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STREET 2: PO BOX 27003

CITY: RICHMOND

STATE: VA

ZIP: 23261

BUSINESS PHONE: 8042812000

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 1999

OR

[] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 001-01430

REYNOLDS METALS COMPANY
A Delaware Corporation
(IRS Employer Identification No. 54-0355135)
6601 West Broad Street, P. O. Box 27003, Richmond, Virginia 23261-7003
Telephone: (804) 281-2000

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class -----	Name of Each Exchange on Which Registered -----
Common Stock, no par value	New York Stock Exchange
Preferred Stock Purchase Rights	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

As of February 25, 2000:

- (a) the aggregate market value of the voting stock known by the Registrant to be held by nonaffiliates of the Registrant was approximately \$3.7 billion*.
- (b) the Registrant had 63,676,149 shares of Common Stock outstanding and entitled to vote.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive proxy statement for its 2000 Annual Meeting of Stockholders to be filed pursuant to Regulation 14A - Part III

* For this purpose, "nonaffiliates" are deemed to be persons other than directors, officers and persons owning beneficially more than five percent of the voting stock as reported to the Securities and Exchange Commission.

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NOTE

This copy includes only EXHIBIT 21 of those listed on pages 68 - 73.

In accordance with the Securities and Exchange Commission's requirements, we will furnish copies of the remaining exhibits listed below upon payment of a fee of 10 cents per page. Please remit the proper amount with your request to:

Secretary
Reynolds Metals Company
P.O. Box 27003
Richmond, Virginia 23261-7003

Exhibits have the following number of pages:

EXHIBIT 2	149	EXHIBIT 10.15	4
EXHIBIT 3.1	100	EXHIBIT 10.16	12
EXHIBIT 3.2	23	EXHIBIT 10.17	17
EXHIBIT 4.1	100	EXHIBIT 10.18	16
EXHIBIT 4.2	23	EXHIBIT 10.19	5
EXHIBIT 4.3	1	EXHIBIT 10.20	10
EXHIBIT 4.4	165	EXHIBIT 10.21	10
EXHIBIT 4.5	6	EXHIBIT 10.22	6
EXHIBIT 4.6	41	EXHIBIT 10.23	2
EXHIBIT 4.7	9	EXHIBIT 10.24	2
EXHIBIT 4.8	2	EXHIBIT 10.25	1
EXHIBIT 4.9	2	EXHIBIT 10.26	3
EXHIBIT 4.10	10	EXHIBIT 10.27	21
EXHIBIT 4.11	14	EXHIBIT 10.28	2
EXHIBIT 4.12	9	EXHIBIT 10.29	10
EXHIBIT 4.13	36	EXHIBIT 10.30	10
EXHIBIT 4.14	17	EXHIBIT 10.31	5
EXHIBIT 4.15	19	EXHIBIT 10.32	12
EXHIBIT 4.16	18	EXHIBIT 10.33	26
EXHIBIT 4.17	89	EXHIBIT 10.34	37
EXHIBIT 4.18	7	EXHIBIT 10.35	21
EXHIBIT 4.19	12	EXHIBIT 10.36	2
EXHIBIT 10.1	21	EXHIBIT 10.37	2
EXHIBIT 10.2	16	EXHIBIT 21	1
EXHIBIT 10.3	11	EXHIBIT 23	2
EXHIBIT 10.4	6	EXHIBIT 24	17
EXHIBIT 10.5	7	EXHIBIT 27	1
EXHIBIT 10.6	6	EXHIBIT 99	6
EXHIBIT 10.7	10		
EXHIBIT 10.8	15		
EXHIBIT 10.9	16		
EXHIBIT 10.10	7		
EXHIBIT 10.11	12		
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PART I

ITEM 1. BUSINESS

Reynolds Metals Company (the "Registrant") was incorporated in 1928 under the laws of the State of Delaware. In this report, "Reynolds" and "the Company" mean the Registrant and its consolidated subsidiaries unless otherwise indicated.

GENERAL

NATURE OF OPERATIONS

Reynolds is the world's third-largest aluminum producer and the world's leading aluminum foil producer. Reynolds serves customers in growing world markets including the alumina and primary aluminum, packaging and consumer, commercial construction, distribution, and automotive markets, with a wide variety of aluminum, plastic and other products. At December 31, 1999, Reynolds employed approximately 18,900 people. Reynolds has operations or interests in operations at more than 100 locations in 24 countries. Reynolds' world headquarters is in Richmond, Virginia.

Reynolds' operations are organized into four market-based, global business units: Base Materials; Packaging and Consumer; Construction and Distribution; and Transportation. For a description of these units, see the discussion below under the heading "Global Business Units." For information about certain operations that are not considered part of a global business unit, see the discussion below under the heading "Other Operations."

MERGER

On August 18, 1999, Reynolds, Alcoa Inc. (Alcoa) and RLM Acquisition Corp., a wholly owned subsidiary of Alcoa, entered into an agreement and plan of merger. Under the merger agreement, each outstanding share of Reynolds common stock would be converted into 1.06 shares of Alcoa common stock and Reynolds would become wholly owned by Alcoa. On January 10, 2000, Alcoa announced that its Board of Directors had declared a two-for-one split of Alcoa's common stock to Alcoa shareholders of record on May 26, 2000. The stock split is subject to approval of Alcoa shareholders who must approve an amendment to Alcoa's articles to increase the authorized shares of common stock at Alcoa's annual meeting on May 12, 2000. If approved, the stock split would be distributed on June 9, 2000. Shares of Alcoa stock that are issued in the merger will be adjusted, as necessary, to reflect the stock split.

The proposed merger, which was approved by Reynolds' stockholders at a special meeting held on February 11, 2000, is subject to customary closing conditions, including antitrust clearances.

The Hart-Scott-Rodino Antitrust Improvements Act of 1976 prohibits Alcoa and Reynolds from completing the merger until certain information has been furnished to the Antitrust Division of the Department of Justice and the Federal Trade Commission, and until certain waiting period requirements have been satisfied. Alcoa filed a Hart-Scott-Rodino Premerger Notification and Report Form on August 24, 1999 and Reynolds filed such a Form on August 30, 1999. On September 29, 1999, the Antitrust Division issued a request for additional information and documentary material (a "second request"). On February 11, 2000, both Reynolds and Alcoa announced that they believed that they were in substantial compliance with the second request. They also advised the Department of Justice that they would not close the merger before March 31, 2000, in order to provide the Department sufficient time to review the transaction.

In Europe, certain regulations require that Alcoa file a premerger notification form with the Commission of the European Communities prior to consummation of the proposed merger. Alcoa filed such notification on November 18, 1999. This filing began an initial one-month review period in which the European Commission was required to determine whether there are sufficiently "serious doubts" about the proposed merger's compatibility with the common market to require a more complete review. The initial one-month period expired on December 20, 1999,

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whereupon the European Commission issued a determination that the proposed merger did require a more complete review. The European Commission must complete its investigation and make a final determination with respect to the proposed merger no later than May 10, 2000.

Reynolds and Alcoa have also made filings under the competition laws of Canada, Australia and certain other countries where the companies have significant operations. Alcoa and Reynolds have been advised that the Canadian Competition Bureau has classified this merger as "very complex." Its review is expected to be completed no later than May 24, 2000. The Australian review process is also expected to be completed by the end of May 2000.

The merger agreement contains certain restrictions on the conduct of Reynolds' business before completion of the merger. For example, Reynolds has agreed to operate its business only in the ordinary course, to refrain from taking certain corporate actions without the consent of Alcoa, and not to solicit alternative acquisition proposals.

Reference is made to the copy of the merger agreement incorporated by reference herein as Exhibit 2.

RESTRUCTURING

In early 1999, Reynolds finalized the sale of its Alloys can stock complex, which included a rolling mill, two reclamation plants and a coil coating facility, located in Alabama to Wise Alloys LLC, an affiliate of Wise Metals Co., Inc. Also in early 1999, Reynolds sold its aluminum extrusion plant in Irurzun, Spain, as well as its distribution operations for architectural systems located in Spain, to an affiliate of Alcoa. Reynolds sold its investment in a Canadian rolling mill and related assets to Hocan Inc., an affiliate of CORUS Group PLC, in early January 2000. Finalization of these transactions marks the substantial completion of Reynolds' portfolio review process.

FINANCIAL INFORMATION REGARDING GLOBAL BUSINESS UNITS AND OPERATIONS BY GEOGRAPHIC LOCATION

Financial information for operations and assets attributable to Reynolds' global business units and information regarding its operations by geographic location are included in Note 12 to the consolidated financial statements in Item 8 of this report.

GLOBAL BUSINESS UNITS

BASE MATERIALS

Reynolds' base materials global business unit produces metallurgical alumina, alumina chemicals and primary aluminum. It also produces carbon products, principally for use in primary aluminum reduction plants.

Aluminum is one of the most plentiful metals in the earth's crust. It is found chemically combined with other elements. Aluminum silicates are in almost every handful of clay, but aluminum is produced primarily from bauxite, an ore containing aluminum in the form of aluminum oxide, commonly referred to as alumina.

Aluminum is made by extracting alumina from bauxite and then removing oxygen from the alumina through an electrolytic process known as "reduction." The result is molten primary aluminum, which is cast into various forms for shipment to fabricating plants. It takes about four tons of bauxite to make two tons of alumina, which in turn yield about a ton of primary aluminum.

Reynolds refines bauxite into alumina at its Sherwin alumina plant near Corpus Christi, Texas. Reynolds also is entitled to a share of the production from two joint ventures in which it has interests, one located in Western Australia, known as the Worsley Joint Venture ("Worsley"), and the other located in Stade, Germany, known as Aluminium Oxid Stade ("Stade"). See Table 1 under this Item. In addition, Reynolds has a contract with a third party to purchase 120,000 metric tons of alumina in 2000.

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Worsley currently has the capacity to produce 1.88 million metric tons of alumina per year. Reynolds is entitled to 56% of the alumina produced by the joint venture. The Worsley refinery is currently being expanded to increase its annual capacity to 3.1 million metric tons. In addition to increasing capacity, the expansion project will further reduce operating costs and improve product quality. Construction is scheduled to be completed in the second quarter of 2000. Worsley has proven bauxite reserves sufficient to operate the plant at capacity for at least the next 35 years, even after taking into account the ongoing expansion of the refinery's annual capacity.

Bauxite requirements for Reynolds' Sherwin alumina plant and Reynolds' share of the Stade joint venture are obtained from the following sources:

AUSTRALIA

Reynolds has a long-term purchase arrangement under which it may buy from a third party an aggregate of approximately 18,800,000 dry metric tons of Australian bauxite through 2021.

BRAZIL

Reynolds owns a 5% interest in Mineracao Rio Do Norte S.A. ("MRN"), which owns the Trombetas bauxite mining project in Brazil. Reynolds has agreed to purchase approximately 7,000,000 dry metric tons of Brazilian bauxite from the project for the period 2000 through 2019.

Reynolds also maintains an interest in other, undeveloped bauxite deposits in Brazil.

GUINEA

Reynolds owns a 6% interest in Halco (Mining), Inc. Halco owns 51% and the Guinean government owns 49% of Compagnie des Bauxites de Guinee ("CBG"), which has the exclusive right through 2038 to develop and mine bauxite in a 10,000 square-mile area in northwestern Guinea. Reynolds has a bauxite purchase contract with CBG that will provide Reynolds with a minimum of approximately 6,050,000 dry metric tons of Guinean bauxite for the period 2000 through 2011.

GUYANA

Reynolds is a 50% partner with the Guyanese government in a bauxite mining project in the Berbice region of Guyana. Reynolds will buy approximately 2,000,000 dry metric tons of bauxite from the project in 2000.

JAMAICA

Reynolds has a purchase arrangement under which it will buy from a third party an aggregate of up to 3,600,000 dry metric tons of Jamaican bauxite for the period 2000 through 2001.

OTHER

Reynolds has an arrangement with the U.S. government under which it will buy at a negotiated price during 2000 approximately 600,000 long dry tons of Jamaican bauxite stored next to the Sherwin alumina plant.

Reynolds' present sources of bauxite and alumina are more than adequate to meet the forecasted requirements of its primary aluminum production operations for the foreseeable future.

Reynolds produces primary aluminum at three plants in the United States and one at Baie Comeau, Quebec, Canada. Reynolds is also entitled to a share of the primary aluminum produced at three joint ventures in which it participates: one in Quebec known as the Becancour joint venture ("Becancour"); one in Hamburg, Germany, known as Hamburg Aluminium-Werk GmbH ("Hamburg"); and the third in Ghana, known as Volta Aluminium Company Limited ("Ghana"). See Table 2 under this Item.

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Reynolds' primary aluminum products include unalloyed aluminum ingot; billet, which is used by extrusion plants; sheet ingot, which is supplied to rolling facilities; foundry ingot, which is the base material for cast products such as automotive wheels; and electrical redraw rod, which is used by the electrical cable industry. During 1999, 80% of Reynolds' primary aluminum products were sold externally to third parties; the remainder was purchased by other Reynolds business units.

Production at Reynolds' primary aluminum plants can vary due to a number of factors, including changes in worldwide supply and demand. Reynolds currently has the annual capacity to produce 1,094,000 metric tons of primary aluminum, of which 47,000 metric tons are temporarily idled. During 1998, Reynolds restarted 162,000 metric tons of previously idled production capacity. Reynolds will monitor market conditions and its internal needs before proceeding with further restarts.

In addition to the primary aluminum plants listed in Table 2, Reynolds has a 10% equity interest in the Aluminum Smelter Company of Nigeria ("ALSCON"). The smelter closed indefinitely in 1999 due to lack of working capital. The closing has no material effect on Reynolds' operations or financial position. Reynolds also has an 8% equity interest in C.V.G. Aluminio del Caroni, S.A. ("ALCASA"), which produces primary aluminum in Venezuela.

Reynolds owns and operates two carbon products manufacturing facilities located in Lake Charles and Baton Rouge, Louisiana. These facilities have the capacity to produce 875,000 metric tons of calcined petroleum coke and 145,000 metric tons of carbon anodes annually. The anodes are produced principally for consumption at Reynolds' primary aluminum plant in Baie Comeau, Quebec. The calcined petroleum coke is used by Reynolds' wholly owned primary aluminum plants. Reynolds also sells calcined petroleum coke worldwide to the aluminum and titanium dioxide industries.

Reynolds' base materials business also operates a commercial hazardous waste treatment facility in Gum Springs, Arkansas for the treatment of spent potliner resulting from Reynolds' and other producers' North American aluminum

reduction operations. Regulations issued by the U.S. Environmental Protection Agency (the "EPA") require the treatment of spent potliner to prescribed standards prior to disposal. The Gum Springs facility has the capacity to treat 120,000 short tons of spent potliner annually and is currently operating at approximately 50% of capacity. In July 1998, the U. S. Court of Appeals for the District of Columbia struck down the treatment standards included in the then current EPA regulations. The EPA subsequently adopted temporary standards, which are expected to continue in effect until final standards are adopted. Reynolds has submitted permit applications to state and federal environmental authorities to allow it to operate the Gum Springs facility's landfill as a hazardous waste landfill. The applications were submitted as a result of the EPA's 1997 decision to classify treated spent potliner as a hazardous waste.

ENERGY -----

Reynolds consumes substantial amounts of energy in the aluminum production process. Refining alumina from bauxite requires high temperatures. The facilities where Reynolds refines alumina achieve these temperatures by burning natural gas or coal to produce direct heat or steam. Natural gas and coal for these facilities are purchased under long- and short-term contracts. See Table 1 under this Item.

The electrolytic process for reducing alumina to primary aluminum requires large amounts of electricity. Reynolds generally expects to meet the energy requirements for its primary aluminum production for the foreseeable future under long-term contracts. Under these contracts, however, Reynolds may experience shortages of interruptible power from time to time at its Massena, New York plant and at the plant in Ghana in which Reynolds holds a joint-venture interest. The portion of power supplied to the Massena plant that is interruptible (approximately 15%) can be offset with power purchased from other sources at market rates. Production at Ghana is dependent on hydroelectric power. The Ghana plant is currently operating at reduced capacity due to drought conditions that have existed since 1994. See Table 2 under this Item.

Bonneville Power Administration ("BPA") supplies electricity to Reynolds' smelters at Longview, Washington and Troutdale, Oregon. The current contract with BPA expires on September 30, 2001. BPA has proposed reducing the amount of power supplied to the smelters by one-third and pricing the power on a formula under which charges would vary with world aluminum prices. Assuming "average" world aluminum prices (with the basis for determining what is "average" yet to be settled), the rate charged to Reynolds for the period 2001-2006 would

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increase by 13% over what Reynolds currently pays. Reynolds would also have to find other sources for the balance of its power needs. The BPA proposal is subject to full consideration in a rate case, in which Reynolds can present arguments to improve the offered rate, and other parties can challenge both the quantity of power being provided to the Reynolds smelters and the rates at which it is to be provided. Reynolds expects to participate actively in the resolution of this issue and to continue assessing alternate power sources for the two smelters.

<TABLE>

TABLE 1

ALUMINA PLANTS AND ENERGY SUPPLY

<CAPTION>

Plant	Rated Capacity(a) at December 31, 1999 Metric Tons	Energy Purchased(b)	Principal Energy Contract Expiration Date
<S>	<C>	<C>	<C>
Corpus Christi, Texas	1,600,000	Natural Gas	(c), (d)
Worsley, Australia	1,053,000 (e)	Coal and Natural Gas	2002 (d)
Stade, Germany	375,000 (e)	Natural Gas	2008

<TABLE>

TABLE 2

PRIMARY ALUMINUM PRODUCTION PLANTS AND ENERGY SUPPLY

<CAPTION>

Plant	Rated Capacity(a) at December 31, 1999 Metric Tons	Energy Purchased(b)	Principal Energy Contract Expiration Date
<S>	<C>	<C>	<C>
Baie Comeau, Quebec	400,000	Electricity	2011 and 2014
Longview, Washington	204,000 (f)	Electricity	2001
Massena, New York	123,000 (f)	Electricity	2013 (g)
Troutdale, Oregon	121,000 (f)	Electricity	2001
Becancour, Quebec	186,000 (h)	Electricity	2014
Hamburg, Germany	40,000 (h)	Electricity	2005
Ghana	20,000 (h)	Electricity	2017

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<TABLE>

TABLE 3

ALUMINA AND PRIMARY ALUMINUM CAPACITY AND PRODUCTION
(Metric Tons)

<CAPTION>

Year	Alumina(e), (i)		Primary Aluminum(h), (j)	
	Rated Capacity(a)	Production	Rated Capacity(a)	Production(f)
<S>	<C>	<C>	<C>	<C>
1997	2,944,000	2,724,000	1,094,000	893,200
1998	2,944,000	2,868,000	1,094,000	982,900
1999	3,028,000	2,929,000	1,094,000	1,052,700

NOTES TO TABLES 1, 2, and 3.

(a) Ratings are estimates at the end of the period based on designed capacity and normal operating efficiencies and do not necessarily represent maximum possible production.

(b) See "Energy" above.

(c) The Sherwin plant currently purchases 50% of the natural gas required to operate the plant on a month-to-month basis. Beginning in June 2000, it is anticipated that all gas will be supplied under contracts of one year or less.

(d) Reynolds has a long-term agreement to purchase all of Sherwin's steam and a portion of its electricity from a third-party cogeneration facility beginning in June 2000. Worsley has a similar contract to purchase a portion of its steam and electricity which began in early 2000.

(e) Reynolds is entitled to 56% of the production of Worsley and 50% of the production of Stade. Capacity and production figures reflect Reynolds' share.

(f) Reynolds curtailed 121,000 metric tons of production capacity at its Troutdale primary aluminum plant in the second half of 1991 and restarted 74,000 metric tons of that capacity in 1998. Reynolds also curtailed an aggregate of 88,000 metric tons of primary aluminum production capacity at its Massena (41,000 metric tons) and Longview (47,000 metric tons) plants effective in 1993. All of the idled capacity at Massena and Longview was restarted during 1998.

(g) The power contract terminates in 2013, subject to earlier termination by the supplier in 2003 if its federal license for its hydroelectric project is not renewed.

(h) Reynolds is entitled to 50% of the production of Becancour, 33-1/3% of the production of Hamburg, and 10% of the production of Ghana. Capacity and production figures reflect Reynolds' share. Production at Ghana has been curtailed since September 1994 by drought. At December 31, 1998, Ghana was operating at 20% of capacity. Ghana began restarting a portion of its curtailed capacity in 1999. The plant is currently operating at approximately 80% of capacity.

(i) Production is from the alumina production operations listed in Table 1.

(j) Production is from the primary aluminum production operations listed in Table 2.

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PACKAGING AND CONSUMER

- - - - -

Reynolds' packaging and consumer global business unit provides a variety of foil, plastic and other products and related services to the packaging and consumer products markets. Reynolds is the world's leading aluminum foil producer and a major converter of plastic resins.

Reynolds markets a diverse range of flexible packaging products including inner and outer wraps, pouches, specialty cartons, child-resistant blister backing, and plastic containers. Reynolds' customers include global marketers of food, confection, healthcare and tobacco products. Reynolds also serves the foodservice market (restaurants, delis, supermarket take-out, and fast-food and catering establishments) with over 1,000 foil, plastic and paper products including aluminum and plastic film, plastic containers and lids, foodservice bags, catering trays, sandwich bags and wraps, baking cups and trays. Reynolds also produces industrial plastic film (including Reynolon shrink film) and labels for shrink wrapping and

tamper-evident packaging.

Reynolds manufactures its packaging products at wholly owned facilities in the U.S., Brazil, Canada and Spain. See Table 4 under the heading "Packaging and Consumer." Reynolds also has an interest in foil operations in Colombia and Venezuela. The capacity of these manufacturing facilities depends on the variety and types of products manufactured.

Reynolds' packaging and consumer global business unit also manufactures and markets an extensive line of foil, plastic and paper consumer products under the Reynolds brand name. Products include the well-known Reynolds Wrap Aluminum Foil, Reynolds Plastic Wrap, Reynolds Oven Bags, Reynolds Freezer Paper, Reynolds Cut-Rite Wax Paper, Reynolds Baker's Choice Bake Cups, Reynolds Hot Bags Foil Bags and Reynolds Wrappers Foil Sandwich Sheets. Reynolds' consumer products are distributed throughout the U.S., which is Reynolds' largest market for these products, and in more than 65 other countries.

In April 1999, Reynolds launched a foodservice packaging and consumer products subsidiary, Reyco Ltda., in Sao Paulo, Brazil. Reyco produces foodservice packaging and consumer products under the Reynolds brand name.

Through its Presto Products Company subsidiary, Reynolds is a supplier of private label consumer products. Presto produces a variety of plastic food wraps and bags (including trash bags and reclosable snack, sandwich, storage and freezer bags) that are sold under private labels.

Reynolds' subsidiary, Southern Graphic Systems, Inc., produces rotogravure printing cylinders, color separations and flexographic plates used in Reynolds' packaging printing operations and for the consumer and industrial packaging industry. Southern Graphic's major customers, in addition to Reynolds, are other consumer products companies and converters, with a trend toward consumer products companies. Southern Graphic also provides graphics management services and manufactures printing accessories (bases and anilox rolls).

In February 1999, Southern Graphic acquired London Graphics Inc., a Toronto, Ontario producer of flexographic separations and plates for the packaging industry in Canada. It has been integrated with Southern Graphic's Canadian operations. Southern Graphic also acquired the assets and/or businesses of four U.S. producers of flexographic separations and plates for the packaging industry in 1999. In addition, Southern Graphic, through its Mexican subsidiary, Southern Graphic Systems Mexico S. de R.L. de C. V., began providing onsite services to its customers at its new Mexico City, Mexico offices in late 1999.

CONSTRUCTION AND DISTRIBUTION

Reynolds' construction and distribution global business unit distributes aluminum, stainless steel and other specialty metal products under the names Reynolds Aluminum Supply Company ("RASCO") and RASCO Specialty Metals Inc. (in Canada). This business unit also produces and sells architectural products and systems.

RASCO provides supply chain management services to North American metal fabricating customers requiring high-quality aluminum, stainless steel and other specialty metal products. During 1999, RASCO's sales (not including RASCO Specialty Metals Inc.) were 58% in aluminum products and 39% in stainless steel products. RASCO processes and distributes plate, sheet, extrusions, rod and bar products through 37 facilities across North

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America. RASCO provides metal processing services such as cutting to length, slitting, shearing, sawing and plasma burning. The metal processing services offered by RASCO allow it to provide customized products, delivered just-in-time to customers. RASCO's customers include fabricators and manufacturers in transportation, equipment, machinery and other markets.

In 1999, RASCO acquired two metal distribution centers in the U.S. and five in Canada, and opened three new metal distribution centers in the U.S. and one in Mexico.

Through its construction operations Reynolds produces Reynobond aluminum composite material that is sold worldwide for architectural and specialty applications. In 1999, Reynolds increased its capability to serve European and global demand for composite material with the substantial completion of an expansion of its plant in Merxheim, France.

Reynolds' construction and distribution business unit also produces Reynolux painted aluminum sheet and profiled products; designs and markets architectural systems consisting of curtainwall, window and door units for residential and commercial applications; and produces and sells polymer-coated magnet wire for electrical transformers.

TRANSPORTATION

- - - - -

Reynolds' transportation global business unit operates nine plants supplying a wide range of fabricated aluminum products to the transportation industry and has interests in two additional plants located in Canada and Venezuela. See Table 4 below under the heading "Transportation." Reynolds' principal products are wheels, heat exchanger tubing and automotive structures. Reynolds markets these products primarily in North America to the "Big Three" automobile manufacturers, with customers also in Europe and Venezuela.

Reynolds produces forged and cast aluminum wheels in a variety of sizes, styles and finishes. In February 1999, Reynolds completed the start-up of a \$32 million expansion of its forged aluminum wheel manufacturing facility in Lebanon, Virginia. The expansion doubled the plant's production capacity to 1.4 million wheels per year.

Heat exchanger tubing products include extruded and drawn round tube, micro multivoid tube and oval tube made of aluminum and long-life alloys. These products are used in applications such as automotive air conditioning systems and radiators.

Automotive structures include bumpers, car and truck door frames, convertible roof brackets, sunroof frames, antilock brake system housings, steering shafts and steering column brackets, among other items, for use in automobiles and truck and trailer systems. In mid-1999, Reynolds completed an equipment expansion at its Indiana extrusion facility to begin production of the industry's first high volume aluminum engine cradle.

OTHER OPERATIONS

Reynolds has certain operations that are not within a global business unit. These include, principally, its headquarters operations, as well as the following:

BOHAI ALUMINIUM INDUSTRIES, LTD. - Reynolds owns a 32.48% interest in this aluminum foil and extrusion operation located in China.

CAN MACHINERY - Reynolds operates a can machinery plant that manufactures can production machinery used by aluminum can manufacturers around the world.

EUROPEAN EXTRUSION OPERATIONS - Reynolds' plants in Nachrodt, Germany and Harderwijk, Netherlands produce extruded aluminum products that are used internally by Reynolds' construction and distribution and transportation global business units. In addition, the plants manufacture products that are sold directly to third parties. The portion of these extrusion operations related to products sold directly to third parties is not included within Reynolds' global business units.

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LATAS DE ALUMINIO. S.A. ("Latasa") - Reynolds owns a 36.6% interest in this South American aluminum can operation.

REAL ESTATE - Reynolds has real estate holdings consisting principally of undeveloped land and commercial buildings.

UNITED ARAB CAN MANUFACTURING COMPANY, LTD. - Reynolds owns a 27.5% interest in this aluminum can operation located in Saudi Arabia.

COMPETITION

Competition in Reynolds' industries is based on price, quality and service. In the sale of its products, Reynolds competes primarily with (i) producers of alumina and primary aluminum and processors of reclaimed aluminum, (ii) producers of plastic products, (iii) producers of aluminum and non-aluminum packaging materials, (iv) metals service center companies engaged in the distribution of aluminum and other products and (v) fabricators of aluminum and non-aluminum automotive products. Reynolds competes with many companies around the world in the manufacture of primary aluminum products. In Europe, Reynolds' principal competitors are seven major multinational producers of extruded aluminum products and a number of smaller European producers of aluminum semifabricated products. Reynolds' consumer products operations compete primarily with a number of U.S. companies. North America is Reynolds' largest market for its flexible packaging products. Reynolds has a large number of competitors in this area, ranging from small, local businesses to large, national companies. Aluminum and related products compete with various products, including those made of iron, steel, copper, zinc, tin, titanium, lead, glass, wood, plastic, magnesium and paper. Plastic products compete with products made of glass, aluminum, steel, paper, wood and ceramics, among others.

ENVIRONMENTAL COMPLIANCE

Reynolds has spent and will spend substantial capital and operating amounts relating to ongoing compliance with environmental laws. The area of environmental management, including environmental controls, continues to be in a state of scientific, technological and regulatory evolution. Consequently, it is not possible for Reynolds to predict accurately the total expenditures necessary to meet all future environmental requirements. Reynolds expects, however, to add or modify environmental control facilities at a number of its worldwide locations to meet existing and certain anticipated regulatory requirements, including regulations to be implemented under the Clean Air Act Amendments of 1990 (the "Clean Air Act").

Based on information currently available, Reynolds estimates that compliance with the Clean Air Act's hazardous air pollutant standards would require in

excess of \$200 million of capital expenditures (including a portion of the expenditures at the Massena plant referred to below), primarily at its U.S. primary aluminum production plants. The ultimate effect of the Clean Air Act on such plants and on Reynolds' other operations (and the actual amount of any such capital expenditures) will depend on how the Clean Air Act is interpreted and implemented pursuant to regulations that are currently being developed and on such additional factors - the evolution of environmental control technologies and the economic viability of such operations at the time. Based on an August 1995 memorandum of understanding with the State of New York to resolve environmental issues at its Massena, New York primary aluminum production plant, Reynolds has undertaken a capital spending program (planned for completion in 2002) of an estimated \$175 million to modernize the Massena plant and significantly reduce air emissions from the plant. Pursuant to the memorandum of understanding, Reynolds is accelerating certain expenditures believed necessary to achieve compliance with the Clean Air Act's Maximum Achievable Control Technology standards.

Reynolds' capital expenditures for equipment designed for environmental control purposes were approximately \$43 million in 1997, \$80 million in 1998 and \$48 million in 1999. The portion of such amounts expended in the United States was \$41 million in 1997, \$74 million in 1998 and \$41 million in 1999. Reynolds estimates that annual capital expenditures for environmental control facilities will be approximately \$24 million in 2000, \$30 million in 2001 and \$21 million in 2002. The majority of these estimated expenditures are associated with the capital spending program

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referred to above at the Massena plant. Future capital expenditures for environmental control facilities cannot be predicted with accuracy for the reasons cited above; however, it is reasonable to expect that environmental control standards will become increasingly stringent and that the expenditures necessary to comply with them could increase substantially.

Reynolds has been identified as a potentially responsible party ("PRP") and is involved in remedial investigations and remedial actions under the Comprehensive Environmental Response, Compensation and Liability Act ("Superfund") and similar state laws regarding the past disposal of wastes at approximately 40 sites in the United States. Such statutes may impose joint and several liability for the costs of such remedial investigations and actions on the entities that arranged for disposal of the wastes, the waste transporters that selected the disposal sites, and the owners and operators of such sites. Responsible parties (or any one of them) may be required to bear all of such costs regardless of fault, legality of the original disposal, or ownership of the disposal site.

In addition, Reynolds is investigating possible environmental contamination, which may also require remedial action, at certain of its present and former U. S. manufacturing facilities. The following discussion provides information about the current status of two individually significant sites.

MASSENA, NEW YORK SITE. In 1988, Reynolds discovered that soils in the area of the heat transfer medium system at Reynolds' primary aluminum production plant in Massena, New York were contaminated with polychlorinated biphenyls ("PCBs") and other contaminants. Remediation of the contaminated soils and other contaminated areas of the plant was substantially completed in 1998. Portions of the St. Lawrence River system adjacent to the plant are also contaminated with PCBs. Since 1989, Reynolds has been conducting investigations and studies of the river system under order from the EPA issued under Superfund. Reynolds is in the process of working with the EPA to better define the scope of the dredging program which is planned for 2001. Reynolds is also aware of a natural resource damage claim arising out of the discharge of PCBs

and other contaminants into the river system that may be asserted by potential claimants, including federal, state and tribal natural resource trustees.

TROUTDALE, OREGON SITE. In 1994, the EPA added Reynolds' Troutdale, Oregon primary aluminum production plant to the National Priorities List of Superfund sites. Reynolds is cooperating with the EPA and, under a September 1995 consent order, is working with the EPA in investigating potential environmental contamination at the Troutdale site and promoting more efficient cleanup at the site.

At most of the Superfund sites referred to above where Reynolds has been identified as a PRP, Reynolds is one of many PRPs, and its share of the anticipated cleanup costs is expected to be small. With respect to certain other sites (not included in the 40 sites discussed above) where Reynolds has been identified as a PRP, Reynolds has either fully or substantially settled or resolved actions related to such sites at minimal cost or believes that it has no responsibility with regard to them. Reynolds has been notified that it may be a PRP at certain sites in addition to those already referred to in this paragraph.

Reynolds' policy is to accrue remediation costs when it is probable that remedial efforts will be required and the related costs can be reasonably estimated. On a quarterly basis, Reynolds evaluates the status of all sites, develops or revises estimates of costs to satisfy known remediation requirements and adjusts its accruals accordingly. At December 31, 1999, the accrual for known remediation requirements was \$162 million. This amount reflects management's best estimate of Reynolds' ultimate liability for such costs. Potential insurance recoveries are uncertain and therefore have not been considered. As a result of factors such as the developing nature of administrative standards promulgated under Superfund and other environmental laws; the unavailability of information regarding the condition of potential sites; the lack of standards and information for use in the apportionment of remedial responsibilities; the numerous choices and costs associated with diverse technologies that may be used in remedial actions at such sites; the availability of insurance coverage; the ability to recover indemnification or contribution from third parties; and the time periods over which eventual remediation may occur, estimated costs for future environmental compliance and remediation are necessarily imprecise. It is not possible to predict the amount or timing of future costs of environmental remediation that may subsequently be determined. Based on information currently available, it is management's opinion that such future costs are not likely to have a material adverse effect on Reynolds' competitive or financial position. However, such costs could be material to future quarterly or annual results of operations.

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See the discussion under "Environmental" in Item 7, and under Note 13 to the consolidated financial statements in Item 8 of this report regarding Reynolds' anticipated costs of environmental compliance.

RESEARCH AND DEVELOPMENT

Reynolds engages in a continuous program of basic and applied research and development to support its global business units. This program deals with new and improved materials, products, processes and related environmental compliance technologies. It includes development and expansion of products and markets that benefit from aluminum's light weight, strength, resistance

to corrosion, ease of fabrication, high heat and electrical conductivity, recyclability and other properties. Materials and core competencies involving aluminum, ceramics, composites and various polymers and their processing, fabrication and applications are also included in the scope of Reynolds' research and development activities.

Expenditures for Reynolds-sponsored research and development activities were approximately \$25 million in 1999, \$31 million in 1998, and \$41 million in 1997.

Reynolds owns numerous patents relating to its products and processes based predominantly on its in-house research and development activities. The patents owned by Reynolds, or under which it is licensed, generally concern particular products or manufacturing techniques. Reynolds' business is not, however, materially dependent on patents.

EMPLOYEES

At December 31, 1999, Reynolds had approximately 18,900 employees.

In 1996, Reynolds entered into new six-year labor contracts with the United Steelworkers of America and the Aluminum, Brick and Glass Workers International Union. The contracts involve approximately 3,700 active employees. At the end of the fifth year, the economic provisions of the contracts will be reopened. If agreement cannot be reached, the economic provisions applicable to the sixth year will be submitted to arbitration.

ITEM 2. PROPERTIES

Reynolds' products are produced at numerous domestic and foreign plants wholly or partly owned by Reynolds. The annual capacity of many of these plants depends upon the variety and type of products manufactured. For information on the location and general nature of certain of Reynolds' principal domestic and foreign properties, see Item 1 of this report. Table 4 lists as of February 25, 2000 Reynolds' wholly owned domestic and foreign operations and shows the domestic and foreign locations of operations in which Reynolds has interests. Facilities that are under construction or for other reasons have not begun production are not listed. The properties listed are held in fee except as otherwise indicated. Properties held other than in fee are not, individually or in the aggregate, material to Reynolds' operations and the arrangements under which such properties are held are not expected to limit their use. Reynolds believes that its facilities are suitable and adequate for its operations. With the exception of the Troutdale, Ghana and Nigerian primary aluminum production plants and the Arkansas spent potliner treatment facility, as explained in Item 1, there is no significant surplus or idle capacity at Reynolds' major manufacturing facilities.

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TABLE 4
WHOLLY OWNED OPERATIONS

BASE MATERIALS

ALUMINA:
Corpus Christi, Texas
Malakoff, Texas+

CALCINED COKE:
Baton Rouge, Louisiana
Lake Charles, Louisiana

PRIMARY ALUMINUM:
Massena, New York
Troutdale, Oregon
Longview, Washington
Baie Comeau, Quebec

SPENT POTLINER TREATMENT:

CARBON ANODES:
Lake Charles, Louisiana

PACKAGING AND CONSUMER

PACKAGING GRAPHICS AND IMAGE CARRIERS:
Bridgeport, Connecticut*
Atlanta, Georgia*
LaGrange, Georgia*
Elgin, Illinois*
Clarksville, Indiana*
Dayton, Kentucky*
Louisville, Kentucky (2)
Newport, Kentucky*
West Monroe, Louisiana
Battle Creek, Michigan*
St. Louis, Missouri *
Armonk, New York*
Fulton, New York
Wilmington, North Carolina*
Exton, Pennsylvania*
Dallas, Texas
Richmond, Virginia (2)**
Mexico City, Mexico*
Brockville, Ontario*
Mississauga, Ontario (2)*
Toronto, Ontario*

DISTRIBUTION:
Service Centers (U.S.) (27)**
 (Canada) (5)**
 (Mexico) (1)*
Processing Centers (U.S.) (4)**

TRANSPORTATION

STRUCTURES:
Auburn, Indiana
Maracay, Venezuela
Nachrodt, Germany***
Harderwijk, Netherlands***

RESEARCH AND DEVELOPMENT:
Muscle Shoals, Alabama
Bauxite, Arkansas

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OTHER OPERATIONS
IN WHICH REYNOLDS HAS INTERESTS

Argentina: Aluminum cans	Ghana: Primary aluminum
Australia: Bauxite, alumina	Guinea: Bauxite, alumina
Brazil: Aluminum cans and ends, bauxite	Guyana: Bauxite
Canada: Primary aluminum, electric power generation, aluminum wheels	Italy: Reclamation
Chile: Aluminum cans	Nigeria: Primary aluminum
China: Foil, extrusions	Saudi Arabia: Aluminum cans
Colombia: Mill products, extrusions, foil	Venezuela: Primary aluminum, mill products, foil, aluminum wheels
Egypt: Extrusions	
Germany: Alumina, primary aluminum	

-
- * Leased.
 - ** Richmond, Virginia Packaging Graphics and Image Carriers - 1 leased.
European Distribution Centers - 5 leased.
U.S. Service Centers - 17 leased.
Canadian Service Centers - 3 leased.
U.S. Processing Centers - 2 leased.
 - *** These plants also produce extruded products for Reynolds' construction and
distribution business unit. The plant in Harderwijk, Netherlands also
manufactures heat exchangers and other extruded products.
 - + This plant manufactures chemical grade alumina and does not manufacture
alumina for use in the aluminum production process.

The titles to Reynolds' various properties were not examined specifically for
this report.

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ITEM 3. LEGAL PROCEEDINGS

On August 11, 1999, eight class action complaints on behalf of stockholders of Reynolds were filed in the Delaware Court of Chancery against Reynolds and certain present and former members of its board of directors. These actions are styled Tozour Energy Systems Retirement Plan v. Sheehan, et al.; Lisa v. Reynolds Metals Company, et al.; Yassin v. Reynolds Metals Company, et al.; Weinfeld v. Sheehan, et al.; Bader & Yakaitis Profit Sharing Plan and Trust v. Sheehan, et al.; Rand v. Sheehan, et al.; Grill v. Sheehan, et al.; and Randolph Capital Management, Inc. v. Sheehan, et al. The complaints were filed after Alcoa announced its proposal to acquire Reynolds. The plaintiff in each action alleged, among other things, that the directors of Reynolds failed to negotiate with Alcoa before Alcoa's announcement; that they were breaching their fiduciary duties by failing to explore offers for the purchase of Reynolds or to engage in meaningful discussions with interested parties such as Alcoa; that they were attempting to entrench themselves in their positions at Reynolds through misuse of Reynolds' shareholder rights plan; and that they were attempting to deprive the plaintiffs of the true value of their investment in Reynolds. The plaintiff in each action sought injunctive relief requiring the directors of Reynolds to give due consideration to any proposed business combination, to resolve any conflicts in favor of Reynolds' public stockholders, and to refrain from consummating any business combination without conducting an auction or other process to obtain the highest possible price for Reynolds. The complaints also sought unspecified damages and awards of fees and costs. On February 11, 2000, Reynolds' stockholders approved the merger agreement between Reynolds and Alcoa. Counsel for the plaintiffs in the Lisa, Yassin, Weinfeld, Bader & Yakaitis Profit Sharing Plan and Trust, Rand and Grill actions recently informed the Delaware Court of Chancery that the plaintiffs in those actions intend to file promptly with the Court a notice dismissing such actions without prejudice.

Various other suits, claims and actions are pending against Reynolds. In the opinion of Reynolds' management, after consultation with legal counsel, disposition of these proceedings, either individually or in the aggregate, will not have a material adverse effect on Reynolds' competitive or financial position. No assurance can be given, however, that the disposition of one or more of such suits, claims or actions in a particular reporting period will not be material in relation to the reported results for such period.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of the Registrant's security holders during the fourth quarter of 1999.

A special meeting of Reynolds stockholders was held on February 11, 2000. The stockholders approved and adopted the Agreement and Plan of Merger, dated as of August 18, 1999, among Alcoa Inc., RLM Acquisition Corp. and Reynolds Metals Company, and approved the transactions contemplated thereby. At December 29, 1999, the record date for the special meeting, 63,463,257 shares of common stock were outstanding and entitled to vote. The number of votes cast for and against, and the number of abstentions, as applicable, were as set forth below. No other matter was voted upon at the meeting.

Number of Votes Cast "For"	41,335,471
Number of Votes Cast "Against"	457,861
Number of Abstentions	5,609,245

The executive officers of the Registrant are as follows:

Name - - - - -	Age* - - - - -	Positions Held During Past Five Years - - - - -
Jeremiah J. Sheehan	61	Chairman of the Board and Chief Executive Officer since October 1996. President and Chief Operating Officer 1994-1996. Director since 1994.
Randolph N. Reynolds**	58	Vice Chairman and Executive Officer since October 1996. Vice Chairman 1994-1996. Director since 1984.
William E. Leahey, Jr.	50	Executive Vice President and Chief Financial Officer since July 1998. Senior Vice President, Global Can, April 1997-1998. Vice President, Can Division 1993-1997.
Thomas P. Christino	60	Senior Vice President, Global Packaging and Consumer Products, since April 1997. Vice President, Flexible Packaging Division 1993-1997.
Donald T. Cowles	53	Senior Vice President, Global Construction and Distribution, since April 1997. Vice President and Reynolds Aluminum Supply Company Division General Manager August 1995-1997. Executive Vice President, Human Resources and External Affairs 1993-1995.
Eugene M. Desvernine	58	Senior Vice President, Diversified Investments, since July 1999. Senior Vice President, Global Transportation, April 1997 - 1999. Vice President 1994-1997.
Allen M. Earehart	57	Senior Vice President and Controller since July 1998. Vice President, Controller 1994-1998.
D. Michael Jones	46	Senior Vice President and General Counsel since October 1996. Vice President, General Counsel and Secretary 1993-1996.
John M. Lowrie	59	Senior Vice President and Executive Director - Enterprise Systems since January 1999. Vice President, Consumer Products 1988-1999.
Paul Ratki	60	Senior Vice President, Global Metals and Carbon Products, since April 1997. Vice President, Metals Division 1994-1997.
C. Stephen Thomas	60	Senior Vice President, Global Technology and Operational Services, since May 1997. Vice President, Mill Products Division 1992-1997.
Donna C. Dabney	52	Secretary and Assistant General Counsel since October 1996. Associate General Counsel 1993-1996.

Douglas M. Jerrold	49	Vice President, Tax Affairs, since April 1990.
Ruth J. Mack	45	Vice President, Consumer Products, since April 1999. Executive Vice President, Sales and Marketing, Wampler Foods 1997-1999. Executive Vice President, Marketing and Sales, Just Born 1994-1997.
Lou Anne J. Nabhan	45	Vice President, Corporate Communications, since January 1998. Director, Corporate Communications 1993-1998.

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F. Robert Newman	56	Vice President, Human Resources, since October 1995. Corporate Director, Human Resources 1993-1995.
Edmund H. Polonitza	57	Vice President, Development and Strategic Planning, since January 1998. Corporate Director, Development and Strategic Planning 1987-1998.
William G. Reynolds, Jr.**	60	Vice President, Government Relations and Public Affairs, since October 1980.
John F. Rudin	54	Vice President, Chief Information Officer, since August 1995. Vice President since April 1995. Reynolds Aluminum Supply Company Division General Manager 1989-1995.
Julian H. Taylor	56	Vice President, Treasurer, since April 1988.

* As of February 25, 2000.

** Randolph N. Reynolds and William G. Reynolds, Jr. are brothers.

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PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Registrant's Common Stock is listed on the New York Stock Exchange. At February 25, 2000, there were 7,161 holders of record of the Registrant's Common Stock.

The high and low sales prices for shares of the Registrant's Common Stock as reported on the New York Stock Exchange Composite Transactions Tape and the dividends declared per share during the periods indicated are set forth below:

<TABLE>
<CAPTION>

	High -----	Low ---	Dividends -----
<S> 1999	<C>	<C>	<C>
First Quarter	\$57-5/8	\$38-3/4	\$.35
Second Quarter	68	48-3/16	.35
Third Quarter	71	55	.35
Fourth Quarter	77-3/4	57-1/2	.35
1998			
First Quarter	\$66	\$54-3/8	\$.35
Second Quarter	68-1/8	52-1/4	.35
Third Quarter	56-15/16	46-7/8	.35
Fourth Quarter	60-15/16	49-5/16	.35

</TABLE>

On February 18, 2000, the Board of Directors declared a dividend of \$.35 per share of Common Stock, payable April 3, 2000 to stockholders of record on March 3, 2000.

RECENT SALES OF UNREGISTERED SECURITIES

Under the Registrant's Stock Plan for Outside Directors (the "Stock Plan"), each outside Director serving on the Registrant's Board of Directors on or after January 1, 1997 receives an annual grant of 225 shares of phantom stock of the Registrant, plus dividend equivalents based on the dividends that would have been paid on the phantom stock if the outside Director had actually owned shares of the Registrant's Common Stock. The annual grant is made in quarterly installments at the end of each calendar quarter. This rate is increased for each outside Director to 425 shares of phantom stock per year once the restrictions have expired on all 1,000 shares of restricted stock awarded to such outside Director under the Registrant's Restricted Stock Plan for Outside Directors. Payments under the Stock Plan will be made upon the outside Director's retirement, resignation or death in shares of Common Stock of the Registrant, with fractional shares paid in cash.

Information regarding grants of phantom shares under the Stock Plan during the period January 1 - September 30, 1999 is included in the Registrant's Quarterly Reports on Form 10-Q for the quarters ended March 31, 1999, June 30, 1999 and September 30, 1999. On October 1, 1999, 112 phantom shares, in the aggregate, were granted to the Registrant's nine outside Directors, based on an average price of \$59.437 per share. These phantom shares represent dividend equivalents paid on phantom shares previously granted under the Stock Plan. On December 31, 1999, 756 phantom shares, in the aggregate, were granted to the nine outside Directors, based on an average price of \$76.531 per share. These phantom shares represent a quarterly installment of each outside Director's annual grant under the Stock Plan. During 1999, 3,233 phantom shares were granted under the Stock Plan.

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To the extent that these grants constitute sales of equity securities, the Registrant issued these phantom shares in reliance on the exemption provided by Section 4(2) of the Securities Act of 1933, as amended, taking into account the nature of the Stock Plan, the number of outside Directors

participating in the Stock Plan, the sophistication of the outside Directors and their access to the kind of information that a registration statement would provide.

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ITEM 6. SELECTED FINANCIAL DATA

<TABLE>

<CAPTION>

Consolidated Income Statement (millions, except per share amounts)

	1999	1998	1997	1996	1995
<S>	<C>	<C>	<C>	<C>	<C>
Revenues	\$4,796	\$5,859	\$6,900	\$7,016	\$7,252
Cost of products sold	3,928	4,774	5,658	5,856	5,739
Selling, general and administrative expenses	361	378	406	445	449
Depreciation and amortization	242	252	368	365	344
Interest	75	114	153	160	172
Merger-related expenses	19	-	-	-	-
Operational restructuring effects - net (1)	-	144	75	37	-
	4,625	5,662	6,660	6,863	6,704
Income before income taxes, extraordinary loss and cumulative effects of accounting changes	171	197	240	153	548
Taxes on income	47	45	104	49	159
Income before extraordinary loss and cumulative effects of accounting changes	124	152	136	104	389
Extraordinary loss	-	(63)	-	-	-
Cumulative effects of accounting changes (1)	-	(23)	-	(15)	-
Net income	\$ 124	\$ 66	\$ 136	\$ 89	\$ 389
Earnings per share					
Basic:					
Income before extraordinary loss and cumulative effects of accounting changes	\$1.95	\$2.18	\$1.86	\$1.06	\$5.60
Extraordinary loss	-	(0.91)	-	-	-

Cumulative effects of accounting changes	-	(0.33)	-	(0.24)	-
Net income	\$1.95	\$0.94	\$1.86	\$0.82	\$5.60
Diluted:					
Income before extraordinary loss and cumulative effects of accounting changes	\$1.94	\$2.18	\$1.84	\$1.06	\$5.25
Extraordinary loss	-	(0.91)	-	-	-
Cumulative effects of accounting changes	-	(0.33)	-	(0.24)	-
Net income	\$1.94	\$0.94	\$1.84	\$0.82	\$5.25
Cash dividends declared per common share	\$1.40	\$1.40	\$1.40	\$1.40	\$1.20
Other items:					
Total assets	\$5,950	\$6,134	\$7,226	\$7,516	\$7,740
Long-term debt	\$1,067	\$1,035	\$1,501	\$1,793	\$1,853

(1) See Item 8. Financial Statements and Supplementary Data - Note 1 for a discussion of the 1998 change in accounting principle and Note 3 for a discussion of operational restructuring.

</TABLE>

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following information should be read in conjunction with the consolidated financial statements, related notes and other sections of this report. In the tables, dollars are in millions, except per share and per pound amounts, and shipments are in thousands of metric tons. A metric ton is equivalent to 2,205 pounds.

Management's Discussion and Analysis contains forecasts, projections, estimates, statements of management's plans, objectives and strategies for the Company and other forward-looking statements. Please refer to the "Risk Factors" section beginning on page 32 where we have summarized factors that could cause actual results to differ materially from those projected in a forward-looking statement or affect the extent to which a particular projection is realized.

PROPOSED MERGER

On August 18, 1999, Reynolds, Alcoa Inc. (Alcoa) and RLM Acquisition Corp., a wholly owned subsidiary of Alcoa, entered into an agreement and plan of merger. Under the merger agreement, each outstanding share of Reynolds common stock would be converted into 1.06 shares of Alcoa common stock and

Reynolds would become wholly owned by Alcoa. On January 10, 2000, Alcoa announced that its Board of Directors had declared a two-for-one split of Alcoa's common stock to Alcoa shareholders of record on May 26, 2000. The stock split is subject to approval of Alcoa shareholders who must approve an amendment to Alcoa's articles to increase the authorized shares of common stock at Alcoa's annual meeting on May 12, 2000. If approved, the stock split would be distributed on June 9, 2000. Shares of Alcoa stock that are issued in the merger will be adjusted, as necessary, to reflect the stock split.

The proposed merger, which was approved by Reynolds' stockholders at a special meeting held on February 11, 2000, is subject to customary closing conditions, including antitrust clearances.

The Hart-Scott-Rodino Antitrust Improvements Act of 1976 prohibits Alcoa and Reynolds from completing the merger until certain information has been furnished to the Antitrust Division of the Department of Justice and the Federal Trade Commission, and until certain waiting period requirements have been satisfied. Alcoa filed a Hart-Scott-Rodino Premerger Notification and Report Form on August 24, 1999 and Reynolds filed such a Form on August 30, 1999. On September 29, 1999, the Antitrust Division issued a request for additional information and documentary material (a "second request"). On February 11, 2000, both Reynolds and Alcoa announced that they believed that they were in substantial compliance with the second request. They also advised the Department of Justice that they would not close the merger before March 31, 2000, in order to provide the Department sufficient time to review the transaction.

In Europe, certain regulations require that Alcoa file a premerger notification form with the Commission of the European Communities prior to consummation of the proposed merger. Alcoa filed such notification on November 18, 1999. This filing began an initial one-month review period in which the European Commission was required to determine whether there are sufficiently "serious doubts" about the proposed merger's compatibility with the common market to require a more complete review. The initial one-month period expired on December 20, 1999, whereupon the European Commission issued a determination that the proposed merger did require a more complete review. The European Commission must complete its investigation and make a final determination with respect to the proposed merger no later than May 10, 2000.

Reynolds and Alcoa have also made filings under the competition laws of Canada, Australia and certain other countries where the companies have significant operations. Alcoa and Reynolds have been advised that the Canadian Competition Bureau has classified this merger as "very complex." Its review is expected to be completed no later than May 24, 2000. The Australian review process is also expected to be completed by the end of May 2000.

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PROPOSED MERGER - continued

The merger agreement contains certain restrictions on the conduct of Reynolds' business before completion of the merger. For example, Reynolds has agreed to operate its business only in the ordinary course, to refrain from taking certain corporate actions without the consent of Alcoa, and not to solicit alternative acquisition proposals.

In 1999, the Company recognized \$19 million of merger-related expenses. Merger-related expenses are principally for investment banking and legal services and an increase in the expense accrual for a long-term compensation

plan, which varies based principally on appreciation of the Company's stock price as compared to the S&P Basic Materials Index. The Company expects total merger-related expenses to be at least \$35 million.

<TABLE>

<CAPTION>

RESULTS OF OPERATIONS

	1999	1998	1997
<S>	<C>	<C>	<C>
RESULTS			
Income before extraordinary loss and cumulative effect of accounting change	\$124	\$152	\$136
Extraordinary loss (see Note 4)	-	(63)	-
Cumulative effect of accounting change (see Note 1)	-	(23)	-
Net income	\$124	\$ 66	\$136

EARNINGS PER SHARE - BASIC

Income before extraordinary loss and cumulative effect of accounting change	\$1.95	\$2.18	\$1.86
Extraordinary loss	-	(0.91)	-
Cumulative effect of accounting change	-	(0.33)	-
Net income	\$1.95	\$0.94	\$1.86

AVERAGE REALIZED PRICE PER POUND

Primary aluminum	\$0.69	\$0.72	\$0.82
------------------	--------	--------	--------

</TABLE>

Income before extraordinary loss and cumulative effect of accounting change includes after tax charges for:

<TABLE>

<CAPTION>

<S>	<C>	<C>	<C>
Merger-related expenses (see Note 2)	\$16	\$ -	\$ -
Operational restructuring (see Note 3)	-	90	78

</TABLE>

Our results increased (decreased) compared to the prior year due principally to the following (all amounts are pre-tax):

<TABLE>

<CAPTION>

	1999	1998
<S>	<C>	<C>
Lower prices	\$(121)	\$(134)
Loss of income on sold operations	(124)	-
Non-cash charges resulting from foreign currency translation	(35)	-
Lower conversion costs	40	21

Lower interest expense	39	39
Higher sales volume and lower material costs and expenses	67	100

</TABLE>

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RESULTS OF OPERATIONS - continued

GLOBAL BUSINESS UNITS

The Company is organized into four market-based, global business units. The four global business units and their principal products are as follows:

- . Base Materials - alumina, carbon products, primary aluminum ingot and billet, and electrical rod
- . Packaging and Consumer - aluminum and plastic packaging; foodservice and consumer products; printing products
- . Construction and Distribution - architectural construction products and the distribution of a wide variety of aluminum and stainless steel products
- . Transportation - aluminum wheels, heat exchangers and automotive structures

<TABLE>

<CAPTION>

BASE MATERIALS

	1999	1998	1997

<S>	<C>	<C>	<C>
Aluminum shipments:			
Customer	867	668	513
Internal	211	354	684

Total	1,078	1,022	1,197
	=====		
Revenues:			
Customer - aluminum	\$1,325	\$1,055	\$ 923
- nonaluminum	368	402	405
Internal - aluminum	306	572	1,187

Total	\$1,999	\$2,029	\$2,515
	=====		
Operating income	\$ 250	\$ 290	\$ 312
	=====		

</TABLE>

The Base Materials global business unit consists principally of the following:

Aluminum

- . Primary aluminum - Three plants in the U.S., one in Canada and partial interests in plants in Canada (50% owned), Germany (33-1/3% owned) and Ghana (10% owned). Our rated annual production capacity including our share of partial interests is 1,094,000 metric tons, of which 47,000 metric tons is temporarily idled (see below).
- . Electrical rod - One plant in Canada.

Nonaluminum

- . Alumina - One plant in the U.S. and partial interests in plants in Australia (56% owned) and Germany (50% owned). Our rated annual production capacity including our share of partial interests is 3,028,000 metric tons.

Depending on operating rates of primary aluminum and alumina facilities, approximately 70% of alumina production is consumed within the Base Materials global business unit.

- . Carbon products - Two U.S. plants that produce calcined petroleum coke (one of which also produces carbon anodes) principally for use in primary aluminum facilities. Depending on operating rates of primary aluminum and carbon products facilities, approximately 45% of carbon products production is consumed within the Base Materials global business unit.

The increase in customer aluminum shipments in 1999 and 1998 reflects strong demand for our value-added products (foundry, high purity and sheet ingot, billet and rod), which made up 75% of our primary aluminum shipments in 1999. Our available supply to meet customer needs has increased because we no longer need to supply downstream fabricating operations that have been sold. Our available supply also increased because of restarting idled capacity in 1998 (as discussed below).

In addition to reflecting the changes in shipping volume, aluminum revenues were significantly affected by lower primary aluminum prices in 1999 and 1998.

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RESULTS OF OPERATIONS - continued

- - - - -

GLOBAL BUSINESS UNITS - continued

BASE MATERIALS - continued

Nonaluminum revenues were lower in 1999 because of lower prices and shipping volume for carbon products. Alumina shipments were higher in 1998 because of significant improvements in production efficiencies and capacity utilization at our U.S. alumina plant. Nonaluminum revenues were flat in 1998 as lower prices for alumina and carbon products offset the effect of higher alumina shipments.

The most significant factor affecting operating profit in 1999 and 1998 was lower prices for primary aluminum. Also contributing to the decline in 1998 were non-recurring restart costs at our primary aluminum plants, lower technical services income and lower alumina prices. We were able to offset most of the declines with improved capacity utilization, significant cost reductions, lower costs for certain raw materials, higher customer shipments and, in 1999, higher alumina prices.

Results in all three years were negatively impacted by temporarily curtailed capacity at our U.S. primary aluminum plants. During 1998, we restarted 162,000 metric tons of previously idled capacity. We plan to monitor our internal needs and market conditions before finalizing the schedule to restart the remaining 47,000 metric tons at our Troutdale, Ore., plant.

Bonneville Power Administration ("BPA") supplies electricity to our smelters at Longview, Washington and Troutdale, Oregon. The current contract with BPA expires on September 30, 2001. BPA has proposed reducing the amount of power supplied to the smelters by one-third and pricing the power on a formula under which charges would vary with world aluminum prices. Assuming "average" world aluminum prices (with the basis for determining what is "average" yet to be settled), the rate charged to Reynolds for the period 2001-2006 would increase by 13% over what we currently pay. We would also have to find other sources for the balance of our power needs. The BPA proposal is subject to full consideration in a rate case, in which we can present arguments to improve the offered rate, and other parties can challenge both the quantity of power being provided to the Reynolds smelters

and the rates at which it is to be provided. We expect to participate actively in the resolution of this issue and to continue assessing alternate power sources for the two smelters.

The outlook for this business unit in the first quarter of 2000 is very good. Aluminum and alumina prices are rebounding and demand is strong.

<TABLE>

<CAPTION>

PACKAGING AND CONSUMER

	1999	1998	1997
<S>	<C>	<C>	<C>
Customer aluminum shipments	152	141	142
Revenues:			
Customer - aluminum	\$ 817	\$ 787	\$ 797
- nonaluminum	632	605	602
Total	\$1,449	\$1,392	\$1,399
Operating income	\$ 159	\$ 156	\$ 141

</TABLE>

The Packaging and Consumer global business unit consists principally of 17 packaging and consumer products plants in the U.S., one each in Canada, Spain and Brazil, and 23 graphics facilities located in the U.S., Canada and Mexico that produce graphics, printing cylinders and plates.

Aluminum shipments and revenues increased in 1999 and 1998 because of strong demand for Reynolds Wrap aluminum foil and the introduction of new products. The volume effect on revenues in 1999 was partially offset by lower prices. In 1998, the gains from sales of Reynolds Wrap aluminum foil and new products were offset by lower sales of packaging products with the elimination of certain low-margin products.

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RESULTS OF OPERATIONS - continued

GLOBAL BUSINESS UNITS - continued

Packaging and Consumer - continued

The increase in nonaluminum sales in 1999 resulted from higher sales of foodservice, graphics and plastic consumer products. The volume increase was partially offset by lower prices.

Operating income increased in 1999 because of the higher sales volume and lower costs for conversion and aluminum raw materials. These benefits were mostly offset by lower prices and higher costs for other raw materials. Operating income increased in 1998 due to higher sales of consumer products, lower raw material costs and cost reduction programs. Higher product development and marketing costs for new consumer products introduced in 1998 partially offset these benefits.

Looking forward, this business unit expects to enjoy sales growth from acquisitions completed in 1999, the benefits of expansions at plastic and printing plants, and new product introductions.

<TABLE>

<CAPTION>

CONSTRUCTION AND DISTRIBUTION

	1999	1998	1997
<S>	<C>	<C>	<C>
Customer aluminum shipments	202	184	166
Revenues:			
Customer - aluminum	\$ 679	\$681	\$614
- nonaluminum	346	314	328
Total	\$1,025	\$995	\$942
Operating income	\$ 42	\$ 39	\$ 41

</TABLE>

The Construction and Distribution global business unit consists principally of 48 distribution centers in the U.S., Europe, Canada and Mexico and four manufacturing plants, two in the U.S. and two in Europe.

The increase in aluminum shipments in 1999 and 1998 resulted from strong demand for distribution products. All of our major distribution products (plate, sheet and extrusions) benefited from market share growth in our major domestic markets. Construction products shipments were lower in 1999 after growing in 1998. Shipments in 1999 were adversely affected by weak market conditions in Germany, the China/Pacific Rim area and Latin America. Shipments were higher in 1998 because of our global expansion efforts and strong demand for aluminum composite material.

The effect of the shipping volume increase on aluminum revenues in 1999 was totally offset by lower prices. The decline in prices reflected lower material costs. The increase in aluminum revenues in 1998 was the result of the shipping volume increase while prices remained relatively flat.

Shipments of stainless steel distribution products increased 17% in 1999 (including the effect of acquisitions) and 8% in 1998. The effect of these volume increases on nonaluminum revenues was offset by lower prices, especially in 1998. Prices for these products, under pressure due to lower material costs resulting from global supply/demand imbalances, began to improve in late 1999.

Operating income in 1999 and 1998 benefited from the higher shipping volumes. This was somewhat offset by lower capacity utilization in construction products plants resulting from weak business conditions in certain foreign markets. In 1998, we incurred higher marketing costs to expand construction products' global sales and distribution infrastructure to enhance customer service.

Customers in our major distribution markets continue to experience a strong business climate, and our outlook for the first quarter of 2000 is strong. For construction products, we expect to see improvement as economies around the world improve. With the expansion of our Merxheim, France plant to produce aluminum composite material, we have improved our ability to meet European and global demand for Reynobond aluminum composite material from this plant and our U.S. plant.

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RESULTS OF OPERATIONS - continued

GLOBAL BUSINESS UNITS - continued
TRANSPORTATION

<TABLE>
<CAPTION>

	1999	1998	1997
<S>	<C>	<C>	<C>
Customer aluminum shipments	73	63	66
Customer revenues	\$398	\$336	\$353
Operating income (loss)	(28)	(19)	10

</TABLE>

The Transportation global business unit consists principally of the following:

- . Aluminum wheels - Two plants in the U.S., one in Italy, and partial interests in plants in Canada (75% owned) and Venezuela (41% owned).
- . Automotive extrusions - Two plants in the U.S. and one each in The Netherlands, Germany, Ireland and Venezuela.

Shipments and revenues were higher in 1999 because of strong demand for cast and forged aluminum wheels. Our available supply increased due to improved capacity utilization and the completion of the expansion of our Virginia forged aluminum wheel plant in early 1999. The volume impact on revenues was partially offset by lower prices.

Shipments and revenues in 1998 were negatively impacted by volume declines in bumpers and cast aluminum wheels. The decline in bumper shipments resulted from the completion of a contract in 1997 at our Indiana automotive structures plant. Cast aluminum wheel shipments were lower because of decreased demand related to a substantial number of mid-year wheel program conversions and a strike at a customer earlier in the year. The lower shipments of cast aluminum wheels in 1998 were somewhat offset by higher shipments of forged aluminum wheels from our Virginia plant. Revenues in 1998 also declined due to lower prices for wheels because of competition for new business.

The increased losses in 1999 and 1998 were due to start-up costs relating to an engine cradle program at our Indiana automotive structures plant, higher conversion costs resulting from manufacturing difficulties in wheel operations and lower selling prices.

Despite significant effort, this business unit was not able to return to profitability because of two major challenges. The first was in the forged wheels business. We built a new plant in Lebanon, Virginia that uses a new technology. We have now constructed two lines at the plant. In 1999, the capability of the plant fell short of the projections on which sales commitments had been made. In order to meet promised deliveries to customers - and in some instances to keep customer operations running - we incurred significantly higher costs. This situation has been improving, and our wheel business overall realized important year-over-year improvement in 1999. We expect the wheel business to become profitable in 2000.

The second major challenge is in our structures operations. Together with General Motors, we have pioneered a new aluminum automotive component - the engine cradle. We underestimated the technological and operational requirements of producing this new product, and we have incurred significantly higher spending and resource allocation to meet promised deliveries. This situation is also improving, and we expect better results in 2000.

Evaluating opportunities for strategic alliances in this business unit has

been part of our plan for performance improvement. During 1999, we looked at a number of options and progressed to serious discussions. All of this activity, however, was suspended once our merger with Alcoa was announced.

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RESULTS OF OPERATIONS - continued

- - - - -

GLOBAL BUSINESS UNITS - continued

RESTRUCTURING

No revenues or operating results are included in the Restructuring category in 1999. Prior to 1999, this category consisted of the following operations that have been sold:

- . U.S. recycling operations
- . aluminum extrusion facilities in Canada
- . European rolling mill operations
- . Illinois sheet and plate plant
- . North American aluminum beverage can operations
- . Alabama can stock complex
- . U.S. residential construction products business
- . aluminum reclamation plant in Virginia
- . aluminum extrusion plants in Virginia and Texas
- . coal properties in Kentucky
- . one-half of the Company's wholly owned interest in a rolling mill and related assets in Canada
- . aluminum powder and paste plant in Kentucky

Customer revenues generated by these operations were \$1.4 billion in 1998 and \$2.7 billion in 1997. The decline in shipments and net sales in 1998 and 1997 was due to the sale of these operations. In 1998, the absence of operating income from sold operations was offset by the effect (\$65 million) of ceasing depreciation on assets held for sale.

For additional information concerning the Company's restructuring activities, see Notes 3 and 12 to the consolidated financial statements.

OTHER

This category consists principally of European extrusion operations and investments in Canada, China, Latin America and Saudi Arabia, and real estate.

The increase in shipments and revenues in 1999 resulted from improved demand at European extrusion operations.

Operating income was higher in 1999 because of improved operations in emerging markets and higher equity income in our Latin American can operations. The increased operating loss in 1998 was due to lower equity income in our Latin American can operations.

In early 2000, we sold our remaining investment in a Canadian rolling mill and related assets that was included in this category. This transaction will not have a material impact on our operating results or financial position.

GEOGRAPHIC AREA ANALYSIS

The Company has worldwide operations in the U.S., Canada and other foreign areas including Europe and Australia. Certain of these consist of equity interests in entities, the revenues of which are not included in our consolidated revenues. In Australia, we participate in an unincorporated joint venture that mines bauxite and produces alumina.

Revenues were negatively impacted in 1999 and 1998 due to lower primary aluminum prices and the Company's restructuring activities in 1998 and 1997. Revenues in Canada increased in 1999 as primary aluminum previously sold internally became available for customer shipments because we no longer need to supply downstream fabricating operations that have been sold.

INTEREST EXPENSE

Interest expense decreased in 1999 because of:

- . lower amounts of debt outstanding
- . lower average interest rates due to extinguishing higher cost debt
- . higher amounts of capitalized interest

Interest expense decreased in 1998 because of lower amounts of debt outstanding.

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RESULTS OF OPERATIONS - continued

TAXES ON INCOME

The Company pays U.S. federal, state and foreign taxes based on the laws of the various jurisdictions in which it operates. The effective tax rates (see reconciliation in Note 11 to the consolidated financial statements) reflected in the income statement differ from the U.S. federal statutory rate principally because of the following:

- . foreign taxes at different rates
- . the effects of percentage depletion allowances
- . additionally in 1999 and 1998, credits and other tax benefits
- . additionally in 1997, the adverse effect of permanent basis differences on asset dispositions

We have worldwide operations in many tax jurisdictions that generate deferred tax assets and/or liabilities. Deferred tax assets and liabilities have been netted by jurisdiction. This results in both a deferred tax asset and a deferred tax liability on the balance sheet.

At December 31, 1999, we had \$822 million of deferred tax assets that relate primarily to U.S. tax positions. The most significant portions of these assets relate to tax carryforward benefits and accrued costs for employee health care, environmental and restructuring costs. We expect to realize a major portion of these assets in the future through the reversal of temporary differences, principally depreciation. To the extent that these assets are not covered by reversals of depreciation, we expect the remainder to be realized through U.S. income earned in future periods.

The Company has a strong history of sustainable earnings. However, even without considering projections of income, certain tax planning strategies (such as changing the method of valuing inventories from LIFO to FIFO and/or entering into sale-leaseback transactions) would generate sufficient taxable income to realize the portion of the deferred tax asset relating to U.S. operations. In addition, the majority of our U.S. tax carryforward benefits may be carried forward indefinitely.

Based on our evaluation of these matters, we expect to realize these deferred tax assets. We are not aware of any events or uncertainties that could significantly affect our conclusions regarding realization. We reassess the realization of deferred tax assets quarterly and, if necessary, adjust the valuation allowance accordingly.

ENVIRONMENTAL

The Company is involved in remedial investigations and actions at various locations, including Environmental Protection Agency-designated Superfund sites where we and, in most cases, others have been designated as potentially responsible parties (PRPs). We accrue remediation costs when it becomes probable that such efforts will be required and the costs can be reasonably estimated. We evaluate the status of all significant existing or potential environmental issues quarterly, develop or revise cost estimates to satisfy known remediation requirements, and adjust the accrual accordingly. At December 31, 1999, the accrual was \$162 million. The accrual reflects our best estimate of the ultimate liability for known remediation costs.

Amounts accrued for two sites - our Massena, New York and Troutdale, Oregon primary aluminum plants - represent individually material portions of the accrual at December 31, 1999. For information about the current status of these two sites, see the discussion in Item 1 under "Environmental Compliance." At most of the other Superfund sites where the Company has been identified as a PRP, the Company is one of many PRPs, and our share of the anticipated cleanup costs is expected to be small.

In estimating anticipated costs, we consider the extent of our involvement at each site, joint and several liability provisions under applicable law, and the likelihood of obtaining contribution from other PRPs. Potential insurance recoveries are uncertain and therefore have not been considered. Based on information currently available, we expect to make remediation expenditures relating to costs currently accrued over the next 15 to 20 years with the majority spent by the year 2005. We expect cash provided by operating activities to provide the funds for environmental capital, operating and remediation expenditures.

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RESULTS OF OPERATIONS - continued

ENVIRONMENTAL - continued

Annual capital expenditures for equipment designed for environmental control purposes averaged approximately \$57 million over the past three years. Ongoing environmental operating costs for the same period averaged approximately \$81 million per year. The Company expects operating expenditures for 2000 through 2002 to be approximately \$80 million per year. We estimate annual capital expenditures for environmental control facilities will be approximately \$24 million in 2000, \$30 million in 2001 and \$21 million in 2002. The majority of these expenditures are for the capital spending program referred to below at our primary aluminum plant in Massena, New York.

Our spending on environmental compliance will be influenced by future environmental regulations, including those issued and to be issued under the Clean Air Act Amendments of 1990. We are spending an estimated \$175 million at our primary aluminum plant in Massena, New York for new air emissions controls and a phased modernization of the plant's production lines. We expect to complete this project in the year 2002. We are accelerating certain expenditures believed necessary to achieve compliance with the Clean Air Act's proposed Maximum Achievable Control Technology standards. Based on current information, we estimate that compliance with the Clean Air Act's hazardous air pollutant standards will require in excess of \$200 million of capital expenditures (including a portion of the expenditures at the New York plant previously discussed), principally at our U.S. primary aluminum plants.

For additional information concerning environmental expenditures, see Note 13 to the consolidated financial statements.

YEAR 2000 READINESS DISCLOSURE

In 1999, we completed a formal program to address and resolve potential exposure associated with information and non-information technology systems arising from the Year 2000 issue. The Year 2000 issue results from computer programs and systems that rely on two digits rather than four to define the applicable year. Such systems may treat a date using "00" as the year 1900 rather than the year 2000. As a result, computer systems could fail to operate or make miscalculations, causing disruption of business operations.

Our goal was that none of our critical business operations or computer processes that are shared with suppliers and customers would be substantially impaired by the advent of the year 2000. We accomplished this goal and experienced no business interruptions as a result of Year 2000 problems. The minor Year 2000 problems encountered (e.g., incorrect invoice dates) were solved in a timely manner. We do not anticipate the need for additional contingency planning. However, we will continue monitoring for Year 2000 issues beyond those already addressed and anticipate that any additional problems will be resolved using resources normally available to the Company.

The total cost of our Year 2000 remediation project was approximately \$22 million, which included labor, equipment and license costs.

EURO CONVERSION

On January 1, 1999, 11 of the 15 member countries of the European Union established fixed conversion rates between their former sovereign currencies and a common currency, the euro. The euro trades on currency exchanges and is available for non-cash transactions. Between January 1, 1999 and July 1, 2002, entities in the participating countries must convert all of their transactions denominated in the legacy currencies to the new euro currency. We expect to have our systems ready in time to process euro denominated transactions. We do not expect any material adverse effects from the euro conversion on our competitive or financial position or our ongoing results of operations.

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LIQUIDITY AND CAPITAL RESOURCES

WORKING CAPITAL

<TABLE>

<CAPTION>

	December 31	
	1999	1998
<S>	<C>	<C>
Working capital	\$137	\$361
Ratio of current assets to current liabilities	1.1/1	1.3/1

</TABLE>

The decline in working capital was due in part to the sale of \$128 million of accounts receivable under a non-recourse facility. We are able to

operate with lower levels of working capital as a result of our restructuring activities.

OPERATING ACTIVITIES

<TABLE>

<CAPTION>

	1999	1998	1997
<S>	<C>	<C>	<C>
Net cash provided by operating activities	\$406	\$339	\$363

</TABLE>

We used the net cash provided by operating activities for the past three years primarily to fund capital investments.

INVESTING ACTIVITIES

The following table shows capital investments in the following categories: operational (replacement equipment, environmental control projects, etc.) and strategic (performance improvement, acquisitions and investments).

<TABLE>

<CAPTION>

	1999	1998	1997
<S>	<C>	<C>	<C>
Operational	\$116	\$155	\$152
Strategic	410	186	120
Total capital investments	\$526	\$341	\$272

Major strategic projects that have been completed or that are under way include:

BASE MATERIALS

In 1997, we began the expansion of the joint-venture Worsley Alumina Refinery in Australia in which we hold a 56% interest. The expansion will increase the annual capacity of the facility by 65% to 3.1 million metric tons. Completion is expected in 2000.

PACKAGING AND CONSUMER

- . expanded a U.S. plastic film plant (completed in 1997)
- . modernizing U.S. foil plants (to be completed in 2000)
- . acquired in 1999 four producers of flexographic separations and plates for the packaging industry in the U.S. and one in Canada and a U.S. manufacturer of microwaveable containers for the foodservice industry

CONSTRUCTION AND DISTRIBUTION

- . expanded a plant in Europe that will produce composite architectural products (substantially completed in 1999)
- . acquired and opened new metals distribution centers in the U.S. and Canada in 1999

TRANSPORTATION

- . constructed (completed in 1997) and expanded (completed in 1999) a forged wheel plant in Virginia
- . expanded and modified a plant in Indiana that produces bumpers, engine cradles and other automotive components (completed in 1999)

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LIQUIDITY AND CAPITAL RESOURCES - continued

INVESTING ACTIVITIES - continued

OTHER INVESTING ACTIVITIES

In addition to these major projects, capacity expansions, equipment upgrades, improvement programs and other capital expenditures have been completed or are currently under way at a number of other facilities.

PROJECTED 2000

Capital investments planned for 2000 (approximately \$265 million excluding acquisitions) are primarily for those strategic projects now under way and continuing operating requirements. We expect to fund these capital investments with cash provided by operating activities.

FINANCING ACTIVITIES

We believe our available financial resources, together with internally generated funds, are sufficient to meet our present and future business needs. We continue to exceed the financial ratio requirements contained in our financing arrangements and expect to do so in the future. At December 31, 1999, \$13 million of our shelf registration remained available for the issuance of debt securities. We also have committed credit facilities of \$835 million, of which \$685 million was available at December 31, 1999. A summary of significant financing activities over the past three years follows:

1997

- . reduced debt by approximately \$400 million with the proceeds from sales of assets

1998

- . reduced debt by approximately \$900 million with part of the proceeds from sales of assets (including repayment of \$100 million borrowed under credit facilities during 1998)
- . repurchased common stock with part of the proceeds from sales of assets (see the Consolidated Statement of Changes in Stockholders' Equity)
- . borrowed \$415 million under credit facilities
- . terminated a \$100-million interest rate swap agreement

1999

- . increased short-term borrowings by \$313 million
- . increased available revolving credit facilities by \$185 million (see Note 8)
- . issued \$100 million of medium-term notes (see Note 8)
- . increased the authorization to issue commercial paper from \$350 million to \$500 million
- . repurchased common stock with part of the proceeds from sales of assets (see the Consolidated Statement of Changes in Stockholders' Equity)

We used the proceeds from the borrowings in 1999 to repay at maturity \$100 million of 9 3/8% debentures, to reduce borrowings under our revolving credit facilities and to make other scheduled debt payments.

In early 2000, we increased the amount of debt securities we can issue under our shelf registration to \$163 million.

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RISK FACTORS

This section should be read in conjunction with Items 1 and 3 of this report and with the preceding portions of this Item.

This report contains (and oral communications made by or on behalf of Reynolds may contain) forecasts, projections, estimates, statements of management's plans, objectives and strategies for Reynolds and other forward-looking statements<FN1>. Reynolds' expectations for the future and related forward-looking statements are based on a number of assumptions and forecasts, including:

- . world economic growth and other economic indicators (including rates of inflation, industrial production, housing starts and light vehicle sales)
- . trends in Reynolds' key markets
- . global aluminum supply and demand conditions
- . primary aluminum prices

By their nature, forward-looking statements involve risk and uncertainty, and various factors could cause Reynolds' actual results to differ materially from those projected in a forward-looking statement or affect the extent to which a particular projection is realized.

The Company remains optimistic about the demand for aluminum for 2000. The continuing economic expansion in North America along with strong recoveries in both Western Europe and Asia (excluding Japan) has resulted in accelerating consumption growth, especially in the fourth quarter of 1999. Early estimates suggest that aluminum consumption grew by more than 5% in 1999, exceeding our earlier forecasts. We expect that consumption of aluminum will continue to grow at a rate of 4% to 6% per year for 2000 and 2001.

Economic and/or market conditions other than those forecasted by the Company in the preceding paragraph could cause the Company's actual results to differ materially from those projected in a forward-looking statement or affect the extent to which a particular projection is realized.

The following factors also could affect Reynolds' results:

- . Primary aluminum is an internationally traded commodity. The price of primary aluminum is subject to worldwide market forces of supply and demand and other influences. Prices can be volatile. Because primary aluminum makes up a significant portion of Reynolds' shipments, changes in aluminum pricing have a rapid effect on its operating results. Reynolds' use of contractual arrangements, including fixed-price sales contracts, fixed-price supply contracts, and forward, futures and option contracts, reduces its exposure to price volatility but does not eliminate it.
- . The markets for most aluminum products are highly competitive. Certain of Reynolds' competitors are larger than Reynolds in terms of total assets and operations and have greater financial resources. Certain foreign governments are involved in the operation and/or ownership of certain competitors and may be motivated by political as well as economic considerations. In addition, aluminum competes with other materials, such as steel, plastics and glass, among others, for various applications in Reynolds' key markets. Plastic products compete with similar products made by Reynolds' competitors, as well as with products made of glass, aluminum, steel, paper, wood and ceramics, among others. Unanticipated actions or developments by or affecting Reynolds' competitors and/or the willingness of customers to accept substitutions for the products sold by Reynolds could affect results.

<FN>

<FN1>Forward-looking statements can be identified generally as those containing words such as "should," "will," "will likely result," "hope," "forecast," "outlook," "project," "estimate," "expect," "anticipate," "scheduled," or "plan" and words of similar effect.

</FN>

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RISK FACTORS - continued

-
- . As discussed in Part I, Item 1, Reynolds spends substantial capital and operating amounts relating to ongoing compliance with environmental laws. In addition, Reynolds is involved in remedial investigations and actions in connection with past disposal of wastes. The identification of additional material remediation sites in the future (that are presently unknown) at which Reynolds may be named as a potentially responsible party could have a material adverse effect on its results of operations in a future interim or annual reporting period. Moreover, estimating future environmental compliance and remediation costs is imprecise due to:
 - continuing evolution of environmental laws and regulatory requirements and uncertainties about their application to Reynolds' operations
 - availability and application of technology
 - allocation of costs among potentially responsible parties
 - . Reynolds has investments and activities in various emerging markets, including China, India and Brazil. While emerging markets offer strong growth potential, they also present a higher degree of risk than more developed markets. In addition to the business risks inherent in developing and servicing new markets, economic conditions may be more volatile, legal systems less developed and predictable, and the possibility of various types of adverse government action more pronounced.
 - . Unanticipated material legal proceedings or investigations, or the disposition of those currently pending against Reynolds other than as anticipated by management and counsel, could have a material adverse effect on its results of operations for a particular reporting period.
 - . Changes in the costs or availability of supply of power, resins, caustic soda, green coke and other raw materials can materially affect results. Substantial increases in power costs, particularly in the Pacific Northwest, may adversely affect Reynolds' primary aluminum production plants which require reliable, low-cost power.
 - . Changes in laws and regulations, both U.S. and foreign, or their interpretation and application, including changes in tax laws and their interpretation and application, could affect Reynolds' results.
 - . A number of Reynolds' operations are cyclical and can be influenced by economic conditions.
 - . A failure to complete major capital projects, such as expansion of the Worsley Alumina Refinery (by reason of construction delays or disputes, labor unrest or otherwise), as scheduled and within budget or a failure to successfully launch new growth or strategic business programs, such as the engine cradle program where we are experiencing higher than anticipated costs, could affect Reynolds' results.

. A strike at a customer facility or a significant downturn in the business of a key customer supplied by Reynolds could affect its results.

The proposed merger with Alcoa Inc. is subject to certain conditions, including antitrust clearance. As discussed under "Merger" in Part I, Item 1, on September 29, 1999, the Antitrust Division issued a request for additional information and documentary material (a "second request"). On February 11, 2000, both Reynolds and Alcoa announced that they believed that they were in substantial compliance with the second request. They also advised the Department of Justice that they would not close the merger before March 31, 2000, in order to provide the Department sufficient time to review the transaction. In addition, the European Commission has until no later than May 10, 2000 to complete its investigation and to make a final determination with respect to the merger. Reynolds and Alcoa have also made filings under the competition laws of Canada, Australia and certain other countries where the companies have significant operations. Reynolds and Alcoa have been advised that the Canadian Competition Bureau has classified this merger as "very complex." Its review is expected to be completed by May 24, 2000. The Australian review process is also expected to be completed by the end of May 2000. It is possible that regulatory authorities may impose conditions on the combined operations or require divestitures as a condition to approving the merger. While Reynolds is working promptly toward completion of the merger, no assurances can be given as to whether regulatory delays will be encountered or regulatory conditions to the merger imposed, or the possible effects of such delays or conditions.

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RISK FACTORS - continued

In addition to the factors referred to above, Reynolds is exposed to general financial, political, economic and business risks in connection with its worldwide operations. Reynolds continues to evaluate and manage its operations in a manner to mitigate the effects from exposure to such risks. In general, Reynolds' expectations for the future are based on the assumption that conditions relating to costs, currency values, competition and the legal, regulatory, financial, political and business environments in the worldwide economies and markets in which Reynolds operates will not change significantly overall.

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ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Forward, futures, option and swap contracts are designated to manage market risks resulting from fluctuations in the aluminum, natural gas, foreign currency and debt markets. Contracts used to manage risks in these markets are not material.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

</TABLE>

<TABLE>

<CAPTION>

CONSOLIDATED STATEMENT OF INCOME

(millions, except per share amounts)

Years ended December 31	1999	1998	1997
<S>	<C>	<C>	<C>
REVENUES	\$4,796	\$5,859	\$6,900
COSTS AND EXPENSES			
Cost of products sold	3,928	4,774	5,658
Selling, general and administrative expenses	361	378	406
Depreciation and amortization	242	252	368
Interest	75	114	153
Merger-related expenses	19	-	-
Operational restructuring effects - net	-	144	75
	4,625	5,662	6,660
EARNINGS			
Income before income taxes, extraordinary loss and cumulative effect of accounting change	171	197	240
Taxes on income	47	45	104
Income before extraordinary loss and cumulative effect of accounting change	124	152	136
Extraordinary loss	-	(63)	-
Cumulative effect of accounting change	-	(23)	-
NET INCOME	\$ 124	\$ 66	\$ 136
EARNINGS PER SHARE			
Basic:			
Average shares outstanding	63,739,000	69,709,000	73,412,000
Income before extraordinary loss and cumulative effect of accounting change	\$1.95	\$2.18	\$1.86
Extraordinary loss	-	(0.91)	-
Cumulative effect of accounting change	-	(0.33)	-
Net income	\$1.95	\$0.94	\$1.86
Diluted:			
Average shares outstanding	64,043,000	69,937,000	74,004,000
Income before extraordinary loss and cumulative effect of accounting change	\$1.94	\$2.18	\$1.84
Extraordinary loss	-	(0.91)	-
Cumulative effect of accounting change	-	(0.33)	-
Net income	\$1.94	\$0.94	\$1.84
CASH DIVIDENDS PER COMMON SHARE	\$1.40	\$1.40	\$1.40

The accompanying notes to consolidated financial statements are an integral part of these statements.

</TABLE>

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<TABLE>

<CAPTION>

CONSOLIDATED BALANCE SHEET

December 31 (millions)	1999	1998
<S>	<C>	<C>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 55	\$ 94
Receivables:		
Customers, less allowances of \$10 (1998 - \$14)	561	710
Other	93	184
Total receivables	654	894
Inventories	519	500
Prepaid expenses and other	61	114
Total current assets	1,289	1,602
Unincorporated joint ventures and associated companies	1,692	1,478
Property, plant and equipment - net	2,016	2,024
Deferred taxes	419	363
Other assets	534	667
Total assets	\$5,950	\$6,134
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Trade payables	\$ 405	\$ 401
Accrued compensation and related amounts	172	183
Payables to unincorporated joint ventures and associated companies	48	75
Commercial paper	75	82
Notes payable to banks	105	34
Long-term debt	153	196
Other liabilities	194	270
Total current liabilities	1,152	1,241
Long-term debt	1,067	1,035
Postretirement benefits	962	1,029
Environmental	138	161
Deferred taxes	287	272
Other liabilities	198	202
Stockholders' equity:		
Common stock	1,575	1,533
Retained earnings	1,257	1,222
Treasury stock, at cost	(626)	(526)
Accumulated other comprehensive income	(60)	(35)
Total stockholders' equity	2,146	2,194
Contingent liabilities and commitments (Note 13)		
Total liabilities and stockholders' equity	\$5,950	\$6,134

The accompanying notes to consolidated financial statements are an integral part of these statements.
</TABLE>

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<TABLE>

<CAPTION>

CONSOLIDATED STATEMENT OF CASH FLOWS

Years ended December 31 (millions)	1999	1998	1997
<S>	<C>	<C>	<C>
OPERATING ACTIVITIES			
Net income	\$ 124	\$ 66	\$ 136
Adjustments to reconcile to net cash provided by operating activities:			
Depreciation and amortization	242	252	368
Merger-related expenses	17	-	-
Operational restructuring effects	-	144	75
Extraordinary loss	-	63	-
Cumulative effect of accounting change	-	23	-
Other	16	(3)	28
Changes in operating assets and liabilities net of effects from acquisitions and dispositions:			
Accounts payable, accrued and other liabilities	(18)	(106)	105
Receivables	107	(53)	(194)
Inventories	(5)	78	(108)
Environmental and restructuring liabilities	(43)	(52)	(48)
Other	(34)	(73)	1
Net cash provided by operating activities	406	339	363
INVESTING ACTIVITIES			
Capital investments:			
Operational	(116)	(155)	(152)
Strategic	(410)	(186)	(120)
Sales of assets - operational restructuring	204	1,147	367
Other	(23)	(38)	(3)
Net cash provided by (used in) investing activities	(345)	768	92
FINANCING ACTIVITIES			
Proceeds from long-term debt	250	415	-
Reduction of long-term debt and other financing liabilities	(515)	(929)	(245)
Increase (decrease) in short-term borrowings	313	47	(138)
Cash dividends paid	(90)	(100)	(99)
Repurchase of common stock	(100)	(526)	-
Stock options exercised	42	10	59
Net cash used in financing activities	(100)	(1,083)	(423)

CASH AND CASH EQUIVALENTS			
Net increase (decrease)	(39)	24	32
At beginning of year	94	70	38

At end of year \$ 55 94 \$ 70

Supplemental disclosure of cash flow information

Cash paid during the year for:

Interest	\$ 101	\$ 134	\$ 164
Income taxes	40	117	21

The accompanying notes to consolidated financial statements are an integral part of these statements.

</TABLE>

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<TABLE>

<CAPTION>

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

Years ended December 31	1999	1998	1997
<S>	<C>	<C>	<C>
SHARES (thousands)			
Common stock			
Balance at January 1	74,105	73,909	72,719
Shares issued under employee benefit plans	721	196	1,190
Balance at December 31	74,826	74,105	73,909
Treasury stock			
Balance at January 1	(9,648)	-	-
Purchased and held as treasury stock	(1,696)	(9,648)	-
Balance at December 31	(11,344)	(9,648)	-
Net common shares outstanding	63,482	64,457	73,909
DOLLARS (millions)			
Common stock			
Balance at January 1	\$1,533	\$1,521	\$1,451
Shares issued under employee benefit plans	42	12	70
Balance at December 31	\$1,575	\$1,533	\$1,521
Retained earnings			
Balance at January 1	\$1,222	\$1,253	\$1,220
Net income	124	66	136
Cash dividends declared:			
Common stock	(89)	(97)	(103)
Balance at December 31	\$1,257	\$1,222	\$1,253

Treasury stock			
Balance at January 1	\$ (526)	\$ -	\$ -
Purchased and held as treasury stock	(100)	(526)	-

Balance at December 31	\$ (626)	\$ (526)	\$ -

Accumulated other comprehensive income (loss)			
Balance at January 1	\$ (35)	\$ (35)	\$ (37)
Foreign currency translation adjustments	(27)	5	-
Income taxes	2	(5)	2

Other comprehensive income (loss)	(25)	-	2

Balance at December 31	\$ (60)	\$ (35)	\$ (35)

Total stockholders' equity	\$2,146	\$2,194	\$2,739
=====			
COMPREHENSIVE INCOME (millions)			
Net income	\$ 124	\$ 66	\$ 136
Other comprehensive income (loss)	(25)	-	2

Comprehensive income	\$ 99	\$ 66	\$ 138
=====			

The accompanying notes to consolidated financial statements are an integral part of these statements.

</TABLE>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In the tables, dollars are in millions, except per share amounts. Certain amounts have been reclassified to conform to the 1999 presentation.)

1. ACCOUNTING POLICIES

GENERAL

The consolidated financial statements are prepared in conformity with generally accepted accounting principles. As a result, management makes estimates and assumptions that affect the following:

- . reported amounts of revenues and expenses during the reporting period
- . reported amounts of assets and liabilities at the date of the financial statements
- . disclosure of contingent liabilities at the date of the financial statements

Actual results could differ from those estimates.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Company and its majority-owned subsidiaries after eliminating inter-company transactions, profits and losses. The Company accounts for investments in unincorporated joint ventures on an investment cost basis adjusted for the

Company's share of the non-cash production charges of the operation. Unincorporated joint ventures are production facilities without marketing or sales activities. Products produced are distributed in kind and cash production costs are allocated to the joint venturers based upon their respective percentage interests in the facilities. Our operating results include our share of cash production costs and non-cash production charges (principally depreciation) as well as revenues from the ultimate sale by us of our share of the products. Investments in associated companies (20% - 50% owned) are carried at cost adjusted for the Company's equity in undistributed net income.

REVENUE RECOGNITION

Revenues are recognized when products are shipped and ownership risk and title pass to the customer.

INVENTORIES

Inventories are stated at the lower of cost or market. Inventory costs were determined by the last-in, first-out (LIFO); first-in, first-out (FIFO); and average-cost methods. LIFO method inventories were \$171 million at the end of 1999 (1998 - \$178 million). FIFO and average-cost method inventories were \$348 million at the end of 1999 (1998 - \$322 million). Inventories would increase by \$233 million at the end of 1999 (1998 - \$221 million) if the FIFO method were applied to LIFO method inventories.

The favorable impact of the liquidation of certain LIFO layers that occurred as a result of the Company's divestitures (\$184 million in 1998 and \$58 million in 1997) is included in "Operational restructuring effects - net" in the Consolidated Statement of Income.

Since inventories are sold at various stages of processing, there is no practical distinction between finished products, in-process products and other materials. Inventories are therefore presented as a single classification.

DEPRECIATION AND AMORTIZATION

The straight-line method is used to depreciate plant and equipment over their estimated useful lives (buildings and leasehold improvements - 10 to 40 years, machinery and equipment - 5 to 20 years). Improvements to leased properties are generally amortized over the shorter of the terms of the respective leases or the estimated useful life of the improvement.

ENVIRONMENTAL EXPENDITURES

Remediation costs are accrued when it is probable that such efforts will be required and the related costs can be reasonably estimated.

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1. ACCOUNTING POLICIES - continued

POSTEMPLOYMENT BENEFITS

The expected cost of postemployment benefits is accrued when it becomes probable that such benefits will be paid.

HEDGING

Forward, futures, option and swap contracts are designated to manage market risks resulting from fluctuations in the aluminum, natural gas, foreign currency and debt markets. These instruments, which are not held for trading purposes, are effective in minimizing such risks by creating equal and offsetting exposures. Unrealized gains and losses are deferred and recorded as a component of the underlying hedged transaction when it occurs. Realized gains or losses from matured and terminated hedge contracts are recorded in other assets or liabilities until the underlying hedged transactions are consummated. Realized and unrealized gains or losses on

hedge contracts relating to transactions that are subsequently not expected to occur are recognized in results currently. None of these instruments contains multiplier or leverage features. There is exposure to credit risk if the other parties to these instruments do not meet their obligations. Creditworthiness of the other parties is closely monitored, and they are expected to fulfill their obligations. Contracts used to manage risks in these markets are not material.

CUMULATIVE EFFECT OF ACCOUNTING CHANGE

In 1998, the Accounting Standards Executive Committee (AcSEC) of the American Institute of Certified Public Accountants issued Statement of Position (SOP) 98-5, "Reporting on the Costs of Start-Up Activities." The SOP requires costs of start-up activities and organization costs to be expensed as incurred. The Company adopted the SOP in 1998 and recognized an after-tax charge for the cumulative effect of accounting change of \$23 million.

STATEMENT OF CASH FLOWS

In preparing the Consolidated Statement of Cash Flows, all highly liquid, short-term investments purchased with an original maturity of three months or less are considered to be cash equivalents.

STOCK OPTIONS

Stock options are accounted for using the intrinsic value method. Compensation expense is not recognized because the exercise price of the stock options equals the market price of the underlying stock on the date of grant.

ACCOUNTING FOR THE COSTS OF DEVELOPING OR OBTAINING INTERNAL-USE SOFTWARE

In 1999, the Company adopted the AcSEC's Statement of Position (SOP) 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." The SOP requires qualifying computer software costs incurred in connection with obtaining or developing software for internal use to be capitalized. In prior years, the Company capitalized costs of purchased software and expensed internal costs of developing software. The effect of adopting this SOP was not material to 1999 results.

DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

In 1998, the FASB issued Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities." This statement establishes new accounting and reporting standards for derivative instruments and hedging activities. The Company must adopt this statement by January 1, 2001. The Company has not determined the impact this statement will have on its financial position or results of operations.

2. PROPOSED MERGER

On August 18, 1999, Reynolds, Alcoa Inc. (Alcoa) and RLM Acquisition Corp., a wholly owned subsidiary of Alcoa, entered into an agreement and plan of merger. Under the merger agreement, each outstanding share of Reynolds common stock would be converted into 1.06 shares of Alcoa common stock and Reynolds would become wholly owned by Alcoa. On January 10, 2000, Alcoa announced that its Board of Directors had declared a two-for-one split of Alcoa's common stock to Alcoa shareholders of record on May 26, 2000. The stock split is subject to approval of Alcoa shareholders who must approve an amendment to Alcoa's articles to increase the authorized shares of common stock at Alcoa's annual meeting on May 12, 2000. If approved, the stock split would be distributed on June 9, 2000. Shares of Alcoa stock that are issued in the merger will be adjusted, as necessary, to reflect the stock split.

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2. PROPOSED MERGER - continued

The proposed merger, which was approved by Reynolds' stockholders at a special meeting held on February 11, 2000, is subject to customary closing conditions, including antitrust clearances.

The Hart-Scott-Rodino Antitrust Improvements Act of 1976 prohibits Alcoa and Reynolds from completing the merger until certain information has been furnished to the Antitrust Division of the Department of Justice and the Federal Trade Commission, and until certain waiting period requirements have been satisfied. Alcoa filed a Hart-Scott-Rodino Premerger Notification and Report Form on August 24, 1999 and Reynolds filed such a Form on August 30, 1999. On September 29, 1999, the Antitrust Division issued a request for additional information and documentary material (a "second request"). On February 11, 2000, both Reynolds and Alcoa announced that they believed that they were in substantial compliance with the second request. They also advised the Department of Justice that they would not close the merger before March 31, 2000, in order to provide the Department sufficient time to review the transaction.

In Europe, certain regulations require that Alcoa file a premerger notification form with the Commission of the European Communities prior to consummation of the proposed merger. Alcoa filed such notification on November 18, 1999. This filing began an initial one-month review period in which the European Commission was required to determine whether there are sufficiently "serious doubts" about the proposed merger's compatibility with the common market to require a more complete review. The initial one-month period expired on December 20, 1999, whereupon the European Commission issued a determination that the proposed merger did require a more complete review. The European Commission must complete its investigation and make a final determination with respect to the proposed merger no later than May 10, 2000.

Reynolds and Alcoa have also made filings under the competition laws of Canada, Australia and certain other countries where the companies have significant operations. Alcoa and Reynolds have been advised that the Canadian Competition Bureau has classified this merger as "very complex." Its review is expected to be completed by May 24, 2000. The Australian review process is also expected to be completed by the end of May 2000.

The merger agreement contains certain restrictions on the conduct of Reynolds' business before completion of the merger. For example, Reynolds has agreed to operate its business only in the ordinary course, to refrain from taking certain corporate actions without the consent of Alcoa, and not to solicit alternative acquisition proposals.

In 1999, the Company recognized \$19 million of merger-related expenses. Merger-related expenses are principally for investment banking and legal services and an increase in the expense accrual for a long-term compensation plan, which varies based principally on appreciation of the Company's stock price as compared to the S&P Basic Materials Index. The Company expects total merger-related expenses to be at least \$35 million.

3. OPERATIONAL RESTRUCTURING

In the first quarter of 1999, the final closing of the sale of the Company's Alabama can stock complex occurred. In 1998, the Company sold the following:

- . U.S. recycling operations
- . aluminum extrusion facilities in Canada
- . European rolling mill operations
- . Illinois sheet and plate plant
- . North American aluminum beverage can operations
- . Alabama can stock complex (with final closing in early 1999)

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3. OPERATIONAL RESTRUCTURING - continued

In 1997, the Company sold the following:

- . U.S. residential construction products business
- . aluminum reclamation plant in Virginia
- . aluminum extrusion plants in Virginia and Texas
- . coal properties in Kentucky
- . one-half of its wholly owned interest in a rolling mill and related assets in Canada
- . aluminum powder and paste plant in Kentucky

Financial information for 1998 and 1997 relating to operations divested is reflected in the Restructuring category in Note 12. Customer revenues generated by these operations were \$1.4 billion in 1998 and \$2.7 billion in 1997. Depreciation expense in 1998 was reduced \$65 million as a result of ceasing depreciation on assets held for sale relating to the divestitures.

The favorable impact of the liquidation of certain LIFO layers that occurred as a result of the Company's divestitures (\$184 million in 1998 and \$58 million in 1997) is included in "Operational restructuring effects - net" in the Consolidated Statement of Income.

The Company recognized the following operational restructuring charges:

<TABLE>

<CAPTION>

	1998	1997
<S>	<C>	<C>
Employee terminations	\$ 39	\$49
Additional postretirement benefits	105	-
Asset dispositions: Losses	337	85
(Gains)	(349)	(64)
Other	12	5
	\$ 144	\$75

</TABLE>

The charges for employee terminations recorded in 1998 and 1997 were principally for severance and related costs for approximately 2,000 salaried and hourly employees. The employees worked principally at domestic plants. Approximately 600 employees worked at corporate headquarters. Employees terminated in each period were 1,385 in 1998 and 498 in 1997.

An analysis of the accrual for restructuring liabilities follows:

<TABLE>

<CAPTION>

	1999	1998	1997
<S>	<C>	<C>	<C>
Balance at January 1	\$ 48	\$ 44	\$ 12
Accruals	-	44	54
Payments	(33)	(40)	(22)
Balance at December 31	\$ 15	\$ 48	\$ 44

</TABLE>

Liabilities at December 31, 1999 relating to the Company's restructuring activities are expected to be substantially satisfied in 2000 with cash provided by operating activities. Liabilities relating to contractual postretirement obligations are reflected in postretirement benefits on the balance sheet and will be settled over the next several future years in conjunction with the Company's funding of its pension and other postretirement benefit obligations.

The Company used proceeds from completed divestitures for debt repayments and repurchases of common stock (see Notes 4 and 9).

Early in the first quarter of 2000, the Company sold its investment in a Canadian rolling mill and related assets. This transaction will not have a material impact on our operating results or financial position.

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4. EXTRAORDINARY LOSS

The Company had an extraordinary loss from debt extinguishments in 1998 of \$63 million (net of income tax benefit of \$39 million). The debt extinguished at a loss consisted of \$500 million of medium-term notes and \$79 million of 9% debentures.

5. EARNINGS PER SHARE

The following reconciles income and average shares for the basic and diluted earnings per share computations for "Income before extraordinary loss and cumulative effect of accounting change."

<TABLE>

<CAPTION>

	1999	1998	1997
<S>	<C>	<C>	<C>
Income (numerator):			
Income before extraordinary loss and cumulative effect of accounting change	\$124	\$152	\$136
Average shares (denominator):			
Basic	63,739,000	69,709,000	73,412,000
Effect of dilutive securities	304,000	228,000	592,000
Diluted	64,043,000	69,937,000	74,004,000
Per share amounts for income before extraordinary loss and cumulative effect of accounting change:			
Basic earnings per share	\$1.95	\$2.18	\$1.86
Diluted earnings per share	1.94	2.18	1.84
Antidilutive securities excluded:			
Stock options	1,899,000	2,452,000	505,000

</TABLE>

6. UNINCORPORATED JOINT VENTURES AND ASSOCIATED COMPANIES

The Company has interests in unincorporated joint ventures which produce alumina and primary aluminum. It also has interests in foreign-based associated companies which produce bauxite, alumina, primary aluminum,

hydroelectric power and fabricated aluminum products. At December 31, the Company's investment in these activities consisted of the following:

<TABLE>

<CAPTION>

	1999	1998
<S>	<C>	<C>
Unincorporated joint ventures		
Current assets	\$ 50	\$ 52
Current liabilities	(56)	(89)
Property, plant and equipment and other assets	1,402	1,203
Net investment	1,396	1,166
Associated companies		
Investments	236	253
Advances	60	59
Net investment	296	312
Total	\$1,692	\$1,478

</TABLE>

Property, plant and equipment and other assets for the unincorporated joint ventures in 1999 includes \$359 million (1998 - \$150 million) of construction in progress for the expansion of the Worsley Alumina Refinery joint venture.

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7. PROPERTY, PLANT AND EQUIPMENT (AT COST)

<TABLE>

<CAPTION>

	December 31	
	1999	1998
<S>	<C>	<C>
Land, land improvements and mineral properties	\$ 252	\$ 244
Buildings and leasehold improvements	803	781
Machinery and equipment	3,148	3,087
Construction in progress	133	170
	4,336	4,282
Less allowances for depreciation and amortization	2,320	2,258
Net property, plant and equipment	\$2,016	\$2,024

</TABLE>

8. FINANCING ARRANGEMENTS

<TABLE>

<CAPTION>

	December 31	
	1999	1998
<S>	<C>	<C>
Public debt securities:		
Medium-term notes	\$ 418	\$ 329

9-3/8% debentures due 1999	-	100
9% debentures due 2003	21	21
6-5/8% amortizing notes	171	228
Industrial and environmental control revenue bonds	201	227
Commercial paper	250	-
Other arrangements:		
Long-term credit facilities	150	315
Mortgages and other notes payable	9	11
	-----	-----
	1,220	1,231
Amounts due within one year	153	196
	-----	-----
Long-term debt	\$1,067	\$1,035
	=====	=====

</TABLE>

Long-term debt at December 31, 1999 matures as follows:

2000	\$153
2001	569
2002	70
2003	58
2004	35
2005 - 2025	335

The medium-term notes and 9% debentures were issued under a shelf registration. The medium-term notes bear interest at an average fixed rate of 8.5% and have maturities ranging from 2000 to 2013. At December 31, 1999, \$13 million of debt securities remained unissued under the shelf registration. In early 2000, the Company increased the amount of debt securities it can issue under the shelf registration to \$163 million. A portion of this fixed-rate debt has been effectively converted to a variable rate through the use of a \$100-million interest rate swap that matures in 2001. Under the swap, payments are received based on a fixed rate (6%) and made based on a variable rate (5.9% at December 31, 1999). The variable rate is based on the London Interbank Offer Rate (LIBOR). The differential to be paid or received as interest rates change is accrued and recognized as an adjustment of interest expense. The fair value of this agreement and its effect on interest expense was not material.

The 6-5/8% amortizing notes were issued at a discount (99.48%) and have an effective interest rate of 6.7%. The notes require annual principal repayments of \$57 million between 2000 and 2002.

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8. FINANCING ARRANGEMENTS - continued

Industrial and environmental control revenue bonds consist principally of variable-rate debt with interest rates averaging 4.8% at December 31, 1999. The variable rates are based on market interest rates. These bonds require principal repayments in lump sums periodically between 2000 and 2025. Letters of credit issued by banks support most of these bonds.

The Company has classified \$250 million of commercial paper as long-term debt because the Company intends to refinance the debt on a long-term basis and the commercial paper is supported by a \$500 million long-term credit facility. The Company also has a \$150 million long-term credit facility. These long-term credit facilities have variable interest rates (6.4% at December 31, 1999) and mature in 2001. The variable rates are based on LIBOR. The Company pays an annual commitment fee of .1% on the unused

portion of these facilities. In addition to the long-term credit facilities, the Company has a short-term credit facility of \$185 million that was unutilized and available at December 31, 1999. This credit facility has a variable interest rate that is based on LIBOR. The Company pays an annual commitment fee of .125% on the unused portion.

Certain financing arrangements contain restrictions that primarily consist of requirements to maintain specified financial ratios. These restrictions do not inhibit operations or the use of fixed assets. At December 31, 1999, the Company exceeded all such requirements.

The fair value of long-term debt was approximately equal to book value at the end of 1999 and 1998. The fair value was determined by using discounted cash flow analysis.

Interest capitalized was \$24 million during 1999 (1998 - \$12 million, 1997 - \$8 million).

Interest rates on short-term borrowings are based on market rates. The weighted-average interest rates were:

<TABLE>
<CAPTION>

December 31		
	1999	1998
<S>	<C>	<C>
Notes payable to banks	6.5%	4.2%
Commercial paper	6.5	5.9

</TABLE>

9. STOCKHOLDERS' EQUITY

PREFERRED STOCK

The Company has 21,000,000 shares of preferred stock authorized. Two million shares have been designated Series A Junior Participating Preferred.

COMMON STOCK

The Company has 200,000,000 shares of common stock (without par value) authorized.

The Company has authorization to repurchase up to 18 million shares of common stock of which approximately 11.3 million shares have been repurchased through December 31, 1999. (See the Consolidated Statement of Changes in Stockholders' Equity for additional share repurchase information.) Under the merger agreement with Alcoa, the Company has agreed to refrain from purchasing additional shares without the consent of Alcoa. (See Note 2.)

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9. STOCKHOLDERS' EQUITY - continued

STOCK OPTIONS

The Company has a non-qualified stock option plan under which key employees may be granted stock options at a price equal to the fair market value at the date of grant. The stock options outstanding at December 31, 1999 vest in one year and are exercisable between one year and ten years from the date of grant. Upon a change in control of the Company, all outstanding options would become immediately exercisable. The range of exercise prices for the stock options outstanding at December 31, 1999 was \$45 to \$64 and their weighted-average remaining contractual life was 6 years. A summary

of stock option activity and related information follows (options are in thousands):

<TABLE>

<CAPTION>

	1999	1998	1997
<S>	<C>	<C>	<C>
Outstanding at January 1	5,254	4,828	5,318
Granted	713	633	711
Exercised	(721)	(192)	(1,190)
Expired/canceled	(444)	(15)	(11)
Outstanding at December 31	4,802	5,254	4,828
Exercisable at December 31	4,092	4,621	4,121
Available for grant	2,007	304	923
Weighted-average prices:			
Outstanding at January 1	\$56	\$55	\$52
Granted	61	62	64
Exercised	54	47	50
Expired/canceled	60	62	56
Outstanding at December 31	57	56	55
Exercisable at December 31	56	55	53

</TABLE>

In addition to the above, 150,000 performance-based stock options expired in 1999.

Pro forma net income and earnings per share have been prepared based on expensing (after tax) the estimated fair value of stock options granted during 1999, 1998 and 1997. The estimated fair value of the stock options was determined by using the Black-Scholes option-pricing model. The estimated fair values and the weighted-average assumptions used to estimate those values follow:

<TABLE>

<CAPTION>

	Stock Options		
	1999	1998	1997
<S>	<C>	<C>	<C>
Risk-free interest rate	5.6%	5.5%	6.4%
Dividend yield	2.1%	2.2%	2.2%
Volatility factor of the expected market price of the Company's common stock	.270	.256	.265
Expected life of the option	6 years	6 years	6 years
Estimated fair value of each stock option granted	\$18.04	\$17.53	\$19.53

</TABLE>

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9. STOCKHOLDERS' EQUITY - continued

STOCK OPTIONS - continued

The Black-Scholes option-pricing model was not developed for use in valuing employee stock options. This model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. In addition, it requires the input of highly

subjective assumptions including expectations of future dividends and stock price volatility. The assumptions are only used for making the required fair value estimate and should not be considered as indicators of future dividend policy or stock price appreciation. Because changes in the subjective input assumptions can materially affect the fair value estimate and because the employee stock options have characteristics significantly different from those of traded options, the use of the Black-Scholes option-pricing model may not provide a reliable single measure of the employee stock options' value.

The pro forma information follows:

<TABLE>

<CAPTION>

	1999	1998	1997
<S>	<C>	<C>	<C>
Pro forma net income	\$ 117	\$ 59	\$ 127
Pro forma earnings per share: Basic	1.83	0.84	1.73
Diluted	1.82	0.84	1.72

</TABLE>

SHAREHOLDER RIGHTS PLAN

Under the shareholder rights plan each share of common stock has one right attached and the rights trade with the common stock. The rights are exercisable only if a person or group buys 15% or more of the Company's common stock, or announces a tender offer for 15% or more of the outstanding common stock. Each right will entitle a holder to buy one-hundredth of a share of the Company's Series A Junior Participating Preferred Stock at an exercise price of \$300.

If a person or group acquires 15% or more of the common stock of the Company, each right would permit its holder to buy common stock of the Company having a market value equal to two times the exercise price of the right. In addition, if at any time after the rights become exercisable, the Company is acquired in a merger, or if there is a sale or transfer of 50% or more of its assets or earning power, each right would permit its holder to buy common stock of the acquiring company having a market value equal to two times the exercise price of the right.

The rights, which do not have voting privileges, expire in 2007. The Board of Directors may redeem the rights before expiration, under certain circumstances, for \$0.01 per right. Until the rights become exercisable, they have no effect on earnings per share.

These rights should not interfere with a business combination approved by the Board of Directors. However, they will cause substantial dilution to a person or group that attempts to acquire the Company without conditioning the offer on redemption of the rights or acquiring a substantial number of the rights.

In connection with the merger agreement with Alcoa (see Note 2), the Company amended the shareholder rights plan to render the plan inapplicable to this transaction.

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10. PENSIONS AND OTHER POSTRETIREMENT BENEFITS

<TABLE>

<CAPTION>

Pension Benefits	Other Benefits
-----	-----

	1999	1998	1999	1998
<S>	<C>	<C>	<C>	<C>
CHANGE IN BENEFIT OBLIGATION				
Benefit obligation at beginning of year	\$2,349	\$2,081	\$ 964	\$ 899
Service cost	31	36	6	7
Interest cost	162	151	62	62
Amendments	1	9	1	-
Actuarial losses (gains)	(87)	166	(70)	60
Restructuring	-	39	-	5
Benefits paid	(161)	(133)	(79)	(69)
Benefit obligation at end of year	\$2,295	\$2,349	\$ 884	\$ 964
CHANGE IN PLAN ASSETS				
Fair value of plan assets at beginning of year	\$2,277	\$2,099	\$ -	\$ -
Actual return on plan assets	383	295	-	-
Company contributions	46	43	79	69
Restructuring	-	(27)	-	-
Benefits paid	(161)	(133)	(79)	(69)
Fair value of plan assets at end of year	\$2,545	\$2,277	\$ -	\$ -
Funded status of the plans	\$ 250	\$ (72)	\$ (884)	\$ (964)
Unrecognized net actuarial loss (gain)	(222)	101	(42)	27
Unrecognized prior service cost	59	66	(56)	(67)
Prepaid (accrued) benefit cost	\$ 87	\$ 95	\$ (982)	\$ (1,004)
AMOUNTS RECOGNIZED IN THE CONSOLIDATED BALANCE SHEET				
Prepaid benefit cost	\$ 111	\$ 111	\$ -	\$ -
Accrued benefit liability	(37)	(68)	(982)	(1,004)
Intangible asset	13	52	-	-
Net amount recognized	\$ 87	\$ 95	\$ (982)	\$ (1,004)
WEIGHTED-AVERAGE ASSUMPTIONS AS OF DECEMBER 31				
Discount rate	7.50%	6.75%	7.50%	6.75%
Expected return on plan assets	9.25	9.25	-	-
Rate of compensation increase	4.50	4.50	-	-

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10. PENSIONS AND OTHER POSTRETIREMENT BENEFITS - continued

For measurement purposes, a 5.5% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2000. The rate was assumed to decrease gradually to 5.0% in 2002 and remain at that level thereafter.

<TABLE>
<CAPTION>

	Pension Benefits			Other Benefits		
	1999	1998	1997	1999	1998	1997
<S>	<C>	<C>	<C>	<C>	<C>	<C>
COMPONENTS OF NET PERIODIC BENEFIT COST						
Service cost	\$ 31	\$ 36	\$ 37	\$ 6	\$ 7	\$ 7
Interest cost	162	151	147	62	62	64
Expected return on plan assets	(189)	(175)	(158)	-	-	-
Amortization of prior service cost	11	14	19	(10)	(13)	(17)
Recognized net actuarial loss (gain)	16	13	11	-	-	(1)
Benefit cost	\$ 31	\$ 39	\$ 56	\$ 58	\$ 56	\$ 53

</TABLE>

The assumed health care cost trend rate has a significant effect on the amounts reported. A one-percentage-point change in the assumed health care cost trend rate would have the following effects:

<TABLE>
<CAPTION>

	1% Increase	1% Decrease
<S>	<C>	<C>
Effect on total of service and interest cost components in 1999	\$ 3	\$ (3)
Effect on postretirement benefit obligation as of December 31, 1999	\$ 39	\$ (35)

</TABLE>

11. TAXES ON INCOME

The significant components of the provision for income taxes were:

<TABLE>
<CAPTION>

	1999	1998	1997
<S>	<C>	<C>	<C>
Current:			
Federal	\$ 7	\$ 6	\$ 13
Foreign	41	57	71
State	1	1	1
Total current	49	64	85
Deferred:			
Federal	8	(31)	(7)
Foreign	5	23	21
State	(14)	(12)	(2)

Total deferred	(1)	(20)	12
Equity income	(1)	1	7
Total	\$47	\$45	\$104

</TABLE>

The deferred tax provision includes domestic carryforward benefits of \$11 million (1998 - \$8 million, 1997 - \$2 million).

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11. TAXES ON INCOME - continued

The effective income tax rate varied from the U.S. statutory rate as follows:

<TABLE>

<CAPTION>

	1999	1998	1997
<S>	<C>	<C>	<C>
U.S. rate	35%	35%	35%
Income taxed at other than the U.S. rate	1	(4)	9
Percentage depletion	(2)	(3)	(2)
Credits and other tax benefits	(5)	(6)	-
State income taxes and other	(1)	1	1
Effective rate	28%	23%	43%

</TABLE>

Income taxed at other than the U.S. rate includes a 10% adverse effect in 1997 from basis differences on asset dispositions.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. At December 31, 1999, the Company had \$822 million (1998 - \$844 million) of deferred tax assets and \$675 million (1998 - \$694 million) of deferred tax liabilities that have been netted with respect to tax jurisdictions for presentation purposes. The significant components of these amounts were:

<TABLE>

<CAPTION>

	1999		1998	
	Asset	Liability	Asset	Liability
<S>	<C>	<C>	<C>	<C>
Retiree health benefits	374	\$ -	\$381	\$ -
Tax carryforward benefits	170	-	141	-
Environmental and restructuring costs	86	(2)	116	(2)
Other	60	95	39	78
Tax over book depreciation	(236)	194	(235)	196
Valuation reserve relating to tax carryforward benefits	(20)	-	(20)	-

Total deferred tax assets and liabilities	434	287	422	272
Amount included as current in balance sheet	15	-	59	-
Noncurrent deferred tax assets and liabilities	\$419	\$287	\$363	\$272

</TABLE>

The tax carryforward benefits can be carried forward indefinitely except for \$68 million that will expire primarily between 2004 and 2014. A valuation reserve of \$20 million relating to certain of these benefits has been recorded. Alternatives continue to be evaluated that may result in the ultimate realization of a portion of these reserved assets.

Income taxes have not been provided on the undistributed earnings (\$904 million) of foreign subsidiaries. The Company uses these earnings to finance foreign expansion, reduce foreign debt or support foreign operating requirements.

The geographic components of income (loss) before income taxes, extraordinary loss and the cumulative effect of accounting change was as follows:

<TABLE>
<CAPTION>

	1999	1998	1997
<S>	<C>	<C>	<C>
Domestic	\$(67)	\$(86)	\$ 21
Foreign	238	283	219
	\$171	\$197	\$240

</TABLE>

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12. COMPANY OPERATIONS

The Company is organized into four market-based, global business units. The global business units and their principal products are:

- . Base Materials - alumina, carbon products, primary aluminum ingot and billet, and electrical rod
- . Packaging and Consumer - aluminum and plastic packaging, foodservice and consumer products; printing products
- . Construction and Distribution - architectural construction products and the distribution of a wide variety of aluminum and stainless steel products
- . Transportation - aluminum wheels, heat exchangers and automotive structures

The Restructuring category includes operations sold. (See Note 3 for a discussion of the Company's restructuring activities.)

The Other category consists principally of European extrusion operations, investments in Canada, China, Latin America and Saudi Arabia and real estate. Part of the real estate, principally undeveloped land, is held for sale and is expected to be sold over the next few years. The carrying amount for these held-for-sale assets was \$36 million at December 31, 1999. Expenses relating to holding these assets, principally real estate taxes,

were approximately \$1 million per year in each of the last three years.

ACCOUNTING POLICIES

Operating income for each global business unit is calculated as revenues plus equity income less cost of products sold, depreciation and the unit's selling, general and administrative expenses. The sales between units are made at market-related prices. Cost of products sold reflects current costs.

Assets for each global business unit include:

- . receivables (including internal receivables from other units)
- . inventories (based on the FIFO method)
- . property, plant and equipment (excluding construction in progress)
- . investments in unincorporated joint ventures and associated companies
- . other assets directly associated with the unit's operations

Current liabilities for each global business unit include:

- . trade payables
- . accrued compensation and related amounts
- . other current liabilities
- . internal liabilities from other units

For the geographic presentation, revenues are attributed to specific countries based on the location of the operation generating the revenue. Long-lived assets consist of all noncurrent assets such as property, plant and equipment and investments in joint ventures and associated companies.

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12. COMPANY OPERATIONS - continued

Certain amounts for the years 1998 and 1997 have been reclassified to conform to the 1999 presentation. The principal reclassification was to move corporate amounts from the Other category to Reconciling Items.

<TABLE>

<CAPTION>

1999	Base Materials	Packaging and Consumer	Construction and Distribution
<S>	<C>	<C>	<C>
Customer aluminum shipments	867	152	202
Intersegment aluminum shipments	211	-	-
Total aluminum shipments	1,078	152	202
Revenues:			
Aluminum	\$1,325	\$ 817	\$ 679
Nonaluminum	368	632	346
Intersegment revenues - aluminum	306	-	-
Total revenues	\$1,999	\$1,449	\$1,025
Segment operating income (loss)	\$ 250	\$ 159	\$ 42
Inventory accounting adjustments			
Corporate amounts			
Operational restructuring effects - net			
Merger-related expenses			

Corporate operating income

Interest expense
Taxes on income
Extraordinary loss
Cumulative effect of accounting change

Net income
=====

Pre-tax equity income (loss) included

in revenues	\$ -	\$ -	\$ -
Depreciation and amortization	146	45	8

Assets	\$3,085	\$ 665	\$ 463
Current liabilities (excluding debt)	276	137	126

Net operating investment	\$2,809	\$ 528	\$ 337
--------------------------	---------	--------	--------

Unincorporated joint ventures and

associated companies	\$1,516	\$ -	\$ -
Capital investments	309	84	84

</TABLE>

53

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<TABLE>

<CAPTION>

1999

Transportation Restructuring Other

<S>	<C>	<C>	<C>
Customer aluminum shipments	73	-	59
Intersegment aluminum shipments	-	-	-
Total aluminum shipments	73	-	59

Revenues:

Aluminum	\$398	\$ -	\$145
Nonaluminum	-	-	42
Intersegment revenues - aluminum	-	-	-

Total revenues	\$398	\$ -	\$187
----------------	-------	------	-------

Segment operating income (loss)	\$ (28)	\$ -	\$ 5
---------------------------------	---------	------	------

Inventory accounting adjustments
Corporate amounts
Operational restructuring effects - net
Merger-related expenses

Corporate operating income

Interest expense
Taxes on income
Extraordinary loss
Cumulative effect of accounting change

Net income
=====

Pre-tax equity income (loss) included			
in revenues	\$ -	\$ -	\$ (14)
Depreciation and amortization	29	-	7
Assets	\$377	\$ -	\$395
Current liabilities (excluding debt)	60	-	12
Net operating investment	\$317	\$ -	\$383
Unincorporated joint ventures and associated companies	\$ 8	\$ -	\$168
Capital investments	26	-	2

</TABLE>

<TABLE>
<CAPTION>

1999	Total Segments	Reconciling Items	Consolidated
<S>	<C>	<C>	<C>
Customer aluminum shipments	1,353	-	1,353
Intersegment aluminum shipments	211	(211)	-
Total aluminum shipments	1,564	(211)	1,353
Revenues:			
Aluminum	\$3,364	\$ -	\$3,364
Nonaluminum	1,388	44	1,432
Intersegment revenues - aluminum	306	(306)	-
Total revenues	\$5,058	\$ (262)	\$4,796
Segment operating income (loss)	\$ 428	\$ -	\$ 428
Inventory accounting adjustments			(4)
Corporate amounts			(159)
Operational restructuring effects - net			-
Merger-related expenses			(19)
Corporate operating income			246
Interest expense			(75)
Taxes on income			(47)
Extraordinary loss			-
Cumulative effect of accounting change			-
Net income			\$ 124
Pre-tax equity income (loss) included			
in revenues	\$ (14)	\$ -	\$ (14)
Depreciation and amortization	235	7	242
Assets	\$4,985	\$ 965	\$5,950
Current liabilities (excluding debt)	611	208	819
Net operating investment	\$4,374	\$ 757	\$5,131
Unincorporated joint ventures and associated companies	\$1,692	\$ -	\$1,692

Capital investments	505	21	526
---------------------	-----	----	-----

</TABLE>

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<PAGE> 55
 12. COMPANY OPERATIONS - continued
 <TABLE>
 <CAPTION>

	Base Materials	Packaging and Consumer	Construction and Distribution
--	-------------------	------------------------------	-------------------------------------

1998

<S>	<C>	<C>	<C>
-----	-----	-----	-----

Customer aluminum shipments	668	141	184
Intersegment aluminum shipments	354	-	-
Total aluminum shipments	1,022	141	184

Revenues:

Aluminum	\$1,055	\$ 787	\$681
Nonaluminum	402	605	314
Intersegment revenues - aluminum	572	-	-
Total revenues	\$2,029	\$1,392	\$995

Segment operating income (loss)	\$ 290	\$ 156	\$ 39
Inventory accounting adjustments			
Corporate amounts			
Operational restructuring effects - net			
Corporate operating income			
Interest expense			
Taxes on income			
Extraordinary loss			
Cumulative effect of accounting change			
Net income			

Pre-tax equity income (loss) included in revenues	\$ (3)	\$ -	\$ -
Depreciation and amortization	138	44	7
Assets	\$3,000	\$ 625	\$375
Current liabilities (excluding debt)	305	110	86
Net operating investment	\$2,695	\$ 515	\$289
Unincorporated joint ventures and associated companies	\$1,299	\$ -	\$ -
Capital investments	228	38	10

</TABLE>

55

<PAGE> 56
 <TABLE>
 <CAPTION>

1998	Transportation	Restructuring	Other
<S>	<C>	<C>	<C>
Customer aluminum shipments	63	391	37
Intersegment aluminum shipments	-	4	-
Total aluminum shipments	63	395	37
Revenues:			
Aluminum	\$336	\$1,434	\$117
Nonaluminum	-	17	47
Intersegment revenues - aluminum	-	12	-
Total revenues	\$336	\$1,463	\$164
Segment operating income (loss)	\$ (19)	\$ 124	\$ -
Inventory accounting adjustments			
Corporate amounts			
Operational restructuring effects - net			
Corporate operating income			
Interest expense			
Taxes on income			
Extraordinary loss			
Cumulative effect of accounting change			
Net income			
Pre-tax equity income (loss) included			
in revenues	\$ (1)	\$ -	\$ (10)
Depreciation and amortization	25	26	4
Assets	\$352	\$ 282	\$417
Current liabilities (excluding debt)	53	66	34
Net operating investment	\$299	\$ 216	\$383
Unincorporated joint ventures and associated companies	\$ 7	\$ -	\$172
Capital investments	50	-	4

</TABLE>
<TABLE>
<CAPTION>

1998	Total Segments	Reconciling Items	Consolidated
<S>	<C>	<C>	<C>
Customer aluminum shipments	1,484	-	1,484
Intersegment aluminum shipments	358	(358)	-
Total aluminum shipments	1,842	(358)	1,484
Revenues:			
Aluminum	\$4,410	\$ -	\$4,410
Nonaluminum	1,385	64	1,449
Intersegment revenues - aluminum	584	(584)	-

Total revenues	\$6,379	\$ (520)	\$5,859
Segment operating income (loss)	\$ 590		\$ 590
Inventory accounting adjustments			5
Corporate amounts			(140)
Operational restructuring effects - net			(144)
Corporate operating income			311
Interest expense			(114)
Taxes on income			(45)
Extraordinary loss			(63)
Cumulative effect of accounting change			(23)
Net income			\$ 66
Pre-tax equity income (loss) included in revenues	\$ (14)	\$ -	\$ (14)
Depreciation and amortization	244	8	252
Assets	\$5,051	\$1,083	\$6,134
Current liabilities (excluding debt)	654	275	929
Net operating investment	\$4,397	\$ 808	\$5,205
Unincorporated joint ventures and associated companies	\$1,478	\$ -	\$1,478
Capital investments	330	11	341

</TABLE>

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12. COMPANY OPERATIONS - continued

<TABLE>

<CAPTION>

1997	Base Materials	Packaging and Consumer	Construction and Distribution
<S>	<C>	<C>	<C>
Customer aluminum shipments	513	142	166
Intersegment aluminum shipments	684	-	-
Total aluminum shipments	1,197	142	166
Revenues:			
Aluminum	\$ 923	\$ 797	\$614
Nonaluminum	405	602	328
Intersegment revenues - aluminum	1,187	-	-
Total revenues	\$2,515	\$1,399	\$942
Segment operating income	\$ 312	\$ 141	\$ 41
Inventory accounting adjustments			
Corporate amounts			
Operational restructuring effects - net			

Corporate operating income

Interest expense
Taxes on income
Extraordinary loss
Cumulative effect of accounting change

Net income
=====

Pre-tax equity income (loss) included in revenues	\$ (2)	\$ -	\$ -
Depreciation and amortization	135	47	5
Assets	\$3,154	\$ 663	\$381
Current liabilities (excluding debt)	289	114	102
Net operating investment	\$2,865	\$ 549	\$279
Unincorporated joint ventures and associated companies	\$1,177	\$ -	\$ -
Capital investments	105	41	9

</TABLE>

57

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<TABLE>

<CAPTION>

1997	Transportation	Restructuring	Other
<S>	<C>	<C>	<C>
Customer aluminum shipments	66	737	39
Intersegment aluminum shipments	-	10	-
Total aluminum shipments	66	747	39

Revenues:			
Aluminum	\$353	\$2,610	\$126
Nonaluminum	-	72	28
Intersegment revenues - aluminum	-	33	-
Total revenues	\$353	\$2,715	\$154

Segment operating income	\$ 10	\$ 102	\$ 5
Inventory accounting adjustments			
Corporate amounts			
Operational restructuring effects - net			
Corporate operating income			

Interest expense
Taxes on income
Extraordinary loss
Cumulative effect of accounting change

Net income
=====

Pre-tax equity income (loss) included

in revenues	\$ 1	\$ -	\$ (4)
Depreciation and amortization	26	143	4
Assets	\$331	\$1,921	\$442
Current liabilities (excluding debt)	46	212	17

Net operating investment	\$285	\$1,709	\$425
=====			
Unincorporated joint ventures and associated companies	\$ 8	\$ -	\$196
Capital investments	40	33	30
=====			

</TABLE>

<TABLE>

<CAPTION>

1997	Total Segments	Reconciling Items	Consolidated
=====			
<S>	<C>	<C>	<C>
Customer aluminum shipments	1,663	-	1,663
Intersegment aluminum shipments	694	(694)	-

Total aluminum shipments	2,357	(694)	1,663
=====			
Revenues:			
Aluminum	\$5,423	\$ -	\$5,423
Nonaluminum	1,435	42	1,477
Intersegment revenues - aluminum	1,220	(1,220)	-

Total revenues	\$8,078	\$(1,178)	\$6,900
=====			
Segment operating income	\$ 611		\$ 611
Inventory accounting adjustments			(12)
Corporate amounts			(131)
Operational restructuring effects - net			(75)

Corporate operating income			393
Interest expense			(153)
Taxes on income			(104)
Extraordinary loss			-
Cumulative effect of accounting change			-

Net income			\$ 136
=====			
Pre-tax equity income (loss) included			
in revenues	\$ (5)	\$ -	\$ (5)
Depreciation and amortization	360	8	368
Assets	\$6,892	\$ 334	\$7,226
Current liabilities (excluding debt)	780	294	1,074

Net operating investment	\$6,112	\$ 40	\$6,152
=====			
Unincorporated joint ventures and associated companies	\$1,381	\$ -	\$1,381
Capital investments	258	14	272
=====			

</TABLE>

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12. COMPANY OPERATIONS - continued

RECONCILING ITEMS

Reconciling items consist of the following:

<TABLE>

<CAPTION>

	1999	1998	1997
<S>	<C>	<C>	<C>
Assets:			
Corporate assets	\$ 830	\$1,106	\$ 917
Construction in progress	492	320	155
Inventory accounting adjustments	(266)	(248)	(547)
Internal receivables included in the assets of the global business units	(91)	(95)	(191)
	\$ 965	\$1,083	\$334
Current liabilities:			
Corporate liabilities	\$ 261	\$ 287	\$398
Payables to unincorporated joint ventures and associated companies	48	75	81
Internal liabilities included in the current liabilities of the global business units	(101)	(87)	(185)
	\$ 208	\$ 275	\$294

</TABLE>

The reconciling amounts for nonaluminum revenues, depreciation and amortization and capital investments relate to corporate activities.

Inventory accounting adjustments include elimination of unrealized profits on sales between global business units and LIFO inventory adjustments. Construction in progress in 1999 includes \$359 million (1998 - \$150 million) related to the expansion of the Worsley Alumina Refinery joint venture in Australia.

Research and development expenditures were \$25 million in 1999 (1998 - \$31 million, 1997 - \$41 million).

<TABLE>

<CAPTION>

GEOGRAPHIC

	Domestic	Canada	Other Foreign	Consolidated
<S>	<C>	<C>	<C>	<C>
1999				
Revenues	\$3,640	\$ 558	\$ 598	\$4,796
Long-lived assets	1,735	1,226	1,281	4,242
1998				
Revenues	\$4,653	\$ 452	\$ 754	\$5,859
Long-lived assets	1,822	1,261	1,086	4,169

=====				
1997				
Revenues	\$5,306	\$ 523	\$1,071	\$6,900
Long-lived assets	2,582	1,321	1,080	4,983
=====				

</TABLE>

The majority of the Other Foreign category is comprised of European operations except that long-lived assets include \$891 million in 1999 (\$673 million in 1998 and \$569 million in 1997) related to the Worsley Alumina Refinery joint venture located in Australia.

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13. CONTINGENT LIABILITIES AND COMMITMENTS

LEGAL

Various suits, claims and actions are pending against the Company. In the opinion of management, after consultation with legal counsel, disposition of these suits, claims and actions, either individually or in the aggregate, are not expected to have a material adverse effect on the Company's competitive or financial position. No assurance can be given, however, that the disposition of one or more of such suits, claims or actions in a particular reporting period will not be material in relation to the reported results for such period.

LEASES

Certain items of property, plant and equipment are leased under long-term operating leases. Lease expense was \$35 million in 1999 (\$36 million in 1998 and \$45 million in 1997). Lease commitments at December 31, 1999 were \$57 million. Leases covering major items contain renewal and/or purchase options that may be exercised.

ENVIRONMENTAL

The Company is involved in various worldwide environmental improvement activities resulting from past operations, including designation as a potentially responsible party (PRP), with others, at various Environmental Protection Agency-designated Superfund sites. The Company has recorded estimated amounts (on an undiscounted basis), which are expected to be sufficient to satisfy anticipated costs of known remediation requirements including such costs relating to sold locations.

An analysis of the accrual for environmental remediation costs follows:

<TABLE>

<CAPTION>

	1999	1998	1997

<S>	<C>	<C>	<C>
Balance at January 1	\$172	\$177	\$203
Accruals	-	7	-
Payments	(10)	(12)	(26)

Balance at December 31	\$162	\$172	\$177
=====			

</TABLE>

The balance of the accrual at December 31, 1999 is expected to be spent over the next 15 to 20 years with the majority to be spent by the year 2005.

Estimated environmental remediation costs are developed after considering, among other things, the following:

- . currently available technological solutions
- . alternative cleanup methods
- . risk-based assessments of the contamination
- . estimated proportionate share of remediation costs (if applicable)

The Company may also use external consultants and consider, when available, estimates by other PRPs and governmental agencies and information regarding the financial viability of other PRPs. Based on information currently available, the Company believes it is unlikely that it will incur substantial additional costs as a result of failure by other PRPs to satisfy their responsibilities for remediation costs.

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13. CONTINGENT LIABILITIES AND COMMITMENTS - continued

Estimated costs for future environmental compliance and remediation are necessarily imprecise because of factors such as:

- . continuing evolution of environmental laws and regulatory requirements
- . availability and application of technology
- . identification of presently unknown remediation requirements
- . cost allocations among PRPs

Furthermore, it is not possible to predict the amount or timing of future costs of environmental remediation that may subsequently be determined. Based on information presently available, such future costs are not expected to have a material adverse effect on the Company's competitive or financial position. However, such costs could be material to results of operations in a future interim or annual reporting period.

14. CANADIAN REYNOLDS METALS COMPANY, LTD. AND REYNOLDS ALUMINUM COMPANY OF CANADA, LTD.

Financial statements for Canadian Reynolds Metals Company, Ltd. and Reynolds Aluminum Company of Canada, Ltd. have been omitted because certain securities registered under the Securities Act of 1933, of which these wholly owned subsidiaries of Reynolds Metals Company (Reynolds) are obligors (thus subjecting them to reporting requirements under Section 13 or 15(d) of the Securities Exchange Act of 1934), are fully and unconditionally guaranteed by Reynolds. Financial information relating to these companies is presented herein in accordance with Staff Accounting Bulletin 53 as an addition to the notes to the consolidated financial statements of Reynolds Metals Company. Summarized financial information is as follows:

<TABLE>

<CAPTION>

Canadian Reynolds Metals Company, Ltd.

	Years ended December 31		
	1999	1998	1997
<S>	<C>	<C>	<C>
Net Sales:			
Customers	\$474	\$356	\$237
Parent company	452	466	680
	926	822	917
Cost of products sold	783	708	733
Net income	\$ 73	\$ 84	\$117

</TABLE>

<TABLE>
<CAPTION>

December 31		
	1999	1998
<S>	<C>	<C>
Current assets	\$ 176	\$ 155
Noncurrent assets	1,184	1,206
Current liabilities	(148)	(100)
Noncurrent liabilities	(345)	(379)

</TABLE>

<TABLE>
<CAPTION>

Reynolds Aluminum Company of Canada, Ltd.

Years ended December 31			
	1999	1998	1997
<S>	<C>	<C>	<C>
Net Sales:			
Customers	\$474	\$447	\$ 519
Parent company	453	455	648
	927	902	1,167
Cost of products sold	784	784	956
Net income	\$ 73	\$ 84	\$ 117

</TABLE>

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14. CANADIAN REYNOLDS METALS COMPANY, LTD. AND REYNOLDS ALUMINUM COMPANY
OF CANADA, LTD. - continued
Reynolds Aluminum Company of Canada, Ltd. - continued

<TABLE>
<CAPTION>

December 31		
	1999	1998
<S>	<C>	<C>
Current assets	\$ 224	\$ 186
Noncurrent assets	1,192	1,228
Current liabilities	(129)	(103)
Noncurrent liabilities	(347)	(389)

</TABLE>

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QUARTERLY RESULTS OF OPERATIONS (UNAUDITED)
(Millions, except per share amounts)

<TABLE>
<CAPTION>

1999

Quarter	1st	2nd	3rd	4th
<S>	<C>	<C>	<C>	<C>
Revenues	\$ 1,068	\$1,161	\$1,209	\$ 1,358
Gross profit<FN1>	86	153	164	223
Net income (loss)	\$ (10)	\$ 35	\$ 36	\$ 63
=====				
Earnings Per Share				
Basic:				
Average shares outstanding	64	64	63	63
Net income (loss)	\$ (0.15)	\$ 0.55	\$ 0.56	\$ 1.00
Diluted:				
Average shares outstanding	64	64	63	64
Net income (loss)	\$ (0.15)	\$ 0.55	\$ 0.56	\$ 0.99
=====				
Net income (loss) includes the effect of the following item:				
Merger-related expenses	\$ -	\$ -	\$ 9	\$ 7

1998				
Quarter	1st	2nd	3rd	4th
Revenues	\$1,532	\$1,579	\$1,368	\$1,380
Gross profit<FN1>	211	238	202	182
Income (loss) before extraordinary loss and cumulative effect of accounting change	58	(123)	262	(45)
Extraordinary loss	-	(3)	(60)	-
Cumulative effect of accounting change	(23)	-	-	-
Net income (loss)	\$ 35	\$ (126)	\$ 202	\$ (45)
=====				
Earnings Per Share				
Basic:				
Average shares outstanding	73	72	69	64
Income (loss) before extraordinary loss and cumulative effect of accounting change	\$ 0.78	\$ (1.70)	\$ 3.80	\$ (0.71)
Extraordinary loss	-	(0.04)	(0.88)	-
Cumulative effect of accounting change	(0.32)	-	-	-
Net income (loss)	\$ 0.46	\$ (1.74)	\$ 2.92	\$ (0.71)
Diluted:				
Average shares outstanding	74	72	69	64
Income (loss) before extraordinary loss and cumulative effect of accounting change	\$ 0.78	\$ (1.70)	\$ 3.80	\$ (0.71)
Extraordinary loss	-	(0.04)	(0.88)	-
Cumulative effect of accounting change	(0.32)	-	-	-

Net income (loss)	\$ 0.46	\$ (1.74)	\$ 2.92	\$ (0.71)
=====				
Net income (loss) includes the effect of the following item:				
Operational restructuring effects - net<FN2>	\$ -	\$ (196)	\$ 201	\$ (95)

<FN>

<FN1>Gross profit equals revenues minus cost of products sold and depreciation and amortization.

<FN2>Operational restructuring effects are shown net of gains on sales of assets.

</TABLE>

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REPORT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

Stockholders and Board of Directors
Reynolds Metals Company

We have audited the accompanying consolidated balance sheets of Reynolds Metals Company as of December 31, 1999 and 1998, and the related consolidated statements of income, changes in stockholders' equity, and cash flows for each of the three years in the period ended December 31, 1999. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Reynolds Metals Company at December 31, 1999 and 1998, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 1999, in conformity with accounting principles generally accepted in the United States.

As discussed in Note 1 to the consolidated financial statements, the Company changed its method of accounting for the costs of start-up activities in 1998.

ERNST & YOUNG LLP

Richmond, Virginia
February 18, 2000

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ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

For information required by this item, see the information under the captions "Item 1. Election of Directors - Nominees" and "Certain Relationships" and "Stock Ownership Information - Section 16(a) Beneficial Ownership Reporting Compliance" in the Registrant's definitive proxy statement for its 2000 Annual Meeting of Stockholders. That information is incorporated in this report by reference.

Information concerning executive officers of the Registrant is shown in Part I - Item 4A of this report.

ITEM 11. EXECUTIVE COMPENSATION

For information required by this item, see the information under the captions "Item 1. Election of Directors - Compensation of Directors" and "Executive Compensation" in the Registrant's definitive proxy statement for its 2000 Annual Meeting of Stockholders. That information (other than that appearing under the captions "Executive Compensation - Report of the Compensation Committee on Executive Compensation" and "Executive Compensation - Performance Graph") is incorporated in this report by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

For information required by this item, see the information under the caption "Stock Ownership Information - Holders of More Than 5%" and "Director and Executive Officer Stock Ownership" in the Registrant's definitive proxy statement for its 2000 Annual Meeting of Stockholders. That information is incorporated in this report by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

For information required by this item, see the information under the captions "Item 1. Election of Directors - Certain Relationships" and "Change in Control and Termination Arrangements" in the Registrant's definitive proxy statement for its 2000 Annual Meeting of Stockholders. That information is incorporated in this report by reference.

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PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

- (a) The consolidated financial statements and exhibits listed below are filed as a part of this report.

(1)	Consolidated Financial Statements:	Page

	Consolidated statement of income - Years ended December 31, 1999, 1998 and 1997.	36
	Consolidated balance sheet - December 31, 1999 and 1998.	37
	Consolidated statement of cash flows - Years ended December 31, 1999, 1998 and 1997.	38
	Consolidated statement of changes in stockholders' equity - Years ended December 31, 1999, 1998 and 1997.	39
	Notes to consolidated financial statements.	40
	Report of Ernst & Young LLP, Independent Auditors.	64
(2)	Financial Statement Schedules	

Schedule II - Valuation and Qualifying Accounts - Years Ended December 31, 1999, 1998 and 1997.	67
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This report omits all other schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission because they are not required, are inapplicable or the required information has otherwise been given.

This report omits individual financial statements of Reynolds Metals Company because the restricted net assets (as defined in Accounting Series Release 302) of all subsidiaries included in the consolidated financial statements filed, in the aggregate, do not exceed 25% of the consolidated net assets shown in the consolidated balance sheet as of December 31, 1999.

This report omits financial statements of all associated companies (20% to 50% owned) because no associated company is individually significant. Summarized financial information of all associated companies has been omitted because the associated companies in the aggregate are not significant.

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SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

<TABLE>

<CAPTION>

Column A	Column B	Column C	Column D	Column E	

		Additions			

Description	Balance at beginning of period	Charged to costs and expenses	Charged to other accounts	Deductions	Balance at end of period

<S>	<C>	<C>	<C>	<C>	<C>
Allowance for doubtful accounts:					
1999	\$14	\$4	\$ -	\$ (8) (B)	\$10
1998	16	7	-	(9) (B)	14
1997	18	5	-	(7) (B)	16

Allowance for deferred income taxes:					
1999	20	-	-	-	20
1998	19	-	1 (A)	-	20
1997	46	-	2 (A)	(30) (C)	19

</TABLE>

(A) Allowance for deferred income taxes is charged to provision for taxes on income.

(B) Deductions consist of the following:

<TABLE>
<CAPTION>

	1999	1998	1997
<S>	<C>	<C>	<C>
Receivable write-offs	\$ (3)	\$ (6)	\$ (5)
Divestitures	(4)	(3)	(1)
Foreign currency translation effect	(1)	-	(1)
	\$ (8)	\$ (9)	\$ (7)

</TABLE>

(C) Deductions were due to divestitures.

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(3) Exhibits

- * EXHIBIT 2 - Agreement and Plan of Merger among Alcoa Inc., RLM Acquisition Corp. and Reynolds Metals Company dated as of August 18, 1999. (File No. 001-01430, Form 8-K dated August 19, 1999, EXHIBIT 99.1)
- EXHIBIT 3.1 - Restated Certificate of Incorporation, as amended.
- * EXHIBIT 3.2 - By-laws, as amended. (File No. 001-01430, 1998 Form 10-K Report, EXHIBIT 3.2)
- EXHIBIT 4.1 - Restated Certificate of Incorporation. See EXHIBIT 3.1.
- * EXHIBIT 4.2 - By-laws. See EXHIBIT 3.2.
- * EXHIBIT 4.3 - Form of Common Stock Certificate. (Registration Statement No. 333-79203 on Form S-8, dated May 24, 1999, EXHIBIT 4.2)
- * EXHIBIT 4.4 - Indenture dated as of April 1, 1989 (the "Indenture") between Reynolds Metals Company and The Bank of New York, as Trustee, relating to Debt Securities. (File No. 001-01430, Form 10-Q Report for the Quarter ended March 31, 1989, EXHIBIT 4(c))
- * EXHIBIT 4.5 - Amendment No. 1 dated as of November 1, 1991 to the Indenture. (File No. 001-01430, 1991 Form 10-K Report, EXHIBIT 4.4)
- * EXHIBIT 4.6 - Amended and Restated Rights Agreement dated as

of March 8, 1999 (the "Rights Agreement") between Reynolds Metals Company and ChaseMellon Shareholder Services, L.L.C. (File No. 001-01430, Form 8-K Report dated March 8, 1999, EXHIBIT 4.1)

- EXHIBIT 4.7 - First Amendment dated August 20, 1999 to the Rights Agreement. (File No. 001-01430, Form 8-A/A (Amendment No. 2 to Registration Statement on Form 8-A, pertaining to Preferred Stock Purchase Rights) dated August 19, 1999, EXHIBIT 1)
- * EXHIBIT 4.8 - Form of Fixed Rate Medium-Term Note. (Registration Statement No. 33-30882 on Form S-3, dated August 31, 1989, EXHIBIT 4.3)
- * EXHIBIT 4.9 - Form of Floating Rate Medium-Term Note. (Registration Statement No. 33-30882 on Form S-3, dated August 31, 1989, EXHIBIT 4.4)
- * EXHIBIT 4.10 - Form of Book-Entry Fixed Rate Medium-Term Note. (File No. 001-01430, 1991 Form 10-K Report, EXHIBIT 4.15)
- * EXHIBIT 4.11 - Form of Book-Entry Floating Rate Medium-Term Note. (File No. 001-01430, 1991 Form 10-K Report, EXHIBIT 4.16)
- * EXHIBIT 4.12 - Form of 9% Debenture due August 15, 2003. (File No. 001-01430, Form 8-K Report dated August 16, 1991, EXHIBIT 4(a))

* Incorporated by reference.

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- * EXHIBIT 4.13 - Articles of Continuance of Societe d'Aluminium Reynolds du Canada, Ltee/Reynolds Aluminum Company of Canada, Ltd. (formerly known as Canadian Reynolds Metals Company, Limited -- Societe Canadienne de Metaux Reynolds, Limitee) ("RACC"), as amended. (File No. 001-01430, 1995 Form 10-K Report, EXHIBIT 4.13)
- * EXHIBIT 4.14 - By-Laws of RACC, as amended. (File No. 001-01430, Form 10-Q Report for the Quarter ended March 31, 1997, EXHIBIT 4.14)
- * EXHIBIT 4.15 - Articles of Incorporation of Societe Canadienne de Metaux Reynolds, Ltee/Canadian Reynolds Metals Company, Ltd. ("CRM"), as amended. (File No. 001-01430, Form 10-Q Report for the Quarter ended September 30, 1997, EXHIBIT 4.15)
- * EXHIBIT 4.16 - By-Laws of CRM, as amended. (File No. 001-01430, Form 10-Q Report for the Quarter ended September 30, 1997, EXHIBIT 4.16)
- * EXHIBIT 4.17 - Indenture dated as of April 1, 1993 among RACC, Reynolds Metals Company and The Bank of New York, as Trustee. (File No. 001-01430, Form 8-K Report dated July 14, 1993, EXHIBIT 4(a))

- * EXHIBIT 4.18 - First Supplemental Indenture, dated as of December 18, 1995 among RACC, Reynolds Metals Company, CRM and The Bank of New York, as Trustee. (File No. 001-01430, 1995 Form 10-K Report, EXHIBIT 4.18)
- * EXHIBIT 4.19 - Form of 6-5/8% Guaranteed Amortizing Note due July 15, 2002. (File No. 001-01430, Form 8-K Report dated July 14, 1993, EXHIBIT 4(d))
- EXHIBIT 9 - None.
- =* EXHIBIT 10.1 - Reynolds Metals Company 1987 Nonqualified Stock Option Plan. (Registration Statement No. 33-13822 on Form S-8, dated April 28, 1987, EXHIBIT 28.1)
- =* EXHIBIT 10.2 - Reynolds Metals Company 1992 Nonqualified Stock Option Plan. (Registration Statement No. 33-44400 on Form S-8, dated December 9, 1991, EXHIBIT 28.1)
- =* EXHIBIT 10.3 - Amendment and Restatement of Reynolds Metals Company Performance Incentive Plan, as adopted and executed May 21, 1999. (File No. 001-01430, Form 10-Q Report for the Quarter ended June 30, 1999, EXHIBIT 10.3)
- =* EXHIBIT 10.4 - Amendment and Restatement of Supplemental Death Benefit Plan for Officers, as adopted and executed April 26, 1999. (File No. 001-01430, Form 10-Q Report for the Quarter ended June 30, 1999, EXHIBIT 10.5)

* Incorporated by reference.

= Management contract or compensatory plan or arrangement required to be filed as an exhibit pursuant to Item 601 of Regulation S-K.

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- =* EXHIBIT 10.5 - Financial Counseling Assistance Plan for Officers. (File No. 001-01430, 1987 Form 10-K Report, EXHIBIT 10.11)
- =* EXHIBIT 10.6 - Management Incentive Deferral Plan. (File No. 001-01430, 1987 Form 10-K Report, EXHIBIT 10.12)
- =* EXHIBIT 10.7 - Amendment and Restatement of Deferred Compensation Plan for Outside Directors, as adopted and executed April 28, 1999. (File No. 001-01430, Form 10-Q Report for the Quarter ended June 30, 1999, EXHIBIT 10.8)
- =* EXHIBIT 10.8 - Form of Indemnification Agreement for Directors and Officers. (File No. 001-01430, 1998 Form 10-K Report, EXHIBIT 10.9)
- =* EXHIBIT 10.9 - Form of Executive Severance Agreement, as amended, between Reynolds Metals Company and key executive personnel, including each of the individuals listed in Item 4A of this report. (File No. 001-01430, Form 10-Q Report for the Quarter ended September 30, 1999, EXHIBIT 10.9)
- =* EXHIBIT 10.10 - Amendment to Reynolds Metals Company 1987 Nonqualified Stock Option Plan effective May 20,

1988. (File No. 001-01430, Form 10-Q Report for the Quarter ended June 30, 1988, EXHIBIT 19(a))

- =* EXHIBIT 10.11 - Amendment to Reynolds Metals Company 1987 Nonqualified Stock Option Plan effective October 21, 1988. (File No. 001-01430, Form 10-Q Report for the Quarter ended September 30, 1988, EXHIBIT 19(a))
- =* EXHIBIT 10.12 - Amendment to Reynolds Metals Company 1987 Nonqualified Stock Option Plan effective January 1, 1987. (File No. 001-01430, 1988 Form 10-K Report, EXHIBIT 10.22)
- =* EXHIBIT 10.13 - Form of Stock Option and Stock Appreciation Right Agreement, as approved February 16, 1990 by the Compensation Committee of the Company's Board of Directors. (File No. 001-01430, 1989 Form 10-K Report, EXHIBIT 10.24)
- =* EXHIBIT 10.14 - Amendment to Reynolds Metals Company 1987 Nonqualified Stock Option Plan effective January 18, 1991. (File No. 001-01430, 1990 Form 10-K Report, EXHIBIT 10.26)
- =* EXHIBIT 10.15 - Form of Stock Option Agreement, as approved April 22, 1992 by the Compensation Committee of the Company's Board of Directors. (File No. 001-01430, Form 10-Q Report for the Quarter ended March 31, 1992, EXHIBIT 28(a))
- =* EXHIBIT 10.16 - Amendment and Restatement of Reynolds Metals Company Restricted Stock Plan for Outside Directors, as adopted and executed April 28, 1999 (File No. 001-01430, Form 10-Q Report for the Quarter ended June 30, 1999, EXHIBIT 10.17)

* Incorporated by reference.

= Management contract or compensatory plan or arrangement required to be filed as an exhibit pursuant to Item 601 of Regulation S-K.

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- =* EXHIBIT 10.17 - Amendment and Restatement of Reynolds Metals Company New Management Incentive Deferral Plan, as adopted and executed April 28, 1999 (File No. 001-01430, Form 10-Q Report for the Quarter ended June 30, 1999, EXHIBIT 10.18)
- =* EXHIBIT 10.18 - Amendment and Restatement of Reynolds Metals Company Salary Deferral Plan for Executives, as adopted and executed April 28, 1999. (File No. 001-01430, Form 10-Q Report for the Quarter ended June 30, 1999, EXHIBIT 10.19)
- =* EXHIBIT 10.19 - Amendment and Restatement of Reynolds Metals Company Supplemental Long-Term Disability Plan for Executives, as adopted and executed April 26, 1999. (File No. 001-01430, Form 10-Q Report for the Quarter ended June 30, 1999, EXHIBIT 10.20)
- =* EXHIBIT 10.20 - Amendment to Reynolds Metals Company 1987 Nonqualified Stock Option Plan effective

August 19, 1994. (File No. 001-01430, Form 10-Q Report for the Quarter ended September 30, 1994, EXHIBIT 10.34)

- =* EXHIBIT 10.21 - Amendment to Reynolds Metals Company 1992 Nonqualified Stock Option Plan effective August 19, 1994. (File No. 001-01430, Form 10-Q Report for the Quarter ended September 30, 1994, EXHIBIT 10.35)
- =* EXHIBIT 10.22 - Form of Split Dollar Life Insurance Agreement (Trustee Owner, Trustee Pays Premiums). (File No. 001-01430, Form 10-Q Report for the Quarter ended June 30, 1995, EXHIBIT 10.34)
- =* EXHIBIT 10.23 - Form of Split Dollar Life Insurance Agreement (Trustee Owner, Employee Pays Premium). (File No. 001-01430, Form 10-Q Report for the Quarter ended June 30, 1995, EXHIBIT 10.35)
- =* EXHIBIT 10.24 - Form of Split Dollar Life Insurance Agreement (Employee Owner, Employee Pays Premium). (File No. 001-01430, Form 10-Q Report for the Quarter ended June 30, 1995, EXHIBIT 10.36)
- =* EXHIBIT 10.25 - Form of Split Dollar Life Insurance Agreement (Third Party Owner, Third Party Pays Premiums). (File No. 001-01430, Form 10-Q Report for the Quarter ended June 30, 1995, EXHIBIT 10.37)
- =* EXHIBIT 10.26 - Form of Split Dollar Life Insurance Agreement (Third Party Owner, Employee Pays Premiums). (File No. 001-01430, Form 10-Q Report for the Quarter ended June 30, 1995, EXHIBIT 10.38)
- =* EXHIBIT 10.27 - Amendment and Restatement of Reynolds Metals Company 1996 Nonqualified Stock Option Plan, as adopted and executed April 15, 1999. (File No. 001-01430, Form 10-Q Report for the Quarter ended June 30, 1999, EXHIBIT 10.28)
- =* EXHIBIT 10.28 - Amendment to Reynolds Metals Company 1992 Nonqualified Stock Option Plan effective January 1, 1993. (Registration Statement No. 333-03947 on Form S-8, dated May 17, 1996, EXHIBIT 99)

- - - - -
* Incorporated by reference.

= Management contract or compensatory plan or arrangement required to be filed as an exhibit pursuant to Item 601 of Regulation S-K.

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- =* EXHIBIT 10.29 - Form of Stock Option Agreement, as approved May 17, 1996 by the Compensation Committee of the Company's Board of Directors. (File No. 001-01430, Form 10-Q Report for the Quarter ended June 30, 1996, EXHIBIT 10.41)
- =* EXHIBIT 10.30 - Form of Three Party Stock Option Agreement, as approved May 17, 1996 by the Compensation Committee

of the Company's Board of Directors. (File No. 001-01430, Form 10-Q Report for the Quarter ended June 30, 1996, EXHIBIT 10.42)

- =* EXHIBIT 10.31 - Reynolds Metals Company Supplemental Incentive Plan. (File No. 001-01430, 1996 Form 10-K Report, EXHIBIT 10.40)
- =* EXHIBIT 10.32 - Amendment and Restatement of Reynolds Metals Company Stock Plan for Outside Directors, as adopted and executed April 28, 1999. (File No. 001-01430, Form 10-Q Report for the Quarter ended June 30, 1999, EXHIBIT 10.34)
- =* EXHIBIT 10.33 - Amendment and Restatement of Reynolds Metals Company Long-Term Performance Share Plan, as adopted and executed April 26, 1999. (File No. 001-01430, Form 10-Q Report for the Quarter ended June 30, 1999, EXHIBIT 10.37)
- * EXHIBIT 10.34 - Asset Purchase Agreement by and among Ball Corporation, Ball Metal Beverage Container Corp. and Reynolds Metals Company dated as of April 22, 1998. (File No. 001-01430, Form 10-Q Report for the Quarter ended June 30, 1998, EXHIBIT 2)
- =* EXHIBIT 10.35 - Reynolds Metals Company 1999 Nonqualified Stock Option Plan (Registration Statement No. 333-79203 on Form S-8, dated May 24, 1999, EXHIBIT 4.5)
- =* EXHIBIT 10.36 - Form of Stock Option Agreement, as approved May 21, 1999 by the Compensation Committee of the Company's Board of Directors. (File No. 001-01430, Form 10-Q Report for the Quarter ended June 30, 1999, EXHIBIT 10.40)
- =* EXHIBIT 10.37 - Form of Three Party Stock Option Agreement, as approved May 21, 1999 by the Compensation Committee of the Company's Board of Directors. (File No. 001-01430, Form 10-Q Report for the Quarter ended June 30, 1999, EXHIBIT 10.41)
- EXHIBIT 11 - Omitted; see Item 8 for computation of earnings per share
- EXHIBIT 12 - Not applicable
- EXHIBIT 13 - Not applicable
- EXHIBIT 16 - Not applicable

- -----
* Incorporated by reference.

= Management contract or compensatory plan or arrangement required to be filed as an exhibit pursuant to Item 601 of Regulation S-K.

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EXHIBIT 18 - None

EXHIBIT 21 - List of Subsidiaries of Reynolds Metals Company

- EXHIBIT 22 - None
- EXHIBIT 23 - Consent of Independent Auditors
- EXHIBIT 24 - Powers of Attorney
- EXHIBIT 27 - Financial Data Schedule
- * EXHIBIT 99 - Description of Reynolds Metals Company Capital Stock. (File No. 001-01430, Form 10-Q Report for the Quarter ended March 31, 1999, EXHIBIT 99)

* Incorporated by reference.

Pursuant to Item 601 of Regulation S-K, certain instruments with respect to long-term debt of the Company are omitted because such debt does not exceed 10 percent of the total assets of the Company and its subsidiaries on a consolidated basis. The Company agrees to furnish a copy of any such instrument to the Commission upon request.

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(b) Reports on Form 8-K

During the fourth quarter of 1999, the Registrant filed with the Commission a Current Report on Form 8-K dated October 20, 1999 reporting under Item 5 that it was filing with the report an unaudited pro forma statement of income for the year ended December 31, 1998 relating to the Registrant's sale of its North American aluminum beverage can operations.

During the first quarter of 2000 (through the date hereof), the Registrant has filed three Current Reports on Form 8-K with the Commission, all of which reported matters under Item 5:

- . a Form 8-K dated January 18, 2000, containing unaudited, pro forma condensed consolidated financial statements relating to the proposed merger of the Registrant with Alcoa Inc.
- . a Form 8-K dated January 19, 2000, containing information regarding the Registrant's 1999 Fourth Quarter and Year-End Results.
- . a Form 8-K dated February 14, 2000, containing copies of press releases issued on February 11, 2000 by the Registrant and Alcoa Inc. concerning their proposed merger.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

REYNOLDS METALS COMPANY

By JEREMIAH J. SHEEHAN

Jeremiah J. Sheehan, Chairman of
the Board and Chief Executive
Officer

Date March 3, 2000

Pursuant to the requirements of the Securities Exchange Act of 1934,
this report has been signed below by the following persons on behalf of the
Registrant and in the capacities and on the dates indicated.

By WILLIAM E. LEAHEY, JR.

William E. Leahey, Jr.
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

Date March 3, 2000

By JEREMIAH J. SHEEHAN

Jeremiah J. Sheehan, Director
Chairman of the Board and
Chief Executive Officer
(Principal Executive Officer)

Date March 3, 2000

By * Patricia C. Barron

Patricia C. Barron, Director

Date March 3, 2000

By * John R. Hall

John R. Hall, Director

Date March 3, 2000

By * Robert L. Hintz

Robert L. Hintz, Director

Date March 3, 2000

By * William H. Joyce

William H. Joyce, Director

Date March 3, 2000

By * Mylle Bell Mangum

Mylle Bell Mangum, Director

Date March 3, 2000

By * D. Larry Moore

D. Larry Moore, Director

Date March 3, 2000

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By RANDOLPH N. REYNOLDS

Randolph N. Reynolds, Director

By

James M. Ringler, Director

Date March 3, 2000

Date

By * Samuel C. Scott, III

Samuel C. Scott, III, Director

By * Joe B. Wyatt

Joe B. Wyatt, Director

Date March 3, 2000

Date March 3, 2000

By ALLEN M. EAREHART

Allen M. Earehart,
Senior Vice President and Controller
(Principal Accounting Officer)

Date March 3, 2000

*By D. MICHAEL JONES

D. Michael Jones, Attorney-in-Fact

Date March 3, 2000

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EXHIBIT 3.1

RESTATED
CERTIFICATE OF INCORPORATION
of
REYNOLDS METALS COMPANY

INTRODUCTION

This Restated Certificate of Incorporation has been duly adopted by the Board of Directors of Reynolds Metals Company in accordance with Section 245 of the General Corporation Law of the State of Delaware. It only restates and integrates, and does not further amend, the provisions of the corporation's Certificate of Incorporation as heretofore amended or supplemented, and there is no discrepancy between those provisions and this Restated Certificate of Incorporation. The corporation's original Certificate of Incorporation was filed with the Delaware Secretary of State on July 18, 1928.

ARTICLE I

The name of the corporation is

REYNOLDS METALS COMPANY

ARTICLE II

Its registered office in the State of Delaware is located at 1013 Centre Road, in the City of Wilmington, County of New Castle, Delaware. The name and address of its registered agent is CORPORATION SERVICE COMPANY, a corporation of the State of Delaware, located at 1013 Centre Road, Wilmington, New Castle County, Delaware.

ARTICLE III

The nature of the business and the objects and purposes proposed to be transacted, promoted or carried on are:

1. To manufacture, purchase, or otherwise acquire, hold, own, mortgage, pledge, sell, lease, assign and transfer, or otherwise dispose of, to invest, trade, deal in and deal with, goods, wares and merchandise and real and personal property of every class and description.

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2. To erect, or cause to be erected, on any lands owned, held, and occupied by the corporation, buildings or other structures with their appurtenances and to rebuild, enlarge, alter, or improve any buildings or other structures now, or hereafter erected, on any lands so owned, held, or occupied.

3. To enter into, make and perform contracts of every kind for any lawful purpose with any person, firm, association or corporation, municipality, body politic, country, territory, State, government or colony or dependency thereof.

4. To acquire the goodwill, rights and property and the whole or any part of the assets, tangible or intangible, and to undertake or in any way assume the liabilities of any person, firm, association or corporation; to pay for the said goodwill, rights, property, and assets in cash, the stock of this company, bonds or otherwise, or by undertaking the whole or any part of the liabilities of the transferor; to hold or in any manner to dispose of the whole or any part of the property so purchased; to conduct in any lawful manner the whole or any part of any business so acquired, and to exercise all the powers necessary or convenient in and about the conduct and management of such business.

5. To apply for, purchase, register or in any manner to acquire, and to hold, own, use, operate and introduce, and to sell, lease, assign, pledge, or in any manner dispose of, and in any manner deal with patents, patent rights, licenses, copyrights, trademarks, trade names, and to acquire, own, use or in any manner dispose of any and all inventions, improvements and processes, labels, designs, brands, or other rights, and to work, operate, or develop the same, and to carry on any business, manufacturing or otherwise, which may directly or indirectly effectuate these objects or any of them.

6. To guarantee, purchase, receive, hold, own, sell, assign, transfer, mortgage, pledge or otherwise dispose of shares of capital stock, bonds, mortgages, debentures, notes or other securities, obligations, contracts or evidences of indebtedness of any corporation, company or association (organized under the laws of this State or any other State, country, nation or government) or of any state, country, nation, municipality, government or a body politic; to receive, collect and dispose of interest, dividends and income upon, of and from any of the bonds, mortgages, debentures, notes, shares of capital stock, securities, obligations, contracts, evidences of indebtedness and other property held or owned by it and to exercise in respect of all such bonds, mortgages, debentures, notes, shares of capital stock, securities, obligations, contracts, evidences of indebtedness and other property any and all rights, powers and privileges of individual ownership thereof, including the right to vote thereon.

7. Without limit as to amount to draw, make, accept, endorse, discount, execute and issue promissory notes, drafts, bills of exchange, warrants, bonds, debentures, and other negotiable or

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transferable instruments and evidences of indebtedness whether secured by mortgage or otherwise, as well as to secure the same by mortgage or otherwise, so far as may be permitted by the laws of the State of Delaware.

8. To purchase, in so far as the same may be done without impairing the capital of the corporation, and to hold, pledge and reissue shares of its own capital stock; but such stock, so acquired and held, shall not be entitled to vote nor to receive dividends.

9. To have one or more offices, conduct its business and promote its objects within and without the State of Delaware, in other States, the District of Columbia, the territories, colonies and dependencies of the United States, and in foreign countries, without restriction as to place or amount, but subject to the laws of such State, District, territory, colony, dependency or country.

10. To do any or all of the things herein set forth to the same extent as natural persons might or could do and in any part of the world, as principals, agents, contractors, trustees, or otherwise, and either alone or in company with others.

11. In general to carry on any other business in connection therewith, whether manufacturing or otherwise, not forbidden by the laws of the State of Delaware, and with all the powers conferred upon corporations by the laws of the State of Delaware.

But if this corporation shall undertake to do any of the things hereinabove set forth in any State other than Delaware, in the District of Columbia, in any territory, colony, or dependency of the United States, or in any foreign country or in any colony or dependency thereof, then as to such jurisdictions and each of them this corporation shall be deemed to

have such powers in so far only as such jurisdictions respectively permit corporations within their several respective jurisdictions to be organized for or to execute such powers.

It is the intention that each of the objects, purposes and powers specified in each of the paragraphs of this third article of this Certificate of Incorporation shall, except where otherwise specified, be nowise limited or restricted by reference to or inference from the terms of any other paragraph or of any other article in this Certificate of Incorporation, but that the objects, purposes and powers specified in this article and in each of the articles or paragraphs of this Certificate shall be regarded as independent objects, purposes and powers, and the enumeration of specific purposes and powers shall not be construed to restrict in any manner the general terms and powers of this corporation, nor shall the expression of one thing be deemed to exclude another, although it be of like nature.

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ARTICLE IV

The total number of shares of stock of all classes that may be issued by the Corporation is Two Hundred Twenty-one Million (221,000,000) shares, of which Twenty Million (20,000,000) shares shall be preferred stock without par value and shall be designated "Preferred Stock", One Million (1,000,000) shares shall be second preferred stock of the par value of One Hundred Dollars (\$100.00) each and shall be designated "Second Preferred Stock" and Two Hundred Million (200,000,000) shares shall be common stock without par value and shall be designated "Common Stock".

I. PREFERRED STOCK

1. The Preferred Stock may be issued in one or more series, from time to time, with each such series to have such designation, powers, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, as shall be stated and expressed in the resolution or resolutions providing for the issue of such series adopted by the Board of Directors of the Corporation (referred to herein as the "Issuing Resolution" for such series), subject to the limitations prescribed by law and in accordance with the provisions hereof, the Board of Directors being hereby expressly vested with authority to adopt any such resolution or resolutions.

2. The authority of the Board of Directors with respect to each series of the Preferred Stock shall include, but not be limited to, the determination or fixing of the following:

(a) The distinctive designation and number of shares comprising such series, which number may (except where otherwise provided by the Board of Directors in creating such series) be increased or decreased (but not below the number of shares then outstanding) from time to time by like action of the Board of Directors;

(b) The dividend rate of such series, the conditions upon which and times at which such dividends shall be payable, the relation which such dividends shall bear to the dividends payable on any other series of the Preferred Stock, and whether such dividends shall be cumulative or noncumulative;

(c) The conditions, if any, upon which the shares of such series shall be subject to redemption by the Corporation and the times, prices and other terms and provisions upon which the shares of the series may be redeemed;

(d) Whether or not the shares of the series shall be subject to

the operation of a retirement or sinking fund to be applied to the purchase or redemption of such shares and, if such retirement or sinking fund be established, the annual

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amount thereof and the terms and provisions governing the operation of such retirement or sinking fund;

(e) Whether or not the shares of the series shall be convertible into or exchangeable for shares of any other class or classes, with or without par value, or of any other series of the same class, and, if provision is made for conversion or exchange, the times, prices, rates, adjustments, and other terms and conditions of such conversion or exchange;

(f) Whether or not the shares of the series shall have voting rights, in addition to the voting rights provided by law, and, if so, the terms of such voting rights;

(g) The rights of the shares of the series in the event of voluntary or involuntary liquidation, dissolution or winding up of the Corporation;

(h) The relative seniority, parity or junior rank of such series with respect to any other series of the Preferred Stock; and

(i) Any other powers, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, of the shares of such series, as the Board of Directors may deem advisable and as shall not be inconsistent with the provisions of this Certificate of Incorporation.

3. No holder of shares of any series of the Preferred Stock shall have any preemptive or preferential right of subscription to any stock of any class of the Corporation, or to any obligations convertible into stock of any class, or to any warrant or option for the purchase of stock of any class, except to the extent granted in the Issuing Resolution creating such series.

4. The Board of Directors of the Corporation shall be empowered to provide in any Issuing Resolution with respect to any series of the Preferred Stock that any of the voting powers, designations, preferences, rights and qualifications, limitations or restrictions of such series may be made dependent upon facts ascertainable outside this Certificate of Incorporation or any amendment hereto, or the Issuing Resolution with respect to such series, so long as the manner in which such facts shall operate upon the voting powers, designations, preferences, rights and qualifications, limitations or restrictions of such series is clearly and expressly set forth in this Certification of Incorporation, as amended, or in the Issuing Resolution for such series.

5. The holders of shares of the Preferred Stock of each series shall be entitled to receive, when and as declared by the Board of Directors, out of funds legally available for the payment

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of dividends, dividends at the rate fixed by the Board of Directors in the Issuing Resolution for such series, and no more, before

(i) any dividends (other than dividends payable in Second Preferred Stock or in Common Stock or in any other class of stock ranking junior to the Preferred Stock both as to dividends and upon liquidation, dissolution or winding up) shall be declared and paid, or set apart for

payment, on, or

(ii) any moneys or other consideration (other than shares of Second Preferred Stock or Common Stock or any other class of stock ranking junior to the Preferred Stock both as to dividends and upon liquidation, dissolution or winding up) is set aside for or applied to the purchase or redemption of,

shares of the Second Preferred Stock or the Common Stock or any other class of stock ranking junior to the Preferred Stock as to dividends or upon liquidation, dissolution or winding up.

6. The holders of shares of the Preferred Stock of each series shall be entitled upon liquidation, dissolution or winding up of the Corporation, whether involuntary or voluntary, to such preferences as are provided in the Issuing Resolution creating such series of the Preferred Stock, and no more, before any distribution of the assets of the Corporation shall be made to or set apart for the holders of shares of the Second Preferred Stock or the Common Stock or any other class of stock ranking junior to the Preferred Stock upon liquidation, dissolution or winding up. For the purposes of this paragraph 6, a consolidation or merger of the Corporation with or into one or more other corporations (whether or not the Corporation is the corporation surviving such consolidation or merger), or a sale, lease or exchange of all or substantially all of the assets of the Corporation, shall not be deemed to be a liquidation, dissolution or winding up, voluntary or involuntary.

SERIES A JUNIOR PARTICIPATING PREFERRED STOCK

Section 1. Designation and Amount. The distinctive designation of the series shall be "Series A Junior Participating Preferred Stock." The shares constituting such series shall be without par value. The number of shares constituting such series shall be 2,000,000, subject to increase or decrease by action of the Board of Directors as evidenced by a certificate of designations.

Section 2. Dividends and Distributions. (A) Subject to the prior rights of the holders of any shares of any series of Preferred Stock ranking prior to the shares of Series A Junior Participating Preferred Stock with respect to dividends, the holders of shares of Series A Junior Participating Preferred Stock shall be entitled to receive, when and as declared by the Board of

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Directors out of funds legally available for the payment of dividends, quarterly dividends payable in cash on the first day of January, April, July and October in each year or such other days on which dividends are declared with respect to the Common Stock (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series A Junior Participating Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (a) \$10 or (b) subject to the provision for adjustment hereinafter set forth, 100 times the aggregate per share amount of all cash dividends, and 100 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions (other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise)), declared on the Common Stock since the immediately preceding Quarterly Dividend Payment Date, or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series A Junior Participating Preferred Stock. If the Corporation shall at any time after November 20, 1987 (the "Rights Declaration Date") (i) declare any dividend payable in shares of Common Stock, (ii) subdivide the outstanding Common

Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount to which holders of shares of Series A Junior Participating Preferred Stock were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) The Corporation shall declare a dividend or distribution on the Series A Junior Participating Preferred Stock as provided in paragraph (A) above immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided that, if no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of \$10 per share on the Series A Junior Participating Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(C) Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Junior Participating Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares, unless (i) such date of issue is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or (ii) such date of issue is either a Quarterly Dividend Payment Date or a date after the record date for the determination of holders of shares of Series A

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Junior Participating Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A Junior Participating Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series A Junior Participating Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be no more than 60 days prior to the date fixed for the payment thereof.

Section 3. Voting Rights. The holders of shares of Series A Junior Participating Preferred Stock shall have the following voting rights:

(A) Subject to the provision for adjustment hereinafter set forth, each share of Series A Junior Participating Preferred Stock shall entitle the holder thereof to 100 votes on all matters submitted to a vote of the stockholders of the Corporation. In the event the Corporation shall at any time after the Rights Declaration Date (i) declare any dividend payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the number of votes per share to which holders of shares of Series A Junior Participating Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) Except as otherwise provided herein or by law, the holders of shares of Series A Junior Participating Preferred Stock and the holders of shares of Common Stock shall vote together as one class on all matters

submitted to a vote of stockholders of the Corporation.

(C) (i) If and whenever at any time or times dividends payable on shares of any Series A Junior Participating Preferred Stock shall have been in arrears and unpaid in an aggregate amount equal to or exceeding the amount of dividends payable thereon for six quarterly dividend periods, then the holders of shares of any Series A Junior Participating Preferred Stock, together with the holders of any other series of Preferred Stock as to which dividends are in arrears and unpaid in an aggregate amount equal to or exceeding the amount of dividends payable thereon for six quarterly dividend periods, shall have the exclusive right, voting separately as a class with such other series, to elect two

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directors of the Corporation, such directors to be in addition to the number of directors constituting the Board of Directors immediately prior to the accrual of such right, the remaining directors to be elected by the other class or classes of stock entitled to vote therefor at each meeting of stockholders held for the purpose of electing directors.

(ii) Such voting right may be exercised initially either at a special meeting of the holders of the Preferred Stock having such voting right, called as hereinafter provided, or at any annual meeting of stockholders held for the purpose of electing directors, and thereafter at each such annual meeting until such time as all cumulative dividends accumulated and payable on the shares of Series A Junior Participating Preferred Stock shall have been paid in full, at which time such voting right shall terminate, subject to revesting on the basis set forth in paragraph (C) (i).

(iii) At any time when such voting right shall have vested in holders of the Preferred Stock, and if such right shall not already have been initially exercised, a proper officer of the Corporation shall, upon the written request of the record holders of 10% in number of shares of Preferred Stock having such voting right then outstanding, addressed to the Secretary of the Corporation, call a special meeting of the holders of Preferred Stock having such voting right and of any other class or classes of stock having voting power with respect to the election of such directors. Such meeting shall be held at the earliest practicable date upon the notice required for annual meetings of stockholders at the place for holding annual meetings of stockholders of the Corporation or, if none, at a place designated by the Board of Directors. If such meeting is not called by the proper officers of the Corporation within 30 days after the personal service of such written request upon the Secretary of the Corporation, or within 30 days after mailing the same within the United States of America, by registered mail, addressed to the Secretary of the Corporation at its principal office (such mailing to be evidenced by the registry receipt issued by the postal authorities), then the record holders of 10% in number of shares of the Preferred Stock then outstanding which would be entitled to vote at such meeting may designate in writing one of their number to call such meeting at the expense of the Corporation, and such meeting may be called by such person so designated upon the notice required for annual meetings of stockholders and shall be held at the same place as is elsewhere provided for in this paragraph (C) (iii) or such other place as is selected by such designated stockholder. Any holder of the Preferred Stock who would be entitled to vote at such meeting shall have access to the stock books of the Corporation for the purpose of causing a meeting of stockholders to be called pursuant to the provisions of this paragraph (C). Notwithstanding the provisions of this paragraph (C), no such special meeting shall be called during a period within 90 days immediately preceding the date fixed for the next annual meeting of stockholders.

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(iv) At any meeting held for the purpose of electing directors at which the holders of the Preferred Stock shall have the right to elect two directors in addition to the number of directors constituting the Board of Directors immediately prior to accrual of such right as provided herein, the presence in person or by proxy of the holders of 40% of the then outstanding shares of Preferred Stock having such right shall be required and shall be sufficient to constitute a quorum of such class of the election of directors by such class. At any such meeting or adjournment thereof (i) the absence of a quorum of the holders of the Preferred Stock having such right shall not prevent the election of directors other than those to be elected by the holders of the Preferred Stock, and the absence of a quorum or quorums of the holders of capital stock entitled to elect such other directors shall not prevent the election of directors to be elected by the holders of the Preferred Stock entitled to elect such directors and (ii) except as otherwise required by law, in the absence of a quorum of the holders of any class of stock entitled to vote for the election of directors, a majority of the holders present in person or by proxy of such class shall have the power to adjourn the meeting for the election of directors which the holders of such class are entitled to elect, from time to time, without notice other than announcement at the meeting, until a quorum is present.

(v) Any vacancy in the Board of Directors in respect of a director elected by holders of Preferred Stock pursuant to the voting right created under this paragraph (C) shall be filled by vote of the remaining director so elected, or if there be no such remaining director, by the holders of Preferred Stock entitled to elect such director or directors at a special meeting called in accordance with the procedures set forth in paragraph (C) (iii), or, if no such special meeting is called, at the next annual meeting of stockholders. Upon any termination of such voting right, subject to the requirements of the General Corporation Law of Delaware, the term of office of all directors elected by holders of Preferred Stock voting separately as a class shall terminate.

(D) Except as set forth herein, or as required by law, holders of Series A Junior Participating Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

Section 4. Certain Restrictions. (A) Whenever quarterly dividends or other dividends or distributions payable on the Series A Junior Participating Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series A Junior Participating Preferred Stock outstanding shall have been paid in full, the Corporation shall not:

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(i) declare or pay dividends on or make any other distributions on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Junior Participating Preferred Stock, except dividends paid ratably on the Series A Junior Participating Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(ii) purchase or otherwise acquire for consideration any shares of Series A Junior Participating Preferred Stock, or any shares of stock ranking on a parity with the Series A Junior Participating Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and

preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(B) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under Article IV, Section I of its Certificate of Incorporation or paragraph (A) of this Section 4, purchase or otherwise acquire such shares at such time and in such manner.

Section 5. Reacquired Shares. Any shares of Series A Junior Participating Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock to be created by resolution or resolutions of the Board of Directors, subject to the conditions and restrictions on issuance set forth herein.

Section 6. Liquidation, Dissolution or Winding Up. (A) Upon any liquidation (voluntary or otherwise), dissolution or winding up of the Corporation, no distribution shall be made to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Junior Participating Preferred Stock unless, prior thereto, the holders of shares of Series A Junior Participating Preferred Stock shall have received \$100 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment (the "Series A Liquidation Preference"). Following the payment of the full amount of the Series A Liquidation Preference, no additional distributions shall be made to the holders of shares of Series A Junior Participating Preferred Stock unless, prior thereto, the holders of shares of Common Stock shall have received an amount per share (the "Common Adjustment") equal to

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the quotient obtained by dividing (i) the Series A Liquidation Preference by (ii) 100 (as appropriately adjusted as set forth in paragraph C below to reflect such events as stock splits, stock dividends and recapitalizations with respect to the Common Stock) (such number in clause (ii), the "Adjustment Number"). Following the payment of the full amount of the Series A Liquidation Preference and the Common Adjustment in respect of all outstanding shares of Series A Junior Participating Preferred Stock and Common Stock, respectively, holders of Series A Junior Participating Preferred Stock and holders of shares of Common Stock shall receive their ratable and proportionate share of the remaining assets to be distributed in the ratio of the Adjustment Number to 1 with respect to such Preferred Stock and Common Stock, on a per share basis, respectively.

(B) (i) If there are not sufficient assets available to permit payment in full of the Series A Liquidation Preference and the liquidation preferences of all other series of preferred stock, if any, which rank on a parity with the Series A Junior Participating Preferred Stock, then such assets as are available shall be distributed ratably to the holders of such parity shares in proportion to their respective liquidation preferences. (ii) If there are not sufficient assets available to permit payment in full of the Common Adjustment, then such assets as are available shall be distributed ratably to the holders of Common Stock.

(C) If the Corporation shall at any time after November 20, 1987 (i) declare any dividend payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the Adjustment Number in effect immediately prior to such event shall be adjusted by

multiplying such Adjustment Number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 7. Consolidation, Merge . etc. In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case the shares of Series A Junior Participating Preferred Stock shall at the same time be similarly exchanged or changed in an amount per share (subject to the provision for adjustment hereinafter set forth) equal to 100 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. If the Corporation shall at any time after the Rights Declaration Date (i) declare any dividend payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount set

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forth in the preceding sentence with respect to the exchange or change of shares of Series A Junior Participating Preferred Stock shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 8. No Redemption. The shares of Series A Junior Participating Preferred Stock shall not be redeemable.

Section 9. Ranking. The Series A Junior Participating Preferred Stock shall rank junior to all other series of the Corporation's Preferred Stock as to the payment of dividends and the distribution of assets, unless the Issuing Resolution with respect to any such series shall provide otherwise.

Section 10. Fractional Shares. Series A Junior Participating Preferred Stock may be issued in fractions of a share which shall entitle the holder, in proportion to such holder's fractional shares, to exercise voting rights, receive dividends, participate in distributions and to have the benefit of all other rights of holders of Series A Junior Participating Preferred Stock.

II. SECOND PREFERRED STOCK

1. The Second Preferred Stock may be issued, from time to time, in one or more series, in any manner now or hereafter permitted by law.

2. The shares of each series shall have the designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, which are stated and expressed in this section II, and those which are stated and expressed in the resolution or resolutions providing for the issue of such series, adopted by the Board of Directors under the authority granted to the Board of Directors by the provisions of paragraph 3 of this section II.

3. Authority is hereby expressly granted to and vested in the Board of Directors of the Corporation to provide for the issue of the Second Preferred Stock in one or more series, and with respect to each such series to fix, by resolution or resolutions, the following:

(a) The maximum number of shares to constitute the series and

the distinctive designation of the shares;

(b) The annual dividend rate on the shares of the series and the date or dates from which dividends shall accumulate;

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(c) The amount which the holders of shares of the series shall be entitled to receive upon the voluntary liquidation, dissolution or winding up of the Corporation, which shall not be less than the par value plus an amount equal to all accumulated and unpaid dividends to the date of final distribution to such holders;

(d) Whether or not the shares of the series shall be subject to redemption at the option of the Corporation and if so, the price which holders of shares so redeemed shall be entitled to receive, which price may vary at different redemption dates but shall in no event be less than the par value per share plus an amount equal to all accumulated and unpaid dividends to the date of redemption, and if such price varies, the period during which each such variation in price shall be applicable;

(e) Whether or not the shares of the series shall be subject to redemption through the operation of a sinking fund and, if so, the terms and provisions of such sinking fund and the extent to which and the manner in which such fund shall be applied to the purchase, redemption or other acquisition of shares of the series and the redemption price for shares redeemed through the sinking fund, which price may vary at different redemption dates but shall in no event be less than the par value per share plus an amount equal to all accumulated and unpaid dividends to the date of redemption, and if such price varies, the period during which each such variation in price shall be applicable;

(f) Whether or not there shall be a purchase fund to acquire shares of the series and, if so, the terms and provisions of the purchase fund and the extent to which and the manner in which such purchase fund shall be applied to the acquisition of shares of the series;

(g) The limitations and restrictions, if any, in addition to, but not in derogation of, the limitations and restrictions set forth in paragraph 5 of this section II, which are to be effective while any shares of the series are outstanding, upon payment of dividends on, or making of other distributions on, and upon the purchase, redemption or other acquisition by the Corporation or any subsidiary of, shares of Common Stock or any other class of stock ranking junior to the Second Preferred Stock as to dividends or upon liquidation;

(h) The conditions or restrictions, if any, which are to be effective while any shares of the series are outstanding, upon the creation of indebtedness of the Corporation or upon the issuance of shares of stock of the Corporation;

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(i) Any voting rights of the shares of the series, other than the voting rights for the election of Directors provided by paragraph 13 of this section II, in addition to and not inconsistent with those granted by this Article IV to the holders of the Second Preferred Stock;

(j) The right, if any, to exchange or convert the shares of the series into shares of any other series of the Second Preferred Stock or into shares of any other class of stock of the Corporation and the rate or basis, time, manner and conditions of exchange or conversion

or the method by which the same shall be determined;

(k) Any other designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, of the series, which are now or hereafter permitted by the laws of Delaware, and which are not inconsistent with the provisions of paragraphs 4 to 17, inclusive, of this section II.

The resolution or resolutions providing for the issue of shares of any series are herein referred to as the "Issuing Resolution" for that series.

4. All series of the Second Preferred Stock shall be senior to the Common Stock and each series of the Second Preferred Stock shall rank equally with every other series. Each share of any one series shall be identical with every other share of that series except as to the date or dates from which dividends shall accumulate.

5. Subject to the provisions of paragraph 5 of section I of this Article IV and to any limitation or restriction contained in the Issuing Resolution for any series of Preferred Stock, the holders of shares of each series of the Second Preferred Stock shall be entitled to receive cash dividends, when and as declared by the Board of Directors out of any funds legally available therefor, at the annual rate fixed in the Issuing Resolution for that particular series and no more. Such dividends on each series of the Second Preferred Stock shall be payable quarterly on the first day of February, May, August and November in each year to holders of record on a date, not more than fifty (50) days before each such dividend payment date, to be determined by the Board of Directors in advance of the payment of each particular dividend. Dividends on each series of the Second Preferred Stock shall be cumulative and preferential so that in no event shall any dividend or other distribution (other than dividends payable in Common Stock or in any other class of stock ranking junior to the Second Preferred Stock as to

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dividends and upon liquidation) be declared or paid upon or set apart for the Common Stock or any other class of stock ranking junior to the Second Preferred Stock as to dividends or upon liquidation nor shall any moneys or other consideration (other than shares of Common Stock or any other class of stock ranking junior to the Second Preferred Stock as to dividends and upon liquidation) be set aside for or applied to the purchase or redemption of shares of Common Stock or any other class of stock ranking junior to the Second Preferred Stock as to dividends or upon liquidation, unless all dividends on each then outstanding series of the Second Preferred Stock for all past quarter-yearly dividend periods shall have been paid, or declared and a sum sufficient for the payment thereof set apart, and the full dividend thereon for the then quarterly dividend period shall have been or concurrently shall be paid or declared. With respect to each series of the Second Preferred Stock, such dividends shall accumulate from the date or dates fixed in the Issuing Resolution for such series which date or dates shall in no instance be more than ninety days before or after the date of the issuance of those shares for which the date is being set. No dividends shall be declared on any series of the Second Preferred Stock in respect of any dividend period unless the same proportion of the annual dividend rate respectively applicable to the shares of every series of the Second Preferred Stock at the time outstanding shall likewise be declared as a dividend in respect of such dividend period.

The term "accumulated and unpaid dividends" means, in respect of each share of the Second Preferred Stock of any series, that amount which shall be equal to simple interest upon the par value of such share at the dividend rate for such series from the date from which dividends on such

share commenced to accumulate to the date as of which the computation is to be made, less the aggregate amount (without interest thereon) of all dividends theretofore paid or declared and set aside for payment in respect thereof.

5. (a) In the event of any involuntary liquidation, dissolution or winding up of the Corporation, the holders of the shares of every series of the Second Preferred Stock shall, subject to the provisions of paragraph 6 of section I of this Article IV, be entitled to receive payment at the rate of \$100 per share, plus an amount equal to all accumulated and unpaid dividends to the date of final distribution to such holders, and no more, before any payment or distribution of the assets of the Corporation shall be made to or set apart for the holders of the Common Stock or any other class of stock ranking junior to the Second Preferred Stock upon liquidation.

(b) In the event of any voluntary liquidation, dissolution or winding up of the Corporation, the holders of the shares of each series of the Second Preferred Stock shall, subject to the provisions of paragraph 6 of section I of this Article IV, be entitled to receive the amount set forth for such payment in the Issuing Resolution for that particular series, which amount shall in no case be less than \$100 per share, plus an amount equal to all accumulated and unpaid dividends to the date of final distribution to such holders, and no more, before any payment or distribution of the assets of the Corporation shall be made to or set apart for the holders of the Common Stock or any other class of

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stock ranking junior to the Second Preferred Stock upon liquidation.

(c) If, upon any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the assets of the Corporation, or proceeds thereof, distributable among the holders of the Second Preferred Stock shall be insufficient to pay in full the preferential amount for every series of the Second Preferred Stock, then such assets or the proceeds thereof shall be distributed among the holders of the shares of all series of the Second Preferred Stock in proportion to the respective amounts to which they would be entitled if all amounts payable thereon were paid in full.

(d) For the purposes of this paragraph 6, a consolidation or merger of the Corporation with or into one or more other corporations (whether or not the Corporation is the corporation surviving such consolidation or merger), or a sale, lease or exchange of all or substantially all of the assets of the Corporation, shall not be deemed to be a liquidation, dissolution or winding up, voluntary or involuntary.

7. (a) If the Issuing Resolution for any series of the Second Preferred Stock provides that the Corporation, at the option of the Board of Directors, may redeem at any time all, or from time to time any part, of the shares of the Second Preferred Stock of such series at the time outstanding or if the Issuing Resolution for any series of the Second Preferred Stock provides for the creation of a sinking fund to redeem outstanding shares of that series of the Second Preferred Stock, the shares of the series to be redeemed at the option of the Board of Directors or to be redeemed through operation of the sinking fund shall be redeemed in the manner set forth in this paragraph 7.

(b) Notice of every such redemption shall be mailed at least 30 days in advance of the date designated for such redemption (herein called the "redemption date") to the holders of record of the shares of the Second Preferred Stock so to be redeemed at their respective addresses as the same shall appear on the books of the Corporation. In order to facilitate the redemption of any shares of the Second Preferred Stock that may be chosen

for redemption as provided in this paragraph 7, the Board of Directors shall be authorized to cause the transfer books of the Corporation to be closed as to such shares as of a date within fifteen (15) days prior to the redemption date. In case of the redemption of a part only of any series of the Second Preferred Stock at the time outstanding, the shares of such series so to be redeemed shall be selected by lot or by such other equitable method as the Board of Directors may determine.

(c) If said notice of redemption shall have been given as aforesaid, and if on or before the redemption date, the funds necessary for such redemption shall have been set aside by the Corporation, separate and apart from its other funds, in trust for

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the pro rata benefit of the holders of the shares so called for redemption, then, from and after the redemption date, notwithstanding that any certificate for shares of the Second Preferred Stock so called for redemption shall not have been surrendered for cancellation, the shares represented thereby shall not be deemed outstanding, and all rights of the holders of the shares of the Second Preferred Stock so called for redemption shall forthwith, from and after the redemption date, cease and terminate, excepting only the right to receive the redemption price therefor but without interest. Any moneys so set aside by the Corporation and unclaimed at the end of six years from the date fixed for such redemption shall revert to the general funds of the Corporation after which reversion any holder of such shares so called for redemption shall have only such rights, if any, as he may possess under applicable law to receive from the Corporation payment of the redemption price.

(d) If, on or before the redemption date, the Corporation shall deposit in trust, with a bank or trust company in the Borough of Manhattan, in the City of New York, having a capital and surplus of at least \$5,000,000, the funds necessary for the redemption of the shares of the Second Preferred Stock so to be redeemed, to be applied to the redemption of such shares, and if the Corporation shall have given notice of redemption as aforesaid or given irrevocable written authorization to such bank or trust company, in form satisfactory to it, for the timely giving of such notice, then from and after the time when such deposit is made all shares of the Second Preferred Stock so called for redemption shall not be deemed to be outstanding, and all rights of the holders of such shares of the Second Preferred Stock so called for redemption shall cease and terminate, excepting only the right to receive the redemption price therefor, but without interest.

In case such deposit is made with a bank or trust company and any holder of shares of the Second Preferred Stock which shall have been called for redemption shall not, within one year after the redemption date, claim the amount deposited with respect to the redemption thereof, such bank or trust company shall, upon demand, pay over to the Corporation such unclaimed amount and thereupon such bank or trust company shall be relieved of all responsibility in respect thereof to such holder and such holder thereafter shall have only such rights, if any, as he may possess under applicable law to receive from the Corporation payment thereof. Any interest accrued on funds so deposited shall be paid to the Corporation from time to time. Any such unclaimed amounts paid over by any such bank or trust company to the Corporation shall, for a period terminating six years after the date fixed for redemption, be set aside and held by the Corporation in the same manner as if such unclaimed amounts had been set aside under the preceding paragraph 7(c).

8. Whether or not the Issuing Resolution for any series of the Second Preferred Stock provides for optional redemption of shares, or for a sinking fund or a purchase fund for the redemption

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or purchase of shares of such series, the Corporation shall have the right, subject to the provisions of paragraph 5 of section I of this Article IV and subject to any limitation thereon in any Issuing Resolution for any series of Preferred Stock or Second Preferred Stock, at any time to purchase privately or in the public markets, and to solicit tenders of, any portion or the whole of the shares of any or all series at prices which are not in excess of the respective redemption prices of such shares.

9. (a) All shares of any series of the Second Preferred Stock which have been acquired through the operation of a purchase fund or of a sinking fund or by redemption or have been credited against any purchase fund or sinking fund or have been surrendered to the Corporation on the conversion or exchange thereof into or for other shares of the Corporation shall, upon compliance with any applicable provisions of the General Corporation Law of the State of Delaware, have the status of authorized and unissued shares of the Second Preferred Stock, but shall be reissued only as, or as part of, a new series of the Second Preferred Stock to be created by an Issuing Resolution of the Board of Directors or as part of any other series of the Second Preferred Stock the terms of which do not prohibit such reissue as a part thereof, and shall not be reissued as a part of the series of which they were originally a part.

(b) All shares of any series of the Second Preferred Stock which have been acquired otherwise than through the operation of a purchase fund or of a sinking fund or by redemption and which have not been credited against any purchase fund or sinking fund, and which have not been surrendered to the Corporation on the conversion or exchange thereof into or for other shares of the Corporation, shall have the status of treasury stock and may be disposed of as permitted by law.

10. So long as any of the Second Preferred Stock is outstanding, the Corporation will not, without the affirmative vote or consent of the holders of at least 66-2/3% of all of the Second Preferred Stock at the time outstanding, voting as a class regardless of series, given in person or by proxy, either in writing or by resolution adopted at a special meeting called for the purpose:

(a) Amend, alter or repeal any of the provisions of this Article IV so as to affect adversely the designations, preferences and relative, participating, optional or other special rights, or the qualifications, limitations or restrictions thereof, of all of the series of the Second Preferred Stock;

(b) (i) increase the authorized amount of the Preferred Stock,
(ii) create any other class or classes of stock ranking senior to the Second Preferred Stock either as to dividends or upon liquidation,
(iii) create any class or classes of stock which have any right to be converted into

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any class or classes of stock ranking senior to the Second Preferred Stock as to dividends or upon liquidation or grant any rights to any class of stock to be so converted, or (iv) merge or consolidate with or into any other corporation, if such merger or consolidation would affect adversely the designations, preferences and relative, participating, optional or other special rights, or the qualifications, limitations or restrictions thereof, of all of the series of the Second Preferred Stock.

11. The Corporation will not amend, alter or repeal any of the provisions of this Article IV or of any Issuing Resolution for series of Second Preferred Stock so as to affect adversely the designations, preferences and relative, participating, optional or other special rights,

or the qualifications, limitations or restrictions thereof, of one or more, but not all, series of the Second Preferred Stock, or merge or consolidate with or into any other corporation if such merger or consolidation would affect adversely the designations, preferences and relative, participating, optional or other special rights, or the qualifications, limitations or restrictions thereof, of one or more, but not all, series of the Second Preferred Stock, without the affirmative vote or consent of the holders of at least 66-2/3% of each series so adversely affected at the time outstanding, voting as a class, in person or by proxy, either in writing or by resolution adopted at a special meeting called for the purpose, but the other series of the Second Preferred Stock not affected thereby shall not have the right to vote thereon.

12. The Corporation will not, without the affirmative vote or consent of the holders of at least a majority of all of the Second Preferred Stock at the time outstanding, voting as a class regardless of series, given in person or by proxy, either in writing or by resolution adopted at a special meeting called for the purpose, (a) increase the authorized amount of the Second Preferred Stock, (b) create any class or classes of stock ranking on a parity with the Second Preferred Stock either as to dividends or upon liquidation, or (c) create any class or classes of stock which have any right to be converted into any class or classes of stock ranking on a parity with the Second Preferred Stock as to dividends or upon liquidation or grant any rights to any class of stock to be so converted.

13. (a) If, and whenever, at any time or times, there shall remain unpaid, on any series of the Second Preferred Stock, the dividends which were payable for four full quarterly dividend periods, or if any arrearage or default in any sinking fund provided for in any Issuing Resolution shall occur under such conditions and continue for such period of time as, under the provisions of such Issuing Resolution, to entitle the holders of the outstanding shares of the Second Preferred Stock to the voting rights provided by this paragraph 13, the outstanding Second Preferred Stock of all series, voting separately as a class, shall have the right to elect two Directors and the remaining Directors

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shall be elected by the holders of shares of the Common Stock (subject to the voting rights of the holders of the Preferred Stock).

(b) Whenever such right of the holders of the Second Preferred Stock shall have vested, such right may be exercised initially either at a special meeting of such holders of the Second Preferred Stock called as provided in this paragraph, or at any annual meeting of stockholders, and thereafter at annual meetings of stockholders. If the date upon which such right of the holders of the Second Preferred Stock shall become vested shall be more than sixty days preceding the date of the next ensuing annual meeting of stockholders as fixed by the By-Laws of the Corporation, the President of the Corporation shall call promptly a special meeting of the holders of the Second Preferred Stock and the Common Stock to be held within thirty days for the purpose of electing a new Board of Directors (exclusive of any Directors elected to represent the Preferred Stock pursuant to the provisions of section I of this Article IV) to serve until the next annual meeting and until their successors shall be elected and shall qualify. Notice of such meeting shall be mailed to each holder of Second Preferred Stock and each holder of Common Stock not less than ten days prior to the date of such meeting. If at any such meeting any Director (other than a Director elected to represent the Preferred Stock) shall not be re-elected, his term of office shall end upon the election of his successor, notwithstanding that the term for which he was originally elected shall not then have expired. In the event that at any such meeting at which holders of the Second Preferred Stock shall be entitled to elect Directors, a quorum of the holders of the Second Preferred Stock shall not

be present in person or by proxy, the holders of the Common Stock, if a quorum thereof be present, may elect the Directors whom the holders of the Second Preferred Stock were entitled, but failed, to elect. Such Directors shall be designated as having been so elected to represent the Second Preferred Stock and their successors shall be elected by the holders of the Second Preferred Stock at the next annual meeting.

(c) Whenever the holders of the Second Preferred Stock shall be entitled to elect Directors as provided in paragraph 13(a) of this section II, any holder of Second Preferred Stock shall have the right, during regular business hours, in person or by a duly authorized representative, to examine and to make transcripts of the stock records of the Corporation for the Second Preferred Stock for the purpose of communicating with other holders of Second Preferred Stock with respect to the exercise of such right of election.

(d) At any election of members of the Board of Directors by the Second Preferred Stock, each holder of Second Preferred Stock shall have one vote for each share of such stock standing in his name on the books of the Corporation on any record date fixed for such purpose, or, if no such date be fixed, on the date on which the election is held.

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(e) The right of the holders of the Second Preferred Stock, voting separately as a class, to elect members of the Board of Directors of the Corporation as aforesaid shall continue until such time as any and all unpaid dividends shall have been paid and any and all sinking fund arrearages and defaults shall have been fully cured, at which time the right of the holders of the Second Preferred Stock to elect members of the Board of Directors shall terminate, subject to re-vesting.

(f) Whenever the holders of the Second Preferred Stock shall be divested of the right to elect members of the Board of Directors, the President of the Corporation shall, within ten days after delivery to the Corporation at its principal office of a request to such effect signed by any holder of Common Stock, call a special meeting of the holders of the Common Stock to be held within forty days after the delivery of such request for the purpose of electing a new Board of Directors (exclusive of any Directors elected to represent the Preferred Stock pursuant to the provisions of section I of this Article IV) to serve until the next annual meeting or until their respective successors shall be elected and shall qualify. If, at any such special meeting, any Director (other than a Director elected to represent the

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Preferred Stock) shall not be re-elected, his term of office shall terminate upon the election and qualification of his successor, notwithstanding that the term for which such Director was originally elected shall not then have expired.

14. At any annual or special meeting of stockholders held for the purpose of electing Directors when the holders of the Second Preferred Stock shall be entitled to elect members of the Board of Directors as provided in paragraph 13 of this section II, the presence in person or by proxy of the holders of one-third of all of the outstanding shares of the Second Preferred Stock regardless of series shall be required to constitute a quorum for the election by the Second Preferred Stock of such Directors, and the presence in person or by proxy of the holders of a majority of the outstanding shares of the Common Stock shall be required to constitute a quorum for the election by the Common Stock of the remaining Directors (other than Directors elected to represent the Preferred Stock pursuant to the provisions of section I of this Article IV); provided, however, that absence of a quorum of the Common Stock shall not prevent the Second Preferred Stock if it has a quorum present from electing the number of

Directors such class shall be entitled to elect and the Directors so elected by the Second Preferred Stock shall replace an equal number of Directors then in office. The Directors to be replaced by those elected by the holders of the Second Preferred Stock shall be designated by the Board of Directors of the Corporation; and, if the Board of Directors shall fail to make such designation within 15 days following such meeting, then such designation shall be made by the Directors elected by the holders of the Second Preferred Stock. The absence of a quorum of the Second Preferred Stock shall not prevent the Common Stock from electing the entire Board of Directors (other than Directors elected to represent the Preferred Stock) which shall include the proper number of members to represent the Second Preferred Stock.

15. If, during any interval between annual meetings of stockholders for the election of Directors and while the holders of the Second Preferred Stock shall be entitled to elect Directors, one of the Directors in office elected by the holders of the Second Preferred Stock shall resign or die or be removed, the vacancy shall be filled by a majority vote of all of the remaining Directors then in office, although less than a quorum, who shall elect a nominee designated by the remaining Director elected by the holders of the Second Preferred Stock or his successor and if not so filled within forty days after the creation thereof, the President of the Corporation shall call a special meeting in the manner provided in paragraph 13 of this section II but limited to the holders of shares of the Second Preferred Stock and such vacancy shall be filled at such special meeting, to be held within forty days after the delivery of such request.

16. If the Corporation is unable to meet the requirements of all sinking fund and of all purchase fund provisions of all Issuing Resolutions for series of Second Preferred Stock containing such provisions, the number of shares of the respective series to be redeemed or purchased, as the case may be, shall be in proportion to the respective amounts which would be redeemed or purchased if all such provisions were complied with in full.

17. No holder of shares of any series of the Second Preferred Stock shall have any preemptive or preferential right of subscription to any stock of any class of the Corporation, or to any obligations convertible into stock of any class, or to any warrant or option for the purchase of stock of any class but the Board of Directors of the Corporation, in the Issuing Resolution creating any series of the Second Preferred Stock, may confer on that series the right to subscribe to additional shares of that series or to shares of any series of the Second Preferred Stock which may be created thereafter.

III. COMMON STOCK

1. All rights shall be held and possessed by the Common Stock except for the designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, conferred on the Preferred Stock and the Second Preferred Stock by applicable law, by the provisions of sections I and II of this Article IV or by the provisions of any Issuing Resolutions for series of the Preferred Stock or the Second Preferred Stock.

2. Holders of the shares of Common Stock without par value shall have no right to subscribe for or purchase any part of any new or additional issue of stock of any class whatsoever or of

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securities convertible into stock of any class whatsoever whether now or hereafter authorized.

ARTICLE V

The number of shares with which this corporation will commence business is ten (10) shares of common stock, which shares are without nominal or par value.

ARTICLE VI

This corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

ARTICLE VII

This corporation is to have perpetual existence.

ARTICLE VIII

The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatever.

ARTICLE IX

In furtherance, and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized:

1. To make, alter, amend and rescind the by-laws of this corporation, without any action on the part of the stockholders.
2. To authorize and cause to be executed mortgages and liens upon the real and personal property of this corporation.
3. To fix, determine and vary the amount to be maintained as surplus and, subject to the other provisions and requirements of this Certificate of Incorporation, the amount or amounts to be set apart or reserved as working capital or for any other lawful purposes. If so determined by the Board of Directors, the corporation may from time to time receive money and/or other property and credit the amount or value thereof to reserve or surplus, and such money or other property may be an undivided part of money or other property for another part of which stock, bonds, debentures and/or other obligations of the corporation are issued. Against any reserve or surplus so established there may be charged losses at any time incurred by the corporation, also dividends or

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other distributions upon stock. Such reserve or surplus may be reduced from time to time by the Board of Directors for the purposes above specified or by transfer from such reserve or surplus to capital account.

4. From time to time to determine whether and to what extent, and at what times and places, and under what conditions and regulations, the accounts and books of this corporation (other than the stock ledger), or any of them, shall be open to inspection of stockholders; and no stockholder shall have any right of inspecting any account, book or document of this corporation except as conferred by statute, unless authorized by a resolution of stockholders or directors.

5. If the by-laws so provide, to designate two or more of its number to constitute an executive committee, which committee shall for the

time being, as provided in said resolution or in the by-laws of this corporation, have and exercise any or all of the powers of the Board of Directors in the management of the business and affairs of this corporation, and have power to authorize the seal of this corporation to be affixed to all papers which may require it.

6. Pursuant to the affirmative vote of the holders of at least a majority of the stock issued and outstanding having voting power, given at a stockholders' meeting duly called for that purpose, or when authorized by the written consent of the holders of a majority of the voting stock issued and outstanding, the Board of Directors shall have power and authority at any meeting to sell, lease or exchange all of the property and assets of this corporation, including its goodwill and its corporate franchises, upon such terms and conditions as its Board of Directors deem expedient and for the best interests of the corporation.

7. Whenever a compromise or arrangement is proposed between this corporation and its creditors or any class of them and/or between this corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this corporation or of any creditor or stockholder thereof, or on the application of any receiver or receivers appointed for this corporation under the provisions of Section 3883 of the Revised Code of 1915 of said State, or on the application of trustees in dissolution or of any receiver or receivers appointed for this corporation under the provisions of Section 43 of this Chapter, order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said

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reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of this corporation, as the case may be, and also on this corporation.

8. This corporation may in its by-laws confer powers upon its directors in addition to the foregoing and in addition to the powers and authorities expressly conferred upon them by the statute.

9. Both stockholders and directors shall have power, if the by-laws so provide, to hold their meetings, and to have one or more offices within or without the State of Delaware and to keep the books of this corporation (subject to the provisions of the statutes), outside of the State of Delaware at such places as may be from time to time designated by the Board of Directors.

ARTICLE X

The number of directors of this corporation shall be such number, not less than three, as shall from time to time be fixed by the by-laws of the corporation. In case of any vacancy in the Board of Directors through death, resignation, disqualification or other cause, the remaining directors, by affirmative vote of a majority thereof, may elect a successor to office for the unexpired portion of the term of the director whose place shall be vacant and until the election of a successor.

ARTICLE XI

A director of this corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except that nothing contained in this Article XI shall eliminate or limit the liability of a director (1) for any breach of the director's duty of loyalty to the corporation or its stockholders, (2) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (3) under Section 174 of the Delaware General Corporation Law, or (4) for any transaction from which the director derived an improper personal benefit. No amendment to or repeal of this Article XI shall apply to or have any effect on the liability or alleged liability of any director of the corporation for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal.

ARTICLE XII

In the absence of fraud, no contract or transaction between this corporation and any other association or corporation shall be affected by the fact that any of the Directors or officers of this

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corporation are interested in or are directors or officers of such other association or corporation, and any director or officer of this corporation individually may be a party to or may be interested in any such contract or transaction of this corporation; and no such contract or transaction of this corporation with any person or persons, firm, association or corporation shall be affected by the fact that any director or officer of this corporation is a party to or interested in such contract or transaction or in any way connected with such person or persons, firm, association or corporation; and each and every person who may become a director or officer of this corporation is hereby relieved from any liability that might otherwise exist from thus contracting with this corporation for the benefit of himself or any person, firm, association or corporation in which he may be in any wise interested.

IN WITNESS WHEREOF, the corporation has caused its corporate seal to be affixed and this Restated Certificate of Incorporation to be signed by its Senior Vice President and General Counsel and attested by its Secretary this 21st day of October, 1988.

REYNOLDS METALS COMPANY

By JOHN H. GALEA

John H. Galea
Senior Vice President and
General Counsel

ATTEST:

DONALD T. COWLES

Donald T. Cowles
Secretary

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CERTIFICATE OF OWNERSHIP

AND MERGER
MERGING
FOIL DISTRIBUTING COMPANY
INTO
REYNOLDS METALS COMPANY

Pursuant to Section 253 of the
Delaware General Corporation Law

REYNOLDS METALS COMPANY, a corporation incorporated on the 18th day of July, 1928, pursuant to the provisions of the General Corporation Law of the State of Delaware (the "Corporation"), does hereby certify that the Corporation owns all of the outstanding stock of FOIL DISTRIBUTING COMPANY, a corporation incorporated on the 4th day of April, 1983, pursuant to the provisions of the general corporation Law of the State of Delaware, and that the Corporation by resolutions of its Board of Directors duly adopted at a meeting held on the 17th day of April, 1991, determined to and did merge into itself said FOIL DISTRIBUTING COMPANY, which resolutions are as follows:

RESOLVED, that this corporation, as owner of all the outstanding capital stock of Foil Distributing Company, merge into itself Foil Distributing Company and assume all of its liabilities and obligations effective as of 12:01 a.m. on April 30, 1991; and

FURTHER RESOLVED, that the Chairman of the Board, the President, any Vice President, the Secretary and any Assistant Secretary are each hereby authorized to take all such other action, including, without limitation, incurrence and payment of all fees, expenses and other charges, and to execute and deliver all such agreements, instruments and documents, which in the opinion of any of them may be necessary or desirable to achieve the purposes of or effect the transactions contemplated by the preceding resolution, the taking of such action or the execution of any such agreements, instruments or documents to be conclusive evidence of the authority to take or execute the same.

This Certificate of Ownership and Merger shall be effective as of 12:01 A.M. on April 30, 1991.

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IN WITNESS WHEREOF, the Corporation has caused this Certificate to be executed and attested by its officers thereunto duly authorized this 22nd day of April, 1991.

REYNOLDS METALS COMPANY

By DONALD T. COWLES

Vice President, General Counsel
and Secretary

ATTEST:

DONNA C. DABNEY

Assistant Secretary

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State of Delaware PAGE 1
Office of the Secretary of State

I, WILLIAM T. QUILLEN, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF OWNERSHIP & MERGER OF "REYNOLDS METALS COMPANY" FILED IN THIS OFFICE ON THE TWENTY-THIRD DAY OF APRIL, A.D. 1991, AT 9 O'CLOCK A.M.

* * * * *

WILLIAM T. QUILLEN

William T. Quillen, Secretary of State

AUTHENTICATION: *4114707

DATE: 10/25/1993

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CERTIFICATE OF OWNERSHIP
AND MERGER
MERGING
REYNOLDS OF HAWAII, INC.
INTO
REYNOLDS METALS COMPANY

Pursuant to Section 253 of the
Delaware General Corporation Law

REYNOLDS METALS COMPANY, a corporation incorporated on the 18th day of July, 1928, pursuant to the provisions of the General Corporation Law of the State of Delaware (the "Corporation"), does hereby certify that the Corporation owns all of the outstanding stock of REYNOLDS OF HAWAII, INC., a corporation incorporated on the 4th day of May, 1979, pursuant to the provisions of the general corporation Law of the State of Delaware, and that the Corporation by resolutions of its Board of Directors duly adopted at a meeting held on the 17th day of April, 1991, determined to and did merge into itself said REYNOLDS OF HAWAII, INC., which resolutions are as follows:

RESOLVED, that this corporation, as owner of all the outstanding capital stock of Reynolds of Hawaii, Inc., merge into itself Reynolds of Hawaii, Inc. and assume all of its liabilities and obligations effective as of 12:01 a.m. on April 30, 1991; and

FURTHER RESOLVED, that the Chairman of the Board, the President, any Vice President, the Secretary and any Assistant Secretary are each hereby authorized to take all such other action, including, without limitation, incurrence and payment of all fees, expenses and other charges, and to execute and deliver all such agreements, instruments and documents, which in the opinion of any of them may be necessary or desirable to achieve the purposes of or effect the transactions contemplated by the preceding resolution, the taking of such action or the execution of any such agreements, instruments or documents to be conclusive evidence of the authority to take or execute the same.

This Certificate of Ownership and Merger shall be effective as of 12:01 A.M. on April 30, 1991.

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IN WITNESS WHEREOF, the Corporation has caused this Certificate to be executed and attested by its officers thereunto duly authorized this 22nd day of April, 1991.

REYNOLDS METALS COMPANY

By DONALD T. COWLES

Vice President, General Counsel
and Secretary

ATTEST:

DONNA C. DABNEY

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Assistant Secretary

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CERTIFICATE OF OWNERSHIP
AND MERGER
MERGING
BROAD ST. ROAD CORPORATION
INTO
REYNOLDS METALS COMPANY

Pursuant to Section 253 of the
Delaware General Corporation Law

REYNOLDS METALS COMPANY, a Delaware corporation (the "Corporation"), does hereby certify that the Corporation owns all the outstanding stock of BROAD ST. ROAD CORPORATION, a Delaware corporation, and that the Corporation by resolutions of its Board of Directors duly adopted at a meeting held on the 15th day of November, 1991, determined to and did merge into itself BROAD ST. ROAD CORPORATION, which resolutions are as follows:

RESOLVED, that this corporation, as owner of all the outstanding capital stock of Broad St. Road Corporation, merge into itself Broad St. Road Corporation and assume all of its liabilities and obligations effective as of 5:00 p.m. on December 31, 1991; and

FURTHER RESOLVED, that the Chairman of the Board, the President, any Vice President, the Secretary and any Assistant Secretary are each hereby authorized to take all such other action, including, without limitation, incurrence and payment of all fees, expenses and other charges, and to execute and deliver all such agreements, instruments and documents, which in the opinion of any of them may be necessary or desirable to achieve the purposes of or effect the transactions contemplated by the preceding resolution, the taking of such action or the execution of any such agreements, instruments or documents to be conclusive evidence of the authority to take or execute the same.

This Certificate of Ownership and Merger shall be effective as of 5:00 p.m. on December 31, 1991.

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IN WITNESS WHEREOF, the Corporation has caused this Certificate to be executed and attested by its officers thereunto duly authorized this 26th day of November, 1991.

REYNOLDS METALS COMPANY

By DONALD T. COWLES

Vice President, General Counsel
and Secretary

ATTEST:

D. MICHAEL JONES

Assistant Secretary

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CERTIFICATE OF OWNERSHIP
AND MERGER
MERGING
REYNOLDS ALUMINUM RECYCLING COMPANY
INTO
REYNOLDS METALS COMPANY

Pursuant to Section 253 of the
Delaware General Corporation Law

REYNOLDS METALS COMPANY, a Delaware corporation (the

"Corporation"), does hereby certify that the Corporation owns all the outstanding stock of REYNOLDS ALUMINUM RECYCLING COMPANY, a Missouri corporation, and that the Corporation by resolutions of its Board of Directors duly adopted by unanimous written consent on December 16, 1991 pursuant to Section 141(f) of the Delaware General Corporation Law determined to and did merge into itself REYNOLDS ALUMINUM RECYCLING COMPANY, which resolutions are as follows:

RESOLVED, that this corporation, as owner of all the outstanding capital stock of Reynolds Aluminum Recycling Company, merge into itself Reynolds Aluminum Recycling Company and assume all of its liabilities and obligations effective as of 5:00 p.m. on December 31, 1991 pursuant to the following Plan of Merger:

1. Reynolds Metals Company of Delaware is the survivor.
2. All of the property, rights, privileges, leases and patents of Reynolds Aluminum Recycling Company, a Missouri corporation, are to be transferred to and become the property of Reynolds Metals Company, the survivor. The officers and board of directors of the above named corporations are authorized to execute all deeds, assignments, and documents of every nature which may be needed to effectuate a full and complete transfer of ownership.
3. The officers and board of directors of Reynolds Metals Company shall continue in office until their successors are duly elected and qualified under the provisions of the by-laws of the surviving corporation.
4. It is agreed that, upon and after the issuance of a certificate of merger by the Secretary of State of the State of Missouri:

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- a. The surviving corporation may be served with process in the State of Missouri in any proceeding for the enforcement of any obligation of any corporation organized under the laws of the State of Missouri which is a party to the merger and in any proceeding for the enforcement of the rights of a dissenting shareholder of any such corporation organized under the laws of the State of Missouri against the surviving corporation;
- b. The Secretary of State of the State of Missouri shall be and hereby is irrevocably appointed as the agent of the surviving corporation to accept service of process in any such proceeding; the address to which the service of process in any such proceeding shall be mailed is: Secretary, Reynolds Metals Company, 6601 West Broad Street, Richmond, Virginia 23230; and
- c. The surviving corporation will promptly pay to the dissenting shareholders of any corporation organized under the laws of the

State of Missouri which is a party to the merger the amount, if any, to which they shall be entitled under the provisions of "The General and Business Corporation Law of Missouri" with respect to the rights of dissenting shareholders.

5. The articles of incorporation of the survivor are not amended.

provided that, at any time prior to the filing with the Delaware Secretary of State of a Certificate of Ownership and Merger merging Reynolds Aluminum Recycling Company into this corporation, the Board of Directors of this corporation may terminate this resolution and abandon the merger contemplated hereby; and

FURTHER RESOLVED, that the Chairman of the Board, the President, any Vice President, the Secretary and any Assistant Secretary are each hereby authorized to take all such action, including, without limitation, incurrence and payment of all fees, expenses and other charges, and to execute and deliver all such agreements,

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instruments and documents, which in the opinion of any of them may be necessary or desirable to achieve the purposes of or effect the transactions contemplated by the preceding resolution, the taking of such action or the execution of any such agreements, instruments or documents to the conclusive evidence of the authority to take or execute the same.

This Certificate of Ownership and Merger shall be effective as of 5:00 p.m. on December 31, 1991.

IN WITNESS WHEREOF, the Corporation has caused this Certificate to be executed and attested by its officers thereunto duly authorized this 20th day of December, 1991.

REYNOLDS METALS COMPANY

By DONALD T. COWLES

Vice President, General Counsel
and Secretary

ATTEST:

D. MICHAEL JONES

Assistant Secretary

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CERTIFICATE OF OWNERSHIP AND MERGER

MERGING

REYNOLDS SEATTLE CAN COMPANY

INTO

REYNOLDS METALS COMPANY

Pursuant to Section 253 of the
General Corporation Law of Delaware

REYNOLDS METALS COMPANY, a Delaware corporation (the "Corporation"), does hereby certify:

FIRST: That the Corporation is incorporated pursuant to the General Corporation Law of the State of Delaware.

SECOND: That the Corporation owns all of the outstanding shares of each class of the capital stock of REYNOLDS SEATTLE CAN COMPANY, a Delaware corporation.

THIRD: That the Corporation, by the following resolutions of its Board of Directors, duly adopted at a meeting held on the 19th day of June, 1992, determined to merge into itself REYNOLDS SEATTLE CAN COMPANY on the conditions set forth in such resolutions:

RESOLVED, that this corporation, as owner of all of the outstanding shares of each class of the capital stock of Reynolds Seattle Can Company, merge into itself Reynolds Seattle Can Company and assume all of its liabilities and obligations effective as of 5:00 p.m. E.D.T. on June 30, 1992; and

FURTHER RESOLVED, that the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, any Vice Chairman, any

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Executive Vice President, any Vice President, the Secretary and any Assistant Secretary are each hereby authorized to take all such action, including, without limitation, incurrence and payment of all fees, expenses and other charges, and to execute and deliver all such agreements, instruments and documents (including, without limitation, a certificate of ownership and merger) which in the opinion of any of them may be necessary or desirable to achieve the purposes of or effect the transactions contemplated by the preceding resolution, the taking of any such action or the execution of any such agreements, instruments or documents to be conclusive evidence of the authority to take or execute the same.

This Certificate of Ownership and Merger shall be effective as of 5:00 p.m. E.D.T. on June 30, 1992.

IN WITNESS WHEREOF, the Corporation has caused its corporate seal to be affixed and this Certificate to be executed and attested by its officers thereunto duly authorized this 19th day of June, 1992.

REYNOLDS METALS COMPANY

By DONALD T. COWLES

Vice President, General Counsel
and Secretary

[SEAL]

ATTEST:

By: D. MICHAEL JONES

Assistant Secretary

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STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 09:00 AM 12/29/1993
933635393 - 240111

CERTIFICATE OF OWNERSHIP AND MERGER
MERGING
REYNOLDS ALUMINUM CREDIT CORPORATION
INTO
REYNOLDS METALS COMPANY

Pursuant to Section 253 of the
General Corporation Law of Delaware

REYNOLDS METALS COMPANY, a Delaware corporation (the
"Corporation"), does hereby certify:

FIRST: That the Corporation is incorporated pursuant to the
General Corporation Law of the State of Delaware.

SECOND: That the Corporation owns all of the outstanding shares
of the capital stock of REYNOLDS ALUMINUM CREDIT CORPORATION, a Delaware
corporation.

THIRD: That the Corporation, by the following resolutions of
its Board of Directors, duly adopted by unanimous written consent dated
December 16, 1993, determined to merge into itself REYNOLDS ALUMINUM CREDIT
CORPORATION on the conditions set forth in such resolutions:

RESOLVED, that this corporation, as owner of all of the
outstanding shares of the capital stock of Reynolds Aluminum
Credit Corporation, merge into itself Reynolds Aluminum Credit
Corporation and assume all of its liabilities and obligations
effective as of 5:00 p.m. E.S.T. on December 31, 1993;

FURTHER RESOLVED, that the Chief Executive Officer, the
Chief Financial Officer, any Vice Chairman, any Executive Vice
President, any Vice President, the Secretary and any Assistant
Secretary are each hereby authorized to take all such action,
including, without limitation, incurrence and payment of all

fees, expenses and other charges, and to execute and deliver all such agreements, instruments and

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documents (including, without limitation, a certificate of ownership and merger) which in the opinion of any of them may be necessary or desirable to achieve the purposes of or effect the transactions contemplated by the preceding resolution, the taking of any such action or the execution of any such agreements, instruments or documents to be conclusive evidence of the authority to take or execute the same.

This Certificate of Ownership and Merger shall be effective as of 5:00 p.m. E.S.T. on December 31, 1993.

IN WITNESS WHEREOF, the Corporation has caused its corporate seal to be affixed and this Certificate to be executed and attested by its officers thereunto duly authorized this 29th day of December, 1993.

REYNOLDS METALS COMPANY

By: D. MICHAEL JONES

Vice President, General Counsel
and Secretary

[SEAL]

ATTEST:

By: CAROL L. DILLON

Assistant Secretary

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STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 09:01 AM 12/29/1993
933635394 - 240111

CERTIFICATE OF OWNERSHIP AND MERGER
MERGING
REYNOLDS KANSAS CITY CAN COMPANY
INTO
REYNOLDS METALS COMPANY

Pursuant to Section 253 of the
General Corporation Law of Delaware

REYNOLDS METALS COMPANY, a Delaware corporation (the "Corporation"), does hereby certify:

FIRST: That the Corporation is incorporated pursuant to the General Corporation Law of the State of Delaware.

SECOND: That the Corporation owns all of the outstanding shares of each class of the capital stock of REYNOLDS KANSAS CITY CAN COMPANY, a

Delaware corporation.

THIRD: That the Corporation, by the following resolutions of its Board of Directors, duly adopted by unanimous written consent dated December 16, 1993, determined to merge into itself REYNOLDS KANSAS CITY CAN COMPANY on the conditions set forth in such resolutions:

RESOLVED, that this corporation, as owner of all of the outstanding shares of each class of the capital stock of Reynolds Kansas City Can Company, merge into itself Reynolds Kansas City Can Company and assume all of its liabilities and obligations effective as of 5:00 p.m. E.S.T. on December 31, 1993;

FURTHER RESOLVED, that the Chief Executive Officer, the Chief Financial Officer, any Vice Chairman, any Executive Vice President, any Vice President, the Secretary and any Assistant Secretary are each hereby authorized to take all such action, including, without limitation, incurrence and payment of all fees, expenses and other charges, and to execute and deliver all such agreements, instruments and

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documents (including, without limitation, a certificate of ownership and merger) which in the opinion of any of them may be necessary or desirable to achieve the purposes of or effect the transactions contemplated by the preceding resolution, the taking of any such action or the execution of any such agreements, instruments or documents to be conclusive evidence of the authority to take or execute the same.

This Certificate of Ownership and Merger shall be effective as of 5:00 p.m. E.S.T. on December 31, 1993.

IN WITNESS WHEREOF, the Corporation has caused its corporate seal to be affixed and this Certificate to be executed and attested by its officers thereunto duly authorized this 29th day of December, 1993.

REYNOLDS METALS COMPANY

By: D. MICHAEL JONES

Vice President, General Counsel
and Secretary

[SEAL]

ATTEST:

By: CAROL L. DILLON

Assistant Secretary

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State of Delaware PAGE 1
Office of the Secretary of State

I, WILLIAM T. QUILLEN, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF DESIGNATION OF "REYNOLDS METALS COMPANY" FILED IN THIS OFFICE ON THE TWENTIETH DAY OF JANUARY, A.D. 1994, AT 9 O'CLOCK A.M.

A CERTIFIED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS FOR RECORDING.

WILLIAM T. QUILLEN

William T. Quillen, Secretary of State

AUTHENTICATION: 7005454

DATE: 01-21-94

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CERTIFICATE OF DESIGNATIONS,
PREFERENCES, RIGHTS AND LIMITATIONS OF

7% PRIDES, Convertible Preferred Stock

of

REYNOLDS METALS COMPANY

Pursuant to Section 151 of the General
Corporation Law of the State of Delaware

Reynolds Metals Company, a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), hereby certifies that, under (i) authority conferred upon the Board of Directors by the Restated Certificate of Incorporation of the Corporation, as amended to date, (ii) the provisions of Sections 141(c) and 151 of the General Corporation Law of the State of Delaware, and (iii) resolutions adopted by the Board of Directors at its meeting on December 17, 1993, the 1993 Preferred Stock Committee of the Board of Directors at its meeting on January 18, 1994 duly adopted the following resolution:

RESOLVED, that under (i) authority conferred upon the 1993 Preferred Stock Committee by the Board of Directors and (ii) authority conferred upon the Board of Directors by the Restated Certificate of Incorporation, as amended to date (the "Restated Certificate of Incorporation"), the 1993 Preferred Stock Committee hereby authorizes the issuance of 11,000,000 shares of authorized and unissued preferred stock, without par value, of the Corporation, and hereby fixes the designation, powers, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, of such shares, in addition to those set forth in the Restated Certificate of Incorporation, as follows, to be set forth in a certificate of designations (the "Certificate of Designations"):

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Section 1. Designation and Size of Issue; Ranking. (a) The distinctive designation of the series of preferred stock shall be "7% PRIDES, Convertible Preferred Stock" (the "PRIDES"). The shares are Preferred Redeemable Increased Dividend Equity Securities. The number of shares constituting the PRIDES shall be 11,000,000 shares. Each share of PRIDES shall have a stated value of \$47.25.

(b) Any shares of the PRIDES which at any time have been redeemed for, or converted into, Common Stock, without par value, of the Corporation (the "Common Stock") or otherwise reacquired by the Corporation shall, after such redemption, conversion or other acquisition, resume the status of authorized and unissued shares of preferred stock, without par value, of the Corporation (the "Preferred Stock"), without designation as to series until such shares are once more designated as part of a particular series by the Board of Directors.

(c) The shares of PRIDES shall rank on a parity, both as to payment of dividends and distribution of assets upon liquidation, with any Preferred Stock issued by the Corporation after the date of this Certificate of Designations that by its terms ranks pari passu with the PRIDES.

Section 2. Dividends. (a) The holders of record of the shares of PRIDES shall be entitled to receive, when and as declared by the Board of Directors out of funds legally available therefor, cash dividends ("Preferred Dividends") from the date of the issuance of the shares of PRIDES at the rate per annum of 7 percent of the stated value per share (equivalent to \$3.31 per annum or \$0.8275 per quarter for each share of PRIDES), payable quarterly in arrears, on each April 1, July 1, October 1 and December 31 (each a "Dividend Payment Date") or, if any such date is not

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a business day (as defined herein), the Preferred Dividend due on such Dividend Payment Date shall be paid on the next succeeding business day; provided, however, that, with respect to any dividend period during which a redemption occurs, the Corporation may, at its option, declare accrued Preferred Dividends to, and pay such Preferred Dividends on, the date fixed for redemption, in which case such Preferred Dividends shall be payable to the holders of shares of PRIDES as of the record date for such dividend payment and shall not be included in the calculation of the related PRIDES Call Price (as defined herein). The first dividend period shall be from the date of initial issuance of the shares of PRIDES to but excluding April 1, 1994 and the first Preferred Dividend shall be payable on April 1, 1994. Preferred Dividends on shares of PRIDES shall be cumulative and shall accumulate from the date of original issuance. Preferred Dividends on shares of PRIDES shall cease to accrue on and after the Mandatory Conversion Date (as defined herein) or on and after the date of their earlier conversion or redemption, as the case may be. Preferred Dividends shall be payable to holders of record as they appear on the stock register of the Corporation on such record dates, not less than 15 nor more than 60 days preceding the payment date thereof, as shall be fixed by the Board of Directors. Preferred Dividends payable on shares of PRIDES for any period less than a full quarterly dividend period (or, in the case of the first Preferred Dividend, from the date of initial issuance of the shares of PRIDES to but excluding the first Dividend Payment Date) shall be computed on the basis of a 360-day year of twelve 30-day months and the actual number of days elapsed in any period less than one month. Preferred Dividends shall accrue on a daily basis whether or not there are funds of the Corporation legally available for the payment of such

dividends and whether or not such Preferred Dividends are declared. Accrued but unpaid Preferred Dividends shall

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cumulate as of the Dividend Payment Date on which they first become payable, but no interest shall accrue on accumulated but unpaid Preferred Dividends.

(b) As long as shares of PRIDES are outstanding, no dividends (other than dividends payable in shares of, or warrants, rights or options exercisable for or convertible into shares of, Second Preferred Stock, \$100 par value, of the Corporation (the "Second Preferred Stock"), Common Stock or any other capital stock of the Corporation ranking junior to the shares of PRIDES as to the payment of dividends and the distribution of assets upon liquidation (collectively, the "Junior Stock") and cash in lieu of fractional shares in connection with any such dividend) shall be paid or declared in cash or otherwise, nor shall any other distribution be made (other than a distribution payable in Junior Stock and cash in lieu of fractional shares in connection with any such distribution), on any Junior Stock unless (i) full dividends on Preferred Stock (including the shares of PRIDES) that does not constitute Junior Stock ("Parity Preferred Stock") have been paid, or declared and set aside for payment, for all dividend periods terminating at or before the date of such Junior Stock dividend or distribution payment to the extent such dividends are cumulative; (ii) dividends in full for the current quarterly dividend period have been paid, or declared and set aside for payment, on all Parity Preferred Stock to the extent such dividends are cumulative; (iii) the Corporation has paid or set aside all amounts, if any, then or theretofore required to be paid or set aside for all purchase, retirement, and sinking funds, if any, for any Parity Preferred Stock; and (iv) the Corporation is not in default on any of its obligations to redeem any Parity Preferred Stock.

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(c) As long as any shares of PRIDES are outstanding, no shares of any Junior Stock may be purchased, redeemed, or otherwise acquired by the Corporation or any of its subsidiaries (except in connection with a reclassification or exchange of any Junior Stock through the issuance of other Junior Stock (and cash in lieu of fractional shares in connection therewith) or the purchase, redemption or other acquisition of any Junior Stock with any Junior Stock (and cash in lieu of fractional shares in connection therewith)) nor may any funds be set aside or made available for any sinking fund for the purchase or redemption of any Junior Stock unless: (i) full dividends on Parity Preferred Stock have been paid, or declared and set aside for payment, for all dividend periods terminating at or before the date of such purchase, redemption or other acquisition to the extent such dividends are cumulative; (ii) dividends in full for the current quarterly dividend period have been paid, or declared and set aside for payment, on all Parity Preferred Stock to the extent such dividends are cumulative; (iii) the Corporation has paid or set aside all amounts, if any, then or theretofore required to be paid or set aside for all purchase, retirement, and sinking funds, if any, for any Parity Preferred Stock; and (iv) the Corporation is not in default on any of its obligations to redeem any Parity Preferred Stock.

(d) As long as any shares of PRIDES are outstanding, dividends or other distributions may not be declared or paid on any Parity Preferred Stock (other than dividends or other distributions payable in Junior Stock and cash in lieu of fractional shares in connection therewith), and the Corporation may not purchase, redeem

or otherwise acquire any Parity Preferred Stock (except with any Junior Stock and cash in lieu of fractional shares in connection therewith), unless either: (a)(i) full dividends on Parity Preferred Stock have been paid, or declared and set aside

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for payment, for all dividend periods terminating at or before the date of such Parity Preferred Stock dividend, distribution, purchase, redemption or other acquisition payment to the extent such dividends are cumulative; (ii) dividends in full for the current quarterly dividend period have been paid, or declared and set aside for payment, on all Parity Preferred Stock to the extent such dividends are cumulative; (iii) the Corporation has paid or set aside all amounts, if any, then or theretofore required to be paid or set aside for all purchase, retirement, and sinking funds, if any, for any Parity Preferred Stock; and (iv) the Corporation is not in default on any of its obligations to redeem any Parity Preferred Stock; or (b) with respect to the payment of dividends only, any such dividends shall be declared and paid pro rata so that the amounts of any dividends declared and paid per share of PRIDES and each other share of Parity Preferred Stock shall in all cases bear to each other the same ratio that accrued dividends (including any accumulation with respect to unpaid dividends for prior dividend periods, if such dividends are cumulative) per share of PRIDES and such other shares of Parity Preferred Stock bear to each other.

Section 3. Conversion or Redemption. (a) Unless previously either redeemed or converted at the option of the holder in accordance with the provisions of Section 3(c), on December 31, 1997 (the "Mandatory Conversion Date"), each outstanding share of PRIDES shall mandatorily convert ("Mandatory Conversion") into (i) shares of authorized Common Stock at the PRIDES Common Equivalent Rate (as defined herein) in effect on the Mandatory Conversion Date and (ii) the right to receive cash in an amount equal to all accrued and unpaid Preferred Dividends on such share of PRIDES (other than previously declared dividends payable to a holder of record as of a prior date) to but excluding the Mandatory Conversion Date, whether or not declared, out of

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funds legally available for the payment of Preferred Dividends, subject to the right of the Corporation to redeem the shares of PRIDES on or after December 31, 1996 (the "Initial Redemption Date") and before the Mandatory Conversion Date and subject to the conversion of the shares of PRIDES at the option of the holder at any time before the Mandatory Conversion Date. The "PRIDES Common Equivalent Rate" shall initially be one share of Common Stock for each share of PRIDES and shall be subject to adjustment as set forth in Sections 3(d) and 3(e). Shares of PRIDES shall cease to be outstanding on the Mandatory Conversion Date. The Corporation shall make such arrangements as it deems appropriate for the issuance of certificates representing shares of Common Stock and for the payment of cash in respect of such accrued and unpaid dividends, if any, or cash in lieu of fractional shares, if any, in exchange for and contingent upon surrender of certificates representing the shares of PRIDES, and the Corporation may defer the payment of dividends on such shares of Common Stock and the voting thereof until, and make such payment and voting contingent upon, the surrender of certificates representing the shares of PRIDES; provided, that the Corporation shall give the holders of the shares of PRIDES such notice of any such actions as the Corporation deems appropriate and upon surrender such holders shall be entitled to receive such dividends declared and paid, if any, on such shares of Common Stock subsequent to the Mandatory Conversion Date.

(b)(i) Shares of PRIDES are not redeemable by the Corporation before the Initial Redemption Date. At any time and from time to time on or after that date until immediately before the Mandatory Conversion Date, the Corporation shall have the right to redeem, in whole or in part, the outstanding shares of PRIDES (subject to the notice provisions set forth in Section 3(b)(iii)). Upon any such redemption, the Corporation shall deliver to each

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holder thereof, in exchange for each such share of PRIDES subject to redemption, the greater of:

(A) the number of shares of Common Stock equal to the applicable PRIDES Call Price (as defined herein) in effect on the redemption date divided by the Current Market Price (as defined herein) of the Common Stock, determined as of the second Trading Day (as defined herein) immediately preceding the Notice Date (as defined herein); or

(B) .82 of a share of Common Stock (subject to adjustment in the same manner as the PRIDES Optional Conversion Rate (as defined herein) is adjusted).

Preferred Dividends on the shares of PRIDES shall cease to accrue on and after the date fixed for their redemption.

The "PRIDES Call Price" of each share of PRIDES shall be the sum of (x) \$48.077 on and after the Initial Redemption Date, to and including March 31, 1997; \$47.870 on and after April 1, 1997, to and including June 30, 1997; \$47.663 on and after July 1, 1997, to and including September 30, 1997; \$47.457 on and after October 1, 1997, to and including November 30, 1997; and \$47.25 on and after December 1, 1997, to and including December 31, 1997; and (y) all accrued and unpaid Preferred Dividends thereon to but not including the date fixed for redemption (other than previously declared Preferred Dividends payable to a holder of record as of a prior date). If fewer than all the outstanding shares of PRIDES are to be called for redemption, shares of PRIDES to be called shall be selected by the Corporation from outstanding shares of PRIDES not previously called by lot or pro rata (as nearly as may be) or by any other method determined by the Board of Directors in its sole discretion to be equitable.

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(ii) The term "Current Market Price" per share of the Common Stock on any date of determination means the lesser of (x) the average of the Closing Prices (as defined herein) of the Common Stock for the 15 consecutive Trading Days ending on and including such date of determination, or (y) the Closing Price of the Common Stock for such date of determination; provided, however, that, with respect to any redemption of shares of PRIDES, if any event resulting in an adjustment of the PRIDES Common Equivalent Rate occurs during the period beginning on the first day of such 15-day period and ending on the applicable redemption date, the Current Market Price as determined pursuant to the foregoing shall be appropriately adjusted to reflect the occurrence of such event.

(iii) The Corporation shall provide notice of any redemption of the shares of PRIDES to holders of record of the shares of PRIDES to be called for redemption not less than 15 nor more than 60 days before the date fixed for redemption. Any such notice shall be provided by mail, sent to the holders of record of the shares of PRIDES to be called at each such holder's address as it appears on

the stock register of the Corporation, first class postage prepaid; provided, however, that failure to give such notice or any defect therein shall not affect the validity of the proceeding for redemption of any shares of PRIDES to be redeemed except as to the holder to whom the Corporation has failed to give such notice or whose notice was defective. A public announcement of any call for redemption shall be made by the Corporation before, or at the time of, the mailing of such notice of redemption. The term "Notice Date" with respect to any notice given by the Corporation in connection with a redemption of the shares of PRIDES means the date on which first occurs either the public announcement of such redemption or the commencement of mailing of the notice to

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the holders of shares of PRIDES, in each case pursuant to this Section 3(b)(iii).

Each such notice shall state, as appropriate, the following and may contain such other information as the Corporation deems advisable:

(A) the redemption date;

(B) that all outstanding shares of PRIDES are to be redeemed or, in the case of a redemption of fewer than all outstanding shares of PRIDES, the number of such shares held by such holder to be redeemed;

(C) the PRIDES Call Price, the number of shares of Common Stock deliverable upon redemption of each share of PRIDES to be redeemed and the Current Market Price used to calculate such number of shares of Common Stock;

(D) the place or places where certificates for such shares are to be surrendered for redemption; and

(E) that dividends on the shares of PRIDES to be redeemed shall cease to accrue on and after such redemption date (except as otherwise provided herein).

(iv) The Corporation's obligation to deliver shares of Common Stock and provide funds upon redemption in accordance with this Section 3(b) shall be deemed fulfilled if, on or before a redemption date, the Corporation shall deposit with a bank or trust company, or an affiliate of a bank or trust company, having an office or agency in New York, New York and having (or such affiliate having) a combined capital and surplus of at least \$50,000,000 according to its last published statement of condition, or

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shall set aside or make other reasonable provision for the issuance of, such number of shares of Common Stock as are required to be delivered by the Corporation pursuant to this Section 3(b) upon the occurrence of the related redemption of shares of PRIDES and for the payment of cash in lieu of the issuance of fractional share amounts and accrued and unpaid dividends payable in cash on the shares of PRIDES to be redeemed as required by this Section 3(b), in trust for the account of the holders of such shares of PRIDES to be redeemed (and so as to be and continue to be available therefor), with irrevocable instructions and authority to such bank or trust company that such shares and funds be delivered upon redemption of the shares of PRIDES so called for redemption. Any interest accrued on such funds shall be paid to the Corporation from time to time. Any shares of Common Stock or funds so deposited and unclaimed at the end of three years from such

redemption date shall be repaid and released to the Corporation, after which the holder or holders of such shares of PRIDES so called for redemption shall look only to the Corporation for delivery of shares of Common Stock and the payment of any other funds due in connection with the redemption of the shares of PRIDES.

(v) Each holder of shares of PRIDES called for redemption must surrender the certificates evidencing such shares (properly endorsed or assigned for transfer, if the Board of Directors shall so require and the notice shall so state) to the Corporation at the place designated in the notice of such redemption and shall thereupon be entitled to receive certificates evidencing shares of Common Stock and to receive any funds payable pursuant to this Section 3(b) following such surrender and following the date of such redemption. In case fewer than all the shares represented by any such surrendered certificate are called for redemption, a new certificate shall be issued at the expense of the Corporation representing the unredeemed shares. If

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such notice of redemption shall have been given, and if on the date fixed for redemption shares of Common Stock and funds necessary for the redemption shall have been irrevocably either set aside by the Corporation separate and apart from its other funds or assets in trust for the account of the holders of the shares to be redeemed (and so as to be and continue to be available therefor) or deposited with a bank or trust company or an affiliate thereof as provided herein or the Corporation shall have made other reasonable provision therefor, then notwithstanding that the certificates evidencing any shares of PRIDES so called for redemption shall not have been surrendered, the shares represented thereby so called for redemption shall be deemed no longer outstanding and Preferred Dividends with respect to the shares so called for redemption and all rights with respect to the shares so called for redemption shall forthwith on and after such date cease and terminate (unless the Corporation defaults on the payment of the redemption price), except for (i) the rights of the holders to receive the shares of Common Stock and funds, if any, payable pursuant to this Section 3(b) without interest upon surrender of their certificates therefor and (ii) the right of the holders, pursuant to Section 3(c) to convert the shares of PRIDES called for redemption until immediately before the close of business on any redemption date; provided, however, that holders of shares of PRIDES at the close of business on a record date for any payment of Preferred Dividends shall be entitled to receive the Preferred Dividend payable on such shares on the corresponding Dividend Payment Date notwithstanding the redemption of such shares following such record date and before the Dividend Payment Date. Holders of shares of PRIDES that are redeemed shall not be entitled to receive dividends declared and paid on such shares of Common Stock, and such shares of Common Stock shall not be entitled to vote, until such shares of Common Stock are issued upon the

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surrender of the certificates representing such shares of PRIDES and upon such surrender such holders shall be entitled to receive such dividends declared and paid on such shares of Common Stock subsequent to such redemption date.

(c) Shares of PRIDES are convertible, in whole or in part, at the option of the holders thereof ("Optional Conversion"), at any time before the Mandatory Conversion Date, unless previously redeemed, into shares of Common Stock at a rate of .82 of a share of Common Stock for each share of PRIDES (the "PRIDES Optional Conversion Rate"), subject to adjustment as set forth below. The

right of Optional Conversion of shares of PRIDES called for redemption shall terminate immediately before the close of business on any redemption date with respect to such shares.

Optional Conversion of shares of PRIDES may be effected by delivering certificates evidencing such shares of PRIDES, together with written notice of conversion and a proper assignment of such certificates to the Corporation or in blank (and, if applicable, cash payment of an amount equal to the Preferred Dividend attributable to the current quarterly dividend period payable on such shares), to the office of the transfer agent for the shares of PRIDES or to any other office or agency maintained by the Corporation for that purpose and otherwise in accordance with Optional Conversion procedures established by the Corporation. Each Optional Conversion shall be deemed to have been effected immediately before the close of business on the date on which the foregoing requirements shall have been satisfied. The Optional Conversion shall be at the PRIDES Optional Conversion Rate in effect at such time and on such date.

Holders of shares of PRIDES at the close of business on a record date for any payment of declared Preferred Dividends shall be entitled to receive the

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Preferred Dividend payable on such shares of PRIDES on the corresponding Dividend Payment Date notwithstanding the Optional Conversion of such shares of PRIDES following such record date and before such Dividend Payment Date. However, shares of PRIDES surrendered for Optional Conversion after the close of business on a record date for any payment of declared Preferred Dividends and before the opening of business on the next succeeding Dividend Payment Date must be accompanied by payment in cash of an amount equal to the Preferred Dividends attributable to the current quarterly dividend period payable on such date (unless such shares of PRIDES are subject to redemption on a redemption date between such record date established for such Dividend Payment Date and such Dividend Payment Date). Except as provided above, upon any Optional Conversion of shares of PRIDES, the Corporation shall make no payment of or allowance for unpaid Preferred Dividends, whether or not in arrears, on such shares of PRIDES as to which Optional Conversion has been effected or for previously declared dividends or distributions on the shares of Common Stock issued upon Optional Conversion.

(d) The PRIDES Common Equivalent Rate and the PRIDES Optional Conversion Rate are each subject to adjustment from time to time as provided below in this paragraph (d).

(i) If the Corporation shall pay a stock dividend or make a distribution with respect to its Common Stock in shares of Common Stock (including by way of reclassification of any shares of its Common Stock), the PRIDES Common Equivalent Rate and the PRIDES Optional Conversion Rate in effect at the opening of business on the day following the date fixed for the determination by stockholders entitled to receive such dividend or other distribution shall each be increased

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by multiplying such PRIDES Common Equivalent Rate and PRIDES Optional Conversion Rate by a fraction of which the numerator shall be the sum of the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination, immediately before such dividend or distribution, plus the total number of shares of Common Stock constituting such dividend or other distribution, and of which the denominator shall

be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination, immediately before such dividend or distribution, such increase to become effective immediately after the opening of business on the day following the date fixed for such determination. For the purposes of this clause (i), the number of shares of Common Stock at any time outstanding shall not include shares held in the treasury of the Corporation but shall include shares issuable in respect of certificates issued in lieu of fractions of shares of Common Stock.

(ii) In case outstanding shares of Common Stock shall be subdivided or split into a greater number of shares of Common Stock, the PRIDES Common Equivalent Rate and the PRIDES Optional Conversion Rate in effect at the opening of business on the day following the day upon which such subdivision becomes effective shall each be proportionately increased, and, conversely, in case outstanding shares of Common Stock shall be combined into a smaller number of shares of Common Stock, the PRIDES Common Equivalent Rate and the PRIDES Optional Conversion Rate in effect at the opening of business on the day following the day upon which such combination becomes effective shall each be proportionately reduced, such increases or reductions, as the case may be, to become effective immediately

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after the opening of business on the day following the day upon which such subdivision or combination becomes effective.

(iii) If the Corporation shall, after the date of this Certificate of Designations, issue rights or warrants to all holders of its Common Stock entitling them (for a period not exceeding 45 days from the date of such issuance) to subscribe for or purchase shares of Common Stock at a price per share less than the Current Market Price of the Common Stock (determined pursuant to Section 3(b)(ii)) on the record date for the determination of stockholders entitled to receive such rights or warrants, then in each case the PRIDES Common Equivalent Rate and the PRIDES Optional Conversion Rate shall each be adjusted by multiplying the PRIDES Common Equivalent Rate and the PRIDES Optional Conversion Rate in effect on such record date by a fraction of which the numerator shall be the number of shares of Common Stock outstanding on the date of issuance of such rights or warrants, immediately before such issuance, plus the number of additional shares of Common Stock offered for subscription or purchase pursuant to such rights or warrants, and of which the denominator shall be the number of shares of Common Stock outstanding on the date of issuance of such rights or warrants, immediately before such issuance, plus the number of shares of Common Stock which the aggregate offering price of the total number of shares of Common Stock so offered for subscription or purchase pursuant to such rights or warrants would purchase at such Current Market Price (determined by multiplying such total number of shares by the exercise price of such rights or warrants and dividing the product so obtained by such Current Market Price). Shares of Common Stock

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held by the Corporation or by another corporation of which a majority of the shares entitled to vote in the election of directors are held, directly or indirectly, by the Corporation shall not be deemed to be outstanding for purposes of such computation. Such adjustment shall become effective at the opening of business on the business day next following the

record date for the determination of stockholders entitled to receive such rights or warrants. To the extent that shares of Common Stock are not delivered after the expiration of such rights or warrants, the PRIDES Common Equivalent Rate and the PRIDES Optional Conversion Rate shall each be readjusted to the PRIDES Common Equivalent Rate and the PRIDES Optional Conversion Rate which would then be in effect had the adjustments made after the issuance of such rights or warrants been made upon the basis of issuance of rights or warrants in respect of only the number of shares of Common Stock actually delivered.

(iv) If the Corporation shall pay a dividend or make a distribution to all holders of its Common Stock consisting of evidences of its indebtedness, cash or other assets (including shares of capital stock of the Corporation other than Common Stock but excluding any cash dividends or distributions, other than Extraordinary Cash Distributions (as defined herein) and dividends referred to in clauses (i) and (ii) above), or shall issue to all holders of its Common Stock rights or warrants to subscribe for or purchase any of its securities (other than those referred to in clause (iii) above), then in each such case, the PRIDES Common Equivalent Rate and the PRIDES Optional Conversion Rate shall each be adjusted by multiplying the PRIDES Common Equivalent Rate and the PRIDES Optional Conversation Rate in effect on the record date

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for such dividend or distribution or for the determination of stockholders entitled to receive such rights or warrants, as the case may be, by a fraction of which the numerator shall be the Current Market Price per share of the Common Stock (determined pursuant to Section 3(b)(ii) on such record date), and of which the denominator shall be such Current Market Price per share of Common Stock less either (i) the fair market value (as determined by the Board of Directors, whose determination shall be conclusive) on such record date of the portion of the assets or evidences of indebtedness so distributed, or of such subscription rights or warrants, applicable to one share of Common Stock, or (ii) if applicable, the amount of the Extraordinary Cash Distributions. Such adjustment shall become effective on the opening of business on the business day next following the record date for such dividend or distribution or for the determination of holders entitled to receive such rights or warrants, as the case may be.

(v) Any shares of Common Stock issuable in payment of a dividend or other distribution shall be deemed to have been issued immediately before the close of business on the record date for such dividend or other distribution for purposes of calculating the number of outstanding shares of Common Stock under this Section 3.

(vi) Anything in this Section 3 notwithstanding, the Corporation shall be entitled (but shall not be required) to make such upward adjustments in the PRIDES Common Equivalent Rate, the PRIDES Optional Conversion Rate and the PRIDES Call Price in addition to those set forth by this Section 3, as the Corporation, in its sole discretion, shall determine to be advisable, in

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order that any stock dividends, subdivision of stock, distribution of rights to purchase stock or securities, or distribution of securities convertible into or exchangeable

for stock (or any transaction that could be treated as any of the foregoing transactions pursuant to Section 305 of the Internal Revenue Code of 1986, as amended) hereafter made by the Corporation to its stockholders shall not be taxable. The term "Extraordinary Cash Distribution" means, with respect to any consecutive 12-month period, all cash dividends and cash distributions on the Common Stock during such period (other than cash dividends and cash distributions for which a prior adjustment to the PRIDES Common Equivalent Rate and PRIDES Optional Conversion Rate was previously made) to the extent such dividends and distributions exceed, on a per share of Common Stock basis, 10% of the average daily Closing Price of the Common Stock over such period.

(vii) In any case in which this Section 3(d) shall require that an adjustment as a result of any event become effective at the opening of business on the business day next following a record date and the date fixed for conversion pursuant to Section 3(a) or redemption pursuant to Section 3(b) on and after such record date, but before the occurrence of such event, the Corporation may, in its sole discretion, elect to defer the following until after the occurrence of such event: (A) issuing to the holder of any shares of PRIDES surrendered for conversion or redemption the fractional shares of Common Stock issuable before giving effect to such adjustment; and (B) paying to such holder any amount in cash in lieu of a fractional share of Common Stock pursuant to Section 4.

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(viii) All adjustments to the PRIDES Common Equivalent Rate and the PRIDES Optional Conversion Rate shall be calculated to the nearest 1/100th of a share of Common Stock. No adjustment in the PRIDES Common Equivalent Rate or in the PRIDES Optional Conversion Rate shall be required unless such adjustment would require an increase or decrease of at least one percent therein; provided, however, that any adjustments which by reason of this Section 3(d) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All adjustments to the PRIDES Common Equivalent Rate and PRIDES Optional Conversion Rate shall be made successively.

(ix) At least 10 business days before taking any action that could result in an adjustment affecting the PRIDES Common Equivalent Rate or the PRIDES Optional Conversion Rate such that the conversion price (for purposes of this section, an amount equal to the PRIDES Call Price divided by the PRIDES Common Equivalent Rate or the PRIDES Optional Conversion Rate, respectively, as in effect from time to time) would be below the then par value of the Common Stock, the Corporation shall take any corporate action which may, in the opinion of its counsel, be necessary in order that the Corporation may validly and legally issue fully paid and nonassessable shares of Common Stock at the PRIDES Common Equivalent Rate or the PRIDES Optional Conversion Rate as so adjusted.

(x) Before redeeming any shares of PRIDES, the Corporation shall take any corporate action which may, in the opinion of its counsel, be necessary in order that the Corporation may validly and legally issue fully paid and nonassessable shares of Common Stock upon such redemption.

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(e) In case of any consolidation or merger to which the

Corporation is a party (other than a consolidation or merger in which the Corporation is the surviving or continuing corporation and in which the shares of Common Stock outstanding immediately before the merger or consolidation remain unchanged), or in the case of any sale or transfer to another corporation of the property of the Corporation as an entirety or substantially as an entirety, or in the case of a statutory exchange of securities with another corporation (other than in connection with a merger or acquisition), each share of PRIDES shall, after consummation of such transaction, be subject to (i) conversion at the option of the holder into the kind and amount of securities, cash, or other property receivable upon consummation of such transaction by a holder of the number of shares of Common Stock into which such share of PRIDES might have been converted immediately before consummation of such transaction, (ii) conversion on the Mandatory Conversion Date into the kind and amount of securities, cash, or other property receivable upon consummation of such transaction by a holder of the number of shares of Common Stock into which such share of PRIDES would have been converted if the conversion on the Mandatory Conversion Date had occurred immediately before the date of consummation of such transaction, plus the right to receive cash in an amount equal to all accrued and unpaid dividends on such share of PRIDES (other than previously declared dividends payable to a holder of record as of a prior date), and (iii) redemption on any redemption date in exchange for the kind and amount of securities, cash, or other property receivable upon consummation of such transaction by a holder of the number of shares of Common Stock that would have been issuable at the PRIDES Call Price in effect on such redemption date upon a redemption of such share of PRIDES immediately before consummation of such transaction, assuming that, if the Notice Date for such redemption is not

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before such transaction, the Notice Date had been the date of such transaction; and assuming in each case that such holder of shares of Common Stock failed to exercise rights of election, if any, as to the kind or amount of securities, cash, or other property receivable upon consummation of such transaction (provided that, if the kind or amount of securities, cash, or other property receivable upon consummation of such transaction is not the same for each non-electing share, then the kind and amount of securities, cash, or other property receivable upon consummation of such transaction for each non-electing share shall be deemed to be the kind and amount so receivable per share by a plurality of the non-electing shares). The kind and amount of securities into or for which the shares of PRIDES shall be convertible or redeemable after consummation of such transaction shall be subject to adjustment as described in Section 3(d) following the date of consummation of such transaction. The Corporation may not become a party to any such transaction unless the terms thereof are consistent with the foregoing.

(f) Whenever the PRIDES Common Equivalent Rate and PRIDES Optional Conversion Rate are adjusted as provided in Section 3(d), the Corporation shall:

(i) forthwith compute the adjusted PRIDES Common Equivalent Rate and PRIDES Optional Conversion Rate in accordance with this Section 3 and prepare a certificate signed by the Chief Financial Officer, any Vice President, the Treasurer or the Controller of the Corporation setting forth the adjusted PRIDES Common Equivalent Rate and the PRIDES Optional Conversion Rate, the method of calculation thereof in reasonable detail and the facts requiring such adjustment and upon which such adjustment is based, which certificate shall be conclusive, final and binding evidence of the

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correctness of the adjustment, and shall file such certificate forthwith with the transfer agent for the shares of the PRIDES and the Common Stock;

(ii) make a prompt public announcement stating that the PRIDES Common Equivalent Rate and PRIDES Optional Conversion Rate have been adjusted and setting forth the adjusted PRIDES Common Equivalent Rate and PRIDES Optional Conversion Rate;

(iii) mail a notice stating that the PRIDES Common Equivalent Rate and the PRIDES Optional Conversion Rate have been adjusted, the facts requiring such adjustment and upon which such adjustment is based and setting forth the adjusted PRIDES Common Equivalent Rate and PRIDES Optional Conversion Rate, to the holders of record of the outstanding shares of PRIDES, at or prior to the time the Corporation mails an interim statement, if any, to its stockholders covering the fiscal quarter period during which the facts requiring such adjustment occurred, but in any event within 45 days of the end of such fiscal quarter period.

(g) In case, at any time while any of the shares of PRIDES are outstanding,

(i) the Corporation shall declare a dividend (or any other distribution) on the Common Stock, excluding any cash dividends other than Extraordinary Cash Distributions; or

(ii) the Corporation shall authorize the issuance to all holders of the Common Stock of rights or warrants to subscribe for or purchase shares of the

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Common Stock or of any other subscription rights or warrants; or

(iii) the Corporation shall authorize any reclassification of the Common Stock (other than a subdivision or combination thereof) or any consolidation or merger to which the Corporation is a party and for which approval of any stockholders of the Corporation is required (except for a merger of the Corporation into one of its subsidiaries solely for the purpose of changing the corporate domicile of the Corporation to another state of the United States and in connection with which there is no substantive change in the rights or privileges of any securities of the Corporation other than changes resulting from differences in the corporate statutes of the state the Corporation was then domiciled in and the new state of domicile), or the sale or transfer of all or substantially all of the assets of the Corporation;

then the Corporation shall cause to be filed at each office or agency maintained for the purpose of conversion of the shares of PRIDES, and shall cause to be mailed to the holders of shares of PRIDES at their last addresses as they shall appear on the stock register of the Corporation, at least 10 business days before the date hereinafter specified in clause (A) or (B) below (or the earlier of the dates hereinafter specified, in the event that more than one date is specified), a notice stating (A) the date on which a record is to be taken for the purpose of such dividend, distribution, rights or warrants, or, if a record is not to be taken, the date as of which the holders of Common Stock of record to be entitled to such dividend, distribution, rights or warrants are to be determined, or

(B) the date on which any such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up is

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expected to become effective, and the date as of which it is expected that holders of Common Stock of record shall be entitled to exchange their Common Stock for securities or other property (including cash), if any, deliverable upon such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up. The failure to give or receive the notice required by this paragraph (g) or any defect therein shall not affect the legality or validity of any such dividend, distribution, right or warrant or other action.

Section 4. No Fractional Shares. No fractional shares of Common Stock shall be issued upon redemption or conversion of any shares of the PRIDES. In lieu of any fractional share otherwise issuable in respect of the aggregate number of shares of the PRIDES of any holder that are redeemed or converted on any redemption date or upon Mandatory Conversion or Optional Conversion, such holder shall be entitled to receive an amount in cash (computed to the nearest cent) equal to the same fraction of the (i) Current Market Price of the Common Stock (determined as of the second Trading Day immediately preceding the Notice Date) in the case of redemption, or (ii) Closing Price of the Common Stock determined (A) as of the fifth Trading Day immediately preceding the Mandatory Conversion Date, in the case of Mandatory Conversion, or (B) as of the second Trading Day immediately preceding the effective date of conversion, in the case of an Optional Conversion by a holder. If more than one share of PRIDES shall be surrendered for conversion or redemption at one time by or for the same holder, the number of full shares of Common Stock issuable upon conversion thereof shall be computed on the basis of the aggregate number of shares of the PRIDES so surrendered or redeemed.

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Section 5. Reservation of Common Stock. The Corporation shall at all times reserve and keep available out of its authorized and unissued Common Stock, solely for issuance upon the conversion or redemption of shares of PRIDES, as herein provided, free from preemptive rights, such maximum number of shares of Common Stock as shall from time to time be issuable upon the Mandatory Conversion or Optional Conversion or redemption of all the shares of PRIDES then outstanding.

Section 6. Definitions. As used in this Certificate of Designations:

(i) the term "business day" shall mean any day other than a Saturday, Sunday, or a day on which banking institutions in the State of New York are authorized or obligated by law or executive order to close;

(ii) the term "Closing Price", on any day, shall mean the last sale price as shown on the New York Stock Exchange Composite Tape on such day, or, in case no such sale takes place on such day, the average of the reported closing bid and asked prices regular way on the New York Stock Exchange, or, if the Common Stock is not listed or admitted to trading on such Exchange, on the principal national securities exchange on which the Common Stock is listed or admitted to trading, or, if not listed or admitted to trading on any national securities exchange, the average of the closing bid and asked prices of the Common Stock on the over-the-counter market on the day in question as reported by the National Association of Securities

Dealers, Inc. Automated Quotation System, or a similar generally accepted reporting service, or if not so available in such manner, as furnished by any New York

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Stock Exchange member firm selected from time to time by the Board of Directors for that purpose;

(iii) the term "record date" shall be such date as from time to time fixed by the Board of Directors with respect to the receipt of dividends, the receipt of a redemption price upon redemption or the taking of any action or exercise of any voting rights permitted hereby; and

(iv) the term "Trading Day" shall mean a date on which the New York Stock Exchange (or any successor to such Exchange) is open for the transaction of business.

Section 7. Payment of Taxes. The Corporation shall pay any and all documentary, stamp or similar issue or transfer taxes payable in respect of the issue or delivery of shares of Common Stock on the redemption or conversion of shares of PRIDES pursuant to Section 3; provided, however, that the Corporation shall not be required to pay any tax which may be payable in respect of any registration of transfer involved in the issue or delivery of shares of Common Stock in a name other than that of the registered holder of shares of PRIDES redeemed or converted or to be redeemed or converted, and no such issue or delivery shall be made unless and until the person requesting such issue has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

Section 8. Liquidation Rights. In the event of any voluntary or involuntary liquidation, dissolution, or winding up of the Corporation, and subject to the rights of holders of any other series of Preferred Stock, the holders of outstanding shares of PRIDES are entitled to receive the sum of \$47.25 per share, plus an amount equal to any accrued

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and unpaid Preferred Dividends thereon, out of the assets of the Corporation available for distribution to stockholders, before any distribution of assets is made to holders of Second Preferred Stock, Common Stock or any other capital stock ranking junior to the shares of PRIDES upon liquidation, dissolution, or winding up. If upon any voluntary or involuntary liquidation, dissolution, or winding up of the Corporation, the assets of the Corporation are insufficient to permit the payment of the full preferential amounts payable with respect to the shares of PRIDES and all other series of Parity Preferred Stock, the holders of shares of PRIDES and of all other series of Parity Preferred Stock shall share ratably in any distribution of assets of the Corporation in proportion to the full respective preferential amounts to which they are entitled. After payment of the full amount of the liquidating distribution to which they are entitled, the holders of shares of PRIDES shall not be entitled to any further participation in any distribution of assets by the Corporation. A consolidation or merger of the Corporation with or into one or more other corporations (whether or not the Corporation is the corporation surviving such consolidation or merger), or a sale, lease or exchange of all or substantially all of the assets of the Corporation shall not be deemed to be a voluntary or involuntary liquidation, dissolution, or winding up of the Corporation.

Section 9. Voting Rights. (a) The holders of shares of PRIDES shall have the right with the holders of Common Stock to vote in the election of directors and upon each other matter coming before any meeting of the holders of Common Stock on the basis of 4/5 of a vote for each share of PRIDES held. The holders of shares of PRIDES and the holders of Common Stock shall vote together as one class on such matters except as otherwise provided by law or by the Restated Certificate of Incorporation.

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(b) In the event that dividends on the shares of PRIDES or any other series of Preferred Stock shall be in arrears and unpaid for six quarterly dividend periods, or if any series of Preferred Stock (other than the PRIDES) shall be entitled for any other reason to exercise voting rights, separate from the Common Stock, to elect any directors of the Corporation ("Preferred Stock Directors"), the holders of the shares of PRIDES (voting separately as a class with holders of all other series of Preferred Stock upon which like voting rights have been conferred and are exercisable), with each share of PRIDES entitled to one vote on this and other matters in which Preferred Stock votes as a group, shall be entitled to vote for the election of two directors of the Corporation, such directors to be in addition to the number of directors constituting the Board of Directors immediately before the accrual of such right. Such right, when vested, shall continue until all cumulative dividends accumulated and payable on the shares of PRIDES and such other series of Preferred Stock shall have been paid in full and the right of any other series of Preferred Stock to exercise voting rights, separate from the Common Stock, to elect Preferred Stock Directors shall terminate or have terminated, and, when so paid and any such termination occurs or has occurred, such right of the holders of the shares of PRIDES shall cease. The term of office of any director elected by the holders of the shares of PRIDES and such other series shall terminate on the earlier of (i) the next annual meeting of stockholders at which a successor shall have been elected and qualified or (ii) the termination of the right of holders of the shares of PRIDES and such other series to vote for such directors.

(c) The Corporation shall not, without the approval of the holders of at least 66-2/3 percent of the shares of PRIDES then outstanding: (i) amend, alter, or repeal any of the provisions of the Restated Certificate of

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Incorporation or By-Laws of the Corporation so as to affect adversely the powers, preferences or rights of the holders of the shares of PRIDES then outstanding or reduce the minimum time for any required notice to which the holders of the shares of PRIDES then outstanding may be entitled (an amendment of the Restated Certificate of Incorporation to authorize or create, or to increase the authorized amount of, Junior Stock or any stock of any class ranking on a parity with the PRIDES being deemed not to affect adversely the powers, preferences, or rights of the holders of the shares of PRIDES); (ii) authorize or create, or increase the authorized amount of, any capital stock, or any security convertible into capital stock of any class, ranking prior to the shares of PRIDES either as to the payment of dividends or the distribution of assets upon liquidation, dissolution or winding up of the Corporation; or (iii) merge or consolidate with or into any other corporation, unless each holder of shares of PRIDES immediately preceding such merger or consolidation shall receive or continue to hold in the resulting corporation the same number of shares, with substantially the same rights and preferences, as correspond to the shares of PRIDES so held.

(d) The Corporation shall not, without the approval of the holders of at least a majority of the shares of PRIDES then outstanding: (i) increase the authorized number of shares of Preferred Stock; or (ii) create any other class or classes of capital stock of the Corporation ranking on a parity with the Preferred Stock, either as to payment of dividends or the distribution of assets upon liquidation, dissolution or winding up of the Corporation, or create any stock or other security convertible into or exchangeable for or evidencing the right to purchase any stock of such other class ranking on a parity with the Preferred Stock, or increase the authorized number of shares

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of any such other class or amount of such other stock or security.

(e) Notwithstanding the provisions set forth in Sections 9(c) and 9(d), no such approval described therein of the holders of the shares of PRIDES shall be required if, at or before the time when such amendment, alteration, or repeal is to take effect or when the authorization, creation, increase or issuance of any such prior or parity stock or convertible security is to be made, or when such consolidation or merger, voluntary liquidation, dissolution, or winding up, sale, lease, conveyance, purchase, or redemption is to take effect, as the case may be, provision is made for the redemption of all shares of PRIDES at the time outstanding.

IN WITNESS WHEREOF, Reynolds Metals Company has caused this certificate to be signed and attested this 20th day of January, 1994.

REYNOLDS METALS COMPANY

By: HENRY S. SAVEDGE, JR.

Name: Henry S. Savedge, Jr.
Title: Executive Vice President
and Chief Financial Officer

Attest:

D. MICHAEL JONES

Name: D. Michael Jones
Title: Vice President, General
Counsel and Secretary

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State of Delaware PAGE 1
Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF OWNERSHIP, WHICH MERGES:

"BEV-PAK, INC.", A DELAWARE CORPORATION,
"R/M CAN COMPANY", A DELAWARE CORPORATION,
WITH AND INTO "REYNOLDS METALS COMPANY" UNDER THE NAME OF

"REYNOLDS METALS COMPANY", A CORPORATION ORGANIZED AND EXISTING

UNDER THE LAWS OF THE STATE OF DELAWARE, AS RECEIVED AND FILED
IN THIS OFFICE THE TWELFTH DAY OF DECEMBER, A.D. 1994, AT 9
O'CLOCK A.M.

A CERTIFIED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO
THE NEW CASTLE COUNTY RECORDER OF DEEDS FOR RECORDING.

EDWARD J. FREEL

Edward J. Freel, Secretary of State

AUTHENTICATION: 7334005

DATE: 12-12-94

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CERTIFICATE OF OWNERSHIP AND MERGER

MERGING

R/M CAN COMPANY

AND

BEV-PAK, INC.

INTO

REYNOLDS METALS COMPANY

Pursuant to Section 253 of the
General Corporation Law of Delaware

REYNOLDS METALS COMPANY, a Delaware corporation (the
"Corporation"), does hereby certify:

FIRST: That the Corporation is incorporated pursuant to the
General Corporation Law of the State of Delaware.

SECOND: That the Corporation owns all of the outstanding shares
of each class of the capital stock of R/M CAN COMPANY and BEV-PAK, INC.,
each a Delaware corporation.

THIRD: That the Corporation, by the following resolutions of
its Board of Directors, duly adopted at a meeting held on the 21st day of
October, 1994, determined to merge into itself R/M CAN COMPANY and BEV-PAK,
INC. on the conditions set forth in such resolutions:

RESOLVED, that the corporation, as owner of all of the
outstanding shares of each class of the capital stock of
R/M Can Company and Bev-Pak, Inc., merge into itself R/M
Can Company and Bev-Pak, Inc. and assume all of their
respective liabilities and obligations effective as of
11:59 p.m. E.S.T. on December 31, 1994; and

FURTHER RESOLVED, that the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, any Vice Chairman of the Board, any Executive Vice President, any Vice President, the Secretary and any Assistant Secretary are each hereby authorized on behalf of the corporation to take all such action, including, without limitation, incurrence and payment of all fees,

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expenses and other charges, and to execute and deliver all such agreements, instruments and documents (including, without limitation, a certificate of ownership and merger and documents relating to employee benefit plans maintained for employees of Bev-Pak, Inc.) which in the opinion of any of them may be necessary or desirable to achieve the purposes of or effect the transactions contemplated by the preceding resolution, the taking of any such action or the execution and delivery of any such agreements, instruments or documents to be conclusive evidence of the authority to take, execute or deliver the same.

This Certificate of Ownership and Merger shall be effective as of 11:59 p.m. E.S.T. on December 31, 1994.

IN WITNESS WHEREOF, the Corporation has caused its corporate seal to be affixed and this Certificate to be executed and attested by its officers thereunto duly authorized this 29th day of November, 1994.

REYNOLDS METALS COMPANY

By D. MICHAEL JONES

Vice President, General Counsel
and Secretary

[SEAL]

ATTEST:

By: BRENDA A. HART

Assistant Secretary

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State of Delaware PAGE 1
Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF OWNERSHIP, WHICH MERGES:

"RMC HOLDING, INC.", A DELAWARE CORPORATION,

WITH AND INTO "REYNOLDS METALS COMPANY" UNDER THE NAME OF

"REYNOLDS METALS COMPANY", A CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF DELAWARE, AS RECEIVED AND FILED IN THIS OFFICE THE THIRTEENTH DAY OF DECEMBER, A.D. 1995, AT 9 O'CLOCK A.M.

A CERTIFIED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS FOR RECORDING.

EDWARD J. FREEL

Edward J. Freel, Secretary of State

AUTHENTICATION: 7752105

DATE: 12-15-95

0240111 8100M
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CERTIFICATE OF OWNERSHIP AND MERGER

MERGING

RMC HOLDINGS, INC.

INTO

REYNOLDS METALS COMPANY

Pursuant to Section 253 of the
General Corporation Law of Delaware

REYNOLDS METALS COMPANY, a Delaware corporation (the "Corporation"), does hereby certify:

FIRST: That the Corporation is incorporated pursuant to the General Corporation Law of the State of Delaware.

SECOND: That the Corporation owns all of the outstanding shares of each class of the capital stock of RMC HOLDINGS, Inc., a Delaware corporation.

THIRD: That the Corporation, by the following resolutions of its Board of Directors, duly adopted at a meeting held on the 17th day of November, 1995, determined to merge into itself RMC HOLDINGS, INC. on the conditions set forth in such resolutions:

RESOLVED, that the corporation, as owner of all of the outstanding shares of each class of the capital stock of RMC Holdings, Inc., merge into itself RMC Holdings, Inc. and assume all of its liabilities and obligations effective as of 11:59 p.m. E.S.T. on December 15, 1995; provided, that at any time prior to the filing of a certificate of ownership and merger with the Delaware Secretary of State with respect to such merger, this resolution may be rescinded by the Board of Directors of the corporation or by the Executive Committee thereof; and

FURTHER RESOLVED, that the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, the Vice Chairman of the Board, any Executive Vice President, any Vice President, the Secretary and any Assistant Secretary are each hereby authorized on behalf of the corporation to take all such action, including, without

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limitation, incurrence and payment of all fees, expenses and other charges, and to execute and deliver all such agreements, instruments and documents (including, without limitation, a certificate of ownership and merger) which in the opinion of any of them may be necessary or desirable to achieve the purposes of or effect the transactions contemplated by the preceding resolution, the taking of any such action or the execution and delivery of any such agreements, instruments or documents to be conclusive evidence of the authority to take, execute or deliver the same.

FOURTH: That the foregoing resolutions of the Corporation's Board of Directors have not been rescinded by the Board of Directors or the Executive Committee thereof.

This Certificate of Ownership and Merger shall be effective as of 11:59 p.m. E.S.T. on December 15, 1995.

IN WITNESS WHEREOF, the Corporation has caused its corporate seal to be affixed and this Certificate to be executed and attested by its officers thereunto duly authorized this 11th day of December, 1995.

REYNOLDS METALS COMPANY

By D. MICHAEL JONES

Vice President, General
Counsel and Secretary

[SEAL]

ATTEST:

BRENDA A. HART

By: -----
Assistant Secretary

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State of Delaware PAGE 1
Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF OWNERSHIP, WHICH MERGES:

"RMC ACCEPTANCE, INC.", A DELAWARE CORPORATION,

WITH AND INTO "REYNOLDS METALS COMPANY" UNDER THE NAME OF "REYNOLDS METALS COMPANY", A CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF DELAWARE, AS RECEIVED AND FILED IN THIS OFFICE THE TWENTY-THIRD DAY OF DECEMBER, A.D. 1996, AT 9 O'CLOCK A.M.

A CERTIFIED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS FOR RECORDING.

EDWARD J. FREEL

Edward J. Freel, Secretary of State

AUTHENTICATION:

DATE: 12-24-96

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CERTIFICATE OF OWNERSHIP AND MERGER

MERGING

RMC ACCEPTANCE, INC.

INTO

REYNOLDS METALS COMPANY

Pursuant to Section 253 of the
General Corporation Law of Delaware

REYNOLDS METALS COMPANY, a Delaware corporation (the "Corporation"), does hereby certify:

FIRST: That the Corporation is incorporated pursuant to the General Corporation Law of the State of Delaware.

SECOND: That the Corporation owns all of the outstanding shares of each class of the capital stock of RMC ACCEPTANCE, INC., a Delaware corporation.

THIRD: That the Corporation, by the following resolutions of the Executive Committee of its Board of Directors, duly adopted by unanimous written consent as of the 20th day of December, 1996, determined to merge into itself RMC ACCEPTANCE, INC. on the conditions set forth in such resolutions:

RESOLVED, that the corporation, as owner of all of the outstanding shares of each class of the capital stock of RMC ACCEPTANCE, INC., merge into itself RMC ACCEPTANCE, INC. and assume all of its liabilities and obligations effective as of 12:01 a.m. E.S.T. on

January 2, 1997; and

FURTHER RESOLVED, that the Chief Executive Officer, any Vice Chairman and Executive Officer, the Chief Financial Officer, any Senior Vice President, any Vice President, the Secretary and any Assistant Secretary are each authorized on behalf of the corporation to take all such action, including, without limitation, incurrence and payment of all fees, expenses and other charges, and to execute and deliver all such agreements, instruments and documents

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(including, without limitation, a certificate of ownership and merger) which in the opinion of any of them may be necessary or desirable to achieve the purposes of or effect the transactions contemplated by the preceding resolution, the taking of any such action or the execution and delivery of any such agreements, instruments or documents to be conclusive evidence of the authority to take, execute or deliver the same.

This Certificate of Ownership and Merger shall be effective as of 12:01 a.m. E.S.T. on January 2, 1997.

IN WITNESS WHEREOF, the Corporation has caused its corporate seal to be affixed and this Certificate to be executed and attested by its officers thereunto duly authorized this 20th day of December, 1996.

REYNOLDS METALS COMPANY

By D. MICHAEL JONES

Senior Vice President and
General Counsel

[SEAL]

ATTEST:

By: DONNA C. DABNEY

Secretary

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State of Delaware PAGE 1
Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF DESIGNATION OF "REYNOLDS METALS COMPANY", FILED IN THIS OFFICE ON THE TWENTY-FIRST DAY OF JANUARY, A.D. 1997, AT 9 O'CLOCK A.M.

A CERTIFIED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO

EDWARD J. FREEL

Edward J. Freel, Secretary of State

AUTHENTICATION: 8294419

DATE: 01-22-97

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CERTIFICATE OF ELIMINATION OF

7% PRIDES, Convertible Preferred Stock

of

REYNOLDS METALS COMPANY

Pursuant to Section 151 of the
General Corporation Law of the State of Delaware

REYNOLDS METALS COMPANY, a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), hereby certifies that:

1. The Corporation has heretofore authorized and issued 11,000,000 shares of 7% PRIDES, Convertible Preferred Stock, Stated Value \$47.25 Per Share (the "PRIDES"), pursuant to its Certificate of Designations, Preferences, Rights and Limitations under Section 151 of the General Corporation Law of the State of Delaware (the "PRIDES Certificate of Designations") filed in the Office of Secretary of State of the State of Delaware on January 20, 1994.
2. Pursuant to Section 3 of the PRIDES Certificate of Designations, on December 2, 1996 the Corporation called all of the outstanding shares of PRIDES for redemption on December 31, 1996.
3. The Board of Directors of the Corporation duly adopted the following resolutions at a meeting held on January 17, 1997, acknowledging that as a result of the redemption of all of the outstanding shares of the PRIDES on December 31, 1996, none of the authorized shares of the PRIDES are outstanding, and none will be issued subject to the PRIDES Certificate of Designations:

RESOLVED, that as a result of the redemption on December 31, 1996 of all of the outstanding shares of 7% PRIDES(SM), Convertible Preferred Stock, Stated Value \$47.25 Per Share (the "PRIDES"), of the corporation, none of the authorized shares of the PRIDES are outstanding

and none will be issued subject to the Certificate of Designations, Preferences, Rights and Limitations relating to the PRIDES (the "PRIDES Certificate of Designations") previously filed in the Office of Secretary of State of the State of Delaware; and

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FURTHER RESOLVED, that the Restated Certificate of Incorporation of the corporation be amended to eliminate all matters set forth in the PRIDES Certificate of Designations; and

FURTHER RESOLVED, that the Chief Executive Officer, any Vice Chairman and Executive Officer, the Chief Financial Officer, the Senior Vice President and General Counsel and the Secretary of the corporation are each hereby authorized on behalf of the corporation to take any and all such action, including, without limitation, the filing and recording of one or more certificates in the appropriate offices in the State of Delaware, and the incurrence and payment of all fees, expenses and other charges, and to execute and deliver all such agreements, instruments and documents which in the opinion of any of them may be necessary or desirable to achieve the purposes of, or to effect the transactions contemplated by, the preceding resolutions, the taking of any such action or the execution and delivery of any such agreements, instruments or documents to be conclusive evidence of the authority to take, execute or deliver the same.

IN WITNESS WHEREOF, the Corporation has caused its corporate seal to be affixed and this Certificate to be executed and attested by its officers thereunto duly authorized this 17th day of January, 1997.

REYNOLDS METALS COMPANY

By D. MICHAEL JONES

D. Michael Jones
Senior Vice President
and General Counsel

[SEAL]

ATTEST:

By DONNA C. DABNEY

Donna C. Dabney
Secretary

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CERTIFICATE OF OWNERSHIP AND MERGER

MERGING
ALUMINA TRANSPORT CORPORATION
INTO
REYNOLDS METALS COMPANY

Pursuant to Section 253 of the
General Corporation Law of Delaware

REYNOLDS METALS COMPANY, a Delaware corporation (the "Corporation"), does hereby certify:

FIRST: That the Corporation is incorporated pursuant to the General Corporation Law of the State of Delaware.

SECOND: That the Corporation owns all of the outstanding shares of each class of the capital stock of ALUMINA TRANSPORT CORPORATION, a Delaware corporation.

THIRD: That the Corporation, by the following resolutions of the Executive Committee of its Board of Directors, duly adopted by unanimous written consent as of the 20th day of June, 1997, determined to merge into itself ALUMINA TRANSPORT CORPORATION on the conditions set forth in such resolutions:

RESOLVED, that the corporation, as owner of all of the outstanding shares of each class of the capital stock of ALUMINA TRANSPORT CORPORATION, merge into itself ALUMINA TRANSPORT CORPORATION and assume all of its liabilities and obligations effective as of 12:01 a.m., E.D.T., on July 1, 1997; and

FURTHER RESOLVED, that the Chief Executive Officer, any Vice Chairman and Executive Officer, the Chief Financial Officer, any Senior Vice President, any Vice President, the Secretary and any Assistant Secretary are each authorized on behalf of the corporation to take all such action, including, without limitation, incurrence and payment of all fees, expenses and other charges, and to execute and deliver all such agreements, instruments and documents

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(including, without limitation, a certificate of ownership and merger) which in the opinion of any of them may be necessary or desirable to achieve the purposes of or effect the transactions contemplated by the preceding resolution, the taking of any such action or the execution and delivery of any such agreements, instruments or documents to be conclusive evidence of the authority to take, execute or deliver the same.

This Certificate of Ownership and Merger shall be effective as of 12:01 a.m., E.D.T., on July 1, 1997.

IN WITNESS WHEREOF, the Corporation has caused its

corporate seal to be affixed and this Certificate to be executed and attested by its officers thereunto duly authorized this 23rd day of June, 1997.

REYNOLDS METALS COMPANY

By D. MICHAEL JONES

Senior Vice President and
General Counsel

[SEAL]

ATTEST:

By: DONNA C. DABNEY

Secretary

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CERTIFICATE OF OWNERSHIP AND MERGER

MERGING

RMC MICHIGAN, INC.

INTO

REYNOLDS METALS COMPANY

Pursuant to Section 253 of the
General Corporation Law of Delaware

REYNOLDS METALS COMPANY, a Delaware corporation (the "Corporation"), does hereby certify:

FIRST: That the Corporation is incorporated pursuant to the General Corporation Law of the State of Delaware.

SECOND: That the Corporation owns all of the outstanding shares of each class of the capital stock of RMC MICHIGAN, INC., a Delaware corporation.

THIRD: That the Corporation, by the following resolutions of the Executive Committee of its Board of Directors, duly adopted by unanimous written consent as of the 12th day of December, 1997, determined to merge into itself RMC MICHIGAN, INC. on the conditions set forth in such resolutions:

RESOLVED, that the corporation, as owner of all of the outstanding shares of each class of the capital

stock of RMC MICHIGAN, INC., merge into itself RMC MICHIGAN, INC. and assume all of its liabilities and obligations effective as of 11:59 p.m. E.S.T. on December 31, 1997; and

FURTHER RESOLVED, that the Chief Executive Officer, the Vice Chairman and Executive Officer, the Chief Financial Officer, any Senior Vice President, any Vice President, the Secretary and any Assistant Secretary are each authorized on behalf of the corporation to take all such action, including, without limitation, incurrence and payment of all fees, expenses and other charges, and to execute and deliver all such agreements, instruments and documents

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(including, without limitation, a certificate of ownership and merger) which in the opinion of any of them may be necessary or desirable to achieve the purposes of or effect the transactions contemplated by the preceding resolution, the taking of any such action or the execution and delivery of any such agreements, instruments or documents to be conclusive evidence of the authority to take, execute or deliver the same.

This Certificate of Ownership and Merger shall be effective as of 11:59 p.m. E.S.T. on December 31, 1997.

IN WITNESS WHEREOF, the Corporation has caused its corporate seal to be affixed and this Certificate to be executed and attested by its officers thereunto duly authorized this 15th day of December, 1997.

REYNOLDS METALS COMPANY

By D. MICHAEL JONES

Senior Vice President and
General Counsel

[SEAL]

ATTEST:

By: DONNA C. DABNEY

Secretary

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CERTIFICATE OF OWNERSHIP AND MERGER

MERGING

RMC ACCEPTANCE, INC.

INTO

REYNOLDS METALS COMPANY

Pursuant to Section 253 of the
General Corporation Law of Delaware

REYNOLDS METALS COMPANY, a Delaware corporation (the "Corporation"), does hereby certify:

FIRST: That the Corporation is incorporated pursuant to the General Corporation Law of the State of Delaware.

SECOND: That the Corporation owns all of the outstanding shares of each class of the capital stock of RMC ACCEPTANCE, INC., a Delaware corporation.

THIRD: That the Corporation, by the following resolutions of the Executive Committee of its Board of Directors, duly adopted by unanimous written consent as of the 12th day of December, 1997, determined to merge into itself RMC ACCEPTANCE, INC. on the conditions set forth in such resolutions:

RESOLVED, that the corporation, as owner of all of the outstanding shares of each class of the capital stock of RMC ACCEPTANCE, INC., merge into itself RMC ACCEPTANCE, INC. and assume all of its liabilities and obligations effective as of 12:01 a.m. E.S.T. on January 2, 1998; and

FURTHER RESOLVED, that the Chief Executive Officer, the Vice Chairman and Executive Officer, the Chief Financial Officer, any Senior Vice President, any Vice President, the Secretary and any Assistant Secretary are each authorized on behalf of the corporation to take all such action, including, without limitation, incurrence and payment of all fees, expenses and other charges, and to execute and deliver all such agreements, instruments and documents (including, without limitation, a certificate of ownership and merger) which in the opinion of any of them may be necessary or desirable to achieve the purposes of or effect the transactions contemplated by the preceding resolution, the taking of any such action or the execution and delivery of any such agreements, instruments or documents to be conclusive evidence of the authority to take, execute or deliver the same.

This Certificate of Ownership and Merger shall be effective as of 12:01 a.m. E.S.T. on January 2, 1998.

IN WITNESS WHEREOF, the Corporation has caused its corporate seal to be affixed and this Certificate to be executed and attested by its officers thereunto duly authorized this 15th day of December, 1997.

REYNOLDS METALS COMPANY

By D. MICHAEL JONES

Senior Vice President and
General Counsel

[SEAL]

ATTEST:

By: DONNA C. DABNEY

Secretary

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STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 09:00 AM 12/17/1998
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CERTIFICATE OF OWNERSHIP AND MERGER

MERGING

RMC SAINT GEORGE, INC.

INTO

REYNOLDS METALS COMPANY

Pursuant to Section 253 of the
General Corporation Law of Delaware

REYNOLDS METALS COMPANY, a Delaware corporation (the
"Corporation"), does hereby certify:

FIRST: That the Corporation is incorporated pursuant
to the General Corporation Law of the State of Delaware.

SECOND: That the Corporation owns all of the
outstanding shares of each class of the capital stock of RMC
SAINT GEORGE, INC., a Delaware corporation.

THIRD: That the Corporation, by the following
resolutions of the Executive Committee of its Board of Directors,
duly adopted by unanimous written consent as of the 20th day of
November, 1998, determined to merge into itself RMC SAINT GEORGE,
INC. on the conditions set forth in such resolutions:

RESOLVED, that the corporation, as owner of all of
the outstanding shares of each class of the capital
stock of RMC SAINT GEORGE, INC., merge into itself RMC
SAINT GEORGE, INC. and assume all of its liabilities

and obligations effective as of 12:01 a.m. E.S.T. on January 4, 1999; and

FURTHER RESOLVED, that the Chief Executive Officer, the Vice Chairman and Executive Officer, the Chief Financial Officer, any Senior Vice President, any Vice President, the Secretary and any Assistant Secretary are each authorized on behalf of the corporation to take all such action, including, without limitation, incurrence and payment of all fees, expenses and other charges, and to execute and deliver all such agreements, instruments and documents (including, without limitation, a

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certificate of ownership and merger) which in the opinion of any of them may be necessary or desirable to achieve the purposes of or effect the transactions contemplated by the preceding resolution, the taking of any such action or the execution and delivery of any such agreements, instruments or documents to be conclusive evidence of the authority to take, execute or deliver the same.

This Certificate of Ownership and Merger shall be effective as of 12:01 a.m. E.S.T. on January 4, 1999.

IN WITNESS WHEREOF, the Corporation has caused its corporate seal to be affixed and this Certificate to be executed and attested by its officers thereunto duly authorized this 15th day of December, 1998.

REYNOLDS METALS COMPANY

By D. MICHAEL JONES

Senior Vice President and
General Counsel

[SEAL]

ATTEST:

By: DONNA C. DABNEY

Secretary

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State of Delaware PAGE 1
Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF OWNERSHIP, WHICH MERGES:

"SOUTHERN RECLAMATION COMPANY, INC.", A ALABAMA CORPORATION,

WITH AND INTO "REYNOLDS METALS COMPANY" UNDER THE NAME OF

"REYNOLDS METALS COMPANY", A CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF DELAWARE, AS RECEIVED AND FILED IN THIS OFFICE THE TWENTY-FIFTH DAY OF JUNE, A.D. 1999, AT 9 O'CLOCK A.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE EFFECTIVE DATE OF THE AFORESAID CERTIFICATE OF OWNERSHIP IS THE SECOND DAY OF JULY, A.D. 1999.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.

EDWARD J. FREEL

Edward J. Freel, Secretary of State

AUTHENTICATION: 9831161

DATE: 06-25-99

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STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 09:00 AM 06/25/1999
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CERTIFICATE OF OWNERSHIP AND MERGER

MERGING

SOUTHERN RECLAMATION COMPANY, INC.

INTO

REYNOLDS METALS COMPANY

Pursuant to Section 253 of the
General Corporation Law of Delaware

REYNOLDS METALS COMPANY, a Delaware corporation (the "Corporation"), does hereby certify:

FIRST: That the Corporation is incorporated pursuant to the General Corporation Law of the State of Delaware.

SECOND: That the Corporation owns all of the outstanding shares of each class of the capital stock of SOUTHERN RECLAMATION COMPANY, INC., an Alabama corporation.

THIRD: That the Corporation, by the following resolutions of its Board of Directors, duly adopted at a meeting held on the 18th day of June, 1999, determined to merge into itself SOUTHERN RECLAMATION COMPANY, INC. on the conditions set forth in such resolutions:

RESOLVED, that the corporation, as owner of all of the outstanding shares of the capital stock of SOUTHERN RECLAMATION COMPANY, INC., merge into itself SOUTHERN RECLAMATION COMPANY, INC. and assume all of its liabilities and obligations in accordance with the following Plan of Merger, which Plan of Merger is hereby adopted:

PLAN OF MERGER

1. Merger of Subsidiary into Parent. On the Effective Date (as hereinafter defined), REYNOLDS METALS COMPANY, a Delaware corporation ("Reynolds"), shall merge SOUTHERN

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RECLAMATION COMPANY, INC., an Alabama corporation ("Southern Reclamation"), into itself. The separate corporate existence of Southern Reclamation shall cease, and Reynolds shall be the surviving corporation. Reynolds is the parent of Southern Reclamation and the owner of all of the outstanding capital stock of Southern Reclamation. Southern Reclamation is a wholly owned subsidiary of Reynolds.

2. Conversion of Shares.

(a) Upon the Effective Date, all issued and outstanding shares of capital stock of Reynolds shall remain issued and outstanding.

(b) Upon the Effective Date, each issued and outstanding share of capital stock of Southern Reclamation shall be canceled.

3. Effective Date. The merger shall be effective as of 5:00 p.m. EDT on July 2, 1999 (the "Effective Date").

; and

FURTHER RESOLVED, that the Chief Executive Officer, the Vice Chairman and Executive Officer, the Chief Financial Officer, any Senior Vice President, any Vice President, the Secretary and any Assistant Secretary are each authorized on behalf of the corporation to take all such action, including, without limitation, incurrence and payment of all fees, expenses and other charges, and to execute and deliver all such agreements, instruments and documents (including, without limitation, a certificate of ownership and merger and articles of merger) which in the opinion of any of them may be necessary or desirable to achieve the purposes of or effect the transactions contemplated by the preceding resolution, the taking of any such action or the execution and delivery of any such agreements, instruments or documents to be conclusive evidence of the authority to take, execute or deliver the same.

This Certificate of Ownership and Merger shall be effective as of 5:00 p.m. EDT on July 2, 1999.

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IN WITNESS WHEREOF, the Corporation has caused its corporate seal to be affixed and this Certificate to be executed and attested by its officers thereunto duly authorized this 24th day of June, 1999.

REYNOLDS METALS COMPANY

By D. MICHAEL JONES

Senior Vice President and
General Counsel

[SEAL]

ATTEST:

By: BRENDA A. HART

Assistant Secretary

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State of Delaware
Office of the Secretary of State

PAGE 1

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF OWNERSHIP, WHICH MERGES:

"RMC RICHMOND, INC.", A DELAWARE CORPORATION,

WITH AND INTO "REYNOLDS METALS COMPANY" UNDER THE NAME OF "REYNOLDS METALS COMPANY", A CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF DELAWARE, AS RECEIVED AND FILED IN THIS OFFICE THE THIRD DAY OF DECEMBER, A.D. 1999, AT 9 O'CLOCK A.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE EFFECTIVE DATE OF THE AFORESAID CERTIFICATE OF OWNERSHIP IS THE THIRD DAY OF JANUARY, A.D. 2000.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.

EDWARD J. FREEL

Edward J. Freel, Secretary of State

AUTHENTICATION: 0118054
DATE: 12-06-99

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STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 09:00 AM 12/03/1999
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CERTIFICATE OF OWNERSHIP AND MERGER

MERGING

RMC RICHMOND, INC.

INTO

REYNOLDS METALS COMPANY

Pursuant to Section 253 of the
General Corporation Law of Delaware

REYNOLDS METALS COMPANY, a Delaware corporation (the
"Corporation"), does hereby certify:

FIRST: That the Corporation is incorporated pursuant
to the General Corporation Law of the State of Delaware.

SECOND: That the Corporation owns all of the
outstanding shares of each class of the capital stock of RMC
RICHMOND, INC., a Delaware corporation.

THIRD: That the Corporation, by the following
resolutions of the Executive Committee of its Board of Directors,
duly adopted by unanimous written consent as of the 19th day of
November, 1999, determined to merge into itself RMC RICHMOND,
INC. on the conditions set forth in such resolutions:

RESOLVED, that the corporation, as owner of all of
the outstanding shares of each class of the capital
stock of RMC RICHMOND, INC., merge into itself RMC
RICHMOND, INC. and assume all of its liabilities and
obligations effective as of 12:01 a.m. E.S.T. on
January 3, 2000; and

FURTHER RESOLVED, that the Chief Executive
Officer, the Vice Chairman and Executive Officer, the
Chief Financial Officer, any Senior Vice President, any
Vice President, the Secretary and any Assistant
Secretary are each authorized on behalf of the
corporation to take all such action, including, without
limitation, incurrence and payment of all fees,

expenses and other charges, and to execute and deliver all such agreements, instruments and documents (including, without limitation, a

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certificate of ownership and merger) which in the opinion of any of them may be necessary or desirable to achieve the purposes of or effect the transactions contemplated by the preceding resolution, the taking of any such action or the execution and delivery of any such agreements, instruments or documents to be conclusive evidence of the authority to take, execute or deliver the same.

This Certificate of Ownership and Merger shall be effective as of 12:01 a.m. E.S.T. on January 3, 2000.

IN WITNESS WHEREOF, the Corporation has caused its corporate seal to be affixed and this Certificate to be executed and attested by its officers thereunto duly authorized this 2nd day of December, 1999.

REYNOLDS METALS COMPANY

By D. MICHAEL JONES

Senior Vice President and
General Counsel

[SEAL]

ATTEST:

By: DONNA DABNEY

Secretary

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<TYPE>EX-21
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EXHIBIT 21

PARENTS AND SUBSIDIARIES

- (A) Reynolds Metals Company has no parents.
- (B) Set forth below is a list of certain of the subsidiaries and associated companies of Reynolds Metals Company:

Place of
Incorporation Or
Organization

Aluminerie de Becancour Inc.
* Aluminio Reynolds de Venezuela, S. A.

Quebec
Venezuela

Aluminium Oxid Stade Gesellschaft mit beschränkter Haftung	Germany
* Bakers Choice Products, Inc.	Delaware
Bohai Aluminium Industries, Ltd.	China
* Canadian Reynolds Metals Company, Ltd./Societe Canadienne de Metaux Reynolds, Ltee	Quebec
Hamburger Aluminium-Werk Gesellschaft mit beschränkter Haftung	Germany
* Hanover Manufacturing Corporation	Delaware
Latas de Aluminio, S.A.	Brazil
Manicouagan Power Company - La Compagnie Hydroelectrique Manicouagan	Quebec
* Malakoff Industries, Inc.	Texas
* Mt. Vernon Plastics Corporation	Delaware
Pechiney Reynolds Quebec, Inc.	Nebraska
* Presidential Development Corporation	New York
* RAMCO Manufacturing Company	Delaware
* RB Sales Company, Ltd.	Delaware
* Reynolds Aluminum China (Inc.)	Delaware
* Reynolds Aluminium Deutschland, Inc.	Delaware
* Reynolds Aluminium Deutschland Internationale Vertriebsgesellschaft mbH	Germany
* Reynolds Aluminium France, S.A.	France
* Reynolds Aluminum Company of Canada, Ltd./Societe D'Aluminium Reynolds Du Canada, Ltee	Quebec
* Reynolds Australia Alumina, Ltd.	Delaware
* Reynolds Becancour, Inc.	Delaware
* Reynolds Consumer Products, Inc.	Delaware
* Reynolds Extrusion Europe (Holding) B.V.	The Netherlands
* Reynolds International Holdings, Inc.	Delaware
* Reynolds International, Inc.	Delaware
* Reynolds International (China), Ltd.	Bermuda
* Reynolds International (Panama) Inc.	Panama
* Reynolds-Lemmerz Industries	Ontario
* Reynolds Wheels-Holding, S.p.A.	Italy
* Reywest Development Corporation	Arizona
* RMC Delaware, Inc.	Delaware
* RMC Properties, Ltd.	Delaware
* RMC Saint George, Inc.	Delaware
* RMCC Company	Delaware
* Reynolds Metals Development Company	Delaware
* Reynolds Metals Foreign Sales Corporation	Barbados
* Saint George Insurance Company	Vermont
* Southern Graphic Systems - Canada, Ltd./Systemes Graphiques Southern - Canada, Ltee	Quebec
* Southern Graphic Systems, Inc.	Kentucky

The names of a number of subsidiaries and associated companies have been omitted because considered in the aggregate they would not constitute a significant subsidiary.

* Consolidated subsidiaries

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Exhibit 23

Consent of Ernst & Young LLP, Independent Auditors

We consent to the use of our report dated February 18, 2000, included in the Annual Report on Form 10-K of Reynolds Metals Company for the year ended December 31, 1999, with respect to the consolidated financial statements included in this Form 10-K.

Our audits also included the financial statement schedule of Reynolds Metals Company listed in Item 14(a). This schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also consent to the incorporation by reference in the:

- . Registration Statement (Form S-8 No. 33-13822) pertaining to the Reynolds Metals Company 1987 Nonqualified Stock Option Plan,
- . Registration Statement (Form S-8 No. 33-44400) pertaining to the Reynolds Metals Company 1992 Nonqualified Stock Option Plan,
- . Registration Statement (Form S-8 No. 33-20498) pertaining to the Reynolds Metals Company Savings and Investment Plan for Salaried Employees,
- . Registration Statement (Form S-3 No. 33-43443) pertaining to the shelf registration of debt securities of Reynolds Metals Company,
- . Registration Statement (Form S-8 No. 33-66032) pertaining to the Reynolds Metals Company Savings Plan for Hourly Employees,
- . Registration Statement (Form S-8 No. 33-53847) pertaining to the Employees Savings Plan,
- . Registration Statement (Form S-8 No. 33-53851) pertaining to the Reynolds Metals Company Restricted Stock Plan for Outside Directors,
- . Registration Statement (Form S-3 No. 33-59168) pertaining to the registration of debt securities of Reynolds Aluminum Company of Canada, Ltd. (formerly known as Canadian Reynolds Metals Company Limited),
- . Registration Statement (Form S-8 No. 333-00929) pertaining to the Reynolds Metals Company Performance Incentive Plan,

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- . Registration Statement (Form S-8 No. 333-03947) pertaining to the Reynolds Metals Company 1996 Nonqualified Stock Option Plan,
- . Registration Statement (Form S-8 No. 333-79203) pertaining to the Reynolds Metals Company 1999 Nonqualified Stock Option Plan, and
- . Registration Statement (Form S-3 No. 333-79563) pertaining to the shelf registration of debt securities of Reynolds Metals Company,

and in the related prospectuses of our report dated February 18, 2000, and included herein, with respect to the consolidated financial statements and schedule of Reynolds Metals Company included in the Annual Report (Form 10-K) for the year ended December 31, 1999.

ERNST & YOUNG LLP

Richmond, Virginia
March 1, 2000

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EXHIBIT 24

Powers of attorney from the following persons are attached:

Patricia C. Barron
John R. Hall
Robert L. Hintz
William H. Joyce
Mylle Bell Mangum
D. Larry Moore
Samuel C. Scott, III
Joe B. Wyatt

<PAGE>

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints D. Michael Jones and Brenda A. Hart, or either of them, her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for her and in her name, place and stead, in any and all capacities (including without limitation in any capacity on behalf of Reynolds Metals Company (the "Company")), to

- (i) Sign the Annual Report on Form 10-K of the Company for the year ended December 31, 1999 and any and all amendments thereto, and to file the same, with all exhibits thereto, and all documents in connection therewith, if any, with the Securities and Exchange Commission (the "SEC"), and to take all such other action which they or either of them may consider necessary or desirable in connection therewith, all in accordance with the Securities Exchange Act of 1934, as amended; and
- (ii) Sign any and all post-effective amendments to the Company's Registration Statements relating to:
 - (a) the offer and sale of interests in the Reynolds Metals Company Savings and Investment Plan for Salaried Employees and an indefinite number of shares of Common Stock in connection

therewith;

(b) the offer and sale of up to 900,000 shares of Common Stock together with an indeterminate amount of interests to be offered and sold in connection therewith under the Reynolds Metals Company Savings Plan for Hourly Employees;

(c) the offer and sale of up to 50,000 shares of Common Stock together with an indeterminate amount of interests to be offered and sold in connection therewith under the Employees Savings Plan;

(d) the offer and sale of up to 3,000,000 shares of Common Stock under the Reynolds Metals Company 1987 Nonqualified Stock Option Plan;

(e) the offer and sale of up to 3,250,000 shares of Common Stock under the Reynolds Metals Company 1992 Nonqualified Stock Option Plan;

(f) the offer and sale of up to 2,000,000 shares of Common Stock under the Reynolds Metals Company 1996 Nonqualified Stock Option Plan;

(g) the offer and sale of up to 2,250,000 shares of Common Stock under the Reynolds Metals Company 1999 Nonqualified Stock Option Plan;

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(h) the offer and sale of up to 100,000 shares of Common Stock under the Reynolds Metals Company Performance Incentive Plan; and

(i) the offer and sale of up to 30,000 shares of Common Stock under the Reynolds Metals Company Restricted Stock Plan for Outside Directors;

and to file the same, with all exhibits thereto, and all documents in connection therewith, with the SEC; and

(iii) Sign any and all Registration Statements on Form S-3, or on such other form as may be appropriate, for registration of the shares of Common Stock and Series A Junior Participating Preferred Stock (without par value) of the Company, issuable upon exercise of Rights (as defined in the Amended and Restated Rights Agreement dated as of March 8, 1999 between the Company and ChaseMellon Shareholder Services, L.L.C., as amended from time to time) and any and all amendments (including post-effective amendments) to such Registration Statements, and to file the same, with all exhibits thereto, and all preliminary prospectuses, prospectuses, prospectus supplements and documents in connection therewith, with the SEC; and

(iv) Sign any and all post-effective amendments to the Company's Registration Statements relating to the offer and sale of up to \$1,800,000,000 principal amount of unsecured debt securities of the Company, including without limitation Registration Statements Nos. 33-43443 and 333-79563 on Form S-3, and to file the same, with all exhibits

thereto, and all prospectuses, prospectus supplements, pricing supplements and documents in connection therewith, with the SEC;

granting unto each of said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that each of said attorneys-in-fact and agents, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

This Power of Attorney shall expire on the 28th day of February, 2001.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Power of Attorney on the 18th day of February, 2000.

PATRICIA C. BARRON

Patricia C. Barron

<PAGE>

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints D. Michael Jones and Brenda A. Hart, or either of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities (including without limitation in any capacity on behalf of Reynolds Metals Company (the "Company")), to

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(ii) Sign any and all post-effective amendments to the Company's Registration Statements relating to:

(a) the offer and sale of interests in the Reynolds Metals Company Savings and Investment Plan for Salaried Employees and an indefinite number of shares of Common Stock in connection therewith;

(b) the offer and sale of up to 900,000 shares of Common Stock together with an indeterminate amount of interests to be offered and sold in connection therewith under the Reynolds Metals Company Savings Plan for Hourly Employees;

(c) the offer and sale of up to 50,000 shares of Common Stock together with an indeterminate amount of interests to be offered and sold in connection therewith under the Employees Savings Plan;

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(e) the offer and sale of up to 3,250,000 shares of Common Stock under the Reynolds Metals Company 1992 Nonqualified Stock Option Plan;

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(h) the offer and sale of up to 100,000 shares of Common Stock under the Reynolds Metals Company Performance Incentive Plan; and

(i) the offer and sale of up to 30,000 shares of Common Stock under the Reynolds Metals Company Restricted Stock Plan for Outside Directors;

and to file the same, with all exhibits thereto, and all documents in connection therewith, with the SEC; and

(iii) Sign any and all Registration Statements on Form S-3, or on such other form as may be appropriate, for registration of the shares of Common Stock and Series A Junior Participating Preferred Stock (without par value) of the Company, issuable upon exercise of Rights (as defined in the Amended and Restated Rights Agreement dated as of March 8, 1999 between the Company and ChaseMellon Shareholder Services, L.L.C., as amended from time to time) and any and all amendments (including post-effective amendments) to such Registration Statements, and to file the same, with all exhibits thereto, and all preliminary prospectuses, prospectuses, prospectus supplements and documents in connection therewith, with the SEC; and

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granting unto each of said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that each of said

attorneys-in-fact and agents, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

This Power of Attorney shall expire on the 28th day of February, 2001.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Power of Attorney on the 18th day of February, 2000.

JOHN R. HALL

John R. Hall

<PAGE>

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints D. Michael Jones and Brenda A. Hart, or either of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities (including without limitation in any capacity on behalf of Reynolds Metals Company (the "Company")), to

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- (ii) Sign any and all post-effective amendments to the Company's Registration Statements relating to:
 - (a) the offer and sale of interests in the Reynolds Metals Company Savings and Investment Plan for Salaried Employees and an indefinite number of shares of Common Stock in connection therewith;
 - (b) the offer and sale of up to 900,000 shares of Common Stock together with an indeterminate amount of interests to be offered and sold in connection therewith under the Reynolds Metals Company Savings Plan for Hourly Employees;
 - (c) the offer and sale of up to 50,000 shares of Common Stock together with an indeterminate amount of interests to be offered and sold in connection therewith under the Employees Savings Plan;
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(e) the offer and sale of up to 3,250,000 shares of Common Stock under the Reynolds Metals Company 1992 Nonqualified Stock Option Plan;

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(h) the offer and sale of up to 100,000 shares of Common Stock under the Reynolds Metals Company Performance Incentive Plan; and

(i) the offer and sale of up to 30,000 shares of Common Stock under the Reynolds Metals Company Restricted Stock Plan for Outside Directors;

and to file the same, with all exhibits thereto, and all documents in connection therewith, with the SEC; and

(iii) Sign any and all Registration Statements on Form S-3, or on such other form as may be appropriate, for registration of the shares of Common Stock and Series A Junior Participating Preferred Stock (without par value) of the Company, issuable upon exercise of Rights (as defined in the Amended and Restated Rights Agreement dated as of March 8, 1999 between the Company and ChaseMellon Shareholder Services, L.L.C., as amended from time to time) and any and all amendments (including post-effective amendments) to such Registration Statements, and to file the same, with all exhibits thereto, and all preliminary prospectuses, prospectuses, prospectus supplements and documents in connection therewith, with the SEC; and

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granting unto each of said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that each of said attorneys-in-fact and agents, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

This Power of Attorney shall expire on the 28th day of February, 2001.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Power of Attorney on the 18th day of February,

2000.

ROBERT L. HINTZ

Robert L. Hintz

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POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints D. Michael Jones and Brenda A. Hart, or either of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities (including without limitation in any capacity on behalf of Reynolds Metals Company (the "Company")), to

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 - (c) the offer and sale of up to 50,000 shares of Common Stock together with an indeterminate amount of interests to be offered and sold in connection therewith under the Employees Savings Plan;
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(h) the offer and sale of up to 100,000 shares of Common Stock under the Reynolds Metals Company Performance Incentive Plan; and

(i) the offer and sale of up to 30,000 shares of Common Stock under the Reynolds Metals Company Restricted Stock Plan for Outside Directors;

and to file the same, with all exhibits thereto, and all documents in connection therewith, with the SEC; and

(iii) Sign any and all Registration Statements on Form S-3, or on such other form as may be appropriate, for registration of the shares of Common Stock and Series A Junior Participating Preferred Stock (without par value) of the Company, issuable upon exercise of Rights (as defined in the Amended and Restated Rights Agreement dated as of March 8, 1999 between the Company and ChaseMellon Shareholder Services, L.L.C., as amended from time to time) and any and all amendments (including post-effective amendments) to such Registration Statements, and to file the same, with all exhibits thereto, and all preliminary prospectuses, prospectuses, prospectus supplements and documents in connection therewith, with the SEC; and

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granting unto each of said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that each of said attorneys-in-fact and agents, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

This Power of Attorney shall expire on the 28th day of February, 2001.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Power of Attorney on the 18th day of February, 2000.

WILLIAM H. JOYCE

William H. Joyce

<PAGE>

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned hereby constitutes and appoints D. Michael Jones and Brenda A. Hart, or either of them, her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for her and in her name, place and stead, in any and all capacities (including without limitation in any capacity on behalf of Reynolds Metals Company (the "Company")), to

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(ii) Sign any and all post-effective amendments to the Company's Registration Statements relating to:

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granting unto each of said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that each of said attorneys-in-fact and agents, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

This Power of Attorney shall expire on the 28th day of February, 2001.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Power of Attorney on the 18th day of February, 2000.

MYLLE BELL MANGUM

Mylle Bell Mangum

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POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints D. Michael Jones and Brenda A. Hart, or either of them, his true and lawful attorneys-in-fact

and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities (including without limitation in any capacity on behalf of Reynolds Metals Company (the "Company")), to

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and

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This Power of Attorney shall expire on the 28th day of February, 2001.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Power of Attorney on the 18th day of February, 2000.

D. LARRY MOORE

D. Larry Moore

<PAGE>

POWER OF ATTORNEY

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(d) the offer and sale of up to 3,000,000 shares of Common Stock under the Reynolds Metals Company 1987 Nonqualified Stock Option Plan;

(e) the offer and sale of up to 3,250,000 shares of Common Stock under the Reynolds Metals Company 1992 Nonqualified Stock Option Plan;

(f) the offer and sale of up to 2,000,000 shares of Common Stock under the Reynolds Metals Company 1996 Nonqualified Stock Option Plan;

(g) the offer and sale of up to 2,250,000 shares of Common Stock under the Reynolds Metals Company 1999 Nonqualified Stock Option Plan;

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(h) the offer and sale of up to 100,000 shares of Common Stock under the Reynolds Metals Company Performance Incentive Plan; and

(i) the offer and sale of up to 30,000 shares of Common Stock under the Reynolds Metals Company Restricted Stock Plan for Outside Directors;

and to file the same, with all exhibits thereto, and all documents in connection therewith, with the SEC; and

(iii) Sign any and all Registration Statements on Form S-3, or on such other form as may be appropriate, for registration of the shares of Common Stock and Series A Junior Participating Preferred Stock (without par value) of the Company, issuable upon exercise of Rights (as defined in the Amended and Restated Rights Agreement dated as of

March 8, 1999 between the Company and ChaseMellon Shareholder Services, L.L.C., as amended from time to time) and any and all amendments (including post-effective amendments) to such Registration Statements, and to file the same, with all exhibits thereto, and all preliminary prospectuses, prospectuses, prospectus supplements and documents in connection therewith, with the SEC; and

(iv) Sign any and all post-effective amendments to the Company's Registration Statements relating to the offer and sale of up to \$1,800,000,000 principal amount of unsecured debt securities of the Company, including without limitation Registration Statements Nos. 33-43443 and 333-79563 on Form S-3, and to file the same, with all exhibits thereto, and all prospectuses, prospectus supplements, pricing supplements and documents in connection therewith, with the SEC;

granting unto each of said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that each of said attorneys-in-fact and agents, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

This Power of Attorney shall expire on the 28th day of February, 2001.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Power of Attorney on the 18th day of February, 2000.

SAMUEL C. SCOTT, III

Samuel C. Scott, III

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POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints D. Michael Jones and Brenda A. Hart, or either of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities (including without limitation in any capacity on behalf of Reynolds Metals Company (the "Company")), to

(i) Sign the Annual Report on Form 10-K of the Company for the year ended December 31, 1999 and any and all amendments thereto, and to file the same, with all exhibits thereto, and all documents in connection therewith, if any, with the Securities and Exchange Commission (the "SEC"), and to take all such other action which they or either of them may consider necessary or desirable in connection therewith, all in accordance with the Securities Exchange Act of 1934, as amended; and

(ii) Sign any and all post-effective amendments to the Company's Registration Statements relating to:

(a) the offer and sale of interests in the Reynolds Metals Company Savings and Investment Plan for Salaried Employees and an indefinite number of shares of Common Stock in connection therewith;

(b) the offer and sale of up to 900,000 shares of Common Stock together with an indeterminate amount of interests to be offered and sold in connection therewith under the Reynolds Metals Company Savings Plan for Hourly Employees;

(c) the offer and sale of up to 50,000 shares of Common Stock together with an indeterminate amount of interests to be offered and sold in connection therewith under the Employees Savings Plan;

(d) the offer and sale of up to 3,000,000 shares of Common Stock under the Reynolds Metals Company 1987 Nonqualified Stock Option Plan;

(e) the offer and sale of up to 3,250,000 shares of Common Stock under the Reynolds Metals Company 1992 Nonqualified Stock Option Plan;

(f) the offer and sale of up to 2,000,000 shares of Common Stock under the Reynolds Metals Company 1996 Nonqualified Stock Option Plan;

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(g) the offer and sale of up 2,250,000 shares of Common Stock under the Reynolds Metals Company 1999 Nonqualified Stock Option Plan;

(h) the offer and sale of up to 100,000 shares of Common Stock under the Reynolds Metals Company Performance Incentive Plan; and

(i) the offer and sale of up to 30,000 shares of Common Stock under the Reynolds Metals Company Restricted Stock Plan for Outside Directors;

and to file the same, with all exhibits thereto, and all documents in connection therewith, with the SEC; and

(iii) Sign any and all Registration Statements on Form S-3, or on such other form as may be appropriate, for registration of the shares of Common Stock and Series A Junior Participating Preferred Stock (without par value) of the Company, issuable upon exercise of Rights (as defined in the Amended and Restated Rights Agreement dated as of March 8, 1999 between the Company and ChaseMellon Shareholder Services, L.L.C., as amended from time to time) and any and all amendments (including post-effective amendments) to such Registration Statements, and to file the same, with all exhibits thereto, and all preliminary prospectuses, prospectuses, prospectus supplements and documents in connection therewith, with the SEC; and

(iv) Sign any and all post-effective amendments to the

Company's Registration Statements relating to the offer and sale of up to \$1,800,000,000 principal amount of unsecured debt securities of the Company, including without limitation Registration Statements Nos. 33-43443 and 333-79563 on Form S-3, and to file the same, with all exhibits thereto, and all prospectuses, prospectus supplements, pricing supplements and documents in connection herewith, with the SEC;

granting unto each of said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that each of said attorneys-in-fact and agents, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

This Power of Attorney shall expire on the 28th day of February, 2001.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Power of Attorney on the 18th day of February, 2000.

JOE B. WYATT

Joe B. Wyatt

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This schedule contains summary information extracted from the Reynolds Metals Company Condensed Balance Sheet for December 31, 1999 and Consolidated Statement of Income for the twelve months ended December 31, 1999 and is qualified in its entirety by reference to such financial statements.

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