

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 14A  
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of The Securities Exchange Act of 1934

(Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Under Rule 14a-12

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ARCONIC INC.

(Name of Registrant as Specified in Its Charter)

ELLIOTT ASSOCIATES, L.P.  
ELLIOTT INTERNATIONAL, L.P.  
PAUL E. SINGER  
ELLIOTT CAPITAL ADVISORS, L.P.  
ELLIOTT SPECIAL GP, LLC  
BRAXTON ASSOCIATES, INC.  
ELLIOTT ASSET MANAGEMENT LLC  
ELLIOTT INTERNATIONAL CAPITAL ADVISORS INC.  
HAMBLEDON, INC.  
ELLIOTT MANAGEMENT CORPORATION  
THE LIVERPOOL LIMITED PARTNERSHIP  
LIVERPOOL ASSOCIATES LTD.  
LARRY A. LAWSON  
CHRISTOPHER L. AYERS  
ELMER L. DOTY  
BERND F. KESSLER  
PATRICE E. MERRIN

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(Name of Persons(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
  - Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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(1) Title of each class of securities to which transaction applies:

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(2) Aggregate number of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(4) Proposed maximum aggregate value of transaction:

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(5) Total fee paid:

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Fee paid previously with preliminary materials:

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Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

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(1) Amount previously paid:

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(2) Form, Schedule or Registration Statement No.:

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(3) Filing Party:

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(4) Date Filed:

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Elliott Associates, L.P. and Elliott International, L.P., together with the other participants in such proxy solicitation (collectively, “Elliott”), have filed a definitive proxy statement and accompanying BLUE proxy card with the Securities and Exchange Commission to be used to solicit votes for the election of its slate of four highly-qualified director nominees at the 2017 annual meeting of shareholders of Arconic Inc., a Pennsylvania corporation.

Item 1: On April 3, 2017, Elliott issued the following press release, which was also posted by Elliott to [www.NewArconic.com](http://www.NewArconic.com):



**Media Contact:**  
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Elliott Management Corporation  
(212) 478-2017  
sspruiell@elliottmgmt.com

**Elliott Releases New Video on [NewArconic.com](http://NewArconic.com): Klaus Kleinfeld vs. The Facts**

*Video Heeds Dr. Kleinfeld’s Call to “Look At The Track Record”*

*Click to [Watch the Video](#)*

**NEW YORK (April 3, 2017)** – Elliott Management Corporation (“Elliott”), which manages funds that collectively beneficially own a 13.2% economic interest in Arconic Inc. (NYSE: ARNC) (“Arconic” or the “Company”), today released a new video on [NewArconic.com](http://NewArconic.com) titled “Klaus Kleinfeld vs. the Facts.”

Shortly after Elliott issued its call for leadership change at Arconic, CEO Klaus Kleinfeld took to the airwaves and encouraged all shareholders to “look at the track record” and to “let the facts speak.”

Taking him up on this offer, Elliott’s new video, “Klaus Kleinfeld vs. The Facts,” details Dr. Kleinfeld’s track record of underperformance, debunks his excuses for his poor record, and demonstrates the strong shareholder support that has emerged in favor of a new leader for Arconic.

Specifically, the video highlights the following, among other important data points that shareholders should consider:

- Dr. Kleinfeld has the worst track record of any continuously tenured CEO in the S&P 500 over his tenure.
- Alcoa has underperformed all of its peers and the broader indexes during Dr. Kleinfeld’s time as CEO.
- In the wake of Elliott’s call for a change in management, Arconic’s shares rose more than 30%, a stronger reaction than upon the announcement of any other proxy contest in at least the last decade.

Elliott encourages investors to [watch the video](#) in its entirety at [NewArconic.com](http://NewArconic.com) and make sure that they “look at the track record” of Dr. Klaus Kleinfeld. If shareholders compare that track record to the expertise and performance of [the highly qualified, independent director nominees](#) and [Larry Lawson](#), whom Elliott has suggested the Board consider as a candidate to replace Dr. Kleinfeld, they will agree that voting the BLUE card is what is best for Arconic.

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Watch the video in its entirety at <http://newarconic.com/shareholder-information/videos>.

#### **Additional Information**

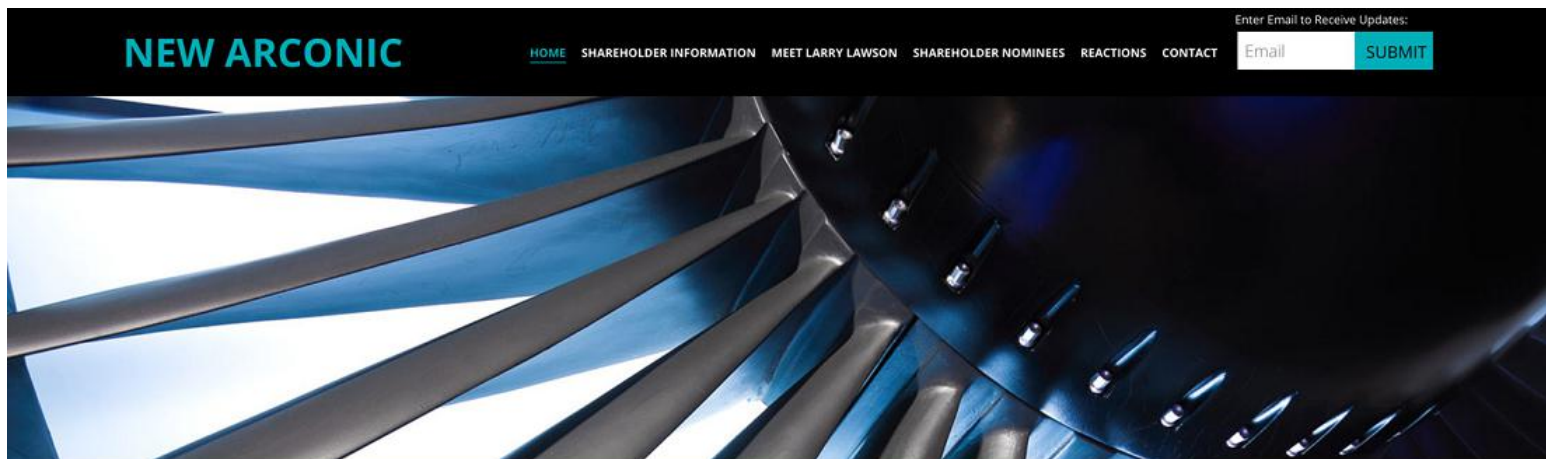
Elliott Associates, L.P. and Elliott International, L.P. (collectively, "Elliott"), together with the other participants in Elliott's proxy solicitation, have filed a definitive proxy statement and accompanying BLUE proxy card with the Securities and Exchange Commission ("SEC") to be used to solicit proxies in connection with the 2017 annual meeting of shareholders (the "Annual Meeting") of Arconic Inc. (the "Company"). Shareholders are advised to read the proxy statement and any other documents related to the solicitation of shareholders of the Company in connection with the Annual Meeting because they contain important information, including information relating to the participants in Elliott's proxy solicitation. These materials and other materials filed by Elliott with the SEC in connection with the solicitation of proxies are available at no charge on the SEC's website at <http://www.sec.gov>. The definitive proxy statement and other relevant documents filed by Elliott with the SEC are also available, without charge, by directing a request to Elliott's proxy solicitor, Okapi Partners LLC, at its toll-free number 1-877-869-0171 or via email at [info@okapipartners.com](mailto:info@okapipartners.com).

#### **About Elliott**

Elliott Management Corporation manages two multi-strategy hedge funds which combined have more than \$32 billion of assets under management. Its flagship fund, Elliott Associates, L.P., was founded in 1977, making it one of the oldest hedge funds under continuous management. The Elliott funds' investors include pension plans, sovereign wealth funds, endowments, foundations, funds-of-funds, high net worth individuals and families, and employees of the firm.

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Item 2: On April 3, 2017, the following materials were posted by Elliott to [www.NewArconic.com](http://www.NewArconic.com):




**NEW ARCONIC**    HOME    SHAREHOLDER INFORMATION    MEET LARRY LAWSON    SHAREHOLDER NOMINEES    REACTIONS    CONTACT    Enter Email to Receive Updates:    Email    **SUBMIT**

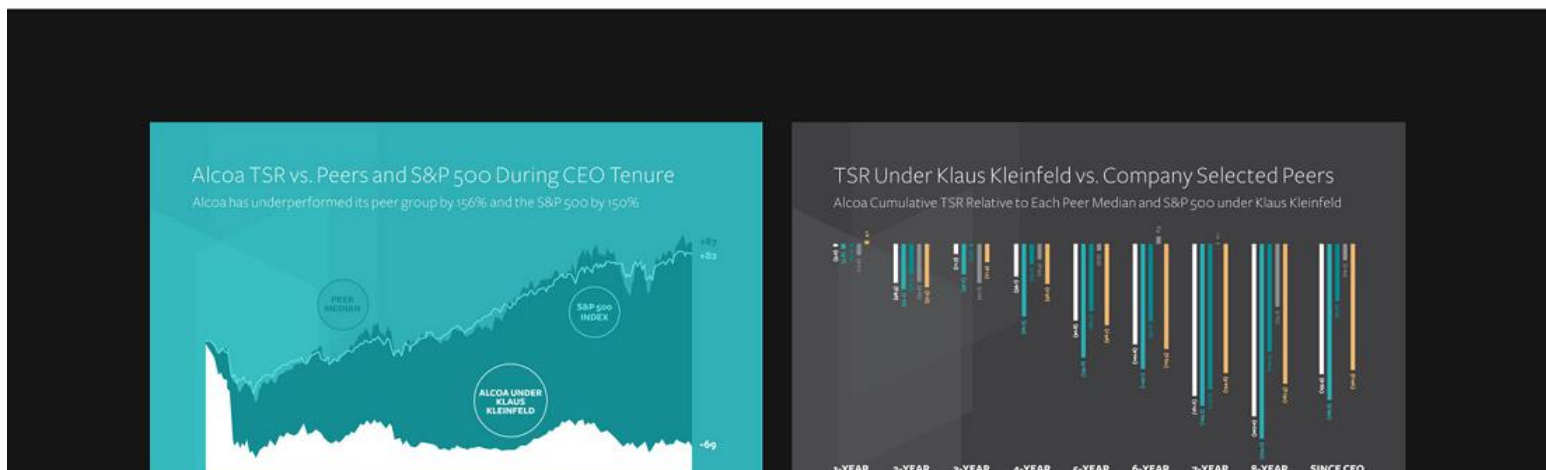
# Klaus Kleinfeld

vs.

## The Facts



Arconic operates a world-class collection of assets that if managed properly, with prudent reinvestment of capital, should produce substantial returns for its shareholder owners. However, current management's persistent failure at these tasks for nearly a decade has destroyed considerable shareholder value. We believe a change of leadership is required to improve performance at Arconic today.



TSR: 5/1/2008-10/31/2016. Company Selected 2016 Proxy Peers: DU PONT (E.I.) DE NEMOURS, DOW CHEMICAL CO/THE, FREEPORT-MCMORAN INC, HUNTSMAN CORP, INTERNATIONAL PAPER CO, LYONDELLBASELL INDU-CL A, PPG INDUSTRIES INC, NEWMONT MINING CORP, NUCOR CORP, UNITED STATES STEEL CORP, 3M CO, CUMMINS INC, DANAHER CORP, DEERE & CO, EATON CORP PLC, EMERSON ELECTRIC CO, GENERAL DYNAMICS CORP, L-3 COMMUNICATIONS HOLDINGS, NORTHROP GRUMMAN CORP, RAYTHEON COMPANY.

Poor Performance Against Any Set of Peers Chart: Peer Group Median. Source: Bloomberg. TSR Trailing as of 10/31/2016, the day before Alcoa and Arconic split. Since CEO TSR: 5/1/2008 -10/31/2016. Peer Proxy is Alcoa's 2016 self-selected proxy peers and includes two groups named by the Company, Industrials Peers which are the following ten companies: 3M CO, CUMMINS INC, DANAHER CORP, DEERE & CO, EATON CORP PLC, EMERSON ELECTRIC CO, GENERAL DYNAMICS CORP, L3 TECHNOLOGIES INC, NORTHROP GRUMMAN CORP, RAYTHEON COMPANY, And Materials Peers which are the following 10 companies: DU PONT (E.I.) DE NEMOURS, DOW CHEMICAL CO/THE, FREEPORT-MCMORAN INC, HUNTSMAN CORP, INTERNATIONAL PAPER CO, PPG INDUSTRIES INC, NEWMONT MINING CORP, NUCOR CORP, UNITED STATES STEEL CORP, LYONDELLBASELL INDU-CL A. The Company's self-selected Aluminum Company peers consist of: ALUMINUM CORP OF CHINA LTD-H, UNITED CO RUSAL PLC, NORSK-HYDRO ASA, ALUMINA LTD, NATIONAL ALUMINIUM CO LTD, SHANDONG NANSHAN ALUMINUM.



PRESS RELEASES


LETTERS

STATEMENTS &  
PRESENTATIONS

VIDEOS

## Press Releases

April 3, 2017

 Elliott Releases New Video on NewArconic.com: Klaus Kleinfeld vs. The Facts

[VIEW](#)

March 27, 2017

 Elliott to Arconic: Stonewalling on Vote-Buying Deal Raises Questions about What the Company is Trying to Hide

[VIEW](#)

March 23, 2017

 Elliott Sends Letter to Arconic Employees: Lays Out Facts of Apparent Vote-Buying Deal

[VIEW](#)

March 20, 2017

 Elliott to Arconic's Board: Waiver of Secret Voting Lock-Up Raises More Questions Than It Answers

[VIEW](#)

March 16, 2017

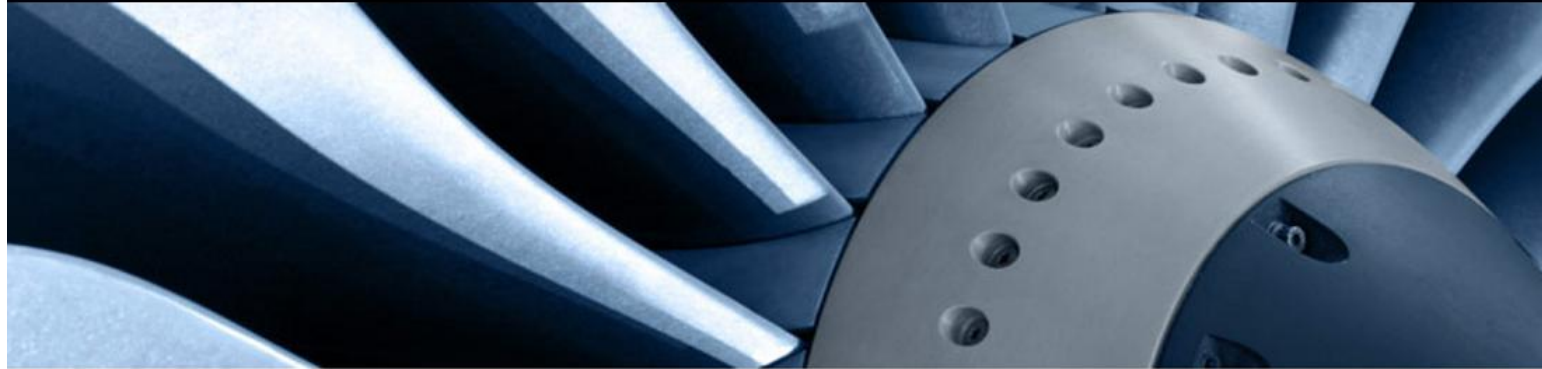
 Elliott Demands Explanation from Arconic's Board for Apparent Vote-Buying

[VIEW](#)

January 31, 2017

 Elliott Management Nominates Five Independent, Highly Qualified Director Candidates to the Board of Arconic

[VIEW](#)



- PRESS RELEASES
- LETTERS
- STATEMENTS & PRESENTATIONS
- VIDEOS

Letters

March 9, 2017

 Elliott Sends Proxy Letter to Shareholders

February 23, 2017

 Elliott: Arconic Shareholders Deserve a Proven Operator as CEO

February 13, 2017

 Elliott Management Renews Call for Board Action in Light of Overwhelming Shareholder Support

February 7, 2017

 Elliott Management Sends Letter to Arconic's Board

February 1, 2017

 Elliott Management Sends Letter to Fellow Arconic Shareholders



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[LETTERS](#)

[STATEMENTS &  
PRESENTATIONS](#)

[VIDEOS](#)

## Statements & Presentations

March 24, 2017

 [Elliott Proxy Supplement](#)

[VIEW](#)

March 9, 2017

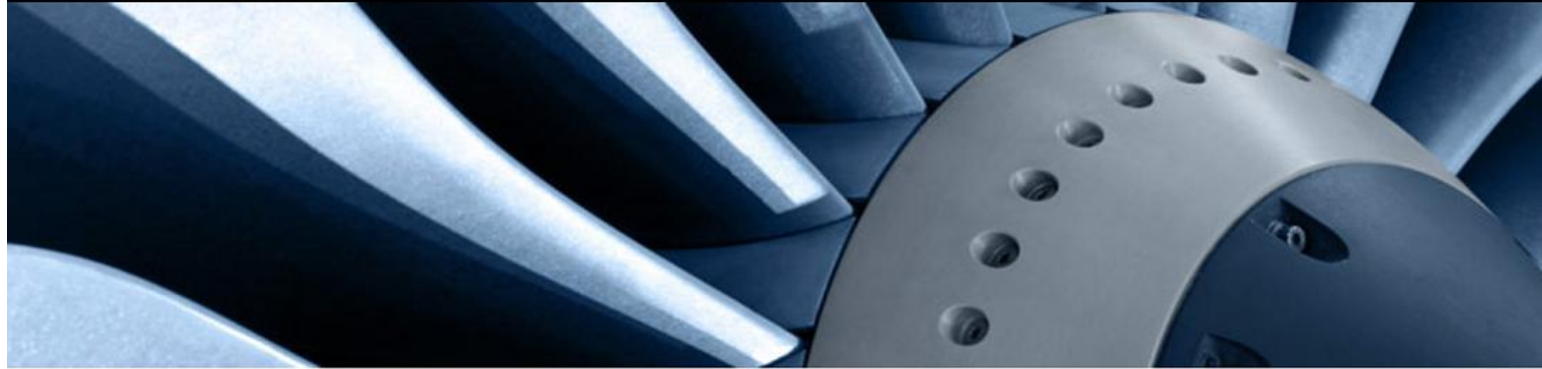
 [Elliott Proxy Statement](#)

[VIEW](#)

January 31, 2017

 [Elliott Views on Arconic](#)

[VIEW](#)



- PRESS RELEASES
- LETTERS
- STATEMENTS & PRESENTATIONS
- VIDEOS

Videos

 Klaus Kleinfeld vs. The Facts





## Christopher L. Ayers

### Relevant Experience

- Business executive possessing expertise in specialty materials industry
- Fmr. President and Chief Executive Officer of WireCo WorldGroup
- Director of Universal Stainless & Alloy Products (NASDAQ:USAP)
- Former Alcoa executive, including President of its Global Primary Products Business
- Former President of PCC Forgings Division of Precision Castparts

[FULL BIO](#)

## Elmer L. Doty

### Relevant Experience

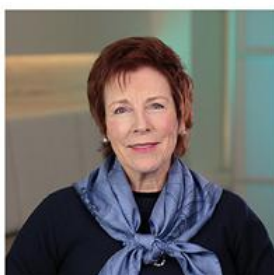
- Over 40 years of leadership experience in heavy industry
- Operating Executive at The Carlyle Group focused on aerospace & defense and industrial sectors
- Former President and Chief Executive Officer of Accudyne Industries
- Former President and Chief Executive Officer of Vought Aircraft Industries
- Former director of Triumph Group and President of Triumph Aerostructures – Vought Aircraft Division

[FULL BIO](#)

## Bernd F. Kessler

### Relevant Experience

- International business executive with strong background in engineering, operational excellence and organizational development
- Director of Polaris Industries (NYSE:PII)
- Former Chief Executive Officer of SRTechnics
- Former President and Chief Executive Officer of MTU Maintenance (subsidiary of Aero Engines)
- Former executive of Honeywell International and its predecessor AlliedSignal

[FULL BIO](#)

## Patrice E. Merrin

### Relevant Experience

- International business executive with extensive board experience
- Current director of Stillwater Mining (NYSE:SWC), Glencore (LON:GLEN) and Novadaq Technologies (NASDAQ:NVDQ)
- Former President and Chief Executive Officer of Luscar
- Former Executive Vice President and Chief Operating Officer of Sherritt International
- Former Chairman of CML HealthCare



## CHRISTOPHER L. AYERS



**Christopher L. Ayers**, age 50, most recently served as the President and Chief Executive Officer of WireCo WorldGroup, Inc. ("WireCo"), a leading producer of specialty steel wire ropes and high performance synthetic ropes, since July 2013. Mr. Ayers has also served as a director of Universal Stainless & Alloy Products, Inc. (NASDAQ:USAP), a producer of semi-finished and finished specialty steel including nickel alloy, aerospace grade low alloy and stainless steel, since 2009, where he also serves as a member of its Audit Committee, Nominating and Governance Committee and Compensation Committee (which he chairs).

Prior to joining WireCo, Mr. Ayers served as an Executive Vice President of Alcoa Inc. and President of its Global Primary Products Business from May 2011 to May 2013. Prior to becoming President of that business, Mr. Ayers served as Chief Operating Officer from September 2010 to May 2011. Mr. Ayers also served as the Chief Operating Officer of Alcoa Cast, Forged and Extruded Products from February 2010 to August 2010. From 1999 through 2008, Mr. Ayers served in various management roles at Precision Castparts Corp., a manufacturer of metal components and products, including as Executive Vice President from 2006 to 2008, President - PCC Forgings Division from 2006 to 2008, President - Wyman Gordon Forgings from 2004 to 2006 and Vice President/General Manager from 2003 to 2004.

Mr. Ayers earned a Master's of Business Administration degree from the University of Connecticut, and from the Georgia Institute of Technology he earned both a Master's of Science and Bachelor's degree in Aerospace Engineering.

Elliott believes that Mr. Ayers' extensive experience in the specialty materials industry, including his previous executive service with the Company prior to its separation into two publicly traded companies, makes him well-qualified to serve on the Board.

[SEE ALL NOMINEES](#)

## ELMER L. DOTY



**Elmer L. Doty**, age 62, has served as an Operating Executive at The Carlyle Group LP (NASDAQ:CG), a multinational private equity, alternative asset management and financial services corporation, since March 2016, where he previously held the same role from March 2012 to December 2012. From December 2012 to February 2016, Mr. Doty served as President and Chief Executive Officer of Accudyne Industries LLC, a provider of precision engineered, process-critical and technologically advanced flow control systems and industrial compressors. From 2006 until its acquisition by Triumph Group, Inc. (NYSE: TGI) ("Triumph Group") in 2010, Mr. Doty served as the President and Chief Executive Officer of Vought Aircraft Industries, Inc. ("Vought"), a former aerospace firm, where he also served as a director. Following Triumph Group's acquisition of Vought, Mr. Doty served as the President of Triumph Aerostructures – Vought Aircraft Division until December 2010, and also as a director of Triumph Group, a leader in manufacturing and overhauling aerospace structures, systems and components, from June 2010 to December 2013.

Prior to joining Vought, from 2001 to 2005, Mr. Doty served as EVP and General Manager – Land Systems Division of United Defense Industries, Inc. (now BAE Systems), a former United States defense contractor. Mr. Doty's professional background also includes experience with General Electric Company and FMC Corporation.

Mr. Doty earned a Master's of Science degree in Mechanical Engineering and a Bachelor of Science in Nuclear Engineering, both from the University of Missouri.

Elliott believes that Mr. Doty's years of management experience as a senior executive and a deep knowledge of the aerospace and defense industries will be a valuable addition to the Board.

[SEE ALL NOMINEES](#)

## BERND F. KESSLER



**Bernd F. Kessler**, age 58, is currently self-employed and has served as a director of Polaris Industries Inc. (NYSE:PII), a manufacturer of motorcycles, snowmobiles, ATVs and neighborhood electric vehicles, since 2010, where he also serves as a member of its Audit Committee, Corporate Governance and Nominating Committee and Technology Committee. From January 2008 through January 2010, Mr. Kessler served as Chief Executive Officer of SRTechnics AG, one of the world's largest independent aircraft, component and engine service provider. From September 2004 through October 2007, Mr. Kessler was the President and Chief Executive Officer of MTU Maintenance, a subsidiary of Aero Engines AG (ETR:MTX), an aero engine design, development, manufacturing and service company.

Prior to September 2004, Mr. Kessler held management and executive positions for 20 years at Honeywell International Inc. (NYSE:HON), a diversified technology and manufacturing company, and at its predecessor company AlliedSignal Inc. Among other roles he held, Mr. Kessler led Honeywell's Aerospace aftermarket services business with 27 facilities around the world. Mr. Kessler also currently serves as a director of each of Flowcastings GmbH, a company specializing in the development and investment casting of components for the High Pressure Turbine (HPT) and Low Pressure Turbine (LPT) sections of commercial and military aircraft engines (since May 2013); Zitec GmbH, a modern trade, technology and service company (since May 2013); and RENA Technologies GmbH, one of the world's leading suppliers of production equipment for wet chemical surface treatment (since March 2015), where he also serves as its Chairman. Mr. Kessler previously served as a director of each of JorAMCo Ltd., a leading commercial aircraft maintenance, repair and overhaul (MRO) facility (December 2010 to September 2016), and Finnair Technical Services Oy, a provider of aircraft and component repair and overhaul services (April 2010 to December 2012).

Mr. Kessler earned a Masters of Business Administration degree from City University Bellevue (Washington) and graduated with a Dipl. Ing. (B.Sc.) in Mechanical Engineering from Constance College (Germany).

Elliott believes that Mr. Kessler's significant operating and leadership experience with global businesses and his strong background in engineering, operational excellence and organizational development will make him a valuable addition to the Board.

[SEE ALL NOMINEES](#)

## PATRICE E. MERRIN



Patrice E. Merrin, age 68, is an international business executive and corporate director. Ms. Merrin has served as a director of Stillwater Mining Company (NYSE:SWC), a palladium and platinum mining company, since May 2013, where she is also Chairman of the Corporate Governance & Nominating Committee and a member of the Compensation Committee. She has also served as a director of Glencore plc (LON:GLEN), a multinational commodity trading and mining company, since June 2014, and Novadaq Technologies Inc. (NASDAQ:NVDQ), a developer of fluorescence imaging solutions, since March 2015.

Previously, Ms. Merrin served as Chairman of the board of directors of CML HealthCare Inc., a leading provider of private laboratory testing services, from 2011 until October 2013, where she had served as a director since 2008. She served as a director of Ornge, Ontario's air ambulance service, from January 2012 to January 2015, and was a director of Climate Change and Emissions Management Corporation, created to support Alberta's initiatives on climate change and the reduction of emissions, from 2009 to April 2014. From October 2009 to June 2011, Ms. Merrin served as a director of Enssolutions Group Inc., a provider of engineered environmental applications for mine tailings control, process dust and stockpile sealing. She also served as a director of The NB Power Group, which generates and distributes electricity from nuclear, hydro, wind and oil, from 2007 to 2009. From 2005 to 2006, Ms. Merrin served as President, CEO and a director of Luscar Ltd. ("Luscar"), Canada's largest producer of thermal coal, and as Executive Vice President from 2004 to 2005. Before joining Luscar, from 1999 to 2004, Ms. Merrin was Executive Vice President and Chief Operating Officer of Sherritt International Corporation (TSE:S), a diversified international natural resources company. Ms. Merrin was a member of the National Advisory Panel on Sustainable Energy Science & Technology from 2005 to 2006, and from 2003 to 2006, was a member of Canada's National Round Table on the Environment and the Economy.

Ms. Merrin holds a Bachelor of Arts degree from Queen's University in Kingston, Ontario, and completed the Advanced Management Programme at INSEAD.

Elliott believes that Ms. Merrin's significant experience serving as a director of public companies and industry insights will make her a valuable addition to the Board.

[SEE ALL NOMINEES](#)



MEDIA

RESEARCH

SHAREHOLDERS

Media (Updated March 10, 2017)

*“The ultimate question for shareholders is really Kleinfeld or not Kleinfeld.”*

– Brooke Sutherland, Bloomberg Gadfly

*“It is hard to see him [Dr. Kleinfeld] surviving. Most chief executives who fight vicious shareholder battles are unable to hang on — and even those who win such a contest depart shortly thereafter, as did Ellen Kullman at DuPont. That’s the price chief executives pay for their high compensation — in Mr. Kleinfeld’s case as much as \$18 million in recent years.”* – Steven Davidoff Solomon, *The New York Times*

*“The key plans of installing a new CEO, a fresh face, could help spur long-term growth.”* – Seeking Alpha

*“Arconic, meanwhile, has disappointed on quarterly results both as a spinoff and before. Elliott complains of high corporate spending, like a corporate marketing campaign that plays off the 1960s cartoon ‘The Jetsons’ and an expensive headquarters in Lever House on Park Avenue in Manhattan. (The company inherited the building in the split.) While Arconic is spending too much, Elliott says the new Alcoa is busy cutting costs.”* – Steven Davidoff Solomon, *The New York Times*

*“Analysts have increased their estimates for Arconic’s 2018 profits since Elliott started pushing for change”*

– Brooke Sutherland, Bloomberg Gadfly

*“Beyond just management and board overhaul, the big key is getting a better grasp on spending. This includes its unnecessarily expensive headquarters on Park Ave. in New York City. Out of touch for a company with most of its employees in Pittsburgh.”* – Seeking Alpha

*“Other large holders have rallied around the activist’s call for a management shakeup. ... First Pacific Advisors, for example, emphasizes value investing and built up a sizable stake in Alcoa Inc. in 2013, according to data compiled by Bloomberg, years before the company separated the Arconic aluminum-parts business from the Alcoa Corp. mining and smelting operations. It’s now among those calling for governance changes and speaking out against a board it sees as largely not economically aligned with shareholders because of its small collective stake in the company.”* – Brooke Sutherland, Bloomberg Gadfly

*“Shareholders have been quick to speak publicly in favor of Elliott’s campaign, notably Orbis Investment Management, First Pacific Advisors and Lion Point Capital.”*

–David Carnevali, DealReporter

*“Arconic shareholders, such as First Pacific Advisors and Lion Point Capital, have voiced support for Elliott.”* – Tina Wadhwa, *Business Insider*

*“There IS a large margin gap between Arconic’s engineered product business (i.e. aerospace fastening systems and other parts) and that of rival Precision Castparts (owned by Berkshire Hathaway Inc.). Its stock HAS underperformed relative to the Alcoa business it spun off. Kleinfeld SHOULD face questions about why he got 2016 guidance so wrong for Arconic.”*

–Brooke Sutherland, Bloomberg Gadfly

"Lawson's track record of delivering the kind of profitability and stock-price improvements that Elliott and other investors are seeking isn't in dispute" – Brooke Sutherland, Bloomberg Gadfly

*"Elliott has a good case...Investor returns under Chief Executive Klaus Kleinfeld, who took over at Alcoa in 2008 and now runs Arconic, have been poor."*

– Robert Cyran, Reuters Breakingviews

"There looks to be room to cut costs, based on what Alcoa's chief financial officer said at a presentation in November. He repeatedly pointed out that the separation allowed Alcoa to slash corporate costs, for example, by eliminating stuff like an office in Geneva and ditching private aircraft." – Robert Cyran, Reuters Breakingviews

"CEO Klaus Kleinfeld never really ushered a return to greatness for Alcoa after the financial crisis." – Seeking Alpha, Arconic Gets More Interesting

*"I think there is a legitimate question that's being raised by Elliott which is how long before Klaus really delivers versus his peers...I think it would be a better company if the Elliott guys got on this board than this current board."*

– Jim Cramer, CNBC Squawk Box (2/1/17)

"Lawson has a lot of credibility in the aerospace sector for turning around Spirit, with the company's stock rising significantly since 2013 when he was installed in the chief executive role." – Ronald Orol, The Street

"Lawson, 58, a veteran of Lockheed Martin Corp., has a reputation as a tough manager who gets results." – Jack Kaskey and Julie Johnson, Bloomberg

*"Elliott's disapproval is justified ... Alcoa's takeover of the British company Firth Rixson in 2014, which cost nearly \$3 billion for the manufacturer of aviation components, and the deal has not paid off so far."*

– Thomas Jahn and Frank Wiebe, Handelsblatt Global Edition

"At Spirit, which makes aircraft components including the fuselage for the Boeing 737, Mr Lawson was credited with turning round its financial performance." – Ed Crooks, Financial Times

MEDIA

RESEARCH

SHAREHOLDERS

Research (Updated March 10, 2017)

*"A CEO change is inevitable."*

–The Spin-Off Report, By PCS Research Services and Institutional Research Group

*"We anticipate volatility around Arconic's share price as we continue through Elliott's proxy battle. That being said, we think investors that weather the volatility will be handsomely rewarded, and are **strongly recommending Arconic shares for purchase.**" – The Spin-Off Report, By PCS Research Services and Institutional Research Group*

*"You see, going back to the days when Arconic was named Alcoa, you'll see that only between 55%-60% of the eligible votes are cast in ARNC elections. So let's say that number is 70% this year. This means about 306m shares will be cast and Elliott needs a little more than 150m votes to get its nominees elected. As of February 27, it owned 51m shares and had exposure to another ~7m shares through derivatives. Beyond that, it has support from First Pacific and Orbis, which are good for another ~32m shares. With that total in mind, Elliott is more than halfway to the total it needs" – Don Bilson and Eric Wiley, Gordon Haskett Research*

*"We believe there is substantial room for margin improvement across all aspects of the business and especially in the EPS segment."*

– Credit Suisse

*"We are increasing our medium term earnings forecasts and our price target to \$33 for Arconic, as we now incorporate more substantive cost reductions... Our segment analysis and peer benchmarking suggest more material cost down potential at ARNC and improvements to asset turns as the market recovers. Our analysis skews towards the "low case" of improvement outlined by Elliott in their Jan 31st presentation (newarconic.com) and we see the potential for more radical change both from at a broader portfolio level and with respect to corporate overhead if the shareholder base aligns with Elliott's views." – Credit Suisse*

*"We see as much as 20% downside if Kleinfeld continues as CEO."*

– Gordon Haskett

*"EPS and PCC Comparison is Warranted: While ARNC has a relatively small large structural castings business at La Porte (~\$300mm), the EPS segment is a global leader in medium sized castings and fasteners. Our analysis suggests EPS should be able to close the gap with PCC to within 100-150bp." – Credit Suisse*

*"In our view, a new CEO is an important positive catalyst to more expeditiously improve the company's operations and increase its margins while rationalizing capital expenditures / M&A opportunities." – Wolfe Research*

*"If the company's largest shareholder is not successful in effecting change, the company's management may remain entrenched and not realize the margin expansion opportunities as soon as we expect." – Wolfe Research*

*"For the EPS segment, Arconic's margins are on a long term average ~650 basis points lower Precision Castparts and we assume margins improve to that of Precision Castparts."*

– Wolfe Research

*"Apart from industry fundamentals improvement, the special situation thesis for Arconic is chiefly a 'self-help' story of new leadership more expeditiously improving the cost structure in addition to improving capital allocation... Our analysis suggest fair value for Arconic of ~ \$43 if the improvements occurred holding the current fundamentals of the company constant." – Wolfe Research*

*"We are of the view that there is considerable margin / revenue expansion opportunity at the company as highlighted by our updated bull case (\$40 per share). We believe potential opportunities to reach a compromise could possibly be found through asset sales, a bolstered management / board, and / or cost cutting efforts."* – Morgan Stanley Research

*"We also acknowledge activism could create an opportunity to highlight value that is even higher at \$40 (and in the range of the activist target) to account for significant margin expansion from current levels, premised on a market P/E of 17x and earnings of \$2.37."*

– Morgan Stanley Research

*"Airframe de-stocking, NA heavy duty truck, and Tennessee Packaging weakness led to a ~9% decline in revenues, even with record auto sheet shipments;"* – Morgan Stanley Research

*"Rating: Buy...Mid-point of Elliott's cost-cutting driven EBITDA scenarios implies ~\$14/sh upside to DB's revised \$28 Price Target (prior \$27) which remains based on 8.5x (unchanged) 2018E EV/EBITDA."* – Jorge Beristain, CFA, Jeremy Kliewer and Chris Terry, Deutsche Bank

*"Our analysts currently have a price target for ARNC of \$36 per share, but that number could be conservative if Elliot is able to make the proposed changes to the board and bring in Larry Lawson as the new CEO, who has an incredible track record of maximizing shareholder value at his previous posts. Despite ARNC running up over 30% since our recommendation, we still strongly recommend purchasing the stock at current levels."*

– The Spin-Off Report, By PCS Research Services and Institutional Research Group

*"In line with our analysts, Elliot makes the contention that Arconic's EPS segment dramatically lags its peers, specifically, Precision Cast Parts (NYSE: PCP), which is a nearly identical business in terms of product mix and end markets. PCP's EBITDA margins nearly double that of Arconic, and it is the contention of Elliot that the gap should close completely over the next couple of years with a new management team in place."* – The Spin-Off Report, By PCS Research Services and Institutional Research Group

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## Shareholders (Updated April 3, 2017)

*"We, therefore, encourage you to support the changes sought by our fellow shareholders at Elliott Management. We intend to support Elliott's proposed proxy slate because it serves the long-term interests of the Company and its owners."*

– First Pacific Advisors, February 6, 2017

*"Independent members of this board, who own less than 0.1% of outstanding shares, continue to disregard the overwhelming publicly expressed desire for leadership change from the company's largest long-term owners, including Orbis." – Adam Karr, Orbis Investment Management, March 3, 2017*

*"It's a CEO problem—there has been no value created."*

– Sarat Sethi, Douglas Lane & Associates, January 30, 2017

*"Lion Point believes that Elliott's plan for value creation can reverse the past and set new Arconic on a better path to creating shareholder value." – Lion Point Capital, February 16, 2017*

**KLAUS KLEINFELD VS. THE FACTS**

(Video Transcript)

**Jim Cramer:** Now they have a candidate, former Spirit AeroSystems, very successful candidate, Larry Lawson. They've hired as a consultant who they think would do a better job than you. They're putting Mr. Lawson up. Do you have the votes to stop Mr. Lawson?

**Klaus Kleinfeld:** Well look, the most important thing is to look at the track record here, what we've done.

**Voice-over:** Shareholders agree – look at the track record.

It shows that of all the S&P 500 companies that have been public since Klaus Kleinfeld took over Alcoa, Alcoa's total shareholder return ranks near the very bottom.

Each of the companies that performed worse than Alcoa during this period changed CEOs.

In other words, Dr. Kleinfeld has the worst track record of any CEO in the S&P 500 over his tenure. What is Dr. Kleinfeld's excuse?

**Klaus Kleinfeld:** Well, they, they ignore that we had a world economic crisis that hit the commodity markets particularly heavy.

**Voice-over:** Once again, let's look at the track record. It shows that neither the financial crisis nor poor commodity prices can explain his poor results. In fact, over any relevant time frame, against any companies facing the same issues, Dr. Kleinfeld has failed to deliver for shareholders.

Shareholders' lack of confidence in Dr. Kleinfeld has been plain for all to see following the separation of Alcoa Inc. into two publicly traded companies, Alcoa Corp. and Arconic.

Following the separation, shares of Alcoa Corp. rallied under its new shareholder-friendly and well-respected management team. But the Kleinfeld-led Arconic continued to underperform until its largest shareholder called for fundamental change in the Company's leadership.

In fact, it was only after the call for Dr. Kleinfeld to step aside that Arconic's shares rose by more than 30% – conclusive evidence that the Company is worth more *without* Dr. Kleinfeld at the helm.

This increase in the value of Arconic's shares was the strongest reaction to a shareholder's call for change at any company in at least a decade.

Four of the company's largest shareholders have joined in the call for change. Together with Elliott Management, these shareholders own more than 20% of Arconic.

**Voice-Over 2:** "We do not believe that Arconic can achieve its long-term intrinsic value under the leadership of Klaus Kleinfeld."

**Voice-Over 3:** "We intend to support Elliott's proposed proxy slate because it best serves the long-term interests of the Company."

**Voice-Over 4:** "Elliott's plan for value creation can reverse the past and set new Arconic on a better path."

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**Sarat Sethi:** The problem here ...

**Scott Wapner:** Is it a Kleinfeld problem or a macro problem?

**Sarat Sethi:** No, I do think it's a CEO problem, because he's also been the one who was there when they cut the dividend back in '09. He's the one that has been through everything with them. And when we look for this company – and the reason we really owned it was because of Arconic, because of the specialty materials part. That's Precision CastParts, that's what Warren Buffet bought. But there has been no value created.

**Voice-Over:** And independent analysts noted the significant gains that shareholders stand to make if the company heeds the call – and the significant losses they could face if the company fails to act.

This May, Arconic shareholders may get a chance to vote for four independent, highly qualified director nominees – nominees whose independence from Dr. Kleinfeld will enable them to hold Arconic's management accountable and create value for all shareholders.

When shareholders go to cast their votes, we encourage them to heed Dr. Kleinfeld's advice:

**Klaus Kleinfeld:** Well look, the most important thing is to look at the track record here, what we've done.

**Klaus Kleinfeld:** Let the facts speak.

**Voice-Over:** Indeed. Let the facts speak.