



ALCOA RUSSIA: FIGURES AND FACTS

February 1, 2005 - Alcoa completed the acquisition of the Samara Metallurgical Plant (currently – ZAO Alcoa SMZ) and Belaya Kalitva Metallurgical Manufacturing Association (currently – ZAO Alcoa Metallurg Rus: in July 2007 it was reorganized by joining JSC Alcoa Metallurg Rus) from Russky Aluminy (RUSAL) for **\$257.5 million**.

In order to improve the product quality and raise the production efficiency to the international standards required by large customers in Russia and abroad, Alcoa upgrades the production and implements new technologies at Alcoa SMZ and Alcoa Metallurg Rus.

In addition to equipment purchases and upgrades, substantial funds are invested in Environment, Health and Safety System improvement, Alcoa Business System implementation, and employee training and development.

2005 - 2010 Alcoa investments in aligning the Russian production facilities with Alcoa's best global standards exceeded **\$500 million**:

- 2005 - **\$3 million**
- 2006 - **\$96 million**
- 2007 - **\$169 million**
- 2008 - **\$200 million**
- 2009 - **\$22 million**
- 2010 - **\$12 million**

Since 2005 total investments in Alcoa Russia (including the acquisition) reached nearly **\$760 million**.

PRODUCTION FACILITIES OF ALCOA RUSSIA

ZAO Alcoa SMZ is Russia's largest producer of fabricated aluminum

The **share of Alcoa SMZ** in the mill products market is nearly **40%**.

ZAO Alcoa SMZ plant is:

- 1 380 000 square meters of land
- 680 000 square meters under roof

ZAO Alcoa SMZ has **3 business units**:

- Casthouse
- Mill products
- Extrusions (includes forgings production):
 - ✓ The largest extrusion press in Russia
 - ✓ The largest forging press in Russia

ZAO Alcoa Metallurg Rus (AMR, the legal successor of Belaya Kalitva Metallurgical Manufacturing Association) is Russia's largest producer of fabricated aluminum.

The share of **ZAO AMR** in the mill products market is nearly **10%**.

ZAO Alcoa Metallurg Rus plant is:

- 861 500 square meters of land
- 277 550 square meters under roof

ZAO AMR has 4 business units:

- Casthouse
- Mill products
- Extrusions (includes a forgings-extrusions shop)
- Cookware (former OOO Zavod Kalitva)

MANUFACTURED PRODUCTS

ZAO Alcoa SMZ manufactures a wide variety of flat-rolled, extruded and forged products:

- coils, including can stock (body, end and tab), tin stock, lacquered strip
- sheet, profiles, panels, tubes, forgings, incl. large-scale ones.

ZAO AMR manufactures a wide variety of flat-rolled, extruded and forged products:

- coils, plate, panels,
- profiles, tubes, forgings,
- aluminum cookware with antistick coating, aluminum matt cookware, special cookware (churns, canisters, etc.) under Kalitva trademark using the most recent technologies and antistick coatings of world leading producers - Du Pont и Akzo Nobel.

Customers in packaging, aerospace, automobile, building and construction, oil&gas widely use the products of both locations and their capacity to design and develop new solutions. Alcoa Russia facilities at BK and Samara have some very prestigious and prosperous customers such as the United Aircraft Corporation and their subsidiary plants such as Knaapo, Aviastar, VASO are manufacturing Aero programs for Superjet, Ilyushin and others. Our customers in the Space programs i.e. Progress etc. The use of cans to package beverages is exploding in Russia with Rexam, our can sheet customer, enjoying an unprecedented growth. We are seeing new projects in the Oil and Gas Industry with Transneft and others. International brands such as Bosch Siemens also use our products and services.

INVESTMENT PROGRAM

Based on the outlook for the Russian and global aluminum markets, Alcoa invests in the casthouse, mill and forging capacities in order to meet the demand of the most rapidly developing sectors of the Russian economy.

The investment program at **ZAO Alcoa SMZ** includes:

- **Casthouse:** development of high-quality ingot production for can stock and fabricated aluminum in aerospace, building and construction, food industry.
- **Extrusions:** development of fabricated aluminum production for oil and gas, building and construction.
- **Forgings:** development of large-scale forgings production for aerospace, oil and gas.
- **Mill Products:** development of can stock production, tin stock and lacquered stock for aerospace, building and construction, food industry.

The investment program at **ZAO AMR** includes:

- **Casthouse:** development of high-quality ingot production for aerospace, automotive.
- **Forgings:** development of forged wheel production
- **Mill products:** development of plate and sheet production for aerospace

QUALITY CERTIFICATES

The **Samara** plant's production and quality control systems have been ISO 9001/9002 certified:

Awarded certificates are:

- BSI certificate on quality management system ISO 9001:2008 and AS 9100;
- BSI certificate on quality management system ISO/TS 16949;
- BSI certificate on environmental management ISO 14001;
- Certificate of Aviation Register of Interstate Aviation Committee on aerospace materials;
- NADCAP certificate on thermal treatment processes of aerospace materials;
- NADCAP certificate on non-destructive control of aerospace materials;
- Certificate of Russian Maritime industry of Shipping on recognition of shipbuilding materials manufacturer;
- Certificate of American Bureau of Shipping on production of alloys 5083 and 5086 for shipbuilding materials;
- Certificate of Det Norske Veritas (DNV) on production of alloys 5083 and 5086 for shipbuilding materials;
- TUV Certificate for production according to European Directive on pressure equipment PED 97/23/EC;
- Certificate of Federal Technical Regulation and Metrology Agency (former GosStandart of Russia) on the metrological department;
- Certificate of Federal Technical Regulation and Metrology Agency on the testing laboratory;
- Certificate of Aviation Register of Interstate Aviation Committee on the testing laboratory.

The **Belaya Kalitva** plant's production and quality control is ISO 9001 and AS 9001 certified

Awarded certificates are:

- BSI certificate on quality management system BS/EN9100:2003, ISO 9001:2003 and EN 9104:P1 as an aerospace supplier;
- Certificate of Aviation Register of Interstate Aviation Committee on aerospace materials;
- Certificate on production of aluminum and aluminum alloys according to GOST R ISO 9001-2001 standard;
- Certificate on production of plate according to specifications of American Bureau of Shipping (ABS);
- Certificate of Det Norske Veritas (DNV) on production of sheet and plate (NV 5083 0, H112, H116, H321 below 12 mm width);
- NADCAP certificate on ultrasound control;
- Certificate of Certification Center "Material" on the plant's Testing Laboratory;
- Accreditation Certificate of Federal Agency for Technical regulation and metrology the Testing Laboratory of Duralumin Center;
- Accreditation Certificate of Federal Agency for Technical regulation and metrology on calibration of measuring units.

The location is preparing for the certification in Environmental Management.

CORPORATE SOCIAL RESPONSIBILITY ACTIVITY

In 2005-2010, Alcoa Russia and Alcoa Foundation have invested in the communities **about USD 4.7 million** (Samara region – \$ 2.2 million, Rostov region – \$ 1.8 million, Moscow region – \$ 0.7 million).

Alcoa Russia corporate social activity is aligned with the global focus areas of the Alcoa Foundation – **Sustainable Environment, Building Tomorrow’s Workforce and Leaders, Community Health and Safety, Community Capacity and Resilience**. As part of this commitment Alcoa Russia and the Alcoa Foundation implement long-term technical and economical education support programs, educational programs in conservation, sustainability and healthy lifestyle for youth, cardiac care program for children.

In addition, ZAO Alcoa SMZ and ZAO AMR implement community programs to address the local community needs. These projects include support of socially vulnerable groups of population (elderly people, orphans, people with disabilities), environmental events, As part of Alcoa program Ten Million Trees, Alcoa employees planted about 6000 trees.

The combined community investments in the **Samara** region in 2005-2010 amount to more than **USD 2.2 million**.

Initiatives:

- Alcoa Foundation Technical Education Support Program in Samara State Aerospace University (SGAU): scholarships to best students at engineering faculties, development stipend for young faculty members, technical upgrades of lecture rooms and laboratories.
- Alcoa Foundation Technical Education Support Program in Samara Metallurgical College: scholarships to best students.
- Conservation and sustainability program “We are in charge of the future” for middle schools of the Kirovsky district in Samara.
- Alcoa Foundation Program “Healthy Youth – healthy future of Russia” (AIDS prevention among young people).
- Projects of Alcoa SMZ for local community: English language summer camps, assistance to children with disabilities, orphans, to youth organizations, veterans, Alcoa employee volunteering events to clean up, refurbish and landscape the Metallurg district.

The combined community investments in **Belaya Kalitva** and the Rostov region in 2005-2010 amount to more than **USD 1.8 million**.

Initiatives :

- Alcoa Foundation Technical Education Support Program in Donskoy State Technical University (DGTU): 50 scholarships to best students at engineering faculties, 5 development stipends for young faculty members, technical upgrades of lecture rooms.
- Alcoa Foundation Technical Education Support Program in Belaya Kalitva Polytechnic College: scholarships to best students.
- Conservation and sustainability programs “We are in charge of the future” for middle schools in Belaya Kalitva and its region.
- Children’s cardiac care program “Heart to Heart”.
- Local community projects in Belaya Kalitva: assistance to veterans, orphans and children from socially vulnerable groups, Alcoa employee volunteering events to clean up, refurbish and landscape the city.