Advancing each generation. ALCOA

3rd Quarter Earnings Conference

October 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) the possibility that certain assumptions with respect to Firth Rixson or the proposed transaction could prove to be inaccurate; (o) the loss of customers, suppliers and other business relationships of Alcoa or Firth Rixson as a result of the proposed acquisition; and (p) the other risk factors summarized in Alcoa’s Form 10-K for the year ended December 31, 2013, Forms 10-Q for the quarters ended March 31, 2014 and June 30, 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. Market projections are subject to the risks discussed above and other risks in the market.

This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities. The common shares of Alcoa to be issued in the Firth Rixson acquisition 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 (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 in the Appendix to this presentation. Any reference to historical EBITDA means adjusted EBITDA, for which we have provided calculations and reconciliations in the Appendix. 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 Delivering Results; All Segments Improve Sequentially

3Q 2014 Overview

Delivering Strong Operational Performance	▪ **Strong Earnings Increase:** – ***Downstream: Highest Ever*** *quarterly* ***ATOI, EBITDA %; $209*** *million and* ***23.5%*** – ***Midstream: ATOI up 45% year-over-year*** – ***Upstream: Improved Performance – 12*** *Consecutive* ***Quarters; $612 Primary Metals*** *segment* ***EBITDA*** *per metric ton* ▪ **Productivity: $862** million **Across All Segments** YoY
Accelerating Portfolio Transformation	▪ **Completed $2.5** billion Firth Rixson **acquisition financing;** expect to **close by year-end** ▪ Signed multi-year **contracts** with **Boeing and Pratt & Whitney; >$2** billion combined, demonstrating multi-material aerospace leadership ▪ **Opened World's largest Al-Li facility in Indiana;** $100 million revenues already contracted for 2017 ▪ Saudi Arabia **smelter** fully **operational**, **generated profits** in 3Q14 ▪ Announced **permanent closure** of 150 kmt **Portovesme smelter** ▪ **Safely Executed** Australia smelter **Closure** of 190 kmt capacity

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

October 8, 2014

Income Statement Summary

$ Millions, except aluminum prices and per-share amounts	3Q13	2Q14	3Q14	Prior Year Change	Sequential Change
Realized Aluminum Price ($/MT)	$2,180	$2,291	$2,538	$358	$247
Revenue	$5,765	$5,836	$6,239	$474	$403
Cost of Goods Sold	$4,798	$4,765	$4,904	$106	$139
COGS % Revenue	83.2%	81.6%	78.6%	(4.6 % pts.)	(3.0 % pts.)
Selling, General Administrative, Other	$248	$245	$243	($5)	($2)
SGA % Revenue	4.3%	4.2%	3.9%	(0.4 % pts.)	(0.3 % pts.)
Other (Income) Expenses, Net	($7)	$5	$23	$30	$18
Restructuring and Other Charges	$151	$110	$209	$58	$99
Effective Tax Rate	41.3%	37.7%	60.3%	19.0% pts.	22.6% pts.
EBITDA	$675	$776	$1,035	$360	$259
Net Income	$24	$138	$149	$125	$11
Net Income Per Diluted Share	$0.02	$0.12	$0.12	$0.10	$0.00
Income per Diluted Share excl Special Items	$0.11	$0.18	$0.31	$0.20	$0.13

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

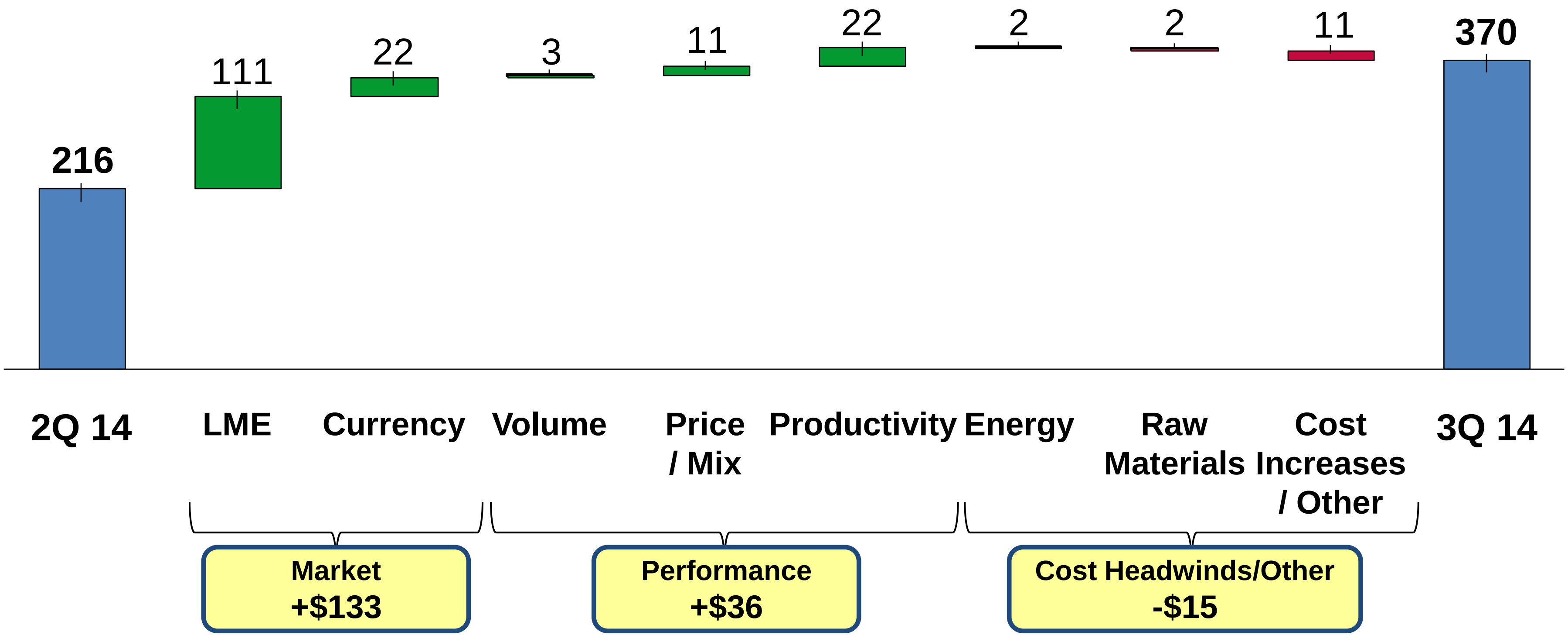
$ Millions, except per-share amounts	2Q14	3Q14	Income Statement Classification	Segment
Net Income	**$138**	**$149**		
Net Income Per Diluted Share	**$0.12**	**$0.12**		
Restructuring-Related[1]	($54)	($202)	Restructuring and Other Charges/COGS	Corporate / Primary Metals
Tax Items	($2)	$0	Income Taxes	Corporate
Master U.S. Labor Agreement	($11)	$0	COGS	Corporate / All
Firth Rixson Acquisition Costs	($11)	($14)	SG&A/Interest Expense	Corporate
Saudi Arabia Smelter Potline	($6)	$0	COGS/ Other Expenses, Net	Primary Metals
Mark-to-Market Energy Contracts	$6	($14)	Other Expenses, Net	Corporate
Gain on Asset Sale	$0	$9	Other Expenses, Net	Corporate
Special Items	**($78)**	**($221)**		
Net Income excl Special Items	**$216**	**$370**		
Net Income per Diluted Share excl Special Items	**$0.18**	**$0.31**		

1) Total restructuring-related charges in 3Q14 of $202 million (60 percent non-cash, 40 percent cash); $167 million of charges relate to Portovesme closure

See appendix for Adjusted Income reconciliation

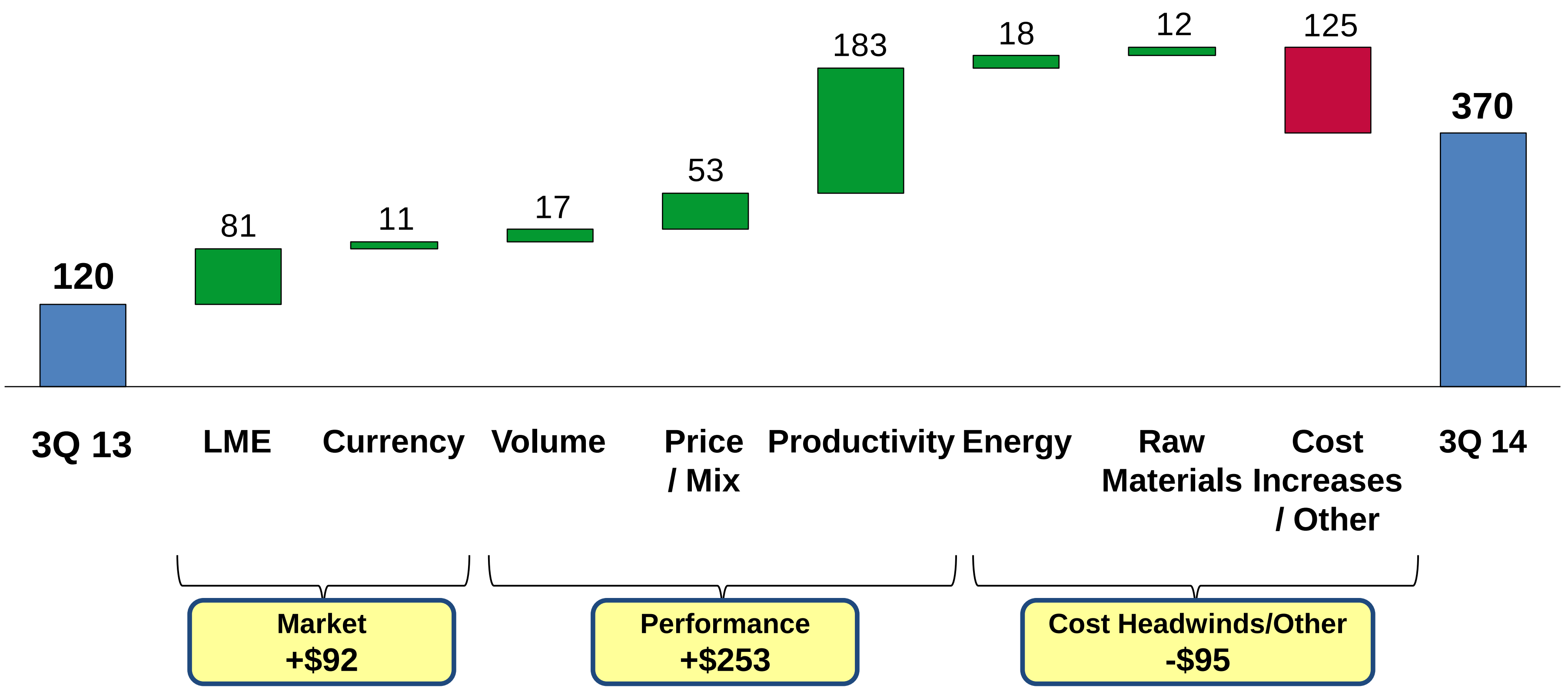
Market tailwinds and productivity drive sequential improvement

Net Income excluding Special Items ($ Millions)



Earnings more than triple year-over-year on productivity and pricing

Net Income excluding Special Items ($ Millions)



Record quarter ATOI, EBITDA % for Engineered Products and Solutions

3Q14 Actual and 4Q14 Outlook – Engineered Products and Solutions

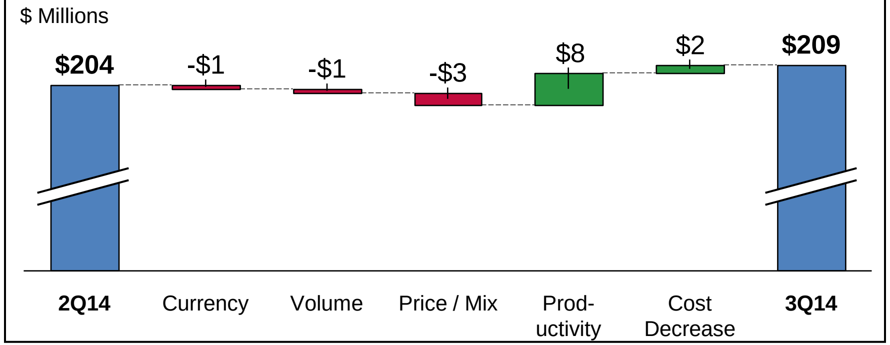
3rd Quarter Results

	3Q 13	2Q 14	**3Q 14**
3rd Party Revenue ($ Millions)	1,437	1,502	**1,495**
ATOI ($ Millions)	192	204	**209**
EBITDA Margin	22.5%	23.1%	**23.5%**

3rd Quarter Business Highlights

- **Revenue up 4%** year-over-year driven by **strong share gains** across major markets
- **Best ever** quarterly **EBITDA margin** of **23.5%**
- **Best ever** quarterly **ATOI** of **$209M**
- **Quarterly ATOI up 9%** year-over-year driven by **productivity,** strong **Aero, Commercial Transportation** and **Building and Construction** revenues
- **18th Consecutive Quarter** of year-over-year **ATOI Growth**

3rd Quarter Performance Bridge



4th Quarter Outlook

- **Aerospace** market remains **strong**
- Continued **recovery in N.A. Non-Residential Construction**; **European weakness continues**, outlook varies across regions
- Continued **strength in N.A. Heavy Duty Truck** build rates; Europe flat
- **Share gains** through innovation and **productivity continue** across all sectors
- **ATOI** is expected to **increase 8%-12% year-over-year**

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

GRP: metal price and cost control overcome volume, price declines

3Q14 Actual and 4Q14 Outlook – Global Rolled Products

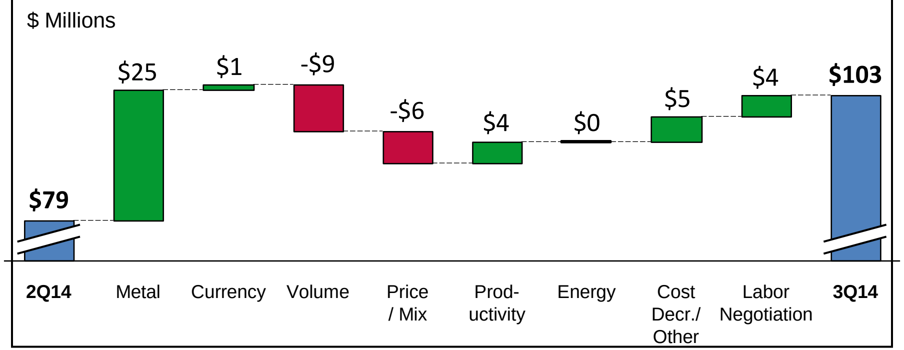
3rd Quarter Results

	3Q 13	2Q 14	**3Q 14**
3rd Party Revenue ($ Millions)	1,805	1,860	**1,926**
ATOI ($ Millions)	71	79	**103**
EBITDA/MT	312	313	**409**

3rd Quarter Business Highlights

- **Rising metal prices** benefitted results
- **Record Auto sheet production** as Davenport expansion ramps up
- **Volume, mix** and **cost impacts** due to seasonal **summer shutdowns** in Europe
- **Continued productivity improvement**

3rd Quarter Performance Bridge



4th Quarter Outlook

- Expect **record Auto sheet shipments** as AIVs are ramping up
- Expect continued **strength in Aerospace and N.A. Industrial**
- **Seasonal packaging decline,** continued **pricing pressure** in **packaging** and **industrial**
- **ATOI up 150%** year-over-year, excluding impacts from metal/currency

Alumina earnings up sharply on higher production and pricing

3Q14 Actual and 4Q14 Outlook – Alumina

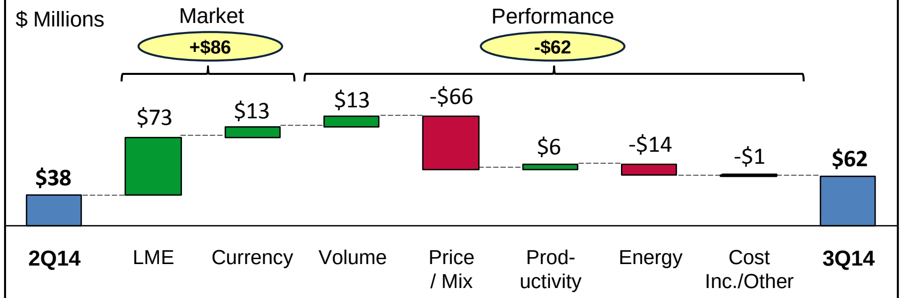
3rd Quarter Results

	3Q 13	2Q 14	**3Q 14**
Production (kmt)	4,214	4,077	**4,196**
3rd Party Shipments (kmt)	2,603	2,361	**2,714**
3rd Party Revenue ($ Millions)	846	761	**886**
ATOI ($ Millions)	67	38	**62**

3rd Quarter Business Highlights

- **Production and shipments increased** due to stable operations across the system and Pt. Comfort recovery after 2Q interruption
- **Higher LME-based** pricing offset by **lower API** prices
- **Loss of carbon tax credits** in Australia drove higher energy costs
- Other cost increases driven by **higher raw material prices**

3rd Quarter Performance Bridge



4th Quarter Outlook

- **65%** of 3rd party shipments on spot or API for 2014
- **API** pricing follows **30-day lag**; **LME-based** pricing follows **60-day lag**
- **Saudi JV refinery** start up **costs will begin, -$10M impact**
- All **other performance in total** will improve by **$20M**

Primary earnings more than double on improved performance, pricing

3Q14 Actual and 4Q14 Outlook – Primary Metals

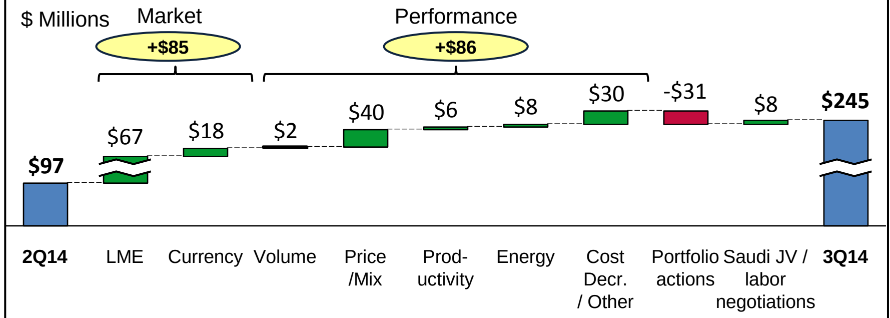
3rd Quarter Results

	3Q 13	2Q 14	3Q 14
Production (kmt)	897	795	**760**
3rd Party Shipments (kmt)	686	638	**642**
3rd Party Revenue ($ Millions)	1,600	1,659	**1,865**
3rd Party Price ($/MT)	2,180	2,291	**2,538**
ATOI ($ Millions)	8	97	**245**

3rd Quarter Business Highlights

- **Production down** due to cessation of **Pt. Henry production**
- Strong **performance** driven by **realized prices, mix and lower costs**
- Saudi JV smelter **delivered profits** in 3Q14
- Portfolio actions include **Portovesme and Pt. Henry final closure** impacts

3rd Quarter Performance Bridge

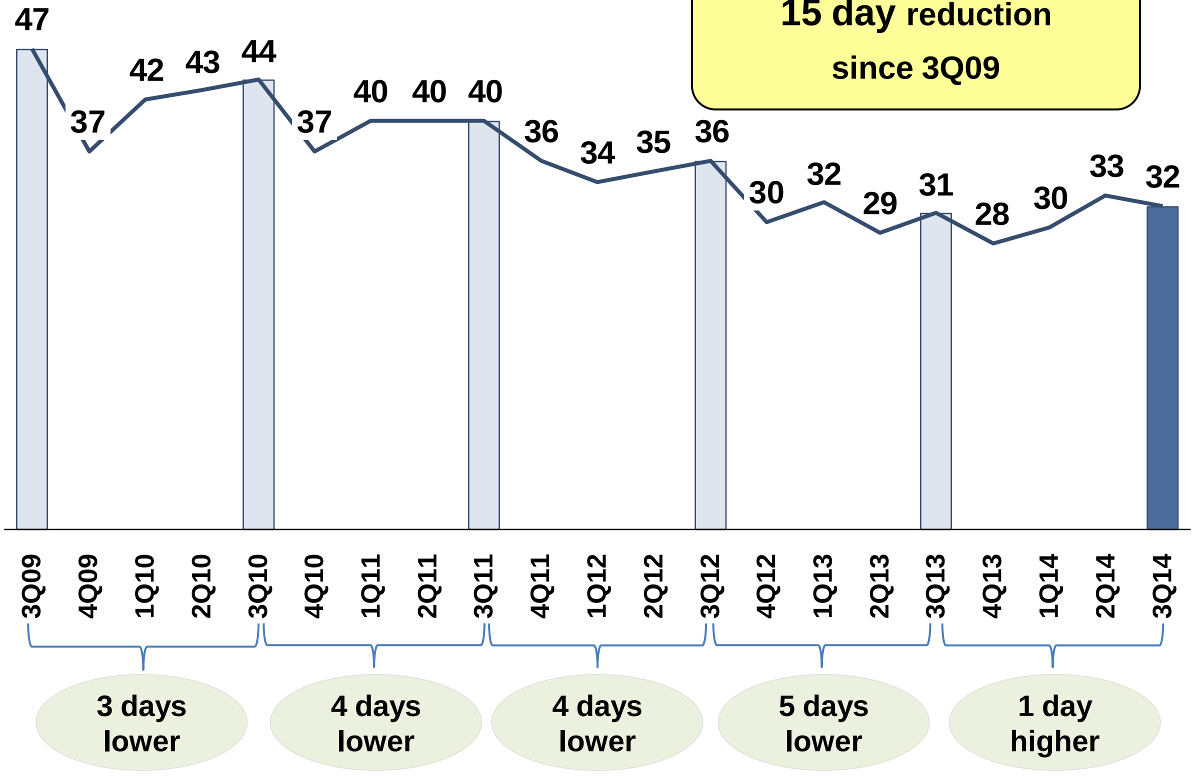


4th Quarter Outlook

- **Pricing** follows a **15-day** lag to LME
- **Production flat** from 3Q
- **Energy costs** escalating **$35M**, primarily in Europe
- All **other performance in total** will **offset** energy **cost increases**

One day year-over-year increase in average DWC

Average Days Working Capital since Third Quarter 2009



15 day reduction since 3Q09

1 day increase since 3Q13

Driver	**Horizon**
Curtailments	**Near-term**
Automotive growth	**Mid-term**

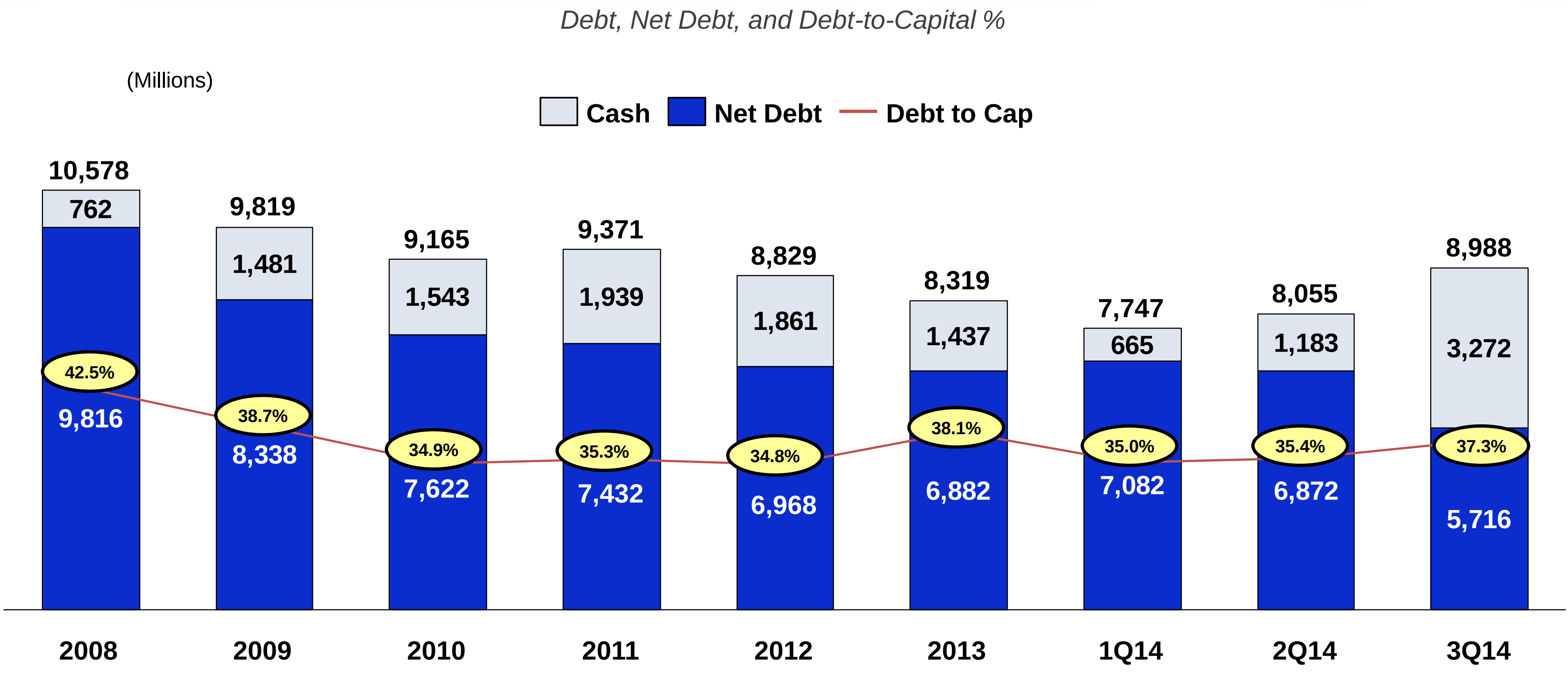
3rd Quarter Cash Flow Overview

3Q13, 2Q14 & 3Q14 Cash Flow

($ Millions)	3Q13	2Q14	3Q14
Net Income before Noncontrolling Interests	$44	$129	$131
DD&A	$348	$350	$346
Change in Working Capital	($61)	$31	($411)
Pension Contributions	($173)	($191)	($164)
Other Adjustments	$56	$199	$347
Cash from Operations	**$214**	**$518**	**$249**
Dividends to Shareholders	($33)	($36)	($36)
Share Issuance	-	-	$1,213
Change in Debt	($5)	$296	$981
(Distributions to)/Contributions from Noncontrolling Interests	($53)	$4	($20)
Other Financing Activities	($2)	$17	$2
Cash from Financing Activities	**($93)**	**$281**	**$2,140**
Capital Expenditures	($250)	($258)	($283)
Other Investing Activities	($54)	($28)	$2
Cash from Investing Activities	**($304)**	**($286)**	**($281)**

See appendix for Free Cash Flow reconciliation

Net debt reflects acquisition financing



See appendix for Net Debt reconciliation

On track to meet our 2014 targets

2014 Annual Financial Targets and Year-to-Date Results

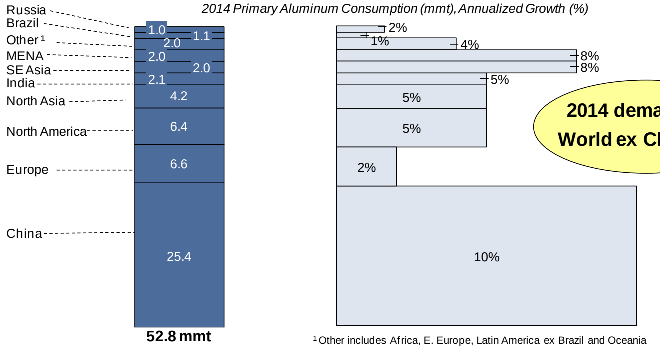
Taking the right actions	YTD:	
Drive Productivity Gains of $850M	$862M	✓
Build Value-Add with Growth Capital of $500M	$325M	✓
Manage Sustaining Capital of $750M	$425M	✓
Invest in Saudi JV $125M	$69M	✓
Attain 30%-35% Debt-to-Capital	37.3%	✗

Overarching 2014 Financial Target

Positive Free Cash Flow

Market fundamentals remain positive

Reaffirm 7% global demand growth

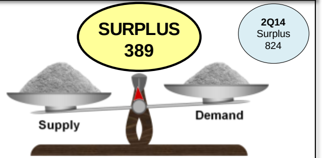


[1] Other includes Africa, E. Europe, Latin America ex Brazil and Oceania

Alumina surplus shrinking, aluminum deficit

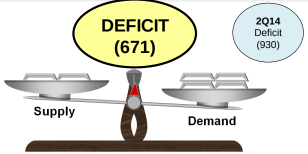
Supply/Demand Analysis

2014E Alumina Supply/Demand Balance



'000 mt	China	Rest of World
2014 Production	44,729	55,186
2014 Production to be added	1,067	228
2014 Capacity to be (curtailed)	0	0
Imports/(exports)	4,500	(4,500)
Total supply	50,296	50,914
Demand	(50,296)	(50,525)
Net Balance	**0**	**389**

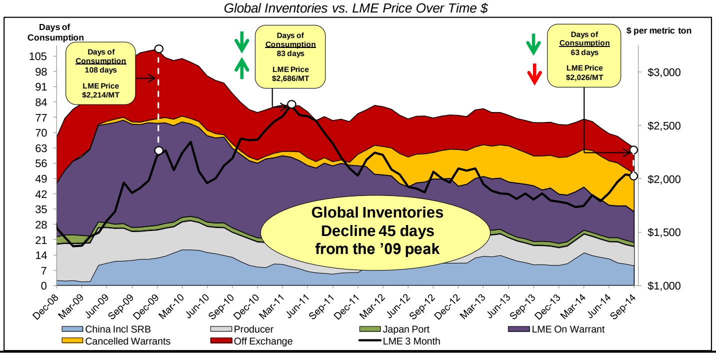
2014E Aluminum Supply/Demand Balance



'000 mt	China	Rest of World
2014 Production	25,336	25,737
2014 Production to be added	389	375
2014 Capacity (curtailed) / restarted	255	65
Total supply	25,980	26,177
Demand	(25,450)	(27,378)
Net Balance	**530**	**(1,201)**

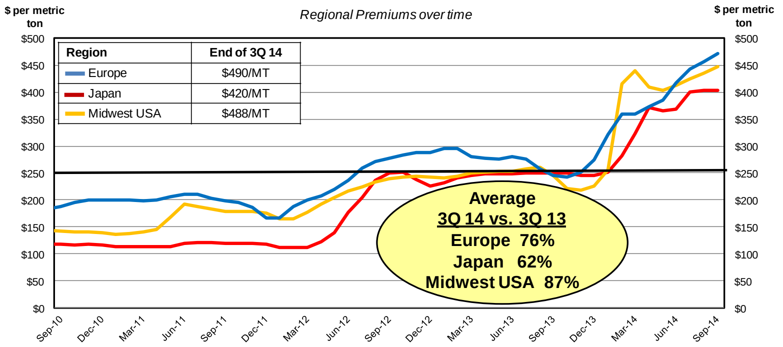
Inventories declined 7 days in 3Q

Global Inventories vs. LME Price Over Time $



Premiums move to new record highs

Regional Premiums over time



Advancing each generation. ALCOA

Klaus Kleinfeld

Chairman and Chief Executive Officer

October 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 in 2014) • **Strong Commercial Jet Engine Order Book**: **~23,600** Engines on firm order • **Rebounding Regional Jet** segment: +**13.2%** with **highest order book** in 5 years
Automotive 	**2% to 4%** Global production growth	**NA** 3% to 5% • **Sales Up:** September **1.24M units**, **+9.3% YoY**; **YTD +5.4%** from **prior year** • **Pent Up Demand:** Average **fleet age 11.4** years vs. **9.7 historical** average • **Inventory Up: 64 days** in September; in-line with industry target (60 to 65 days) • **Incentives Up:** Average $2,975/unit in advance of 2015 models • **Production Up:** August production **-1.0% YoY**; **YTD +5.1%** from **prior year**
		EU 2% to 4% • **Registrations +6.1% YTD** from prior year; **Production +4.7% YTD**, softening in 2H'14 • **Exports** from Europe **+3.6%** from **prior year** (2014 forecast)
		China 7% to 10% • **Sales +7.7% YTD**; Growth driven by **increasing middle class** and **Clean Air Act**

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** 16% to 20%	• **Orders Up:** 3Q increased **+43% YoY** with continued strength **YTD +32%** from **prior year** • **Good Order Book:** August 122k trucks (10-year average 102k), up **+57% YoY** • **Solid Fundamentals:** +3.6% Freight ton miles (Aug YTD); +3.7% Freight price (2Q14 YoY) • **Production:** Forecast increased; 79K units in 3Q14, **+24.5% YoY**
		EU -7% to -10%	• **Orders: - 4% YTD** as expected (EURO VI); **Production:** W. Eur **flat**, E. Eur ~ **-20%** 2014E
		China 0 to 4%	• Market **stabilizing** (30% growth in 2013); + **infrastructure** for **reg. changes** (Low Sulfur Gas Avail.)
Packaging 	**2% to 3%** Global sales growth	**NA** -1% to -2%	• **Demand decline:** Weakness (-3.5% YTD) in **Carbonated Soft Drinks** (CSD) • **Improved** performance (+3.4% YTD) in **Beer Segment** partially offsets CSD
		EU 2% to 3%	• **Demand Up: Strong 1H'14 growth** in **W. Eur**; both CSD and beer segment improved
		China 8% to 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% to 4% — *Positive Early Indicators:* • **Non-Residential Contracts Awarded**: +**12%** in September (12-month rolling average) • **Architectural Billing Index**: **Positive at 53** in August; 4 consecutive months above 50 • **Case-Shiller Home Price Index**: **+5.6%** July **YoY;** growth moderated since Q1 (10%+)
		EU -2% to -3% — • Decline as **weakness continues**, outlook varies across markets
		China 7% to 9% — • Growth as fundamentals stabilize
Industrial Gas Turbines 	**-8% to -12%** Global airfoil market decline	• **Orders down:** 1H'14 run rate **-29% globally vs 2012/2013 levels;** -45% from 2011 levels • **OECD electricity** demand **down 0.4% 1H'14 vs prior year** (-2.2%, excl. U.S.) • **Spares demand: Negative** impact from **shift in energy mix/usage** in key regions • **N.A.:** Natural **gas prices peaked** in 1Q14**; coal gains share** (U.S. gas-fired market share: 25.8% 2014 YTD vs 27.4% 2013) • **Europe: Gas-fired power** squeezed by **low-priced coal** and **subsidized renewables**

Source: Alcoa analysis
B&C = Building and construction

Transforming Alcoa – Creating Compelling Sustainable Value

Value-Add: Profitable Growth

Building a Lightweight Multi-Material Innovation Powerhouse

Engineered Products & Solutions

Global Rolled Products

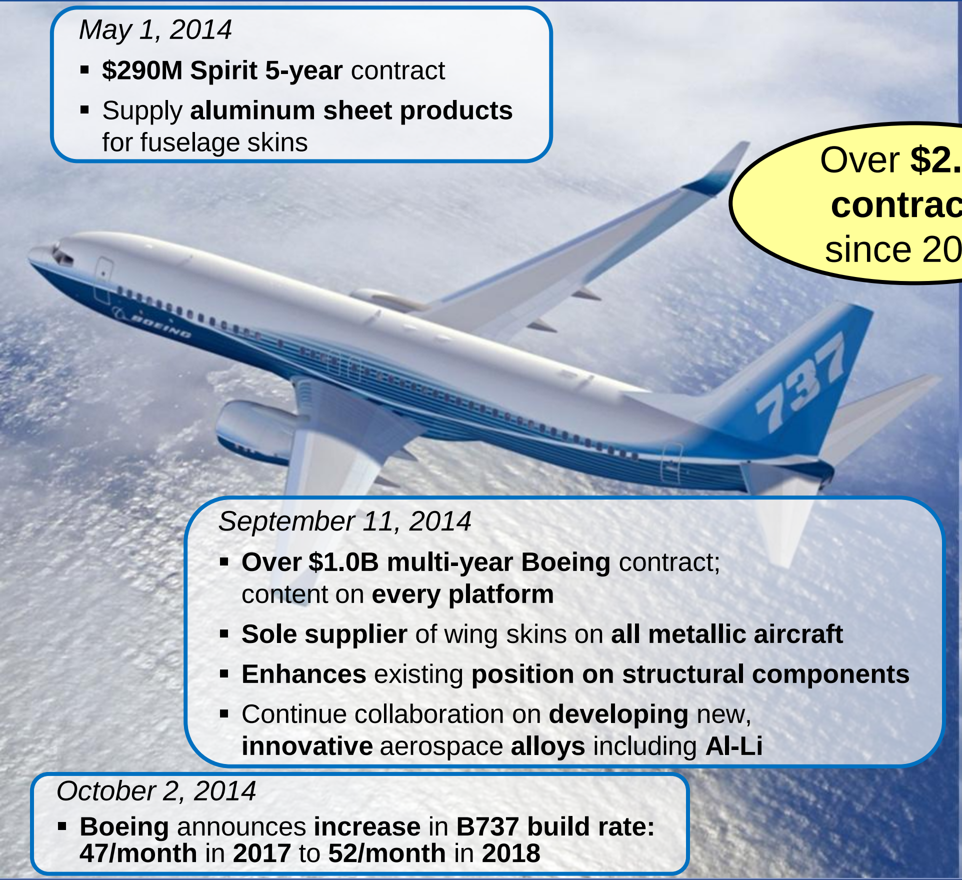
Upstream: Reduce Cost Position

Creating a Globally Competitive Commodity Business

Alumina

Aluminum

Flying High in Aerospace – Metallic Aircraft Here to Stay



May 1, 2014

- **$290M Spirit 5-year** contract
- Supply **aluminum sheet products** for fuselage skins

September 11, 2014

- **Over $1.0B multi-year Boeing** contract; content on **every platform**
- **Sole supplier** of wing skins on **all metallic aircraft**
- **Enhances** existing **position on structural components**
- Continue collaboration on **developing** new, **innovative** aerospace **alloys** including **Al-Li**

October 2, 2014

- **Boeing** announces **increase** in **B737 build rate: 47/month** in **2017** to **52/month** in **2018**

Over **$2.8B contracts** since 2012

July 11, 2012

- **$1.4B Airbus multi-year** contract
- Supply **aluminum sheet, plate and hard alloy extruded products** across virtually **all Airbus commercial programs**
- Utilizes Alcoa's current, advanced-generation and **Al-Li alloys**

December 16, 2013

- **$110M Airbus** multi-year contract
- Supply **Ti forgings** used to **connect A320neo wing** structure to engine, large **Al forgings** for the **A330 and A380**
- Includes **A380 inner rear wing spar**; **World's largest** aerospace **forging** made from Alcoa's **proprietary 7085 alloy**

July 14, 2014

- **Airbus launched all-metallic A330neo**

September 25, 2014

- **Maiden flight of the Airbus A320neo**

Source: Alcoa, Photos courtesy of Airbus, Boeing

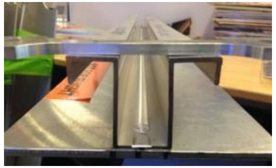
Al-Li (R)Evolution: Growing the Footprint for Lightweight Al-Li Alloys

Examples of Aluminum-Lithium Applications

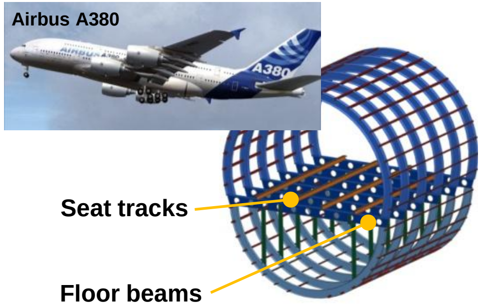
Launching into **Space**

SpaceX Rocket

- **Strong, (4-7%)** lower **density** than **conventional aluminum**
- **Lithium extrusions:** ULA
- **Developing applications** for SpaceX



Propelling into **Aero Structures**



Generic fuselage frame

- Better **corrosion resistance**[1]; **2X longer** inspection intervals, contributes to **30% lower costs**
- **Wing Stringers:** A380, Bombardier Global 7000/8000
- **Floor Beams:** A350, A380, 777x
- **Seat Tracks:** A380, Gulfstream G650

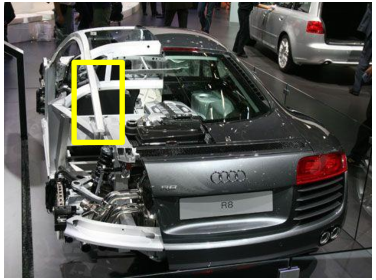
Turbo Charging **Engines**

PW1100G-JM

Al-Li forging

- Developing **world's first Al-Li fan blade forging**
- **Lighter** weight; more **cost-effective** than Ti, CFRP
- Contributes to **16% improved fuel burn vs.** today's **best engines, less noise**

Motoring into **Auto and Industrial**



Audi roof beam

- **Elevated temp** strength, **corrosion** and **fatigue** resistance
- **Roof beam:** Audi; **2X stronger** than traditional alloy
- **Brake calipers, suspension parts:** Formula One
- **Turbo charger compressor wheels:** Commercial transport

1) Versus conventional aluminum. ULA = United Launch Alliance. CFRP: Carbon-fiber-reinforced polymer.
Photos courtesy of Associated Press, Airbus, Pratt and Whitney, Audi AG

Unique Capabilities + Organic Investment = Al-Li Value-Add Growth

Summary of Alcoa Aluminum-Lithium Advantages, Growth Investment and Projected Revenues

$100M
sales contracted in 2017

Innovation Heavyweight in Lightweight Metals

- **Global leader** in Al-Li **extrusions**

Alloy Development

  - Metallurgical expertise:
    3 **patented alloys,** 1 **patent-pending alloy**
  - **AA-developed** equipment and technology
- Unmatched **capability**; **forged rotating** parts
- **Largest** Al-Li **ingots** for single-piece components; ~**50% larger than** the nearest **competition**

Offering the Broadest Product Portfolio

- Industry's **most complete** product **portfolio** *(including **large press** and hollow **extrusions**)*
- Alcoa **applications** on **key** aerospace **platforms**

Investing in Next-Gen Aerospace: Largest Al-Li Casthouse

- **~$90M investment**
- **~20 kmt World's largest** facility
- **Leveraging proximity for enhanced collaboration;** extrusions, rolling mill, forging capabilities

Firth Rixson Acquisition On Track

Highlights of Firth Rixson Acquisition, Closing Progress and Post-Merger Preparation

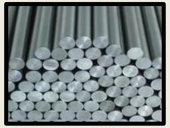
Portfolio Enhancing: Growing Market, High Tech

2016
$1.6B revenue
$350M EBITDA

Rings

Strong Aerospace Offering

- **Largest** seamless **Rings** 200" in diameter
- **Full Range** forged closed-die aero **Engine Disks**
- **Doubles AA's Engine Content** on key programs
- **~$100M** synergies[1]; **40%** by **year 2**; **100%** by **year 5**



Metal

Array of Material Composition

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

Disks

Leading Edge Technology

- **Specialized Isothermal** process;
  3X demand growth expected in next 8 years
- Disks enable **Higher** Operating **Temperatures** (+70°F over legacy engines)
- **40% Improvement** in **Combustion Efficiency**

Targeting 4Q Close

Regulatory Approval

US	✓
Turkey	✓
Taiwan	✓
Ukraine	✓
South Korea	✓
Europe	In progress
China	In progress

Funding

Complete	✓

Post-Merger Preparation

Work Streams

- HR, Communications
- Manufacturing, Engineering, Commercial
- Financial, Procurement
- Quality, EHS, Compliance, IT

Focus Areas

- Talent Retention, Development
- Synergy Generation & Capture
- Alcoa Operating Systems
- Technology Sharing
- Commercial and Procurement Engagement
- Comprehensive Day 1 "Go Live"

1) Savings per year

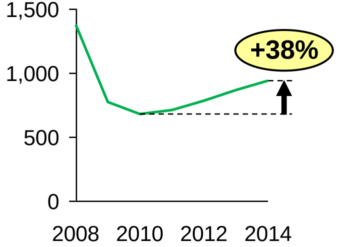
Capturing Rebound in N.A. Building and Construction

BCS: $1.1B Revenue in 2016; **3X** market growth[1]

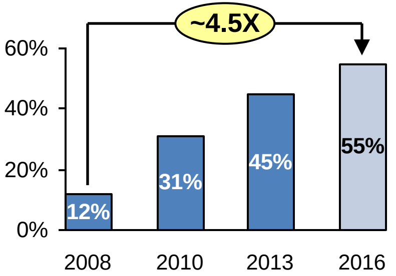
Leading Indicators of U.S. Non Res. Growth, Green Building Requirements, and Alcoa Product Portfolio

Market Improving; Green Demand Growing

Non-residential Contracts Awarded in USA[2]



% Non-residential Green Building Market in USA[3]



Energy Requirements Increasing

- Target of **'Net Zero' Buildings** in **USA by 2030**[4]
- Green buildings provide:
  - ✓ - **25% Energy** consumption
  - ✓ - **35% Emissions**
  - ✓ **+ 27%** Occupant **satisfaction**

Innovative Portfolio Drives Revenue, Performance

Late 1960s

Kawneer Sunshades / Light Shelves

Reynobond® / Reynolux® Panels
- Reynobond panels with self-cleaning **EcoClean™** coating

+70% Facade Thermal **Performance**[5] **=**
10% Energy **Savings**[5]

Leads to:

LEED certification

Contributes to:

+5% Rental **Rates**[6,7]
20% Higher **ROI**[6,8]

Today

Kawneer Curtain Wall Systems
- Thermal
- Ultra thermal
- Blast mitigation
- Hurricane resistant

Kawneer Entrances
Kawneer Framing
- High traffic
- Blast mitigation
- High thermal
- Hurricane resistant

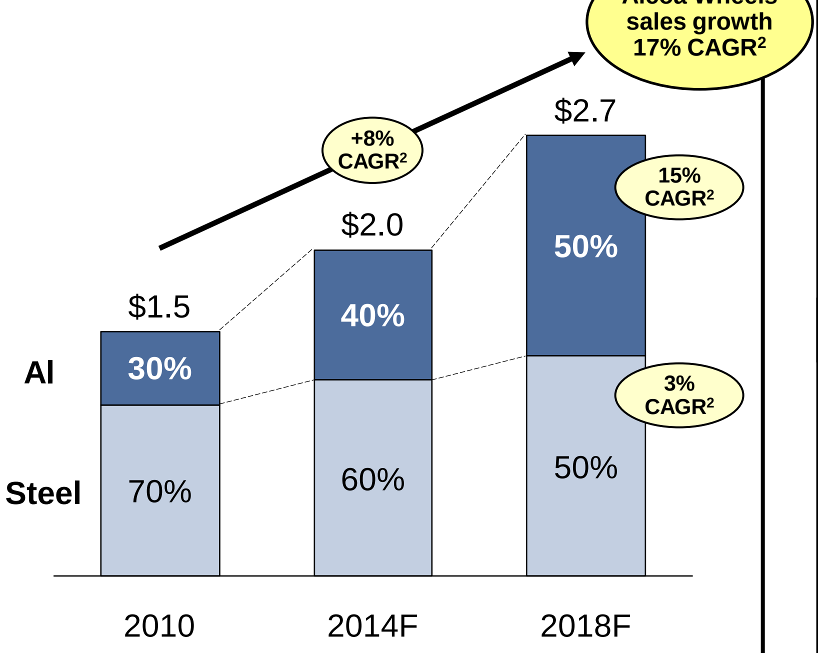
1) 2013-2016 CAGR: 4% BCS vs. combined NA & EU market 1.4%. 2) McGraw-Hill Construction – CMFS Report, Q3 2014. 3) McGraw-Hill Construction 2013. 4) ACEEE, 2012. 5) Alcoa analysis. 6) For LEED certified buildings. 7) Green Office Buildings Annual Economic Review. 8) USGBC.

Growth For the Long Haul – Delivering Value For Our Customers

Global Commercial Vehicle Wheels Market, Customer Testimonials, Ultra ONE™ Europe Launch

Al Gaining Ground in a Growing Market

Global Commercial Vehicle Wheel Market ($B) and Penetration Rates[1]



Customers Love Ultra ONE™, Successful N.A. Launch

*"SHINE ON! #AlcoaWheels thanks for the love and appreciation! **If my #AlcoaWheels ain't turnin I ain't Earning!"***

- Herman Klein (@hermanator333) *via Twitter*

Alcoa's Ultra ONE™ Goes International

Launch in Europe

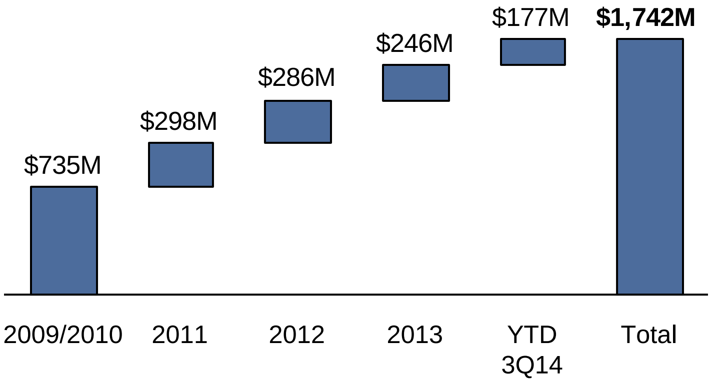
- Alcoa Al wheels, **5X Stronger than Steel**
- **17% Stronger** Proprietary MagnaForce™ **Alloy**
- **Dura-Bright® EVO™:** **10X** improved **Corrosion Resistance**
- **No** Mechanical or Chemical **Cleaning**
- **Looks New** Longer
- Available **2H 2015**

Source: Alcoa Analysis. 1) Based on dollar value; Commercial Vehicle Wheel Market = Truck, Trailer & Bus.
2) CAGR growth from 2010 to 2018F.

Winning Alumina Formula = Market-Based Pricing + Cost Down

Cost Curve Reduction Levers, API/Spot Pricing and Alumina Cost Curve Targets

Capturing Productivity Gains[1]



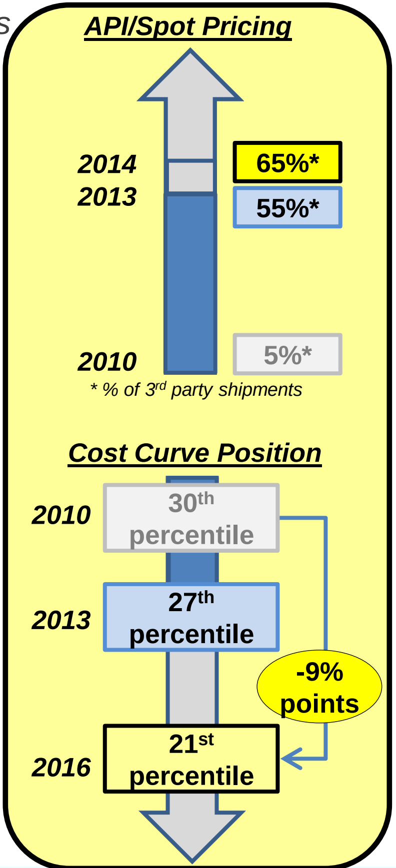
Restructuring and Improving

- **1.7 mmt** currently **Curtailed**
- **LOI** to pursue **Sale of Jamalco**[2] interest
- San Ciprian **Natural Gas** solution; **complete** in **4Q14;** **~$20** per metric ton cost **improvement**

Executing on Phase 2 in Saudi Arabia

- **First bauxite** shipped **2Q14**
- Phase 2 **on time, on budget**

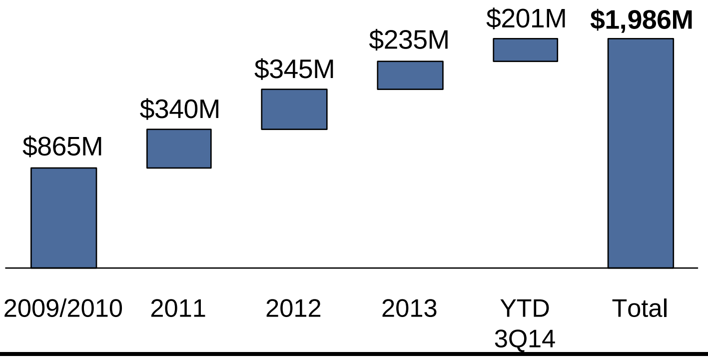
- World's **lowest cost** refinery
- **First alumina** in **4Q14**
- **2% point reduction** on refining cost curve



Reshaping Aluminum Portfolio + Enhancing Profitability

Cost Curve Reduction Levers, Value Add Product % and Global Smelting Cost Curve Targets

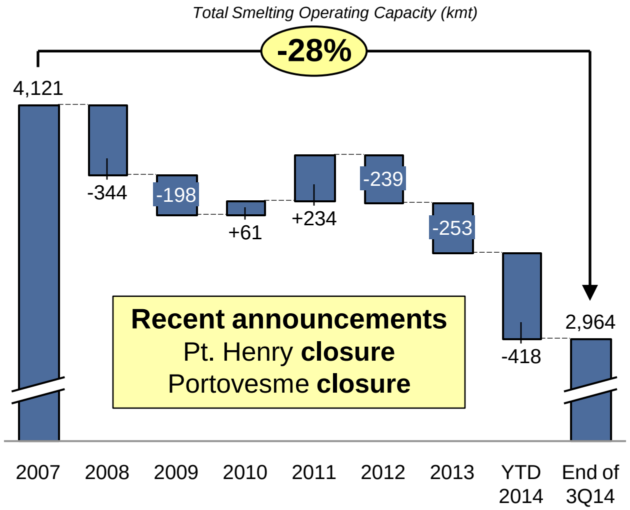
Capturing Productivity Gains[1]



Saudi Arabia Smelter Fully Operational

- At **full capacity**; **600 kmt** production in 2014
- **2% point reduction** on the smelting cost curve
- Smelter **generated profits** in 3Q

Optimizing the Smelting Portfolio



Transformation

since start of crisis

More Value Add

2008: **51%** (% Total Shipments)
2010: **57%**
2014E: **65%**
=> ~**$1.3B Margin** (2008-2013)

More Competitive

- **Improved Cost Position**[2]
  2008: 62nd percentile
  2010: 51st percentile
  2013: 43rd percentile
  2016: target 38th percentile
- **Lower Break Even Point**
  -$362/mt Cash Cost (3Q08-3Q14)

More Profits

$612 EBITDA/mt 3Q14

1) All figures are pretax and pre-minority interest. 2009/2010 represent net productivity; 2011-2014 represent gross productivity
2) CRU cost model, Alcoa analysis. Operating capacity = Alcoa total base capacity less idled capacity

Transformation Delivers, Driving Profitability

Expanding Multi-Material Leadership in Major Growth Markets

Capturing Growth Through Innovation and Smart Investments

Creating a Globally Competitive Commodity Business

APPENDIX

Additional Information

Kelly Pasterick

Vice President, Investor Relations

Alcoa

390 Park Avenue

New York, NY 10022-4608

Telephone: (212) 836-2674

www.alcoa.com

Annual Sensitivity Summary

LME Aluminum Annual Net Income Sensitivity

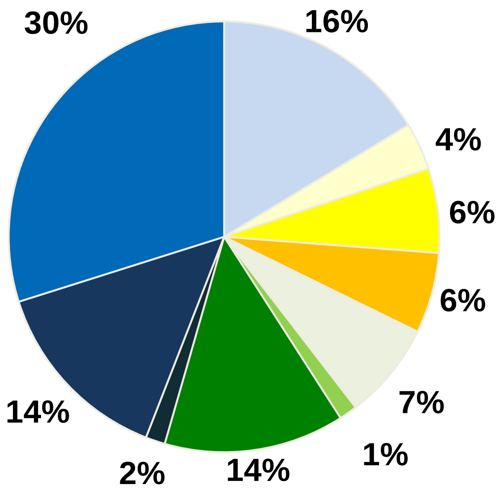
+/- $100/MT = +/- $240 million

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

3Q'14 Third-Party Revenue



Market	Sequential Change	Year-Over-Year Change
Aerospace	0%	2%
Automotive	8%	19%
B&C	0%	1%
Comm. Transport	0%	15%
Industrial Products	(3%)	2%
IGT	(17%)	(12%)
Packaging	8%	6%
Distribution/Other	38%	30%
Alumina	17%	5%
Primary Metals	12%	17%

Special Items

$ Millions, except per-share amounts	Pre-tax, Before NCI 2Q14	Pre-tax, Before NCI 3Q14	After-tax, After NCI 2Q14	After-tax, After NCI 3Q14	Income Statement Classification	Segment
Income from Continuing Operations	**$207**	**$330**	**$138**	**$149**		
Income Per Diluted Share	**$0.17**	**$0.27**	**$0.12**	**$0.12**		
Restructuring-Related	($110)	($242)	($54)	($202)	Restructuring and Other Charges/COGS	Corporate / Primary Metals/ GRP
Tax Items	$0	$0	($2)	$0	Income Taxes	Corporate
Master Labor Agreement	($17)	$0	($11)	$0	COGS	Corporate / All
Firth Rixson Acquisition Costs	($13)	($20)	($11)	($14)	SG&A/Interest Expense	Corporate
Saudi Arabia Smelter Potline	($6)	$0	($6)	$0	COGS/ Other Expenses, Net	Primary Metals
Mark-to-Market Energy Contracts	$11	($27)	$6	($14)	Other Expenses, Net	Corporate
Gain on Asset Sale	$0	$15	$0	$9	Other Expenses, Net	Corporate
Special Items	**($135)**	**($274)**	**($78)**	**($221)**		
Income from Continuing Ops excl Special Items	**$342**	**$604**	**$216**	**$370**		
Income per Diluted Share excl Special Items	**$0.29**	**$0.50**	**$0.18**	**$0.31**		

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

Alcoa smelting capacity closures, since Dec 2007

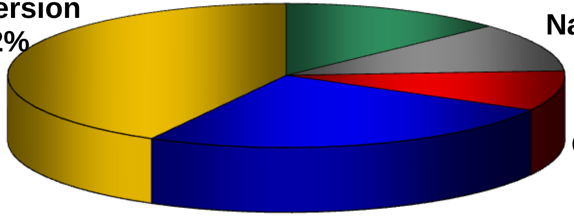
Location	Year	kmt
Baie Comeau	2008	53
Eastalco	2010	195
Badin	2010	60
Warrick	2010	40
Tennessee	2011	215
Rockdale	2011	76
Baie Comeau	2013	105
Fusina	2013	44
Massena East	2013	41
Massena East	2014	84
Point Henry	2014	190
Portovesme	2014	150
Total		**1,253**

Alcoa current curtailed capacity

Location	kmt
Rockdale	191
Sao Luis	194
Pocos	96
Intalco	49
Wenatchee	41
Aviles	36
Portland	30
La Coruna	28
Total	**665**

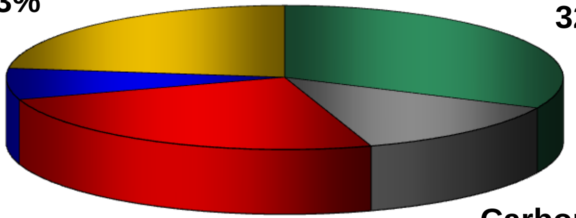
Composition of Upstream Production Costs

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

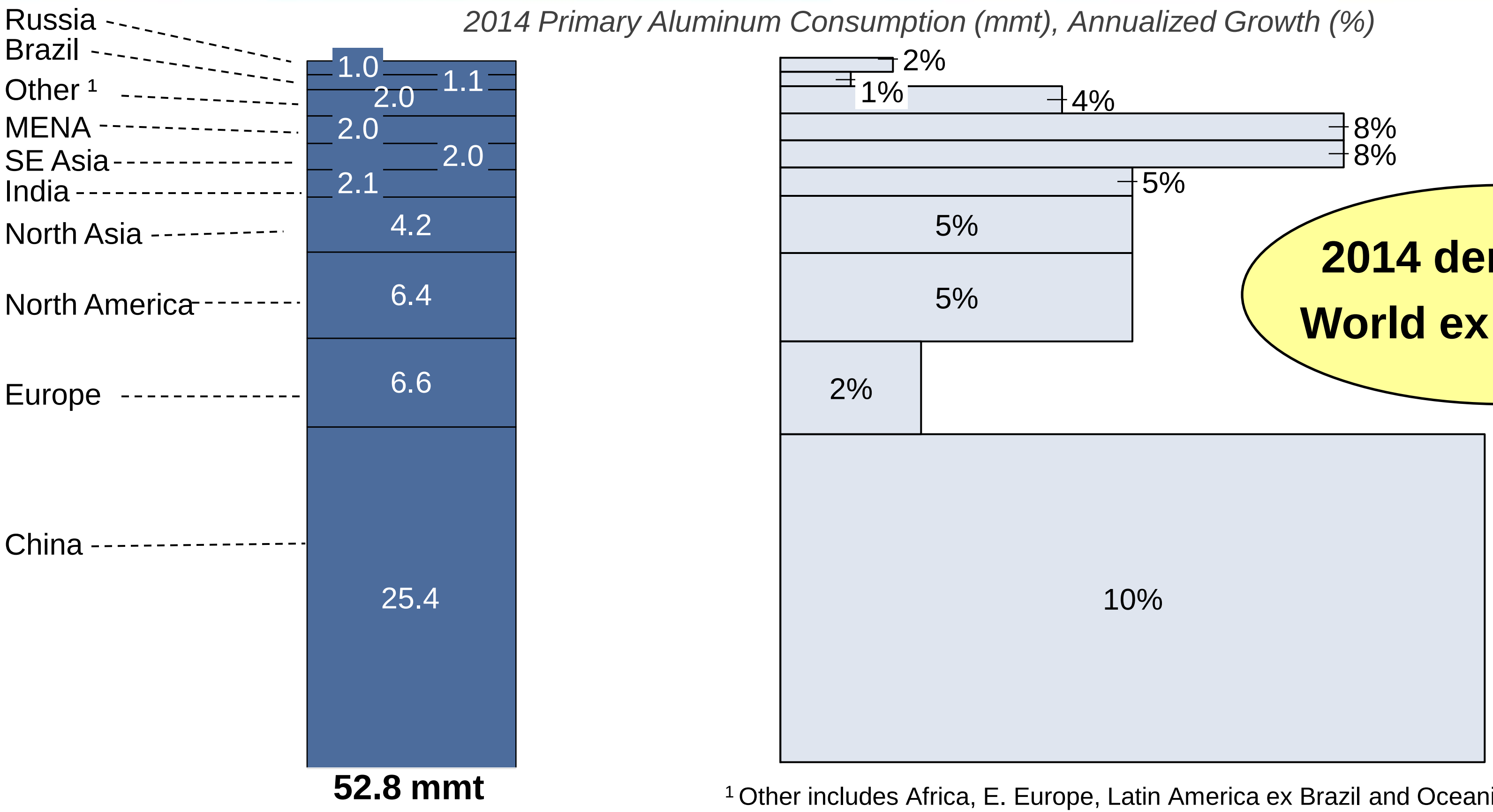


Input Cost	Inventory flow	Pricing convention	Annual ATOI Sensitivity
Coke	1 - 2 months	Spot, quarterly & semi-annual	$8m per $10/MT
Pitch	1 - 2 months	Spot, quarterly & semi-annual	$2m per $10/MT

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

Reaffirm 7% global demand growth

2014 Primary Aluminum Consumption (mmt), Annualized Growth (%)



2014 demand +7%

World ex China +4%

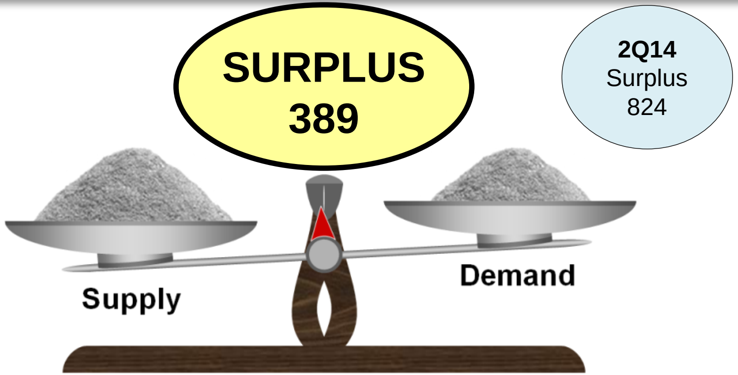
[1] Other includes Africa, E. Europe, Latin America ex Brazil and Oceania

Source: Alcoa estimates, CRU, Harbor, Wood Mackenzie, SMM

Alumina surplus shrinking, aluminum deficit

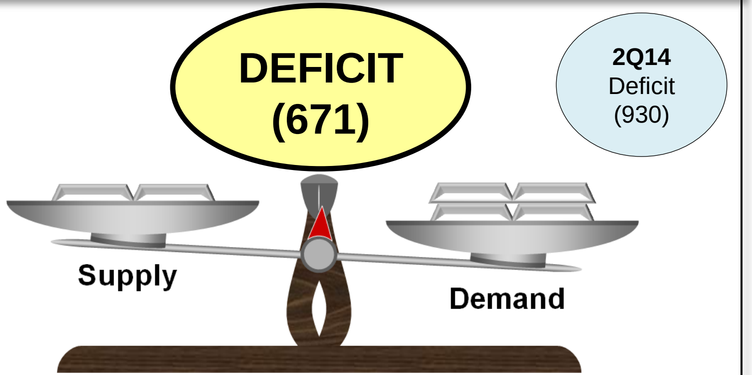
Supply/Demand Analysis

2014E Alumina Supply/Demand Balance



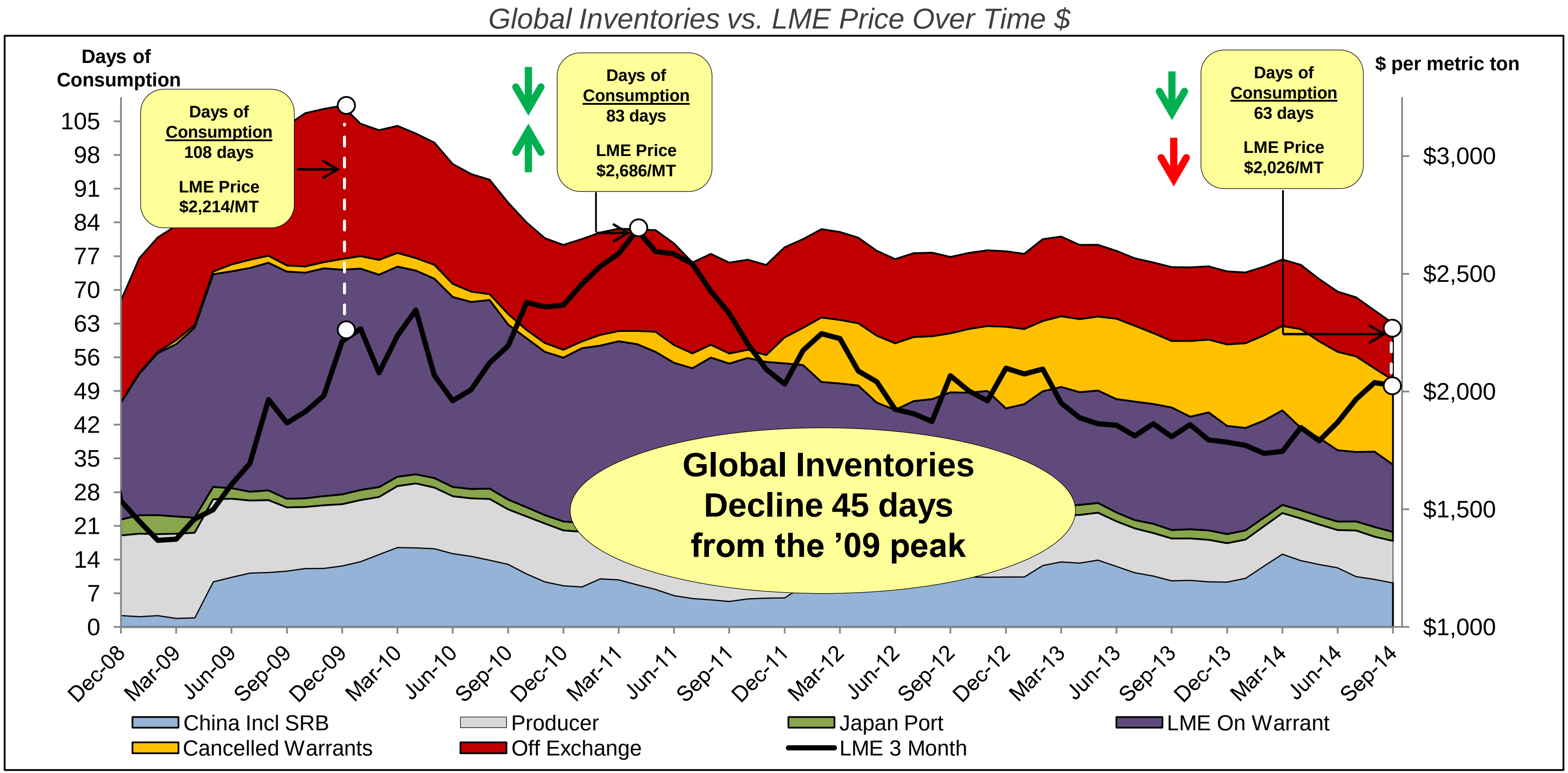
’000 mt	China	Rest of World
2014 Production	44,729	55,186
2014 Production to be added	1,067	228
2014 Capacity to be (curtailed)	0	0
Imports/(exports)	4,500	(4,500)
Total supply	50,296	50,914
Demand	(50,296)	(50,525)
Net Balance	**0**	**389**

2014E Aluminum Supply/Demand Balance



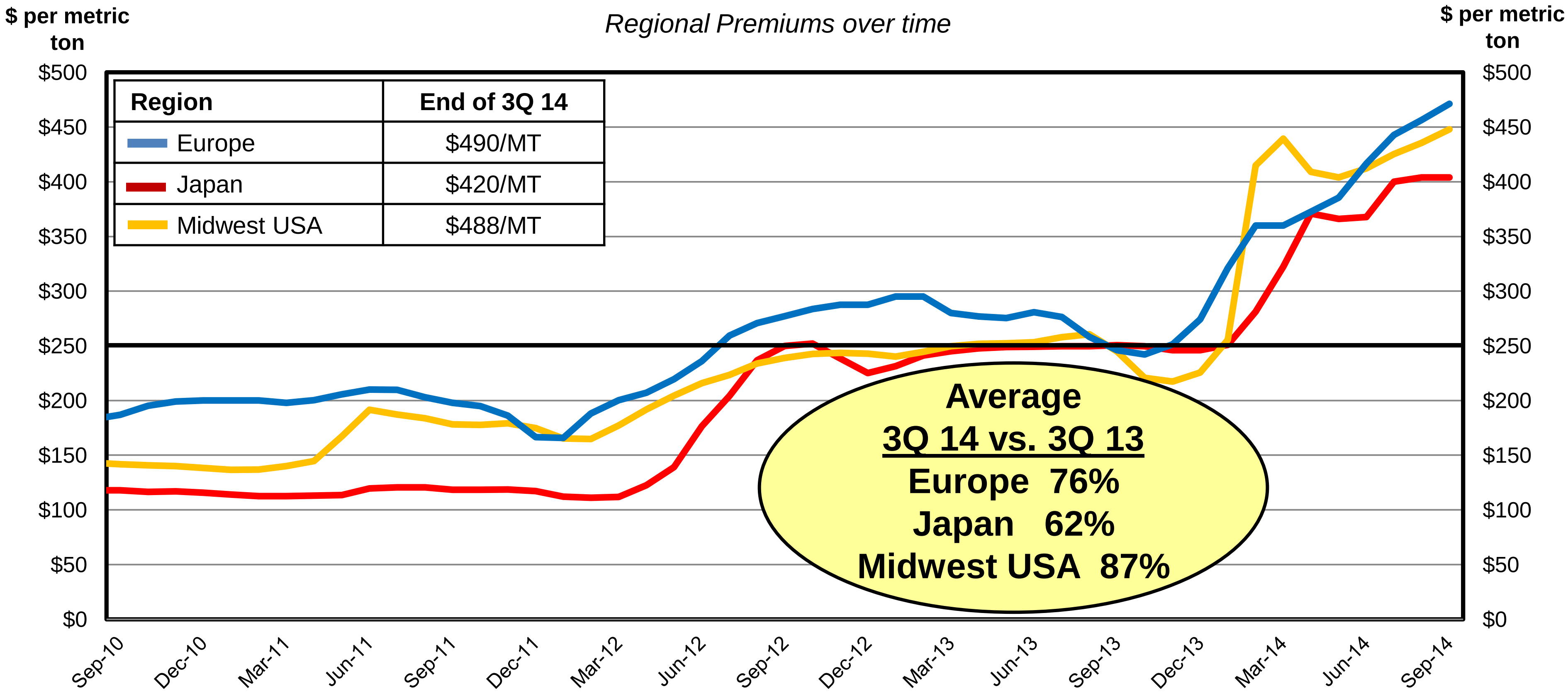
’000 mt	China	Rest of World
2014 Production	25,336	25,737
2014 Production to be added	389	375
2014 Capacity (curtailed)/restarted, net	255	65
Total supply	25,980	26,177
Demand	(25,450)	(27,378)
Net Balance	**530**	**(1,201)**

Inventories declined 7 days in 3Q



Source: Alcoa estimates, IAI, LME, Marubeni, Shanghai Metal Exchange

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	3Q14
Total segment ATOI	$351	$304	$338	$224	$1,217	$325	$418	$619
Unallocated amounts (net of tax):								
Impact of LIFO	(2)	5	9	40	52	(7)	(8)	(18)
Interest expense	(75)	(76)	(70)	(73)	(294)	(78)	(69)	(81)
Noncontrolling interests	(21)	29	(20)	(29)	(41)	19	9	18
Corporate expense	(67)	(71)	(74)	(72)	(284)	(67)	(70)	(74)
Impairment of goodwill	–	–	–	(1,731)	(1,731)	-	-	-
Restructuring and other charges	(5)	(211)	(108)	(283)	(607)	(321)	(77)	(189)
Other	(32)	(99)	(51)	(415)	(597)	(49)	(65)	(126)
Consolidated net income (loss) attributable to Alcoa	$149	$(119)	$24	$(2,339)	$(2,285)	$(178)	$138	$149

Reconciliation of Adjusted Income

(in millions, except per-share amounts)	Income			Diluted EPS		
	Quarter ended			Quarter ended		
	September 30, 2013	June 30, 2014	September 30, 2014	September 30, 2013	June 30, 2014	September 30, 2014
Net income attributable to Alcoa	$24	$138	$149	$0.02	$0.12	$0.12
Restructuring and other charges	108	54	175			
Discrete tax items*	1	(2)	25			
Other special items**	(13)	26	21			
Net income attributable to Alcoa – as adjusted	$120	$216	$370	0.11	0.18	0.31

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 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 September 30, 2014, a charge for the remeasurement of certain deferred tax assets of a subsidiary in Brazil due to a tax rate change ($34) and a net benefit for a number of small items ($9);

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

· for the quarter ended September 30, 2013, a net charge for a number of small items.

** Other special items include the following:

· for the quarter ended September 30, 2014, a favorable tax impact resulting from the difference between Alcoa's consolidated estimated annual effective tax rate and the statutory rates applicable to special items ($33), the write off of inventory related to the permanent closure of smelters in Italy and Australia ($27), costs associated with a planned acquisition of an aerospace business ($14), a net unfavorable change in certain mark-to-market energy derivative contracts ($14), a gain on the sale of an investment ($9), and an unfavorable tax impact related to the interim period treatment of operational losses in certain foreign jurisdictions for which no tax benefit was recognized ($8);

· for the quarter ended June 30, 2014, an unfavorable tax impact resulting from the difference between Alcoa's consolidated estimated annual effective tax rate and the statutory rates applicable to special items ($24), a favorable tax impact related to the interim period treatment of operational losses in certain foreign jurisdictions for which no tax benefit was recognized ($20), costs associated with (i) a planned acquisition of an aerospace business ($11) and (ii) preparation for and ratification 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); and

· for the quarter ended September 30, 2013, an insurance recovery related to the March 2012 cast house fire at the Massena, NY location ($12), a net favorable change in certain mark-to-market energy derivative contracts ($8), an unfavorable impact related to the interim period treatment of operational losses in certain foreign jurisdictions for which no tax benefit was recognized ($6), and the write off of inventory related to the permanent closure of two potlines at a smelter in Canada ($1).

Reconciliation of Alcoa Adjusted EBITDA

($ in millions)	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	3Q13	2Q14	3Q14
Net income (loss) attributable to Alcoa	$938	$1,310	$1,233	$2,248	$2,564	$(74)	$(1,151)	$254	$611	$191	$(2,285)	$24	$138	$149
Add:														
Net income (loss) attributable to noncontrolling interests	212	233	259	436	365	221	61	138	194	(29)	41	20	(9)	(18)
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	31	78	199
Other (income) expenses, net	(278)	(266)	(478)	(236)	(1,920)	(59)	(161)	5	(87)	(341)	(25)	(7)	5	23
Interest expense	314	271	339	384	401	407	470	494	524	490	453	108	105	126
Restructuring and other charges	(28)	(29)	266	507	268	939	237	207	281	172	782	151	110	209
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	348	349	347
Adjusted EBITDA	$2,682	$3,234	$3,362	$5,422	$4,795	$3,313	$359	$2,704	$3,260	$2,105	$2,546	$675	$776	$1,035
Sales	$18,879	$21,370	$24,149	$28,950	$29,280	$26,901	$18,439	$21,013	$24,951	$23,700	$23,032	$5,765	$5,836	$6,239
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%	11.7%	13.3%	16.6%

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	3Q13	2Q14	3Q14
After-tax operating income (ATOI)	$415	$632	$682	$1,050	$956	$727	$112	$301	$607	$90	$259	$67	$38	$62
Add:														
Depreciation, depletion, and amortization	147	153	172	192	267	268	292	406	444	455	426	100	100	100
Equity (income) loss	–	(1)	–	2	(1)	(7)	(8)	(10)	(25)	(5)	4	2	7	7
Income taxes	161	240	246	428	340	277	(22)	60	179	(27)	66	17	12	26
Other	(55)	(46)	(8)	(6)	2	(26)	(92)	(5)	(44)	(8)	(6)	(2)	–	(2)
Adjusted EBITDA	$668	$978	$1,092	$1,666	$1,564	$1,239	$282	$752	$1,161	$505	$749	$184	$157	$193
Production (thousand metric tons) (kmt)	13,841	14,343	14,598	15,128	15,084	15,256	14,265	15,922	16,486	16,342	16,618	4,214	4,077	4,196
Adjusted EBITDA / Production ($ per metric ton)	$48	$68	$75	$110	$104	$81	$20	$47	$70	$31	$45	$44	$39	$46

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	3Q13	2Q14	3Q14
After-tax operating income (ATOI)	$657	$808	$822	$1,760	$1,445	$931	$(612)	$488	$481	$309	$(20)	$8	$97	$245
Add:														
Depreciation, depletion, and amortization	310	326	368	395	410	503	560	571	556	532	526	131	129	124
Equity (income) loss	(55)	(58)	12	(82)	(57)	(2)	26	(1)	7	27	51	13	17	–
Income taxes	256	314	307	726	542	172	(365)	96	92	106	(74)	(16)	30	95
Other	12	20	(96)	(13)	(27)	(32)	(176)	(7)	2	(422)	(8)	2	(5)	1
Adjusted EBITDA	$1,180	$1,410	$1,413	$2,786	$2,313	$1,572	$(567)	$1,147	$1,138	$552	$475	$138	$268	$465
Production (thousand metric tons) (kmt)	3,508	3,376	3,554	3,552	3,693	4,007	3,564	3,586	3,775	3,742	3,550	897	795	760
Adjusted EBITDA / Production ($ per metric ton)	$336	$418	$398	$784	$626	$392	$(159)	$320	$301	$148	$134	$154	$337	$612

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	3Q13	2Q14	3Q14
After-tax operating income (ATOI)	$232	$223	$232	$290	$300	$317	$151	$(41)	$(106)	$241	$260	$346	$252	$71	$79	$103
Add:																
Depreciation, depletion, and amortization	167	184	190	200	220	223	227	216	227	238	237	229	226	56	58	62
Equity loss	2	4	1	1	–	2	–	–	–	–	3	6	13	3	6	8
Income taxes	112	90	77	97	135	113	77	14	12	103	98	159	108	32	23	42
Other	(5)	(8)	(5)	1	1	20	1	6	(2)	1	1	(2)	–	–	1	–
Adjusted EBITDA	$508	$493	$495	$589	$656	$675	$456	$195	$131	$583	$599	$738	$599	$162	$167	$215
Total shipments (thousand metric tons) (kmt)	1,863	1,814	1,893	2,136	2,250	2,376	2,482	2,361	1,888	1,755	1,866	1,943	1,989	519	533	526
Adjusted EBITDA / Total shipments ($ per metric ton)	$273	$272	$261	$276	$292	$284	$184	$83	$69	$332	$321	$380	$301	$312	$313	$409

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	3Q13	2Q14	3Q14
After-tax operating income (ATOI)	$126	$161	$276	$382	$423	$522	$311	$419	$537	$612	$726	$192	$204	$209
Add:														
Depreciation, depletion, and amortization	166	168	160	152	163	165	177	154	158	158	159	40	41	40
Equity loss (income)	–	–	–	6	–	–	(2)	(2)	(1)	–	–	–	–	–
Income taxes	57	70	120	164	184	215	138	198	258	297	348	91	102	100
Other	11	106	(11)	(2)	(7)	2	1	–	(1)	(9)	(2)	–	–	2
Adjusted EBITDA	$360	$505	$545	$702	$763	$904	$625	$769	$951	$1,058	$1,231	$323	$347	$351
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	$1,437	$1,502	$1,495
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%	22.5%	23.1%	23.5%

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											
	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**	**30-Sep-14**
Cash from operations	$1,142	$(236)	$537	$263	$933	$(70)	$514	$214	$920	$(551)	$518	$249
Capital expenditures	(486)	(270)	(291)	(302)	(398)	(235)	(286)	(250)	(422)	(209)	(258)	(283)
Free cash flow	$656	$(506)	$246	$(39)	$535	$(305)	$228	$(36)	$498	$(760)	$260	$(34)

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	30-Sep-11
Cash from operations	$608	$(271)	$328	$184	$1,124	$199	$300	$392	$1,370	$(236)	$798	$489
Capital expenditures	(1,017)	(471)	(418)	(370)	(363)	(221)	(213)	(216)	(365)	(204)	(272)	(325)
Free cash flow	$(409)	$(742)	$(90)	$(186)	$761	$(22)	$87	$176	$1,005	$(440)	$526	$164

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**	**30-Sep-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	$1,526
Add: Deferred purchase price receivable*	85	144	104	53	50	223	347	339	238	371	438
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	1,964
Add: Inventories	3,079	3,097	3,051	2,894	2,961	2,949	2,932	2,783	2,974	3,201	3,194
Less: Accounts payable, trade	2,660	2,594	2,496	2,587	2,656	2,820	2,746	2,816	2,813	2,880	3,016
Working Capital**	$2,213	$2,297	$2,259	$1,933	$2,059	$1,835	$1,960	$1,689	$1,790	$2,093	$2,142
Sales	$6,006	$5,963	$5,833	$5,898	$5,833	$5,849	$5,765	$5,585	$5,454	$5,836	$6,239
Days Working Capital	34	35	36	30	32	29	31	28	30	33	32

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,	September 30,
	2008	2009	2010	2011	2012	2013	2014	2014	2014
Short-term borrowings	$478	$176	$92	$62	$53	$57	$53	$133	$57
Commercial paper	1,535	–	–	224	–	–	–	223	99
Long-term debt due within one year	56	669	231	445	465	655	85	87	35
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	8,797
Total debt	10,578	9,819	9,165	9,371	8,829	8,319	7,747	8,055	8,988
Less: Cash and cash equivalents	762	1,481	1,543	1,939	1,861	1,437	665	1,183	3,272
Net debt	$9,816	$8,338	$7,622	$7,432	$6,968	$6,882	$7,082	$6,872	$5,716

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)	June 30, 2014			September 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	$133			$57		
Commercial paper	223			99		
Long-term debt due within one year	87			35		
Long-term debt, less amount due within one year	7,612			8,797		
Numerator	$8,055	$1,183	$6,872	$8,988	$3,272	$5,716
Total Capital						
Total debt	$8,055			$8,988		
Total equity	14,706			15,139		
Denominator	$22,761	$1,183	$21,578	$24,127	$3,272	$20,855
Ratio	35.4%		31.8%	37.3%		27.4%

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.