



ARCONIC
Innovation, engineered.

FOR IMMEDIATE RELEASE

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Arconic Announces Divestiture of its Fusina, Italy Rolling Mill

NEW YORK, April 6, 2017 – Arconic Inc. (NYSE: ARNC) today announced the divestiture of its Fusina, Italy rolling mill to Slim Aluminium. The transaction follows a thorough review process and is part of Arconic Global Rolled Products' (GRP) continued drive to convert the business from a commodity producer to a high-margin aerospace and automotive supplier.

Arconic expects to record restructuring-related charges representing the loss on sale of approximately \$60 million after tax, or \$0.12 per diluted share, in its Statement of Consolidated Operations for the first quarter of 2017. The charges primarily relate to the non-cash impairment of the net book value of the business as well as the injection of \$10 million in cash into the business prior to its sale.

GRP has increased its adjusted EBITDA margin by 890 basis points – from 3 percent in 2008 to 11.9 percent in 2016 – through portfolio optimization, manufacturing excellence and commercializing innovations.

About Arconic

Arconic (NYSE: ARNC) creates breakthrough products that shape industries. Working in close partnership with our customers, we solve complex engineering challenges to transform the way we fly, drive, build and power. Through the ingenuity of our people and cutting-edge advanced manufacturing techniques, we deliver these products at a quality and efficiency that ensure customer success and shareholder value. For more information: www.arconic.com. Follow @arconic: [Twitter](#), [Instagram](#), [Facebook](#), [LinkedIn](#) and [YouTube](#).

About Slim Aluminium SpA

Slim Aluminium is an Italy-based rolling mill business. At present Slim Aluminium has a production capacity of around 92,000 metric tons per year, which includes the production of foil, a wide range of coils and sheets, circles and shaped blanks. For more information:

www.slimaluminium.com. Slim Aluminium SpA is fully owned by funds managed by [Quantum Capital Partners GmbH](#).

Dissemination of Company Information

Arconic intends to make future announcements regarding Company developments and financial performance through its website on www.arconic.com

Forward-Looking Statements

This release contains statements that relate to future events and expectations and as such constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include those containing such words as "anticipates," "estimates," "expects," "may," "plans," "projects," "should," "will," "would," or other words of similar meaning. All statements that reflect Arconic's expectations, assumptions or projections about the future, other than statements of historical fact, are forward-looking statements, including, without limitation, statements regarding charges in first quarter of 2017. Forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, and changes in circumstances that are difficult to predict. Although Arconic believes that the expectations reflected in any forward-looking statements are based on reasonable assumptions, it can give no assurance that these expectations will be attained and it is possible that actual results may differ materially from those indicated by these forward-looking statements due to a variety of risks and uncertainties. Such risks and uncertainties include, but are not limited to, the risk factors discussed in Arconic's Form 10-K for the year ended December 31, 2016, and other reports filed with the U.S. Securities and Exchange Commission. Arconic disclaims any obligation to update publicly any forward-looking statements, whether in response to new information, future events or otherwise, except as required by applicable law.

Non-GAAP Financial Measures

Some of the information included in this communication is derived from Arconic's consolidated financial information but is not presented in Arconic's financial statements prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). Such non-GAAP financial measures supplement our GAAP disclosures and should not be considered an alternative to the GAAP measure. Reconciliations to the most directly comparable GAAP financial measures and management's rationale for the use of the non-GAAP financial measures can be found below.

Arconic and subsidiaries

Calculation of Financial Measures (unaudited) (dollars in millions)

Reconciliation of Global Rolled Products⁽¹⁾ Adjusted EBITDA

(\$ in millions)

2008

2016

After-tax operating income (ATOI)	\$ (15)	\$ 269
Add:		
Depreciation and amortization	190	201
Income taxes	50	107
Other	<u>4</u>	<u>—</u>
Adjusted EBITDA	<u>\$ 229</u>	<u>\$ 577</u>
Third Party Sales	<u>\$ 7,659</u>	<u>\$ 4,864</u>
Adjusted EBITDA Margin	3.0%	11.9%

Arconic's definition of Adjusted EBITDA (Earnings before interest, taxes, depreciation, and amortization) is net margin plus an add-back for depreciation and amortization. Net margin is equivalent to Sales minus the following items: Cost of goods sold; Selling, general administrative, and other expenses; Research and development expenses; and Provision for depreciation and amortization. The Other line in the table above includes gains/losses on asset sales and other nonoperating items. Adjusted EBITDA is a non-GAAP financial measure. Management believes that this measure is meaningful to investors because Adjusted EBITDA provides additional information with respect to Arconic's operating performance and the Company's ability to meet its financial obligations. The Adjusted EBITDA presented may not be comparable to similarly titled measures of other companies.

- (1) Excludes the Warrick, IN rolling operations and the equity interest in the rolling mill at the joint venture in Saudi Arabia, both of which were previously part of the Global Rolled Products segment but became part of Alcoa Corporation effective November 1, 2016.