)	(302)	(398)	(235)	(286)	(250)	(422)	(209)	(258)
Free cash flow	$164	$656	$(506)	$246	$(39)	$535	$(305)	$228	$(36)	$498	$(760)	$260

Free Cash Flow is a non-GAAP financial measure. Management believes that this measure is meaningful to investors because management reviews cash flows generated from operations after taking into consideration capital expenditures due to the fact that these expenditures are considered necessary to maintain and expand Alcoa's asset base and are expected to generate future cash flows from operations. It is important to note that Free Cash Flow does not represent the residual cash flow available for discretionary expenditures since other non-discretionary expenditures, such as mandatory debt service requirements, are not deducted from the measure.

Reconciliation of Free Cash Flow, continued

(in millions)	Quarter ended										
	31-Dec-08	**31-Mar-09**	**30-Jun-09**	**30-Sep-09**	**31-Dec-09**	**31-Mar-10**	**30-Jun-10**	**30-Sep-10**	**31-Dec-10**	**31-Mar-11**	**30-Jun-11**
Cash from operations	$608	$(271)	$328	$184	$1,124	$199	$300	$392	$1,370	$(236)	$798
Capital expenditures	(1,017)	(471)	(418)	(370)	(363)	(221)	(213)	(216)	(365)	(204)	(272)
Free cash flow	$(409)	$(742)	$(90)	$(186)	$761	$(22)	$87	$176	$1,005	$(440)	$526

Free Cash Flow is a non-GAAP financial measure. Management believes that this measure is meaningful to investors because management reviews cash flows generated from operations after taking into consideration capital expenditures due to the fact that these expenditures are considered necessary to maintain and expand Alcoa's asset base and are expected to generate future cash flows from operations. It is important to note that Free Cash Flow does not represent the residual cash flow available for discretionary expenditures since other non-discretionary expenditures, such as mandatory debt service requirements, are not deducted from the measure.

Days Working Capital

($ in millions)	Quarter ended									
	31-Mar-12	**30-Jun-12**	**30-Sep-12**	**31-Dec-12**	**31-Mar-13**	**30-Jun-13**	**30-Sep-13**	**31-Dec-13**	**31-Mar-14**	**30-Jun-14**
Receivables from customers, less allowances	$1,709	$1,650	$1,600	$1,573	$1,704	$1,483	$1,427	$1,383	$1,391	$1,401
Add: Deferred purchase price receivable*	85	144	104	53	50	223	347	339	238	371
Receivables from customers, less allowances, as adjusted	1,794	1,794	1,704	1,626	1,754	1,706	1,774	1,722	1,629	1,772
Add: Inventories	3,079	3,097	3,051	2,894	2,961	2,949	2,932	2,783	2,974	3,201
Less: Accounts payable, trade	2,660	2,594	2,496	2,587	2,656	2,820	2,746	2,816	2,813	2,880
Working Capital**	$2,213	$2,297	$2,259	$1,933	$2,059	$1,835	$1,960	$1,689	$1,790	$2,093
Sales	$6,006	$5,963	$5,833	$5,898	$5,833	$5,849	$5,765	$5,585	$5,454	$5,836
Days Working Capital	34	35	36	30	32	29	31	28	30	33

Days Working Capital = Working Capital divided by (Sales/number of days in the quarter).

*The deferred purchase price receivable relates to an arrangement to sell certain customer receivables to several financial institutions on a recurring basis. Alcoa is adding back this receivable for the purposes of the Days Working Capital calculation.

** Beginning January 1, 2014, management changed the manner in which Working Capital is measured by moving from an end of quarter Working Capital to an average quarter Working Capital. This change will now reflect the capital tied up during a given quarter. As such, the components of Working Capital for each period presented represent the average of the ending balances in each of the three months during the respective quarter.

Reconciliation of Net Debt

(in millions)

	December 31,						March 31,	June 30,
	2008	2009	2010	2011	2012	2013	2014	2014
Short-term borrowings	$478	$176	$92	$62	$53	$57	$53	$133
Commercial paper	1,535	–	–	224	–	–	–	223
Long-term debt due within one year	56	669	231	445	465	655	85	87
Long-term debt, less amount due within one year	8,509	8,974	8,842	8,640	8,311	7,607	7,609	7,612
Total debt	10,578	9,819	9,165	9,371	8,829	8,319	7,747	8,055
Less: Cash and cash equivalents	762	1,481	1,543	1,939	1,861	1,437	665	1,183
Net debt	$9,816	$8,338	$7,622	$7,432	$6,968	$6,882	$7,082	$6,872

Net debt is a non-GAAP financial measure. Management believes that this measure is meaningful to investors because management assesses Alcoa's leverage position after factoring in available cash that could be used to repay outstanding debt.

Reconciliation of Net Debt-to-Capital

($ in millions)	March 31, 2014			June 30, 2014		
	Debt-to-Capital	Cash and Cash Equivalents	Net Debt-to-Capital	Debt-to-Capital	Cash and Cash Equivalents	Net Debt-to-Capital
Total Debt						
Short-term borrowings	$53			$133		
Commercial paper	–			223		
Long-term debt due within one year	85			87		
Long-term debt, less amount due within one year	7,609			7,612		
Numerator	$7,747	$665	$7,082	$8,055	$1,183	$6,872
Total Capital						
Total debt	$7,747			$8,055		
Total equity	14,374			14,706		
Denominator	$22,121	$665	$21,456	$22,761	$1,183	$21,578
Ratio	35.0%		33.0%	35.4%		31.8%

Net debt-to-capital is a non-GAAP financial measure. Management believes that this measure is meaningful to investors because management assesses Alcoa’s leverage position after factoring in available cash that could be used to repay outstanding debt.