

● **Extrusions**
Alcoa launches Linha Extrema, a line of frame systems with bonded glass ● Page 12

● **Networking**
Event brings Company closer to its main Primary Products clients ● Page 5

● **Friends of Alcoa**
Program encourages Alcoans to refer professionals for specific job openings ● Page 9



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ALCOA LATIN AMERICA AND THE CARIBBEAN MONTHLY NEWSLETTER- NUMBER 96 - MAY, 2010

● **Alcoa's anniversary in Brazil**

45 years of challenges, achievements, success and expansion throughout Brazil and Latin America

A plant built in 1965 in Poços de Caldas, State of Minas Gerais, was the beginning of the operations of Alcoa Latin America and the Caribbean in Brazil. Nowadays, the company has business operations in nine Brazilian states, as well as in Surinam, Jamaica, and Trinidad & Tobago, and employs more than seven thousand people

● Page 3



● Initial construction work, concluded in 1970



● Poços de Caldas today

● **History**

Instituto Alcoa celebrates its 20th anniversary

Since 1990, the Instituto has been achieving its goal of improving the quality of life of people who live in the communities where Alcoa has its business operations

● Page 3



OUR PEOPLE

● Editorial

A Time for celebration



FRANKLIN L. FEDER

CEO - Alcoa Latin America and the Caribbean

The year two thousand and ten has two important dates for the Company: the 45th anniversary of Alcoa and the 20th anniversary of Instituto Alcoa. It is a source of great pride for all of us to be able to look back and see the unraveling of two amazing stories of success and dedication.

In 1965, when we were still known as Alcominas, there were only two aluminum plants in the same unit (referred to as "from the mine to metal"): Alcoa's plant in Paranãm (Suriname) and Alcan's plant in Ouro Preto (State of Minas Gerais). The plans to build the Aluminum Plant in Poços de Caldas materialized. During the construction of the plant, Americans came to Brazil to help the recently hired engineers work on the construction. Tom Sheffield, the construction manager, and the resources team went to universities to look for skilled professionals. They were the first Alcoans to arrive here. They went through many things together, such as the strike in 1979, new production processes, and volunteer work, among others. These stories should undoubtedly be told by those people, like Suzana Sheffield, who took part in this journey. Suzana witnessed one of the most admirable and successful achievements of our Company: namely, the creation of Instituto Alcoa.

Suzana is the vice-president of Instituto Alcoa

and was here to help reap the first results of that project, whose objective was to improve the quality of life of the communities where Alcoa runs its business operations. Nowadays, the goal of Instituto Alcoa remains the same; it encourages the leaders, who are always involved, to support the institute's actions constantly and increasingly. Even though we know that there is still much to be done, it is with a great feeling of joy that we see that more than 70% of our employees participate in Programs such as BRAVO!, BRAVO!Brasil, and ACTION. Instituto Alcoa has driven the volunteer work which is part of our Company's DNA.

In this number of our monthly newsletter, we celebrate not only the referred dates but also important events such as the creation of the RD&I-Research, Development and Innovation area, which will put into practice innovative ways of problem solving and will capture sustainable growth opportunities in Latin America. In addition to the creation of this new area, another outstanding achievement was the Best Practices certification obtained by Primary Products and attested to by the Global Council; the new line of Extrema Products, a training program under Alcoa Learn which focused on Sustainability concepts and the advent of the Programa Amigos da Alcoa, which seeks to engage Alcoans in our talent attraction strategy.

Enjoy your reading!

"It is a source of great pride for all of us to be able to look back and see the unraveling of two amazing stories of success and dedication: Alcoa and the Instituto Alcoa"



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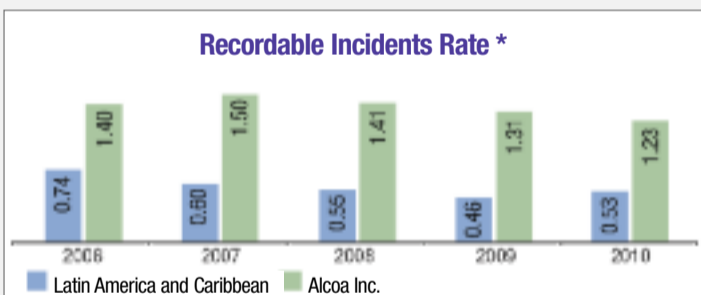
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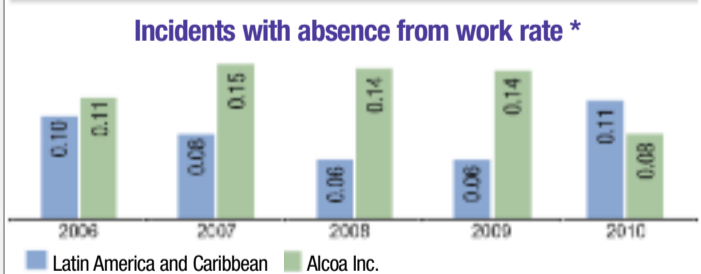
Your opinion is very important for us. Should you have any question, suggestion or comment, please write to genteacao@alcoa.com.br

Safety Performance

Incident Frequency Rate to April



* Number of recordable incidents at every 200 thousand hours of work (approximately 100 employees working during one year)



* Number of incidents resulting in 1 or more days of absence from work at every 200 thousand hours of work (approximately 100 employees working during one year)

Testimonial

Manhahen L. Oliveira
Job Position: Mining
Superintendent
Unit: Juruti
Time with Alcoa: 6 years



"I am very proud to work for a company which engages in serious actions, is globally recognized as a leader of Sustainability, and whose competitiveness is based on ethical behavior. At this Company, we have open access to the top management whenever necessary. In addition, all Alcoans are united in the quest for everybody's well-being. Alcoa has many qualities, but I would like to highlight the encouragement for all Alcoans to engage in social actions and the coherence of the actions with the Company's Values."

People that make History

Tribute to colleagues who have contributed to Alcoa's development



**GRACILIANO MENDES
MARQUES
ALUMAR**



**EZEQUIEL PEDRO
ALVES
ITAPISSUMA**



**PAULO GONZALEZ
FILHO
POÇOS DE CALDAS**

HISTORY

Celebration

Alcoa celebrates its 45th anniversary and recognizes people

On May 14, 1965, in the city of Poços de Caldas, in the southern part of the State of Minas Gerais, Alcoa invested part of the initial capital of 100 million reais to found what would become one of the foremost Latin American industrial companies. That date was the birth of Companhia Mineira de Alumínio/Alcominas. Forty five years have gone by since the founding, and all these years witnessed moments of challenges, achievements, joy, success and expansion throughout Brazil and Latin America. People have always played a major role in all of these moments. One of these people is Raimundo Carlos Ferreira da Cunha, Production controller, who recalls the Company's credibility right from the start. "When you told people 'I got a job at Alcominas', it was considered an honor. You had fabulous prestige; you were someone. You would walk up to a store and the guy would ask you: 'Where do you work?'. 'I work for Alcominas!'. 'Wow, let's give him a credit line!'", he recalls.

Many things changed as time went by: labor qualification, production processes, energy generation, volunteer work, financial and administrative services and the infra structure as a whole. Financial consultant Ricardo Afonso Junqueira witnessed this growth. "Everything expanded and diversified into many groups. But a central point was needed, that would unite these different teams. There was a lot of good will, but fights broke out, nonetheless. We had to have an intermediary to pacify all the quarreling. This

person was Tom Sheffield, the most extraordinary person I have ever met in my life." Tom Sheffield (1934 - 2003) was a civil engineer appointed to manage the construction work in Poços de Caldas and the Human Resources Team during the conclusion of the first plant built by the former Alcominas. At that time, many other Americans, in addition to Tom, had come to Brazil to help the newly-hired engineers work on the construction.

That first plant in Poços de Caldas went on to become the current Alcoa Latin America and the Caribbean, with business operations in nine Brazilian states, in Suriname, Jamaica and Trinidad & Tobago. And there is nobody better than Tiniti Matsumoto, who has worked for Alcoa for over 40 years and is currently the Development Manager at the Juruti bauxite mine, to define what it means to be an Alcoa employee. "In all these years, I don't recall ever having been asked to do something that was against my values. I apply many of the things I learned here – the principles, how to face difficulties – to my personal life and teach them to my children and to my acquaintances. So this is what an Alcoa is: a happy, forward-looking person who never gives up," he explains.



- 1 1st aluminum produced at the plant
- 2 Concrete pouring of the first foundations
- 3 Tiniti holding the first piece of aluminum produced at the plant
- 4 1976: Tom Sheffield (in the middle) with Ricardo Junqueira (on the left) and Don Williams at the construction site's earthmoving work



Alcoa today

Alcoa employs more than seven thousand people in Latin America and the Caribbean and has business operations in nine Brazilian states, as follows: Pernambuco, Minas Gerais, Maranhão, Pará, Goiás, Tocantins, Rio Grande do Sul, São Paulo and Santa Catarina – and a new bauxite mine in Juruti, State of Pará. The Company also has business operations in Jamaica, Suriname, and Trinidad & Tobago. In addition to the Barra Grande and Machadinho hydroelectric power plants located in the south of Brazil, Alcoa participates in the consortiums that are building the hydroelectric power plants in Estreito, on the border of the states of Tocantins and Maranhão; and in Serra do Facão, between the states of Goiás and Minas Gerais. More information on Alcoa can be obtained at www.alcoa.com.br.

Instituto Alcoa

Twenty years of recognition and pride

Instituto Alcoa was created on April 26, 1990, with the objective of improving the quality of life of the communities where Alcoa has business operations. At the time, very few companies had a foundation or an institute of this kind and Alcoa was a pioneer in this respect. The Instituto was endowed with funds that were added to funds provided by the Alcoa Foundation. This allowed the Instituto to strengthen its ties with the communities to successfully implement community projects.



● Community action held in 2002 at the Asilo Madre Teodora, in São Paulo

In 2010, as we celebrate our 20th anniversary, our feeling is one of contentment and satisfaction, says Suzana Sheffield, vice-president of the Instituto Alcoa. "When we look at our history, the results, the growth, the improvements and the gradual and on-going

growth of the corporate volunteer spirit, we perceive that the benefits could only have had an impact thanks to a long period of community involvement," she says. "Our work has been acknowledged internally and externally and representatives from other companies constantly contact us to

learn from us," she adds.

According to the vice-president, the support of the Company's leaders has been crucial to the success of community relations. "Our leaders are constantly providing us with their support and we owe our achievements to this support," she states.

Events highlight the celebrations

The 20th anniversary celebrations were highlighted by the VI Encontro Biannual de Relações Comunitárias (6th Biannual Community Relations Meeting) held on April 26. The objective of this meeting was to share experiences. The meeting was followed by a celebration dinner attended by approximately 40 guests. The Strategic Planning Meeting was held on April 27, for the three-year period running from 2010 -2012. The meeting was attended by Franklin L. Feder, CEO of Alcoa Latin America and the Caribbean; Suzana Sheffield, vice-president of Instituto Alcoa; the members of the Board and of the Executive Board of Instituto Alcoa and the Community Relations Leader Team.



● Strategic Planning Meeting

Outstanding Events:

→ 1990

Creation of Instituto Alcoa and of the Community Relations Policy

→ 1999

Creation of Community Panel (Itapissuma)

→ 2001

Creation of first Regional Community Relations Board (Itajubá)

→ 2002

Creation of the BRAVO! and ACTION programs

→ 2003

Creation of Gincana Social (which was renamed Worldwide Community

Services Week in 2004 and Worldwide Community Services Month in 2006)

→ 2004

Creation of the BRAVO! Brasil program

→ 2007

Creation of the Rede do Bem Alcoa (Network of Good)

● VISITS AND EVENTS

5

Global Procurement Team for B2B visits GBS



O Time Global de Compras para B2B (*Business to Business*), Donna Koenig (EUA), Christine Korber (EUA) e Jay Holton (AUS), visitou o GBS. A intenção foi iniciar os trabalhos de aderência dos requisitos da região ao projeto global e desenvolver planos (*Business Case e Project Plan*) para aprovação da Equipe Líder GBS. O projeto B2B visa a automatizar a forma de envio de pedidos e recebimentos de faturas dos fornecedores, eliminando a intervenção manual neste processo.

5

"Correios" representatives visit GBS to learn about HR models



Representatives from Correios, the Brazilian Post Office system, visited the Company to become acquainted with Alcoa's Human Resources model and that of the Services Center. Correios plans to centralize various Human Resource activities on a national level. The guests were welcomed by: Marcelo Freire, manager of GBS RH, and business unit leaders Marcos Souza, Adriane Crivelari, Luis Lapa and Témis Filogônio.



4

Top executives from Rio Tinto Alcan visit Alumar

The top global executives from mining company Rio Tinto Alcan visited the Alumar Plant for the first time to become acquainted with the Refinery's production process after the Refinery's Expansion. Steve Hodgson, CEO-Chief Executive Officer; John Catford, CFO-Chief Financial Officer; Pat Fiore, COO-Chief Operating Officer; and Ronaldo Ramos, president of Rio Tinto Alcan Brasil, visited the facility located in São Luís.



5

ABQV praises the organization of the Viva Vida program



Representatives from ABQV-Associação Brasileira de Qualidade de Vida (Brazilian Quality of Life Association) and professionals from ten companies came to Poços de Caldas to become acquainted with the Viva Vida Program. "The visitors were enchanted not only by the welcome granted by the company but also by the wealth of information – comprising the challenges, difficulties and indicators - the company provided. The visitors were able to see how the program functions in theory and in practice," said Cecília Shibuya, vice-president of ABQV' Events and Institutional Relations.



1 2 3

Meetings strengthen the ties in the USA and Mexico



Rogério Carrilo (on the right in the photo) and Peter Smith (on the left), sales associates of Primary Products, visited the major clients catered to by Alcoa Latin America and the Caribbean in the United States and Mexico. Rogério and Peter visited the Hayes Lemmerz (Detroit, USA), Grace (Lake Charles, USA) and Ronal (Queretaro, Mexico) companies to talk about issues related to client services, quality and logistics, and potential new sales opportunities. In the photograph, Fabián Bustamante, (in the middle) from Ronal.

5

Event discusses the reality of the visually impaired



GBS organized an inclusive chat on Guidance and Mobility with occupational therapist Iaga Vêssela Fernandes, from the AADV-Associação de Assistência ao Deficiente Visual de Poços de Caldas (Association for Assistance to the Visually Impaired).

During the event, promoted by the PCD's Inclusion Project "Ser Diferente é MAIS!", the participants became acquainted with several practices and techniques that facilitate the guidance of and communication with the visually impaired.

In addition, participants were blindfolded and given walking sticks to experience the reality of the visually impaired. The team included Cristiano Andrade, the newly hired employee of GBS RH, and Danielle Bargas, from GBS Procurement, who narrated their experiences.

● PARTNERSHIPS

● Clients of Primary Products

Event brings together the leading clients of the Primary Products Division

The breakfast event held at São Paulo's Hotel Grand Hyatt was attended by the leading clients of Alcoa's three business operations from the Primary Products division (Metal, Chemicals and Aluminum Powder). The objective was to strengthen the ties between Alcoa and partnering companies.

The panel held after breakfast, chaired by Otávio Carvalheira, director of Market Growth and Strategy, focused on the following topics: "The Company's First Quarter Results and Market Forecast in 2010," presented by Aquilino Paolucci, financial director. Adjarma Azevedo, president of ABAL-Associação Brasileira

de Alumínio (Brazilian Aluminum Association) and former president of Alcoa, talked about the "Perspectives of the Aluminum Market;" Agnaldo Britto, a journalist from *Folha de São Paulo* newspaper, spoke on "The Brazilian Infra Structure and the Aluminum Market."

"It was a pleasure to take part in this event. I enjoyed the presentations, which focused on issues that are very important for our planning," said Robert Max Mangels, president of Mangels, a company that manufactures steel and aluminum products.



● Aquilino Paolucci, financial director, talks about first quarter results and growth projections

● Brazil Can't Wait

Brazil can't wait! Growth Opportunities

The R\$ 1.6 trillion investment allocated for PAC 2 makes Brazil an even more attractive market for Alcoa. The market potential for aluminum applications in transportation, logistics, energy and civil construction can come to US\$ 4.4 billion. To promote Brazil, the Strategic Planning and Growth Areas created the "Brazil Can't Wait" initiative and presented the growth opportunities to Matthias Obermayer and Martin Bates, respectively vice-president and director of APO-Alcoa Program Office, via a video conference with New York.

"The solid macroeconomic foundations and Brazil's position as one of the world's foremost producers of bauxite, alumina and aluminum, reinforce the pillars of growth," explains João Bosco, from Strategic Planning. "In addition to receiving investments of US\$ 12 billion from Alcoa's current and potential clients, Brazil is going to host the upcoming World Soccer Cup and the Olympics," says Otavio Carvalheira, director of Growth.



● Team responsible for the Brazil Can't Wait initiative

● Products

Rede Alumínio & Cia. Will have 50 stores by 2011

This year will certainly witness the biggest expansion of Rede Alumínio & Cia., the authorized distribution chain of Alcoa products. Twenty two new stores are scheduled for opening by January 2011, totaling 50 stores nationwide. This means that the size of Rede will nearly double in less than a year, adding 1.000 tons of products to current sales.

"In terms of expansion in a specific period of time, this is the biggest growth ever registered in the history of the Rede, significantly expanding the sale of Alcoa products in Brazil," says André Paulo Colletti, manager of Rede Alumínio & Cia.

The next stores scheduled for opening this year are located in Pelotas (State of Rio Grande do Sul), Cuiabá (State of Mato Grosso) Palmas (State of Tocantins) Marabá (State of Pará), Porto Velho (State of Rondonia) Garanhuns, State of Pernambuco), Campina Grande (State of Paraíba), Juazeiro (State of Bahia) and Mossoró (State of Rio Grande do Norte), among others.



● Aluita store, in Pelotas (State of Rio Grande do Sul), one of the 22 stores of the Rede Alumínio & Cia. Chain scheduled for opening by the end of the year

● Business Opportunities

Franklin L. Feder participates in event on investments

The Seminar "Pará: Oportunidades de Negócios", on business opportunities in the State of Pará, was held at the Centro Cultural Ruth Cardoso, Espaço FIESP facility in São Paulo. The event was a presentation to potential investors on the unique competitive characteristics and business opportunities in the state.

In addition to Ana Julia Carepa, governor of the State of Pará, and Maurílio Monteiro, from SEDECT-Secretaria de Estado de Desenvolvimento, Ciência e Tecnologia (the State Secretariat of Development, Science and Technology), the seminar was attended by Franklin L. Feder, CEO of Alcoa Latin America and the Caribbean. Mr. Feder gave a presentation on investment potential in Pará, and exemplified this potential by referring to the Juruti Bauxite Mine.



● Definitive Reduction

Reduction of the Import Tax Rate

The only company that manufactured cathode blocks in Brazil closed down in 2006, which led the aluminum industry to purchase this product on the foreign market and be subject to payment of 12% Import Tax. As there are no cathode block manufacturers in Mercosur member countries, there was a possibility that the import tax would be reduced to 2%, as provided for by law.

To this end, in 2006, Alcoa, via ABAL-Associação Brasileira de Alumínio (the

Brazilian Aluminum Association), took the first steps to request the definitive reduction. The reduction was finally approved at a meeting of Mercosur (CT-1) early last month, and will go into effect in July. "This reduction means an annual gain of approximately US\$ 700 thousand to US\$ 1 million, depending on the quantity of cathode blocks that have to be imported to meet the needs of the Poços de Caldas and Alumar plants," explains Jussara Hiamasta, from the Trade Compliance area.

● SUSTAINABILITY

● Tubarão

Parque Ambiental becomes Education Center

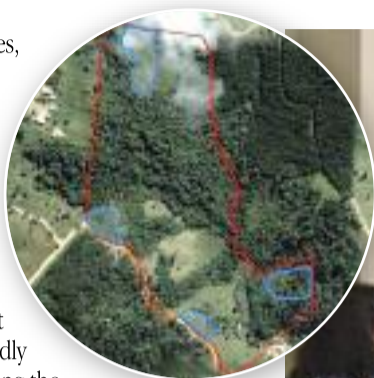
The Parque Ambiental at the Tubarão Unit will become an Environmental Education Center from 2011 onwards. The project, which provides for the adaptation and construction of a new area, is scheduled to be completed by the end of this year. The implementation schedule will be prepared after this stage is concluded.

The proposed initiatives include the intention of transforming the park site into a venue for debates on environmental issues. Thus, the Company will strengthen its ties with the community even more, as the facility will be open to students, community representatives and other people interested in local biodiversity.

“The objective of this initiative is to make this area more accessible to the community. We are convinced that this park will encourage new environmental initiatives in the region, and will foster

other sustainable practices,” explains Marcelo Rodrigues, manager of the Tubarão unit.

Other actions that aim at the sustainable use of the park are being planned, such as encouraging local companies to adopt innovative and eco-friendly practices, and incentivating the creation of a socio-environmental responsibility network. Another measure intends to advise the population on how to solve environmental problems in the region. The site, which lies in the vicinity of the Tubarão Unit, has 12 hectares, 85% of which are covered in native vegetation with 176 different plant species.



● In the detail, in red, the area covered by the Parque Ambiental; in blue, the Education Center stations. Above, the workshop at the Center for Education on and Conservation of Nature

● Earthwatch 2010

Scientific expedition will take two Alcoans to Porto Rico

Two Alcoans are among the Brazilians who will participate in the Earthwatch 2010 expedition: Mauro Salles, from Poços de Caldas, and Tiago Borges, from GBS. The program is a partnership between the Alcoa Foundation and the Earthwatch Institute.

The winners will take part in a scientific research expedition in Porto Rico. The objective of the expedition is to increase knowledge on climate changes, global water supply and sustainable development.



● Mauro Salles and Tiago Borges are Alcoa's representatives in Earthwatch 2010

● Community

Poços Sustentável elects representatives to the Board of Directors

The General Meeting of the Associação Poços Sustentável association elected representatives to the Board of Directors.

Voting by secret ballot elected the representatives from the Universities (Maria José Scassiotti), from Sociedade Organizada (Deusdedit Rezende de Assis and Regina Alves) and from the Associação Poços Sustentável (Heitor Parenti and Luciano Geraldo). The Board will be comprised of these and six other members, two of whom are appointed by the Govern-



● João Neves Toledo, acting president of the Associação and five members elected to the Board of Directors

ment, two by Civil Society and two by local companies. The Associação has the support of Alcoa's Business Unit in Poços de Caldas.

● Training

Parque Ambiental promotes course on Sustainability

During five days, teachers from several schools in Poços de Caldas had the opportunity of becoming better acquainted with Sustainability concepts through practical and theoretical activities. The training program, “A Escola Sustentável”, (the Sustainable School) was held by the Par-

que Ambiental de Poços de Caldas, in partnership with the Municipal Department of Education of Poços de Caldas.

A competition to choose the most sustainable project was held at the conclusion of the program. The winning project will receive funds from Instituto Alcoa for its implementation.



● Training program: teachers participate in training held at the Parque Ambiental.

● Process

Focus Plant event contributed to the improvement of the Alumar Refinery

A Focus Plant event was held at Alumar, with the objective of improving the consumption and control of soda volumes at the Refinery and thus increase the retrieval of the product from the waste disposal lake. The changes to be implemented after the opportunities are identified will reduce costs and increase the production volume of alumina. “This was challenging and productive work,” points out François Santana, coordinator of Process, Extraction and Utilities.



● Event participants at Alumar's Laboratory

SUSTAINABILITY

Alcoa Learn

On-line training focuses on Sustainability concepts

What is Sustainability? How has this concept evolved? What has Alcoa done in this respect? How can we contribute individually to strengthen this practice?



The answers to these and other questions related to this issue are available at the “ABC da Sustentabilidade”, sustainability course launched at Alcoa on May 3rd. Comprised of five modules, the course is available on Alcoa Learn (the Company’s on-line training system), for all interested employees and third parties. Employees with their own corporate computers can access Alcoa Learn directly. Those who do not can access the course at the RH Atende booths or through collective computers which provide access to this training. The training is available in a version for the visually impaired. Interested parties can also request the BP-Business Partner of their Business Units



● Page from the “ABC da Sustentabilidade” course, from Alcoa Learn

for the printed version with the entire content of the course. “As this is the Company’s specific training on Sustainability, the content is directed at Alcoans, who are aligned with our reality. In addition, the course is dynamic and didactic, and allows any person to get the basic knowledge by studying for not more than one and a half hour, approximately,” explains Amanda Takahashi, from Sustainability.

Alcoa Panel in Belém

Lecture series focuses on topics related to mining in the Amazon Region

Lecture series on topics related to Sustainability and Mining was initiated in Belém, to raise the awareness of the Company’s employees and stakeholders. The first lecture under the Panel “Alcoa: Mineração e Sustentabilidade” (mining and sustainability) was given by geologist Aline Meiguins, coordinator of the State Department of the Environment/SEMA. The lecture series will comprise six more lectures on relevant topics for the



● Aline Meiguins lectures on water resources in the Amazon Region

mining industry. Aline’s lecture focused on Water Management in Mining. “In addition to general information on water manage-

ment in the State of Pará and in the Amazon Region, we also discussed how this influences the productive process in mining, which is a powerful industry in the State,” says the geologist.

“Employees all over Brazil were able to listen to the lecture via video conference,” says Ana Celeste Franco, Alcoa’s manager of Government Relations in Belém, who organized the Panel.

Machadinho

Casa da Memória de Piratuba-State of Santa Catarina is open to the public

The opening ceremony of the Casa da Memória de Piratuba facility, in the State of Santa Catarina, was an example of the benefits that the facility will provide to the region. During the event, guests became acquainted with the local culture by means of music and dance performances, theater shows and gastronomy.

According to Duílio Diniz de Figueiredo, general director of Consórcio Machadinho, the Casa da Memória is one more initiative focusing on the cultural development of the municipal region. “Piratuba is a new town, but it has a lot of history to tell. Casa da Memória will help preserve this history,” he points out.



● Casa da Memória (on the left) and opening ceremony (on the right)

Event

Company supports 12th ETHOS International Conference

Once again, Alcoa partnered an event with the Instituto ETHOS institute. This time, the event was the 12th International Conference organized by ETHOS, the theme of which was *The World under New Direction – Sustainability: Society’s New Contract with the Planet*. Based on the Earth Charter, a declaration of ethical principles, the objective of the conference was to discuss and establish the role of each player as a networker of changes for the building of a fair, sustainable, and peaceful global society. For more information on the event, access: <http://www.ethos.org.br/ci2010>



Launching

CEBDS’ Guidebook on Communication and Sustainability has the support of Alcoa

The CEBDS-Conselho Empresarial Brasileiro para o Desenvolvimento Sustentável (the Brazilian Business Council for Sustainable Development) officially launched the *Communication and Sustainability Guide*. Alcoa sponsored and supports the publication, whose objective is to speed up the process to incorporate Sustainability at companies, government and society. This comprehensive guide, aimed at corporate communication professionals, also encompasses other target audiences and is available for free downloading from: http://www.cebds.org.br/cebds/MANUAL_DE_SUSTENTABILIDADE.pdf



Publication

Jamalco presents good results in Sustainability Report

Jamalco announced the publication of its 2009 Sustainability Report with information on how it managed its operations in the past year. The document informs the results achieved in mining and production, HSE, actions for the community, and its contribution to the Jamaican economy. In a testimonial for the Report, Franklin L. Feder, CEO of Alcoa Latin America and the Caribbean, voiced his pride. “Jamalco resisted the crisis and overcame it. Not only has it become the only aluminum refinery operating in Jamaica, but it has also made significant advances in many ways.”



● ENERGY

● Commercial



● Bidding session supplies 17% of the Itapissuma Units's gas needs

Alcoa participates in latest natural gas bidding process held by Petrobras

Petrobras held a new bidding process for the sale of natural gas, with six-month term, offering consumers 22 million m³/day, and the possibility of weekly purchases of the surplus gas from the thermoelectric power plants at even lower prices.

Alcoa participated in the half-year bidding session, and purchased approximately 17% of the Itapissuma Business Unit's natural gas needs for the period from April to September, at approximately 40% lower price than the current price. "We're also participating for the first time in the weekly bidding session," adds Michelle Magalhães Pizza, from the Commercial Energy Area. "This purchase will provide Itapissuma

with significant savings, thus making its products more competitive," she explains.

This bidding session is something new in the gas market, because it allows consumers to buy directly from Petrobras, by means of the local distributor. The surplus gas from the thermoelectric power plants is offered at more affordable prices, thus driving the consumption of this input and the development of the secondary market for natural gas.

At the moment, only the Itapissuma Unit is participating in the bids. The Company is negotiating the participation of the Utinga unit in the bidding sessions held by COMGÁS, the distributor in the State of São Paulo.

● Pai Querê

Environmental studies are completed

The complementation of the Environmental Impact Study on the Pai Querê Hydroelectric Power Plant has just been concluded. The power plant is located on the Pelotas River, and meets all the requirements of IBAMA'S Reference Term.

The outstanding point of the study was the evaluation of the flora and fauna found in the region of the hydroelectric producing system, which showed that the native plants and animals are also found in surrounding areas that will not be affected by the future power plant. The next step is to hold three public hearings to obtain the Prior Permit, a document attesting to



● Pelotas River, the site of the Pai Querê Hydroelectric Power Plant's dam

the environmental feasibility of the project.

Alcoa has 35 % interest in the Pai Querê consortium. The hydroelectric power plant's installed capacity will correspond to 292 MW.

● Barra Grande

Encouraging tourism in the lake region

In addition to generating energy for the country's growth and ensure monthly funds for the municipal regions, the lake of the Barra Grande Hydroelectric Power Plant will become the region's main tourist attraction. This commitment was entered into at the ceremony that launched the Agência de Desenvolvimento do Turismo da Região dos Lagos tourism development agency. The launch event was held in the city of Lages, State of Santa Catarina. The objective of this new agency, which will be independent from the government, will be to raise funds to foster tourism, leisure and water sports activities.



● Edson Schiavotelo (in the middle) at the launching of the Agência de Turismo dos Lagos

● HSE

● Extruded Products



● Team of participants who attended the HSE Workshop in Utinga

Workshop focuses on human performance based on reflections

Reflection. This was the key word at the Extruded Products HSE Workshop held at the Utinga Plant, in the city of Santo André, State of São Paulo. Led by Domingos Campos, manager of HSE; Glaucio Mendonça, HSE consultant; and Ruberval Valvassori, head of Extruded Products' HSE, the event focused on human performance concepts related to Health, Safety and the Environment. "The result was excellent. Exchanging ideas based on reflections is always a great learning experience for professionals from all fields," says Ruberval Valvassori.

The Workshop was attended by mana-

gers, supervisors and HSE personnel from the four Plants and had the support of Carlos R. Gregório, Operations manager, and Luis Augusto B. Barbosa, director of the Extruded Products unit.

At the end of the Workshop, each manager and his team defined the commitments to be implemented at the Plants. "The main commitment is that the teams will act as replicators and will hold mini workshops," says Domingos Campos.

The plan is to hold a second workshop in the second semester of 2010, at another Extruded Products Plant.

● Medical Article

● Dr. Flávio Lins

● Occupational Physician at Alcoa – Itapissuma Unit

Sedentarism: A problem related to lack of time or to an attitude?

Sedentarism is a well-known risk factor for non-transmissible chronic diseases (NTCD). Heart attacks, angina, high blood pressure, stroke and diabetes, among other diseases, have a direct relationship with people who do not exercise. The World Health Organization considers that light or moderate physical exercise for 30 minutes every day at least five days a week, or 20 minutes a day of vigorous exercising three or more days a week is enough. Walking, walking on the treadmill, hydro gymnastics, exercising in general, swimming, martial arts, biking and volleyball are light to moderate exercises. Vigorous exercises include running, running on the treadmill, aerobics, soccer, basketball and tennis.

Studies show that approximately 60% to 80% of the world's population does not exercise according to the recommended standards. When we ask patients why they do not exercise adequately, the standard answer is "I don't have time."

But is the problem really a lack of time? Analyze your daily routine. When can you exercise? It's highly likely that you will find the time to provide your blood the opportunity to circulate better throughout your

body and increase your pulmonary capacity. Actions such as going up or down a flight of stairs, instead of taking the elevator; walking over to your colleague's desk instead of telephoning or text messaging him; getting off at the next to the last bus stop and walking home are all recommended exercises. Activities with your family or with a group of friends often encourage adhesion.

I know a person who loves to watch soap operas and would stand in front of the TV set watching the soap operas from 6:00 to 9:00 pm. He solved the problem by purchasing a stationary bike and putting it in front of the TV set.

Take action to benefit your health and quality of life. This basically depends on you. See your doctor at your work place and talk to him about the need for a medical check-up before you perform any sports activity.

Good physical conditioning will make you feel better and fit for work and for a social life, in addition to providing you with peaceful and relaxing sleep.



● PEOPLE

● Amigos da Alcoa (Friends of Alcoa)

Program strengthens the culture of attracting skilled professionals

A program that encourages employees and trainees to refer professionals for specific job openings – this is the objective of the Programa Amigos da Alcoa program, which seeks to engage Alcoans to participate in our talent



search strategy. Alcoa can refer up to five people per job opening announced at “Comunidade do RH.Com.Você” at the My Alcoa Portal, and keep track of the status of these referrals on the web. If the professional is hired for the

● *There is nobody better than our employees, who are familiar with our culture and values, to refer professionals*

“There is nobody better than someone who is familiar with our culture and values to refer professionals with the adequate profile and aligned with our Sustainability strategies,” says Rose Yonamine, Human Resources manager.

This is how the Program works: each

given job opening, the person who referred the new employee is given a gratuity in the month following the new employee’s admission. The amount of the gratuity is informed together with the description of the job opening on the site of the Programa Amigos da Alcoa.

All employees and trainees can refer eligible candidates for the job openings under the Program, with the exception of the employees who participate in the selection process for the given job position. “Our employees’ relationship net-



work is a major source of recruiting, which will increase our talent diversity even more,” says Rose.

● Amigos da Alcoa: incentive to refer professionals for job openings at the Company

● Work environment

RH discusses actions related to the management of the corporate environment for 2010

The leader and the employees are responsible for providing a good work environment. By means of dialogues, both parties establish the ideal conditions for the creation of an excellent work environment.



“Providing support to the leaders to increase the level of engagement of Alcoans is one of the main initiatives planned by our Area. The stronger the level of engagement, the higher the satisfaction level, which leads to improved performance and the retaining of skilled employees,” explains Marcelo Lomelino, manager of Employment Relations and Work Environment.

To achieve these objectives, the Human Resources area plans to continue the leaders’ training on the management of the work environment by promoting meetings to present concepts and practices in this respect. In addition, the HR area will support priority actions, such as the execution, by the leaders, of the action plans established as of the last version of the Global Voices survey, and the participation of 100% of the employees, with answers via web, in the survey to be conducted in 2010.

“These surveys act as guidelines, but there are other events, such as daily contact, the execution of activities and projects, training and development sessions, debates on employment relations and institutional meetings that help the proper management of the work environment,” concludes Lomelino.

● São Luís

“Primeiro Emprego” promotes social inclusion

Alumar has always contributed to the development of the State of Maranhão. Based on this premise, the Unit welcomed 24 young grantees under the “Viva Meu Primeiro Emprego” program (photo).

The Program is a partnership between the State Government of Maranhão and companies with business operations in the state. The objective is to provide young people with no professional skills their first chance in the job market. At Alumar, the grantees – five men and 19 women, come from the communities that surround the Plant. These youngsters will work on administrative duties for a three-month period.

Kernadia Costa, who lives in the Juçara community and works at Alumar’s port facility, celebrated the opportunity. “It is an honor to



have been selected to show my potential at a company the size of Alumar,” she said. Swele Ferreira, who lives in the Coqueiro community, is working in the Controlling Area. She also appreciates the opportunity. “We would never have had such a good opportunity as this one, especially those of us – like me - who live in the rural area, where the number of professionally unskilled youngsters is very high.”

● TRAINING

● Achieving Forecast Excellence

Event promotes improvements in the Company’s financial forecasting process

Aligned with Alcoa’s global initiatives, which seek to achieve accuracy and quality as regards financial forecasts, the Corporate Finance Strategic Planning team held the Achieving Forecast Excellence event in Poços de Caldas, São Luís and Suriname. The event promoted training sessions and the opportunity for the Planning and Controlling teams from these units to

share experiences.

The focus of the event was the improvement of the Company’s financial forecasting processes. To this end, a number of fundamental points were discussed, such as the methodology for the calculation of the Free Cash Flow and of the Operating Income After Taxes (ATOD). “The Achieving Forecast Excellence event was an excellent opportunity to

share knowledge and learning experiences,” says Marcelo Morgueta, senior Planning consultant. “Alcoa prepares monthly forecasts for the Primary Products Business Units and the accuracy of the data is a critical factor for the decision making process and for the Company’s credibility. This was the reason to hold the event, which presented highly positive results,” he adds.



● The members of the Financial Strategic Planning and Controlling teams who attended the financial training event, in São Paulo

● BEST PRACTICES

● Global Primary Products Council

Primary Products Plants and their practices are certified

The Primary Aluminum Products Plants have faced a major challenge since the beginning of this year: to be certified according to Best Practices criteria in specific activities, as identified by Alcoa's Global Primary Products Council. The objective of this initiative is to increase the Company's competitiveness, as all the Plants would take a step forward in terms of meeting the recommendations and necessary requirements for high performance operations.

● *Poços and Alumar rank among the five top Units in terms of technology related to reduction of greenhouse gas emissions*

The Best Practices are classified according to the following categories: Reduction, Soderberg and Ingot-making and Support Areas. In addition to the technical criteria, other management aspects are also analyzed, such as daily management and problem solving. These are some of the necessary tools to ensure the proper functioning of the system according to clear expectations and to result in conti-

nuous improvement. So far, the Poços de Caldas Plant has already been certified in Anode Effects Reduction and Electrolytic Reduction Cell Resistance Control. The São Luiz Plant has been certified in Baking Furnace Sealing.

Lower greenhouse gas emissions

At the end of last year, the Pot Rooms in Poços de Caldas and at Alumar had achieved a record drop in the emission of greenhouse gases, a direct result of the lower anode effect (frequency of occurrence and shutdown time) in the history of these Plants. "It is very gratifying to see a good job being done coherently and producing excellent results," says André Abreu, superintendent of Technology & Processes at Poços de Caldas. "The levels achieved in 2009 ranked Reductions at Poços and Alumar among the five best Units of Alcoa in terms of technology. This result is 20% higher than the previous record, which had been achieved in 2008 at both plants," says Leonardo Paulino, superintendent of Technology & Processes at Alumar.



● *Ciro Kato, Technology manager; Affonso Bizon, Smelter manager; and João Batista Menezes, Operations manager, with the Smelter Team, acknowledged through the Best Practices Certificate*

● Feeling Structures

Improvement actions ensure better client services

The Feeling Structures client uses aluminum alloy 6082 tubes to assemble structures and stages and has specific requirements related to the finishing of the products. This is a high-resistance alloy and the quality of the surface finishing was not in line with the client's requirements. Extrusion was limited to a maximum of 10 billets, totaling 400 kg per production,



which caused constant supply-related delays and hampered our intention of gaining better market share with the client. This problem was discussed at the daily management meeting. A team headed by Helio Pina (Process), Marcelo Ferreira (Laboratory), Osmar Pinto (Remelting) and Eduardo Cegal (Quality) was appointed to study the problem.

● *We increased the quantity to 3 thousand kg per production, thus improving the contribution margin*

After tests and analyses had been conducted, the solidification of the metal was altered by means of more intense cooling of the billet, which altered the metallurgic structure. The result was a surface finishing that met the client's requirements within the deadline.

The final result was a success: we increased the quantity to 3 thousand kg per production, improving the product's contribution margin and contributing towards a better relationship with this client.



● *Aluminum structures and stages in 6082 alloy used by Feeling Structures*

● Bauxite 5 Residue Area

Alumar completes the most important phase of the ARB5's implementation

The civil engineering works for the implementation of the biggest waste disposal area ever built in Brazil by Alcoa were concluded at Alumar. The ARB5 (Bauxite 5 Waste Area) has total capacity of 10,400,000 m³, equivalent to the volume of 4,160 Olympic-size swimming pools.



● *Aerial view of the Bauxite 5 Residue Area*

The conclusion of this phase, which meets the Refinery's operating needs after the Expansion, represents the project's most outstanding event. The project is 98% concluded, and construction involved more than 3 million man-hours without any recordable incident, which is an outstanding achievement. The next phase, already in course, is the completion of the electrical-mechanical assembly of the ARB5.

Another pioneering achievement was the

use of Syncro, a planning tool that allows the 3D viewing of the project's physical progress. In addition, an environmental awareness program was implemented in the surrounding communities.

● Alumar: Connections Methodology

Training to standardize processes

Twenty seven Process and Maintenance engineers from Alumar's Refinery and Smelter facilities attended the Connections Methodology Training Session. The objective was to standardize the Process Management System at the Unit.

"The idea of managing Smelter's critical processes with the same methodology as that of the Refinery contributes greatly to bring the two areas closer together, establishing more intensive exchange of information, knowledge, and experiences. In addition, it helps the two areas' joint growth," says Milena Silva, Ingot Process engineer. "The study, analysis and follow-up tools in Critical Process and Connections methodologies are essentially the same," she adds.



● *Engineers from Smelter and Refinery*

● BEST PRACTICES

● Industrial Suppliers from the Northeast Region Trade Fair

Itapissuma initiates contact with four companies at ForInd trade fair



● The ForInd trade fair, held in Recife,...

The Itapissuma Unit participated in ForInd 2010, the Industrial Suppliers from the Northeast Region Trade Fair. Created to bring together and help small, medium-sized and big suppliers come into contact with business opportunities, the main objective of this event, held in the city of Recife, State of Pernambuco, is to strengthen and foster the growth of companies in the market. According to Christovão Andrade, Procurement manager at Itapissuma, Alcoa's participation produced a very positive result. "In two days we talked to 12 companies and during the Business Round, we identified four companies with business potential in the short and medium term." The four companies were as follows: Metalúrgica Atlas, Centelha, Digi-tron and CALF Calçados.



● ... is a great opportunity for new business ventures

● Rolled Products

Cycle of Projects Focused on Improvement launches projects linked to Quality

Internal rejection losses due to Quality-related issues in the Rolled Products area are a problem that had an impact on the performance of the Itapissuma Plant. To reduce the losses, the third Cycle of Projects Focused on Rolled Products was held at the Unit. This time, the focus was on losses due to Quality. Ten Focused Improvement projects were launched, two of them specifically for Remelting, three for Plate Rolling, and five for Sheet Rolling.

In order to consolidate the improvements and standardize them, the projects will be audited every fifteen days by the Pillar of Quality team. "This will be the time when each group will have the opportunity to show its results and voice its needs," says Silvana

Cavalcante, the person responsible for the Quality System of Rolled Products.

The projects will last for four months to comply with the defect reduction schedule and will include an additional month to implement the Process Management.

Pillar of Quality of Rolled Products

The Pillar is comprised of a group of people from the Quality, Process and Production areas. The group's mission is to work in a systematic manner, disseminating the process control culture by means of management tools for the reduction of losses due to Quality. One of the group's main tasks is to support the Focused Improvement Projects in the application of defect



● Pillar of Quality, Process, and Production team in the Cycle of Focused Improvement Projects

reduction guidelines.

Recently, the Quality team attended a training session on steps one and two of the Pillar of Quality. The team is now working on

building the Pillar, defining the indicators and studying the rejection losses due to Quality – the basis for the launching of the 3rd Cycle of Focused Improvement Projects.

● INNOVATION

● New Soderberg

New overhead crane provides operators with better working conditions



● Operator in the cab of the new overhead crane

In the past, the removal of vertical pins at the Poços de Caldas Plant needed the presence of an operator on top of the gangway above the pots. The arrival of the totally automated overhead crane under the New Soderberg project will provide better working conditions for the team

at the Pot Room, especially in terms of safety and technology. "The new overhead crane is a milestone for Poços de Caldas. It is the proper beginning of a new era, due to the level of automation, precision and convenience that this equipment provides," points out

Affonso Bizzon, Reduction manager. "This equipment will execute a commonly executed task and will provide better safety, less exposure and much more convenience for the operators. In short, this is a sustainable evolution," he adds.

All the steps involved in the operation conducted by the overhead crane are monitored by the operator inside the overhead crane's air-conditioned cab by means of the computer's touch screen and the latest joy stick controls.

The new overhead crane is already undergoing tests and the operators will shortly begin the operational training, led by José Gaspar de Freitas, a member of the New Soderberg Project's Interface Team.

● **PRODUCT**

● **Extrema Line**

Alcoa and 3M launch frame system with bonded glass

Alcoa, in partnership with 3M, one of the most highly diversified companies in the world, with a portfolio of more than 55 thousand products, has launched the Extrema Line, a frame system with bonded glass for assembling residential windows and doors.

Among the great advantages of this line are the ease of assembly, the unique design and easy-to-slide motion. In addition, the new line comes with a range of available accessories (pulleys, brushes and locks, among others), manufactured by Alcoa's partners in the sector. One more difference is its modern design, which provides the product with sophistication.

"Our objective is to offer the civil construction market an optional frame for structural glazing in windows and doors. Alcoa has contributed its vast experience in developing frame systems, while 3M has collaborated with all its knowledge and innovative spirit by adapting the use of double-sided VHB tape for fixing the glass in these profiles," explains Luís Augusto Barbosa, director of Alcoa's Extruded Products Division.

The double-sided VHB tape – resistant to various environmental conditions – is used especially for fixing glass in aluminum frames in structural glazing projects; it bonds immediately and there is no need to wait for it to dry. 3M certifies the quality of the product and offers a 20-year warranty against flaws and defects.

The new Extrema Line will be produced by the Extruded Products Division at the Tubarão and Itapissuma units.



● The Extrema Line, a frame system with bonded glass, is easy to assemble and with a unique design

● **STRATEGY**

● **Organizational Change**



● RD&I team and Jean Yamamoto (in the detail)

New area seeks to identify and develop innovations in Latin America

By creating a specific Research, Development and Innovation/RD&I area, led by Jorge Gallo and supervised by Otávio Carvalheira, director of Alcoa's Market Growth and Strategy, Alcoa has put into practice a Vision for implementing innovative forms of problem solving and of capturing sustainable growth opportunities in Latin America.

The RD&I environment combines four theme networks which will deal with the following challenges: Client, technically supporting the implementation of unique solutions for clients; Materials and Raw Materials, increasing the working life of the equipment

and reducing input-related costs; Environment, seeking for alternatives for the sustainable discarding of residues; and Energy, seeking for alternative sources and reducing energy losses and CO₂ emissions.

The area will have a specific governance system, comprised of an Innovation Committee, Analysis of Production Stages in Primary Products, Systematizing of Expenses and Innovation Community.

"The creation of this area is very important, because we are living in a time of rising awareness by the public and private sectors, where Innovation is the key to companies' competitiveness," points out Jorge Gallo.

● **Travel & Expense**

Campaign informs on how to save

Users of the Travel & Expense service from the entire Region will be periodically informed with suggestions and advice on services provided by the area and how to save on hotel fares, air tickets and airline companies, among others, during trips.

These actions will be announced monthly by means of a newsletter (the first number was sent in April) and through the area's communication actions, the Gente em Ação newsletter and the electronic banner in the My Alcoa portal.



● **Foreign Trade Center**

Comex is transferred to Poços de Caldas

Ensuring the flow of the export and import process, payment of expenses, control over forwarders, follow-up of the processes, services to foreign clients and ensuring that the flow complies with the laws are some of the activities conducted by Comex, the Foreign Trade Center, which was recently transferred from Utinga to Poços de Caldas. "This relocation is the beginning of the Area's new phase, focused on the management and control of the Company's foreign trade activities," says

Robson Guarizza, the Leader of Comex.

The transfer of skilled professionals between the teams in Utinga and the ones who relocated to Poços de Caldas took place at the beginning of the year. The new team spent three months in São Paulo prior to the transfer. A total of 18 job positions were shifted inside the GBS, to take advantage of the internal skills. Only one job opening was filled by hiring a professional from outside the company, while only one employee resigned and another one was fired.