



1st Quarter 2008 Analyst Conference

April 7, 2008



Forward Looking Statements

Today's discussion may include "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements relate to future events and expectations and involve known and unknown risks and uncertainties. Alcoa's actual results or actions may differ materially from those projected in the forward-looking statements. For a summary of the specific risk factors that could cause results to differ materially from those expressed in the forward-looking statements, please refer to Alcoa's Form 10-K for the year ended December 31, 2007 filed with the Securities and Exchange Commission.



Chuck McLane

Executive Vice President and Chief Financial Officer

- Income from continuing operations of \$303m or \$0.37 per share - \$361m or \$0.44 per share excluding the impact of restructurings
- Revenues of \$7.4b
- Currency impact of \$68m or \$0.08 per share sequentially, including \$48m, or \$0.06 per share non-cash translation
- Segment ATOI increased 42% excluding Packaging
- Debt-to-cap at 31.5%
- Trailing four quarters ROC of 10.7%; 13.5% excluding growth



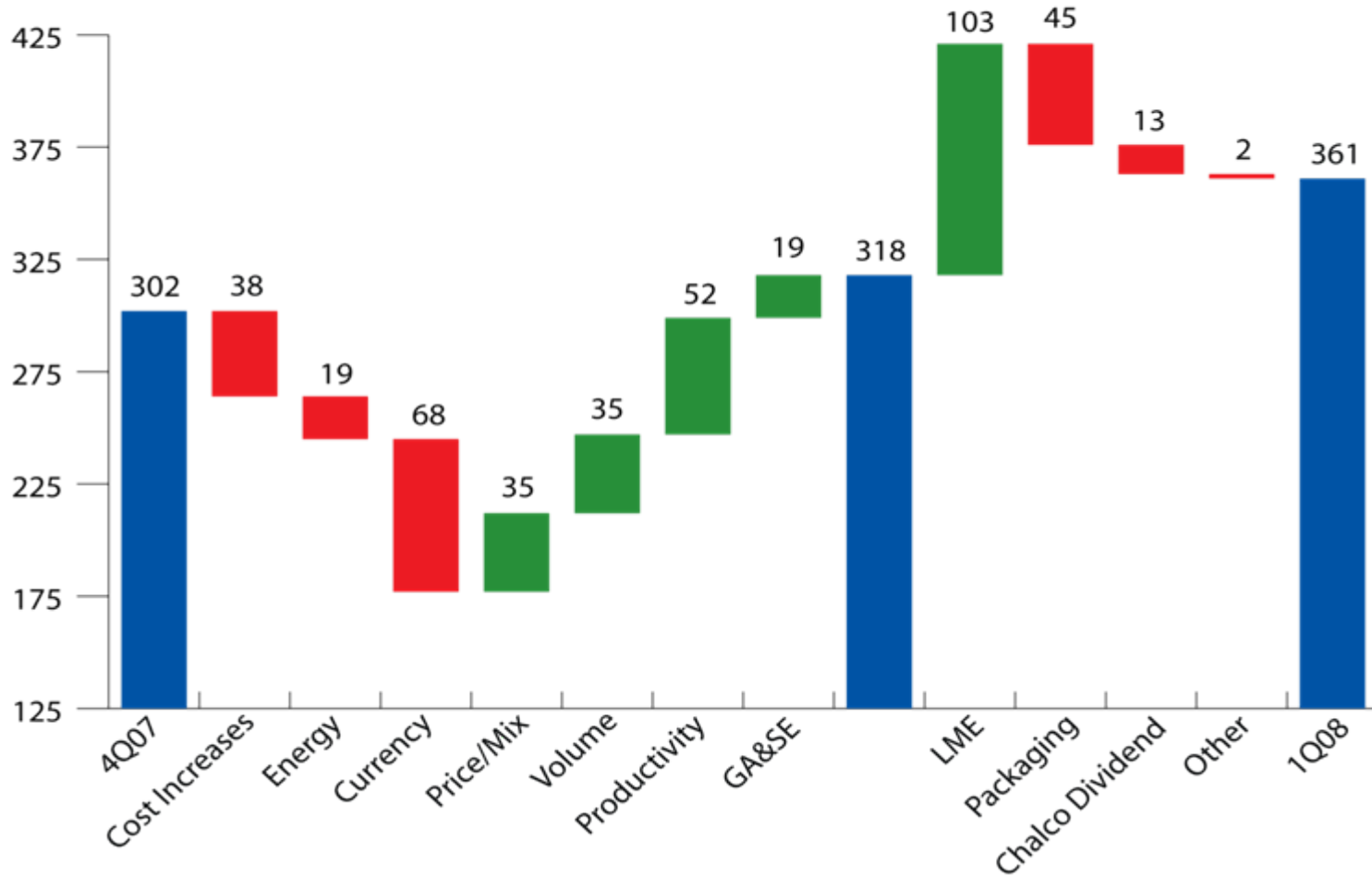
1st Quarter 2008 Financial Overview

\$ In Millions	4Q'07	1Q'08	Change
Sales	\$7,387	\$7,375	(\$12)
Cost of Goods Sold	\$6,153	\$5,892	(\$261)
% of Sales	83.3%	79.9%	(3.4 pts)
SG&A	\$383	\$328	(\$55)
% of Sales	5.2%	4.4%	(0.8 pts)
Restructuring and Other Charges	(\$14)	\$38	\$52
Interest Expense	\$81	\$99	\$18
Other (Income)/Expense	(\$78)	\$58	\$136
Effective Tax Rate	-44.8%	35.6%	80.4 pts
Minority Interests	\$64	\$67	\$3
GAAP Net Income	\$632	\$303	(\$329)
Income from Discontinued Operations	\$8	\$0	(\$8)
GAAP Income From Continuing Operations	\$624	\$303	(\$321)

4th Quarter vs. 1st Quarter Comparison

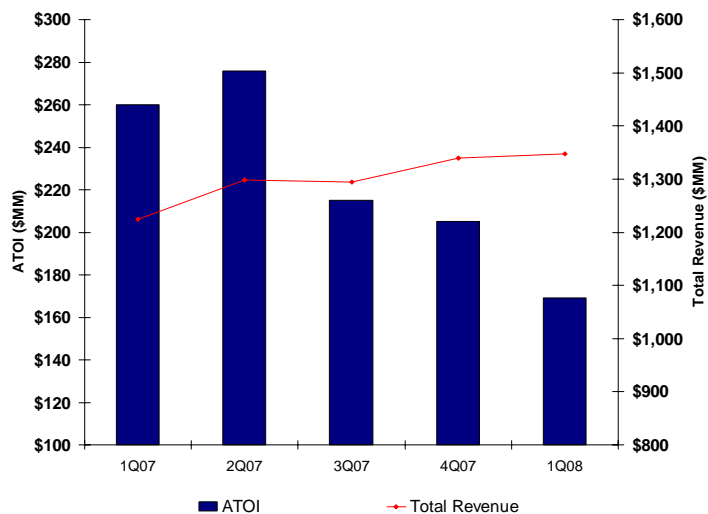
Income From Continuing Operations Excluding Restructuring

\$ Millions



1st Quarter Highlights

	1Q'07	4Q'07	1Q'08
Production (kmt)	3,655	3,855	3,870
3 rd Party Shipments (kmt)	1,877	2,030	1,995
3 rd Party Revenue (\$MM)	645	688	680
ATOI (\$MM)	260	205	169



1st Quarter Business Conditions

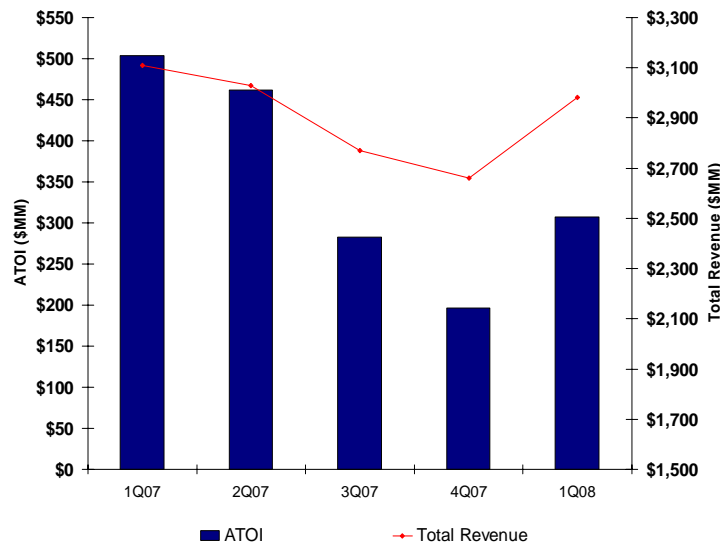
- Flat production sequentially
- Lower LME linked pricing
- Unfavorable currency & energy costs
- Pinjarra at targeted expansion production rate

2nd Quarter Outlook

- Prices to follow approximate two-month lag
- Production at 1Q levels
- Continued pressure from fuel oil and natural gas prices
- Currency risk

1st Quarter Highlights

	1Q'07	4Q'07	1Q'08
Production (kmt)	899	959	995
3 rd Party Shipments (kmt)	518	624	665
3 rd Party Revenue (\$MM)	1,633	1,597	1,877
3 rd Party Price (\$/MT)	2,902	2,646	2,801
ATOI (\$MM)	504	196	307



1st Quarter Business Conditions

- Higher realized pricing sequentially
- 4% production increase sequentially
- Iceland running at 70% capacity for the quarter; at 90% by quarter-end
- Unfavorable currency impact
- Higher costs for carbon products

2nd Quarter Outlook

- Anticipate 3% production increase sequentially
- Improved efficiencies at Iceland
- Currency risk
- Energy & input cost pressures

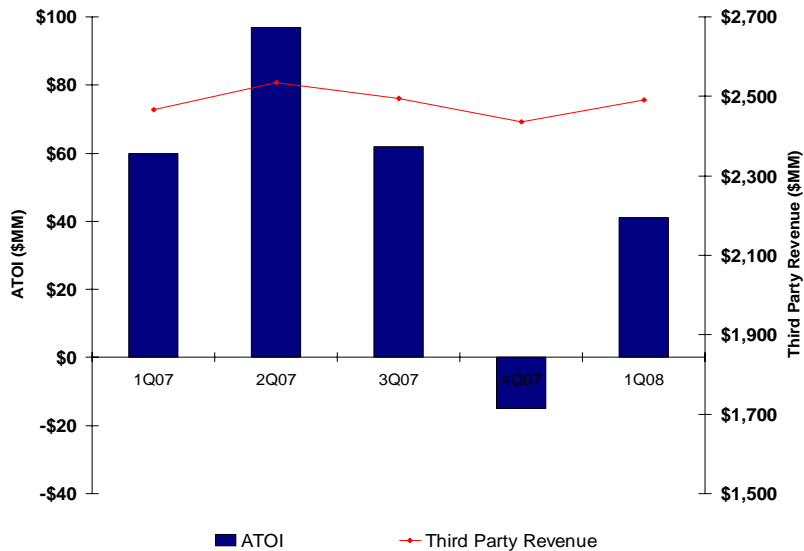
Flat-Rolled Products

1st Quarter Highlights

	1Q'07	4Q'07	1Q'08
3 rd Party Revenue (\$MM)	2,467	2,436	2,492
ATOI (\$MM)	60	(15)	41

1st Quarter Business Conditions

- Improved Russia results
- Weak automotive demand in North America
- Higher costs for alloying materials & transportation

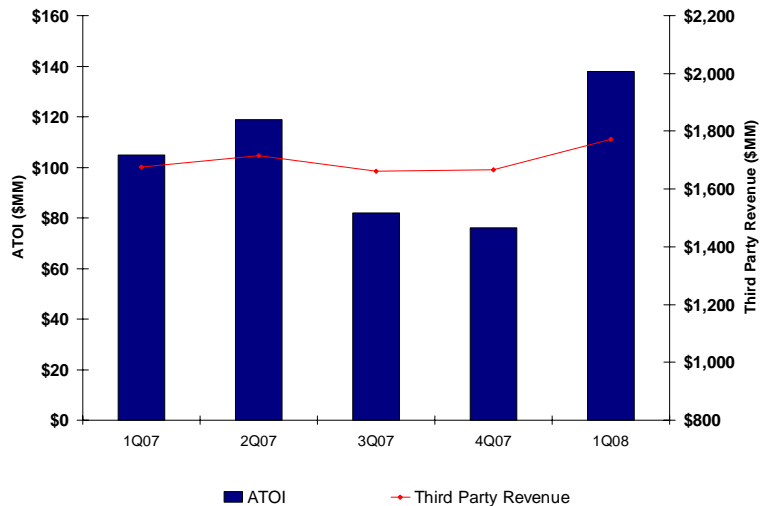


2nd Quarter Outlook

- Improved Russia performance
- Seasonal increases in can sheet market
- General industrial climate weak in North America and Europe

ATOI (\$MM)

	1Q'07	4Q'07	1Q'08
AFL, Auto Castings and Structures	(10)	(11)	(5)
Investment Castings, Forgings, Fasteners	107	76	136
Building and Construction and Other	8	11	7
Total	105	76	138



1st Quarter Business Conditions

- Revenue and ATOI record quarter
- Aerospace and IGT markets continue to show strength
- Deteriorating North American automotive market offset by restructuring efforts
- Strong productivity across Investment Castings, Fasteners, and Forgings

2nd Quarter Outlook

- Aerospace and IGT strength to continue
- Continued softness in North American automotive and heavy truck build rates
- Seasonal increase in building and construction revenues



1st Quarter 2008 Cash Flow Review

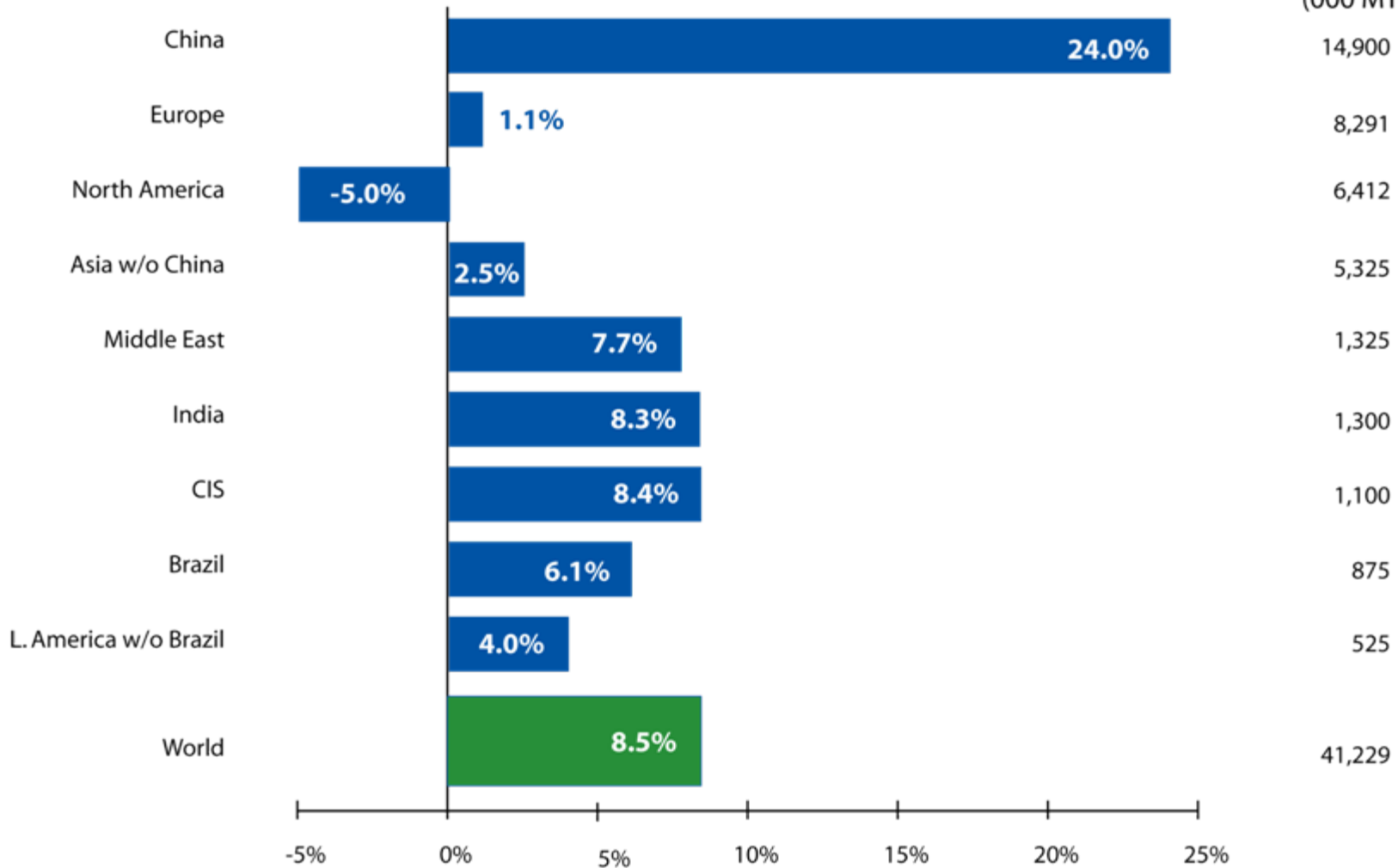
\$ In Millions	1Q 07	1Q 08
Net Income	\$662	\$303
DD&A	304	319
Change in Working Capital	(187)	(467)
Other Adjustments	(202)	(424)
Pension Contributions	(50)	(19)
Cash From Operating Activities	\$527	(\$288)
Dividends to Shareholders	(148)	(140)
Change in Debt	509	416
Dividends to Minority Interests	(158)	(39)
Contributions from Minority Interests	114	118
Share Repurchases	(88)	(430)
Share Issuances	82	22
Other Financing Activities	(101)	(2)
Cash From Financing Activities	\$210	(\$55)
Capital Expenditures	(783)	(748)
Sales of Assets	0	2,490
Other Investing Activities	(45)	(1,517)
Cash From Investing Activities	(\$828)	\$225



Primary Aluminum Consumption Growth Rates

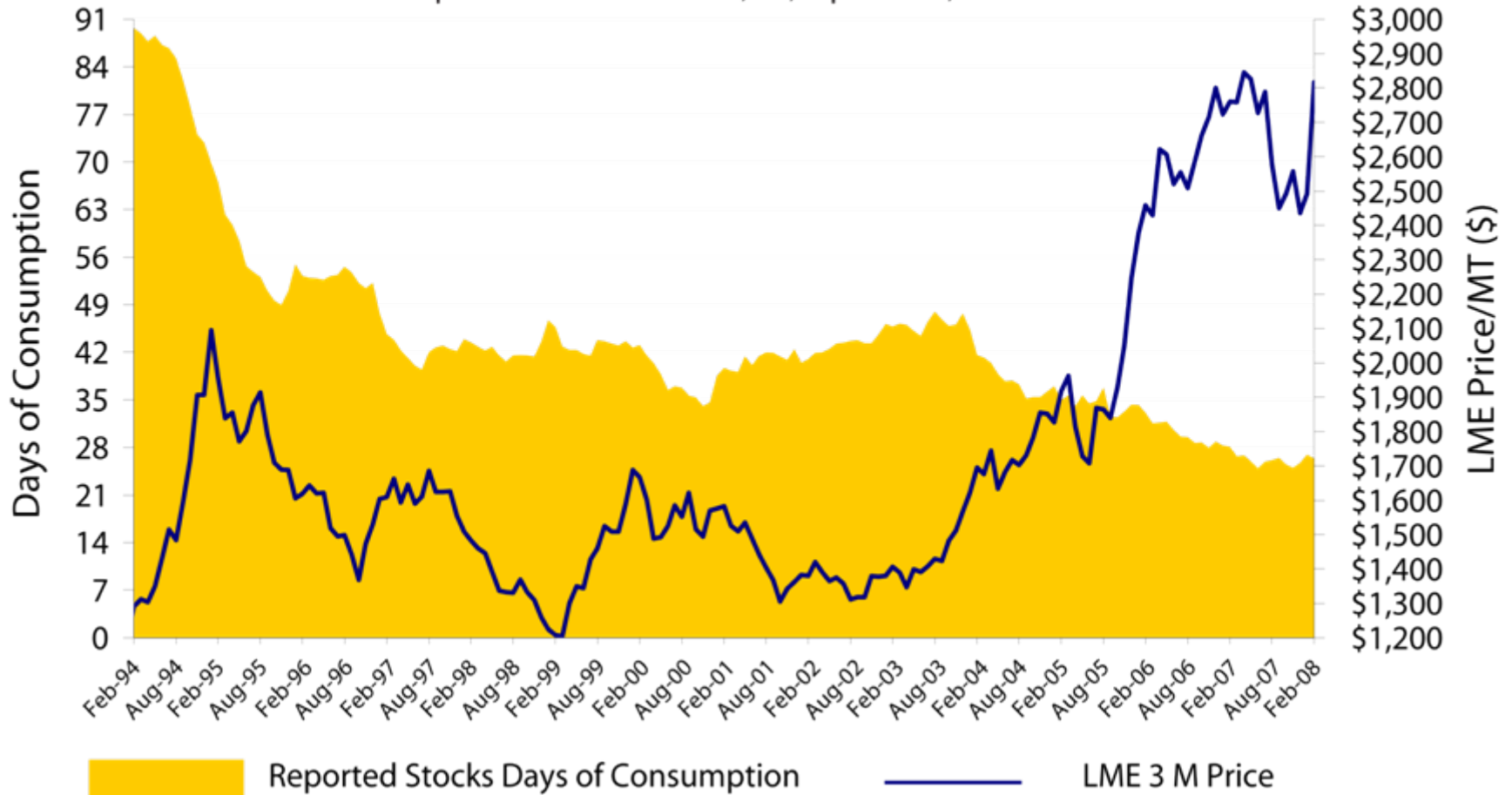
2008 Projected Growth Rates

2008 Projected Consumption
(000 MT)

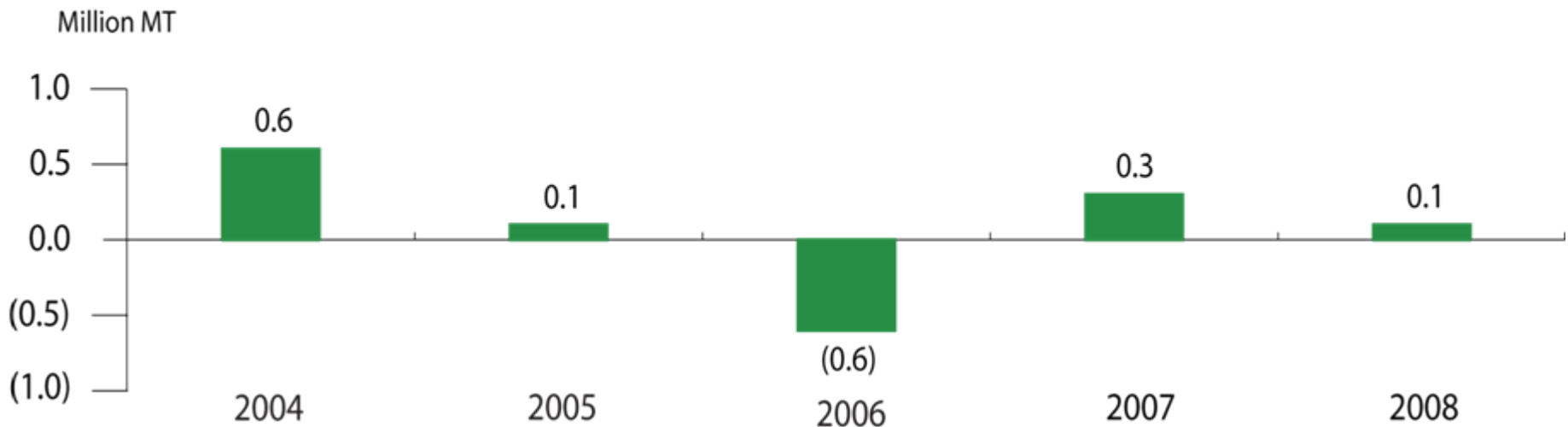


Global Days of Consumption

Reported Unwrought Stocks as Days of Global Consumption & LME 3 Month Monthly Average
 26.3 Days Feb. 08 vs. 26.9 Days Jan. 08 & 28.1 Days Feb. 07
 Reported Stocks: Comex, IAI, Japan Port, LME & SME



Aluminum Surplus or (Deficit)



2008 Market Outlook and Impact

	North America	Europe	China	Global
Aerospace				↑
Automotive	↓	↑	↑	↑
Heavy Truck	↓	↑	↑	↑
Trailer	↓	↑	↑	↑
Commercial Building and Construction	↓	↑	↑	↑
Industrial Gas Turbine				↑



Alain J.P. Belda

Chairman and Chief Executive Officer



Klaus Kleinfeld

President and Chief Operating Officer

Mega Trends

Globalization

Urbanization

Demographics

Effects

Shifting Economies

Increasing Mobility

Demand for Safety & Security

Infrastructure Investment

Shortening of Natural Resources

Aging Population

Global Warming

Opportunities

Aerospace Growth

Lightweight & Energy Efficient Transportation

Growth of Mass Transportation

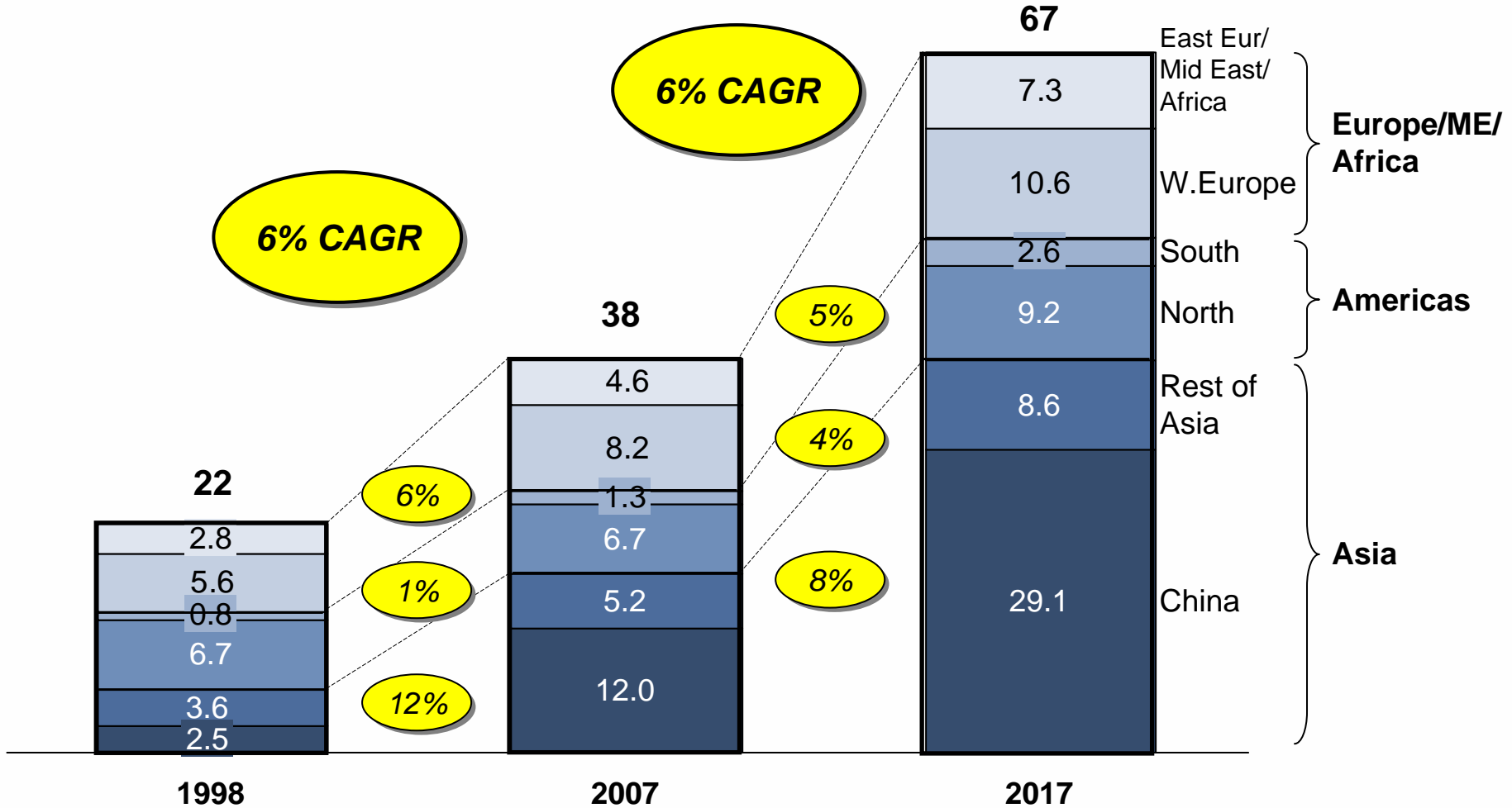
Sustainable Construction Materials

Advanced Energy Exploration & Solutions

Recyclable Content

Strong Demand for Aluminum Continues

World Aluminum Consumption
(million metric tons)



*We invented
the industry*

*We innovated
markets*

*We reshaped
the industry*

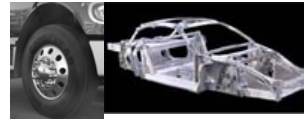
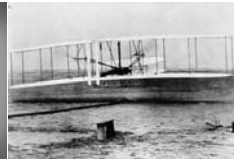


1888

1900

1950

2008





We Have Strengthened the Foundation

Executed Growth Projects

Adjusted Portfolio

Applied Disciplined Capital Management

We Have Been Investing For Profitable Growth

Expand Mining & Refining



Start-up Fjaardaal Smelter



Grow Power Self-Generation



Power Contract Extensions



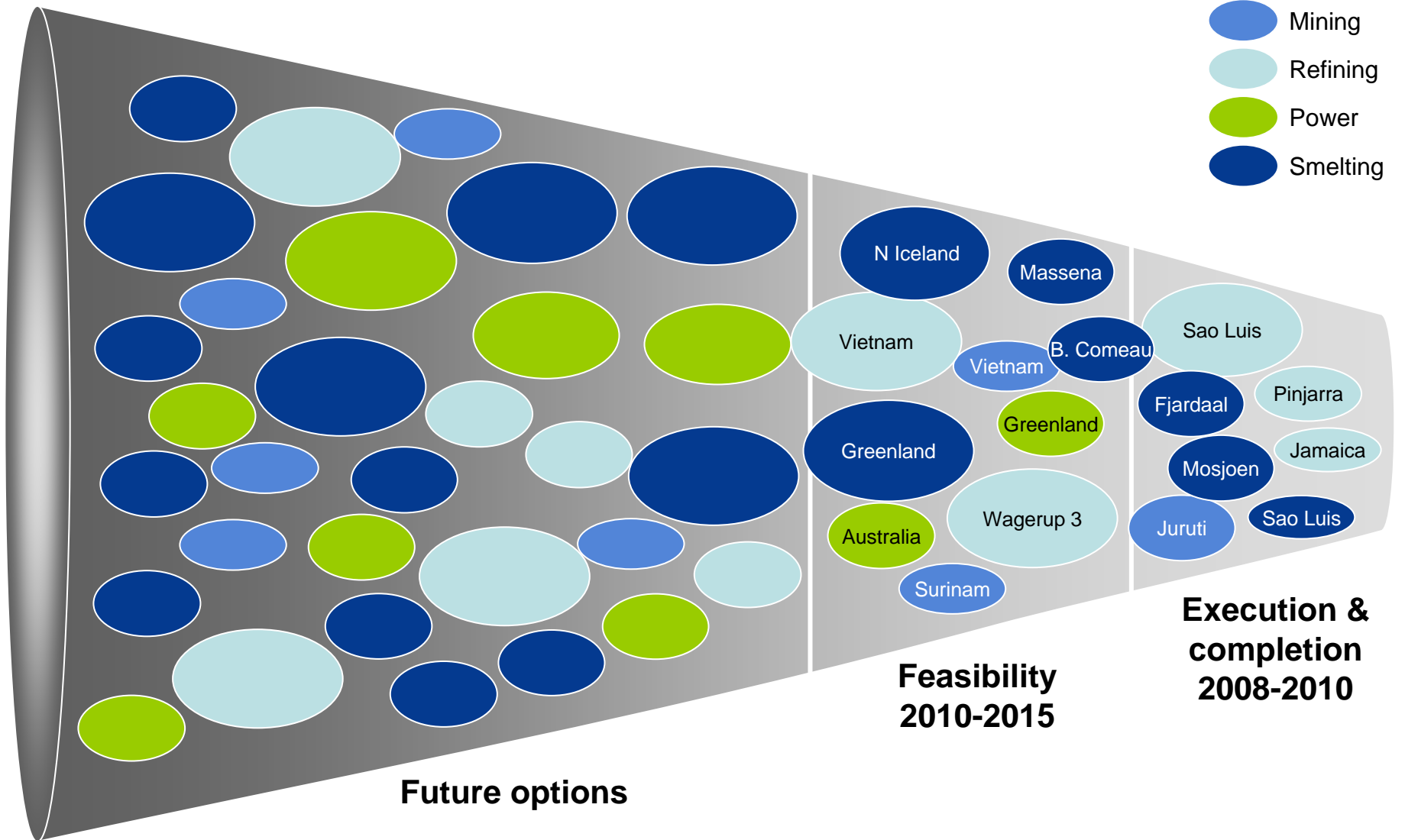
Expand Rolling Footprint



Two Fastening System Acquisitions



We Have a Robust Portfolio of Development Options



We Have Focused Our Portfolio

Completed Packaging Sale



Created Soft Alloy Extrusion JV



Sold Auto Castings Business



Chinalco Partnership



Alcoa & Chinalco Have a History of Partnership



Builds on a history of cooperation

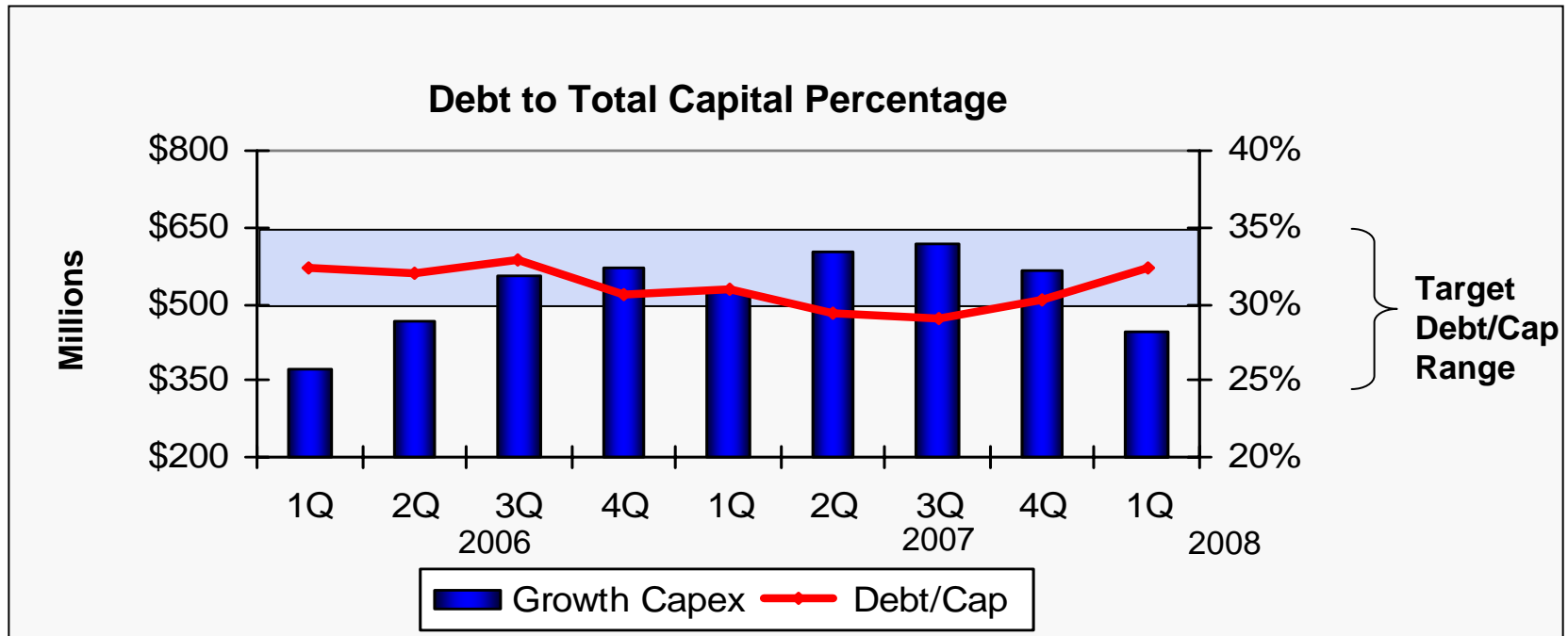
Global partners of choice

Flexibility to deliver shareholder value

Active dialogue on next steps

We Demonstrate Disciplined Capital Management

- **Restructured debt portfolio** – doubled average maturity at same cost
- **Increased dividend** by 13%
- Maintained **target debt levels** during peak capex period
- Initiated & acting on **25% share repurchase**



Alcoa's Three Strategic Priorities

Profitable Growth

in every business



*Business Programs
that define:*

- 3-year aspirations
- Priority levers
- Accountability

Alcoa Advantage

creating value for
all businesses



- *Talent*
- *Technology*
- *Customer Intimacy*
- *Purchasing*
- *Operating System*

Disciplined Execution across all activities

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Disciplined Execution across all activities

Great Opportunities for Primary Business

Foundation

- Attractive industry fundamentals
- World class positions in bauxite and refining
- Long-term energy supply
- Balanced greenfield/brownfield growth opportunities
- Sustainability Leader = Partner of Choice

Priorities

Strategic Levers

- Maximize repowered assets
- Leading technology and project solutions

Operational Excellence

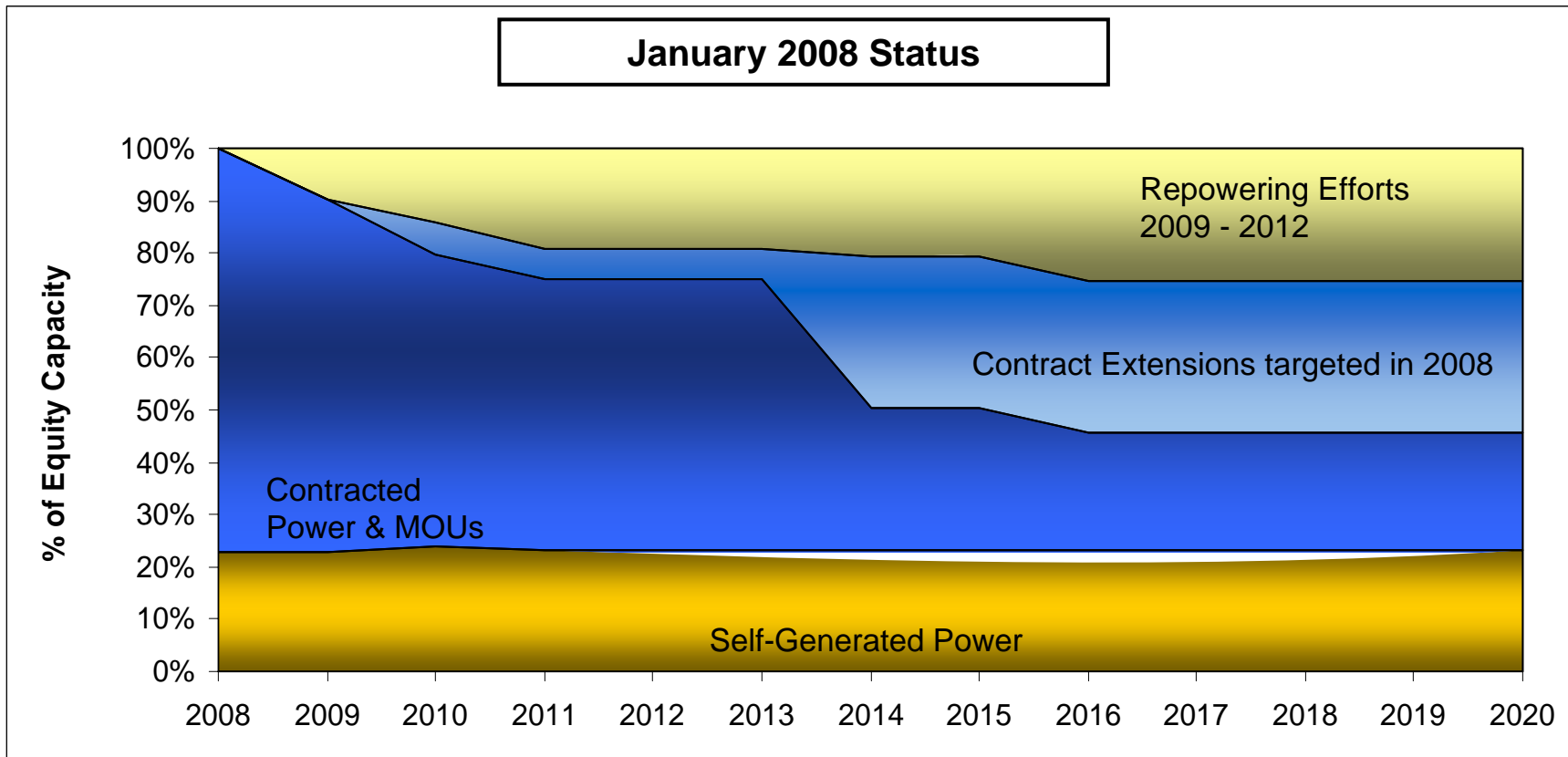
- Drive industry-leading productivity
- Ensure procurement excellence

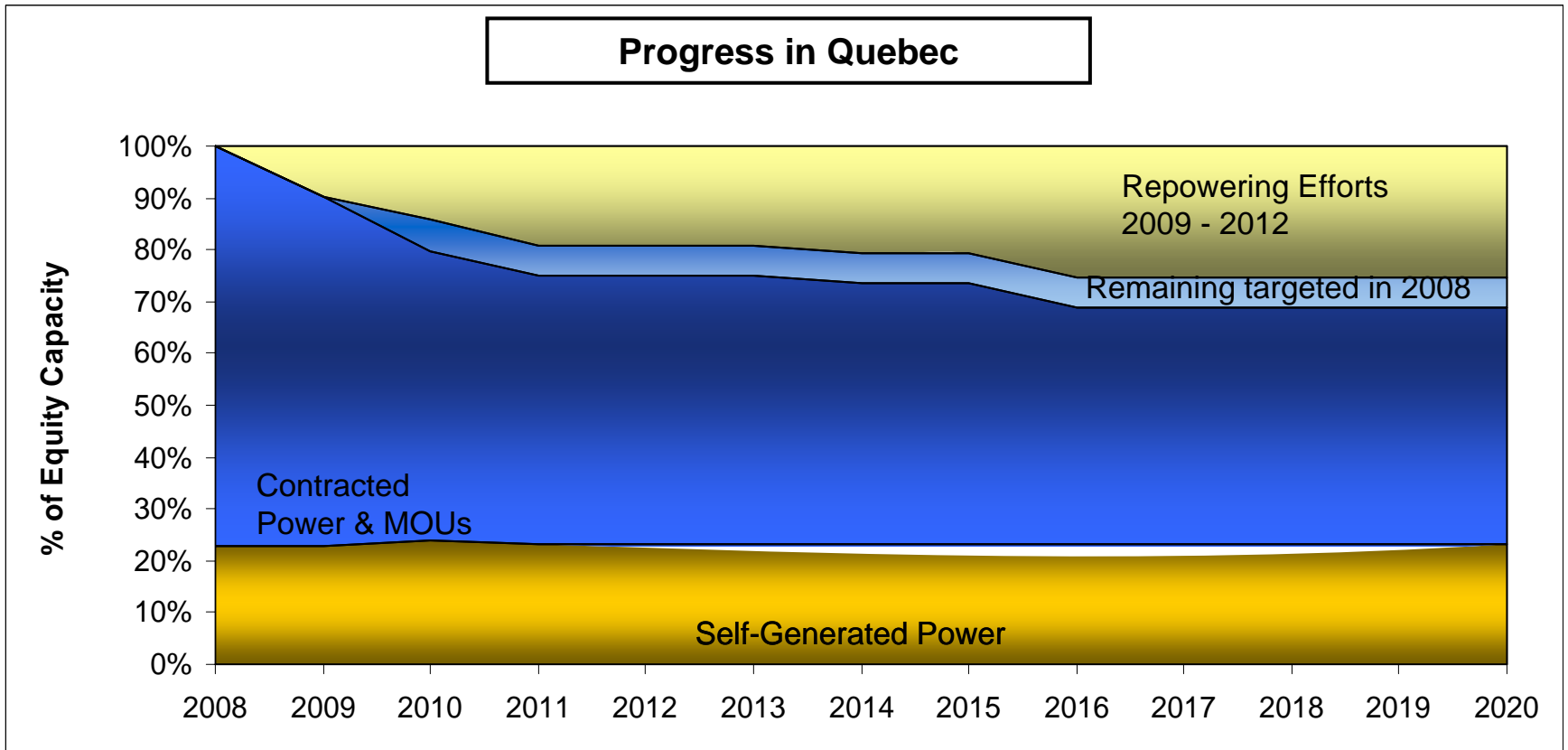
Growth

- Utilize varied equity & financing approaches
- Progress continually on MOUs

Asset Management

- Continue construction cost controls
- Manage assets as global system





Flat Rolled Business is Excellently Positioned

Foundation

- Unique capabilities, equipment, and proprietary alloys
- Demonstrated ability to achieve operational excellence
- Global footprint to support expanding customers' growth

Priorities

Strategic Levers

- Deliver on China & Russia
- Leverage distinctive R&D capabilities

Operational Excellence

- Extend best practices to global system

Growth

- Continue to create and capture high-end segments:
 - Defense
 - Consumer Electronics
 - Oil & Gas

Asset Management

- Optimize global presence

Foundation

- Differentiated positions in attractive core markets
 - Aerospace & power generation components
 - Commercial transportation
 - Architectural solutions
- Consistent growth in earnings & returns
- New product focus

Priorities

Strategic Levers

- Pursue profitable growth targets

Operational Excellence

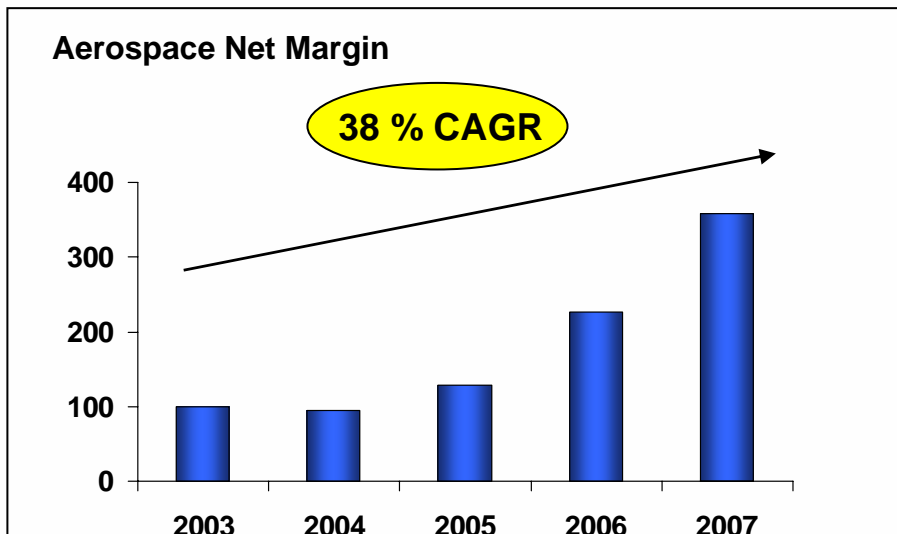
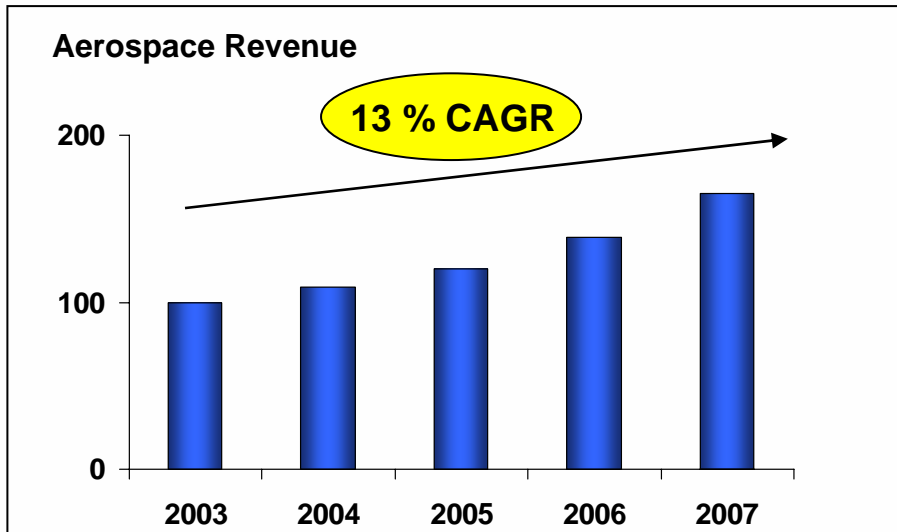
- Restructure automotive businesses
- Achieve *Best in Class* in each business

Growth

- Capitalize on Megatrends
 - Transport.
 - Aero
 - B&C
 - Energy

Asset Management

- Optimize global presence



Profitable Growth Driven By:

- Innovation leadership
- Superior products
- Customer intimacy
- ABS deployment

Republic/Van Petty Acquisitions:

- **Increased scale** in aero-engine and airframe fasteners
- **Cost synergies** through ABS deployment
- Opportunity for **increased product innovation**

Alcoa's Three Strategic Priorities

Profitable Growth

in every business



*Business Programs
that define:*

- *3-year aspirations*
- *Priority levers*
- *Accountability*

Alcoa Advantage

creating value for
all businesses



- *Talent*
- *Technology*
- *Customer Intimacy*
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- *Operating System*

Disciplined Execution across all activities

Alcoa's Three Strategic Priorities

Profitable Growth

in every business



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Disciplined Execution across all activities

Five Sources for More Alcoa Advantage



Recycling



Alloy Development



Surface Enhancements



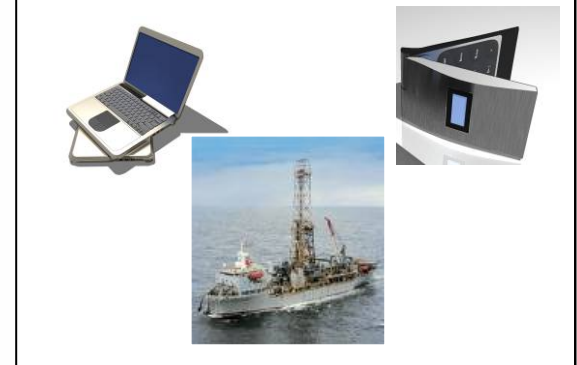
Process Improvements



Design Expertise



Customer Solutions



Five Sources for More Alcoa Advantage



*We invented
the industry*

*We innovated
markets*

*We reshaped
the industry*

*Alcoa can't wait
for tomorrow*

1888

1900



2008

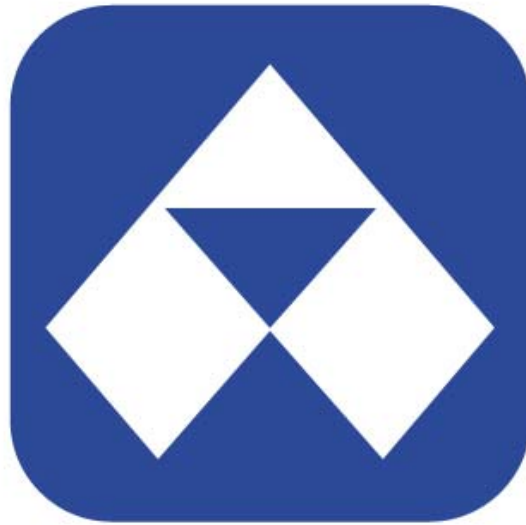




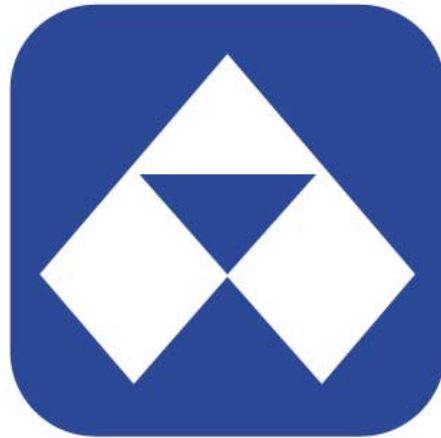
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APPENDIX



Reconciliation of Adjusted Income

(in millions, except per share amounts)

	Net Income			Diluted EPS		
	Quarter ended			Quarter ended		
	1Q07	4Q07	1Q08	1Q07	4Q07	1Q08
Net income	\$ 662	\$ 632	\$ 303	\$ 0.75	\$ 0.75	\$ 0.37
(Loss) income from discontinued operations	<u>(11)</u>	<u>8</u>	<u>—</u>			
Income from continuing operations	673	624	303	0.77	0.74	0.37
Discrete tax items	—	(322)	28			
Transactions costs*	—	1	—			
Restructuring and other charges	<u>18</u>	<u>(1)</u>	<u>30</u>			
Income from continuing operations – excluding restructuring and other charges, transaction costs, and discrete tax items	<u>\$ 691</u>	<u>\$ 302</u>	<u>\$ 361</u>	0.79	0.36	0.44

Income from continuing operations – excluding restructuring and other charges, transaction costs, and discrete tax items is a non-GAAP financial measure. Management believes that this measure is meaningful to investors because management reviews the operating results of Alcoa excluding the impacts of restructuring and other charges, transaction costs, and discrete tax items. There can be no assurances that additional restructuring and other charges and discrete tax items will not occur in future periods. To compensate for this limitation, management believes that it is appropriate to consider both income from continuing operations determined under GAAP as well as income from continuing operations – excluding restructuring and other charges, transaction costs, and discrete tax items.

* Transaction costs include investment banking, legal, accounting, and other third-party expenses related to the Alcan offer, and were included in Selling, general administrative, and other expenses on the Statement of Consolidated Income.



Reconciliation of ATOI to Consolidated Net Income

(in millions)	<u>1Q07</u>	<u>2Q07</u>	<u>3Q07</u>	<u>4Q07</u>	<u>2007</u>	<u>1Q08</u>
Total segment ATOI	\$ 948	\$ 991	\$ 678	\$ 518	\$ 3,135	\$ 666
Unallocated amounts (net of tax):						
Impact of LIFO	(27)	(16)	10	9	(24)	(31)
Interest income	11	9	10	10	40	9
Interest expense	(54)	(56)	(98)	(53)	(261)	(64)
Minority interests	(115)	(110)	(76)	(64)	(365)	(67)
Corporate expense	(86)	(101)	(101)	(100)	(388)	(82)
Restructuring and other charges	(18)	21	(311)	1	(307)	(30)
Discontinued operations	(11)	(1)	(3)	8	(7)	–
Other	14	(22)	446	303	741	(98)
Consolidated net income	\$ 662	\$ 715	\$ 555	\$ 632	\$ 2,564	\$ 303

In the first quarter of 2008, management approved a realignment of Alcoa's reportable segments to better reflect the core businesses in which Alcoa operates and how it is managed. This realignment consisted of eliminating the Extruded and End Products segment, and realigning its component businesses as follows: the building and construction systems business will be reported in the Engineered Products and Solutions segment; the hard alloy extrusions business and the Russian extrusions business will be reported in the Flat-Rolled Products segment; and the remaining segment components, consisting primarily of the equity investment/income of Alcoa's interest in the Sapa AB joint venture, and the Latin American extrusions business, will be reported in Corporate. Additionally, the Russian forgings business will be moved from the Engineered Products and Solutions segment to the Flat-Rolled Products segment, where total Russian operations will now be reported. Prior period amounts have been reclassified to reflect the new segment structure. Also, the Engineered Solutions segment was renamed the Engineered Products and Solutions segment.



Reconciliation of Return on Capital

	1Q'08	4Q'07	3Q'07	2Q'07	1Q'07	4Q'06	3Q'06	2Q'06	1Q'06
(In Millions)	Bloomberg Method	Bloomberg Method	Bloomberg Method	Bloomberg Method	Bloomberg Method	Bloomberg Method	Bloomberg Method	Bloomberg Method	Bloomberg Method
Net income	\$2,205	\$2,564	\$2,291	\$2,273	\$2,302	\$2,248	\$2,113	\$1,865	1,581
Minority interests	\$317	\$365	\$399	\$432	\$446	\$436	\$418	\$368	304
Interest expense (after-tax)	<u>\$266</u>	<u>\$262</u>	<u>\$246</u>	<u>\$270</u>	<u>\$281</u>	<u>\$291</u>	<u>\$272</u>	<u>\$268</u>	<u>\$274</u>
Numerator (sum total)	\$2,788	\$3,191	\$2,936	\$2,975	\$3,029	\$2,975	\$2,803	\$2,501	\$2,159
Average Balances									
Short-term borrowings	\$524	\$516	\$497	\$451	\$441	\$386	\$349	\$303	\$342
Short-term debt	\$358	\$356	\$525	\$359	\$360	\$284	\$449	\$55	\$53
Commercial paper	\$864	\$1,164	\$1,275	\$1,169	\$972	\$1,192	\$1,678	\$1,501	\$1,652
Long-term debt	\$6,374	\$5,574	\$5,390	\$5,709	\$5,767	\$5,027	\$4,915	\$5,333	\$5,243
Preferred stock	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55
Minority interests	\$2,320	\$2,130	\$1,927	\$1,809	\$1,669	\$1,583	\$1,416	\$1,340	\$1,280
Common equity	<u>\$15,563</u>	<u>\$15,269</u>	<u>\$15,255</u>	<u>\$15,571</u>	<u>\$14,621</u>	<u>\$13,947</u>	<u>\$14,120</u>	<u>\$13,834</u>	<u>\$13,611</u>
Denominator (sum total)	\$26,058	\$25,064	\$24,924	\$25,123	\$23,885	\$22,474	\$22,982	\$22,421	\$22,236
Return on Capital	10.7%	12.7%	11.8%	11.8%	12.7%	13.2%	12.2%	11.2%	9.7%

Return on Capital (ROC) is presented based on Bloomberg Methodology which calculates ROC based on trailing four quarters.



Reconciliation of Adjusted Return on Capital

(In Millions)	1Q'08 Bloomberg Method	4Q'07 Bloomberg Method	3Q'07 Bloomberg Method	2Q'07 Bloomberg Method	1Q'07 Bloomberg Method	4Q'06 Bloomberg Method	3Q'06 Bloomberg Method	2Q'06 Bloomberg Method	1Q'06 Bloomberg Method
Numerator (sum total)	\$2,788	\$3,191	\$2,936	\$2,975	\$3,029	\$2,975	\$2,803	\$2,501	\$2,159
Russia, Bohai, and Kunshan net losses	<u>(\$96)</u>	<u>(\$91)</u>	<u>(\$57)</u>	<u>(\$51)</u>	<u>(\$79)</u>	<u>(\$74)</u>	<u>(\$85)</u>	<u>(\$78)</u>	<u>(\$86)</u>
Adjusted numerator	\$2,884	\$3,282	\$2,993	\$3,026	\$3,108	\$3,049	\$2,888	\$2,579	\$2,245
Average Balances									
Denominator (sum total)	\$26,058	\$25,064	\$24,924	\$25,123	\$23,885	\$22,474	\$22,982	\$22,421	\$22,236
Capital projects in progress and Russia, Bohai, and Kunshan capital base	<u>\$4,730</u>	<u>\$4,620</u>	<u>\$4,430</u>	<u>\$4,521</u>	<u>\$3,945</u>	<u>\$3,655</u>	<u>\$2,540</u>	<u>\$2,330</u>	<u>\$2,139</u>
Adjusted denominator	\$21,328	\$20,444	\$20,494	\$20,602	\$19,940	\$18,819	\$20,442	\$20,091	\$20,097
Return on capital, excluding growth investments	13.5%	16.1%	14.6%	14.7%	15.6%	16.2%	14.1%	12.8%	11.2%

Return on capital, excluding growth investments is a non-GAAP financial measure. Management believes that this measure is meaningful to investors because it provides greater insight with respect to the underlying operating performance of the company's productive assets. The company has significant growth investments underway in its upstream and downstream businesses, as previously noted, with expected completion dates over the next several years. As these investments generally require a period of time before they are productive, management believes that a return on capital measure excluding these growth investments is more representative of current operating performance.



Days of Working Capital

(in millions)	Quarter ended		
	March 31, <u>2007 (a)</u>	December 31, <u>2007</u>	March 31, <u>2008</u>
Receivables from customers, less allowances	\$ 2,970	\$ 2,602	\$ 3,048
Add: Inventories	3,309	3,326	3,679
Less: Accounts payable, trade	<u>2,287</u>	<u>2,787</u>	<u>2,895</u>
Working Capital	\$ 3,992	\$ 3,141	\$ 3,832
Sales	\$ 7,908	\$ 7,387	\$ 7,375
Packaging and Consumer, Soft Alloy Extrusions, and Auto Castings	<u>1,436</u>	<u>905</u>	<u>497</u>
Adjusted Sales (b)	\$ 6,472	\$ 6,482	\$ 6,878
Days of Working Capital	55.5	44.6	50.7

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

- (a) Certain financial information for the quarter ended March 31, 2007 has been reclassified to reflect the movement of the automotive castings and packaging and consumer businesses to held for sale in the third quarter of 2007.
- (b) Adjusted Sales is a non-GAAP financial measure and is being used to calculate Days of Working Capital to be consistent with the fact that the working capital components of the above mentioned divested businesses were classified as held for sale, and, therefore, are not included in the Working Capital amounts above.



Segment Realignment Detail

FLAT-ROLLED PRODUCTS SEGMENT										
	1Q06	2Q06	3Q06	4Q06	2006	1Q07	2Q07	3Q07	4Q07	2007
Third-Party Shipments, as previously reported (kmt)	562	579	568	564	2,273	568	583	602	574	2,327
Add: Hard alloy extrusions, Russia forgings and extrusions	28	29	30	29	114	29	29	30	26	114
Third-Party Shipments, as reclassified	590	608	598	593	2,387	597	612	632	600	2,441
Third-Party Sales, as previously reported (in millions)	\$ 1,940	\$ 2,115	\$ 2,115	\$ 2,127	\$ 8,297	\$ 2,275	\$ 2,344	\$ 2,309	\$ 2,243	\$ 9,171
Add: Hard alloy extrusions, Russia forgings and extrusions	160	166	178	194	698	192	191	185	193	761
Third-Party Sales, as reclassified	\$ 2,100	\$ 2,281	\$ 2,293	\$ 2,321	\$ 8,995	\$ 2,467	\$ 2,535	\$ 2,494	\$ 2,436	\$ 9,932
ATOI, as previously reported (in millions)	\$ 66	\$ 79	\$ 48	\$ 62	\$ 255	\$ 62	\$ 93	\$ 61	\$ (16)	\$ 200
Add: Hard alloy extrusions, Russia forgings and extrusions	(4)	(5)	(1)	(0)	(11)	(2)	4	1	1	4
ATOI, as reclassified	\$ 62	\$ 74	\$ 47	\$ 62	\$ 244	\$ 60	\$ 97	\$ 62	\$ (15)	\$ 204
ENGINEERED PRODUCTS AND SOLUTIONS SEGMENT										
	1Q06	2Q06	3Q06	4Q06	2006	1Q07	2Q07	3Q07	4Q07	2007
Third-Party Shipments, as previously reported (kmt)	37	38	34	30	139	31	30	27	24	112
Add: Building and construction systems										
Less: Russia Forgings and other	20	22	22	23	88	24	22	24	25	94
Third-Party Shipments, as reclassified	57	60	56	53	227	55	52	51	49	207
Third-Party Sales, as previously reported (in millions)	\$ 1,360	\$ 1,405	\$ 1,345	\$ 1,346	\$ 5,456	\$ 1,449	\$ 1,478	\$ 1,407	\$ 1,391	\$ 5,725
Add: Building and construction systems										
Less: Russia Forgings and other	184	210	234	222	850	227	237	255	275	994
Third-Party Sales, as reclassified	\$ 1,544	\$ 1,615	\$ 1,579	\$ 1,568	\$ 6,306	\$ 1,676	\$ 1,715	\$ 1,662	\$ 1,666	\$ 6,719
ATOI, as previously reported (in millions)	\$ 83	\$ 100	\$ 75	\$ 73	\$ 331	\$ 93	\$ 105	\$ 60	\$ 58	\$ 316
Add: Building and construction systems										
Less: Russia Forgings and other	11	13	12	15	51	12	14	22	18	66
ATOI, as reclassified	\$ 94	\$ 113	\$ 87	\$ 88	\$ 382	\$ 105	\$ 119	\$ 82	\$ 76	\$ 382

In the first quarter of 2008, management approved a realignment of Alcoa's reportable segments to better reflect the core businesses in which Alcoa operates and how it is managed. This realignment consisted of eliminating the Extruded and End Products segment, and realigning its component businesses as follows: the building and construction systems business will be reported in the Engineered Products and Solutions segment; the hard alloy extrusions business and the Russian extrusions business will be reported in the Flat-Rolled Products segment; and the remaining segment components, consisting primarily of the equity investment/income of Alcoa's interest in the Sapa AB joint venture, and the Latin American extrusions business, will be reported in Corporate. Additionally, the Russian forgings business will be moved from the Engineered Products and Solutions segment to the Flat-Rolled Products segment, where total Russian operations will now be reported. Prior period amounts have been reclassified to reflect the new segment structure. Also, the Engineered Solutions segment was renamed the Engineered Products and Solutions segment.



Reconciliation of Segment Information

(aluminum shipments in thousands of metric tons; dollars in millions)

Reconciliation of third-party aluminum shipments:	<u>1Q07</u>	<u>2Q07</u>	<u>3Q07</u>	<u>4Q07</u>	<u>2007</u>	<u>1Q08</u>
Total segment third-party aluminum shipments	1,205	1,269	1,304	1,318	5,096	1,342
Corporate:						
Automotive Castings	6	6	5	4	21	—
Soft Alloy Extrusions (contributed to Sapa AB)	136	70	—	—	206	—
Other U.S. Soft Alloy Extrusions	6	5	5	—	16	—
Latin America Extrusions	12	14	14	14	54	15
Total Corporate	160	95	24	18	297	15
Consolidated third-party aluminum shipments	1,365	1,364	1,328	1,336	5,393	1,357

Reconciliation of third-party sales:	<u>1Q07</u>	<u>2Q07</u>	<u>3Q07</u>	<u>4Q07</u>	<u>2007</u>	<u>1Q08</u>
Total segment third-party sales	\$ 7,157	\$ 7,545	\$ 7,248	\$ 7,274	\$29,224	\$ 7,318
Corporate:						
Automotive Castings	41	41	34	16	132	—
Soft Alloy Extrusions (contributed to Sapa AB)	634	407	—	—	1,041	—
Other U.S. Soft Alloy Extrusions	25	24	23	2	74	—
Latin America Extrusions	54	64	64	59	241	71
Other	(3)	(15)	18	36	36	(14)
Total Corporate	751	521	139	113	1,524	57
Consolidated third-party sales	\$ 7,908	\$ 8,066	\$ 7,387	\$ 7,387	\$30,748	\$ 7,375



Adjusted Income Statement Items

(in millions)

	Third-party Sales		Cost of Goods Sold		Selling, General Administrative, and Other Expenses	
	Quarter ended		Quarter ended		Quarter ended	
	December 31, <u>2007</u>	March 31, <u>2008</u>	December 31, <u>2007</u>	March 31, <u>2008</u>	December 31, <u>2007</u>	March 31, <u>2008</u>
Alcoa	\$ 7,387	\$ 7,375	\$ 6,153	\$ 5,892	\$ 383	\$ 328
Packaging and Consumer	<u>887</u>	<u>497</u>	<u>738</u>	<u>440</u>	<u>64</u>	<u>34</u>
Alcoa, excluding Packaging and Consumer	<u>\$ 6,500</u>	<u>\$ 6,878</u>	<u>\$ 5,415</u>	<u>\$ 5,452</u>	<u>\$ 319</u>	<u>\$ 294</u>

	After-tax Operating Income	
	Quarter ended	
	December 31, <u>2007</u>	March 31, <u>2008</u>
Segment total	\$ 518	\$ 666
Packaging and Consumer	<u>56</u>	<u>11</u>
Segment total, excluding Packaging and Consumer	<u>\$ 462</u>	<u>\$ 655</u>

Third-party sales; cost of goods sold; selling, general administrative, and other expenses; and segment after-tax operating income excluding the Packaging and Consumer segment are non-GAAP financial measures. Management believes that these measures are meaningful to investors because management reviews the operating results of Alcoa excluding the Packaging and Consumer segment due to the sale of the businesses within this segment in February 2008.