

Appendix of Statements in First Amended Complaint that Allegedly Violated Section 10(b) of the Exchange ('34) Act¹

I. Statements in Product Brochures

1. [E]ach of our product offerings provide the durability to ensure your project will look pristine for years to come—with minimal maintenance.

Safe & Compliant. Reynobond is designed and tested to meet safety and environmental building codes around the world. It is available with either a polyethylene (PE) core or a fire-resistant (FR) core material”

Reynobond® Aluminum Composite Material (ACM) is a high-performance wall cladding product from Alcoa Architectural Products, consisting of two sheets of nominal 0.020” (0.50 mm) aluminum, each permanently bonded to an extruded thermoplastic core. This is an elegant concept resulting in an extraordinary flat and highly formable material with an excellent strength-to-weight ratio.

Reynobond is a fully tested product, with building-code approvals throughout the world. It is available with either a Polyethylene (PE) core or a Fire Resistant (FR) core.

Reynobond is manufactured to exacting tolerances with state-of-the-art equipment in a continual process. Alcoa Architectural Products has a reputation for manufacturing products of the highest quality, and Reynobond is no exception.

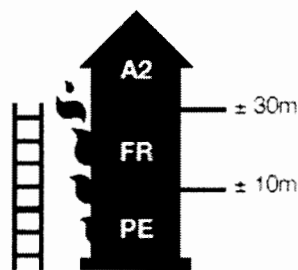
Our Reynobond® Aluminum Composite Material delivers consistent . . . strength. (FAC ¶¶ 142, 199, 222.)

2. Fire is a key issue when it comes to buildings.

When conceiving a building, it is crucial to choose the adapted products in order to avoid the fire to spread to the whole building. Especially when it comes to facades and roofs, the fire can spread extremely rapidly.

Important to take the “fire characteristic” into account when starting the construction or refurbishment of a building in order to protect the people and assets while limiting fire propagation. It is especially crucial for public establishments such as hospitals, schools, offices, etc.

Buildings are also classified according to their height and destination (public buildings, industrial building, housings...): it will also define which materials are safer to use. Another important rule when it comes to the height of buildings concerns the accessibility of the fire brigade to the fire in the building: as soon as the building is higher than the firefighters’ ladders, it has to be conceived with an incombustible material.



As soon as the building is higher than the firefighters’ ladders, it has to be conceived with an incombustible material.

(FAC ¶¶ 261, 281.)

¹ Added emphases and legal conclusions or characterizations that appear in the Complaint have been omitted from the allegedly false and/or misleading statements appearing in this Appendix. The Court would refer readers who wish to read the statements with those additions to the Complaint, ECF No. 61.

II. Statements About Arconic's Values and Safety Policies and Practices

1. "Operations and activities that could result in risk or impact are controlled to ensure that our environment, health and safety (EHS) policy is followed and that management system objectives are achieved. We develop procedures to cover . . . external activities, including contractor and product safety." (FAC ¶¶ 144, 161, 201, 224.)
2. "The following are the four main activities undertaken in support of our safety system: Identifying hazards and assessing the risks associated with our products . . . Our global focus and attention on fatality prevention continues with the object[ive] of building a system and culture that is more robust in its ability to . . . address contractor and contracted services safety." (FAC ¶¶ 145, 152, 202, 225.)
3. "Our Values
We live our Values every day, everywhere, collaborating for the benefit of our customers, investors . . . communities and partners.
Integrity
We are open, honest, and accountable.
Environment, Health & Safety
We work safely . . . and protect the environment." (FAC ¶¶ 146, 163, 203, 226.)
4. "We continued to reaffirm Alcoa's Values during 2013. We launched a global Integrity Champion Network of high potential managers to further embed a values-based culture of integrity and compliance at all levels of the Company. Our employees' strong commitment to our Environment, Health and Safety Value resulted in Alcoa's first fatality free year in the 70 years since the Company began monitoring safety on a global basis." (FAC ¶ 158.)
5. "Alcoa is a values-based company. Our Values—Integrity, Respect, Innovation, Excellence and Environment, Health and Safety—guide our work and help us accomplish our goals the right way. They also align us with our stakeholders, from employees, customers and suppliers to investors and the communities in which we operate." (FAC ¶ 159.)
6. "EHS [Environmental Health and Safety] POLICY
It is [Arconic]'s policy to operate worldwide in a safe, responsible manner which respects the environment and the health of our employees, our customers and the communities where we operate. We will not compromise environmental, health or safety values for profit or production. All [Arconic]ans are expected to understand, promote and assist in the implementation of this Policy and the accompanying Principles." (FAC ¶¶ 165; 212; 240.)
7. "EHS Principles
 - We value human life above all else and manage risks accordingly
* * *
 - We do not compromise our EHS Value for profit or production.
 - We comply with all laws and set higher standards for ourselves and our suppliers where unacceptable risks are identified.
* * *

- We supply and use safe and reliable products and services.
- We use our knowledge to enhance the safety and well-being of our communities.” (FAC ¶¶ 166; 241 (alterations in original).)

8. “EHS Principles

- We value human life above all else and manage risks accordingly.
- We do not compromise our EHS Value for profit or production.
- We comply with all laws and set higher standards for ourselves and our suppliers where unacceptable risks are identified.
- We supply and use safe and reliable products and services.
- We are all accountable for conforming with and deploying our EHS Value and Principles.” (FAC ¶ 213.)

9. “So let’s first start with our most important thing, safety. And as you can see here, this is our safety track record. And we already are know [sic] not only in our industry, but beyond our industry, to have a very, very, very good safety record.” (FAC ¶ 173.)

10. The May 8, 2014 Form 8-K also advised that “[m]ore in-depth sustainability information and performance data for the company will be available online in the Sustainability section of the company’s website at www.alcoa.com beginning May 13, 2014.” (FAC ¶ 175.)

11. On or about May 13, 2014, Arconic posted to the Sustainability section of its official website a “Chairman & CEO Statement” attributed to Defendant Kleinfeld. In the Chairman & CEO Statement, Defendant Kleinfeld stated that “[b]y reinforcing that nothing is more valuable than human life, [Arconic] has progressively improved its safety performance over the years.” (FAC ¶ 176.)

12. The Company’s 2014 Annual Report sent to investors in early 2015 included a Chairman’s Letter signed by Defendant Kleinfeld that emphasized that Arconic’s “businesses benefit from a set of Alcoa Values that have endured the test of time—Integrity; Respect; Environment, Health and Safety; Innovation; and Excellence.” (FAC ¶ 195.)

13. The 2014 Annual Report stated:

- Our Alcoa Values – Integrity, Respect, Innovation, Excellence and Environment, Health and Safety – bring out the best in our employees and our Company. As Alcoa transforms, our Values serve as a bright beacon, continuing to guide how we work with our stakeholders and communities.
- Safety Our world-class safety culture values human life above all else, seeks to manage risk accordingly
- Ethics and Compliance . . . The Ethics and Compliance Program continues to focus on anti-corruption, trade compliance and adherence with all relevant U.S. and national laws and regulations. (FAC ¶ 197.)

14. On an annual shareholders’ meeting call, Kleinfeld stated:

But as is customary and as it reflects our values, we always start with safety, safety first. So on the left hand side, here you see the safety statistics and as you see, I mean, we have achieved a lot in the last year, and this is pretty amazing, I mean, many see us as a benchmark in not only in our industry but also in other industries. And if you look at those numbers here, I mean it is -- I’m

always wondering how much further can we go down here but every year, we are able to get the safety one step further.

We have a very strong as you know, safety culture and we have also a very strong culture and reminding people on the risk. But we have created new tools and used this to basically shake the organization up to say, look, I mean we cannot afford to have anything routine in there because the moment people don't think, something terrible might happen.

So we have introduced new tools to basically, recognize hazards, fix it -- find it, fix it and share it, program, we have created a -- we have this human performance certification process that every facility has to go through and almost all have gone through that in different rates. (FAC ¶ 208.)

15. The Chairman's Letter also stated that "[w]hile applying disruptive technologies and strategies and working toward the separation, [the Company] ha[d] been careful to retain the core Values that ha[d] been [its] bedrock for 127 years." (FAC ¶ 236.)
16. The 2015 Annual Report stated that the Company's values "center on Integrity . . . and Safety," and that the Company "live[d] [its] Values every day, everywhere for the benefit of [its] customers, investors, employees, communities and partners." (FAC ¶ 238.)
17. The 2015 Annual Report further emphasized that the Company's "Ethics and Compliance Program continue[d] to focus on . . . adherence with all relevant U.S. and international laws and regulations." (FAC ¶ 239.)
18. On or about May 6, 2016, Arconic held an annual shareholders meeting, in which Defendant Kleinfeld participated. At the shareholders meeting, Kleinfeld stated the following about the Company's emphasis on safety: "And let me go through starting with Safety. So as those that are longer shareholders know, we take safety very, very seriously and we have made great progress, as you can see on the left hand side. And really are setting benchmarks for others." (FAC ¶ 246.)
19. The 2015 Sustainability Report also stated that "Many of our top leaders and employees around the world are involved in the writing of individual sections of our sustainability report, or they provide significant input and feedback," and that "the draft report is provided to the Public Issues Committee of the Alcoa Board of Directors and our Executive Council for review." (FAC ¶ 249.)
20. The 2015 Sustainability Report described "Health and Safety" as one of eight "Material Aspects" of its business. (FAC ¶ 252.)
21. Regarding Health and Safety at Arconic, the 2015 Sustainability Report represented that:
 - o Arconic observed two boundaries: an "internal boundary" consisting of "All global operations where we have financial and operational control" and an "external boundary" consisting of "Government agencies focused on health and safety in each country in which we operate and communities surrounding our operating locations."
 - o Arconic was "Committed to Truth in Reporting" and to that end had "a rigorous internal audit process that evaluates our locations on five areas: environmental; health and safety; operational excellence; financial and business processes; and information technology."
 - o As part of its stated commitment to "Truth in Reporting," Arconic maintained "Health and Safety Committees: Each location has various task, department, ad hoc, and other committees to develop and implement health and safety programs based on the location's strategic health and safety plan. These leadership groups include a cross-section of personnel from the facility."

- “We were the first aluminum company to receive Cradle to Cradle Certification, which is a multi-attribute eco-label that assesses a product’s safety to humans and potential impact on the natural environment.” (FAC ¶ 253.)
22. Concerning “Customer Health/Product Safety,” the 2015 Sustainability Report represented that Arconic’s “efforts to ensure customer health and product safety” included “Challenging misguided/bad science with best available scientific research” and “Engaging regulators as appropriate.” (FAC ¶ 254.)
 23. The 2015 Sustainability Report stated that:

[Arconic has] a Product Safety Standard to identify what is required for product safety management systems developed by our businesses. The standard includes requirements for raw material sources, production practices, chemical composition of our products, and communication of risks associated with use or abuse of these products.

We also provide safety data sheets and other documents that communicate information on the proper use, reuse, and/ or disposal of our products. These sheets include the potential health risks associated with use and misuse of these products and the precautionary measures that can be used to reduce or eliminate these risks. (FAC ¶ 255.)
 24. In a section entitled “Living Our Values,” the 2016 Annual Highlights Report emphasized that Arconic “excel[s] as high-performance teams – safely, with respect and integrity.” The section next emphasized “Safety”, representing that “[n]othing matters more than human life,” and that this had “long been a guiding principle at Arconic, and safety [was] one of [its] most cherished values.” (FAC ¶ 279.)
 25. The Company also represented the following with respect to its Ethics and Compliance Program: “Our Ethics and Compliance Program drives a global culture of . . . compliance, prevention and risk identification and mitigation” (FAC ¶ 280.)

III. Risk Disclosures

1. The 2013, 2014, 2015, and 2016 10-Ks represented that “Alcoa may be exposed to significant legal proceedings [and] investigations” and that the “Company is . . . subject to a variety of legal compliance risks,” including “potential claims relating to product liability, health and safety . . . and compliance with U.S. and foreign export laws . . . and sales and trading practices. Alcoa could be subject to fines, penalties, damages (in certain cases, treble damages), or suspension or debarment from government contracts.” “Alcoa believes it has adopted appropriate risk management and compliance programs to address and reduce these risks.” (FAC ¶¶ 155, 193, 233, 275.)
2. The 2013, 2014, 2015, and 2016 10-Ks also stated that “Alcoa is subject to a broad range of health, safety and environmental laws and regulations in the jurisdiction in which it operates and may be exposed to substantial costs and liabilities associated with such laws and regulations.” “Compliance with . . . health and safety legislation and regulatory requirements may prove to be more limiting and costly than we anticipate. Alcoa’s results of operations or liquidity in a particular period could be affected by certain health, safety or environmental matters, including remediation costs and damages related to certain sites. Additionally, evolving regulatory standards and expectations can

result in increased litigation and/or increased costs, all of which can have a material and adverse effect on earnings and cash flows.” (FAC ¶ 156, 194, 234, 276.)

3. The 2013 10-K also included this discussion:

Unexpected events may increase Alcoa’s cost of doing business or disrupt Alcoa’s operations.

Unexpected events, including fires or explosions at facilities, natural disasters, war or terrorist activities, unplanned outages, supply disruptions, or failure of equipment or processes to meet specifications may increase the cost of doing business or otherwise impact Alcoa’s financial performance. (FAC ¶ 86.)

IV. Financial Disclosures

1. On or about January 9, 2014, Arconic issued a press release announcing its financial results for the quarter and year ended December 31, 2013 (“Q4 2013” and “FY 2013,” respectively). For Q4 2013, the press release reported that Arconic’s Engineered Products and Solutions segment had generated third-party sales of \$1.4 billion and that “ATOI [after-tax operating income] was a “fourth quarter record” of \$168 million, down \$24 million sequentially and up \$28 million, or 20 percent, year-over-year.” (FAC ¶ 151.)
2. For FY 2013, the press release reported that Arconic’s Engineered Products and Solutions segment had generated \$5.7 billion in third-party sales and \$726 million of ATOI. (FAC ¶ 152.)
3. On February 13, 2014, Arconic filed its Form 10-K for the fiscal year ended December 31, 2013 with the SEC (“2013 10-K”), which was signed and certified pursuant to the Sarbanes-Oxley Act of 2002 by Defendants Kleinfeld, among others. Concerning sales in Arconic’s “Engineered Products and Solutions” segment, which included sale of “integrated aluminum structural systems,” the 2013 10-K stated that “[t]hird-party sales for the Engineered Products and Solutions segment improved 4% in 2013 compared with 2012,” “Third-party sales for this segment increased 3% in 2012 compared with 2011,” “ATOI [after-tax operating income] for the Engineered Products and Solutions segment rose \$114 in 2013 compared with 2012, principally the result of net productivity improvements across all businesses,” and “ATOI for this segment climbed \$75 in 2012 compared with 2011” The 2013 10-K also stated, in pertinent part, that “[i]n 2014, . . . the building and construction end market is expected to improve as the gradual recovery in North America continues and the decline in Europe slows down.” (FAC ¶ 153.)
4. The 2013 10-K also reported sales of architectural aluminum systems of \$977 million for full year 2013. (FAC ¶ 154.)
5. The 2013 Annual Report also stated:
 - **ENGINEERED PRODUCTS AND SOLUTIONS**
 - Our products . . . enable buildings that are . . . safe Engineered Products and Solutions, part of Alcoa’s value-add portfolio, performed against targets set in 2010 and generated \$970 million incremental revenue from share gains through innovation, while growing adjusted EBITDA margins from 2010 to 2013. (FAC ¶ 160.)
6. On or about April 8, 2014, Arconic issued a press release announcing its financial results for the quarter ended March 31, 2014 (“Q1 2014”). For Q1 2014, the press release reported that Arconic’s

Engineered Products and Solutions segment had generated third-party sales of \$1.4 billion and that “ATOI was a first quarter record of \$189 million, up \$21 million, or 13 percent, sequentially and up \$16 million, or 9 percent, year-over-year.” (FAC ¶ 169.)

7. The Q1 2014 10-Q set forth financial results substantially similar to those described above regarding Arconic’s April 9, 2014 press release. (FAC ¶ 172.)
8. On or about July 8, 2014, Arconic issued a press release announcing its financial results for the quarter ended June 30, 2014 (“Q2 2014”). For Q2 2014, the press release reported that Arconic’s Engineered Products and Solutions segment had generated third-party sales of \$1.5 billion, and that “ATOI was a quarterly record of \$204 million, up \$15 million, or 8 percent, sequentially and up \$11 million, or 6 percent, year-over-year.” (FAC ¶ 177.)
9. The Q2 2014 10-Q set forth figures substantially similar to those described above regarding Arconic’s July 8, 2014 press release. (FAC ¶ 179.)
10. On or about October 8, 2014, Arconic issued a press release announcing its financial results for the quarter ended September 30, 2014 (“Q3 2014”). For Q3 2014, the press release reported that Arconic’s Engineered Products and Solutions segment had generated third-party sales of \$1.495 billion, and that “ATOI was a quarterly record of \$209 million, up \$5 million, or 2 percent, sequentially and up \$17 million, or 9 percent, year-over-year.” The press release also stated that “EPS delivered its eighteenth consecutive quarter of year-over-year ATOI improvement.” (FAC ¶ 180.)
11. The Q3 2014 10-Q set forth figures substantially similar to those described above regarding Arconic’s October 8, 2014 press release. (FAC ¶ 182.)
12. On or about January 12, 2015, Arconic issued a press release announcing its financial results for the fourth fiscal quarter and year ended December 31, 2014 (“Q4 2014” and “FY 2014,” respectively). For Q4 2014, the press release reported that Arconic’s Engineered Products and Solutions segment had generated third-party sales of \$1.566 billion, and ATOI of \$165 million, which was “its 19th consecutive quarter of year-over-year after-tax operating income growth, excluding Firth Rixson.” (FAC ¶ 188.)
13. For FY 2014, the press release reported that Arconic’s Engineered Products and Solutions segment had generated \$6.006 billion in third-party sales and \$767 million of ATOI. (FAC ¶ 189.)
14. On February 19, 2015, Arconic filed its Form 10-K for the fiscal year ended December 31, 2014 with the SEC (“2014 10-K”), which was signed and certified pursuant to the Sarbanes Oxley Act of 2002 by Defendant Kleinfeld. Concerning sales in Arconic’s “Engineered Products and Solutions” segment, which included sale of “integrated aluminum structural systems,” the 2014 10-K stated that “[t]hird-party sales for the Engineered Products and Solutions segment increased 5% in 2014 compared with 2013, primarily due to higher volumes” “Third-party sales for this segment increased 4% in 2013 compared with 2012,” “ATOI [after-tax operating income] for the Engineered Products and Solutions segment climbed \$41 in 2014 compared with 2013, mainly due to net productivity improvements across all businesses,” and “ATOI for this segment climbed \$114 in 2013 compared with 2012” (FAC ¶ 190.)
15. The 2014 10-K also stated, in pertinent part, that “[i]n 2015, . . . the building and construction end market is expected to improve through growth in North America for the non- residential sector but will be somewhat offset by overall weakness in Europe.” (FAC ¶ 191.)

16. The 2014 10-K also reported sales of architectural aluminum systems of \$1,002 million for full year 2014. (FAC ¶ 192.)
17. The 2014 Annual Report stated:
 - **ENGINEERED PRODUCTS AND SOLUTIONS**
 - 2014 was the best year ever for our innovative, multi-material Engineered Products and Solutions (EPS) segment. It generated \$6.0 billion in third-party revenues and \$767 million in after-tax operating income (ATOI) with an adjusted EBITDA margin of 21.9%. By engineering proprietary products that are highly valuable to customers across its aerospace, commercial transportation, building and construction, industrial gas turbine, and oil and gas end markets, EPS drove strong share gains across all of its businesses. The segment signed a number of valuable contracts throughout the year (FAC ¶ 198.)
18. On or about April 8, 2015, Arconic issued a press release announcing its financial results for the quarter ended March 31, 2014 (“Q1 2015”). For Q1 2015, the press release reported that Arconic’s Engineered Products and Solutions segment had generated third-party sales of \$1.689 billion, and that “After-tax operating income (ATOI) was a first quarter record of \$191 million, up \$2 million, or 1 percent, year-over-year, and up \$26 million, or 16 percent, sequentially.” (FAC ¶ 205.)
19. The Q1 2015 10-Q set forth financial results substantially similar to those described above regarding Arconic’s April 8, 2015 press release. (FAC ¶ 207.)
20. On or about July 8, 2015, Arconic issued a press release announcing its financial results for the second fiscal quarter ended June 30, 2015 (“Q2 2015”). For Q2 2015, the press release reported that Arconic’s Engineered Products and Solutions segment had generated sales of \$1.733 billion, and that “[a]fter-tax operating income (ATOI) was a record \$210 million, up \$8 million, or 4 percent, year-over-year from \$202 million (revised from \$204 million*), and up \$16 million, or 8 percent, from \$194 million (revised from \$191 million*) sequentially.” (FAC ¶ 209.)
21. The Q2 2015 10-Q set forth figures substantially similar to those described above regarding Arconic’s July 8, 2015 press release. (FAC ¶ 211.)
22. On or about October 8, 2015, Arconic issued a press release announcing its financial results for the third fiscal quarter ended September 30, 2015 (“Q3 2015”). For Q3 2015, the press release reported that Arconic’s Transportation and Construction Solutions segment (separated as of Q3 2015 from Engineered Products and Solutions as a reportable segment, and which encompassed the business unit that made Reynobond) had generated third-party sales of \$475 million, and ATOI of \$44 million. (FAC ¶ 214.)
23. The Q3 2015 10-Q set forth figures substantially similar to those described above regarding Arconic’s October 8, 2015 press release. (FAC ¶ 216.)
24. On or about January 11, 2016, Arconic issued a press release announcing its financial results for the quarter and year ended December 31, 2015 (“Q4 2015” and “FY 2015,” respectively). For Q4 2015, the press release reported that Arconic’s Transportation and Construction Solutions segment had generated third-party sales of \$444 million, and ATOI of \$40 million. (FAC ¶ 228.)
25. For FY 2015, the press release reported that Arconic’s Transportation and Construction Solutions segment had generated \$1.882 billion in third-party sales and \$166 million of ATOI. (FAC ¶ 229.)

26. On February 19, 2016, Arconic filed its Form 10-K for the fiscal year ended December 31, 2015 with the SEC (“2015 10-K”), which was signed and certified pursuant to the Sarbanes Oxley Act of 2002 by Defendant Kleinfeld. Concerning sales in Arconic’s new “Transportation and Construction Solutions” segment, which included sale of “integrated aluminum structural systems,” the 2015 10-K stated that “[t]hird-party sales for the Transportation and Construction Solutions segment decreased 7% in 2015 compared with 2014, primarily driven by unfavorable foreign currency movements . . .” “ATOI [after-tax operating income] for the Transportation and Construction Solutions segment declined \$14 in 2015 compared with 2014, mainly due to higher costs, net unfavorable foreign currency movements, primarily related to a weaker euro and Brazilian real, and unfavorable price/product mix.” (FAC ¶ 230.)
27. The 2015 10-K also stated, in pertinent part, that “[i]n 2016, . . . net productivity improvements [were] anticipated while pricing pressure across all markets [was] expected.” (FAC ¶ 231.)
28. The 2015 10-K also reported sales of architectural aluminum systems of \$951 million for full year 2015. (FAC ¶ 232.)
29. Elsewhere the 2015 Annual Report highlighted the financial results achieved in the “Construction Solutions” segment that sold the Reynobond panels, stating that it had “reported ATOI [after-tax operating income] of \$166 million in 2015. It also delivered a solid 2015 adjusted EBITDA [earnings before interests, taxes, depreciation and amortization] margin of 14.4 percent.” (FAC ¶ 237.)
30. On or about April 11, 2016, Arconic issued a press release announcing its financial results for the quarter ended March 31, 2016 (“Q1 2016”). For Q1 2016, the press release reported that Arconic’s Transportation and Construction Solutions segment had generated third-party sales of \$429 million, and ATOI of \$39 million. (FAC ¶ 243.)
31. The Q1 2016 10-Q set forth financial results substantially similar to those described above regarding Arconic’s April 11, 2016 press release. (FAC ¶ 245.)
32. On or about July 11, 2016, Arconic issued a press release announcing its financial results for the second fiscal quarter ended June 30, 2016 (“Q2 2016”). For Q2 2016, the press release reported that Arconic’s Transportation and Construction Solutions segment had generated third-party sales of \$467 million, and ATOI of \$46 million. (FAC ¶ 256.)
33. The Q2 2016 10-Q set forth financial results substantially similar to those described above regarding Arconic’s July 11, 2016 press release. (FAC ¶ 258.)
34. The Q3 2016 10-Q reported that, for Q3 2016, Arconic’s Transportation and Construction Solutions segment had generated third-party sales of \$475 million, and ATOI of \$44 million. (FAC ¶ 260.)
35. On or about January 31, 2017, Arconic issued a press release announcing its financial results for the fourth fiscal quarter and full year ended December 31, 2016 (“Q4 2016” and “FY 2016,” respectively). For Q4 2016, the press release reported that Arconic’s Transportation and Construction Solutions segment had generated third-party sales of \$456 million, and “record fourth quarter ATOI of \$44 million, up \$4 million, or 10 percent, year over year.” (FAC ¶ 271.)
36. For FY 2016, the press release reported that Arconic’s Transportation and Construction Solutions segment had generated \$1.802 billion in third-party sales and \$176 million of ATOI. (FAC ¶ 272.)

37. On or about April 25, 2017, Arconic issued a press release announcing its financial results for the first fiscal quarter ended March 31, 2017 (“Q1 2017”). For Q1 2017, the press release reported that Arconic’s Transportation and Construction Solutions segment had generated third-party sales of \$449 million and adjusted earnings before interest, tax, depreciation and amortization (“Adjusted EBITDA,” which in Q1 2017 replaced ATOI as Arconic’s primary measure of segment performance) of \$72 million. (FAC ¶ 283.)
38. 285. The Q1 2017 10-Q set forth financial results substantially similar to those described above regarding Arconic’s April 25, 2017 press release. (FAC ¶ 285.)
39. On February 28, 2017, Arconic filed its Form 10-K for the fiscal year ended December 31, 2016 with the SEC (“2016 10-K”), which was signed and certified pursuant to the Sarbanes Oxley Act of 2002 by Defendant Kleinfeld. Concerning sales in Arconic’s new “Transportation and Construction Solutions” segment, which included sale of “integrated aluminum structural systems,” the 2016 10-K stated that “[t]hird-party sales for the Transportation and Construction Solutions segment decreased 4% in 2016 compared with 2015, primarily driven by lower demand from the North American commercial transportation end market, which was partially offset by rising demand from the building and construction end market. . . .” “ATOI [after-tax operating income] for the Transportation and Construction Solutions segment increased \$10, or 6%, in 2016 compared with 2015, principally driven by net productivity improvements across all businesses and growth in the building and construction segment” (FAC ¶ 273.)
40. The 2016 10-K also reported sales of architectural aluminum systems of \$1,010 million for full year 2016. (FAC ¶ 274.)
41. Arconic’s 2016 Annual Highlights Report sent to investors in early 2017 lauded the financial performance in its new Transportation and Construction Solutions segment, stating that it had “recorded revenue of \$1.8 billion in 2016, down four percent year over year, ATOI of \$176 million, up six percent year over year, adjusted EBITDA of \$291 million, up seven percent year over year, and an adjusted EBITDA margin of 16.1 percent.” It further highlighted that Arconic was deriving 10% of its sales from the building and construction industries, and a full 6% of its revenues from the U.K., the only other country than the U.S. whose sales were so significant to Arconic that they were individually broken-out: (FAC ¶ 278.)
42. Also, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, Defendant Kleinfeld certified that “[b]ased on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.” (FAC ¶¶ 171, 178, 181, 206, 210, 215, 244, 257, 259, 284.)

V. Statements Highlighting Reynobond PE or Arconic’s Products, Generally

1. “The beautiful cauldron holding the Olympic flame above the Sochi Winter Games was touted by the Russian hosts as a symbol of an environmentally-friendly Olympics. Built with panels made from Alcoa’s architectural aluminum, it is also a symbol of Alcoa innovation and the bright future for Alcoa’s \$1.5 billion commercial construction businesses. The Alcoa Reynobond® panels in the cauldron were coated with an innovative technology called EcoClean™ that is self cleaning and removes pollutants from the air. In addition to aesthetic and emissions benefits, Alcoa’s new aluminum architectural systems provide buildings with stronger impact protection and more than

50% better thermal performance than traditional methods. As governments and customers seek to reduce the high energy consumption and resultant emissions of buildings, Alcoa's 'green building' innovations enabled Alcoa to grow our business during the construction drought of the past five years and position us for dramatic growth when the commercial real estate market rebounds." (FAC ¶ 157.)

2. "ENGINEERED PRODUCTS AND SOLUTIONS

Our products . . . enable buildings that are . . . safe . . ." (FAC ¶ 160.)

3. "We also have developed state-of-the-art framing and wall systems that are hurricane and blast resistant. . . [A]rchitectural aluminum systems that use advanced thermal technologies can provide superior thermal performance without compromising structural performance." (FAC ¶ 174.)

4. "ENGINEERED PRODUCTS AND SOLUTIONS

. . . . By engineering proprietary products that are highly valuable to customers across its aerospace, commercial transportation, building and construction, industrial gas turbine, and oil and gas end markets, EPS drove strong share gains across all of its businesses. The segment signed a number of valuable contracts throughout the year . . ." (FAC ¶ 198.)

5. In Arconic's "building and construction business, [its] innovative architectural systems [were] helping builders meet E.U. and U.S. commitments for zero energy buildings and [were] driving [its] business' expansion into China and the Middle East." (FAC ¶ 235.)

6. "We create thermally efficient architectural aluminum systems that help improve building energy-efficiency by up to 50%. Our state-of-the-art framing and wall systems are also hurricane and blast-resistant, making buildings more resilient and increasing occupant safety." (FAC ¶ 248.)

7. Regarding Arconic's "Building and Construction" business unit, whose "recent innovations include Reynobond NC Double Sheet aluminum composite material panels," the 2015 Sustainability Report stated the following:

- We also have developed state-of-the-art framing and wall systems that are hurricane- and blast-resistant and have been tested to industry standards and state mandates. These systems are designed to minimize vulnerabilities and provide increased security to protect occupants against damage and devastation.
- Architectural aluminum systems that use advanced thermal technologies can provide superior thermal performance without compromising on structural performance.
- Aluminum architectural systems can improve energy efficiency, reduce carbon dioxide emissions, help achieve green building standards, and increase occupant comfort and security. (FAC ¶ 251.)

8. Regarding Arconic's architectural product, Tim Myers, the Group President of Arconic's Transportation and Construction Solutions segment, stated: "We need to have products that are offering differentiated safety benefits for the occupant, right? So that gives us the opportunity then to unleash Arconic's technology . . ." Regarding Reynobond, a slide accompanying the Investor

Day presentation stated that Arconic was “[i]mproving core technology to increase fire retardant performance.” (FAC ¶ 264.)²

9. The cover of the 2016 Annual Report stated that “[w]orking in close partnership with our customers, we solve complex engineering challenges to transform the way we . . . build . . .,” and that “[t]hrough 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.” (FAC ¶ 277.)

² Defendants note that the Investor Day slide (which is a public document) in its entirety stated:

“Arconic’s Reynobond and Reynolux brands’ innovation is driven by premium surface finishes and innovative core materials that offer more choice to end users.

- Expanding EcoClean surface coating that absorbs Nox from the air around it while reducing cleaning costs
- Designline utilizes advanced polymer finishes that can mimic other natural elements such as wood, granite, etc.
- Improving core technology to increase fire retardant performance.
- High gloss finishes in the Grandezza product line to open new markets to Reynobond such as interior panels in kitchens, offices” (Defs.’ Ex. 7, ECF No. 71–9, at 7.)