The Element of **Possibility**™

3rd Quarter Earnings

Alcoa Corporation

October 18, 2017

Alcoa

Important information

Alcoa

Cautionary Statement regarding Forward-Looking Statements

This presentation contains statements that relate to future events and expectations and as such constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include those containing such words as “anticipates,” “believes,” “could,” “estimates,” “expects,” “forecasts,” “goal,” “intends,” “may,” “outlook,” “plans,” “projects,” “seeks,” “sees,” “should,” “targets,” “will,” “would,” or other words of similar meaning. All statements by Alcoa Corporation that reflect 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 bauxite, alumina, and aluminum, and supply/demand balances; statements, projections or forecasts of future or targeted financial results or operating performance; and statements about strategies, outlook, business and financial prospects. These statements reflect beliefs and assumptions that are based on Alcoa Corporation’s perception of historical trends, current conditions and expected future developments, as well as other factors that management believes are appropriate in the circumstances. Forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties, and changes in circumstances that are difficult to predict. Although Alcoa Corporation believes that the expectations reflected in any forward-looking statements are based on reasonable assumptions, it can give no assurance that these expectations will be attained and it is possible that actual results may differ materially from those indicated by these forward-looking statements due to a variety of risks and uncertainties. Such risks and uncertainties include, but are not limited to: (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 Corporation; (d) the impact of changes in foreign currency exchange rates on costs and results; (e) increases in energy costs; (f) declines in the discount rates used to measure pension liabilities or lower-than-expected investment returns on pension assets, or unfavorable changes in laws or regulations that govern pension plan funding; (g) the 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 anticipated from restructuring programs and productivity improvement, cash sustainability, technology advancements, and other initiatives; (h) the inability to realize expected benefits, in each case as planned and by targeted completion dates, from acquisitions, divestitures, facility closures, curtailments, restarts, expansions, or joint ventures; (i) political, economic, and regulatory risks in the countries in which Alcoa Corporation operates or sells products; (j) the outcome of contingencies, including legal proceedings, government or regulatory investigations, and environmental remediation; (k) the impact of cyberattacks and potential information technology or data security breaches; and (l) the other risk factors discussed in Item 1A of Alcoa Corporation’s Form 10-K for the fiscal year ended December 31, 2016 and other reports filed by Alcoa Corporation with the U.S. Securities and Exchange Commission. Alcoa Corporation 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.

Important information (continued)

Non-GAAP Financial Measures

This presentation includes unaudited "non-GAAP financial measures" (GAAP means accounting principles generally accepted in the United States of America) as defined in Regulation G under the Securities Exchange Act of 1934. Alcoa Corporation believes that the presentation of non-GAAP financial measures is useful to investors because such measures provide (i) additional information about the operating performance of Alcoa Corporation and (ii) insight on the ability of Alcoa Corporation to meet its financial obligations, by adjusting the most directly comparable GAAP financial measure for the impact of, among others, "special items" as defined by the Company, non-cash items in nature, and/or nonoperating expense or income items. The presentation of non-GAAP financial measures is meant to supplement, and is not intended to be a substitute for and should not be considered in isolation from, the financial measures reported in accordance with GAAP. See the appendix for reconciliations of the non-GAAP financial measures included in this presentation to their most directly comparable GAAP financial measures. Alcoa Corporation has not provided a reconciliation of any forward-looking non-GAAP financial measures to the most directly comparable GAAP financial measures due primarily to the variability and complexity in making accurate forecasts and projections, as not all of the information for a quantitative reconciliation is available to the company without unreasonable effort. References to EBITDA herein mean Adjusted EBITDA.

Glossary of terms

A glossary of abbreviations and defined terms used throughout this presentation can be found in the appendix.

Roy Harvey

President and Chief Executive Officer

Growing earnings, building cash, executing on priorities

3Q17 Financial results and business updates

3Q17 Financial Results	▪ Net income of $113 million, or $0.60 per share; excluding special items, adjusted net income of $135 million, or $0.72 per share ▪ Adjusted EBITDA excluding special items[1] of $561 million ▪ Cash balance of $1.1 billion on September 30; up $165 million from June 30
Business Updates	▪ Completed Portland smelter and Lake Charles calciner restarts; Warrick smelter restart underway ▪ Rockdale power contract resolved effective October 1; expect annualized adjusted EBITDA improvement of $60 to $70 million ▪ Constructive markets based on improved demand and effective Chinese supply actions ▪ Raising 2017 Adjusted EBITDA outlook to approximately $2.4 billion[2] with stronger alumina and aluminum prices more than offsetting increased cost pressures

1. See appendix for adjusted EBITDA excluding special items reconciliation.
2. Based on actual results for 2017 YTD; outlook for unpriced sales for 4Q17 at $2,100 LME and $470 API, and updated regional premiums and foreign currencies.

William Oplinger

Executive Vice President and Chief Financial Officer

Revenues up 4% sequentially, 27% year on year

Quarterly income statement

M, Except realized prices and per share amounts	3Q16	2Q17	3Q17	Prior Year Change	Sequential Change
Realized primary aluminum price ($/mt)	$1,873	$2,199	**$2,237**	$364	$38
Realized alumina price ($/mt)	$248	$314	**$314**	$66	$0
Revenue	$2,329	$2,859	**$2,964**	$635	$105
Cost of goods sold	$1,968	$2,309	**$2,361**	$393	$52
SG&A and R&D expenses	$100	$80	**$78**	$(22)	$(2)
Adjusted EBITDA	$261	$470	**$525**	$264	$55
Depreciation, depletion and amortization	$181	$190	**$194**	$13	$4
Other expenses / (income), net	$(106)	$6	**$27**	$133	$21
Interest expense	$67	$25	**$26**	$(41)	$1
Restructuring and other charges	$17	$12	**$(10)**	$(27)	$(22)
Tax provision	$92	$99	**$119**	$27	$20
Net income	$10	$138	**$169**	$159	$31
Less: Net income attributable to noncontrolling interest	$20	$63	**$56**	$36	$(7)
Net income (loss) attributable to Alcoa Corporation	$(10)	$75	**$113**	$123	$38
Diluted earnings (loss) per share[1]	$(0.06)	$0.40	**$0.60**	$0.66	$0.20
Diluted shares outstanding	182.5	186.4	**187.2**	4.7	0.8

1. Per share amount for 3Q16 is based on the 182.5M shares of Alcoa Corporation common stock distributed on November 1, 2016 in connection with the separation of Alcoa Corporation from its former parent company.

Special items total $22 million

Breakdown of special items by income statement classification – Gross Basis

M, Except per share amounts	**3Q16**	**2Q17**	**3Q17**	**Description**
Net income (loss)	$(10)	$75	**$113**	
Net income (loss) per diluted share[1]	$(0.06)	$0.40	**$0.60**	
Special items	$(85)	$41	**$22**	
COGS	*-*	*$13*	***$34***	*Aluminum smelter restart costs, Brazil tax settlement*
SG&A	*$23*	*-*	***$2***	*Separation-related costs, Brazil tax settlement*
Restructuring & Other Charges	*$17*	*$12*	***$(10)***	*Warrick closure reversal, office closures, curtailments*
Other Expenses / (Income), Net	*$(120)*	*$18*	***$11***	*Gain on asset sales, mark-to-market energy contracts*
Income Taxes	*-*	*$7*	***$(9)***	*Discrete tax items, taxes on special items*
Noncontrolling interest	*$(5)*	*$(9)*	***$(6)***	*Partner's share of certain special items*
Net income (loss) excl. special items	$(95)	$116	**$135**	
Net income (loss) per diluted share excl. special items[1]	$(0.52)	$0.62	**$0.72**	
Diluted shares outstanding	182.5	186.4	**187.2**	

1. Per share amount for 3Q16 is based on the 182.5M shares of Alcoa Corporation common stock distributed on November 1, 2016 in connection with the separation of Alcoa Corporation from its former parent company.

Adjusted net earnings grow to $135 million

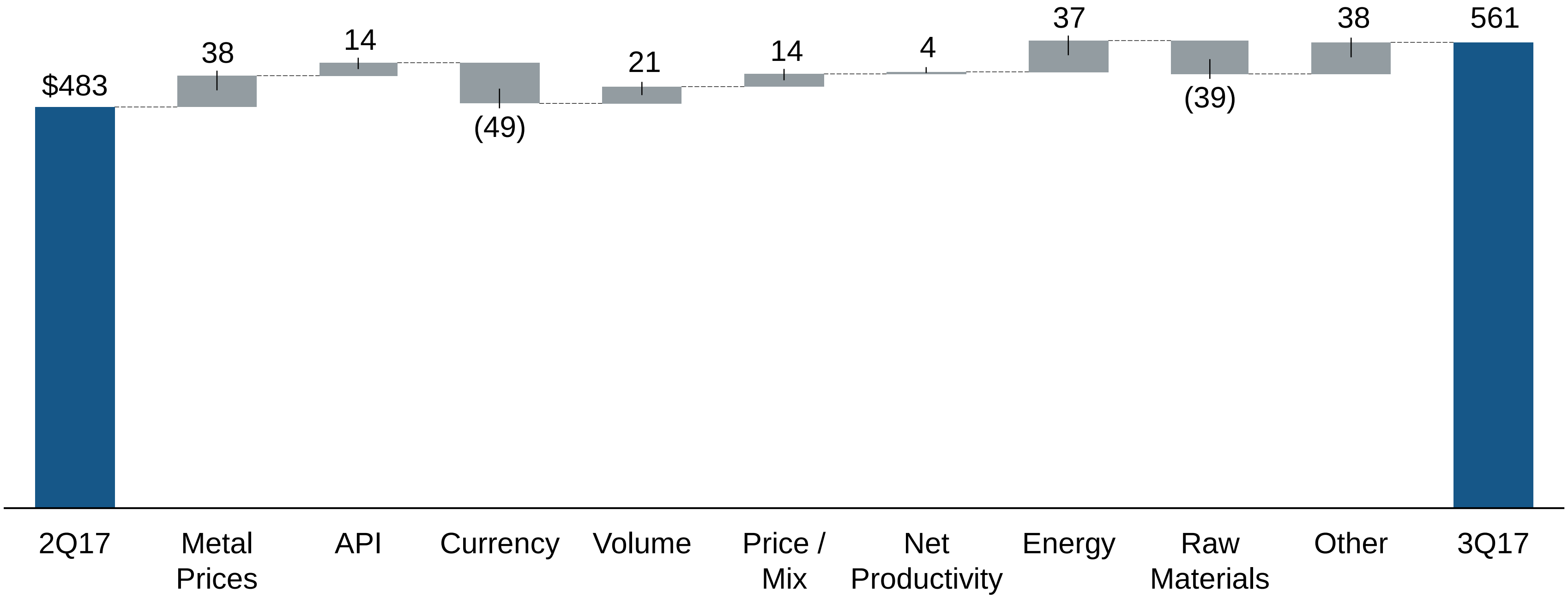
Quarterly income statement excluding special items

M, Except realized prices and per share amounts	3Q16	2Q17	3Q17	Prior Year Change	Sequential Change
Realized primary aluminum price ($/mt)	$1,873	$2,199	**$2,237**	$364	$38
Realized alumina price ($/mt)	$248	$314	**$314**	$66	$0
Revenue	$2,329	$2,859	**$2,964**	$635	$105
Cost of goods sold	$1,968	$2,296	**$2,327**	$359	$31
COGS % revenue	84.5%	80.3%	**78.5%**	(6.0)% pts.	(1.8)% pts.
SG&A and R&D expenses	$77	$80	**$76**	$(1)	$(4)
SG&A and R&D % revenue	3.3%	2.8%	**2.6%**	(0.7)% pts.	(0.2)% pts.
Adjusted EBITDA	$284	$483	**$561**	$277	$78
Depreciation, depletion and amortization	$181	$190	**$194**	$13	$4
Other expenses / (income), net	$14	$(12)	**$16**	$2	$28
Interest expense	$67	$25	**$26**	$(41)	$1
Tax provision	$92	$92	**$128**	$36	$36
Operational tax rate	418.2%	32.8%	**39.2%**	(379.0)% pts.	6.4% pts.
Adjusted net income (loss)	$(70)	$188	**$197**	$267	$9
Less: Net income attributable to noncontrolling interest	$25	$72	**$62**	$37	$(10)
Adjusted net income (loss) attributable to Alcoa Corporation	$(95)	$116	**$135**	$230	$19
Adjusted diluted earnings (loss) per share[1]	$(0.52)	$0.62	**$0.72**	$1.24	$0.10
Diluted shares outstanding	182.5	186.4	**187.2**	4.7	0.8

1. Per share amount for 3Q16 is based on the 182.5M shares of Alcoa Corporation common stock distributed on November 1, 2016 in connection with the separation of Alcoa Corporation from its former parent company.

Positive factors outpacing currency, raw materials offsets

Adjusted EBITDA excl. special items[1] sequential change by key impact area, $M

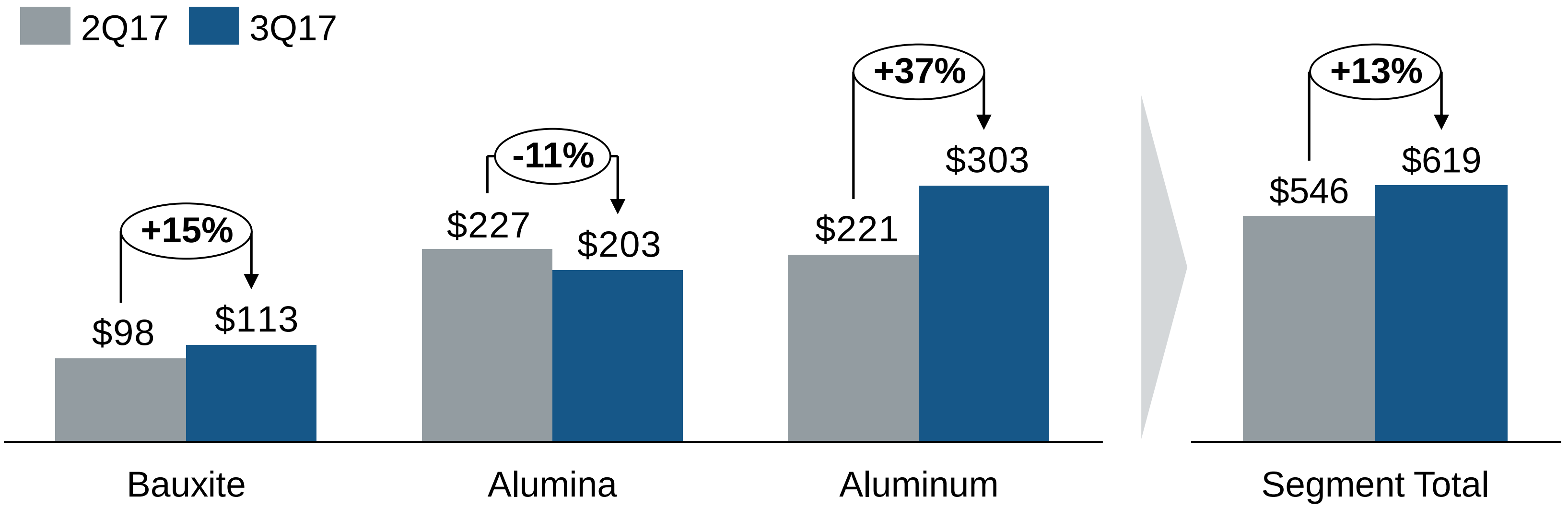


1. See appendix for adjusted EBITDA excl. special items reconciliation.

Aluminum up 37% sequentially, segment total up 13%

Alcoa

Adjusted EBITDA[1,2] sequential comparison, $M



	Bauxite	Alumina	Aluminum	Segment Total
3Q17 Segment Adj. EBITDA Margin %	34.8%	18.3%	14.4%	17.5%
Change vs. 2Q17, Margin %	+0.8% pts	-1.7% pts	+3.3% pts	+1.5% pts

1. See appendix for adjusted EBITDA reconciliation.
2. Includes non-Ma'aden equity investment income in adjusted EBITDA. See appendix for equity investments summary.

Non-segment costs improve $5M sequentially

3Q17 Adjusted EBITDA excluding special items[1] breakdown by component, $M

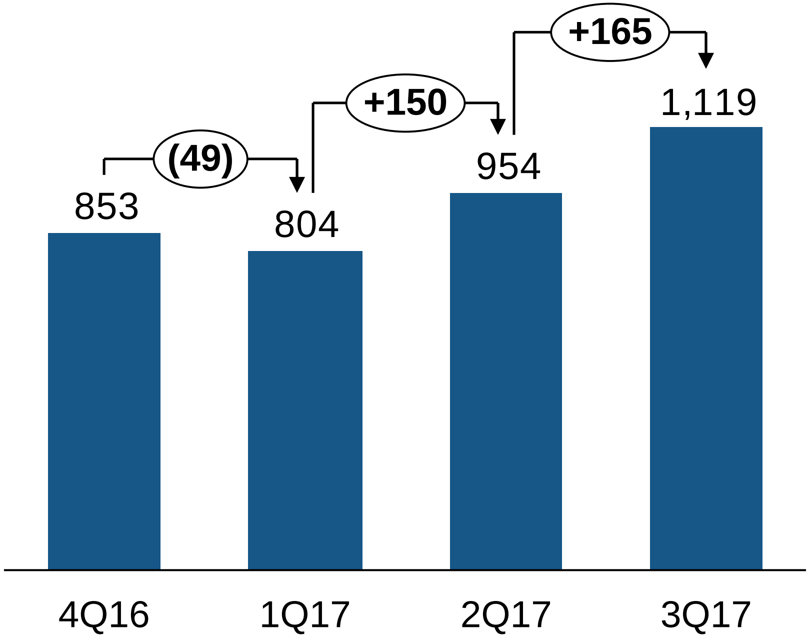
	2Q17	3Q17	$ Change
Segment total adjusted EBITDA	**$546**	**$619**	**$73**
Transformation & legacy pension/OPEB[2]	(40)	(25)	15
Impact of LIFO and metal price lag	3	(9)	(12)
Other corporate expenses[3]	(26)	(24)	2
Total adjusted EBITDA excl. special items	**483**	**561**	**78**
Add back: all pension/OPEB less service costs	24	24	0
Total adjusted EBITDAP excl. special items	**$507**	**$585**	**$78**

1. See appendix for adjusted EBITDA excluding special items reconciliation.
2. Legacy pension/OPEB costs include those associated with closed locations and allocated to Alcoa Corporation in connection with the separation.
3. Includes SG&A, R&D, intercompany profit elimination and pension/OPEB costs for corporate employees (current and retired).

Cash position surpasses $1.1 billion

Sequential quarter cash comparison and cash flows, $M

Quarter ending cash balance



Free cash flow and change in cash

	1Q17	2Q17	3Q17
Cash Provided From Operations	$74	$311	$384
Capital Expenditures	(71)	(88)	(96)
Free Cash Flow	**$3**	**$223**	**$288**

	1Q17	2Q17	3Q17
Cash Provided From Operations	$74	$311	$384
Cash Used For Financing	(260)	(78)	(115)
Cash Provided From (Used For) Investing	131	(87)	(100)
Effect of Exchange Rate Changes on Cash	6	4	(4)
Net Change in Cash	**$(49)**	**$150**	**$165**

Balance sheet strengthens further

Alcoa

Key financial metrics as of September 30, 2017

- Manage cash position
- Optimize working capital

Cash	3Q17 Days Working Capital
$1,119M	17 Days

- Maintain assets
- Invest in return seeking projects

2017 YTD Capital Expenditures[1]	2017 YTD Return on Capital[2]
$255M	6.3%

- Manage leverage
- Focus on pension and OPEB

Net Debt-to-LTM Adjusted EBITDA	Pension & OPEB Net Liability
0.15x	$2.8B

1. $83M in return seeking capital expenditures and $172M in sustaining capital expenditures.
2. Annualized; see appendix for 2017 YTD Annualized ROC reconciliation and calculation.

2017 Progress and outlook

FY17 Key metrics

Adjusted EBITDA excl. special items

	2017 YTD Actual	FY17 Outlook
Adjusted EBITDA excl. special items	$1.6B	~$2.4B[1]

Shipments

	2017 YTD Actual	FY17 Outlook
Bauxite (Mdmt)	35.4	47.5 – 48.5
Alumina (Mmt)	10.2	13.8 – 13.9
Aluminum[2] (Mmt)	2.5	3.2 – 3.4

Financial metrics

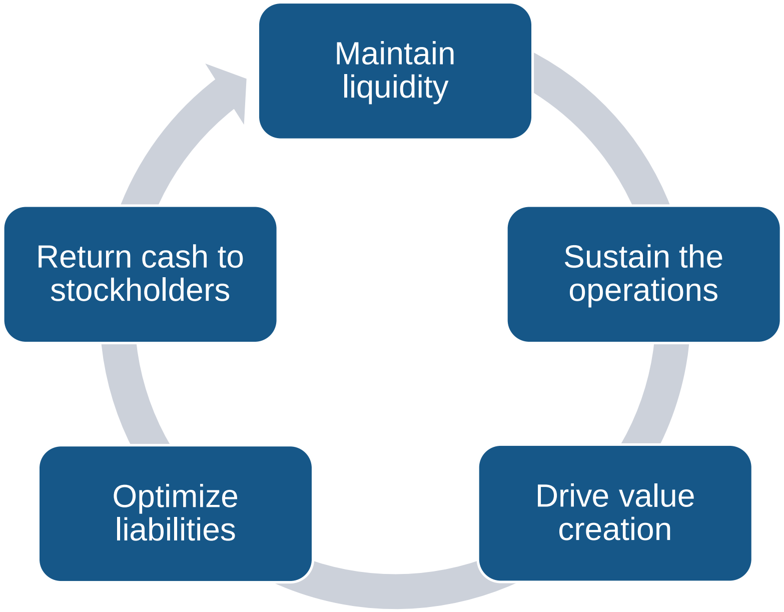
		2017 YTD Actual	FY17 Outlook
INCOME STATEMENT IMPACTS	Transformation & legacy pension/OPEB	$98M	~ $115M
	Other corporate expenses[3]	$89M	~ $185M
	Depreciation, depletion and amortization	$563M	~ $750M
	Interest	$77M	~ $105M
	Operational tax rate[4]	35.9%	35 – 40%
	Net income of noncontrolling interest	$202M	40% of AWAC NI
CASH FLOW IMPACTS	Pension/OPEB	$165M	~ $225M
	Return-seeking capital expenditures[5]	$83M	~ $140M
	Sustaining capital expenditures[5]	$172M	< $300M
	DOJ / SEC payments (January)[6]	$74M	$74M
	Environmental and ARO payments[7]	$76M	~ $125M

1. Based on actual results for 2017 YTD; outlook for unpriced sales for 4Q17 at $2,100 LME and $470 API, and updated regional premiums and foreign currencies.
2. Includes volume tolled through Tennessee.
3. Excludes: 1) Transformation & legacy pension/OPEB, and 2) Impact of LIFO and metal price lag.
4. Varies with jurisdictional profitability.
5. AWAC portion of FY17 Outlook: ~50% of return-seeking capital expenditures, and ~50% of sustaining capital expenditures.
6. Reflects payment made in January 2017. Remaining obligation of $74 million to be paid in January 2018.
7. Environmental payments made against remediation reserve balance of $309M (at September 30, 2017). Carrying value of AROs as of September 30, 2017 was $708M.

Disciplined capital allocation strategy and value focus

Capital allocation and valuation frameworks

Capital allocation



Value creation

Business Operations		Bauxite
	+	Alumina
	+	Aluminum
	-	Non-segment expenses
	=	Enterprise value
Financial Considerations	-	Noncontrolling interest
	-	Debt & debt-like items
	+	Cash & equity investments
	=	Equity value

Roy Harvey

President and Chief Executive Officer

Alcoa

Aluminum outlook improves on curtailments and demand

Alcoa

Projected 2017 market balances

	Bauxite (3rd-party seaborne)	Alumina (smelter grade)	Aluminum (primary)
Outlook	**Relative balance**	**Relative balance**	**Relative balance**
Supply/Demand Balance, (Mmt)			
Global	**0 to 2; stockpile growth**	**-0.4 to 0.4; balanced**	**-0.3 to 0.1; balanced**
China	-65 to -64; deficit	-0.2 to 0.2; balanced	1.8 to 2.0; surplus
World ex-China	65 to 66; surplus	-0.2 to 0.2; balanced	-2.1 to -1.9; deficit
Notes	Chinese stockpile growth narrowed due to lower southeast Asian, and Guinean exports	Balances assume Chinese alumina imports of 3 Mmt	Demand growth, 2017 vs. 2016 • Global = 5 to 5.5% • China = 7 to 7.5% • World ex-China = 2.75 to 3.25%

Source: Alcoa analysis, CRU, Wood Mackenzie, CM Group, IAI, CNIA, NBS, Aladdiny, Bloomberg. Alumina and aluminum post-trade balances.

Chinese curtailments realized; awaiting full MEP impact

Primary aluminum supply impacts from Chinese policy-driven curtailments

Chinese policy initiative updates

National Development and Reform Commission (NDRC)

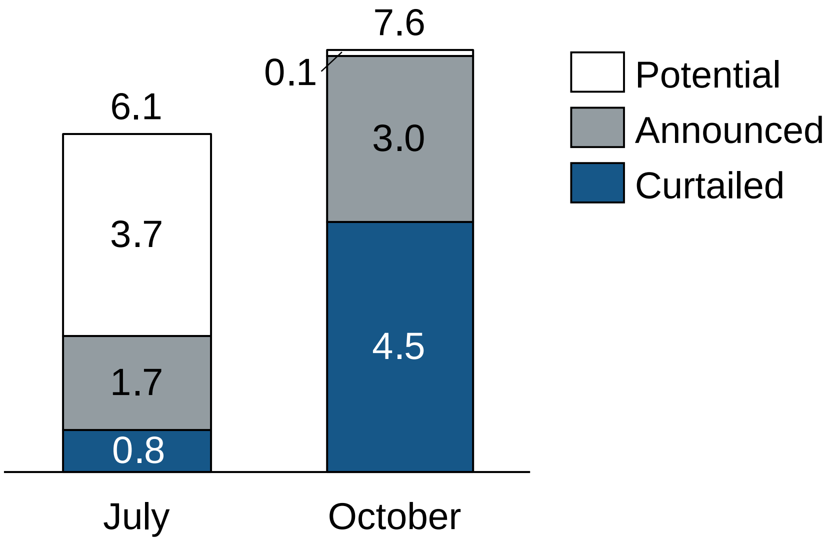
- Program to curtail capacity operating without licenses
- Total of 4.4 Mmtpa curtailed

Ministry of Environmental Protection (MEP)

- Program expanded to include three cities in Henan (2+26+3), and additional curtailments in Shandong (Binzhou)
- Focuses on 30% reduction in 31 cities during the winter heating season (November 15 to March 15)
- Full implementation details not yet public

Capacity at risk from NDRC and MEP programs

Mmtpa

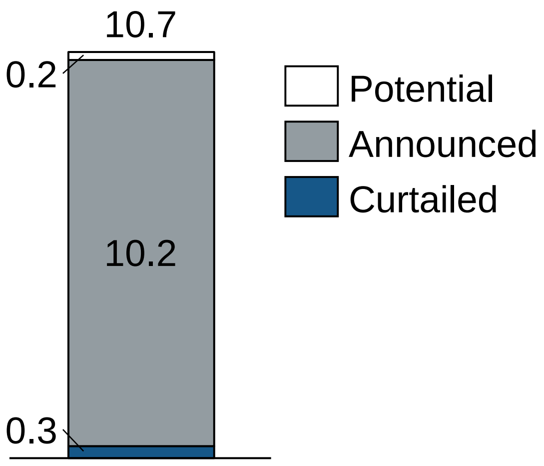


Source: Alcoa analysis.

Confluence of factors supporting alumina market

Smelter grade alumina market fundamentals

- **Reduced supply:** MEP winter curtailments in China will reduce alumina output; World ex-China tightness.



Capacity at risk from MEP program (Mmtpa)

- **Bauxite availability concerns:** Concerns in Henan and Shanxi provinces in China associated with increased environmental inspections and safety issues.
- **Cost pressures:** Pressures from raw material price increases, including domestically-sourced bauxite, caustic and coal.
- **Demand pressures:** Chinese smelters demanding alumina for expansion projects and winter stockpiling.

Source: Alcoa analysis.

Operations focus driving results and improving value

World-class operations across the aluminum value chain

Business Operations		Bauxite
	+	Alumina
	+	Aluminum
	-	Non-segment expenses
	=	**Enterprise value**
Financial Considerations	-	Noncontrolling interest
	-	Debt & debt-like items
	+	Cash & equity investments
	=	**Equity value**

Bauxite

- Very low second quartile cost position
- Continued growth in Juruti mine via expansion project
- Increasing WA export capability with Bunbury terminal approval to meet rising Chinese demand

Alumina

- World-class, low-cost assets with a mid first quartile cost position
- Global portfolio with access to both Atlantic and Pacific markets
- Sequential and year over year production growth led by Pinjarra

Aluminum

- Competitive smelters with mid second quartile cost position
- Portland smelter restart complete
- Lake Charles calciner restart expected to reduce anode costs
- Restarting Warrick smelter to improve site profitability

Corporate

- Expect annualized adjusted EBITDA improvement of $60 to $70 million by resolving Rockdale
- Prepaid $41 million of Brazilian debt
- Strategic optionality of over 1.0 Mmt of curtailed primary aluminum capacity and 2.3 Mmt of alumina capacity

Delivering on commitments and strategic priorities

Progress on strategic priorities

Reduce Complexity	▪ Resolved power contract to simplify options for Rockdale; drives \$60 to \$70 million in annualized adjusted EBITDA benefit beginning in 4Q17 ▪ Warrick smelter restart progressing to streamline rolling mill metal supply, optimizes power plant operation
Drive Returns	▪ Delivered \$561 million of adjusted EBITDA excl. special items in 3Q17; overcoming raw material and currency headwinds to deliver on outlook ▪ Raising 2017 Adjusted EBITDA outlook to approximately \$2.4 billion[1]
Strengthen Balance Sheet	▪ \$1.1 billion cash balance and net debt of \$285 million as of September 30; before Rockdale payment of \$237.5 million ▪ Improved Days Working Capital: 17 days in 3Q17 v. 18 days in 2Q17 ▪ Completed early repayment of \$41 million of Brazilian debt

1. Based on actual results for 2017 YTD; outlook for unpriced sales for 4Q17 at \$2,100 LME and \$470 API, and updated regional premiums and foreign currencies.

Questions?

Alcoa Corporation

Alcoa

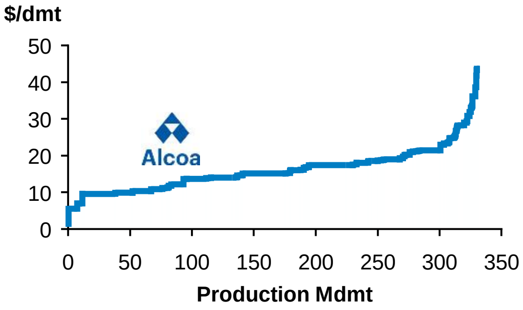
Appendix

Global portfolio of low-cost, world-class assets

2017 global cost curve positions

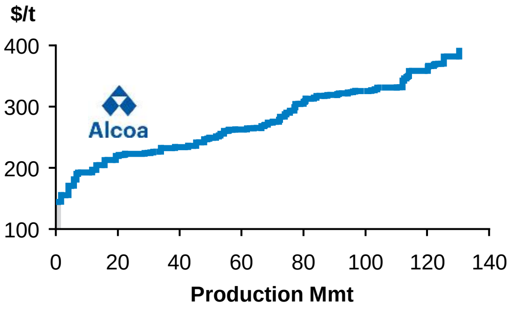
Bauxite

28th percentile



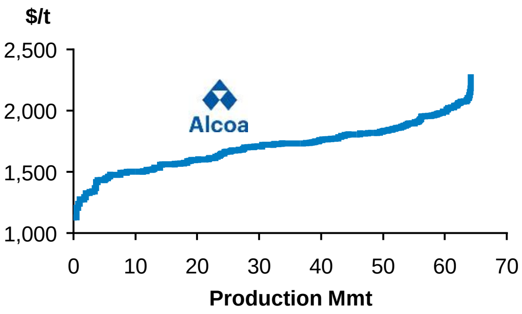
Alumina

12th percentile



Aluminum

37th percentile



Source: CRU; Consolidated equity tonnage.

3Q17 Financial summary

Three months ending September 30, 2017, excluding special items

$M	Bauxite	Alumina	Aluminum[3,4]	Transformation & Legacy Pension / OPEB Costs	Impact from LIFO & Metal Price Lag	Other Corporate Expenses	Alcoa Corporation Total
Total revenue[1]	$325	$1,111	$2,099	$55	-	$(626)	$2,964
Third-party revenue	$104	$713	$2,090	$55	-	$2	$2,964
Adjusted EBITDA	$113	$203	$303	$(25)	($9)	$(24)	$561
Adjusted EBITDA margin %	*34.8%*	*18.3%*	*14.4%*	-	-	-	*18.9%*
Depreciation, depletion and amortization	$24	$53	$106	$2	-	$8	$194
Other expenses / (income), net[2]	-	$5	$7	-	-	$6	$16
Interest expense							$26
Provision for income taxes							$128
Adjusted net income							$197
Net income attributable to noncontrolling interest							$62
Adjusted net income attributable to Alcoa Corp.							$135

1. Intersegment eliminations included in Other Corporate Expenses.
2. Amounts listed for Alumina and Aluminum include equity loss / (income) from Saudi Arabian joint venture.
3. Flat rolled aluminum shipments, revenue, and adjusted EBITDA were 0.15M mt, $393M and $4M, respectively.
4. Third party energy sales volume, revenue and adjusted EBITDA in Brazil were 1,278 GWh, $83M and $63M, respectively.

3Q17 Adjusted EBITDA drivers by segment

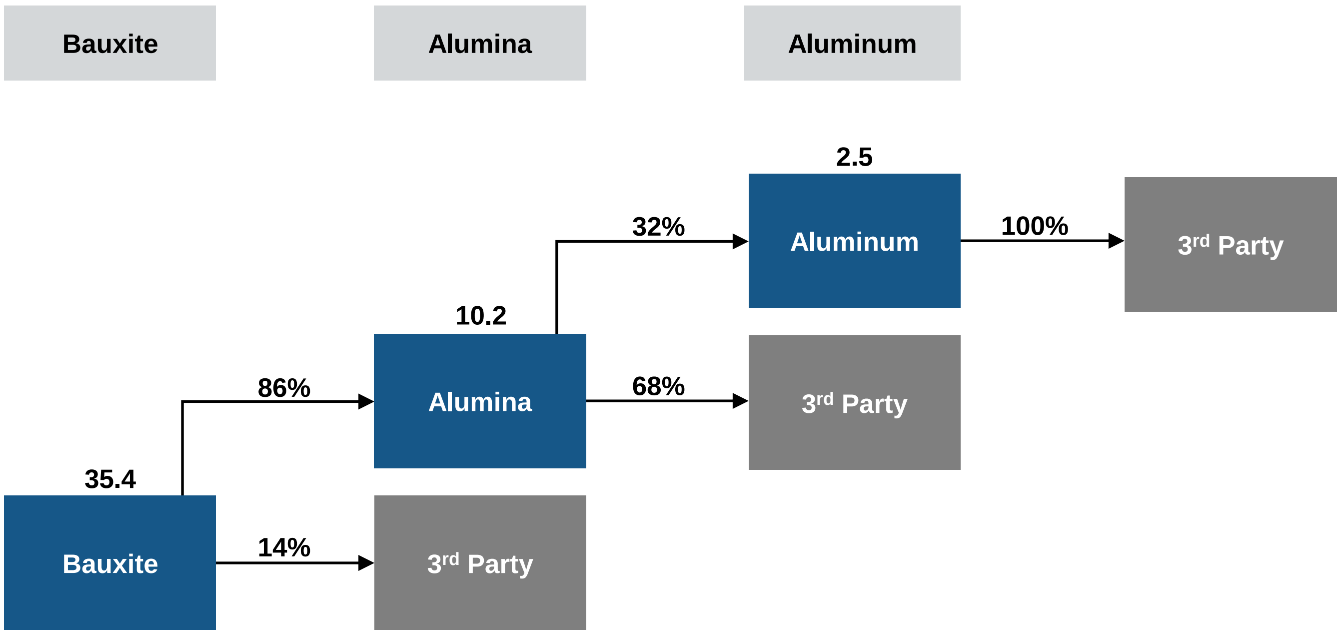
Alcoa

Sequential Adjusted EBITDA change impacts by segment vs. 2Q17, $M

Segment	Adj. EBITDA 2Q17	Metal Prices	API	Currency	Volume	Price/Mix	Net Product-ivity	Energy	Raw Materials	Other	Adj. EBITDA 3Q17
Bauxite	**$98**	0	0	(6)	12	1	0	0	0	8	**$113**
Alumina	**$227**	1	14	(25)	0	3	(2)	4	(17)	(2)	**$203**
Aluminum	**$221**	31	30	(18)	8	10	6	33	(22)	4	**$303**
Segment Total	**$546**	**32**	**44**	**(49)**	**20**	**14**	**4**	**37**	**(39)**	**10**	**$619**

Aluminum value chain

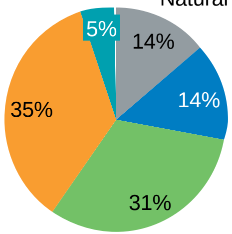
2017 YTD Alcoa product shipments by segment, Mmt



Composition of alumina and aluminum production costs

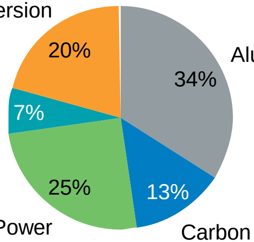
Alcoa 3Q17 production cash costs

Alumina refining



Input Cost	Inventory Flow	Pricing Convention	Estimated Annual Cost Sensitivity
Fuel Oil	1 - 2 Months	Prior Month	$3M per $1/bbl
Natural Gas[1]	N/A	N/A	N/A
Caustic Soda	3 - 6 Months	Spot & Semi-annual	$9M per $10/dmt

Aluminum smelting



Input Cost	Inventory Flow	Pricing Convention	Estimated Annual Cost Sensitivity
Petroleum Coke	1 - 2 Months	Spot, Quarterly & Semi-annual	$7M per $10/mt
Alumina	~2 Months	30-day lag to API	$43M per $10/mt
Coal Tar Pitch	1 - 2 Months	Spot, Quarterly & Semi-annual	$1.5M per $10/mt

1. Natural gas information related to Point Comfort will no longer apply as we have curtailed the plant. Australia is priced on a rolling 16 quarter average.

2017 Business sensitivities

Estimated annual EBITDA sensitivities

$ in millions Segment	LME + $100/mt	API + $10/mt	Midwest + $100/mt	Europe + $100/mt	Japan + $100/mt	AUD + 0.01 USD/AUD	BRL + 0.10 BRL/USD	CAD + 0.01 CAD/USD	EUR + 0.01 USD/EUR	ISK + 10 ISK/USD	NOK + 0.10 NOK/USD
Bauxite						(3)	4				
Alumina	11	110				(16)	5		(1)		
Aluminum	215	(41)	105	104	23	(1)	(3)	3	(4)	8	3
Alcoa Corp.	226	69	105	104	23	(20)	6	3	(5)	8	3

Pricing conventions

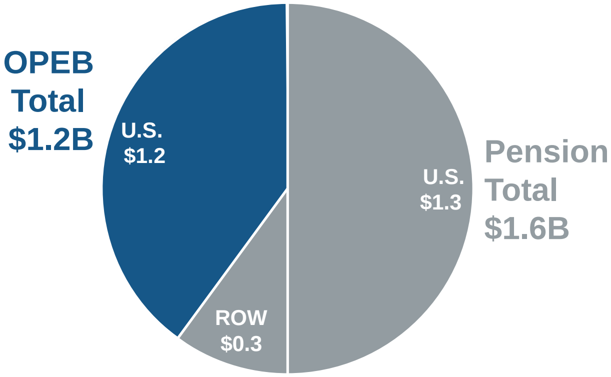
Segment	3rd-Party Revenue
Bauxite	• Negotiated prices
Alumina	• ~85% of third-party smelter grade alumina priced on API/Spot • API pricing follows 30-day lag; LME pricing follows 60-day lag
Aluminum	• LME + Regional Premium + Product Premium • Primary aluminum 15-day lag; flat rolled aluminum 30-day lag • Brazilian hydroelectric sales at market prices

Primary aluminum % of 2017 shipments	Regional premiums
~50%	Midwest
~40%	Rotterdam Duty Paid
~10%	CIF Japan

Pension and OPEB summary

Pension and OPEB overview

$2.8B Net balance sheet liability as of September 30, 2017



2017 Impacts, $M

	Pension	OPEB
Segments	**~50%**	**~15%**
Legacy Operations	**~15%**	**~15%**
Corporate	**~5%**	**-**
Total Expense	**~ $175M**	

	Pension	OPEB
Cash Impacts	**~50%**	**~50%**
Total Cash	**~$225M**	

Pension funding status as of December 31, 2016

- U.S. ERISA **~86%**
- GAAP Worldwide **~75%**

US pension contributions currently not tax deductible

2017 Service cost estimates (component of expense)

- Pension: < $75M (~95%+ in Segments)
- OPEB: < $10M (~95%+ in Segments)

Equity investments summary

Investee	Country	Nature of Investment[4]	Ownership Interest	Carrying Value[6]	P&L Impact
Ma’aden Smelting Company[1]	Saudi Arabia	Aluminum smelter	25.1%		
Ma’aden Bauxite and Alumina Company[1]	Saudi Arabia	Bauxite mine and Alumina refinery	25.1%[5]		
Ma’aden Rolling Company[1]	Saudi Arabia	Rolling mill	25.1%		
Subtotal Ma’aden				***$871M***	***Other Expenses / (Income)***
Halco Mining, Inc.[2]	Guinea	Bauxite mine	45%[5]		
Energetica Barra Grande S.A.	Brazil	Hydroelectric generation facility	42.18%		
Mineração Rio do Norte S.A.	Brazil	Bauxite mine	18.2%[5]		
Pechiney Reynolds Quebec, Inc.[3]	Canada	Aluminum smelter	50%		
Consorcio Serra do Facão	Brazil	Hydroelectric generation facility	34.97%		
Manicouagan Power Limited Partnership	Canada	Hydroelectric generation facility	40%		
Subtotal other				***$537M***	***Revenue, COGS***
Total equity investments				**$1,408M**	

1. Alcoa Corporation has an investment in a joint venture related to the ownership and operation of an integrated aluminum complex (bauxite mine, alumina refinery, aluminum smelter, and rolling mill) in Saudi Arabia. The joint venture is owned 74.9% by the Saudi Arabian Mining Company (known as “Ma’aden”) and 25.1% by Alcoa Corporation.
2. Halco Mining, Inc. owns 100% of Boké Investment Company, which owns 51% of Compagnie des Bauxites de Guinée.
3. Pechiney Reynolds Quebec, Inc. owns a 50.1% interest in the Bécancour smelter in Quebec, Canada thereby entitling Alcoa Corporation to a 25.05% interest in the smelter. Through two wholly-owned Canadian subsidiaries, Alcoa Corporation also owns 49.9% of the Bécancour smelter.
4. Each of the investees either owns the facility listed or has an ownership interest in an entity that owns the facility listed.
5. A portion or all of each of these ownership interests are held by wholly-owned subsidiaries that are part of AWAC.
6. Carrying value as of September 30, 2017.

Capacity closed, sold and curtailed

Smelting and Refining capacity information as of September 30, 2017

Smelting capacity

Closed / Sold since December 2007

Facility	Year	kmt
Baie Comeau	2008	53
Eastalco	2010	195
Badin	2010	60
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
Mt. Holly (sale)	2014	115
Poços de Caldas	2015	96
Total		**1,424**

Curtailed

Facility	Year	kmt
Intalco	2007	49
Portland	2008	30
Rockdale	2008	191
Avilés	2012	32
La Coruńa	2012	24
São Luís	2013	97
São Luís	2014	97
São Luís	2015	74
Wenatchee	2015	184
Warrick[1]	2016	269
Total		**1,047**

Refining capacity

Closed / Sold since December 2007

Facility	Year	kmt
Jamalco (sale)	2014	779
Suralco	2016	2,207
Total		**2,986**

Curtailed

Facility	Year	kmt
Point Comfort	2008	295
Point Comfort	2015	375
Point Comfort	2016	1,635
Total		**2,305**

1. On July 11, 2017, announced restart of 161 kmt to be completed in the second quarter of 2018.

Special items detail, net of tax and noncontrolling interest

$M	**3Q16**	**2Q17**	**3Q17**	**Income Statement Classification**
Special items	$(85)	$41	**$22**	
Warrick restart costs	-	-	**$17**	COGS
Portland restart power exposure	-	$6	**$3**	COGS
Brazil tax settlement	-	-	**$7**	COGS/SG&A
Separation-related costs	$23	-	**-**	SG&A
Mark-to-market energy contracts	$(4)	$6	**$7**	Other Expenses / (Income), Net
Gain on asset sales	$(118)	-	**-**	Other Expenses / (Income), Net
Restructuring-related items	$8	$11	**$(14)**	Restructuring and Other Charges
Discrete tax items	$6	$18	**$2**	Income Taxes

Adjusted EBITDA reconciliation

$M	3Q16	2Q17	3Q17	LTM
Net income (loss) attributable to Alcoa Corporation	**($10)**	**$75**	**$113**	**$288**
Add:				
Net income (loss) attributable to noncontrolling interest	20	63	56	198
Provision for income taxes	92	99	119	334
Other expenses / (income), net	(106)	6	27	(66)
Interest expense	67	25	26	123
Restructuring and other charges	17	12	(10)	221
Depreciation, depletion and amortization	181	190	194	745
Adjusted EBITDA[1]	261	470	525	1,843
Special items before tax and noncontrolling interest	23	13	36	69
Adjusted EBITDA excl. special items	**$284**	**$483**	**$561**	**$1,912**

1. Alcoa Corporation's definition of Adjusted EBITDA 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 Corporation'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.

Free Cash Flow reconciliation

$M	3Q16	1Q17	2Q17	3Q17
Cash from operations	($109)	$74	$311	$384
Capital expenditures	(86)	(71)	(88)	(96)
Free cash flow[1]	($195)	$3	$223	$288

1. 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, which are both considered necessary to maintain and expand Alcoa Corporation's asset base, and 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.

Net Debt reconciliation

$M	**3Q17**
Short-term borrowings	$3
Long-term debt due within one year	17
Long-term debt, less amount due within one year	1,384
Total debt	1,404
Less: Cash and cash equivalents	1,119
Net debt[1]	$285

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

Days Working Capital

$M	**1Q17**	**2Q17**	**3Q17**
Receivables from customers	$708	$789	$840
Add: Inventories	1,294	1,287	1,323
Less: Accounts payable, trade	1,434	1,508	1,618
DWC Working Capital	$568	$568	$545
Revenue	$2,655	$2,859	$2,964
Number of Days in the Quarter	90	91	92
Days Working Capital[1]	19	18	17

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

2017 YTD Annualized ROC

Reconciliation and calculation information

$M	2017 YTD
Numerator:	
Net income attributable to Alcoa Corporation	413
Add: Net income attributable to non-controlling interest	202
Add: Provision for income taxes	328
Profit Before Taxes (PBT)	**943**
Add: Interest expense	77
Less: Interest income	9
Add: Special items[1]	(36)
ROC Earnings Before Taxes	**975**
ROC Earnings Before Taxes multiplied by Four Divided by Three[2]	**1,300**
ROC Earnings After Fixed Tax Rate of 35%	**845**
Denominator[3]:	
Total Assets	17,086
Less: Cash, cash equivalents, restricted cash and short-term investments	973
Less: Current Liabilities	2,666
Add: Long term debt in current year and short-term borrowings	22
Average Capital Base[3]	**13,469**
ROC	**6.3%**

$$\textbf{ROC \% =} \frac{\textbf{(PBT + Net Interest}^{4}\textbf{ + Special Items) x 4/3}^{2}\textbf{ x (1 – Fixed Tax Rate}^{5}\textbf{)}}{\textbf{(Assets – Cash – Current Liabilities + Short Term Debt)}} \textbf{ X 100}$$

$$\textbf{ROC \% =} \frac{\textbf{((\$943 + \$68 - \$36) x 4/3) x (1 – 0.35)}}{\textbf{(\$17,086 – \$973 – \$2,666 + \$22)}} \textbf{ X 100 = 6.3\%}$$

1. Special items are before taxes and non-controlling interest.
2. Annualized for comparability.
3. All denominator items calculated using the average of the three completed quarters’ ending balances.
4. Interest income + interest expense.
5. Fixed tax rate of 35%.

2016 Baseline ROC for Long-Term Incentive Plan (LTIP)

Alcoa

Reconciliation and calculation information

$M	FY 16
Numerator:	
Net loss attributable to Alcoa Corporation	(400)
Add: Net income attributable to non-controlling interest	54
Add: Provision for income taxes	184
Profit Before Taxes (PBT)	**(162)**
Add: Interest expense	243
Less: Interest income	6
Add: Special items[1]	245
ROC Earnings Before Taxes	**320**
ROC Earnings After Fixed Tax Rate of 35%	**208**
Denominator[2]:	
Total Assets	16,390
Less: Cash, cash equivalents, restricted cash and short-term investments	450
Less: Current Liabilities	2,338
Add: Long term debt in current year and short-term borrowings	21
Average Capital Base[2]	**13,623**
ROC	**1.5%**

$$\text{ROC \%} = \frac{(\text{PBT} + \text{Net Interest}^3 + \text{Special Items}) \times (1 - \text{Fixed Tax Rate}^4)}{(\text{Assets} - \text{Cash} - \text{Current Liabilities} + \text{Short Term Debt})} \text{ X } 100$$

$$\text{ROC \%} = \frac{(-\$162 + \$237 + \$245) \times (1 - 0.35)}{(\$16{,}390 - \$450 - \$2{,}338 + \$21)} \text{ X } 100 = 1.5\%$$

LTIP achievement will be measured as 2019 results compared to a 2016 baseline, and normalized for commodity prices and foreign currency exchange fluctuations

1. Special items are before taxes and non-controlling interest.
2. All denominator items calculated using the quarterly ending balances in 2016.
3. Interest income + interest expense.
4. Fixed tax rate of 35%.

Glossary of terms

Abbreviations listed in alphabetical order

Abbreviation	Description
% pts	Percentage points
1Q##	Three months ending March 31
2Q##	Three months ending June 30
3Q##	Three months ending September 30
4Q##	Three months ending December 31
Adj.	Adjusted
API	Alumina Price Index
Approx.	Approximately
ARO	Asset retirement obligations
AUD	Australian dollar
AWAC	Alcoa World Alumina and Chemicals
B	Billion
bbl	Barrel
BRL	Brazilian real
CAD	Canadian dollar
CIF	Cost, insurance and freight
COGS	Cost of goods sold
dmt	Dry metric ton
DOJ	Department of Justice
DWC	Days working capital
EBITDA	Earnings before interest, taxes, depreciation and amortization
EBITDAP	Adjusted EBITDA excluding special items and all pension/OPEB expenses
EPS	Earnings per share
ERISA	Employee Retirement Income Security Act of 1974
EUR	Euro
excl.	Excluding
FY##	Twelve months ending December 31
GAAP	Accounting principles generally accepted in the United States of America

Abbreviation	Description
ISK	Icelandic Krona
kmt	Thousand metric tons
LIFO	Last in first out method of inventory accounting
LME	London Metal Exchange
LTIP	Long-term incentive plan
LTM	Last twelve months
M	Million
Mdmt	Million dry metric tons
Mmt	Million metric tons
mt	Metric ton
Mmtpa	Million metric tons per annum
N/A	Not applicable
NA	North America
NCI	Noncontrolling interest
NI	Net income
NOK	Norwegian Krone
OPEB	Other postretirement employee benefits
PBT	Profit before taxes
R&D	Research and development
ROC	Return on capital
ROW	Rest of world
SEC	Securities and Exchange Commission
SG&A	Selling, general administrative and other
U.S.	United States of America
USD	United States dollar
WA	Western Australia
YTD	Year to date

The Element of ***Possibility™***

Alcoa