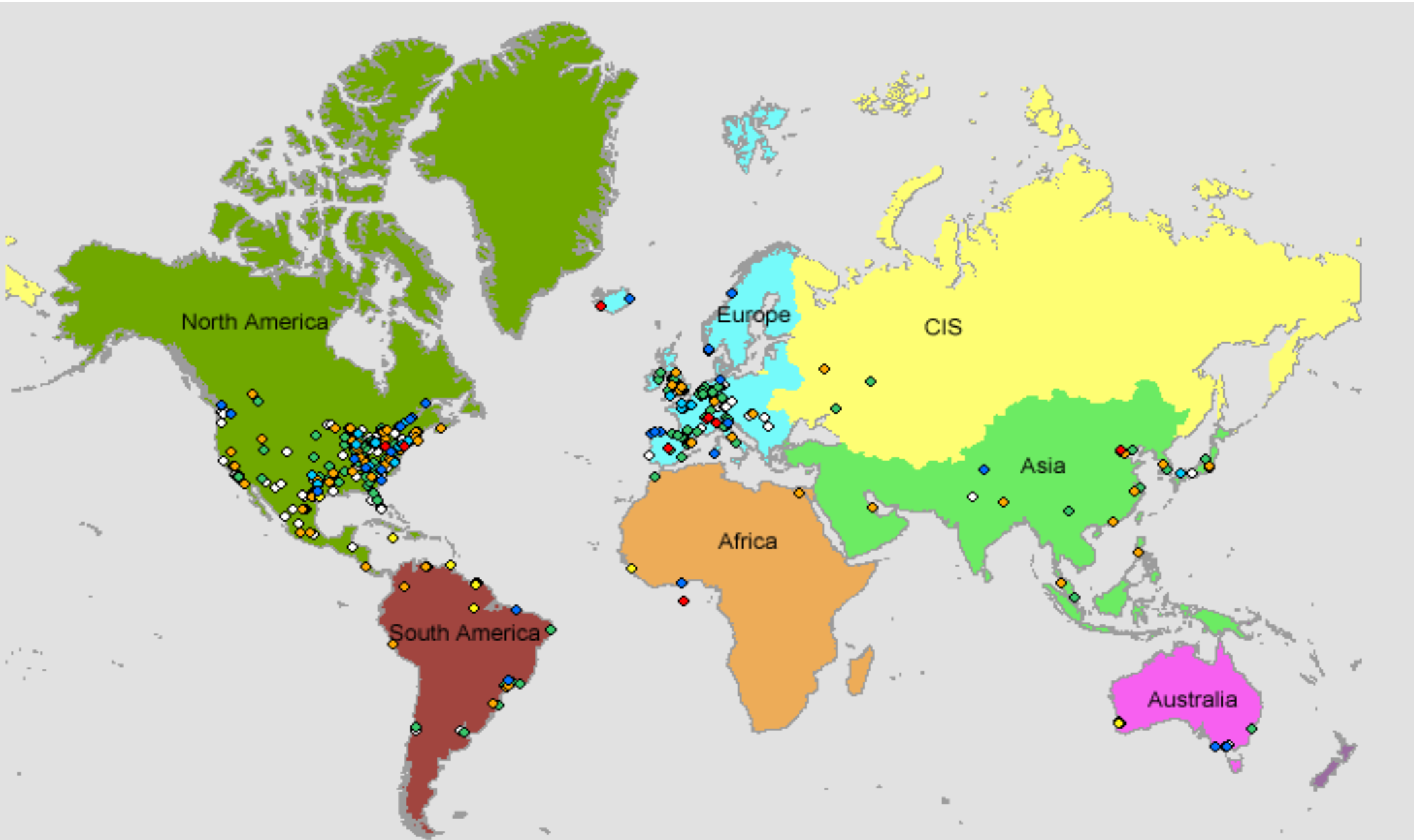




PJM Symposium on Long Term Contracts

September 7, 2007

Worldwide Operating Locations





About Alcoa

Global company with presence in over 30 countries

➤ Processes:

➤ Mining Bauxite

➤ Refining Bauxite into Alumina

➤ Smelting Alumina into Aluminum

➤ Rolling/forging/extruding into products

➤ Sheet and plate for aircraft and transportation

➤ Food packaging

➤ Foil





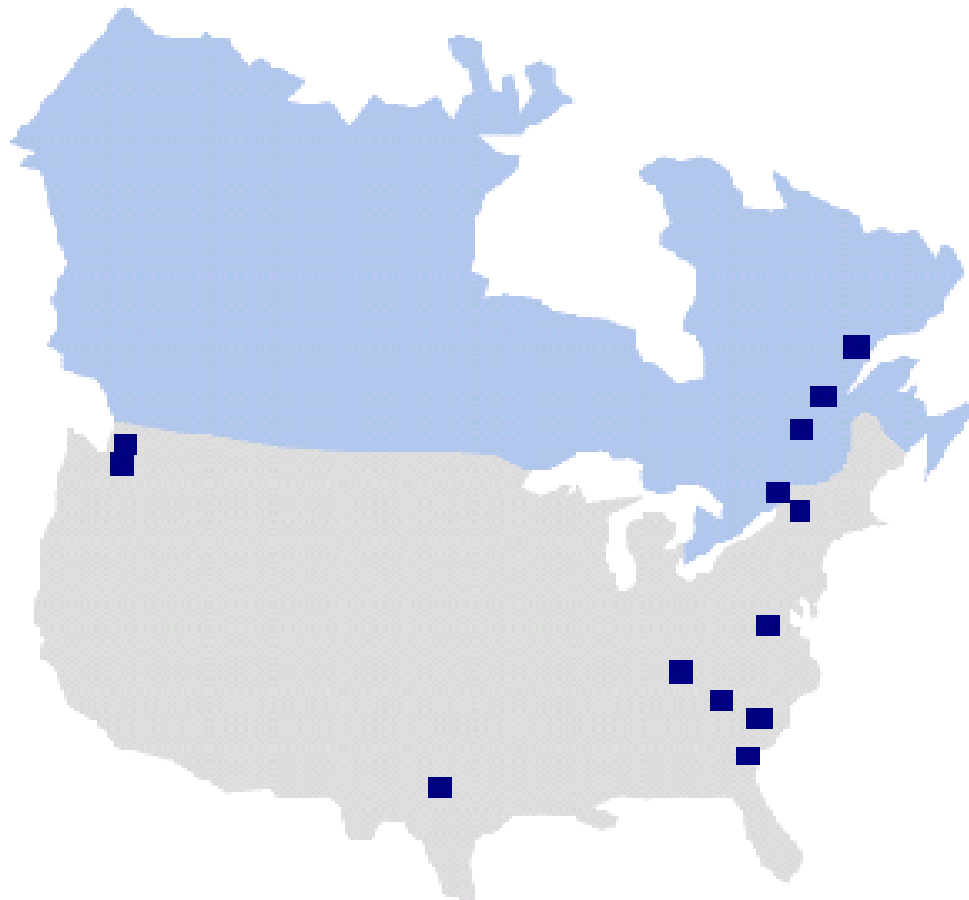
About Alcoa Smelting

- Smelting Process requires a very large amount of electricity
 - Typically hundreds of Megawatts at a single facility
 - Very high load factor (greater than 95%)
 - Electricity is considered a raw material making up 30% to 40 % of the product

- Long term for many industries is anywhere from 3 to 20 years
- Long Term contracts for Alcoa are 10 years or more preferably 20 years
- We cannot continue to operate, reinvest in existing or invest in new facilities without a long term commitment at a known price



Alcoa North American Smelter Locations



■ Smelter

Canada

Baie-Comeau, Quebec
Becancour, Quebec
Deschambault, Quebec

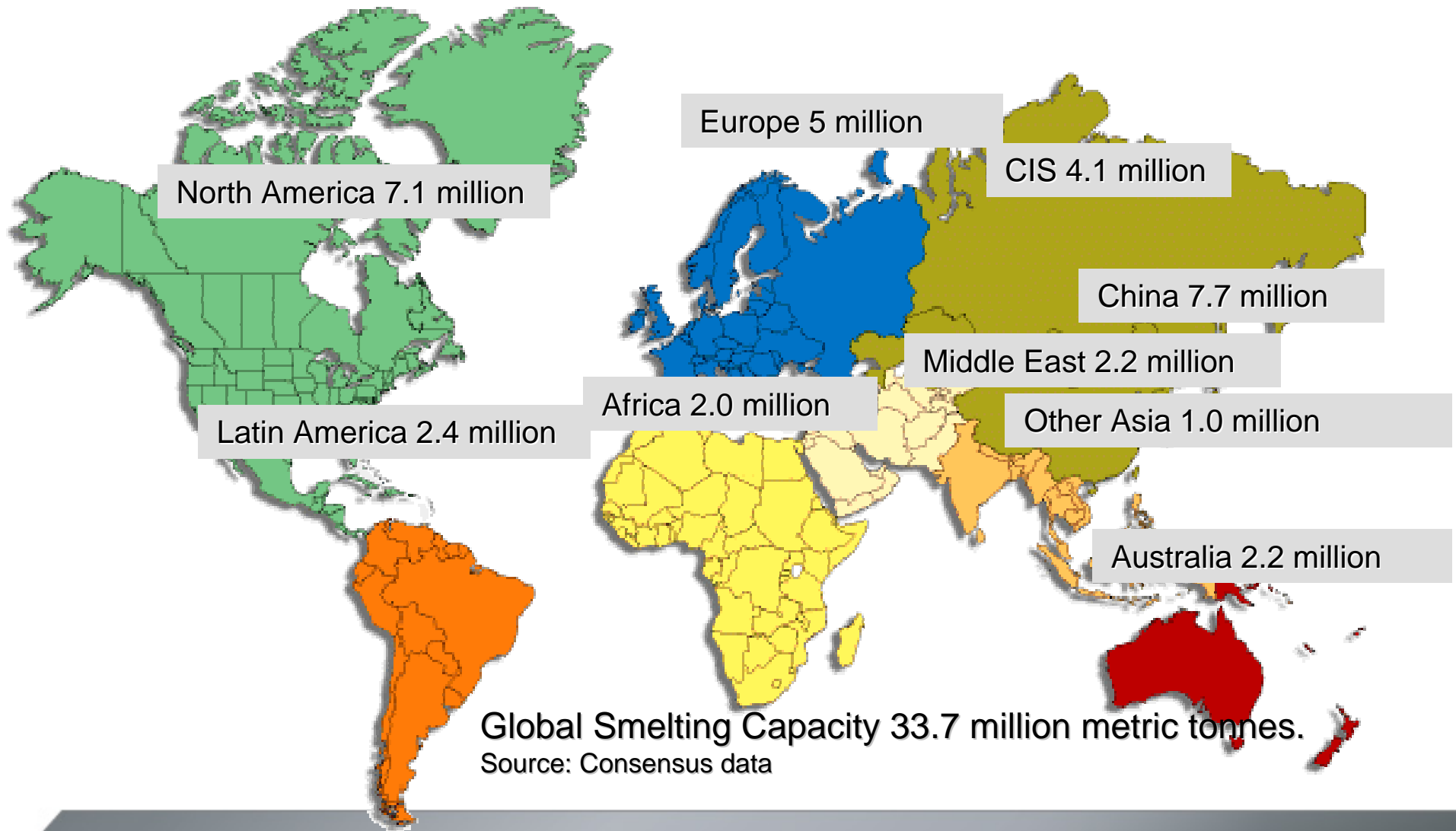
United States

Badin, NC – Idle
Intalco, WA
Frederick, MD – Idle due to Power Issues
Mt. Holly, SC
Wenatchee, WA
Massena, NY (2 Smelters)
Rockdale, TX
Alcoa, TN
Warrick, IN

Regulated State

Restructured State

Global Smelting Capacity



From WSJ 8/30/07

- “Interestingly enough, the deregulators are trying to create a world that would probably never arise in a totally free electricity market. In a world of deregulated vertically integrated firms, both producers and consumers would almost certainly resist spot market relationships. During gluts, firms would not recover the cost of capital; and during shortages, electricity consumers would be vulnerable to economic extortion, as competitive entry and rivalry can't happen overnight. Both firms and consumers would likely prefer long-term contracts, an arrangement that meets consumers' interest in price protection and firms' interest in cost recovery.”



Thank You