The Element of **Possibility**™

4th Quarter Earnings

Alcoa Corporation

January 17, 2018

Alcoa

Important information

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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

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. Alcoa Corporation believes that the presentation of non-GAAP financial measures is useful to investors because such measures provide both additional information about the operating performance of Alcoa Corporation and 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 not intended to be a substitute for, and should not be considered in isolation from, the financial measures reported in accordance with GAAP. 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 schedules to this presentation.

This presentation includes a range of forecasted 2018 Adjusted EBITDA for the Company. Alcoa Corporation has not provided a reconciliation of this forward-looking non-GAAP financial measure to the most directly comparable GAAP financial measure for the following reasons. The Company's financial results are heavily dependent on market-driven factors, such as LME-based prices for aluminum, index- and spot-based prices for alumina, and foreign currency exchange rates. As such, the Company may experience significant volatility on a daily basis related to its forecasted Adjusted EBITDA. Management applies estimated sensitivities, such as relating to aluminum and alumina prices and foreign currency exchange rates, to the components that comprise Adjusted EBITDA. However, a similar analysis cannot be performed relating to the components necessary to reconcile Adjusted EBITDA to the most directly comparable GAAP financial measure without unreasonable effort due to the additional variability and complexity associated with forecasting such items. Consequently, management believes such reconciliation would imply a degree of precision that would be confusing and/or potentially misleading to investors.

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

Alcoa

4Q17: Key actions taken; adjusted EBITDA of $775M

4Q17 Summary

Financial results	▪ Net loss of $196 million, or $1.06 per share; excluding special items, adjusted net income of $195 million, or $1.04 per share ▪ Adjusted EBITDA excluding special items[1] of $775 million ▪ Days working capital of 11 days; down three days vs. 4Q16 ▪ Cash balance of $1.36 billion on December 31; up $239 million from September 30
Business review	▪ Short-term operational challenges and energy market factors impacted quarterly adjusted EBITDA by ~$50 million vs. prior outlook ▪ Terminated Rockdale power contract, announced closure of site operations ▪ Announced divestiture of previously closed Portovesme smelter ▪ Successfully renegotiated Revolving Credit Agreement; S&P upgraded Alcoa credit rating to BB (Moody's upgraded to Ba2 in 3Q17)

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

FY17: Strong financial performance and business progress

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FY17 Summary

Financial results	▪ Revenue of $11.7 billion; up $2.3 billion vs. 2016 ▪ Net income of $217 million, or $1.16 per share; excluding special items, adjusted net income of $563 million, or $3.01 per share ▪ Adjusted EBITDA excluding special items[1] of $2.35 billion; up $1.2 billion vs. 2016 ▪ Cash provided from operations of $1.2 billion, free cash flow[1] of $0.8 billion
Business review	▪ Set annual production records at our three largest mines, our three largest refineries and at three smelters ▪ Completed restarts at the Portland smelter and Lake Charles calciner ▪ Began partial restart of Warrick smelter; on track to complete in 2Q18 ▪ Streamlined organization structure, reduced administrative locations and relocated corporate headquarters to Pittsburgh

1. See appendix for adjusted EBITDA excluding special items reconciliation and free cash flow reconciliation.

January 2018: Further actions and announcements

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Recent key items

Post-employment benefits changes

Effective January 1, 2021:

- Salaried employees in the U.S. and Canada will no longer accrue retirement benefits under the defined benefit pension plans
- Pension freeze applies to the accrual of future benefits for approximately 800 affected U.S. and Canadian salaried employees
- Company contribution toward U.S. pre-Medicare retiree medical will be eliminated
- Alcoa will support affected employees by contributing 3% of their eligible compensation to a defined contribution plan, in addition to its existing employer savings match

Bécancour smelter (ABI) update

- On January 11, 2018, plant management began a lock-out of the facility’s union membership after union rejected Alcoa’s best and final offer
- Bécancour, Quebec smelter is jointly owned by Alcoa Corporation (74.95%) and Rio Tinto Alcan Inc. (25.05%)
- Facility’s annual nameplate capacity is 413 kmt (Alcoa share is 310 kmt)
- Five-year labor agreement ended in November 2017
- Salaried employees at ABI are now operating one of three potlines at the plant

William Oplinger

Executive Vice President and Chief Financial Officer

Alcoa

Revenue up 7% sequentially, adjusted EBITDA up 40%

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Quarterly income statement

M, Except realized prices and per share amounts	4Q16	3Q17	4Q17	Prior Year Change	Sequential Change
Realized primary aluminum price ($/mt)	$1,906	$2,237	**$2,365**	$459	$128
Realized alumina price ($/mt)	$272	$314	**$406**	$134	$92
Revenue	$2,537	$2,964	**$3,174**	$637	$210
Cost of goods sold	$2,123	$2,361	**$2,359**	$236	$(2)
SG&A and R&D expenses	$99	$78	**$79**	$(20)	$1
Adjusted EBITDA[1]	$315	$525	**$736**	$421	$211
Depreciation, depletion and amortization	$182	$194	**$187**	$5	$(7)
Other expenses	$1	$27	**$9**	$8	$(18)
Interest expense	$46	$26	**$27**	$(19)	$1
Restructuring and other charges	$209	$(10)	**$297**	$88	$307
Tax provision	$6	$119	**$272**	$266	$153
Net income (loss)	$(129)	$169	**$(56)**	$73	$(225)
Less: Net income (loss) attributable to noncontrolling interest	$(4)	$56	**$140**	$144	$84
Net income (loss) attributable to Alcoa Corporation	$(125)	$113	**$(196)**	$(71)	$(309)
Diluted earnings (loss) per share	$(0.68)	$0.60	**$(1.06)**	$(0.38)	$(1.66)
Diluted shares outstanding	182.7	187.2	**185.1**	2.4	(2.1)

1. See appendix for adjusted EBITDA reconciliation.

Special items total $391 million, led by Rockdale actions

Breakdown of special items by income statement classification – gross basis

M, Except per share amounts	**4Q16**	**3Q17**	**4Q17**	**Description of significant 4Q17 special items**
Net income (loss)	$(125)	$113	**$(196)**	
Net income (loss) per diluted share	$(0.68)	$0.60	**$(1.06)**	
Special items	$151	$22	**$391**	
Cost of goods sold	*$1*	*$34*	***$39***	*Warrick smelter restart costs*
Selling, general administrative and other	*$19*	*$2*	***-***	
Restructuring and other charges	*$209*	*$(10)*	***$297***	*Rockdale power contract and closure, take or pay energy contracts, Italy agreement*
Interest expense	*$8*	*-*	***-***	
Other expenses / (income), net	*$2*	*$11*	***$(1)***	
Tax provision	*$(33)*	*$(9)*	***$68***	*Discrete tax items, taxes on special items*
Noncontrolling interest	*$(55)*	*$(6)*	***$(12)***	*Partner's share of certain special items*
Net income excl. special items	$26	$135	**$195**	
Net income per diluted share excl. special items	$0.14	$0.72	**$1.04**	

Adjusted net income grows 44% sequentially

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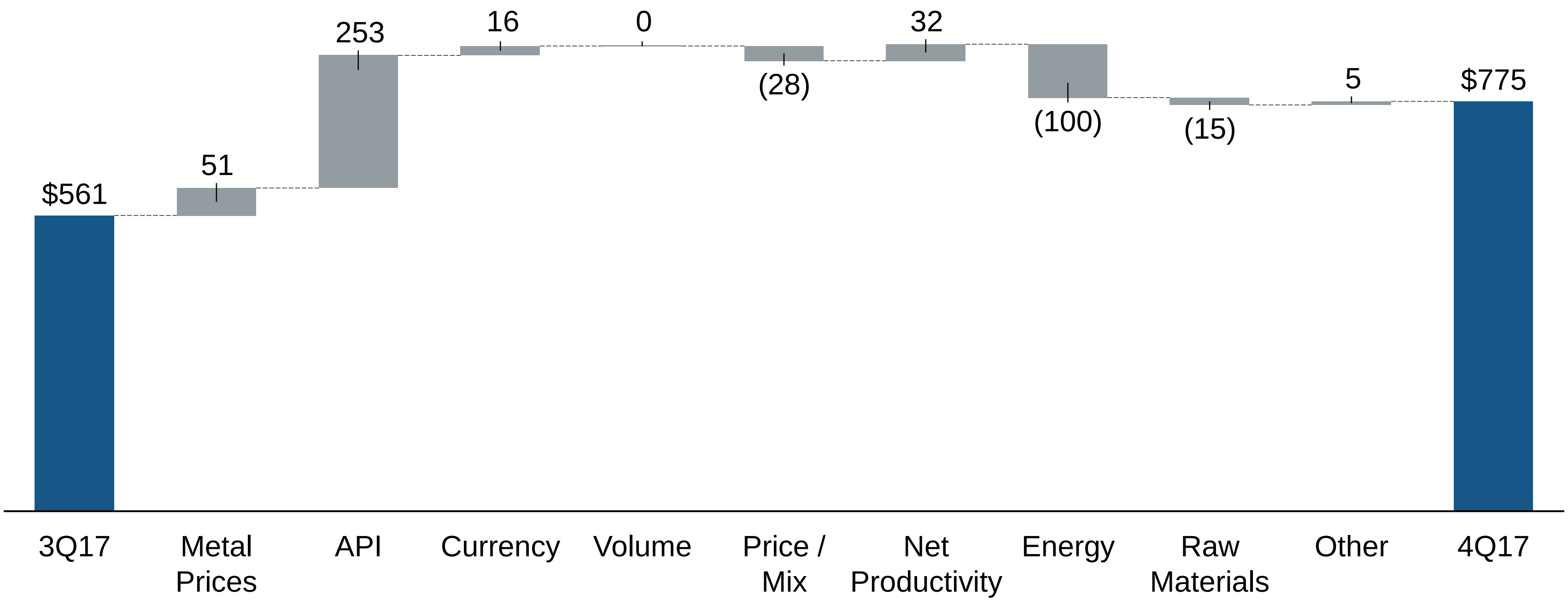
Quarterly income statement excluding special items

M, Except realized prices and per share amounts	4Q16	3Q17	4Q17	Prior Year Change	Sequential Change
Realized primary aluminum price ($/mt)	$1,906	$2,237	**$2,365**	$459	$128
Realized alumina price ($/mt)	$272	$314	**$406**	$134	$92
Revenue	$2,537	$2,964	**$3,174**	$637	$210
Cost of goods sold	$2,122	$2,327	**$2,320**	$198	$(7)
COGS % revenue	83.6%	78.5%	**73.1%**	(10.5)% pts.	(5.4)% pts.
SG&A and R&D expenses	$80	$76	**$79**	$(1)	$3
SG&A and R&D % revenue	3.2%	2.6%	**2.5%**	(0.7)% pts.	(0.1)% pts.
Adjusted EBITDA[1]	$335	$561	**$775**	$440	$214
Depreciation, depletion and amortization	$182	$194	**$187**	$5	$(7)
Other expenses / (income), net	$(1)	$16	**$10**	$11	$(6)
Interest expense	$38	$26	**$27**	$(11)	$1
Tax provision	$39	$128	**$204**	$165	$76
Operational tax rate	33.6%	39.2%	**37.1%**	3.5% pts.	(2.1)% pts.
Adjusted net income	$77	$197	**$347**	$270	$150
Less: Net income attributable to noncontrolling interest	$51	$62	**$152**	$101	$90
Adjusted net income attributable to Alcoa Corporation	$26	$135	**$195**	$169	$60
Adjusted diluted earnings per share	$0.14	$0.72	**$1.04**	$0.90	$0.32
Diluted shares outstanding	184.4	187.2	**188.0**	3.6	0.8

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

Adjusted EBITDA excluding special items up $214 million

Adjusted EBITDA excluding special items[1] sequential changes, $M



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

Alumina adjusted EBITDA rises, segments total up 46%

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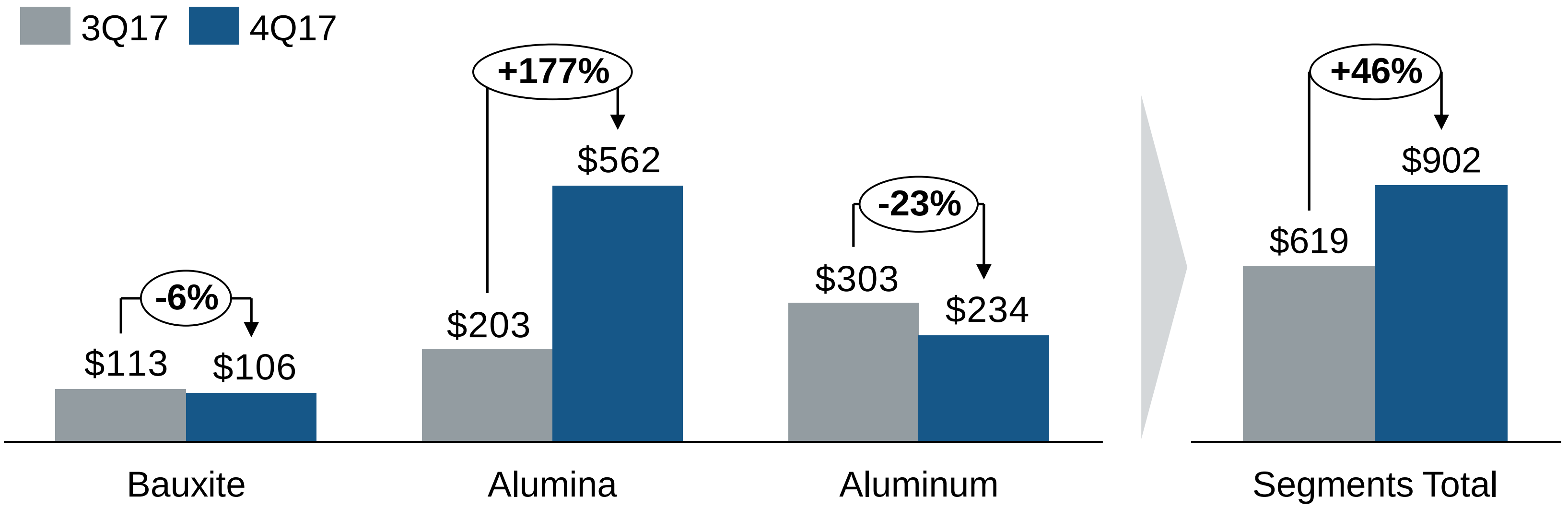
Quarterly segment adjusted EBITDA[1], $M



	Bauxite	Alumina	Aluminum	Segments Total
4Q17 Segment Adj. EBITDA Margin %	34.6%	37.0%	10.9%	22.7%
Change vs. 3Q17, Margin %	-0.2% pts	+18.7% pts	-3.5% pts	+5.2% pts

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

Non-segment costs higher due to LIFO & profit eliminations

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

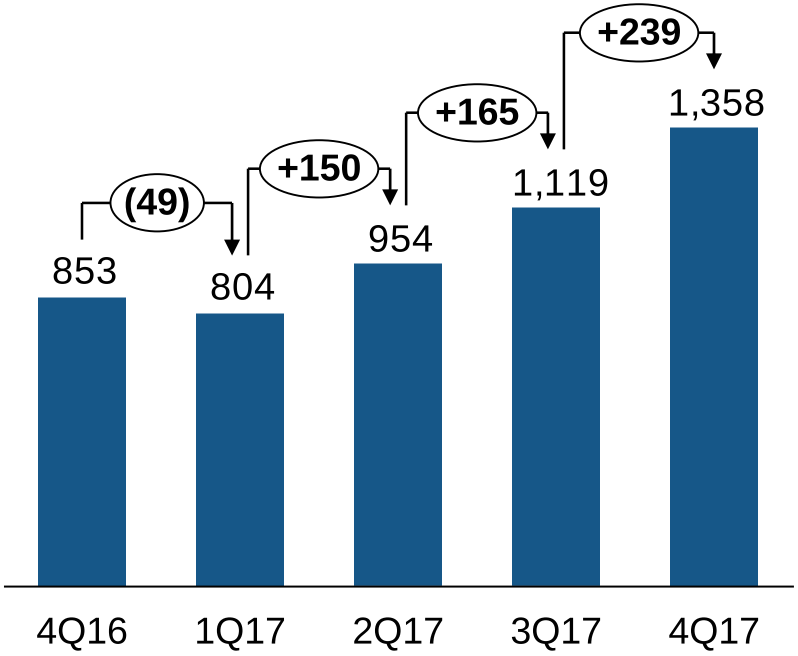
	3Q17	4Q17	Change
Segment total adjusted EBITDA	**$619**	**$902**	**$283**
Transformation & legacy pension/OPEB[2]	(25)	(4)	21
Impact of LIFO and metal price lag	(9)	(51)	(42)
Other corporate expenses[3]	(24)	(72)	(48)
Total adjusted EBITDA excl. special items	**561**	**775**	**214**
Add back: all pension/OPEB less service costs	24	23	(1)
Total adjusted EBITDAP excl. special items	**$585**	**$798**	**$213**

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 reaches $1.36 billion at year end

Quarterly cash comparison and cash flows, $M

Quarter ending cash balance



Free cash flow and change in cash

	1Q17	2Q17	3Q17	4Q17
Cash provided from operations	$74	$311	$384	$455
Capital expenditures	(71)	(88)	(96)	(150)
Free cash flow[1]	**$3**	**$223**	**$288**	**$305**

	1Q17	2Q17	3Q17	4Q17
Cash provided from operations	$74	$311	$384	$455
Cash used for financing	(260)	(78)	(115)	(53)
Cash provided from (used for) investing	131	(87)	(100)	(170)
Effect of exchange rate changes on cash	6	4	(4)	7
Net change in cash	**$(49)**	**$150**	**$165**	**$239**

1. See appendix for free cash flow reconciliation.

Strengthening balance sheet, further progress planned

Key financial metrics as of December 31, 2017

- Manage cash position
- Optimize working capital

Cash	4Q17 Days Working Capital
$1,358M	11 Days

- Maintain assets
- Invest in return-seeking projects

2017 Capital Expenditures[1]	2017 Return on Capital[2]
$405M	7.6%

- Manage leverage
- Focus on pension and OPEB

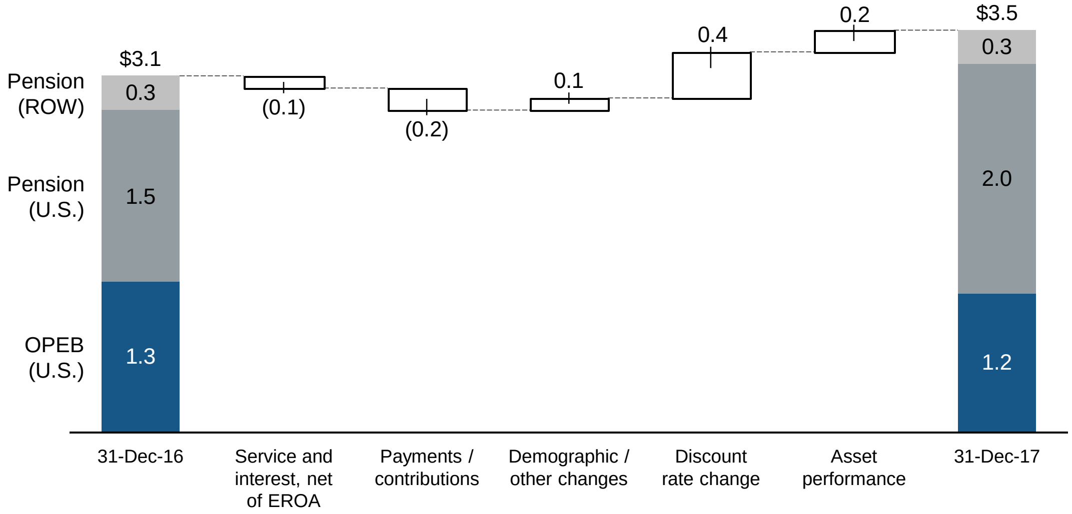
Net Debt-to-FY17 Adjusted EBITDA	Pension & OPEB Net Liability
0.02x	$3.5B

1. $118M in return-seeking capital expenditures and $287M in sustaining capital expenditures.
2. See appendix for ROC reconciliation and calculation.

Discount rate, asset performance increase net liability

Pension and OPEB net liability update

Pension & OPEB net liability change, $B



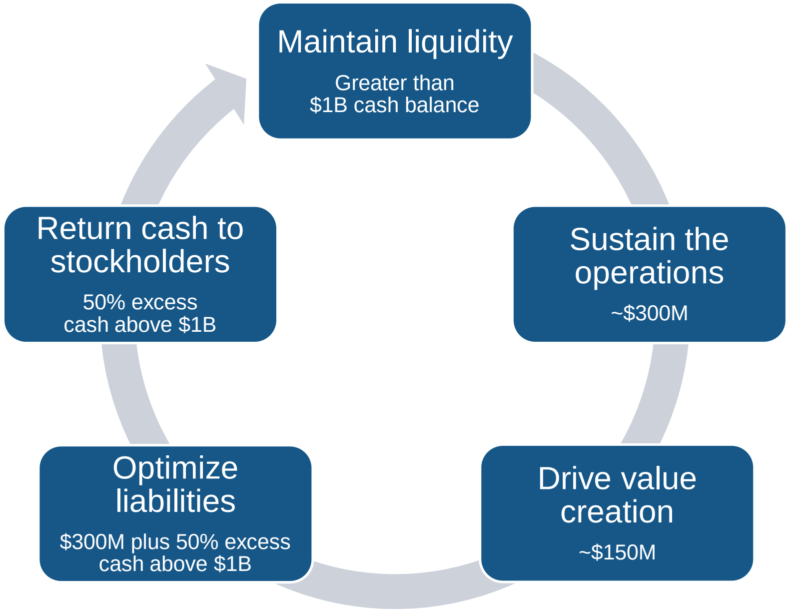
Actions and changes

- Implementing less complex, peer-like investment strategy
- U.S. and Canada salaried employee plan changes effective January 2021; expect $35 million net liability reduction
- Intend to fund a discretionary additional ~$300 million into pension plan assets in 2018
- Discretionary funding positions pension plans for phased annuitization to transfer risk and lower costs

Balanced capital allocation approach for 2018

Capital allocation strategy

2018 Framework



Disciplined approach for 2018

- Target holding $1 billion in cash on hand
- Maintain the assets by spending close to $300 million in sustaining capital expenditures
- Invest approximately $150 million in return-seeking capital projects
- Provide discretionary funding of approximately $300 million into pension plans in 2018
- Split excess cash above $1 billion balance, 50% to reduce leverage and 50% returns to stockholders

Return-seeking projects expected to drive future returns

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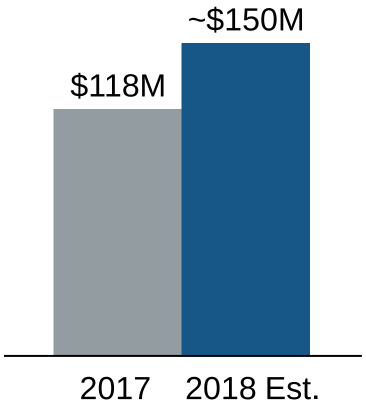
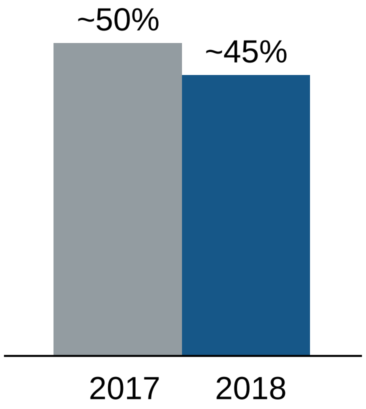
Return-seeking capital expenditures overview

Investment and return summary



Annual capital expenditures



Estimated IRR of each year's major projects[1]

Key project examples by segment

Bauxite
- Phased expansion of Juruti mine
- Western Australia export infrastructure

Alumina
- São Luís debottlenecking
- Pinjarra process flow improvement
- Wagerup production creep

Aluminum
- Fjardaal and Baie Comeau production creep
- Deschambault anode improvement

1. Estimates based on planning assumptions at time of approval.

2018 Outlook: FY18 adjusted EBITDA of $2.6B to $2.8B[1]

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FY18 Key metrics

Shipments

	FY17 Actual	FY18 Outlook
Bauxite (Mdmt)	47.7	47.5 – 48.5
Alumina (Mmt)	13.7	13.8 – 14.0
Aluminum (Mmt)	3.4	3.1 – 3.3

Cash flow impacts

	FY17 Actual	FY18 Outlook
Minimum required pension/OPEB funding	$222M	~ $450M
Discretionary additional pension funding	–	~ $300M
Return-seeking capital expenditures[2]	$118M	~ $150M
Sustaining capital expenditures[2]	$287M	~ $300M
DOJ / SEC (final payment January 2018)	$74M	$74M
Environmental and ARO payments[3]	$117M	$110M – $130M

Adjusted EBITDA excl. special items impacts

	FY17 Actual	FY18 Outlook
Adjusted EBITDA excl. special items	$2.35B	$2.6 – $2.8B[1]
Transformation & legacy pension/OPEB	$103M	~ $50M
LIFO and metal price lag	$65M	Varies
Other corporate expenses[4]	$160M	~ $150M

Other income statement excl. special items impacts

	FY17 Actual	FY18 Outlook
Non-operating pension/OPEB expense	–	~ $160M
Depreciation, depletion and amortization	$750M	~ $750M
Interest expense	$104M	~ $110M
Operational tax rate	36.4%	35 – 40%
Net income of noncontrolling interest	$365M	40% of AWAC NI

1. Based on unpriced sales at $2,200 LME and $390 API, and updated regional premiums and foreign currencies.
2. AWAC portion of FY18 Outlook: ~50% of return-seeking capital expenditures, and ~60% of sustaining capital expenditures.
3. Environmental payments made against remediation reserve balance of $294M (at December 31, 2017). Carrying value of AROs as of December 31, 2017 was $725M.
4. Excludes: 1) Transformation & legacy pension/OPEB, and 2) Impact of LIFO and metal price lag.

Roy Harvey

President and Chief Executive Officer

Aluminum deficit projected for 2018

Final 2017 and projected 2018 market balances

	Bauxite (3rd-party seaborne)	Alumina (smelter grade)	Aluminum (primary)
Final 2017 Global Balance	**Balanced**	**Balanced**	**Balanced**
2018 Outlook	**Balanced**	**Balanced**	**Deficit**
2018 Supply/Demand Balance, Mmt			
Global	**1 to 6; stockpile growth**	**-0.2 to 0.6; balanced**	**-0.7 to -0.3; deficit**
China	-70 to -65; deficit	-0.1 to 0.3; balanced	1.5 to 1.7; surplus
World ex-China	66 to 71; surplus	-0.1 to 0.3; balanced	-2.2 to -2.0; deficit
2018 Notes	Stockpile growth; Indonesia and Guinea supply growth	Balances assume Chinese alumina imports of 3 Mmt	Demand growth, 2018 vs. 2017 • Global = 4.25 to 5.25% • China = 5.75 to 6.25% • World ex-China = 3.25 to 3.75%

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

NDRC cuts executed; MEP cuts lower, but likely to repeat

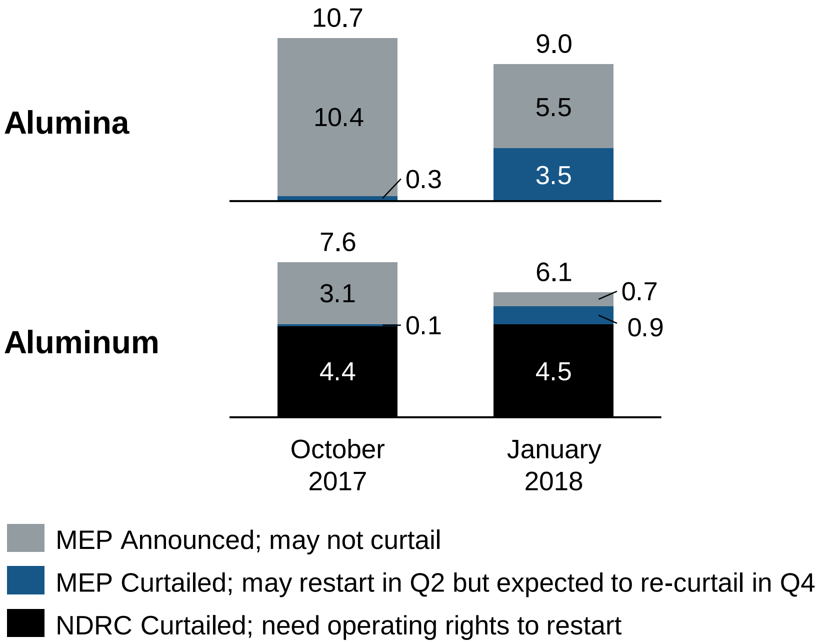
Chinese alumina and aluminum policy-driven curtailments

Relevant Chinese policy initiatives

Ministry of Environmental Protection (MEP)
- Winter heating season curtailment program applies to alumina and aluminum producers
- Some announced curtailments have not been fully realized
- Policy anticipated to repeat in 2018/2019

National Development and Reform Commission (NDRC)
- Program to curtail aluminum capacity operating without licenses
- Curtailments executed in 2017

Chinese policy-driven curtailments, Mmtpa

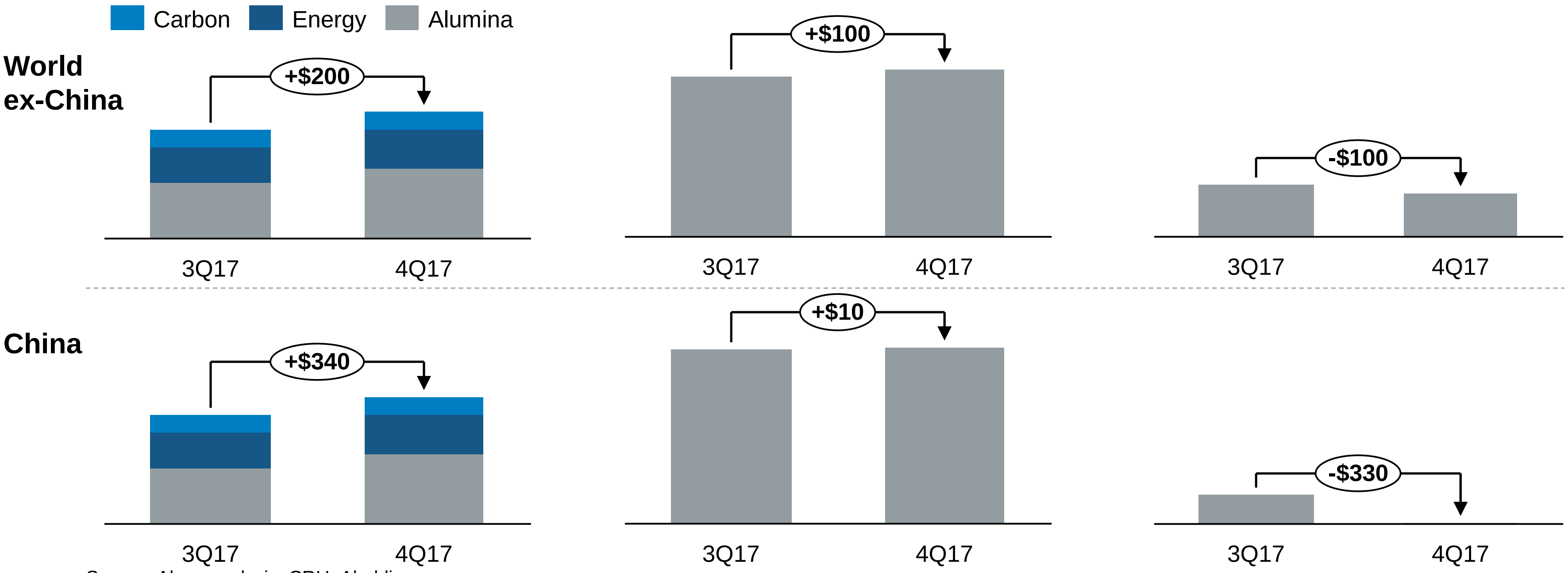


Source: Alcoa analysis.

Chinese smelting margins under pressure

Average aluminum costs, prices, and margins, $/mt

Costs increased more in China | **Prices increased more outside China[1]** | **Chinese margins shrinking; ~50% cash negative in Q4**



Source: Alcoa analysis, CRU, Aladdiny.

1. Prices are LME price + regional premiums (40% U.S., 40% European, 20% Japan) and SHFE prices.

Good progress in 2017; prepared for 2018 and beyond

Progress on strategic priorities

Reduce Complexity

- Streamlined organizational structure and reduced administrative locations
- Addressed multiple legacy issues, including Rockdale power contract, which will have continued year-over-year benefit for the first nine months of 2018
- Warrick smelter restart progressing; restart plan on track to be completed in 2Q18

Drive Returns

- $775 million of adjusted EBITDA excl. special items[1] in 4Q17
- FY17 adj. EBITDA excl. special items[1] of $2.35 billion; FY18 outlook of $2.6 to $2.8B[2]
- 2017 ROC of 7.6%, up six percentage points vs. 2016; pipeline of return-seeking capital projects expected to drive returns in 2018 and beyond

Strengthen Balance Sheet

- $1.36 billion cash balance and net debt of $54 million as of December 31
- Improved Days Working Capital: 11 days in 4Q17 v. 14 days in 4Q16
- Funding a discretionary additional ~$300 million to pension plans in 2018
- Taking actions to address long-term pension and OPEB liabilities

1. See appendix for adjusted EBITDA excluding special items reconciliation.
2. Based on unpriced sales at $2,200 LME and $390 API, and updated regional premiums and foreign currencies.

Questions?

Alcoa Corporation

Appendix

FY17 Income statement information

Annual income statement

M, Except realized prices and per share amounts	**Reported**	**Special items**	**Adjusted excl. special items**
Realized primary aluminum price ($/mt)	$2,224		$2,224
Realized alumina price ($/mt)	$340		$340
Revenue	$11,652		$11,652
Cost of goods sold	$9,072	$(86)	$8,986
COGS % revenue	77.9%		77.1%
SG&A and R&D expenses	$316	$(2)	$314
SG&A and R&D % revenue	2.7%		2.7%
Adjusted EBITDA	$2,264	$88	$2,352
Depreciation, depletion and amortization	$750		$750
Other expenses / (income), net	$(58)	$97	$39
Interest expense	$104		$104
Restructuring and other charges	$309	$(309)	-
Tax provision	$600	$(69)	$531
Tax rate	51.8%		36.4%
Net income	$559	$369	$928
Less: Net income attributable to noncontrolling interest	$342	$23	$365
Net income attributable to Alcoa Corporation	$217	$346	$563
Diluted earnings per share	$1.16		$3.01
Diluted shares outstanding	187.0		187.0

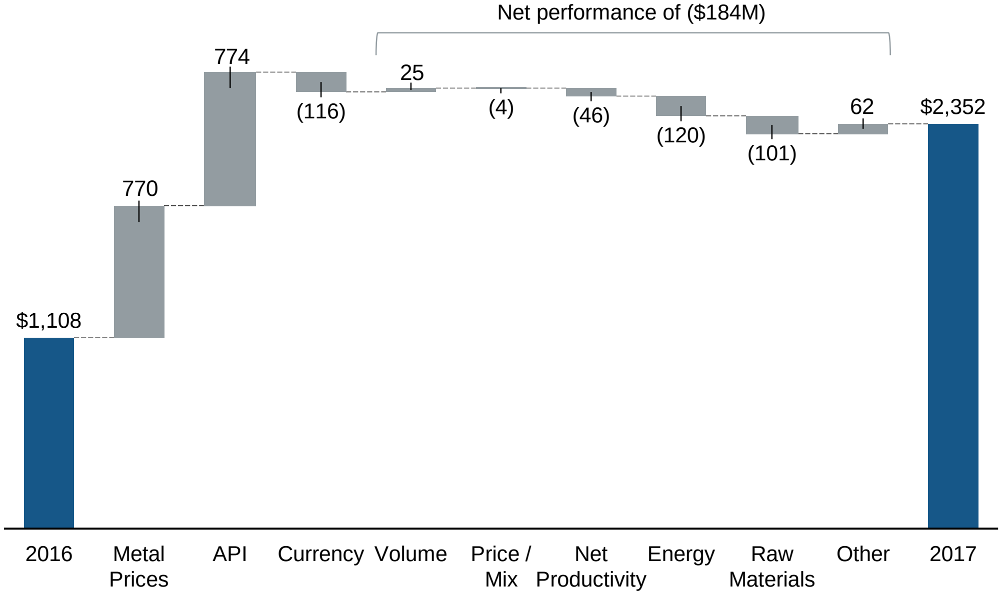
FY17 Financial information

FY17 highlights and annual change impacts

Full year financial highlights

	FY17	vs. FY16
Realized primary aluminum price ($/mt)	$2,224	+$362
Realized alumina price ($/mt)	$340	+$87
Revenue, $M	$11,652	+$2,334
Adjusted EBITDA excl. special items[1], $M	$2,352	+$1,244
Net income attributable to Alcoa, $M	$217	+$617
Adjusted net income attributable to Alcoa, $M	$563	+$790
Adjusted EPS, $ per share	$3.01	+$4.25

Adjusted EBITDA excl. special items[1] bridge, $M



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

4Q17 Financial summary

Alcoa

Three months ending December 31, 2017, excluding special items

$M	Bauxite	Alumina	Aluminum[3,4]	Transformation & Legacy Pension / OPEB Costs	Impact from LIFO & Metal Price Lag	Other Corporate	Alcoa Corporation Total
Total revenue[1]	$306	$1,517	$2,148	$15	-	$(812)	$3,174
Third-party revenue	$79	$937	$2,143	$15	-	-	$3,174
Adjusted EBITDA	$106	$562	$234	$(4)	$(51)	$(72)	$775
Adjusted EBITDA margin %	*34.6%*	*37.0%*	*10.9%*	-	-	-	*24.4%*
Depreciation, depletion and amortization	$21	$52	$104	$1	-	$9	$187
Other expenses / (income), net[2]	-	$(5)	$8	-	-	$7	$10
Interest expense							$27
Provision for income taxes							$204
Adjusted net income							$347
Net income attributable to noncontrolling interest							$152
Adjusted net income attributable to Alcoa Corp.							$195

1. Intersegment eliminations included in Other Corporate.
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 0.13 Mmt, $362M and $6M, respectively.
4. Third party energy sales volume, revenue and adjusted EBITDA in Brazil were 1,196 GWh, $73M and $(3M), respectively.

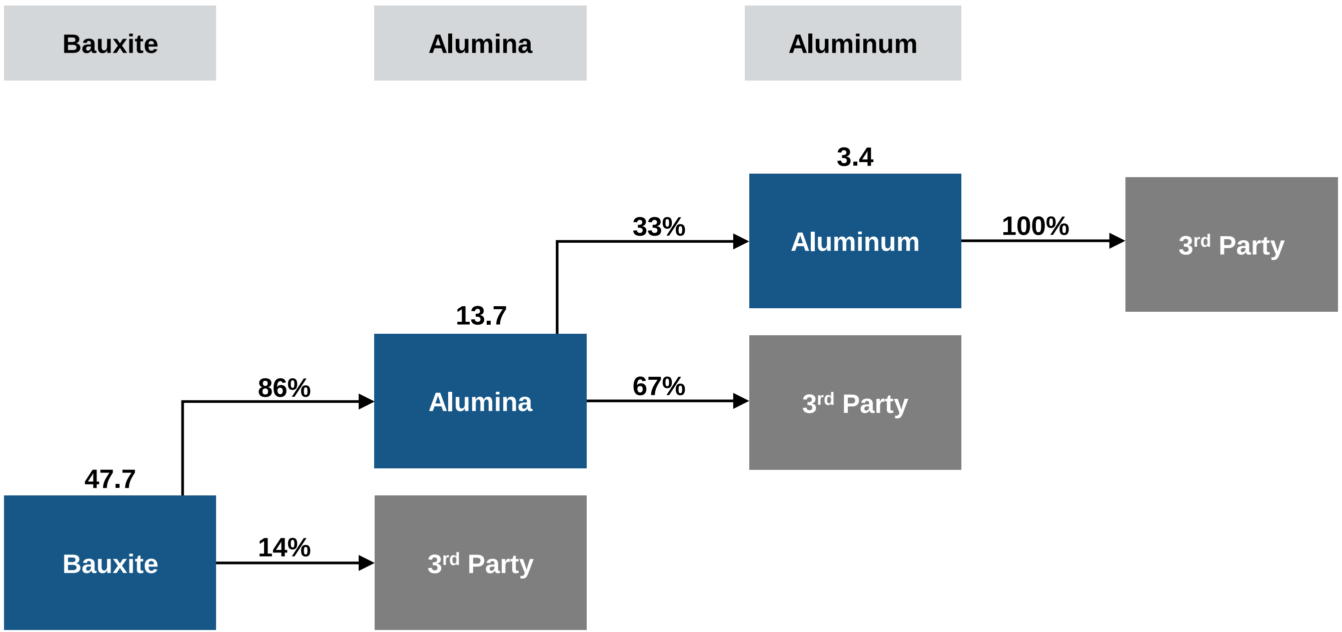
4Q17 Adjusted EBITDA drivers by segment

Sequential Adjusted EBITDA change impacts by segment vs. 3Q17, $M

Segment	Adj. EBITDA 3Q17	Metal Prices	API	Currency	Volume	Price/Mix	Net Product-ivity	Energy	Raw Materials	Other	Adj. EBITDA 4Q17
Bauxite	**$113**	-	-	6	3	(2)	(6)	(1)	-	(7)	**$106**
Alumina	**$203**	5	358	9	1	(23)	15	(2)	(4)	-	**$562**
Aluminum	**$303**	48	(35)	1	(1)	(3)	23	(97)	(11)	6	**$234**
Segment Total	**$619**	**53**	**323**	**16**	**3**	**(28)**	**32**	**(100)**	**(15)**	**(1)**	**$902**

Aluminum value chain

2017 Alcoa product shipments by segment, Mmt

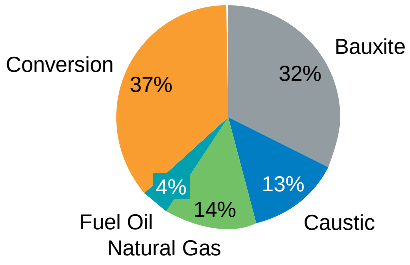


Composition of alumina and aluminum production costs

Alcoa

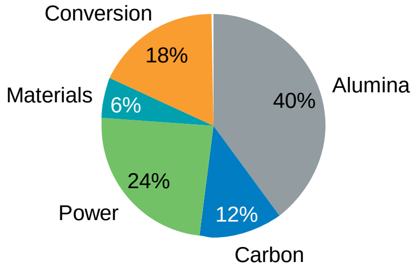
Alcoa 4Q17 production cash costs

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	5 - 6 Months	Quarterly	$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.

2018 Business sensitivities

Estimated annual EBITDA sensitivities

$M 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		119				(16)	6		(1)		
Aluminum	203	(39)	106	102	24	(1)	(3)	3	(4)	6	3
Alcoa Corp.	203	80	106	102	24	(20)	7	3	(5)	6	3

Pricing conventions

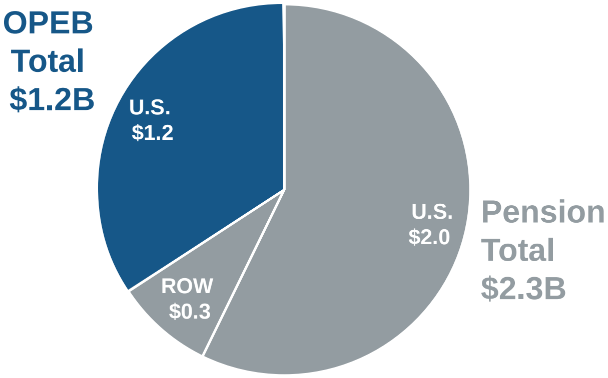
Segment	3rd-Party Revenue
Bauxite	• Negotiated prices
Alumina	• ~95% of third-party smelter-grade alumina priced on API/Spot • API pricing follows 30-day lag
Aluminum	• LME + Regional Premium + Product Premium • Primary aluminum 15-day lag; flat rolled aluminum 30-day lag • Brazilian hydroelectric sales at market prices

Primary aluminum % of 2018 shipments	Regional premiums
~45%	Midwest
~45%	Rotterdam Duty Paid
~10%	CIF Japan

Pension and OPEB summary

Pension and OPEB net liability and financial impacts

Pension & OPEB net liability, $3.5B



Pension funding status as of December 31, 2017

- U.S. ERISA **~83%**
- GAAP Worldwide **~70%**

U.S. pension contributions currently not tax deductible

Financial impacts, $M

Expense impact	2017	2018
Segment pension	$89M	~80%
Segment OPEB	$23M	~5%
Legacy operations	$36M	N/A
Corporate	$13M	~15%
Total adj. EBITDA impact	**$161M**	**~$80M**
Non-operating[1]	N/A	~$160M
Total expense impact[2]	**$161M**	**~$240M**

Cash flow impact	2017	2018
Minimum required pension funding	$106M	~40%
Discretionary pension funding	-	~40%
OPEB payments	$116M	~20%
Total cash impact	**$222M**	**~$750M**

1. Non-operating costs in 2017 are included in adj. EBITDA impact.
2. 2017 Total expense impact excludes $8 million in settlements and special termination benefits.

Investments summary

Investee	Country	Nature of Investment[4]	Ownership Interest	Carrying Value as of December 31, 2017	P&L Location of Equity Earnings
Ma'aden Aluminum 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	Aluminum rolling mill	25.1%		
Subtotal Ma'aden				***$887M***	***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				***$523M***	***COGS***
Total investments				**$1,410M**	

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.

Capacity closed, sold and curtailed

Smelting and Refining capacity information as of December 31, 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[1]	2014	150
Mt. Holly (sale)	2014	115
Poços de Caldas	2015	96
Rockdale	2017	191
Total		**1,615**

Curtailed

Facility	Year	kmt
Intalco	2007	49
Portland	2008	30
Avilés	2012	32
La Coruńa	2012	24
São Luís	2013	97
São Luís	2014	97
São Luís	2015	74
Wenatchee	2015	184
Warrick[2]	2016	269
Total		**856**

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 December 21, 2017, announced an agreement to divest the Portovesme primary aluminum smelter to Invitalia.
2. 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	**4Q16**	**3Q17**	**4Q17**	**FY17**	**P&L classification**
Special items	$151	$22	$391	$346	
Warrick restart costs	-	17	29	46	Cost of goods sold
Portland restart power exposure	-	3	-	9	Cost of goods sold
Rockdale inventory writedown	-	-	6	6	Cost of goods sold
Becancour labor negotiation costs	-	-	3	3	Cost of goods sold
Brazil tax settlements	-	7	-	7	Cost of goods sold / selling, general administrative and other
Separation-related costs	27	-	-	-	Selling, general administrative and other / interest expense
Mark-to-market energy contracts	8	7	2	19	Other expenses / (income), net
Gain on asset sales	-	-	(2)	(122)	Other expenses / (income), net
Restructuring-related items	123	(14)	290	296	Restructuring and other charges
Income tax items	(7)	2	63	82	Tax provision

Adjusted EBITDA reconciliation

$M	4Q16	FY16	3Q17	4Q17	FY17
Net income (loss) attributable to Alcoa Corporation	**$(125)**	**$(400)**	**$113**	**$(196)**	**$217**
Add:					
Net income (loss) attributable to noncontrolling interest	(4)	54	56	140	342
Provision for income taxes	6	184	119	272	600
Other expenses / (income), net	1	(89)	27	9	(58)
Interest expense	46	243	26	27	104
Restructuring and other charges	209	318	(10)	297	309
Depreciation, depletion and amortization	182	718	194	187	750
Adjusted EBITDA	315	1,028	525	736	2,264
Special items before tax and noncontrolling interest	20	80	36	39	88
Adjusted EBITDA excl. special items	**$335**	**$1,108**	**$561**	**$775**	**$2,352**

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	**4Q16**	**FY16**	**1Q17**	**2Q17**	**3Q17**	**4Q17**	**FY17**
Cash from operations	$239	$(311)	$74	$311	$384	$455	$1,224
Capital expenditures	(146)	(404)	(71)	(88)	(96)	(150)	(405)
Free cash flow	$93	$(715)	$3	$223	$288	$305	$819

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	**4Q16**	**4Q17**
Short-term borrowings	$1	$8
Long-term debt due within one year	21	16
Long-term debt, less amount due within one year	1,424	1,388
Total debt	1,446	1,412
Less: Cash and cash equivalents	853	1,358
Net debt	$593	$54

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	**4Q16**	**1Q17**	**2Q17**	**3Q17**	**4Q17**
Receivables from customers	$668	$708	$789	$840	$811
Add: Inventories	1,160	1,294	1,287	1,323	1,453
Less: Accounts payable, trade	1,455	1,434	1,508	1,618	1,898
DWC Working Capital	$373	$568	$568	$545	$366
Revenue	$2,537	$2,655	$2,859	$2,964	$3,174
Number of Days in the Quarter	92	90	91	92	92
Days Working Capital[1]	14	19	18	17	11

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

2016 and 2017 Return on Capital (ROC)

Reconciliation and calculation information

$M	2016	2017
Numerator:		
Net income (loss) attributable to Alcoa Corporation	(400)	217
Add: Net income attributable to non-controlling interest	54	342
Add: Provision for income taxes	184	600
Profit before taxes (PBT)	**(162)**	**1,159**
Add: Interest expense	243	104
Less: Interest income	6	13
Add: Special items[1]	245	300
ROC earnings before taxes	**320**	**1,550**
ROC earnings after fixed tax rate of 35%	**208**	**1,008**
Denominator[2]:		
Total assets	16,390	17,177
Less: Cash, cash equivalents, restricted cash and short-term investments	450	1,071
Less: Current liabilities	2,338	2,812
Add: Long-term debt in current year and short-term borrowings	21	23
Average capital base[2]	**13,623**	**13,317**
ROC	**1.5%**	**7.6%**

$$\textbf{ROC \% =} \frac{\text{(PBT + net interest}^3\text{ + special items) x (1 – fixed tax rate}^4\text{)}}{\text{(Assets – cash – current liabilities + short term debt)}} \text{ X 100}$$

$$\textbf{2016 ROC \% =} \frac{(-\$162 + \$237 + \$245) \times (1 - 0.35)}{(\$16{,}390 - \$450 - \$2{,}338 + \$21)} \text{ X 100 } = 1.5\%$$

$$\textbf{2017 ROC \% =} \frac{(\$1{,}159 + \$91 + \$300) \times (1 - 0.35)}{(\$17{,}177 - \$1{,}071 - \$2{,}812 + \$23)} \text{ X 100 } = 7.6\%$$

1. Special items are before taxes and non-controlling interest.
2. 2016 and 2017 denominator items calculated using the quarterly ending balances.
3. Interest expense less interest income.
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 excl. special items and non-service pension/OPEB expenses
EPS	Earnings per share
ERISA	Employee Retirement Income Security Act of 1974
EROA	Expected return on assets
EUR	Euro
excl.	Excluding
FY##	Twelve months ending December 31

Abbreviation	Description
GAAP	Accounting principles generally accepted in the United States of America
IRR	Internal rate of return
ISK	Icelandic Krona
kmt	Thousand metric tons
LIFO	Last in first out method of inventory accounting
LME	London Metal Exchange
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
P&L	Profit and loss
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
SHFE	Shanghai Futures Exchange
U.S.	United States of America
USD	United States dollar
WA	Western Australia

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