



**FOR IMMEDIATE RELEASE**

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**Arconic to Freeze Pension Plans for U.S.-Based Salaried  
and Non-Bargained Hourly Employees**

**NEW YORK, January 8, 2018** – Arconic Inc. (NYSE: ARNC) announced today that it will freeze U.S. defined benefit pension plans for all U.S.-based salaried and non-bargained hourly employees, effective April 1, 2018.

As a result, in the first quarter of 2018, the Company expects to record a liability decrease of approximately \$140 million related to the reduction of future benefits and a curtailment charge of approximately \$5 million pre-tax. For the full year 2018, the Company expects pension-related expense to be lower by approximately \$50 million pre-tax compared to 2017 full-year expenses.

The pension freeze applies to the accrual of future benefits for approximately 7,900 affected U.S. employees; benefits already earned by these employees through March 31, 2018 will be available when they reach retirement eligibility. Retirees already collecting benefits and former employees with vested benefits under the pension plans will not be impacted by this change.

Arconic will continue to support affected employees in preparing for a financially sound retirement by contributing 3% of their eligible compensation to the Company's applicable 401(k) plan and by matching their contributions of up to 6% of eligible compensation to the applicable plan—consistent with what most new salaried employees currently receive. Arconic is also providing an additional transition contribution of 3% of eligible compensation for the remaining nine months of 2018 for affected employees.

"This transition balances our need to deliver competitive, equitable benefits to all employees while maintaining market competitiveness," said Vas Nair, Executive Vice President of Human Resources at Arconic.

The lower pension expense expectation is based on preliminary year-end December 31, 2017

results and is inclusive of the change to the pension plans described above as well as expected changes in other pension-related assumptions.

### **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](http://www.arconic.com). Follow @arconic: [Twitter](#), [Instagram](#), [Facebook](#), [LinkedIn](#) and [YouTube](#).

### **Dissemination of Company Information**

Arconic intends to make future announcements regarding Company developments and financial performance through its website on [www.arconic.com](http://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," "believes," "could," "estimates," "expects," "forecasts," "goal," "guidance," "intends," "may," "outlook," "plans," "projects," "seeks," "sees," "should," "targets," "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 and guidance regarding future financial results or operating performance, and expectations regarding the transaction closing. These statements reflect beliefs and assumptions that are based on Arconic's perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. 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: (a) deterioration in global economic and financial market conditions generally; (b) unfavorable changes in the markets served by Arconic; (c) the inability to achieve the level of revenue growth, cash generation, cost savings, improvement in profitability and margins, fiscal discipline, or strengthening of competitiveness and operations anticipated or targeted; (d) changes in discount rates or investment returns on pension assets; (e) Arconic's inability to realize expected benefits, in each case as planned and by targeted completion dates, from acquisitions, divestitures, facility closures, curtailments, expansions, or joint ventures; (f) the impact of cyber attacks and potential information technology or data security breaches; (g) any manufacturing difficulties or other issues that impact product performance, quality or safety; (h) political, economic, and regulatory risks in the countries in which Arconic

operates or sells products; (i) material adverse changes in aluminum industry conditions, including fluctuations in London Metal Exchange-based aluminum prices; (j) the impact of changes in foreign currency exchange rates on costs and results; (k) the outcome of contingencies, including legal proceedings, government or regulatory investigations, and environmental remediation, which can expose Arconic to substantial costs and liabilities; and (l) the other risk factors summarized in Arconic's Form 10-K for the year ended December 31, 2016, Arconic's Form 10-Q for the quarter ended June 30, 2017 and other reports filed with the U.S. Securities and Exchange Commission (SEC). Arconic disclaims any intention or obligation to update publicly any forward-looking statements, whether in response to new information, future events, or otherwise, except as required by applicable law. Market projections are subject to the risks discussed above and other risks in the market.