FORM 10-K

Annual report pursuant to section 13 and 15(d)

Filing Date: **1999-03-26** | Period of Report: **1998-12-31**
SEC Accession No. 0000083604-99-000014

(HTML Version on secdatabase.com)

FILER

REYNOLDS METALS CO

CIK:**83604**| IRS No.: **540355135** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **10-K** | Act: **34** | File No.: **001-01430** | Film No.: **99574495**
SIC: **3334** Primary production of aluminum

Business Address
6601 W BROAD ST
PO BOX 27003
RICHMOND VA 23261
8042812000

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 1998

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 _X_ 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 March 22, 1999:

(a) the aggregate market value of the voting stock known by the Registrant to be held by nonaffiliates of the Registrant was approximately $2.4 billion<F1>.

(b) the Registrant had 64,457,809 shares of Common Stock outstanding and entitled to vote.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for the Annual Meeting of Stockholders to be held on May 20, 1999 - Part III
[FN]

_____
<F1> 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.
</FN>

NOTE

This copy includes only EXHIBIT 21 of those listed on pages 66 - 72.

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	137	EXHIBIT 10.16	4
EXHIBIT 3.1	89	EXHIBIT 10.17	3
EXHIBIT 3.2	23	EXHIBIT 10.18	3
EXHIBIT 4.1	89	EXHIBIT 10.19	2
EXHIBIT 4.2	23	EXHIBIT 10.20	1
EXHIBIT 4.3	165	EXHIBIT 10.21	10
EXHIBIT 4.4	6	EXHIBIT 10.22	10

EXHIBIT 4.5	44	EXHIBIT 10.23	13
EXHIBIT 4.6	2	EXHIBIT 10.24	6
EXHIBIT 4.7	2	EXHIBIT 10.25	2
EXHIBIT 4.8	2	EXHIBIT 10.26	2
EXHIBIT 4.9	10	EXHIBIT 10.27	1
EXHIBIT 4.10	14	EXHIBIT 10.28	3
EXHIBIT 4.11	9	EXHIBIT 10.29	3
EXHIBIT 4.12	36	EXHIBIT 10.30	2
EXHIBIT 4.13	17	EXHIBIT 10.31	10
EXHIBIT 4.14	19	EXHIBIT 10.32	10
EXHIBIT 4.15	18	EXHIBIT 10.33	10
EXHIBIT 4.16	89	EXHIBIT 10.34	10
EXHIBIT 4.17	7	EXHIBIT 10.35	1
EXHIBIT 4.18	12	EXHIBIT 10.36	2
EXHIBIT 10.1	21	EXHIBIT 10.37	5
EXHIBIT 10.2	16	EXHIBIT 10.38	9
EXHIBIT 10.3	19	EXHIBIT 10.39	1
EXHIBIT 10.4	7	EXHIBIT 10.40	1
EXHIBIT 10.5	2	EXHIBIT 10.41	1
EXHIBIT 10.6	7	EXHIBIT 10.42	1
EXHIBIT 10.7	6	EXHIBIT 10.43	21
EXHIBIT 10.8	10	EXHIBIT 10.44	137
EXHIBIT 10.9	15	EXHIBIT 10.45	1
EXHIBIT 10.10	16	EXHIBIT 10.46	1
EXHIBIT 10.11	7	EXHIBIT 21	1
EXHIBIT 10.12	12	EXHIBIT 23	1
EXHIBIT 10.13	13	EXHIBIT 24	19
EXHIBIT 10.14	2	EXHIBIT 27	1
EXHIBIT 10.15	1		

TABLE OF CONTENTS

PART I

ITEM PAGE

1. BUSINESS..... 1
GENERAL
Nature of Operations..... 1
Portfolio Review..... 1
Financial Information Regarding Global Business Units and Operations by Geographic Location..... 2
GLOBAL BUSINESS UNITS
Base Materials..... 2
Packaging and Consumer..... 7
Construction and Distribution..... 7
Transportation..... 8
OTHER OPERATIONS..... 8
COMPETITION..... 9

ENVIRONMENTAL COMPLIANCE..... 10
RESEARCH AND DEVELOPMENT..... 11
EMPLOYEES..... 11
2. PROPERTIES..... 12
3. LEGAL PROCEEDINGS..... 16
4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS..... 16
4A. EXECUTIVE OFFICERS OF THE REGISTRANT..... 17

PART II

5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS..... 19
6. SELECTED FINANCIAL DATA..... 21
7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS..... 22
7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK..... 36
8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA..... 37
9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE..... 65

PART III

10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT..... 65
11. EXECUTIVE COMPENSATION..... 65
12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT..... 65
13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS... 65

PART IV

14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K..... 66

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 "Company" and personal pronouns, such as "we," "our" and "us," 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 producer of aluminum foil. We serve customers in growing world markets including the aluminum fabricating, packaging and consumer, commercial construction, distribution, and automotive markets, with a wide variety of aluminum, plastic and other products. At December 31, 1998, Reynolds employed approximately 20,000 people. We have operations or interests in operations at more than 100 locations in 24 countries. Our 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."

Portfolio Review

In late 1996, we began a portfolio review of our operations and businesses. Below is a summary of the portfolio review transactions that we have completed since the beginning of 1998, as well as those that are currently pending:

In February 1998, we sold our Canadian aluminum extrusion plants, located in Richmond Hill, Ontario and Ste. Therese, Quebec, to the William L. Bonnell subsidiary of Tredegar Industries, Inc. The plants manufacture products used primarily in the construction, transportation, electrical, machinery and equipment, consumer durables and climbing equipment markets.

In March 1998, we sold our U.S. recycling operations to Wise Recycling, LLC, an affiliate of Wise Metals Co., Inc. In a related transaction, TOMRA Pacific, Inc., an affiliate of TOMRA Systems, ASA, acquired the western region of our U.S. recycling operations.

In May 1998, we sold our European rolling mill businesses to VAW aluminium AG. Included in the sale were the aluminum rolling operations of Reynolds Aluminium Deutschland, Inc. in Hamburg, Germany (known as RADI); Reynolds Italy Slim, S.p.A. in Cisterna di Latina, Italy (known as SLIM); and Industria Navarra del Aluminio, S. A. in Irurzun, Spain

(known as INASA).

In June 1998, we sold our McCook, Illinois sheet and plate plant to McCook Metals L.L.C. The plant produces aluminum products for the aircraft and aerospace, transportation and distribution markets.

In August 1998, we sold our North American beverage can business to Ball Corporation.

In December 1998, we signed a definitive agreement to sell our Alloys can stock complex located in Alabama to Wise Alloys LLC, an affiliate of Wise Metals Co., Inc. Included in the complex are the Alloys rolling mill, two reclamation plants, and a coil coating facility. Wise Alloys took title to the inventory and spare parts associated with the Alloys complex in December 1998, and until the final closing, we are operating the facility on behalf of Wise Alloys for a management fee. The final closing is expected to occur by the end of the first quarter of 1999 and is subject to customary closing conditions.

In December 1998, we signed a definitive agreement to sell our aluminum extrusion plant in Irurzun, Spain, as well as our distribution operations for architectural systems located in Spain, to an affiliate of Alcoa Inc. The transaction is subject to customary closing conditions and is expected to close by the end of the first quarter of 1999.

Financial Information Regarding Global Business Units and Operations by Geographic Location

Financial information for operations and assets attributable to our global business units and information regarding our operations by geographic location are included in Note 11 to the consolidated financial statements in Item 8 of this report.

GLOBAL BUSINESS UNITS

Base Materials

Our 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.

We refine bauxite into alumina at our Sherwin alumina plant near Corpus Christi, Texas. We also are entitled to a share of the production from two joint ventures in which we have 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, we have a contract with a third party to purchase 120,000 metric tons of alumina annually in 1999 and 2000.

Worsley currently has the capacity to produce 1.7 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 our Sherwin alumina plant and our share of the Stade joint venture are obtained from the following sources:

Australia

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

Brazil

We own a 5% interest in Mineracao Rio Do Norte S.A. (known as MRN), which owns the Trombetas bauxite mining project in Brazil. We will buy at least 322,000 dry metric tons of Brazilian bauxite from the project in 1999.

We also maintain an interest in other, undeveloped bauxite deposits in Brazil.

Guinea

We own 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. We have a bauxite purchase contract with CBG that will provide us with a minimum of approximately 6,550,000 dry metric tons of Guinean bauxite for the period 1999 through 2011.

Guyana

We are a 50% partner with the Guyanese government in a bauxite mining project in the Berbice region of Guyana. During 1999, we will buy between 1,500,000 and 1,800,000 dry metric tons of bauxite from the project.

Jamaica

We have a purchase arrangement under which we will buy from a third party an aggregate of up to 5,400,000 dry metric tons of Jamaican bauxite for the period 1999 through 2001.

Other

We have an arrangement with the U.S. government under which we will buy at a negotiated price during 1999 approximately 529,000 long dry tons of Jamaican bauxite stored next to our Sherwin alumina plant.

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

We produce primary aluminum at three plants in the United States and one at Baie Comeau, Quebec, Canada. We also are entitled to a share of the primary aluminum produced at three joint ventures in which we participate: one in Quebec known as the Becancour

joint venture ("Becancour"); one in Hamburg, Germany, known as Hamburger Aluminium-Werk GmbH ("Hamburg"); and the third in Ghana, known as Volta Aluminium Company Limited ("Ghana"). See Table 2 under this Item.

Our 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 1998, approximately 65% of our primary aluminum products was sold externally to third parties; the remainder was purchased by other Reynolds business units. Our internal demands for primary aluminum have declined as a result of actions taken in connection with our portfolio review. Consequently, we expect that a larger percentage of our future primary aluminum sales will be to external customers.

Production at our 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, we restarted 162,000 metric tons of previously idled production capacity. We will monitor market conditions and our 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"), which is currently under construction. When ALSCON is operating at capacity, we expect to buy at market-related prices approximately 153,000 metric tons of primary aluminum annually from the 193,000 metric ton smelter. Startup of one line began in late 1997. That line was operating at the end of 1998 at 41% of its rated capacity of 96,500 metric tons. We also have an 8% equity interest in C.V.G. Aluminio del Caroni, S.A. (known as 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 produce 855,000 metric tons of calcined petroleum coke and 136,000 metric tons of carbon anodes annually. The anodes are produced principally for consumption at our primary aluminum plant in Baie Comeau, Quebec. The calcined petroleum coke is used by our wholly owned primary aluminum plants. We also sell it worldwide to the aluminum and titanium dioxide industries.

In addition to producing aluminum and carbon products, our base materials business 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. Our 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. Our Gum Springs facility is the only commercial facility in the U.S. capable of treating spent potliner to the temporary standards, as well as to the standards previously in effect. In addition, we have submitted permit applications to state and federal environmental authorities to allow us to operate the Gum Springs facility's landfill as a hazardous waste landfill. The applications were submitted as a result of 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 we refine 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. We generally expect to meet the energy requirements for our primary aluminum production for the foreseeable future under long-term contracts. Under these contracts, however, we may experience shortages of interruptible power from time to time at our Massena, New York plant and at the plant in Ghana in which we hold a joint-venture interest. The portion of power supplied to the Massena plant that is interruptible (approximately 15%) can be offset with purchased power. 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.

Rates for electricity charged by the Bonneville Power Administration, which serves the Company's Troutdale, Oregon and Longview, Washington primary aluminum plants, are established

under a five-year contract that runs through September 2001. We are now evaluating the sources of electricity that may be available to us after the current contract expires.

<TABLE>

Table 1
Alumina Plants and Energy Supply

<CAPTION>

Plant	Rated Capacity(a) at December 31, 1998 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	969,000(e)	Coal	2002(d)
Stade, Germany	375,000(e)	Natural Gas	2008

</TABLE>

<TABLE>

TABLE 2
Primary Aluminum Production Plants and Energy Supply

<CAPTION>

Plant	Rated Capacity(a) at December 31, 1998 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

</TABLE>

<TABLE>

TABLE 3
Alumina and Primary Aluminum Capacity and Production
(Metric Tons)

<CAPTION>

Alumina(e),(i)	Primary Aluminum(h),(j)

Year	Rated Capacity(a)	Production(k)	Rated Capacity(a)	Production(f)
<S>	<C>	<C>	<C>	<C>
1996	2,927,000	2,674,000	1,094,000	893,500
1997	2,944,000	2,724,000	1,094,000	893,200
1998	2,944,000	2,868,000	1,094,000	982,900

</TABLE>

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 purchases approximately 50% of the natural gas required to operate the plant under a three-year contract that is scheduled to expire in October 1999. The remainder is purchased under short-term contracts. After the base term of the existing three-year contract expires in 1999, it will continue on a month-to-month basis until one of the parties terminates the contract.

(d) We have 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 mid-year 2000. Worsley has a similar contract to purchase a portion of its steam and electricity beginning in early 2000.

(e) We are entitled to 56% of the production of Worsley and 50% of the production of Stade. Capacity and production figures reflect our share.

(f) We curtailed 121,000 metric tons of production capacity at our Troutdale primary aluminum plant in the second half of 1991 and restarted 74,000 metric tons of that capacity in 1998. We also curtailed an aggregate of 88,000 metric tons of primary aluminum production capacity at our Massena (41,000 metric tons) and Longview (47,000 metric tons) plants effective in the fourth quarter of 1993. We restarted all of the idled capacity at Massena and Longview 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) We are 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 our share. Production at Ghana has been curtailed since September 1994 by drought. At December 31, 1997, Ghana was operating at 77% of capacity and was further reduced to 20% of capacity in the first half of 1998. In December 1998, Ghana began to restart a portion of its curtailed capacity. The plant is currently operating at approximately 60% 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.

(k) We reduced production at our Sherwin alumina plant near Corpus Christi, Texas during the third quarter of 1996. We restarted the idle alumina capacity at the Sherwin plant late in 1997.

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. We are the world's leading producer of aluminum foil 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. Our customers include global marketers of food, confection, healthcare and tobacco products. We also serve 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. We also produce industrial plastic film (including Reynolon shrink film) and labels for shrink wrapping and tamper-evident packaging.

We manufacture our packaging products at wholly owned facilities in the U.S., Canada and Spain. See Table 4 under the heading "Packaging and Consumer." We also have interests 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 name. Products include the well-known Reynolds Wrap Aluminum Foil, Reynolds Plastic Wrap, Reynolds Oven Bags, Reynolds Freezer Paper, Reynolds Cut-Rite Wax Paper and Reynolds Baker's Choice Bake Cups. In 1998, we introduced two new products - Reynolds Hot Bags Foil Bags and Reynolds Wrappers Foil Sandwich Sheets. Our consumer products are distributed throughout the U.S., which is our largest market for these products, and in more than 65 other countries.

Through our Presto Products Company subsidiary, we are 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.

Our subsidiary, Southern Graphic Systems, Inc., produces rotogravure printing cylinders, color separations and flexographic plates used in our 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, we acquired London Graphics Inc. London Graphics is based in Toronto, Ontario and produces flexographic separations and plates for the packaging industry in Canada. It is being integrated with Southern Graphic's Canadian operations.

Construction and Distribution

The Company's construction and distribution global business unit distributes aluminum, stainless steel and other specialty metal products under the name Reynolds Aluminum Supply Company ("RASCO"). 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 1998, RASCO's sales were 56% in aluminum products and 44% in stainless steel products. RASCO processes and distributes plate, sheet, extrusions, rod and bar products through 28 facilities across North America. RASCO provides metal

processing services such as cutting to length, slitting, shearing, sawing and plasma burning. The customized metal processing

services offered by RASCO allow it to provide just-in-time delivery to customers. Its customers include fabricators and manufacturers in transportation, equipment, machinery and other markets.

Through our construction operations we produce Reynobond and other architectural cladding products in the U.S. that are sold globally. In 1998, we began a $25 million expansion of our plant in Merxheim, France. The expansion will allow us to produce Reynobond and other composite architectural products in Europe.

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

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." Our principal products are wheels, heat exchanger tubing and automotive structures. We market these products primarily in North America to the "Big Three" automobile manufacturers, with customers also in Europe and Venezuela.

We produce forged and cast aluminum wheels in a variety of sizes, styles and finishes. In February 1999, we completed the start-up of a $32 million expansion of our 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 addition, we are currently testing a new engine cradle program that should be in production in mid-1999.

OTHER OPERATIONS

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

Emerging Markets Group - The purpose of the Emerging Markets Group is to identify and develop new business opportunities in strategic emerging world markets. The group oversees our interests in an aluminum foil and extrusion plant in China. It also provides technical services to rolling operations owned by third parties in Russia and India.

European Extrusion Operations - Our plants in Nachrodt, Germany and Harderwijk, Netherlands produce extruded aluminum products that are used internally by our construction and distribution and our 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 our global business units.

Reycan L.P./Reycan S.E.C. - We own a 50% partnership interest in this Canadian aluminum rolling operation.

Latas de Aluminio. S.A. ("Latasa") - We own a 34.9% interest in this South American aluminum can operation. Previously, we disclosed an intent to sell this interest; however, we now expect to maintain our interest in Latasa.

United Arab Can Manufacturing Company, Ltd. - We own a 27.5% interest in this aluminum can operation located in Saudi Arabia.

Can Machinery - We operate a can machinery plant that manufactures can production machinery used by aluminum can manufacturers around the world.

Alloys Complex - Our Alloys can stock complex in Alabama consists of a rolling mill, two reclamation plants that provide input metal to the mill, and a coil coating facility. The principal product of the rolling mill is

aluminum sheet used to produce beverage can bodies, ends and tabs. We have signed a definitive agreement with Wise Alloys LLC for the sale of the complex and have transferred title to certain of the assets of the complex. We are currently operating the facility on behalf of Wise Alloys. See "General - Portfolio Review" for additional information.

Certain Spanish Operations - We operate an aluminum extrusion plant in Irurzun, Spain. We also have warehouses in several cities in Spain that are part of our distribution operation for architectural systems. We have signed an agreement with Alcoa Inc. for the sale of these assets. See "General - Portfolio Review" for additional information.

COMPETITION

Competition in our industry is based on price, quality and service. In the sale of our products, we compete 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' principal competitors in the manufacture of primary aluminum products in North America and other global markets are ten U.S. companies, a Canadian company and other foreign producers. In Europe, our principal competitors are seven major multinational producers of extruded aluminum products and a number of smaller European producers of aluminum semifabricated products. Our consumer products operations compete primarily with three U.S. companies. North America is our largest market for our flexible packaging products. We have 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 us to predict accurately the

total expenditures necessary to meet all future environmental requirements. We expect, however, to add or modify environmental control facilities at a number of our 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, we estimate that compliance with the Clean Air Act's hazardous air pollutant standards would require in excess of $250 million of capital expenditures (including a portion of the expenditures at the Massena plant referred to below), primarily at our U.S. primary aluminum production plants. The ultimate effect of the Clean Air Act on such plants and on our 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 as 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 our Massena, New York primary aluminum production plant, we have undertaken a five-year capital spending program (planned for completion in 2001) of an estimated $200 million to modernize the Massena plant and significantly reduce air emissions from the plant. Pursuant to the memorandum of understanding, we are accelerating certain expenditures believed necessary to achieve compliance with the Clean Air Act's Maximum Achievable Control Technology standards.

Our capital expenditures for equipment designed for environmental control purposes were approximately $24 million in 1996, $43 million in 1997 and $80 million in 1998. The portion of such amounts expended in the United States was $16 million in 1996, $41 million in 1997 and $74 million in 1998. We estimate that annual capital expenditures for environmental control facilities will be approximately $55 million in 1999, $17 million in 2000, and $40 million in 2001. The majority of these estimated expenditures are associated with the capital spending program 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, we are investigating possible environmental contamination, which may also require remedial action, at certain of our present and former United States manufacturing facilities, including contamination by polychlorinated biphenyls ("PCBs") at our Massena, New York primary aluminum production plant which requires remediation. In 1994, the EPA added our Troutdale, Oregon primary aluminum production plant to the National Priorities List of Superfund sites. We are cooperating with the EPA and, under a September 1995 consent order, are 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, we are one of many PRPs, and our share of the anticipated cleanup costs is expected to be small. With respect to certain other sites (not included in the foregoing number) where Reynolds has been identified as a PRP, we have either fully or substantially settled or

resolved actions related to such sites at minimal cost or believe that we have no responsibility with regard to them. We have been notified that Reynolds 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, we evaluate the status of all sites, develop or revise estimates of costs to satisfy known remediation requirements and adjust our accruals accordingly. At December 31, 1998, the accrual for known remediation requirements was $172 million. This amount reflects management's best estimate of our 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 or our ongoing results of operations. However, such costs could be material to future quarterly or annual results of operations.

See the discussion under "Environmental" in Item 7, and under Note 12 to the consolidated financial statements in Item 8 of this report regarding the Company's 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 our research and development activities.

Expenditures for Reynolds-sponsored research and development activities were approximately $31 million in 1998, $41 million in 1997, and $49 million in 1996.

We own numerous patents relating to our products and processes based predominantly on our in-house research and development activities. The patents owned by Reynolds, or under which we are licensed, generally concern particular products or manufacturing techniques. Our business is not, however, materially dependent on patents.

EMPLOYEES

At December 31, 1998, Reynolds had approximately 20,000 employees. After the completion of the sale of our Alloys can stock complex, Reynolds will have approximately 18,400 employees.

In 1996, we 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 4,000 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 our principal domestic and foreign properties, see Item 1 of this report. Table 4 lists as of March 22, 1999 our wholly owned domestic and foreign operations and shows the domestic and foreign locations of operations in which we have 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 our operations and the arrangements under which such properties are held are not expected to limit their use. We believe that our facilities are suitable and adequate for our operations. With the exception of the Troutdale and Ghana primary aluminum production plants and the Arkansas spent potliner treatment facility, as explained in Item 1, and the automotive structures plant in Auburn, Indiana, as explained in Item 7, there is no significant surplus or idle capacity at our major manufacturing facilities.

<TABLE>

TABLE 4
Wholly Owned Operations

<CAPTION>

Base Materials	
<S>	<C>
Alumina:	Primary Aluminum:
Corpus Christi, Texas	Massena, New York
Malakoff, Texas	Troutdale, Oregon
	Longview, Washington
Calcined Coke:	Baie Comeau, Quebec
Baton Rouge, Louisiana	
Lake Charles, Louisiana	Spent Potliner Treatment:
	Gum Springs, Arkansas

Carbon Anodes:
Lake Charles, Louisiana

Electrical Redraw Rod:
Becancour, Quebec

<CAPTION>
Packaging and Consumer

<S>	<C>
Foil Feed Stock:	Packaging Graphics and Image Carriers:
Hot Springs, Arkansas	Atlanta, Georgia<F1>
	LaGrange, Georgia<F1>
Packaging and Consumer Products:	Elgin, Illinois<F1>
Beacon Falls, Connecticut	Clarksville, Indiana<F1>
Louisville, Kentucky (2)	Louisville, Kentucky (2)
Mt. Vernon, Kentucky	Newport, Kentucky<F1>
Sparks, Nevada<F1>	West Monroe, Louisiana
Boyertown, Pennsylvania	Battle Creek, Michigan<F1>
Downingtown, Pennsylvania	St. Louis, Missouri
Lewiston, Utah	Armonk, New York<F1>
Bellwood, Virginia	Fulton, New York
Grottoes, Virginia	Wilmington, North Carolina<F1>
Richmond, Virginia	Exton, Pennsylvania<F1>
South Boston, Virginia	Dallas, Texas
Appleton, Wisconsin (2)	Richmond, Virginia (2)<F1>
Little Chute, Wisconsin	Brockville, Ontario<F1>
Weyauwega, Wisconsin	Mississauga, Ontario (2)<F1>
Rexdale, Ontario<F1>	Toronto, Ontario<F1>
Barcelona, Spain	

<CAPTION>
Construction and Distribution

<S>	<C>
Construction:	Distribution:
Eastman, Georgia	Service Centers (U.S.) (24)<F2>
Ashland, Virginia	Processing Centers (U.S.) (4)<F2>
Merxheim, France	
Lelystadt, Netherlands	
Distribution Centers (Europe-8)<F2>	
(China-1) <F2>	

<CAPTION>
Transportation

<S>	<C>
Heat Exchangers:	Wheels:

Louisville, Kentucky
Wexford, Ireland

Structures:
Auburn, Indiana
Maracay, Venezuela
Nachrodt, Germany<F3>
Harderwijk, Netherlands<F3>
Lebanon, Virginia
Beloit, Wisconsin
Ferrara, Italy

<CAPTION>

Other

<S>	<C>
Can Machinery and Systems:	Reclamation:
Richmond, Virginia	Sheffield, Alabama (2)<F5>
Extrusions:	Research and Development:
Irurzun, Spain<F4>	Sheffield, Alabama
	Richmond, Virginia (2)
Mill Products:	Corpus Christi, Texas
Sheffield, Alabama<F5>	

<CAPTION>

Other Operations
In Which Reynolds Has Interests

<S>	<C>
Argentina:	Ghana:
Aluminum cans	Primary aluminum<F1>
Australia:	Guinea:
Bauxite, alumina	Bauxite
Brazil:	Guyana:
Aluminum cans and ends, bauxite	Bauxite
Canada:	Italy:
Primary aluminum, electric power generation, aluminum wheels, mill products, coil coating	Reclamation
	Nigeria:
	Primary aluminum
Chile:	
Aluminum cans	Saudi Arabia:
	Aluminum cans
China:	
Foil, extrusions	Spain:
	Extrusions
Colombia:	

Mill products, extrusions, foil

Egypt:
Extrusions

Germany:
Alumina, primary aluminum

Venezuela:
Primary aluminum, mill products, foil, aluminum wheels

<FN>

_____

<F1> Leased. One of the two packaging graphics and image carrier operations located in Richmond, Virginia is leased.
<F2> European Distribution Centers - 5 leased.
U.S. Service Centers - 16 leased.
U.S. Processing Centers - 2 leased.
<F3> These plants also produce extruded products for our construction and distribution business unit. The plant in Harderwijk, Netherlands also manufactures heat exchangers and other extruded products.
<F4> We have entered into a definitive agreement to sell this extrusion plant. See "General - Portfolio Review."
<F5> We have entered into a definitive agreement to sell the Alloys can stock complex. See "General - Portfolio Review."
</FN>
</TABLE>

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

Item 3. LEGAL PROCEEDINGS

A private antitrust lawsuit styled Hammons v. Alcan Aluminum Corp. et al. was filed in the Superior Court of California for the County of Los Angeles on March 5, 1996 against the Registrant and other aluminum producers. The lawsuit alleged a conspiracy to reduce worldwide and U.S. aluminum production. Estimated damages of approximately $26 billion were sought in the lawsuit, which claimed class action status. Defendants removed the case to the U.S. District Court for the Central District of California (the "District Court"). The District Court granted summary judgment for defendants. On December 11, 1997, the U.S. Court of Appeals for the Ninth Circuit sustained the District Court's dismissal of the case. The plaintiff filed a motion seeking review of the decision by all the judges of the Ninth Circuit. The motion was denied on May 14, 1998. On August 12, 1998, the plaintiff filed a petition for a writ of certiorari in the U.S. Supreme Court. On October 19, 1998, the Supreme Court denied the

petition and declined to review the case. On November 10, 1998, the plaintiff requested a rehearing but the Supreme Court denied that request on December 7, 1998.

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 our competitive or financial position or our ongoing results of operations. 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 1998.

Item 4A. EXECUTIVE OFFICERS OF THE REGISTRANT

The executive officers of the Registrant are as follows:

Name	Age<F1>	Positions Held During Past Five Years
Jeremiah J. Sheehan	60	Chairman of the Board and Chief Executive Officer since October 1996. President and Chief Operating Officer 1994-1996. Executive Vice President, Fabricated Products 1993-1994. Director since 1994.
Randolph N. Reynolds<F2>	57	Vice Chairman and Executive Officer since October 1996. Vice Chairman 1994-1996. Executive Vice President, International 1990-1994. Director since 1984.
William E. Leahey, Jr.	49	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	59	Senior Vice President, Global Packaging and Consumer Products, since

		April 1997. Vice President, Flexible Packaging Division 1993-1997.
Donald T. Cowles	52	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	57	Senior Vice President, Global Transportation, since April 1997. Vice President 1994-1997.
Allen M. Earehart	56	Senior Vice President and Controller since July 1998. Vice President, Controller 1994-1998. Controller 1993-1994.
D. Michael Jones	45	Senior Vice President and General Counsel since October 1996. Vice President, General Counsel and Secretary 1993-1996.
John M. Lowrie	58	Senior Vice President and Executive Director - Enterprise Systems since January 1999. Vice President, Consumer Products 1988-1999.
Paul Ratki	59	Senior Vice President, Global Metals and Carbon Products, since April 1997. Vice President, Metals Division 1994-1997. Reduction and Reclamation Division General Manager 1993-1994.
C. Stephen Thomas	59	Senior Vice President, Global Technology and Operational Services, since May 1997. Vice President, Mill Products Division 1992-1997.
Donna C. Dabney	51	Secretary and Assistant General Counsel since October 1996. Associate General Counsel 1993-1996.
Douglas M. Jerrold	48	Vice President, Tax Affairs, since April 1990.
John B. Kelzer	62	Vice President since April 1993.
Lou Anne J. Nabhan	44	Vice President, Corporate

		Communications, since January 1998. Director, Corporate Communications 1993-1998.

F. Robert Newman	55	Vice President, Human Resources, since October 1995. Corporate Director, Human Resources 1993-1995.
Edmund H. Polonitza	56	Vice President, Development and Strategic Planning, since January 1998. Corporate Director, Development and Strategic Planning 1987-1998.
William G. Reynolds, Jr.<F2>	60	Vice President, Government Relations and Public Affairs, since October 1980.
John F. Rudin	53	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	55	Vice President, Treasurer, since April 1988.

[FN]

_____

<F1> As of March 22, 1999
<F2> Randolph N. Reynolds and William G. Reynolds, Jr. are brothers.
</FN>

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 March 22, 1999, there were 7,908 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

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

<CAPTION>
1997

First Quarter	$ 65-7/8	$ 56-3/4	$.35
Second Quarter	73-7/8	61-3/8	.35
Third Quarter	79-3/4	67-1/16	.35
Fourth Quarter	72-7/16	56-3/16	.35

</TABLE>

On February 19, 1999, the Board of Directors declared a dividend of $.35 per share of Common Stock, payable April 1, 1999 to stockholders of record on March 3, 1999.

Sale 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 will receive 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 will be 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.

Under the Stock Plan, 113 phantom shares, in the aggregate, were granted to the Registrant's nine outside Directors on October 1, 1998, based on an average price of $50.375 per share. These phantom shares represent dividend equivalents paid on phantom shares previously granted under the Stock Plan. 506 phantom shares, in the aggregate, were granted to the nine outside Directors on December 31, 1998, based on an average price of $52.375 per share. These phantom shares represent a quarterly installment of each outside Director's annual grant under the

Stock Plan. During 1998, 2,409 phantom shares were granted under the Stock Plan.

20

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.

21

Item 6. SELECTED FINANCIAL DATA

<TABLE>
Consolidated Income Statement (millions, except per share amounts)

<CAPTION>

	1998	1997	1996	1995	1994
<S>	<C>	<C>	<C>	<C>	<C>
Revenues	$5,859	$6,900	$7,016	$7,252	$5,925
Cost of products sold	4,774	5,658	5,856	5,739	4,950
Selling, general and administrative expenses	378	406	445	449	376
Depreciation and amortization	252	368	365	344	341
Interest	114	153	160	172	156
Operational restructuring effects - net	144	75	37	--	(88)
	5,662	6,660	6,863	6,704	5,735
Income before income taxes, extraordinary loss and cumulative effects of accounting changes	197	240	153	548	190
Taxes on income	45	104	49	159	68
Income before extraordinary loss and cumulative effects of accounting changes	152	136	104	389	122
Extraordinary loss	(63)	--	--	--	--
Cumulative effects of					

accounting changes<F1>	(23)	--	(15)	--	--
Net income	$ 66	$ 136	$ 89	$ 389	$ 122
Earnings per share					
Basic:					
Income before extraordinary loss and cumulative effects of accounting changes	$ 2.18	$ 1.86	$ 1.06	$ 5.60	$ 1.42
Extraordinary loss	(0.91)	--	--	--	--
Cumulative effects of accounting changes	(0.33)	--	(0.24)	--	--
Net income	$ 0.94	$ 1.86	$ 0.82	$ 5.60	$ 1.42
Diluted:					
Income before extraordinary loss and cumulative effects of accounting changes	$ 2.18	$ 1.84	$ 1.06	$ 5.25	$ 1.41
Extraordinary loss	(0.91)	--	--	--	--
Cumulative effects of accounting changes	(0.33)	--	(0.24)	--	--
Net income	$ 0.94	$ 1.84	$ 0.82	$ 5.25	$ 1.41
Cash dividends declared per common share	$ 1.40	$ 1.40	$ 1.40	$ 1.20	$ 1.00
Other items:					
Total assets	$6,134	$7,226	$7,516	$7,740	$7,461
Long-term debt	$1,035	$1,501	$1,793	$1,853	$1,848

<FN>
<F1> See Item 8. Financial Statements and Supplementary Data - Note 1 for a discussion of the 1998 and 1996 changes in accounting principles.
</FN>
</TABLE>

Items 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 34, 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.

RESULTS OF OPERATIONS

Lower primary aluminum prices had a significant negative impact on our 1998 results. We were able to completely overcome this impact with improved sales volumes from our ongoing operations, significant cost reductions, and lower selling, general and administrative expenses and interest expenses.

Over the past two years, through our Portfolio Review process, we have improved our focus and lowered our threshold for profitability at decreased pricing levels. We increased earnings per share from operations in 1998 by 19% compared to 1997, while experiencing a 12% reduction in realized primary aluminum prices. Comparing 1998 results to our pre-restructuring base year of 1996, we more than doubled our earnings per share from operations despite 5% lower realized primary aluminum prices.

As we enter 1999, we have made significant progress on cost reduction, debt reduction, share repurchases and effective management of inventory and capital spending.

<TABLE>
<CAPTION>

	1998	1997	1996
<S>	<C>	<C>	<C>
Results			
Net income before special items	$ 242	$ 214	$ 127
Operational restructuring effects - net (see Note 2)	(90)	(78)	(23)
Extraordinary loss (see Note 3)	(63)	--	--
Cumulative effects of accounting changes (see Note 1)	(23)	--	(15)
Net income	$ 66	$ 136	$ 89
Earnings per share - basic			

Net income before special items	$3.47	$2.91	$1.42
Operational restructuring effects - net	(1.29)	(1.05)	(0.36)
Extraordinary loss	(0.91)	--	--
Cumulative effects of accounting changes	(0.33)	--	(0.24)
Net income	$0.94	$1.86	$0.82

</TABLE>

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 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

RESULTS OF OPERATIONS - continued

GLOBAL BUSINESS UNITS - continued

<TABLE>

Base Materials

<CAPTION>

	1998	1997	1996
<S>	<C>	<C>	<C>
Aluminum shipments:			
Customer	668	513	458
Internal	354	684	577
Total	1,022	1,197	1,035
Revenues:			
Customer - aluminum	$1,058	$ 923	$ 763
- nonaluminum	402	405	373
Internal - aluminum	572	1,187	944
Total	$2,032	$2,515	$2,080

Operating income	$ 290	$ 312	$ 242

</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 2,944,000 metric tons. Depending on operating rates of primary aluminum and alumina facilities, approximately 71% 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 1998 and 1997 reflects strong demand for our value-added products (foundry and sheet ingot, billet and rod). 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 primary aluminum prices. Average realized prices for customer shipments were:

<TABLE>
<CAPTION>

	Per Pound
<S>	<C>
1998	$.72
1997	.82

1996	.76	

</TABLE>

Alumina shipments were higher in both 1998 and 1997 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.

RESULTS OF OPERATIONS - continued

GLOBAL BUSINESS UNITS - continued

Base Materials - continued

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

In addition to higher prices, 1997 operating income improved due to increased operating efficiencies and capacity utilization. Somewhat offsetting these improvements were non-recurring maintenance costs in our alumina operations and higher costs for raw materials in carbon products operations.

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.

In 1999, we expect to continue to benefit from performance improvements. We also expect approximately 70% of our primary aluminum shipments to be in the form of value-added products, enabling us to earn a premium over primary aluminum market prices.

<TABLE>

Packaging and Consumer

<CAPTION>

	1998	1997	1996
<S>	<C>	<C>	<C>
Customer aluminum shipments	141	142	136

Revenues:			
Customer -- aluminum	$ 787	$ 797	$ 768
-- nonaluminum	605	602	585
Total	$1,392	$1,399	$1,353
Operating income	$ 156	$ 141	$ 149

</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 and Spain, and 21 graphics facilities located in the U.S. and Canada that produce graphics, printing cylinders and plates.

Shipments and revenues for packaging and consumer products were essentially flat in 1998. Sales of consumer products increased because of strong demand for Reynolds Wrap aluminum foil and the introduction of new products. Sales of packaging products decreased because of aluminum foil capacity constraints and the elimination of certain low-margin products.

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.

Shipments and revenues increased for most products in 1997. Growth was particularly strong for tobacco, pharmaceutical and lidstock packaging products, consumer foil products and plastic wraps and bags.

GLOBAL BUSINESS UNITS - continued

Packaging and Consumer - continued

Operating income declined in 1997 due to higher costs for aluminum and other raw materials. These costs were mostly offset by higher shipping volume, improved capacity utilization, lower advertising costs, cost reduction programs and some price increases.

<TABLE>
Construction and Distribution
<CAPTION>

	1998	1997	1996

<S>	<C>	<C>	<C>
Customer aluminum shipments	184	166	151
Revenues:			
Customer -- aluminum	$681	$614	$600
-- nonaluminum	314	328	332
Total	$995	$942	$932
Operating income	$ 39	$ 41	$ 45

</TABLE>

The Construction and Distribution global business unit consists principally of 37 distribution centers in the U.S., Europe and China and four manufacturing plants, two in the U.S. and two in Europe.

The increase in aluminum shipments and revenues in 1998 and 1997 resulted from strong demand for most products. All of our major distribution products (plate, sheet and extrusions) benefited from market share growth in our major domestic markets. Construction products benefited from our global expansion efforts. Composite sheet shipments for architectural applications were strong in several global markets. Average realized prices were relatively flat in 1998 after being lower in 1997 due to product mix.

The decline in nonaluminum revenues in 1998 and 1997 resulted from lower prices for stainless steel distribution products. Prices for these products continue to be under pressure due to increased imports and strong competition. Our shipments were up approximately 8% in 1998 reflecting strong demand for all of our products.

Operating income in 1998 and 1997 benefited from the higher shipping volume. This was offset by higher marketing costs to expand global sales of construction products and to improve market penetration in existing markets. In addition, operating income for 1998 decreased because of lower capacity utilization in construction products plants and poor business conditions for the construction industry in Asian markets. Operating income in 1997 was also adversely affected by higher aluminum raw material costs.

Our outlook for 1999 is for growth in shipments in our highly competitive global markets. The shipment growth is expected to result from 1998 geographic expansion and product development initiatives.

<TABLE>
Transportation
<CAPTION>

<S>	1998 <C>	1997 <C>	1996 <C>
Customer aluminum shipments	63	66	58
Customer revenues	$337	$353	$326
Operating income (loss)	(19)	10	17

RESULTS OF OPERATIONS - continued

GLOBAL BUSINESS UNITS - continued

Transportation - continued

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 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 were somewhat offset by higher shipments of forged aluminum wheels from our Virginia plant.

Shipments of aluminum wheels were strong in 1997 as we were able to increase market share with new business at cast wheel facilities, and our new forged wheel plant in Virginia started production. Shipments of automotive extrusions were also higher due to growth in European business.

Revenues in 1998 and 1997 also declined due to lower prices for wheels because of competition for new business.

The principal reasons for the declines in operating income in 1998 and 1997 were as follows:

1998
- lower shipping volume and its adverse effect on capacity utilization
- lower average realized prices
- operational difficulties at our Wisconsin cast aluminum wheel plant

1997
- lower average realized prices
- higher metal costs
- higher selling, general and administrative expenses because of growth in operations

Both periods were also affected by non-recurring start-up costs relating to the new Virginia forged aluminum wheel plant and an engine cradle program at our Indiana automotive structures plant. The wheel plant expansion was completed in February 1999. The start-up phase of the engine cradle program should be completed in mid-1999.

We have been working hard to address the issues affecting this business. In cast aluminum wheels, facilities in Canada, Italy and Venezuela are operating reasonably well. Our newer plant in Wisconsin has experienced a variety of operational difficulties since it began operation. In 1998, we substantially completed pre-production certification programs for 16 new wheel models at the plant - a major cost hurdle. This new production volume should help the plant improve. During the second half of 1998, the plant showed improvement.

Our automotive structures plant in Indiana has been operating below capacity for the reasons previously discussed. We are currently testing a new engine cradle program that should be in production in mid-1999 and should help improve performance. In addition, we have entered into a new bumper contract that is scheduled to begin production in 1999.

Aside from plant-specific initiatives, we are also evaluating options for our transportation business as a whole, including strategic alliances.

GLOBAL BUSINESS UNITS - continued

Restructuring

This category consists of those operations that are not part of the Company's long-term business focus. In addition to the Alabama can stock complex that we expect to finalize the sale of

in early 1999, the Restructuring category includes the following, which 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
- 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

Financial information for 1998, 1997 and 1996 relating to operations divested and the Alabama can stock complex is reflected in the Restructuring category in Note 11. Customer revenues generated by these entities were $1.4 billion in 1998, $2.7 billion in 1997 and $3.1 billion in 1996. 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. Operating income in 1997 improved because of higher shipping volume and capacity utilization in can operations.

After finalizing the sale of the Alabama can stock complex, the Company's restructuring activities will be essentially complete. As of the end of 1998, the only assets remaining in the Restructuring category relate to the Company's Alabama can stock complex. In accordance with the terms of the definitive agreement to sell this complex, the Company is operating the facility on behalf of the purchasers for a management fee until the final closing. As a result, the Company expects no revenues or operating results to be reflected in the Restructuring category in 1999.

For additional information concerning the Company's restructuring activities, see "Portfolio Review" on page 33 and Notes 2 and 11 to the consolidated financial statements.

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 all geographic areas as a result of the Company's restructuring activities in 1998 and 1997. Despite the restructuring activities, revenues in Canada improved in 1997 because of higher average realized primary aluminum prices. Other foreign revenues also increased in 1997 due to strong demand for our construction and transportation products.

INTEREST EXPENSE

Interest expense decreased in 1998 and 1997 because we reduced the amount of debt outstanding.

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 10 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 1997, the adverse effect of permanent basis differences on asset dispositions
- additionally in 1998, credits and other tax benefits

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, 1998, we had $844 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, 1998, the accrual was $172 million. The accrual reflects our best estimate of the ultimate liability for known remediation costs.

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 contributions 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 2002. We expect cash provided by operating activities to provide the funds for environmental capital, operating and remediation expenditures.

Annual capital expenditures for equipment designed for environmental control purposes averaged approximately $49 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 1999 through 2001 to be approximately $70 million per year. We estimate annual capital expenditures for environmental control facilities will be approximately $55 million in 1999, $17 million in 2000 and $40 million in 2001. The majority of these expenditures are for the capital spending program referred to below at our primary aluminum plant in New York.

RESULTS OF OPERATIONS - continued

ENVIRONMENTAL - continued
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 $200 million at our primary aluminum plant in 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 2000. 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 $250 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 12 to the consolidated financial statements.

YEAR 2000 READINESS DISCLOSURE
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 recognize 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 disruptions of business operations.

Left unrepaired, many of the Company's systems, including information and computer systems and automated equipment, could be affected by the Year 2000 issue. Failure to adequately address the issue could result in, among other things, the temporary inability to manufacture products, process transactions, send invoices, and/or engage in normal business activities. We do not believe the products we sell require remediation to address the Year 2000 issue since they contain no embedded micro-chips or similar electronic components that are date-sensitive.

Goal
The Company has a formal program to address and resolve potential exposure associated with information and non-information technology systems arising from the Year 2000 issue. Our goal is that none of the Company's critical business operations or computer processes we share with our suppliers and customers will

be substantially impaired by the advent of the year 2000.

Year 2000 Remediation Project
We are preparing our critical, date-sensitive systems, processes and interfacing software for the year 2000. Our remediation project is focusing on the following three areas:

- Information Systems - Computer hardware and software systems, business application software, end-user computing and communications infrastructure
- Non-Information Systems - Manufacturing equipment and the mechanical systems in our buildings (e.g., HVAC, security and safety systems)
- Third Parties - Suppliers and customers

In the first two areas, Information Systems and Non-Information Systems, the project consists of the following five phases:

- Inventory - identifying our critical, date-sensitive systems that are not ready for the year 2000
- Planning - deciding how to correct those systems
- Conversion - repairing or replacing computer hardware and software to make them ready for the year 2000
- Pre-Installation Testing - testing those aspects of systems that have been repaired or replaced to ensure that year entries after 1999 are interpreted properly, date-based calculations are computed correctly, and date-based control systems function accurately
- Installation - bringing corrected systems on-line

Year 2000 Remediation Project - continued
We measure progress in each phase as a percentage of actual staff hours expended to staff hours projected for completion of each phase. Our progress will change as various aspects of the project are completed and as new issues are encountered, either as a result of discovering unanticipated problems in our existing systems or new computer systems or equipment. We also are monitoring our computer and software vendors' readiness statements to assure that readiness changes in their products do not negatively affect our systems.

As of January 31, 1999, our estimated progress with respect to the five phases of our Year 2000 Remediation Project for Information and Non-Information Systems was approximately as follows:

</TABLE>
<TABLE>
<CAPTION>

	Information Systems	Non-Information Systems
<S>	<C>	<C>
Inventory	100%	97%
Planning	99%	96%
Conversion	97%	91%
Pre-Installation Testing	90%	89%
Installation	91%	84%
Overall	98%	92%

</TABLE>

With respect to Information Systems, the Company is substantially complete, with a small amount of work remaining in the testing and installation phases. This work is expected to be finished by the end of the first quarter of 1999. For Non-Information Systems, we expect to substantially complete each of the phases by the end of the second quarter of 1999.

The third area of our remediation project, Third Parties, focuses on assessment of the business impact on the Company resulting from the possible failure of our suppliers to provide needed products and services. We are assessing the Year 2000 readiness of all our suppliers who are deemed to be critical to each of our operating locations, even though the products or services they provide may not be material to the Company's business as a whole. We have surveyed over 2,000 suppliers and rated them low, medium or high risk in their progress toward being ready for the year 2000. Critical suppliers rated as high risk are receiving our immediate attention for contingency planning or other measures.

In addition, we are responding to customer inquiries regarding our Year 2000 program and our progress in addressing the issue. We expect to evaluate the Year 2000 readiness of certain of our largest customers as part of our future contingency planning.

As of January 31, 1999, we were on schedule for the Third Party portion of our remediation project, having completed approximately 39% of the projected total effort that we currently estimate will be needed. Early in the fourth quarter of 1999, we plan to have either ranked our critical suppliers as low risk, or to have identified additional sources of supply or to have developed other contingency plans with respect to those critical suppliers who are not ranked as low risk. We will continue monitoring these suppliers into the year 2000.

The Company and certain of its customers and suppliers use

Electronic Data Interchange (EDI) to perform business communications. The Company's EDI system software has been upgraded to support transactions recorded using a four-digit year. Migration of EDI transactions to the four-digit year format will occur as existing EDI transaction formats are modified by the Company and its trading partners on a case-by-case basis. Some of the Company's customers have indicated they will not modify EDI transaction sets but will rely on other techniques such as date interpretation to achieve Year 2000 capability.

We are also addressing the Year 2000 readiness of our unconsolidated affiliates.

As of January 31, 1999, we had completed approximately 95% of the total effort that we currently estimate will be required for our Year 2000 Remediation Project. This does not include the quality assurance or contingency planning activities that we expect to conduct in 1999 with respect to our Information and Non-Information Systems.

YEAR 2000 READINESS DISCLOSURE - continued

1999 Activities

Quality Assurance

In addition to completing the five phases of our Year 2000 Remediation Project described above, we expect to validate our remediation efforts with additional post-installation testing of certain critical computer systems. We also expect to respond to and initiate requests to test with certain of our suppliers and customers and some government agencies after they ready their systems.

Contingency Planning

Currently, our contingency planning efforts are focused primarily on working to identify additional sources of supply for critical materials. We anticipate that 1999 will be a year of further contingency planning and monitoring to determine realistic Year 2000 issues beyond those already addressed. While it is still too early to identify a reasonably likely worst case scenario, our operations, particularly in the Base Materials business, require significant quantities of energy. Curtailments or disruptions of energy supplies would result in full or partial shutdowns of these operations until energy availability could be restored. In addition, an unanticipated loss of energy supply could result in damage to production equipment. During 1999, we

will be assessing these and other business disruption risks and developing contingency plans to mitigate them. We have not determined the potential costs of business disruptions from supplier or customer non-performance.

Costs

The total cost of our Year 2000 Remediation Project is currently expected to be approximately $22 million. As of January 31, 1999, we had incurred approximately $16 million, which includes labor, equipment and license costs. Our cost projections include approximate costs for post-installation testing and contingency planning expected to occur in 1999.

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.

<TABLE>

LIQUIDITY AND CAPITAL RESOURCES

WORKING CAPITAL

<CAPTION>

	December 31	
	1998	1997
<S>	<C>	<C>
Working capital	$ 361	$ 711
Ratio of current assets to current liabilities	1.3/1	1.6/1

</TABLE>

Working capital was lower in 1998 principally because of reduced receivables and inventories resulting from dispositions of assets as part of our restructuring activities.

<TABLE>

OPERATING ACTIVITIES

<CAPTION>

	1998	1997	1996
<S>	<C>	<C>	<C>

Net cash provided by operating activities	$339	$363	$520

We used the net cash provided by operating activities for the past three years primarily to fund capital investments. The decline in net cash provided by operating activities in 1997 resulted principally from increases in receivables and inventories of ongoing operations.

LIQUIDITY AND CAPITAL RESOURCES - continued

INVESTING ACTIVITIES

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

	1998	1997	1996
Operational	$155	$152	$195
Strategic	186	120	237
Total capital investments	$341	$272	$432

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 the year 2000.

Packaging and Consumer

- the expansion of a U.S. plastic film plant (completed in 1997)
- the modernization of U.S. foil plants (to be completed in 2000)
- the acquisition in early 1999 of a producer of flexographic separations and plates for the packaging industry in Canada

Construction and Distribution

- the $25-million expansion of a plant in Europe that will produce composite architectural products (to be completed in 1999)
- the construction of a new, larger distribution center in Seattle to replace the current leased facility (to be completed in 1999)

Transportation
- the modification and equipping of a purchased facility in Wisconsin to produce aluminum wheels (completed in 1996)
- the construction (completed in 1997) and expansion of a forged wheel plant in Virginia (completed in early 1999)
- the expansion and modification of a plant in Indiana that produces bumpers, engine cradles and other automotive components (to be completed in early to mid-1999)

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 1999
Capital investments planned for 1999 (approximately $450 million) are primarily for those strategic projects now under way and continuing operating requirements. We expect to fund these capital investments primarily with cash provided by operating activities. While the projected 1999 capital investments do not include amounts for acquisitions, we will evaluate opportunities that arise.

LIQUIDITY AND CAPITAL RESOURCES - continued

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, 1998, $113 million of our $1.65-billion shelf registration remained available for the issuance of debt securities. We also have committed credit facilities of $650 million, of which $335 million was available at December 31, 1998. A summary of significant financing activities over the past three years follows:

1996
- called for redemption all outstanding shares of PRIDESSM (see Note 8 to the consolidated financial statements), which

  reduced annual dividend requirements by approximately $24 million
- substantially met our goal to fully fund our pension plans
- amended our $500-million credit facility to extend the term
  and lower the cost

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 from 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 from credit facilities
- terminated a $100-million interest rate swap agreement (see
  Note 7 to the consolidated financial statements)

PORTFOLIO REVIEW

We have reviewed all of our operations with the goals of improving focus and profitability, strengthening our financial position, and thereby increasing shareholder value. We expect the results of this review to improve earnings in the years ahead during all parts of the business cycle.

Through December 31, 1998, proceeds from operations divested totaled approximately $1.5 billion, which has been used primarily to reduce debt and repurchase common stock. Our goal to complete a debt reduction of $900 million from the balance at the end of 1996 was accomplished in the third quarter of 1998. Since then, we made additional borrowings to manage current business conditions. We also repurchased 9.6 million shares of stock in 1998.

We recognized operational restructuring charges of $144 million in 1998 and $75 million in 1997 relating to divestitures and related activities associated with our Portfolio Review (see Note 2 to the consolidated financial statements). Upon finalizing the sale of the Alabama can stock complex, which is expected in early 1999, our restructuring activities will be essentially complete. We had liabilities of $48 million at December 31, 1998 resulting from our restructuring activities. We expect to satisfy these liabilities in 1999 ($32 million) and 2000 ($16 million) with cash provided by operating activities. Additional liabilities for contractual postretirement obligations resulting from restructuring activities will be satisfied over numerous future years in conjunction with the Company's funding of its pension

and other postretirment benefit obligations.

We expect to maintain our interest in Latasa, a Latin American aluminum beverage can manufacturer. Fundamentally, the business is in good shape. However, we are cautious about the impact of the current economic situation in Brazil (see "Outlook").

We are proceeding with key internal growth projects, such as the Worsley alumina expansion, new consumer and packaging products, geographic expansion of our construction products business in Europe and Asia, and small acquisitions of packaging operations.

OUTLOOK

Assuming more favorable pricing for the balance of the year, our outlook for the full year 1999 remains in the range of 1998 operating results. However, for the first quarter, which is historically our weakest, extremely low primary aluminum prices will adversely affect results. While we expect to offset part of the effect of low prices with improved costs, lower interest expense and higher value-added primary aluminum sales, operating earnings for the first quarter of 1999 will be about breakeven. In addition, our 35%-owned can manufacturing operations in Brazil have been adversely affected by the devaluation of Brazil's currency. While it is too early to forecast the final impact on first-quarter operating results, we believe it could be about $10 million (after taxes).

RISK FACTORS

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

This report contains (and oral communications made by or on behalf of the Company may contain) forecasts, projections, estimates, statements of management's plans, objectives and strategies for the Company and other forward-looking statements<F1>. The Company's expectations for the future and related forward-looking statements are based on a number of assumptions and forecasts as to world economic growth and other economic indicators (including rates of inflation, industrial production, housing starts and light vehicle sales), trends in the Company's key markets, global aluminum supply and demand conditions, and aluminum ingot prices, among other items. By their nature, forward-looking statements involve risk and uncertainty, and various factors 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 Company is cautious about the outlook for the aluminum industry, at least through the first half of 1999. Demand for primary aluminum products in Asia was 12% lower in 1998 than in 1997, due largely to the economic recession there. The Company is forecasting an increase in global primary aluminum consumption for 1999 of only 1% - 2%. This growth rate is approximately equal to the expected growth rate for the global economy for 1999. If favorable economic conditions resume in Asia, Brazil and other emerging markets, the Company's long-term outlook for growth in aluminum consumption is 2.5% - 4% per year.

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 Company's outlook for 1999 and beyond could be jeopardized by a further delay of economic recovery in Asia and Brazil, as well as in other emerging markets.

The following factors also could affect the Company's 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 a significant portion of the Company's shipments are primary aluminum, changes in aluminum pricing have a rapid effect on the Company's operating results. The Company's 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 the Company's competitors are larger than the Company 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 the Company's key markets. Plastic products compete with products made of glass, aluminum, steel, paper, wood and ceramics, among others. Unanticipated actions or developments by or affecting the Company's competitors and/or the willingness of customers to accept substitutions for the products sold by the Company could affect results.

[FN]

_____
<F1> 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," or "plan" and words of similar effect.
</FN>

RISK FACTORS - continued

- The Company spends substantial capital and operating amounts relating to ongoing compliance with environmental laws. In addition, the Company is involved in remedial investigations and actions in connection with past disposal of wastes. Estimating future environmental compliance and remediation costs is imprecise due to the continuing evolution of environmental laws and regulatory requirements and uncertainties about their application to the Company's operations, the availability and application of technology, the identification of currently unknown remediation sites, and the allocation of costs among potentially responsible parties.

- Unanticipated material legal proceedings or investigations, or the disposition of those currently pending against the Company other than as anticipated by management and counsel, could affect the Company's results.

- Changes in the costs of power, resins, caustic soda, green coke and other raw materials can affect results.

- A number of the Company's operations are cyclical and can be influenced by economic conditions.

- A failure to complete the Company's major capital projects, such as expansion of the Worsley Alumina Refinery, as scheduled and within budget could affect the Company's results.

- The Company's results may be adversely affected if it fails to timely meet its Year 2000 readiness goals. The Company's assessments of the effort required to meet its Year 2000 readiness goal and the total cost of its Year 2000 Remediation Project are based on the Company's best estimates. These were derived using numerous assumptions of future events, including the continued availability of certain resources and other factors. However, we cannot guarantee these estimates are accurate and actual results could differ materially from those anticipated. Specific factors that might cause such material differences include, but are not limited to, the availability and cost of personnel trained in this area, the ability to locate and

correct all relevant computer codes, and similar uncertainties. Also, there can be no guarantee that other companies with which the Company does business will be converted on a timely basis or their failure to be Year 2000 compliant will not have an adverse effect on the Company.

- A strike at a customer facility or a significant downturn in the business of a key customer supplied by the Company could affect the Company's results.

- Since late 1996, the Company has been conducting a Portfolio Review of all its operations. The Company has signed a definitive agreement for the sale of its can stock complex in Alabama, which consists of a rolling mill, two reclamation plants and a coil coating facility. Title to certain of the assets was transferred to the buyer in December 1998. The final closing for the remainder of the assets is scheduled to occur by the end of the first quarter of 1999 and is subject to customary closing conditions. The Company has also entered into a definitive agreement for the sale of its aluminum extrusion operations in Spain, as well as our distribution operations for architectural systems located in Spain. This transaction is subject to customary closing conditions and is expected to close by the end of the first quarter of 1999.

In addition to the factors referred to above, the Company is exposed to general financial, political, economic and business risks in connection with its worldwide operations. The Company continues to evaluate and manage its operations in a manner to mitigate the effects from exposure to such risks. In general, the Company's 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 the Company operates will not change significantly overall.

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.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

<TABLE>
CONSOLIDATED STATEMENT OF INCOME
(millions, except per share amounts)

<CAPTION>

Years ended December 31	1998	1997	1996
<S>	<C>	<C>	<C>
REVENUES	$ 5,859	$ 6,900	$ 7,016
COSTS AND EXPENSES			
Cost of products sold	4,774	5,658	5,856
Selling, general and administrative expenses	378	406	445
Depreciation and amortization	252	368	365
Interest	114	153	160
Operational restructuring effects - net	144	75	37
	5,662	6,660	6,863
EARNINGS			
Income before income taxes, extraordinary loss and cumulative effects of accounting changes	197	240	153
Taxes on income	45	104	49
Income before extraordinary loss and cumulative effects of accounting changes	152	136	104
Extraordinary loss	(63)	--	--
Cumulative effects of accounting changes	(23)	--	(15)
NET INCOME	66	136	89
Preferred stock dividends	--	--	36
NET INCOME AVAILABLE TO COMMON STOCKHOLDERS	$ 66	$ 136	$ 53
EARNINGS PER SHARE			
Basic:			
Average shares outstanding	69,709,000	73,412,000	63,730,000
Income before extraordinary loss and cumulative effects			

of accounting changes	$ 2.18	$ 1.86	$ 1.06
Extraordinary loss	(0.91)	--	--
Cumulative effects of accounting changes	(0.33)	--	(0.24)
Net income	$ 0.94	$ 1.86	$ 0.82
Diluted:			
Average shares outstanding	69,937,000	74,004,000	63,947,000
Income before extraordinary loss and cumulative effects of accounting changes	$ 2.18	$ 1.84	$ 1.06
Extraordinary loss	(0.91)	--	--
Cumulative effects of accounting changes	(0.33)	--	(0.24)
Net income	$ 0.94	$ 1.84	$ 0.82
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>

<TABLE>
CONSOLIDATED BALANCE SHEET

<CAPTION>

December 31 (millions)	1998	1997
<S>	<C>	<C>
ASSETS		
Current assets:		
Cash and cash equivalents	$ 94	$ 70
Receivables:		
Customers, less allowances of $14 (1997 - $16)	710	841
Other	184	174
Total receivables	894	1,015
Inventories	500	744
Prepaid expenses and other	114	165
Total current assets	1,602	1,994
Unincorporated joint ventures and associated companies	1,478	1,381
Property, plant and equipment - net	2,024	2,954

Deferred taxes	363	249
Other assets	667	648
Total assets	$6,134	$7,226
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Trade payables	$ 401	$ 512
Accrued compensation and related amounts	183	202
Payables to unincorporated joint ventures and associated companies	75	81
Commercial paper	82	--
Notes payable to banks	34	67
Long-term debt	196	142
Other liabilities	270	279
Total current liabilities	1,241	1,283
Long-term debt	1,035	1,501
Postretirement benefits	1,029	1,043
Environmental	161	158
Deferred taxes	272	269
Other liabilities	202	233
Stockholders' equity:		
Common stock	1,533	1,521
Retained earnings	1,222	1,253
Treasury stock, at cost	(526)	--
Accumulated other comprehensive income	(35)	(35)
Total stockholders' equity	2,194	2,739
Contingent liabilities and commitments (Note 12)		
Total liabilities and stockholders' equity	$6,134	$7,226

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

<TABLE>
CONSOLIDATED STATEMENT OF CASH FLOWS

<CAPTION>

Years ended December 31 (millions)	1998	1997	1996

<S>	<C>	<C>	<C>
OPERATING ACTIVITIES			
Net income	$ 66	$ 136	$ 89
Adjustments to reconcile to net cash provided by operating activities:			
Depreciation and amortization	252	368	365
Operational restructuring effects	144	75	37
Extraordinary loss	63	--	--
Cumulative effects of accounting changes	23	--	15
Other	(3)	28	26
Changes in operating assets and liabilities net of effects from acquisitions and dispositions:			
Accounts payable, accrued and other liabilities	(106)	105	(64)
Receivables	(53)	(194)	67
Inventories	78	(108)	93
Environmental and restructuring liabilities	(52)	(48)	(46)
Other	(73)	1	(62)
Net cash provided by operating activities	339	363	520
INVESTING ACTIVITIES			
Capital investments:			
Operational	(155)	(152)	(195)
Strategic	(186)	(120)	(237)
Sales of assets - operational restructuring	1,147	367	--
Other	(38)	(3)	(5)
Net cash provided by (used in) investing activities	768	92	(437)
FINANCING ACTIVITIES			
Proceeds from long-term debt	415	--	40
Reduction of long-term debt and other financing liabilities	(929)	(245)	(105)
Increase (decrease) in short-term borrowings	47	(138)	111
Cash dividends paid	(100)	(99)	(135)
Repurchase of common stock	(526)	--	--
Stock options exercised	10	59	5
Net cash used in financing activities	(1,083)	(423)	(84)
CASH AND CASH EQUIVALENTS			

Net increase (decrease)	24	32	(1)
At beginning of year	70	38	39
At end of year	$ 94	$ 70	$ 38
Supplemental disclosure of cash flow information			
Cash paid during the year for:			
Interest	$ 134	$ 164	$ 176
Income taxes	117	21	2

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

<TABLE>
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
<CAPTION>

Years ended December 31	1998	1997	1996
<S>	<C>	<C>	<C>
SHARES (thousands)			
Common stock			
Balance at January 1	73,909	72,719	63,598
Shares issued under employee benefit plans	196	1,190	101
Shares issued on conversion/ redemption of preferred stock	--	--	9,020
Balance at December 31	74,105	73,909	72,719
Treasury stock			
Balance at January 1	--	--	--
Purchased and held as treasury stock	(9,648)	--	--
Balance at December 31	(9,648)	--	--
Net common shares outstanding	64,457	73,909	72,719
DOLLARS (millions)			
Common stock			
Balance at January 1	$1,521	$1,451	$ 941
Shares issued under employee benefit plans	12	70	5

Shares issued on conversion/ redemption of preferred stock	--	--	505
Balance at December 31	$1,533	$1,521	$1,451
Retained earnings			
Balance at January 1	$1,253	$1,220	$1,256
Net income	66	136	89
Cash dividends declared:			
Preferred stock (PRIDES)	--	--	(36)
Common stock	(97)	(103)	(89)
Balance at December 31	$1,222	$1,253	$1,220
Treasury stock			
Balance at January 1	$ --	$ --	$ --
Purchased and held as treasury stock	(526)	--	--
Balance at December 31	$ (526)	$ --	$ --
Accumulated other comprehensive income (loss)			
Balance at January 1	$ (35)	$ (37)	$ (85)
Foreign currency translation adjustments	5	--	(16)
Income taxes	(5)	2	1
Pension liability adjustment	--	--	97
Income taxes	--	--	(34)
Other comprehensive income	--	2	48
Balance at December 31	$ (35)	$ (35)	$ (37)
Total stockholders' equity	$2,194	$2,739	$2,634
COMPREHENSIVE INCOME (millions)			
Net income	$ 66	$ 136	$ 89
Other comprehensive income	--	2	48
Comprehensive income	$ 66	$ 138	$ 137

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

(In the tables, dollars are in millions, except per share amounts. Certain amounts have been reclassified to conform to the 1998 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. 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 $178 million at the end of 1998 (1997 -- $270 million). FIFO and average-cost method inventories were $322 million at the end of 1998 (1997 -- $474 million). Inventories would increase by $221 million at the end of 1998 (1997 -- $425 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. In 1996, the liquidation of certain LIFO layers decreased cost of products sold by $30 million. The inventories in these LIFO layers were acquired at lower costs in prior years.

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.

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

1. ACCOUNTING POLICIES - continued
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 EFFECTS OF ACCOUNTING CHANGES

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 a charge for the cumulative effect of accounting change of $23 million.

In 1996, the Company adopted Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of." The cumulative effect of adopting the standard was a loss of $15 million. The loss was for the impairment of certain real estate held for sale at the beginning of 1996, principally undeveloped land.

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.

COMPREHENSIVE INCOME

In 1998, the Company adopted the Financial Accounting Standards Board's (FASB) Statement No. 130, "Reporting Comprehensive Income." Statement No. 130 establishes new rules for the reporting and display of comprehensive income and its components; however, adopting the Statement had no impact on the Company's net income or stockholders' equity. Statement No. 130 requires the Company's foreign currency translation adjustments, which prior to adoption were reported separately in stockholders' equity, to be included in other comprehensive income. Prior-year financial statements have been reclassified to conform to the requirements of Statement No. 130. Comprehensive income is presented in the Consolidated Statement of Changes in Stockholders' Equity.

STOCK OPTIONS

Stock options are accounted for using the intrinsic value method. Except as discussed below, 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.

Compensation expense is recognized for performance-based stock options if it becomes probable that the performance condition will be satisfied. Compensation expense is the difference between the market price of the common stock when the performance

condition is satisfied and the exercise price of the stock options.

1. ACCOUNTING POLICIES - continued

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

In 1998, the AcSEC issued 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. The Company currently capitalizes the costs of purchased software and expenses the costs of internally developed software. The Company plans to adopt the SOP in 1999 on a prospective basis when it becomes effective. The Company has not yet determined the impact this statement will have on its financial position or results of operations.

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, 2000. The Company has not determined the impact this statement will have on its financial position or results of operations.

2. OPERATIONAL RESTRUCTURING

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

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

In 1996, operational restructuring costs resulted from the closing of a can plant in Texas.

In early 1999, the Company expects to finalize the sale of its Alabama can stock complex. The carrying amount of the related net assets was $216 million at December 31, 1998.

Financial information for 1998, 1997 and 1996 relating to operations divested and the Alabama can stock complex is reflected in the Restructuring category in Note 11. Customer revenues generated by these entities were $1.4 billion in 1998, $2.7 billion in 1997 and $3.1 billion in 1996. Depreciation expense in 1998 was reduced $65 million as a result of ceasing depreciation on assets held for sale relating to the divestitures.

After finalizing the sale of the Alabama can stock complex, the Company's restructuring activities will be essentially complete. As of the end of 1998, the only assets remaining in the Restructuring category relate to the Alabama can stock complex. In accordance with the terms of the definitive agreement to sell this complex, the Company is operating the facility on behalf of the purchasers for a management fee until the final closing. As a result, the Company expects no revenues or operating results to be reflected in the Restructuring category in 1999.

2. OPERATIONAL RESTRUCTURING - continued

The Company recognized the following operational restructuring charges:

<TABLE>
<CAPTION>

	1998	1997	1996
<S>	<C>	<C>	<C>
Employee terminations	$ 39	$49	$12
Additional postretirement benefits	105	--	19
(Gain) loss on asset dispositions	(12)	21	5
Other	12	5	1
	$144	$75	$37

</TABLE>

The charges for employee terminations recorded in 1998, 1997 and 1996 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.

An analysis of the accrual for restructuring liabilities follows:

<TABLE>

<CAPTION>

	1998	1997	1996
<S>	<C>	<C>	<C>
Balance at January 1	$ 44	$ 12	$ --
Accruals	44	54	13
Payments	(40)	(22)	(1)
Balance at December 31	$ 48	$ 44	$ 12

</TABLE>

Liabilities at December 31, 1998 relating to the Company's restructuring activities are expected to be satisfied in 1999 ($32 million) and 2000 ($16 million) with cash provided by operating activities. Additional liabilities relating to contractual postretirement obligations are reflected in postretirement benefits on the balance sheet and will be settled over numerous 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 3 and 8).

3. EXTRAORDINARY LOSSES

The Company had extraordinary losses 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.

4. 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 effects of accounting changes."

<TABLE>
<CAPTION>

	1998	1997	1996
<S>	<C>	<C>	<C>
Income (numerator):			
Income before extraordinary loss and cumulative effects of accounting changes	$ 152	$ 136	$ 104
Less convertible preferred stock (PRIDES) dividend	--	--	36

Basic and diluted income	$ 152	$ 136	$ 68
Average shares (denominator):			
Basic	69,709,000	73,412,000	63,730,000
Effect of dilutive securities:			
Stock options	228,000	592,000	217,000
Diluted	69,937,000	74,004,000	63,947,000
Per share amounts for income before extraordinary loss and cumulative effects of accounting changes:			
Basic earnings per share	$ 2.18	$ 1.86	$ 1.06
Diluted earnings per share	2.18	1.84	1.06
Antidilutive securities excluded:			
Convertible preferred stock (PRIDES)	--	--	8,950,000
Stock options	2,452,000	505,000	2,665,000

5. UNINCORPORATED JOINT VENTURES AND ASSOCIATED COMPANIES

Investments in unincorporated joint ventures that produce alumina and primary aluminum consist of the following:

	December 31	
	1998	1997
<S>	<C>	<C>
Current assets	$ 52	42
Current liabilities	(89)	(66)
Property, plant and equipment and other assets	1,203	1,078
Net investment	$1,166	$1,054

Property, plant and equipment and other assets in 1998 includes $150 million of construction in progress for the expansion of the joint-venture Worsley Alumina Refinery.

5. UNINCORPORATED JOINT VENTURES AND ASSOCIATED COMPANIES - continued

Foreign-based associated companies produce bauxite, alumina,

primary aluminum, hydroelectric power and fabricated aluminum products. Investments in these companies were $312 million at the end of 1998 (1997 -- $327 million), including advances of $59 million (1997 -- $50 million). Summarized financial information related to these entities follows:

<TABLE>
<CAPTION>

	Years ended December 31		
	1998	1997	1996
<S>	<C>	<C>	<C>
Net sales	$1,195	$ 999	$950
Cost of products sold	1,115	910	814
Net income (loss)	(27)	(14)	31

</TABLE>

<TABLE>
<CAPTION>

	December 31	
	1998	1997
<S>	<C>	<C>
Current assets	$810	$ 891
Noncurrent assets	977	1,015
Current liabilities	690	733
Noncurrent liabilities	456	470
Stockholders' equity	641	703

</TABLE>

6. PROPERTY, PLANT AND EQUIPMENT (At Cost)

<TABLE>
<CAPTION>

	December 31	
	1998	1997
<S>	<C>	<C>
Land, land improvements and mineral properties	$ 244	$ 289
Buildings and leasehold improvements	781	1,045
Machinery and equipment	3,087	5,044
Construction in progress	170	155
	4,282	6,533

Less allowances for depreciation and amortization	2,258	3,579
Net property, plant and equipment	$2,024	$2,954

</TABLE>

7. FINANCING ARRANGEMENTS

<TABLE>
<CAPTION>

	December 31	
	1998	1997
<S>	<C>	<C>
Public debt securities:		
Medium-term notes	$ 329	$ 902
9-3/8% debentures due 1999	100	100
9% debentures due 2003	21	100
6-5/8% amortizing notes	228	285
Industrial and environmental control revenue bonds	227	237
Other arrangements:		
Credit facilities	315	--
Mortgages and other notes payable	11	19
	1,231	1,643
Amounts due within one year	196	142
Long-term debt	$1,035	$1,501

</TABLE>

Long-term debt at December 31, 1998 matures as follows:

<TABLE>
<CAPTION>

<S>	<C>
1999	$196
2000	153
2001	484
2002	70
2003	58
2004 - 2025	270

</TABLE>

The medium-term notes, 9% debentures and 9-3/8% debentures were issued under a $1.65-billion shelf registration. The medium-term notes bear interest at an average fixed rate of 9% and have maturities ranging from 1999 to 2013. At December 31, 1998, $113 million of debt securities remained unissued under the shelf registration. 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 (5.7% at December 31, 1998). The variable rate is based on the London Interbank Offer Rate. 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 Company terminated a $100-million interest rate swap in 1998. The small gain realized will be recognized over the remainder of the designated hedge period ending 2001.

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 1999 and 2002.

Industrial and environmental control revenue bonds consist of variable-rate debt with interest rates averaging 4.2% at December 31, 1998. These bonds require principal repayments in lump sums periodically between 1999 and 2025. Letters of credit issued by banks support these bonds.

The credit facilities have variable interest rates (6.7% at December 31, 1998) and mature in 2001. The Company can borrow up to $650 million under these facilities and pays an annual commitment fee of .1% on the unused portion.

7. FINANCING ARRANGEMENTS - continued

Mortgages and other notes payable consist of fixed-rate debt with an average interest rate of 5%. They require principal repayment between 1999 and 2008.

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, 1998, the Company exceeded all such requirements.

The fair value of long-term debt was approximately $1.2 billion at the end of 1998 (1997 -- $1.8 billion). This value was determined by using discounted cash flow analysis.

Interest capitalized was $12 million during 1998 (1997 -- $8

million, 1996 -- $13 million).

The weighted-average interest rate on short-term borrowings was:

<TABLE>
<CAPTION>

	December 31	
	1998	1997
<S>	<C>	<C>
Notes payable to banks	4.2%	4.5%
Commercial paper	5.9	--

</TABLE>

8. 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.

On December 31, 1996, the Company called for redemption all its outstanding PRIDES. As a result of the call, the Company issued a total of 9,019,990 shares of common stock upon the redemption or conversion of all of the PRIDES. A total of 4,673,800 shares of common stock were issued in redemption of 5,699,756 shares of PRIDES. The redemption rate of .82 of a share of common stock for each share of PRIDES was based on a call price of $48.077 per share and a common stock market price of $58.79 per share (determined as provided in the PRIDES governing documents). In lieu of redemption, holders of 5,300,244 shares of PRIDES elected to convert their shares of PRIDES (on or before the redemption date) into 4,346,190 shares of common stock (at a conversion rate of .82 of a share of common stock for each share of PRIDES). Dividends declared on each share of PRIDES were $3.31 in 1996.

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 9.6 million shares have been repurchased through December 31, 1998. (See the Consolidated Statement of Changes in Stockholders' Equity for additional share repurchase information.)

8. 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. Other than the performance-based options discussed below, the stock options outstanding at December 31, 1998 vest in one year and are exercisable between one year and ten years from the date of grant. The range of exercise prices for the stock options outstanding at December 31, 1998 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>

	1998	1997	1996
<S>	<C>	<C>	<C>
Outstanding at January 1	4,828	5,318	4,680
Granted	633	711	750
Exercised	(192)	(1,190)	(103)
Canceled	(15)	(11)	(9)
Outstanding at December	315,254	4,828	5,318
Exercisable at December	314,621	4,121	4,569
Available for grant	304	923	1,630
Weighted-average prices:			
Outstanding at January 1	$ 55	$ 52	$ 52
Granted	62	64	55
Exercised	47	50	39
Canceled	62	56	52
Outstanding at December 31	56	55	52
Exercisable at December 31	55	53	52

</TABLE>

In 1996, the Company also granted 150,000 performance-based stock options at an exercise price of $53.50 per share. The stock options will not be exercisable unless, on or before September 30, 1999, the closing price of the common stock equals or exceeds $80.25 per share for 30 consecutive days. If this condition is satisfied, the options may be exercised any time before March 31, 2000.

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 1998, 1997 and 1996. The estimated fair value of the stock options was determined by using a Black-Scholes option-pricing model. The estimated fair values and the weighted-average assumptions used to estimate those values follow:

<TABLE>

	Stock Options			Performance-Based Options
	1998	1997	1996	1996
Risk-free interest rate	5.5%	6.4%	6.9%	6.5%
Dividend yield	2.2%	2.2%	2.6%	2.1%
Volatility factor of the expected market price of the Company's common stock	.256	.265	.278	.262
Expected life of the option	6 years	6 years	6 years	3 years
Estimated fair value of each stock option granted	$17.53	$19.53	$16.97	$11.73

8. 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.

The pro forma information follows:

	1998	1997	1996
Pro forma net income	$ 59	$ 127	$ 79
Pro forma earnings per share: Basic	0.84	1.73	0.67
Diluted	0.84	1.72	0.67

SHAREHOLDER RIGHTS PLAN

In 1997, the Company adopted a new shareholder rights plan that

replaced an existing, similar plan that was adopted in 1987 and expired in 1997, in accordance with its terms. Under the new plan, as subsequently amended, 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.

9. PENSIONS AND OTHER POSTRETIREMENT BENEFITS

The following information is disclosed in accordance with the requirements of Statement of Financial Accounting Standards No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits," which the Company adopted in 1998.

<TABLE>
<CAPTION>

	Pension Benefits		Other Benefits	
	1998	1997	1998	1997
<S>	<C>	<C>	<C>	<C>
CHANGE IN BENEFIT OBLIGATION				
Benefit obligation at				

beginning of year	$2,081	$1,916	$ 899	$ 852
Service cost	36	37	7	7
Interest cost	151	147	62	64
Amendments	9	(5)	--	1
Actuarial losses	166	148	60	41
Restructuring	39	(43)	5	(5)
Benefits paid	(133)	(119)	(69)	(61)
Benefit obligation at end of year	$2,349	$2,081	$ 964	$ 899
CHANGE IN PLAN ASSETS				
Fair value of plan assets at beginning of year	$2,099	$1,876	$ --	$ --
Actual return on plan assets	295	315	--	--
Company contributions	43	80	69	61
Restructuring	(27)	(53)	--	--
Benefits paid	(133)	(119)	(69)	(61)
Fair value of plan assets at end of year	$2,277	$2,099	$ --	$ --
Funded status of the plans	$ (72)	$ 18	$ (964)	$ (899)
Unrecognized net actuarial loss (gain)	101	76	27	(31)
Unrecognized prior service cost	66	117	(67)	(109)
Prepaid (accrued) benefit cost	$ 95	$ 211	$(1,004)	$(1,039)
AMOUNTS RECOGNIZED IN THE CONSOLIDATED BALANCE SHEET				
Prepaid benefit cost	$ 111	$ 217	$ --	$ --
Accrued benefit liability	(68)	(12)	(1,004)	(1,039)
Intangible asset	52	6	--	--
Net amount recognized	$ 95	$ 211	$(1,004)	$(1,039)
WEIGHTED-AVERAGE ASSUMPTIONS AS OF DECEMBER 31				
Discount rate	6.75%	7.25%	6.75%	7.25%
Expected return on plan assets	9.25	9.25	--	--
Rate of compensation				

increase	4.50	4.50	--	--

</TABLE>

For measurement purposes, a 5.75% annual rate of increase in the per capita cost of covered health care benefits was assumed for 1999. The rate was assumed to decrease gradually to 5% in 2002 and remain at that level thereafter.

9. PENSIONS AND OTHER POSTRETIREMENT BENEFITS - continued

<TABLE>
<CAPTION>

	Pension Benefits			Other Benefits		
	1998	1997	1996	1998	1997	1996
<S>	<C>	<C>	<C>	<C>	<C>	<C>
COMPONENTS OF NET PERIODIC BENEFIT COST						
Service cost	$ 36	$ 37	$ 38	$ 7	$ 7	$ 8
Interest cost	151	147	138	62	64	62
Expected return on plan assets	(175)	(158)	(151)	--	--	--
Amortization of prior service cost	14	19	17	(13)	(17)	(19)
Recognized net actuarial loss (gain)	13	11	16	--	(1)	--
Benefit cost	$ 39	$ 56	$ 58	$ 56	$ 53	$ 51

</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 1998	$ 4	$ (3)
Effect on postretirement benefit obligation as of December 31, 1998	$51	$(46)

</TABLE>

10. TAXES ON INCOME

The significant components of the provision for income taxes were:

	1998	1997	1996
Current:			
Federal	$ 6	$ 13	$ 3
Foreign	57	71	3
State	1	1	1
Total current	64	85	7
Deferred:			
Federal	(31)	(7)	2
Foreign	23	21	28
State	(12)	(2)	(2)
Total deferred	(20)	12	28
Equity income	1	7	14
Total	$ 45	$104	$49

The deferred tax provision includes domestic carryforward benefits of $8 million (1997 - $2 million, 1996 - $28 million).

10. TAXES ON INCOME - continued

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

	1998	1997	1996
U.S. rate	35%	35%	35%
Income taxed at other than the U.S. rate	(4)	9	2
Percentage depletion	(3)	(2)	(3)
Credits and other tax benefits	(6)	--	--
State income taxes and other	1	1	(2)
Effective rate	23%	43%	32%

</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, 1998, the Company had $844 million (1997 -- $897 million) of deferred tax assets and $694 million (1997 -- $827 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>

	1998		1997	
	Asset	Liability	Asset	Liability
<S>	<C>	<C>	<C>	<C>
Retiree health benefits	$ 381	$ --	$ 392	$ --
Tax carryforward benefits	141	--	170	--
Environmental and restructuring costs	116	(2)	109	(2)
Other	39	78	63	70
Tax over book depreciation	(235)	196	(376)	201
Valuation reserve relating to tax carryforward benefits	(20)	--	(19)	--
Total deferred tax assets and liabilities	422	272	339	269
Amount included as current in balance sheet	59	--	90	--
Noncurrent deferred tax assets and liabilities	$ 363	$272	$ 249	$269

</TABLE>

The tax carryforward benefits can be carried forward indefinitely except for $67 million that will expire primarily between 2003 and 2013. 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

($973 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 effects of accounting changes were as follows:

<TABLE>
<CAPTION>

	1998	1997	1996
<S>	<C>	<C>	<C>
Domestic	$(86)	$ 21	$ 4
Foreign	283	219	149
	$197	$240	$153

</TABLE>

11. 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 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 and the Company's Alabama can stock complex that we expect to finalize the sale of in early 1999. (See Note 2 for a discussion of the Company's restructuring activities.)

The Other category consists principally of the corporate headquarters (and related selling, general and administrative expenses), operations in emerging markets, European extrusion operations and investments in Canada, Latin America and Saudi Arabia.

The comparative periods of 1997 and 1996 have been restated for the following changes:

- the Alabama can stock operation was reclassified from the Other category to the Restructuring category as we expect to finalize the sale in early 1999
- the investment in Latin American can operations was reclassified from the Restructuring category to the Other category as the Company expects to maintain its interest in these operations

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.

11. COMPANY OPERATIONS - continued

<TABLE>
<CAPTION>

1998	Base Materials	Packaging and Consumer	Construction and Distribution
<S>	<C>	<C>	<C>

Customer aluminum shipments	668	141	184
Customer revenues:			
Aluminum	$1,058	$ 787	$681
Nonaluminum	402	605	314
Intersegment revenues - aluminum	572	--	--
Total revenues	$2,032	$1,392	$995
Operating income (loss)	$ 290	$ 156	$ 39
Interest expense			
Income before income taxes, extraordinary loss and cumulative effects of accounting changes			
Equity income (loss)	$ --	$ --	$ --
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 expenditures	228	38	10

1997

Customer aluminum shipments	513	142	166
Customer revenues:			
Aluminum	$ 923	$ 797	$614
Nonaluminum	405	602	328
Intersegment revenues - aluminum	1,187	--	--
Total revenues	$2,515	$1,399	$942
Operating income (loss)	$ 312	$ 141	$ 41
Interest expense			
Income before income taxes, extraordinary loss and cumulative effects of accounting changes			

Equity income (loss)	$ (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 expenditures	105	41	9

</TABLE>

<TABLE>
<CAPTION>

1998	Transportation	Restructuring	Other
<S>	<C>	<C>	<C>
Customer aluminum shipments	63	391	37
Customer revenues:			
Aluminum	$337	$1,434	$ 127
Nonaluminum	--	12	102
Intersegment revenues - aluminum	--	12	--
Total revenues	$337	$1,458	$ 229
Operating income (loss)	$(19)	$ 124	$ (140)
Interest expense			
Income before income taxes, extraordinary loss and cumulative effects of accounting changes			
Equity income (loss)	$ --	$ --	$ (14)
Depreciation and amortization	25	26	12
Assets	$352	$ 282	$1,523
Current liabilities (excluding debt)	53	66	321
Net operating investment	$299	$ 216	$1,202
Unincorporated joint ventures			

and associated companies	$ 7	$ --	$ 172
Capital expenditures	50	--	15

1997

Customer aluminum shipments	66	737	39
Customer revenues:			
Aluminum	$353	$2,610	$ 129
Nonaluminum	--	79	60
Intersegment revenues - aluminum	--	33	--
Total revenues	$353	$2,722	$ 189
Operating income (loss)	$ 10	$ 102	$ (126)
Interest expense			
Income before income taxes, extraordinary loss and cumulative effects of accounting changes			
Equity income (loss)	$ 1	$ --	$ (4)
Depreciation and amortization	26	143	12
Assets	$331	$1,921	$1,359
Current liabilities (excluding debt)	46	212	415
Net operating investment	$285	$1,709	$ 944
Unincorporated joint ventures and associated companies	$ 8	$ 172	$ 24
Capital expenditures	40	33	44

</TABLE>

<TABLE>
<CAPTION>

1998	Reconciling Items	Consolidated
<S>	<C>	<C>
Customer aluminum shipments	--	1,484
Customer revenues:		
Aluminum	$ --	$4,424
Nonaluminum	--	1,435
Intersegment revenues - aluminum	(584)	--
Total revenues	$ (584)	$5,859

Operating income (loss)	$ (139)	$ 311
Interest expense		114
Income before income taxes, extraordinary loss and cumulative effects of accounting changes		$ 197
Equity income (loss)	$ --	$ (14)
Depreciation and amortization	--	252
Assets	$ (23)	$6,134
Current liabilities (excluding debt)	(12)	929
Net operating investment	$ (11)	$5,205
Unincorporated joint ventures and associated companies	$ --	$1,478
Capital expenditures	--	341

1997

Customer aluminum shipments	--	1,663
Customer revenues:		
Aluminum	$ --	$5,426
Nonaluminum	--	1,474
Intersegment revenues - aluminum	(1,220)	--
Total revenues	$(1,220)	$6,900
Operating income (loss)	$ (87)	$ 393
Interest expense		153
Income before income taxes, extraordinary loss and cumulative effects of accounting changes		$ 240
Equity income (loss)	$ --	$ (5)
Depreciation and amortization	--	368
Assets	$ (583)	$7,226
Current liabilities (excluding debt)	(104)	1,074
Net operating investment	$ (479)	$6,152
Unincorporated joint ventures and associated companies	$ --	$1,381
Capital expenditures	--	272

</TABLE>

11. COMPANY OPERATIONS - continued

<TABLE>
<CAPTION>

1996	Base Materials	Packaging and Consumer	Construction and Distribution
<S>	<C>	<C>	<C>
Customer aluminum shipments	458	136	151
Customer revenues:			
Aluminum	$ 763	$ 768	$600
Nonaluminum	373	585	332
Intersegment revenues - aluminum	944	--	--
Total revenues	$2,080	$1,353	$932
Operating income (loss)	$ 242	$ 149	$ 45
Interest expense			
Income before income taxes, extraordinary loss and cumulative effects of accounting changes			
Equity income (loss)	$ --	$ --	$ --
Depreciation and amortization	131	46	5
Assets	$3,207	$ 635	$365
Current liabilities (excluding debt)	283	124	84
Net operating investment	$2,924	$ 511	$281
Unincorporated joint ventures and associated companies	$1,187	$ --	$ --
Capital expenditures	93	59	6

</TABLE>

<TABLE>
<CAPTION>

1996	Transportation	Restructuring	Other
<S>	<C>	<C>	<C>
Customer aluminum shipments	58	813	37
Customer revenues:			
Aluminum	$326	$2,802	$ 132
Nonaluminum	--	264	71
Intersegment revenues - aluminum	--	39	--
Total revenues	$326	$3,105	$ 203
Operating income (loss)	$ 17	$ (38)	$ (128)
Interest expense			
Income before income taxes, extraordinary loss and cumulative effects of accounting changes			
Equity income (loss)	$ 3	$ --	$ 18
Depreciation and amortization	23	143	17
Assets	$304	$2,149	$1,394
Current liabilities (excluding debt)	38	256	320
Net operating investment	$266	$1,893	$1,074
Unincorporated joint ventures and associated companies	$ 8	$ 107	$ 35
Capital expenditures	47	167	60

</TABLE>

<TABLE>
<CAPTION>

1996	Reconciling Items	Consolidated
<S>	<C>	<C>
Customer aluminum shipments	--	1,653
Customer revenues:		
Aluminum	$ --	$5,391
Nonaluminum	--	1,625
Intersegment revenues - aluminum	(983)	--
Total revenues	$(983)	$7,016
Operating income (loss)	$ 26	$ 313
Interest expense		160

Income before income taxes, extraordinary loss and cumulative effects of accounting changes		$ 153
Equity income (loss)	$ --	$ 21
Depreciation and amortization	--	365
Assets	$(538)	$7,516
Current liabilities (excluding debt)	(85)	1,020
Net operating investment	$(453)	$6,496
Unincorporated joint ventures and associated companies	$ --	$1,337
Capital expenditures	--	432

</TABLE>

11. COMPANY OPERATIONS - continued

RECONCILING ITEMS

Reconciling items consist of the following:

<TABLE>
<CAPTION>

	1998	1997	1996
<S>	<C>	<C>	<C>
Operating income (loss):			
Inventory accounting adjustments	$ 5	$ (12)	$ 63
Operational restructuring effects	(144)	(75)	(37)
	$(139)	$ (87)	$ 26
Assets:			
Inventory accounting adjustments	$(248)	$(547)	$(530)
Construction in progress	320	155	207
Internal receivables included in the assets of the global business units	(95)	(191)	(215)
	$ (23)	$(583)	$(538)
Current liabilities:			
Internal liabilities included in the current liabilities of the global business units	$ (87)	$(185)	$(182)
Payables to unincorporated			

joint ventures and associated companies	75	81	97
	$ (12)	$(104)	$ (85)

Inventory accounting adjustments include elimination of unrealized profits on sales between global business units and LIFO inventory adjustments, including a LIFO inventory liquidation of $30 million in 1996. Construction in progress in 1998 includes $150 million related to the expansion of the joint-venture Worsley Alumina Refinery in Australia.

Research and development expenditures were $31 million in 1998 (1997 -- $41 million, 1996 -- $49 million).

Geographic

	Domestic	Canada	Other Foreign	Consolidated
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
1996				
Revenues	$5,461	$ 510	$1,045	$7,016
Long-lived assets	2,810	1,402	1,136	5,348

The majority of the Other Foreign category is comprised of European operations except that long-lived assets include $673 million in 1998 ($569 million in 1997 and $563 million in 1996) related to the joint-venture Worsley Alumina Refinery located in Australia.

12. 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, will not have a material adverse effect on the Company's competitive or financial position or its ongoing results of operations. 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.

UNCONDITIONAL PURCHASE OBLIGATIONS

The Company has committed to pay its proportionate share of annual primary aluminum production charges (including debt service) relating to its interest in an unincorporated joint venture. This arrangement includes a minimum commitment of $37 million in 1999. The present value of this commitment at December 31, 1998 was $36 million, after excluding interest of $1 million. The Company purchased approximately $90 million of primary aluminum in each of the last three years under this arrangement.

LEASES

Certain items of property, plant and equipment are leased under long-term operating leases. Lease expense was $36 million in 1998 ($45 million in 1997 and $50 million in 1996). Lease commitments at December 31, 1998, were $58 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>

	1998	1997	1996
<S>	<C>	<C>	<C>
Balance at January 1	$177	$203	$248
Accruals	7	--	--
Payments	(12)	(26)	(45)
Balance at December 31	$172	$177	$203

</TABLE>

The balance of the accrual at December 31, 1998 is expected to be spent over the next 15 to 20 years with the majority to be spent by the year 2002.

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.

12. 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 or its ongoing results of operations. However, such costs could be material to results of operations in a future interim or annual reporting period.

13. 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 entities 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 Metals Company. 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>
Canadian Reynolds Metals Company, Ltd.
<CAPTION>

	Years ended December 31		
	1998	1997	1996
<S>	<C>	<C>	<C>
Net Sales:			
Customers	$356	$237	$202
Parent company	466	680	599
	822	917	801
Cost of products sold	708	733	677
Net income	$ 84	$117	$ 65

</TABLE>

<TABLE>
<CAPTION>

	December 31	
	1998	1997
<S>	<C>	<C>
Current assets	$ 155	$ 179
Noncurrent assets	1,206	1,206
Current liabilities	(100)	(148)
Noncurrent liabilities	(379)	(415)

</TABLE>

<TABLE>
Reynolds Aluminum Company of Canada, Ltd.
<CAPTION>

	Years ended December 31		
	1998	1997	1996
<S>	<C>	<C>	<C>
Net Sales:			
Customers	$447	$ 519	$ 509
Parent company	455	648	517
	902	1,167	1,026

Cost of products sold	784	956	884
Net income	$ 84	$ 117	$ 59

<TABLE>
<CAPTION>

	December 31	
	1998	1997
<S>	<C>	<C>
Current assets	$ 186	$ 208
Noncurrent assets	1,228	1,276
Current liabilities	(103)	(111)
Noncurrent liabilities	(389)	(445)

</TABLE>

<TABLE>

Quarterly Results of Operations (Unaudited)
(millions, except per share amounts)

<CAPTION>

	1998			
Quarter	1st	2nd	3rd	4th
<S>	<C>	<C>	<C>	<C>
Revenues	$1,532	$1,579	$1,368	$1,380
Gross profit<F1>	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<F2>	$ --	$ (196)	$ 201	$ (95)

<CAPTION>

	1997			
Quarter	1st	2nd	3rd	4th
Revenues	$1,624	$1,786	$1,717	$1,773
Gross profit<F1>	171	231	215	257
Net income (loss)	$ 43	$ 55	$ 55	$ (17)
Earnings Per Share				
Basic:				
Average shares outstanding	73	73	74	74
Net income (loss)	$ 0.59	$ 0.76	$ 0.74	$(0.23)
Diluted:				
Average shares outstanding	73	74	75	74
Net income (loss)	$ 0.59	$ 0.75	$ 0.73	$(0.23)
Net income (loss) includes the effect of the following item:				
Operational restructuring effects -- net<F2>	$ 23	$ (4)	$ --	$ (97)

<FN>
<F1>Gross profit equals revenues minus cost of products sold, and

depreciation and amortization
<F2>Operational restructuring effects are shown net of gains on sales of assets
</FN>
</TABLE>

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, 1998 and 1997, 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, 1998. 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 generally accepted auditing standards. 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, 1998 and 1997, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 1998, in conformity with generally accepted accounting principles.

As discussed in Note 1 to the consolidated financial statements, in 1998 the Company changed its method of accounting for the costs of start-up activities and, in 1996 changed its method of accounting for the impairment of long-lived assets and long-lived assets to be disposed of.

/s/ Ernst & Young LLP

Richmond, Virginia
February 19, 1999

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 Proxy Statement for the Annual Meeting of Stockholders to be held on May 20, 1999. 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 Proxy Statement for the Annual Meeting of Stockholders to be held on May 20, 1999. 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 Proxy Statement for the Annual Meeting of Stockholders to be held on May 20, 1999. 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 "Executive Compensation - Pension Plan Table" and "Change in Control and Termination Arrangements" in the Registrant's Proxy Statement for the Annual Meeting of Stockholders to be held on May 20, 1999. That information is incorporated in this report by reference.

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, 1998, 1997 and 1996.	37
Consolidated balance sheet - December 31, 1998 and 1997.	38
Consolidated statement of cash flows - Years ended December 31, 1998, 1997 and 1996.	39
Consolidated statement of changes in stockholders' equity - Years ended December 31, 1998, 1997 and 1996.	40
Notes to consolidated financial statements.	41
Report of Ernst & Young LLP, Independent Auditors.	64

(2) Financial Statement Schedules

This report omits all 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, 1998.

This report omits financial statements of all associated companies (20% to 50% owned) because no associated company is individually significant.

(3) Exhibits

<F1> EXHIBIT 2 - Asset Purchase Agreement by and among Ball Corporation, Ball Metal Beverage Container Corp. and Reynolds Metals Company dated as of April 22, 1998. The Registrant agrees to furnish to the Commission upon request a copy of the disclosure schedules supplemental to the Asset Purchase Agreement. (File No. 001-01430, Form 10-Q Report for the Quarter Ended June 30, 1998, EXHIBIT 2)

EXHIBIT 3.1 - Restated Certificate of Incorporation, as amended.

EXHIBIT 3.2 - By-laws, as amended.

EXHIBIT 4.1 - Restated Certificate of Incorporation. See EXHIBIT 3.1.

EXHIBIT 4.2 - By-laws. See EXHIBIT 3.2.

[FN]

_____

<F1> Incorporated by reference.
</FN>

<F1> EXHIBIT 4.3 - 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))

<F1> EXHIBIT 4.4 - Amendment No. 1 dated as of November 1, 1991 to the Indenture. (File No. 001-01430, 1991 Form 10-K Report, EXHIBIT 4.4)

<F1> EXHIBIT 4.5 - Rights Agreement dated as of March 8, 1999 between Reynolds Metals Company and ChaseMellon Shareholder Services, L.L.C. (File No. 001-01430, Form 8-K Report dated March 8, 1999, pertaining to Preferred Stock Purchase Rights, EXHIBIT 4.1)

<F1> EXHIBIT 4.6 - Form of 9-3/8% Debenture due June 15, 1999. (File No. 001-01430, Form 8-K Report dated June 6, 1989, EXHIBIT 4)

<F1> EXHIBIT 4.7 - Form of Fixed Rate Medium-Term Note. (Registration Statement No. 33-30882 on Form S-3, dated August 31, 1989, EXHIBIT 4.3)

<F1> EXHIBIT 4.8 - Form of Floating Rate Medium-Term Note. (Registration Statement No. 33-30882 on Form S-3, dated August 31, 1989, EXHIBIT 4.4)

<F1> EXHIBIT 4.9 - Form of Book-Entry Fixed Rate Medium-Term Note. (File No. 001-01430, 1991 Form 10-K Report, EXHIBIT 4.15)

<F1> EXHIBIT 4.10 - Form of Book-Entry Floating Rate Medium-Term Note. (File No. 001-01430, 1991 Form 10-K Report, EXHIBIT 4.16)

<F1> EXHIBIT 4.11 - Form of 9% Debenture due August 15, 2003. (File No. 001-01430, Form 8-K Report dated August 16, 1991, Exhibit 4(a))

<F1> EXHIBIT 4.12 - 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)

<F1> EXHIBIT 4.13 - By-Laws of RACC, as amended. (File No. 001-

01430, Form 10-Q Report for the Quarter Ended March 31, 1997, EXHIBIT 4.14)

<F1> EXHIBIT 4.14 - 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)

<F1> EXHIBIT 4.15 - By-Laws of CRM, as amended. (File No. 001-01430, Form 10-Q Report for the Quarter Ended September 30, 1997, EXHIBIT 4.16)

<F1> EXHIBIT 4.16 - 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))

<F1> EXHIBIT 4.17 - 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)

[FN]

_____

<F1> Incorporated by reference.
</FN>

<F1> EXHIBIT 4.18 - 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.

<F1><F2> 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)

<F1><F2> 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)

<F1><F2> EXHIBIT 10.3 - Reynolds Metals Company Performance Incentive Plan, as amended and restated effective January 1, 1996. (File No. 001-01430, Form 10-Q Report for the Quarter Ended March 31, 1995, EXHIBIT 10.4)

<F1><F2> EXHIBIT 10.4 - Agreement dated December 9, 1987 between Reynolds Metals Company and Jeremiah J. Sheehan. (File No. 001-01430, 1987 Form 10-K Report, EXHIBIT 10.9)

<F1><F2> EXHIBIT 10.5 - Supplemental Death Benefit Plan for Officers. (File No. 001-01430, 1986 Form 10-K Report, EXHIBIT 10.8)

<F1><F2> EXHIBIT 10.6 - Financial Counseling Assistance Plan for Officers. (File No. 001-01430, 1987 Form 10-K Report, EXHIBIT 10.11)

<F1><F2> EXHIBIT 10.7 - Management Incentive Deferral Plan. (File No. 001-01430, 1987 Form 10-K Report, EXHIBIT 10.12)

<F1><F2> EXHIBIT 10.8 - Deferred Compensation Plan for Outside Directors as Amended and Restated Effective December 1, 1993. (File No. 001-01430, 1993 Form 10-K Report, EXHIBIT 10.12)

<F2> EXHIBIT 10.9 - Form of Indemnification Agreement for Directors and Officers.

<F1><F2> EXHIBIT 10.10 - 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, 1997 Form 10-K Report, EXHIBIT 10.10)

<F1><F2> EXHIBIT 10.11 - 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))

<F1><F2> EXHIBIT 10.12 - 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))

<F1><F2> EXHIBIT 10.13 - 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)

[FN]

_____

<F1> Incorporated by reference.
<F2> Management contract or compensatory plan or arrangement required to be filed as an exhibit pursuant to Item 601 of Regulation S-K.
</FN>

<F1><F2> EXHIBIT 10.14 - 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)

<F1><F2> EXHIBIT 10.15 - 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)

<F1><F2> EXHIBIT 10.16 - 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))

<F1><F2> EXHIBIT 10.17 - Reynolds Metals Company Restricted Stock Plan for Outside Directors. (Registration Statement No. 33-53851 on Form S-8, dated May 27, 1994, EXHIBIT 4.6)

<F1><F2> EXHIBIT 10.18 - Reynolds Metals Company New Management Incentive Deferral Plan. (File No. 001-01430, Form 10-Q Report for the Quarter Ended June 30, 1994, EXHIBIT 10.30)

<F1><F2> EXHIBIT 10.19 - Reynolds Metals Company Salary Deferral Plan for Executives. (File No. 001-

01430, Form 10-Q Report for the Quarter Ended June 30, 1994, EXHIBIT 10.31)

<F1><F2> EXHIBIT 10.20 - Reynolds Metals Company Supplemental Long Term Disability Plan for Executives. (File No. 001-01430, Form 10-Q Report for the Quarter Ended June 30, 1994, EXHIBIT 10.32)

<F1><F2> EXHIBIT 10.21 - 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)

<F1><F2> EXHIBIT 10.22 - 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)

<F1><F2> EXHIBIT 10.23 - Amendment to Reynolds Metals Company New Management Incentive Deferral Plan effective January 1, 1995. (File No. 001-01430, 1994 Form 10-K Report, EXHIBIT 10.36)

<F1><F2> EXHIBIT 10.24 - 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)

<F1><F2> EXHIBIT 10.25 - 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)

[FN]

_____

<F1> Incorporated by reference.
<F2> Management contract or compensatory plan or arrangement required to be filed as an exhibit pursuant to Item 601 of Regulation S-K.
</FN>

<F1><F2> EXHIBIT 10.26 - 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)

<F1><F2> EXHIBIT 10.27 - 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)

<F1><F2> EXHIBIT 10.28 - 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)

<F1><F2> EXHIBIT 10.29 - Reynolds Metals Company 1996 Nonqualified Stock Option Plan. (Registration Statement No. 333-03947 on Form S-8, dated May 17, 1996, EXHIBIT 4.6)

<F1><F2> EXHIBIT 10.30 - 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)

<F1><F2> EXHIBIT 10.31 - 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)

<F1><F2> EXHIBIT 10.32 - 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)

<F1><F2> EXHIBIT 10.33 - Stock Option Agreement dated August 30, 1996 between Reynolds Metals Company and Jeremiah J. Sheehan. (File No. 001-01430, Form 10-Q Report for the Quarter Ended September 30, 1996, EXHIBIT 10.43)

<F1><F2> EXHIBIT 10.34 - Amendment to Deferred Compensation Plan for Outside Directors effective August 15, 1996. (File No. 001-01430, Form 10-Q Report for the Quarter Ended September 30, 1996, EXHIBIT 10.44)

<F1><F2> EXHIBIT 10.35 - Amendment to Reynolds Metals Company New Management Incentive Deferral Plan effective January 1, 1996. (File No. 001-01430, 1996 Form 10-K Report, EXHIBIT 10.38)

<F1><F2> EXHIBIT 10.36 - Amendment to Reynolds Metals Company Performance Incentive Plan effective January 1, 1996. (File No. 001-01430, 1996 Form 10-K Report, EXHIBIT 10.39)

<F1><F2> EXHIBIT 10.37 - Reynolds Metals Company Supplemental Incentive Plan. (File No. 001-01430, 1996 Form 10-K Report, EXHIBIT 10.40)

[FN]

_____

<F1> Incorporated by reference.
<F2> Management contract or compensatory plan or arrangement required to be filed as an exhibit pursuant to Item 601 of Regulation S-K.

</FN>

<F1><F2> EXHIBIT 10.38 - Reynolds Metals Company Stock Plan for Outside Directors. (File No. 001-01430, 1996 Form 10-K Report, EXHIBIT 10.41)

<F1><F2> EXHIBIT 10.39 - Special Executive Severance Package for Certain Employees who Terminate Employment between January 1, 1997 and June 30, 1999 (or, if earlier, the date of completion of employment related actions related to the Company's portfolio review process, as designated by the Company's Chief Executive Officer), approved by the Compensation Committee of the Company's Board of Directors on January 17, 1997 and extended on May 15, 1998. (File No. 001-01430, 1996 Form 10-K Report, EXHIBIT 10.42)

<F1><F2> EXHIBIT 10.40 - Special Award Program for Certain Executives or Key Employees, as approved by the Compensation Committee of the Company's Board of Directors on January 17, 1997. (File No. 001-01430, 1996 Form 10-K Report, EXHIBIT 10.43)

<F1><F2> EXHIBIT 10.41 - Amendment to Reynolds Metals Company 1996 Nonqualified Stock Option Plan effective December 1, 1997. (File No. 001-01430, 1997 Form 10-K Report, EXHIBIT 10.41)

<F1><F2> EXHIBIT 10.42 - Amendment to Reynolds Metals Company Restricted Stock Plan for Outside Directors effective December 1, 1997. (File No. 001-01430, 1997 Form 10-K Report, EXHIBIT 10.42)

<F1><F2> EXHIBIT 10.43 - Reynolds Metals Company Long-Term Performance Share Plan. (File No. 001-01430, Form 10-Q Report for the Quarter Ended June 30, 1998, EXHIBIT 10.43)

<F1> EXHIBIT 10.44 - Asset Purchase Agreement by and among Ball Corporation, Ball Metal Beverage Container Corp. and Reynolds Metals Company dated as of April 22, 1998. See EXHIBIT 2.

<F2> EXHIBIT 10.45 - Amendment to Reynolds Metals Company Restricted Stock Plan for Outside Directors effective January 1, 1999

<F2> EXHIBIT 10.46 - Amendment to Reynolds Metals Company Stock Plan for Outside Directors effective January 1, 1999

EXHIBIT 11 - Omitted; see Item 8 for computation of earnings per share

EXHIBIT 12 - Not applicable

EXHIBIT 13 - Not applicable

EXHIBIT 16 - Not applicable

EXHIBIT 18 - None

EXHIBIT 21 - List of Subsidiaries of Reynolds Metals

Company

[FN]

_____

<F1> Incorporated by reference.
<F2> Management contract or compensatory plan or arrangement required to be filed as an exhibit pursuant to Item 601 of Regulation S-K.
</FN>

EXHIBIT 22 - None

EXHIBIT 23 - Consent of Independent Auditors

EXHIBIT 24 - Powers of Attorney

EXHIBIT 27 - Financial Data Schedule

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.

(b) Reports on Form 8-K

During the fourth quarter of 1998, the Registrant filed three Current Reports on Form 8-K with the Commission, all of which reported matters under Item 5.

The Registrant reported on the Form 8-K dated October 16, 1998 that it had advised local union officials at its Alloys can stock complex in Alabama that the proposed purchaser of the facility had informed the Registrant that it is critical that the purchaser and labor unions representing employees at the complex negotiate new labor agreements with respect to those employees. The report stated additionally that the Registrant had advised the labor leaders at the complex that if (1) the proposed purchaser and the unions are able to agree on new labor contracts and (2) the Registrant and the proposed purchaser are able to successfully conclude negotiations and complete the sale, the Registrant would treat the transaction as a "plant closing" for purposes of benefit payments under its existing labor contracts.

The Registrant reported on the Form 8-K dated November 18, 1998 that the Registrant and the other principal

shareholders of Latas de Aluminio S. A. - LATASA had finalized a review of strategic alternatives for the South American beverage can manufacturing company. The Registrant announced that it was not considering a disposition of its shares at that time.

The Registrant reported on the Form 8-K dated December 30, 1998 that it had signed a definitive agreement to sell its Alloys can stock complex in Alabama to Wise Alloys LLC, an affiliate of Wise Metals Co., Inc.

The Registrant has filed two Current Reports on Form 8-K with the Commission during the first quarter of 1999, both of which reported matters under Item 5.

The Registrant filed a Form 8-K dated March 3, 1999 concerning its expected earnings for the first quarter of 1999.

The Registrant reported on a Form 8-K dated March 8, 1999 that its Board of Directors had approved amendments to the Registrant's shareholder rights plan.

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 /s/ Jeremiah J. Sheehan

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

Date March 26, 1999

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

Date March 26, 1999

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

Date March 26, 1999

By <F1> Patricia C. Barron
Patricia C. Barron, Director

Date March 26, 1999

By <F1> John R. Hall
John R. Hall, Director

Date March 26, 1999

By <F1> Robert L. Hintz
Robert L. Hintz, Director

Date March 26, 1999

By <F1> William H. Joyce
William H. Joyce, Director

Date March 26, 1999

By <F1> Mylle Bell Mangum
Mylle Bell Mangum, Director

Date March 26, 1999

By <F1> D. Larry Moore
D. Larry Moore, Director

Date March 26, 1999

By /s/ Randolph N. Reynolds
Randolph N. Reynolds, Director

Date March 26, 1999

By <F1> James M. Ringler
James M. Ringler, Director

Date March 26, 1999

By <F1> Samuel C. Scott, III
Samuel C. Scott, III, Director

Date March 26, 1999

By <F1> Joe B. Wyatt
Joe B. Wyatt, Director

Date March 26, 1999

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

Date March 26, 1999

[FN]
<F1> By /s/ D. Michael Jones
D. Michael Jones, Attorney-in-Fact

Date March 26, 1999

</FN>

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

EXHIBITS

TO

FORM 10-K

For the fiscal year ended December 31, 1998

Commission File No. 001-01430

REYNOLDS METALS COMPANY

Attached herewith are
Exhibits 3.1, 3.2, 10.9, 10.45, 10.46, 21, 23, 24 and 27

INDEX

<F1> EXHIBIT 2 - Asset Purchase Agreement by and among Ball Corporation, Ball Metal Beverage Container Corp. and Reynolds Metals Company dated as of April 22, 1998. The Registrant agrees to furnish to the Commission upon request a copy of the disclosure schedules supplemental to the Asset Purchase Agreement. (File No. 001-01430, Form 10-Q Report for the Quarter Ended June 30, 1998, EXHIBIT 2)

EXHIBIT 3.1 - Restated Certificate of Incorporation, as amended.

EXHIBIT 3.2 - By-laws, as amended.

EXHIBIT 4.1 - Restated Certificate of Incorporation. See EXHIBIT 3.1.

EXHIBIT 4.2 - By-laws. See EXHIBIT 3.2.

<F1> EXHIBIT 4.3 - 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))

<F1> EXHIBIT 4.4 - Amendment No. 1 dated as of November 1, 1991 to the Indenture. (File No. 001-01430, 1991 Form 10-K Report, EXHIBIT 4.4)

<F1> EXHIBIT 4.5 - Amended and Restated Rights Agreement dated as of March 8, 1999 between Reynolds Metals Company and ChaseMellon Shareholder Services, L.L.C. (File No. 001-01430, Form 8-K Report dated March 8, 1999, pertaining to Preferred Stock Purchase Rights, EXHIBIT 4.1)

<F1> EXHIBIT 4.6 - Form of 9-3/8% Debenture due June 15, 1999. (File No. 001-01430, Form 8-K Report dated June 6, 1989, EXHIBIT 4)

<F1> EXHIBIT 4.7 - Form of Fixed Rate Medium-Term Note. (Registration Statement No. 33-30882 on Form S-3, dated August 31, 1989, EXHIBIT 4.3)

<F1> EXHIBIT 4.8 - Form of Floating Rate Medium-Term Note. (Registration Statement No. 33-30882 on Form S-3, dated August 31, 1989, EXHIBIT 4.4)

[FN]

_____

<F1> Incorporated by reference.

</FN>

<F1> EXHIBIT 4.9 - Form of Book-Entry Fixed Rate Medium-Term Note. (File No. 001-01430, 1991 Form 10-K Report, EXHIBIT 4.15)

<F1> EXHIBIT 4.10 - Form of Book-Entry Floating Rate Medium-Term Note. (File No. 001-01430, 1991 Form 10-K Report, EXHIBIT 4.16)

<F1> EXHIBIT 4.11 - Form of 9% Debenture due August 15, 2003. (File No. 001-01430, Form 8-K Report dated August 16, 1991, Exhibit 4(a))

<F1> EXHIBIT 4.12 - 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)

<F1> EXHIBIT 4.13 - By-Laws of RACC, as amended. (File No. 001-01430, Form 10-Q Report for the Quarter Ended March 31, 1997, EXHIBIT 4.14)

<F1> EXHIBIT 4.14 - 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)

<F1> EXHIBIT 4.15 - By-Laws of CRM, as amended. (File No. 001-01430, Form 10-Q Report for the Quarter Ended September 30, 1997, EXHIBIT 4.16)

<F1> EXHIBIT 4.16 - 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))
<F1>	EXHIBIT 4.17	- 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)
<F1>	EXHIBIT 4.18	- 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.
<F1><F2>	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)
<F1><F2>	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)
<F1><F2>	EXHIBIT 10.3	- Reynolds Metals Company Performance Incentive Plan, as amended and restated effective January 1, 1996. (File No. 001-01430, Form 10-Q Report for the Quarter Ended March 31, 1995, EXHIBIT 10.4)
<F1><F2>	EXHIBIT 10.4	- Agreement dated December 9, 1987 between Reynolds Metals Company and Jeremiah J. Sheehan. (File No. 001-01430, 1987 Form 10-K Report, EXHIBIT 10.9)

[FN]

_____

<F1> Incorporated by reference.
<F2> Management contract or compensatory plan or arrangement required to be filed as an exhibit pursuant to Item 601 of Regulation S-K.
</FN>

<F1><F2> EXHIBIT 10.5 - Supplemental Death Benefit Plan for Officers. (File No. 001-01430, 1986 Form 10-K Report, EXHIBIT 10.8)

<F1><F2> EXHIBIT 10.6 - Financial Counseling Assistance Plan for Officers. (File No. 001-01430, 1987 Form 10-K Report, EXHIBIT 10.11)

<F1><F2> EXHIBIT 10.7 - Management Incentive Deferral Plan. (File No. 001-01430, 1987 Form 10-K Report, EXHIBIT 10.12)

<F1><F2> EXHIBIT 10.8 - Deferred Compensation Plan for Outside Directors as Amended and Restated Effective December 1, 1993. (File No. 001-01430, 1993 Form 10-K Report, EXHIBIT 10.12)

<F2> EXHIBIT 10.9 - Form of Indemnification Agreement for Directors and Officers.

<F1><F2> EXHIBIT 10.10 - 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, 1997 Form 10-K Report, EXHIBIT 10.10)

<F1><F2> EXHIBIT 10.11 - 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))

<F1><F2> EXHIBIT 10.12 - 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))

<F1><F2> EXHIBIT 10.13 - 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)

<F1><F2> EXHIBIT 10.14 - 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)

<F1><F2> EXHIBIT 10.15 - 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)

<F1><F2> EXHIBIT 10.16 - 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))

<F1><F2> EXHIBIT 10.17 - Reynolds Metals Company Restricted Stock Plan for Outside Directors. (Registration Statement No. 33-53851 on Form S-8, dated May 27, 1994, EXHIBIT 4.6)

<F1><F2> EXHIBIT 10.18 - Reynolds Metals Company New Management Incentive Deferral Plan. (File No. 001-01430, Form 10-Q Report for the Quarter Ended June 30, 1994, EXHIBIT 10.30)

[FN]

_____

<F1> Incorporated by reference.
<F2> Management contract or compensatory plan or arrangement required to be filed as an exhibit pursuant to Item 601 of Regulation S-K.
</FN>

<F1><F2> EXHIBIT 10.19 - Reynolds Metals Company Salary Deferral Plan for Executives. (File No. 001-01430, Form 10-Q Report for the Quarter Ended June 30, 1994, EXHIBIT 10.31)

<F1><F2> EXHIBIT 10.20 - Reynolds Metals Company Supplemental Long Term Disability Plan for Executives. (File No. 001-01430, Form 10-Q Report for the Quarter Ended June 30, 1994, EXHIBIT 10.32)

<F1><F2> EXHIBIT 10.21 - 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)

<F1><F2> EXHIBIT 10.22 - 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)

<F1><F2> EXHIBIT 10.23 - Amendment to Reynolds Metals Company New Management Incentive Deferral Plan effective January 1, 1995. (File No. 001-01430, 1994 Form 10-K Report, EXHIBIT 10.36)

<F1><F2> EXHIBIT 10.24 - 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)

<F1><F2> EXHIBIT 10.25 - 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)

<F1><F2> EXHIBIT 10.26 - 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)

<F1><F2> EXHIBIT 10.27 - 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)

<F1><F2> EXHIBIT 10.28 - 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)

<F1><F2> EXHIBIT 10.29 - Reynolds Metals Company 1996 Nonqualified Stock Option Plan. (Registration Statement No. 333-03947 on Form S-8, dated May 17, 1996, EXHIBIT 4.6)

<F1><F2> EXHIBIT 10.30 - 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)

<F1><F2> EXHIBIT 10.31 - 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)

[FN]

_____

<F1> Incorporated by reference.
<F2> Management contract or compensatory plan or arrangement required to be filed as an exhibit pursuant to Item 601 of Regulation S-K.
</FN>

<F1><F2> EXHIBIT 10.32 - 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)

<F1><F2> EXHIBIT 10.33 - Stock Option Agreement dated August 30, 1996 between Reynolds Metals Company and Jeremiah J. Sheehan. (File No. 001-01430, Form 10-Q Report for the Quarter Ended September 30, 1996, EXHIBIT 10.43)

<F1><F2> EXHIBIT 10.34 - Amendment to Deferred Compensation Plan for Outside Directors effective August 15, 1996. (File No. 001-01430, Form 10-Q Report for the Quarter Ended September 30, 1996, EXHIBIT 10.44)

<F1><F2> EXHIBIT 10.35 - Amendment to Reynolds Metals Company New Management Incentive Deferral Plan effective January 1, 1996. (File No. 001-01430, 1996 Form 10-K Report, EXHIBIT 10.38)

<F1><F2> EXHIBIT 10.36 - Amendment to Reynolds Metals Company Performance Incentive Plan effective January 1, 1996. (File No. 001-01430, 1996 Form 10-K Report, EXHIBIT 10.39)

<F1><F2> EXHIBIT 10.37 - Reynolds Metals Company Supplemental Incentive Plan. (File No. 001-01430, 1996 Form 10-K Report, EXHIBIT 10.40)

<F1><F2> EXHIBIT 10.38 - Reynolds Metals Company Stock Plan for Outside Directors. (File No. 001-01430, 1996 Form 10-K Report, EXHIBIT 10.41)

<F1><F2> EXHIBIT 10.39 - Special Executive Severance Package for Certain Employees who Terminate Employment between January 1, 1997 and June 30, 1999 (or, if earlier, the date of completion of employment related actions related to the Company's portfolio review process, as designated by the Company's Chief Executive Officer), approved by the Compensation Committee of the Company's Board of Directors on January 17, 1997 and extended on May 15, 1998. (File No. 001-01430, 1996 Form 10-K Report, EXHIBIT 10.42)

<F1><F2> EXHIBIT 10.40 - Special Award Program for Certain Executives or Key Employees, as approved by the Compensation Committee of the Company's Board of Directors on January 17, 1997. (File No. 001-01430, 1996 Form 10-K Report, EXHIBIT 10.43)

<F1><F2> EXHIBIT 10.41 - Amendment to Reynolds Metals Company 1996 Nonqualified Stock Option Plan effective December 1, 1997. (File No. 001-01430, 1997 Form 10-K Report, EXHIBIT 10.41)

<F1><F2> EXHIBIT 10.42 - Amendment to Reynolds Metals Company Restricted Stock Plan for Outside Directors effective December 1, 1997. (File No. 001-01430, 1997 Form 10-K Report, EXHIBIT 10.42)

<F1><F2> EXHIBIT 10.43 - Reynolds Metals Company Long-Term Performance Share Plan. (File No. 001-01430, Form 10-Q Report for the Quarter Ended June 30, 1998, EXHIBIT 10.43)

[FN]

_____

<F1> Incorporated by reference.

<F2> Management contract or compensatory plan or arrangement required
to be filed as an exhibit pursuant to Item 601 of Regulation S-K.
</FN>

<F1> EXHIBIT 10.44 - Asset Purchase Agreement by and among Ball Corporation, Ball Metal Beverage Container Corp. and Reynolds Metals Company dated as of April 22, 1998. See EXHIBIT 2.

<F2> EXHIBIT 10.45 - Amendment to Reynolds Metals Company Restricted Stock Plan for Outside Directors effective January 1, 1999

<F2> EXHIBIT 10.46 - Amendment to Reynolds Metals Company Stock Plan for Outside Directors effective January 1, 1999

EXHIBIT 11 - Omitted; see Item 8 for computation of earnings per share

EXHIBIT 12 - Not applicable

EXHIBIT 13 - Not applicable

EXHIBIT 16 - Not applicable

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

[FN]

_____

<F1> Incorporated by reference.
<F2> Management contract or compensatory plan or arrangement required
to be filed as an exhibit pursuant to Item 601 of Regulation S-K.
</FN>

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.

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

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.

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

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

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

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

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

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.

(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:

(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

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, Merger, 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

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;

(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;

(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

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.

6. (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

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

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

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

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

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.

(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 revesting.

(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

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

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

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

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

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 /s/ John H. Galea

John H. Galea
Senior Vice President and
General Counsel

ATTEST:

/s/ Donald T. Cowles

Donald T. Cowles
Secretary

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.

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 /s/ Donald T. Cowles

Vice President, General Counsel
and Secretary

ATTEST:

/s/ Donna C. Dabney

Assistant Secretary

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

932985004

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.

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 /s/ Donald T. Cowles

Vice President, General Counsel and Secretary

ATTEST:

/s/ Donna C. Dabney

Assistant Secretary

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.

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 /s/ Donald T. Cowles

Vice President, General Counsel
and Secretary

ATTEST:

/s/ D. Michael Jones

Assistant Secretary

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:

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,

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 /s/ Donald T. Cowles

Vice President, General Counsel and Secretary

ATTEST:

/s/ D. Michael Jones

Assistant Secretary

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

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 /s/ Donald T. Cowles

Vice President, General Counsel
and Secretary

[SEAL]

ATTEST:

By: /s/ D. Michael Jones

Assistant Secretary

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 Corporations 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

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: /s/ D. Michael Jones

Vice President, General Counsel
and Secretary

[SEAL]

ATTEST:

By:/s/ Carol L. Dillon

Assistant Secretary

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 Corporations 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

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: /s/ D. Michael Jones

Vice President, General Counsel and Secretary

[SEAL]

ATTEST:

By: /s/ Carol L. Dillon

Assistant Secretary

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.

/s/ William T. Quillen

William T. Quillen, Secretary of State

AUTHENTICATION: 7005454
DATE: 01-21-94

0240111 8100
944002852

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"):

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

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

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.

(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

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

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

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.

(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

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

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

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

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

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

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

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

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

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

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.

(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.

(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

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

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

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

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.

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

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

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.

(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

<PAGE

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

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: /s/ Henry S. Savedge, Jr.

Name: Henry S. Savedge, Jr.
Title: Executive Vice President
and Chief Financial Officer

Attest:

/s/ D. Michael Jones

Name: D. Michael Jones
Title: Vice President, General
Counsel and Secretary

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.

/s/ Edward J. Freel

Edward J. Freel, Secretary of State

AUTHENTICATION: 7334005
DATE: 12-12-94

0240111 8100M
944241228

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,

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 /s/ D. Michael Jones

Vice President, General Counsel
and Secretary

[SEAL]

ATTEST:

By: /s/ Brenda A. Hart

Assistant Secretary

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.

/s/ Edward J. Freel

Edward J. Freel, Secretary of State

AUTHENTICATION: 7752105
DATE: 12-15-95

0240111 8100M
950294013

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 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 /s/ D. Michael Jones

Vice President, General
Counsel and Secretary

[SEAL]

ATTEST:

/s/ Brenda A. Hart
By: ---
Assistant Secretary

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.

/s/ Edward J. Freel

Edward J. Freel, Secretary of State

AUTHENTICATION:
DATE: 12-24-96

024011100 8100
96036137

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

(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 /s/ D. Michael Jones

Senior Vice President and
General Counsel

[SEAL]

ATTEST:

By: /s/ Donna C. Dabney

Secretary

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 THE NEW CASTLE COUNTY RECORDER OF DEEDS FOR RECORDING.

/s/ Edward J. Freel

Edward J. Freel, Secretary of State

AUTHENTICATION: 8294419
DATE: 01-22-97

0240111 8100
971020822

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
>
> 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 /s/ D. Michael Jones

D. Michael Jones
Senior Vice President
and General Counsel

[SEAL]

ATTEST:

By /s/ Donna C. Dabney

Donna C. Dabney
Secretary

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

(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 /s/ D. Michael Jones

Senior Vice President and
General Counsel

[SEAL]

ATTEST:

By: /s/ Donna C. Dabney
Secretary

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

(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 /s/ D. Michael Jones

Senior Vice President and
General Counsel

[SEAL]

ATTEST:

By: /s/ Donna C. Dabney

    Secretary

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 /s/ D. Michael Jones

Senior Vice President and
General Counsel

[SEAL]

ATTEST:

By: /s/ Donna C. Dabney

Secretary

STATE OF DELAWARE
SECRETARY OF STATE

DIVISION OF CORPORATIONS
FILED 09:00 AM 12/17/1998
981488133 - 0244011

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

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 /s/ D. Michael Jones

_____

Senior Vice President and
General Counsel

[SEAL]

ATTEST:

By: /s/ Donna C. Dabney

_____

Secretary

EXHIBIT 3.2

By-Laws
of

REYNOLDS METALS COMPANY

(Incorporated under the Laws of Delaware)

By-Laws

of

REYNOLDS METALS COMPANY

Table of Contents

		Page
ARTICLE I - Stock		
Section 1.	Certificates for Stock	1
Section 2.	Transfers of Stock	1
Section 3.	Holders of Record	1
Section 4.	Lost or Destroyed Certificates	2
ARTICLE II - Stockholders' Meetings		
Section 1.	Place of Meetings	2
Section 2.	Annual Meeting	2
Section 3.	Special Meetings	2
Section 4.	Notice of Stockholder Business and Nominations	2-6
Section 5.	Notice of Meetings	6
Section 6.	Quorum	6
Section 7.	Adjournment of Meetings	6-7
Section 8.	Inspectors of Election	7
Section 9.	List of Stockholders	7
Section 10.	Voting	7-8
Section 11.	Consents in Writing	8
Section 12.	Conduct of Meetings	8-9
ARTICLE III - Board of Directors		
Section 1.	Number; Term of Office; Powers	9
Section 2.	Resignations	9

Section 3. Vacancies 9
Section 4. Annual Meeting 9
Section 5. Regular Meetings 9
Section 6. Special Meetings 9-10
Section 7. Notice of Meetings 10
Section 8. Quorum; Adjourned Meetings; Required Vote 10
Section 9. Committees 10
Section 10. Compensation 11
Section 11. Consents in Writing 11
Section 12. Participation by Conference Telephone 11

Table of Contents, Continued

ARTICLE IV - Officers
Section 1. Officers 11-12
Section 2. Chairman of the Board 12
Section 3. Vice Chairmen of the Board 12
Section 4. President 12
Section 5. Vice Presidents 12
Section 6. General Counsel 12
Section 7. Secretary 12
Section 8. Treasurer 12
Section 9. Controller 12
Section 10. Other Officers and Assistant Officers 13
Section 11. Term of Office; Vacancies 13
Section 12. Removal 13

ARTICLE V - Dividends and Finance
Section 1. Dividends 13
Section 2. Deposits; Withdrawals; Notes and Other Instruments 13
Section 3. Fiscal Year 13

ARTICLE VI - Books and Records; Record Date
Section 1. Books and Records 13
Section 2. Record Date 14

ARTICLE VII - Notices
Section 1. Notices 15
Section 2. Waivers of Notice 15

ARTICLE VIII - Contracts
Section 1. Interested Directors or Officers 15-16

ARTICLE IX - Seal
Section 1. Seal 16

ARTICLE X - Indemnification
Section 1. Indemnification in Third Party Actions 16

Section 2. Indemnification in an Action by or in the Right of the Corporation 16-17
Section 3. Indemnification as of Right 17
Section 4. Determination of Indemnification 17
Section 5. Advance for Expenses 17
Section 6. General Provisions 18

ARTICLE XI - Amendments
Section 1. Amendments 19

By-Laws

of

REYNOLDS METALS COMPANY

(Incorporated under the Laws of Delaware)

ARTICLE I - Stock

1. Certificates for Stock. Certificates of Stock shall be issued in numerical order, be signed by the Chairman of the Board of Directors, a Vice Chairman of the Board of Directors, the President or a Vice President, and by the Secretary or an Assistant Secretary, or the Treasurer or an Assistant Treasurer, and sealed with the corporate seal; provided, that where any Certificate of Stock is signed by a duly appointed and authorized Transfer Agent or Registrar the signatures of the Chairman of the Board of Directors, Vice Chairman of the Board of Directors, the President, Vice President, Secretary, Assistant Secretary, Treasurer or Assistant Treasurer may be facsimile, engraved or printed, and the seal of the corporation on any such Certificate of Stock may be facsimile, engraved or printed. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he or she were such officer, transfer agent or registrar at the date of issue.

2. Transfers of Stock. Transfers of stock shall be made only upon the books of the corporation, and only by the person named in the certificate or by attorney, lawfully constituted in writing, and only upon surrender of the certificate therefor. The directors may by resolution make reasonable regulations for the transfers of stock.

3. Holders of Record. Registered stockholders only shall be entitled to be treated by the corporation as the holders in fact of the stock standing in their respective names and the corporation shall not be bound to recognize any equitable or other claim to or interest in any share on the part of any other person, whether or not it shall have express or other notice thereof, except as expressly provided by the laws of Delaware.

4. Lost or Destroyed Certificates. In case of loss or destruction of any certificate of stock another may be issued in its place upon satisfactory proof of such loss or destruction and upon the giving of a satisfactory bond of indemnity to the corporation, all as determined either expressly by the directors or pursuant to general authority granted by them.

ARTICLE II - Stockholders' Meetings

1. Place of Meetings. Meetings of the stockholders shall be held at such place, within or outside the State of Delaware, as the Board of Directors may determine.

2. Annual Meeting. The annual meeting of the stockholders of the corporation for the purpose of electing directors and for the transaction of such other business as may properly be brought before the meeting shall be held on such date and at such time as may be designated from time to time by the Board of Directors.

3. Special Meetings. Special meetings of the stockholders may be called by the Chairman of the Board of Directors, the Chief Executive Officer of the corporation or by the Board of Directors, and shall be called at any time by the Board of Directors upon the request in writing of stockholders entitled to cast a majority of the votes which all stockholders are entitled to cast. A demand by stockholders to hold a special meeting shall be signed, dated and delivered to the Secretary, and shall set forth the information required by Article II, Section 4 of these By-Laws. The Board of Directors of the corporation shall have the sole power to determine the place, time and date for any special meeting of stockholders, and to set a record date for the determination of stockholders entitled to vote at such meeting in the manner set forth in Article VI, Section 2 hereof. Following such determination, it shall be the duty of the Secretary to cause notice to be given to the stockholders entitled to vote at such meeting, in the manner set forth in Article II, Section 5 hereof, that a meeting will be held.

4. Notice of Stockholder Business and Nominations:

(a) Annual Meetings of Stockholders.

(1) Nominations of persons for election to the Board of Directors of the corporation and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders only (i) pursuant to the corporation's notice of meeting delivered pursuant to Article II, Section 5, of these By-Laws (or any supplement thereto), (ii) by or at the direction of the Board of Directors or the Chairman of the Board or (iii) by any stockholder of the corporation who was a stockholder of record of the corporation at the time the notice provided for in this Section 4 is delivered to the Secretary of the corporation, who is entitled to vote at the meeting and who complies with the notice procedures set forth in subparagraphs (2) and (3) of this paragraph (a) in this Section 4.

(2) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to

clause (iii) of paragraph (a)(1) of this Section 4, the stockholder must have given timely notice thereof in writing to the Secretary of the corporation and such other business must otherwise be a proper matter for stockholder action as determined by the Board of Directors. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the corporation not less than thirty (30) days prior to the first anniversary date of the written notice of the meeting given to stockholders of record on the record date for such meeting by or at the direction of the Board of Directors of the previous year's annual meeting provided, however, that such notice shall not be required to be given more than ninety (90) days prior to an annual meeting of stockholders. In no event shall the public announcement of an adjournment or postponement of an annual meeting of stockholders commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. Such stockholder's notice shall set forth: (i) as to each person whom the

stockholder proposes to nominate for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Rule 14a-11 thereunder (and such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (ii) as to any other business that the stockholder proposes to bring before the annual meeting, a brief description of the business desired to be brought before the annual meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the By-Laws of the corporation, the language of the proposed amendment), the reasons for conducting such business at the annual meeting and any material interest in such business of such stockholder and the beneficial owner, if

any, on whose behalf the proposal is made; and (iii) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (A) the name and address of such stockholder, as they appear on the corporation's books, and of such beneficial owner, (B) the class and number of shares of capital stock of the corporation which are owned beneficially and of record by such stockholder and such beneficial owner, (C) a representation that the stockholder is a holder of record of stock of the corporation entitled to vote at such annual meeting and intends to appear in person or by proxy at the annual meeting to propose such business or nomination, and (D) a representation whether the stockholder or the beneficial owner, if any, intends or is part of a group which intends to (1) deliver a proxy statement and/or form of proxy to holders of at least the percentage of the corporation's outstanding capital stock required to approve or adopt the proposal or elect the nominee and/or (2) otherwise solicit proxies from stockholders in support of such proposal or nomination. The corporation may require any proposed nominee to furnish such other

information as it may reasonably require to determine the eligibility of such proposed nominee to serve as a director of the corporation.

(3) Notwithstanding anything in the second sentence of paragraph (a)(2) of this Section 4 to the contrary, in the event that the number of directors to be elected to the Board of Directors of the corporation at an annual meeting is increased and there is no public announcement by the corporation naming all of the nominees for director or specifying the size of the increased Board of Directors at least one hundred (100) days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section 4 shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the corporation not later than the close of business on the tenth day following the day on which such public announcement is first made by the corporation.

(b) Special Meetings of Stockholders.

(1) Only such business shall be conducted at a special meeting of stockholders as shall have been described in the corporation's notice of meeting given pursuant to Article II, Section 5 of these By-Laws. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders only (i) by or at the direction of the Board of Directors or the Chairman of the Board, or (ii) by any stockholder of the corporation who is a stockholder of record at the time the notice provided for in this Section 4(b) is delivered to the Secretary of the corporation, who is entitled to vote at the special meeting and who complies with the notice procedures set forth in paragraph (b)(2) of this Section 4. In the event a special meeting of stockholders is called for the purpose of electing one or more directors to the Board of Directors, any such stockholder entitled to vote in such election of directors may nominate a person or persons (as the case may be) for election to such position(s) as specified in the corporation's notice of meeting, if the stockholder's notice containing the information and as otherwise

required by paragraph (b)(2) of this Section 4 shall be delivered to the Secretary at the

principal executive offices of the corporation not later than the close of business on the tenth day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(2) For nominations to be properly brought before a special meeting by a stockholder pursuant to clause (ii) of paragraph (b)(1) of this Section 4, the stockholder's notice must contain the information required by this paragraph. For any other business to be properly brought before a special meeting by a stockholder, such other business must be a proper matter for stockholder action and the stockholder's demand for the special meeting pursuant to Article II, Section 3 of these By-Laws must contain the information required by this paragraph. Such stockholder's notice or demand shall set forth: (i) as to each person whom the stockholder proposes to nominate for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act and Rule 14a-11 thereunder (and such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (ii) as to any other business that the stockholder proposes to bring before the special meeting, a brief description of the business desired to be brought before the special meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the By-Laws of the corporation, the language of the proposed amendment), the reasons for conducting such business at the special meeting and any

material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (iii) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (A) the name and address of such stockholder, as they appear on the corporation's books, and of such beneficial owner, (B) the class and number of shares of capital stock of the corporation which are owned beneficially and of record by such stockholder and such beneficial owner, (C) a representation that the stockholder is a holder of record of stock of the corporation entitled to vote at such special meeting and intends to appear in person or by proxy at the special meeting to propose such business or nomination, and (D) a

representation whether the stockholder or the beneficial owner, if any, intends or is part of a group which intends to (1) deliver a proxy statement and/or form of proxy to holders of at least the percentage of the corporation's outstanding capital stock required to approve or adopt the proposal or elect the nominee and/or (2) otherwise solicit proxies from stockholders in support of such proposal or nomination. The corporation may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as a director of the corporation.

(c) General.

(1) Only such persons who are nominated in accordance with the procedures set forth in this Section 4 shall be eligible to be elected at an annual or special meeting of stockholders of the corporation to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 4. Except as otherwise provided by law, the chairman of the meeting shall have the power and duty to (i) determine whether a nomination or any business proposed to be brought before an annual or special meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this Section 4 and

(ii) if any proposed nomination or business is not in compliance with this Section 4 (including whether the stockholder or beneficial owner, if any, on whose behalf the nomination or proposal is made solicits (or is part of a group which solicits), or fails to so solicit (as the case may be), proxies in support of such stockholder's nominee or proposal in compliance with such stockholder's representation as required by clause (iii)(D) of Section (a)(2) or clause (iii)(D) of Section (b)(2) of this Section 4), to declare that such nomination shall be disregarded or that such proposed business shall not be transacted.

(2) For purposes of this Section 4, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable

national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(3) Notwithstanding the foregoing provisions of this Section 4, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 4. Nothing in this Section 4 shall be deemed to affect any rights of stockholders to request inclusion of proposals in the corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

5. Notice of Meetings. Written notice of the place, date and hour of the annual and of all special meetings of the stock holders and, in the case of special meetings, of the purpose or purposes for which such special meeting is called, shall be given in the manner specified in Section l of Article VII of these By-Laws not less than ten (10) nor more than sixty (60) days prior to the meeting, to each stockholder of record of the corporation entitled to vote thereat. Business transacted at all special meetings shall be confined to the purposes stated in the notice. Any previously scheduled annual or special meeting of the stockholders may be postponed, and any previously scheduled annual or special meeting of the stockholders called by the Board of Directors may be cancelled, by resolution of the Board of Directors upon public notice given prior to the time previously

scheduled for such meeting of stockholders.

6. Quorum. A quorum at any annual or special meeting of the stockholders shall consist of the presence, in person or by proxy, of stockholders entitled to cast a majority of the votes which all stockholders are entitled to cast, except as otherwise specifically provided by law or in the Certificate of Incorpora tion.

7. Adjournment of Meetings. Any meeting of stockholders, annual or special, may be adjourned solely by the chairman of the meeting from time to time to reconvene at the same or some other time, date and place, and notice need not be given of any such adjourned meeting if the time, date and place thereof are announced at the meeting at which the adjournment is taken. The stockholders present at a meeting shall not have authority to adjourn the meeting. At the adjourned meeting at which a quorum is present, the stockholders may transact any business which might have been transacted at the original meeting. If after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Once a share is represented for any purpose at a meeting, it shall be present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new record date is or must be set for the adjourned meeting. A new record date must be set if the meeting is adjourned to a date more than 120 days after the original date fixed for the meeting.

8. Inspectors of Election. In advance of any meeting of stockholders or any corporate action to be taken by the stock holders in writing without a meeting, the Chief Executive Offi cer, Chief Operating Officer, Chief Financial Officer or Secre tary of the corporation shall appoint one or more inspectors of election to serve at such meeting or to examine such written consents and to make a written report with respect thereto. In addition, any such officer may, but shall not be required to, designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the presiding officer at such meeting shall appoint one or more inspectors to act at the meeting. Each inspector shall discharge his or her duties in accordance with applicable law and shall, before entering upon the discharge of his or her duties, take and sign an oath faith fully to execute the duties of inspector with strict impartiality and according to the best of his or her ability.

9. List of Stockholders. A complete list of the stock holders entitled to vote at each annual or special meeting of the stockholders of the corporation, arranged in alphabetical order, showing the address of record of each and the number of voting shares held by each, shall be prepared by the Secretary, who shall have charge of the stock ledger, and filed in the City (or, if such meeting is to be held at a place not within any city, then in the county) where the meeting is to be held, at a loca tion specified in the Notice of Meeting, or if no such location is specified in such notice, at the place where the meeting is to be held, at least ten (10) days before every such meeting, and shall, during the usual hours for business, be open to the examination of any stockholder for any purpose germane to the meeting, and during the whole time of said meeting be open to the examination of any stockholder.

10. Voting. Subject to the provisions of Article VI, Section 2 of these By-Laws, and except where a different vote per share is prescribed by the Certificate of Incorporation for a class of stock, each holder of stock of a class which is entitled to vote in any election or on any other questions at any annual or special meeting of the stockholders shall be entitled to one vote, in person or by written proxy, for each share of such class held of record. Except where, and to the extent that, a differ ent percentage of votes and/or a different exercise of voting power is prescribed by law, the Certificate of Incorporation or these By-Laws, all elections and other questions shall be decided by the vote of stockholders, present in person or by proxy and entitled to vote, representing a majority of the votes cast. Abstentions shall be counted in the tabulation of the votes cast. The votes for directors, and, upon demand of any stockholder, or where required by law, the votes upon any question before the meeting, shall be by ballot; otherwise, the election shall be held as the presiding officer prescribes.

11. Consents in Writing. Any action which might have been taken under these By-Laws by a vote of the stockholders at a meeting thereof may be taken by them without a meeting, without prior notice and without a vote, if a consent in writing setting forth the action so taken shall be signed by the holders of outstanding shares of stock of the corporation having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled

to vote thereon were present and voted and shall be delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business, or the Secretary. Delivery made to the corporation's registered office

shall be by hand or by certified or registered mail, return receipt requested. Prompt notice of the taking of such corporate action shall be given to those stockholders who have not consented thereto if less than unanimous written consent is obtained. Every written consent shall bear the date of signature of each stockholder who signs the consent. No written consent shall be effective to take the corporate action referred to therein unless, within sixty (60) days of the date the earliest dated written consent (executed and delivered in accordance with this Section) was received by the corporation, written consents signed by a sufficient number of holders (determined in accordance with this Section) to take such action are delivered to the corporation in the manner specified in this Section.

12. Conduct of Meetings. Meetings of stockholders shall be presided over by the Chairman of the Board or by another chairman designated by the Board of Directors. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be determined by the chairman of the meeting and announced at the meeting. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of any meeting of stockholders shall have the exclusive right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined
by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

ARTICLE III - Board of Directors

1. Number; Term of Office; Powers. The business and affairs of the corporation shall be under the direction of a Board of Directors, consisting of eleven (11) persons. Directors

shall be elected for one year, and shall hold office until their successors are elected and qualified. Directors need not be stockholders. In addition to the power and authority expressly conferred upon them by the By-Laws and the Certificate of Incorporation, the Board of Directors may exercise all such powers of the

corporation and do all such lawful acts and things as are not by law or by the Certificate of Incorporation or by these By-Laws directed or required to be exercised or done by the stockholders.

2. Resignations. Any director may resign at any time by giving written notice of resignation to the Board of Directors, to the Chief Executive Officer or to the Secretary of the corporation. Any such resignation shall take effect at the time specified therein, or if the time be not specified therein, then upon receipt thereof. The acceptance of such resignation shall not be necessary to make it effective.

3. Vacancies. Except as otherwise specifically provided by law, the Certificate of Incorporation or these By-Laws, all vacancies in the Board of Directors, whether caused by resignation, death, increase in the number of authorized directors or otherwise, may be filled by a majority of the Board of Directors then in office, even though less than a quorum, or by the stockholders at a special meeting. A director thus elected to fill any vacancy shall hold office until the next annual meeting of stockholders and until a successor is elected and qualified.

4. Annual Meeting. The annual meeting of the Board of Directors, for the election of officers and the transaction of other business, shall be held on the same day and at the same place as, and as soon as practicable following, the annual meeting of stockholders, or at such other date, time or place as the directors may by resolution designate.

5. Regular Meetings. Regular meetings of the Board of Directors shall be held at such times, and at such place within or outside the State of Delaware, as the Board of Directors may from time to time by resolution designate.

6. Special Meetings. Special meetings of the directors may be called at any time by the Chairman of the Board of Directors, a Vice Chairman of the Board of Directors, the President or an Executive Vice President, or by the Secretary upon written request of one-third of the directors, such request stating the purpose for which the meeting is to be called. Special meetings shall be held at the principal office of the corporation or at

such office within or outside the State of Delaware as the directors may from time to time designate.

7. Notice of Meetings. Except as otherwise required by law, notice of special meetings of the Board of Directors or of any committee of the Board of Directors shall be given to each director or to each committee member, as the case may be, by mail at least two days before the day on which the meeting is to be held or by personal delivery, word-of-mouth, telephone, tele graph, radio, cable or other comparable means at least six hours before the time at which the meeting is to be held. Such notice shall state the time and place of such meeting, but need not state the purposes thereof unless otherwise required by law. No notice need be given of the annual meeting of directors or of regular meetings of directors or of committees of the Board of Directors, provided that, whenever the time or place of such meetings shall be fixed or changed,

notice of such action shall be given promptly to each director or to each committee member, as the case may be, who shall not have been present at the meeting at which such action was taken.

8. Quorum; Adjourned Meetings; Required Vote. A majority of the Board of Directors as constituted from time to time shall be necessary and sufficient at all meetings to constitute a quorum for the transaction of business. In the absence of a quorum, a majority of those present may adjourn the meeting from time to time and the meeting may be held as adjourned without further notice provided a quorum be present at such adjourned meeting. Unless otherwise specifically provided by the Certifi cate of Incorporation or statute, the act of a majority of the directors present at any properly convened meeting at which there is a quorum, but in no case less than one-third of all of the directors then in office, shall be the act of the Board of Directors.

9. Committees. Standing or Temporary Committees may be appointed from their own number by the Board of Directors from time to time, and the directors may from time to time vest such committees with such powers as the directors may see fit, subject to such conditions as the directors may prescribe or as may be prescribed by law. All committees shall consist of two or more directors. The term of office of the members of each committee shall be as fixed from time to time by the Board of Directors; provided, however, that any committee member who ceases to be a director shall ipso facto cease to be a committee member. Any member of any committee may be removed at any time with or without cause by the Board of Directors, and any vacancy in any

committee may be filled by the Board of Directors. All commit tees shall keep regular minutes of their transactions and shall cause them to be recorded in books kept for that purpose in the office of the corporation, and shall report the same to the Board of Directors at their regular meetings. Subject to this Section 9 and except as otherwise determined by the Board of Directors, each committee may make rules for the conduct of its business.

10. Compensation. Directors, as such, may receive, pursu ant to resolution of the Board of Directors, fixed fees, other compensation and expenses for their services as directors, including, without limitation, services as chairmen or as members of committees of the directors; provided, however, that nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

11. Consents in Writing. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the Board of Directors or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or committee.

12. Participation by Conference Telephone. Members of the Board of Directors or of any committee may participate in a meeting of such Board of Directors or committee, as the case may be, by means of conference telephone or similar

communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at the meeting.

ARTICLE IV - Officers

1. Officers. The corporation may have a Chairman of the Board of Directors, one or more Vice Chairmen of the Board of Directors, a President, one or more Vice Presidents, which may include Executive and Senior Vice Presidents, a General Counsel, a Secretary, a Treasurer, a Controller and such other officers and assistant officers as the Board of Directors shall deem appropriate; provided, that the corporation shall have such officers as are required by applicable law. Officers shall be elected annually by the Board of Directors. One person may hold more than one office.

The Board of Directors shall designate a Chief Executive Officer, and may designate a Chief Operating Officer and a Chief Financial Officer from among the officers of the corporation.

The Chief Executive Officer shall have general supervision and management of the business and affairs of the corporation, subject to the control of the Board of Directors, and may prescribe the duties to be performed by the officers of the corporation in addition to the duties prescribed by these By-Laws or by the Board of Directors. In the absence or disability of the Chairman of the Board of Directors, the Chief Executive Officer shall preside at all meetings of stockholders and directors. In the absence or disability of the Chief Executive Officer, such officer of the corporation as the Chief Executive Officer shall have designated in writing to the Board of Directors or to the Secretary of the corporation shall, subject to further action by the Board of Directors, have the powers and perform the duties of the Chief Executive Officer.

2. Chairman of the Board. The Chairman of the Board of Directors shall preside at all meetings of stockholders and directors.

3. Vice Chairmen of the Board. A Vice Chairman shall perform such duties as are properly required by the Board of Directors or the Chief Executive Officer.

4. President. The President shall perform such duties as are properly required by the Board of Directors or the Chief Executive Officer.

5. Vice Presidents. Each of the Executive Vice presidents, Senior Vice Presidents and other Vice Presidents shall perform such duties as are properly required by the Board of Directors or the Chief Executive Officer.

6. General Counsel. The General Counsel shall advise the corporation on legal matters affecting the corporation and its activities, shall supervise and direct the

handling of all such legal matters and shall perform all such other duties as are incident to the office of General Counsel.

7. Secretary. The Secretary shall keep the minutes of the meetings of the stockholders and of the Board of Directors, and, when required, the minutes of the meetings of the committees, and shall be responsible for the custody of all such minutes. The Secretary shall be responsible for the custody of the stock

ledger and documents of the corporation. The Secretary shall have custody of the corporate seal and may affix and attest such seal to any instrument whose execution shall have been duly authorized and shall perform all other duties incident to the office of Secretary.

8. Treasurer. The Treasurer shall have the custody of all moneys and securities of the corporation and shall keep or cause to be kept accurate accounts of all money received or payments made in books kept for that purpose. The Treasurer shall deposit or cause to be deposited funds of the corporation in accordance with Article V, Section 2 of these By-Laws and shall disburse the funds of the corporation by checks or vouchers as authorized by the Board of Directors. The Treasurer shall also perform all other duties incident to the office of Treasurer.

9. Controller. The Controller shall be the chief account ing officer of the corporation. The Controller shall keep or cause to be kept all books of accounts and accounting records of the corporation and shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation. The Controller shall prepare or cause to be prepared appropriate financial statements for the corporation and shall perform such other duties as may be incident to the office of Controller.

10. Other Officers and Assistant Officers. All other officers and assistant officers shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors or the Chief Executive Officer.

11. Term of Office; Vacancies. Each officer shall hold office until the annual meeting of the Board of Directors follow ing the end of the term of the Board by which such officer is elected, except in the case of earlier death, resignation or removal. Vacancies in any office arising from any cause may be filled by the directors at any regular or special meeting.

12. Removal. Any officer elected or appointed by the Board of Directors may be removed at any time, with or without cause, by the Board of Directors.

ARTICLE V - Dividends and Finance

1. Dividends. Dividends may be declared to the full extent permitted by law at such times as the Board of Directors shall direct.

2. Deposits; Withdrawals; Notes and Other Instruments. The moneys of the corporation shall be deposited in the name of the corporation in such banks or trust companies as shall be designated by the Board of Directors, and shall be drawn out only by persons designated from time to time by the Board of Directors or by an officer of this corporation to whom the Board of Directors has delegated such authority. All notes and other instruments for the payment of money shall be signed or endorsed by officers or other persons authorized from time to time by the Board of Directors or by an officer of this corporation to whom the Board of Directors has delegated such authority.

3. Fiscal Year. The fiscal year of the corporation shall date from the first day of January in each year.

ARTICLE VI - Books and Records; Record Date

1. Books and Records. The books, accounts and records of the corporation, except as may be otherwise required by the laws of the State of Delaware, may be kept within or outside of the said State at such places as the Board of Directors may from time to time appoint.

2. Record Date.

(a) The Board of Directors is authorized to fix in advance a date, not exceeding sixty (60) days preceding the date of any meeting of stockholders, or the date for the payment of any dividend, or other distribution or allotment of any rights, or the date when any change, conversion or exchange of capital stock shall go into effect, as a record date for the determination of the stockholders entitled to notice of, and to vote at, any such meeting and any adjournment thereof, or entitled to receive payment of any such dividend or other distribution or allotment of rights, or to exercise any rights in respect of any such change, conversion or exchange of capital stock. Such stockholders and only such stockholders as shall be stockholders of record on the record date so fixed shall be entitled to such notice of, and to vote at, such meeting and any adjournment thereof, or to receive payment of such dividend or other distribution or allot ment of rights, or to exercise such rights, as the case may be, notwithstanding any transfer of any stock on the books of the corporation after any such record date fixed as aforesaid. Any such record date fixed in connection with a meeting of stockholders shall not be

less than ten (10) days before the date of such meeting.

(b) In order that the corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors is authorized to fix in advance a record date, which

record date shall not be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. Any stockholder of record seeking to have the stockholders authorize or take corporate action by written consent shall, by written notice to the Secre tary, request the Board of Directors to fix a record date. If no record date has been fixed by the Board of Directors within ten (10) days of the date on which such a request is received, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required by applicable law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business, or the Secretary. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by applicable law, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the date on which the Board of Directors adopts the resolution taking such prior action. Such stockholders and only such stockholders as shall be stockholders of record on the record date so fixed shall be entitled to give such consent, notwithstanding any transfer of any stock on the books of the corporation after any such record date fixed as aforesaid.

ARTICLE VII - Notices

1. Notices. Whenever any provision of law or these By-Laws requires notice to be given to any director, officer or stockholder, such notice may be given in writing by mailing the same to such director, officer or stockholder at his or her

address as the same appears in the books of the corporation, unless such stockholder shall have filed with the Secretary a written request that notices intended for him or her be mailed to some other address, in which case it shall be mailed to the address designated in such request. The time when the same shall be mailed shall be deemed to be the time of the giving of such notice. This section shall not be deemed to preclude the giving of notice by other means if permitted by the applicable provision of law or these By-Laws.

2. Waivers of Notice. A waiver of any notice in writing, signed by a stockholder, director or officer, whether before or after the time stated in said waiver for holding a meeting, shall be deemed equivalent to a notice required to be given to any stockholder, director or officer.

ARTICLE VIII - Contracts

1. Interested Directors or Officers. No contract or transaction between the corporation and one or more of its directors or officers, or between the corporation and any other corporation, partnership, association or other organization in which one or more of the directors or officers of the corporation are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer of the corporation is present at or partici pates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because his, her or their votes are counted for such purpose, if:

(i) The material facts as to the relationship or interest of such person and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee thereof, and the Board of Directors or committee in good faith authorizes the contract or transaction by a vote sufficient for such purpose without counting the vote of the interested director or directors of the corporation; provided, however, that common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or committee; or

(ii) The material facts as to the relationship or interest of such person and as to the contract or transaction are disclosed or are known to the stockholders of the corporation entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the

stockholders of the corporation; or

(iii) The contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified by the Board of Directors, a committee thereof or the stockholders of the corporation.

ARTICLE IX - Seal

1. Seal. The corporate seal of the corporation shall consist of two concentric circles, between which is the name of the corporation, and in the center shall be inscribed the year of its incorporation and the words, "Corporate Seal, Delaware."

ARTICLE X - Indemnification

1. Indemnification in Third Party Actions. The corporation shall indemnify each person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that such person is or was a director, officer or employee of the

corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties, and amounts paid or to be paid in settlement) actually and reasonably incurred by such person in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful, except that no indemnification shall be made in respect of any proceeding (or part thereof) initiated by such person unless such proceeding (or part thereof) was authorized by the Board of Directors of the corporation. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person

reasonably believed to be in or not opposed to the best interests of the corporation, and with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

2. Indemnification in an Action by or in the Right of the Corporation. The corporation shall indemnify each person who was or is a party or is threatened to be made a party to any threat ened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person is or was a director, officer or employee of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of (a) any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such Court of Chancery or such other court shall deem proper, or (b) any proceeding (or part thereof) initiated by such person unless such proceeding (or part thereof) was authorized by the Board of Directors of the corporation.

3. Indemnification as of Right. To the extent that a director, officer or employee of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 1 and 2 of this Article X, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

4. Determination of Indemnification. Any indemnification under Sections 1 and 2 of this Article X (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, officer or employee is proper in the circumstances because the person has met the applicable standard of conduct set forth in such Sections 1 and 2. Such determination shall be

made, with respect to a person who is a director or officer at the time of such determination, (a) by a majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum, or (b) by a committee of such directors designated by majority vote of such directors, even though less than a quorum, or (c) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, or (d) by the stockholders.

5. Advance for Expenses. Expenses (including attorneys' fees) incurred in defending any civil, criminal, administrative or investigative action, suit or proceeding shall be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the director, officer or employee to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the corporation as authorized in this Article X, except that no advancement of expenses shall be made in respect of any proceeding (or part thereof) initiated by such person unless such proceeding (or part thereof) was authorized by the Board of Directors of the corporation.

6. General Provisions.

(a) All expenses (including attorneys' fees) incurred in defending any civil, criminal, administrative or investigative action, suit or proceeding which are advanced by the corporation under Section 5 of this Article X shall be repaid (i) in case the person receiving such advance is ultimately found, under the procedure set forth in this Article X, not to be

entitled to indemnification, or (ii) where indemnification is granted, to the extent that the expenses so advanced by the corporation exceed the indemnification to which such person is entitled.

(b) The corporation may indemnify each person, though he or she is not or was not a director, officer or employee of the corporation, who served at the request of the corporation on a committee created by the Board of Directors to consider and report to it in respect of any matter. Any such indemnification may be made under the preceding provisions of this Article X and shall be subject to the limitations thereof except that (as indicated) any such committee member need not be nor have been a director, officer or employee of the corporation.

(c) The provisions of this Article X shall be applicable to appeals. References to "serving at the request of the corporation" shall include without limitation any service as a director, officer or employee of the corporation which imposes duties on, or involves services by, such director, officer or employee with respect to an employee benefit plan, its participants or beneficiaries. A person who acted in good faith and in a manner he or she reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the corporation."

(d) If any section, subsection, paragraph, sentence, clause, phrase or word in this Article X shall be adjudicated invalid or unenforceable, such adjudication shall not be deemed to invalidate or otherwise affect any other section, subsection, paragraph, sentence, clause, phrase or word of this Article.

(e) The indemnification and advancement of expenses provided by, or granted pursuant to, this Article X shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any By-Law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in their official capacities and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer or employee and shall inure to the benefit of the heirs, executors and administrators of such a person.

ARTICLE XI - Amendments

1. Amendments. Alterations or amendments of these By-Laws may be made by the stockholders at any annual or special meeting if the notice of such meeting contains a statement of the proposed alteration or amendment, or by the Board of Directors at any annual, regular or special meeting, provided notice of such alteration or amendment has been given to each director in writing at least five (5) days prior to said meeting or has been waived by all the directors.

EXHIBIT 10.9

INDEMNITY AGREEMENT

THIS AGREEMENT is made as of March 8, 1999 by and between Reynolds Metals Company, a Delaware corporation ("Company"), and (Name) ("Indemnitee"), (OffDir) of the Company.

RECITALS

WHEREAS, highly competent persons have become more reluctant to serve publicly-held corporations as directors or in other capacities unless they are provided with adequate protection through insurance or adequate indemnification against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of the Company; and

WHEREAS, the Board of Directors of the Company (the "Board") has determined that, in order to attract and retain qualified individuals, the Company will attempt to maintain on an ongoing basis, at its sole expense, liability insurance to protect persons serving the Company and its subsidiaries from certain liabilities. Although the furnishing of such insurance has been a customary and widespread practice among United States-based corporations and other business enterprises, the Company believes that, given current market conditions and trends, such insurance may be available to it in the future only at higher premiums and with more exclusions. At the same time, directors, officers, and other persons in service to corporations or business enterprises are being increasingly subjected to expensive and time-consuming litigation relating to, among other things, matters that traditionally would have been brought only against the Company or business enterprise itself. The By-laws of the Company require indemnification of the officers and directors of the Company. Indemnitee may also be entitled to indemnification pursuant to the Delaware General Corporation Law ("DGCL"). The By-laws and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the board of directors and officers with respect to indemnification of directors and officers.

WHEREAS, the uncertainties relating to such insurance and to indemnification have increased the difficulty of attracting and retaining such persons; and

WHEREAS, the Board has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company's stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future; and

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified; and

WHEREAS, this Agreement is a supplement to and in furtherance of the By-laws of the Company and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder; and

WHEREAS, Indemnitee does not regard the protection available under the Company's By-laws and insurance adequate in the present circumstances, and may not be willing to serve as an officer or director without adequate protection, and the Company desires Indemnitee to serve in such capacity. Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the Company on the condition that Indemnitee be so indemnified;

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

1. Services to the Company. Indemnitee will serve or continue to serve, at the will of the Company, as an officer or director of the Company for so long as Indemnitee is duly elected or appointed or until Indemnitee tenders Indemnitee's resignation in writing.

2. Definitions. As used in this Agreement:

(a) A "Change in Control" shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

(i) Acquisition of Stock by Third Party. Any Person (as defined below) is or becomes the Beneficial Owner (as defined below), directly or indirectly, of securities of the Company representing fifteen percent (15%) or more of the combined voting power of the Company's then outstanding

securities;

(ii) Change in Board of Directors. During any period of two (2) consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in Sections 2(a)(i), 2(a)(iii) or 2(a)(iv)) whose election by the Board or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a least a majority of the members of the Board;

(iii) Corporate Transactions. The effective date of a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 51% of the combined voting power of the voting securities of the surviving entity outstanding immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such surviving entity;

(iv) Liquidation. The approval by the shareholders of the Company of a complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets; and

(v) Other Events. There occurs any other event of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or a response to any similar item on any similar schedule or form) promulgated under the Exchange Act (as defined below), whether or not the Company is then subject to such reporting requirement.

(vi) Certain Definitions. For purposes of this Section 2(a), the following terms shall have the following meanings:

(A) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

(B) "Person" shall have the meaning as set forth in Sections 13(d) and 14(d) of the Exchange Act; provided, however, that Person shall exclude (i) the Company, (ii) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, and (iii) any corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of stock of the Company.

(C) "Beneficial Owner" shall have the meaning given to such term in Rule 13d-3 under the Exchange Act; provided, however, that Beneficial Owner shall exclude any Person otherwise becoming a Beneficial Owner by reason of the shareholders of the Company approving a merger of the Company with another entity.

(b) "Corporate Status" describes the status of a person who is or was a director, officer, employee or agent of the Company or of any other corporation, partnership or joint venture, trust, employee benefit plan or other enterprise which such person is or was serving at the request of the Company.

(c) "Disinterested Director" means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(d) "Enterprise" shall mean the Company and any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, officer, employee, agent or fiduciary.

(e) "Expenses" shall include all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a

witness in, or otherwise participating in, a Proceeding. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(f) As to the Indemnitee, "good faith" shall mean Indemnitee having acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal Proceeding, having had no reasonable cause to believe Indemnitee's conduct was unlawful.

(g) Reference to "other enterprise" shall include employee benefit plans; references to "fines" shall include any excise tax assessed with respect to any employee benefit plan; references to "serving at the request of the Company" shall include any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner Indemnitee reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in manner "not opposed to the best interests of the Company" as referred to in this Agreement.

(h) The term "Proceeding" shall include any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative or investigative nature, in which Indemnitee was, is or will be involved as a party or otherwise by reason of the fact that Indemnitee is or was a director or officer of the Company, by reason of any action taken by Indemnitee or of any action on Indemnitee's part while acting as director or officer of the Company, or by reason of the fact that Indemnitee is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, in each case whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification, reimbursement, or advancement of expenses can be provided under this Agreement.

(i) "Independent Counsel" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning the Indemnitee under this

Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the

Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

3. Indemnity in Third-Party Proceedings. The Company shall indemnify Indemnitee in accordance with the provisions of this Section 3 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified against all Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal proceeding had no reasonable cause to believe that Indemnitee's conduct was unlawful.

4. Indemnity in Proceedings by or in the Right of the Company. The Company shall indemnify Indemnitee in accordance with the provisions of this Section 4 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 4, Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company. No indemnification for Expenses shall be made under this Section 4 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged by a court to be liable to the Company, unless and only to the extent that any court in which the Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is

fairly and reasonably entitled to indemnification.

5. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provisions of this Agreement, to the extent that Indemnitee is a party to (or a participant in) and is successful, on the merits or otherwise, in any Proceeding or in defense of any claim, issue or matter therein, in whole or in part, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with each successfully resolved claim, issue or matter. If the Indemnitee is not wholly successful in such Proceeding, the Company also shall indemnify Indemnitee against all Expenses reasonably

incurred in connection with a claim, issue or matter related to any claim, issue, or matter on which the Indemnitee was successful. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

6. Indemnification For Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a witness in any Proceeding to which Indemnitee is not a party, Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith.

7. Additional Indemnification.

(a) Notwithstanding any limitation in Sections 3, 4, or 5, the Company shall indemnify Indemnitee to the fullest extent permitted by law if Indemnitee is a party to or threatened to be made a party to any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) against all Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee in connection with the Proceeding. No indemnity shall be made under this Section 7(a) on account of Indemnitee's conduct which constitutes a breach of Indemnitee's duty of loyalty to the Company or its shareholders or is an act or omission not in good

faith or which involves intentional misconduct or a knowing violation of the law.

(b) Notwithstanding any limitation in Sections 3, 4, 5 or 7(a), the Company shall indemnify Indemnitee to the fullest extent permitted by law if Indemnitee is a party to or threatened to be made a party to any Proceeding (including a Proceeding by or in the right of the Company to procure a judgement in its favor) against all Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee in connection with the Proceeding.

(c) For purposes of Sections 7(a) and 7(b), the meaning of the phrase "to the fullest extent permitted by law" shall include, but not be limited to:

(i) to the fullest extent permitted by the provision of the Act that authorizes or contemplates additional indemnification by agreement, or the corresponding provision of any amendment to or replacement of the Act, and

(ii) to the fullest extent authorized or permitted by any amendments to or replacements of the Act adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers and directors.

8. Exclusions. Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnity in connection with any claim made against Indemnitee:

(a) for which payment has actually been made to or on behalf of Indemnitee under any insurance policy or other indemnity provision, except with respect to any excess beyond the amount paid under any insurance policy or other indemnity provision;

(b) for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Securities Exchange Act of 1934, as amended, or similar provisions of state statutory law or common law; or

(c) in connection with any Proceeding (or part of any Proceeding) initiated by Indemnitee prior to a Change in Control, or any Proceeding initiated by Indemnitee against the Company or its directors, officers, employees or other indemnitees prior to a Change in Control, unless (i) the Company is expressly required

by law to make the indemnification, (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law, (iii) Indemnitee initiated the Proceeding pursuant to Section 13 of this Agreement and Indemnitee is successful in whole or in part in the Proceeding, or (iv) the Proceeding was authorized by the Board of Directors of the Company.

9. Advances of Expenses. Notwithstanding any provision of this Agreement to the contrary, the Company shall advance the expenses incurred by Indemnitee in connection with any Proceeding within 30 days after the receipt by the Company of a statement or statements requesting such advances from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee's ability to repay the expenses and without regard to Indemnitee's ultimate entitlement to indemnification under the other provisions of this Agreement. Advances shall include any and all reasonable Expenses incurred pursuing an action to enforce this right of advancement, including Expenses incurred preparing and forwarding statements to the Company to support the advances claimed. The Indemnitee shall qualify for advances solely upon the execution and delivery to the Company of an undertaking providing that the Indemnitee undertakes to repay the advance to the extent that it is ultimately determined that Indemnitee is not entitled to be indemnified by the Company.

10. Procedure for Notification and Defense of Claim.

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification, not later than thirty (30) days after receipt by Indemnitee of notice of the commencement of any Proceeding. The omission to notify the Company will not relieve the Company from any liability which it may have to Indemnitee otherwise than under this Agreement. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board in writing that Indemnitee has requested indemnification.

(b) The Company will be entitled to participate in the Proceeding at its own expense.

11. Procedure Upon Application for Indemnification.

(a) Upon written request by Indemnitee for indemnification pursuant to the first sentence of Section 10(a), a determination, if required by applicable law, with respect to Indemnitee's entitlement thereto shall be made in the specific case: (i) if a Change in Control shall have occurred, by Independent Counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to Indemnitee; or (ii) if a Change in Control shall not have occurred, (A) by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, or (B) if there are no such Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee or (C) if so directed by the Board, by the stockholders of the Company; and, if it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten (10) days after such determination. Indemnitee shall cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or expenses (including attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(b) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 11(a) hereof, the Independent Counsel shall be selected as provided in this Section 11(b). If a Change in Control shall not have occurred, the Independent Counsel shall be selected by the Board of Directors, and the Company shall give written notice to Indemnitee advising Indemnitee of the identity of the Independent Counsel so selected. If a Change in Control shall have occurred, the Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Board of Directors, in which event the preceding sentence shall apply), and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either event, Indemnitee or the Company, as the case may be, may, within 10 days after such written notice of selection shall have been given, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in

Section 2 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If, within 20 days after submission by Indemnitee of a written

request for indemnification pursuant to Section 10(a) hereof, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition a court of competent jurisdiction for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the Court or by such other person as the Court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 11(a) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 13(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

12. Presumptions and Effect of Certain Proceedings.

(a) In making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 10(a) of this Agreement, and the Company shall have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption. Neither the failure of the Company (including by its directors or independent legal counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including by its directors or independent legal counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(b) If the person, persons or entity empowered or

selected under Section 11 of this Agreement to determine whether Indemnitee is entitled to indemnification shall not have made a determination within sixty (60) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnitee shall be entitled to such indemnification, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law; provided, however, that such 60-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making the determination with respect to entitlement to indemnification in good faith requires such additional time for the obtaining or evaluating of documentation and/or information relating thereto; and provided, further, that the foregoing provisions of this Section 12(b) shall not apply (i) if the determination of entitlement to indemnification is to be made by the stockholders pursuant to Section 11(a) of this Agreement and if (A) within fifteen (15) days after receipt by the Company of the request for such determination the Board of Directors has resolved to submit such determination to the stockholders for their consideration at an annual meeting thereof to be held within seventy five (75) days after such receipt and such determination is made thereat, or (B) a special meeting of stockholders is called within fifteen (15) days after such

receipt for the purpose of making such determination, such meeting is held for such purpose within sixty (60) days after having been so called and such determination is made thereat, or (ii) if the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 11(a) of this Agreement.

(c) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that Indemnitee's conduct was unlawful.

(d) For purposes of any determination of good faith,

Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Enterprise, including financial statements, or on information supplied to Indemnitee by the officers or managers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise or on information or records given or reports made to the Enterprise by an independent certified public accountant or by an appraiser or other expert selected with the reasonable care by the Enterprise. The provisions of this Section 12(d) shall not be deemed to be exclusive or to limit in any way the other circumstances in which the Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement.

(e) The knowledge and/or actions, or failure to act, of any director, officer, agent or employee of the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

13. Remedies of Indemnitee.

(a) In the event that (i) a determination is made pursuant to Section 11 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 9 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 11(a) of this Agreement within 90 days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to Section 5, 6, 7 or the last sentence of Section 11(a) of this Agreement within ten (10) days after receipt by the Company of a written request therefor, or (v) payment of indemnification pursuant to Section 3 or 4 of this Agreement is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification, Indemnitee shall be entitled to an adjudication by a court of Indemnitee's entitlement to such indemnification or advancement of Expenses. Alternatively, Indemnitee, at Indemnitee's option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 11(a) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 13 shall be

conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 13 the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be.

(c) If a determination shall have been made pursuant to Section 11(a) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 13, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) In the event that Indemnitee, pursuant to this Section 13, seeks a judicial adjudication of or an award in arbitration to enforce Indemnitee's rights under, or to recover damages for breach of, this Agreement, Indemnitee shall be entitled to recover from the Company, and shall be indemnified by the Company against, any and all Expenses actually and reasonably incurred by Indemnitee in such judicial adjudication or arbitration. If it shall be determined in said judicial adjudication or arbitration that Indemnitee is entitled to receive part but not all of the indemnification or advancement of Expenses sought, the Indemnitee shall be entitled to recover from the Company, and shall be indemnified by the Company against, any and all Expenses reasonably incurred by Indemnitee in connection with such judicial adjudication or arbitration.

(e) The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 13 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement. The Company shall indemnify Indemnitee against any and all Expenses and, if requested by Indemnitee, shall (within ten (10) days after receipt by the Company of a written request therefore) advance such expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advance of Expenses from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement of Expenses or insurance recovery, as the case may be.

14. Non-exclusivity; Survival of Rights; Insurance; Subrogation.

(a) The rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Company's Articles of Incorporation, the Company's By-laws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in Indemnitee's Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the Company's By-laws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, employees, or agents of the Company or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which such person serves at the request of the Company, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, officer, employee or agent under such policy or policies. Notwithstanding any other provisions of this Agreement, if a Change in Control shall have occurred, the Company shall furnish Indemnitee with directors' and officers' liability insurance insuring Indemnitee against insurable events which occur or have occurred while Indemnitee was a director or officer of the Company, such insurance to have policy limits aggregating not less than the amount in effect immediately prior to the Change in Control and otherwise to be in substantially the same form and to contain substantially the same terms, conditions and exceptions as the liability insurance policies provided for officers and directors of the Company in force from time to time, provided, however, that (i) such terms, conditions and exceptions shall not be, in the aggregate, materially less favorable to

Indemnitee than those in effect on the date hereof and (ii) if the aggregate annual premiums for such insurance at any time during such period exceed two hundred percent (200%) of the per annum rate of premium currently paid by the Company for such insurance, then the Company shall provide the maximum coverage that will then be available at an annual premium equal to two hundred percent (200%) of such rate;

(c) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(d) The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable (or for which advancement is provided hereunder) hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

(e) The Company's obligation to indemnify or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, employee or agent of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise.

15. Duration of Agreement. This Agreement shall continue until and terminate upon the later of: (a) 10 years after the date that Indemnitee shall have ceased to serve as a director or officer of the Company or as a director, officer, employee or agent of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which Indemnitee served at the request of the Company; or (b) 1 year after the final termination of any Proceeding then pending in respect of which Indemnitee is granted rights of indemnification or advance ment of Expenses hereunder and of any proceeding commenced by Indemnitee pursuant to Section 13 of this Agreement relating thereto. This Agreement shall be binding upon the Company and its successors and assigns and shall inure to the benefit of Indemnitee and Indemnitee's heirs, executors and administrators.

16. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and

enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

17. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director or officer of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director or officer of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and

understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof.

18. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by the parties thereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver.

19. Notice by Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses covered hereunder. The failure of Indemnitee to so notify the Company shall not relieve the Company of any obligation which it may have to the Indemnitee under this Agreement or otherwise.

20. Notices. All notices, requests, demands and other

communications under this Agreement shall be in writing and shall be deemed to have been duly given (a) if delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, or (b) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed:

(a) If to Indemnitee, at the address indicated on the signature page of this Agreement, or such other address as Indemnitee shall provide to the Company.

(b) If to the Company to

Reynolds Metals Company
6601 W. Broad Street
Richmond, VA 23230
Attention: General Counsel

or to any other address as may have been furnished to Indemnitee by the Company.

21. Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

22. Applicable Law. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 10(a) of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Chancery Court of the State of Delaware (the "Delaware Court"), and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive

jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) appoint, to the extent such party is not a resident of the State of Delaware, irrevocably RL&F Service Corp., One Rodney Square, 10th Floor, 10th and King Streets, Wilmington, Delaware 19801 as its agent in the State of Delaware as such party's agent for acceptance of legal process in connection with any such action or proceeding against such party with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

23. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

24. Miscellaneous. Use of the masculine pronoun shall be deemed to include usage of the feminine pronoun where appropriate. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first above written.

REYNOLDS METALS COMPANY	INDEMNITEE
By: _____	_____
Chairman of the Board and Chief Executive Officer	Name: (Name) Address: (Address1) (Address2)

EXHIBIT 10.45

I, CAROL L. DILLON, an Assistant Secretary of REYNOLDS METALS COMPANY, a Delaware corporation, do hereby certify that the following is a true and complete copy of a resolution which approves an amendment to the corporation's Restricted Stock Plan for Outside Directors, duly adopted by the Committee on Directors of the Board of Directors of said corporation at its meeting on November 20, 1998, and that said resolutions are now in full force and effect:

RESOLVED, that the Reynolds Metals Company Restricted Stock Plan for Outside Directors is hereby amended effective January 1, 1999 by deleting Section 3.03 thereof.

IN WITNESS WHEREOF, I have subscribed my name and affixed the corporate seal of said corporation to this certificate this 20th day of November, 1998.

/s/ Carol L. Dillon

_____

Carol L. Dillon
Assistant Secretary

SEAL

EXHIBIT 10.46

I, CAROL L. DILLON, an Assistant Secretary of REYNOLDS METALS COMPANY, a Delaware corporation, do hereby certify that the following is a true and complete copy of a resolution which approves an amendment to the corporation's Stock Plan for Outside Directors, duly adopted by the Committee on Directors of the Board of Directors of said corporation at its meeting on November 20, 1998, and that said resolutions are now in full force and effect:

> RESOLVED, that the Reynolds Metals Company Stock Plan for Outside Directors is hereby amended effective January 1, 1999 by the addition of the following language at the end of the first sentence of Section 3.01: "provided, however, that beginning April 1 in the year in which all restrictions on shares granted to a Director under the Reynolds Metals Company Restricted Stock Plan for Outside Directors have lapsed, such Director shall be granted shares of Phantom Stock under the Plan at an annual rate of 425 shares per year.

IN WITNESS WHEREOF, I have subscribed my name and affixed the corporate seal of said corporation to this certificate this 20th day of November, 1998.

/s/ Carol L. Dillon

_____

Carol L. Dillon
Assistant Secretary

SEAL

PARENTS AND SUBSIDIARIES EXHIBIT 21

(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.	Quebec
* Aluminio Reynolds de Venezuela, S. A.	Venezuela
Aluminium Oxid Stade Gesellschaft mit beschrankter 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 beschrankter Haftung	Germany
* Hanover Manufacturing Corporation	Delaware
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 Latin America, S.A.	Panama
* 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

EXHIBIT 23

CONSENT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

We consent to the incorporation by reference in the:

1. Registration Statement (Form S-8 No. 33-13822) pertaining to the Reynolds Metals Company 1987 Nonqualified Stock Option Plan;

2. Registration Statement (Form S-8 No. 33-44400) pertaining to the Reynolds Metals Company 1992 Nonqualified Stock Option Plan;

3. Registration Statement (Form S-8 No. 33-20498) pertaining to the Reynolds Metals Company Savings and Investment Plan for Salaried Employees;

4. Registration Statement (Form S-3 No. 33-43443) pertaining to the shelf registration of debt securities of Reynolds Metals Company;

5. Registration Statement (Form S-8 No. 33-66032) pertaining to the Reynolds Metals Company Savings Plan for Hourly Employees;

6. Registration Statement (Form S-3 No. 33-51153) pertaining to the offer and resale of shares of Reynolds Metals Company Common Stock by the Trustee of the Reynolds Metals Company Pension Plans Master Trust;

7. Registration Statement (Form S-8 No. 33-53847) pertaining to the Employees Savings Plan;

8. Registration Statement (Form S-8 No. 33-53851) pertaining to the Reynolds Metals Company Restricted Stock Plan for Outside Directors;

9. 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);

10. Registration Statement (Form S-8 No. 333-00929) pertaining to the Reynolds Metals Company Performance Incentive Plan;

11. Registration Statement (Form S-8 No. 333-03947)

pertaining to the Reynolds Metals Company 1996 Nonqualified Stock Option Plan;

and in the related prospectuses of our report dated February 19, 1999, with respect to the consolidated financial statements of Reynolds Metals Company included in this Annual Report (Form 10-K) for the year ended December 31, 1998.

/s/ Ernst & Young LLP

Richmond, Virginia
March 24, 1999

EXHIBIT 24

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, 1998 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 Registration Statements on Form S-8, or on such other form as may be appropriate, for registration of shares of the Company's common stock, without par value ("Common Stock"), to be offered and sold under the Reynolds Metals Company 1999 Nonqualified Stock Option Plan, and any and all post-effective amendments to such Registration Statements, and to file the same, with all exhibits thereto and documents in connection therewith, with the SEC; and

(iii) 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 100,000 shares of Common Stock under the Reynolds Metals Company Performance Incentive Plan; and (h) 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

(iv) 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 Rights Agreement between the Company and The Chase Manhattan Bank, N.A., dated as of December 1, 1997, 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

(v) Sign any and all post-effective amendments to the Company's Registration Statements relating to the offer and sale of up to $1,650,000,000 principal amount of unsecured debt securities of the Company, 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 29th day of February, 2000.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Power of Attorney on the 19th day of February, 1999.

/s/ Patricia C. Barron

Patricia C. Barron

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, 1998 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 Registration Statements on Form S-8, or on such other form as may be appropriate, for registration of shares of the Company's common stock, without par value ("Common Stock"), to be offered and sold under the Reynolds Metals Company 1999 Nonqualified Stock Option Plan, and any and all post-effective amendments to such Registration Statements, and to file the same, with all exhibits thereto and documents in connection therewith, with the SEC; and

(iii) 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 100,000 shares of Common Stock under the Reynolds Metals Company Performance Incentive Plan; and (h) 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

(iv) 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 Rights Agreement between the Company and The Chase Manhattan Bank, N.A., dated as of December 1, 1997, 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

(v) Sign any and all post-effective amendments to the Company's Registration Statements relating to the offer and sale of up to $1,650,000,000 principal amount of unsecured debt securities of the Company, 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 29th day of February, 2000.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Power of Attorney on the 19th day of February, 1999.

/s/ Allen M. Earehart

Allen M. Earehart

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, 1998 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 Registration Statements on Form S-8, or on such other form as may be appropriate, for registration of shares of the Company's common stock, without par value ("Common Stock"), to be offered and sold under the Reynolds Metals Company 1999 Nonqualified Stock Option Plan, and any and all post-effective amendments to such Registration Statements, and to file the same, with all exhibits thereto and documents in connection therewith, with the SEC; and

(iii) 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 100,000 shares of Common Stock under the Reynolds Metals Company Performance Incentive Plan; and (h) 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

(iv) 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 Rights Agreement between the Company and The Chase Manhattan Bank, N.A., dated as of December 1, 1997, 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

(v) Sign any and all post-effective amendments to the Company's Registration Statements relating to the offer and sale of up to $1,650,000,000 principal amount of unsecured debt securities of the Company, 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 29th day of February, 2000.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Power of Attorney on the 19th day of February,

1999.

/s/ John R. Hall

John R. Hall

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, 1998 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 Registration Statements on Form S-8, or on such other form as may be appropriate, for registration of shares of the Company's common stock, without par value ("Common Stock"), to be offered and sold under the Reynolds Metals Company 1999 Nonqualified Stock Option Plan, and any and all post-effective amendments to such Registration Statements, and to file the same, with all exhibits thereto and documents in connection therewith, with the SEC; and

(iii) 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 100,000 shares of Common Stock under the Reynolds Metals Company Performance Incentive Plan; and (h) 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

(iv) 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 Rights Agreement between the Company and The Chase Manhattan Bank, N.A., dated as of December 1, 1997, 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

(v) Sign any and all post-effective amendments to the Company's Registration Statements relating to the offer and sale of up to $1,650,000,000 principal amount of unsecured debt securities of the Company, 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 29th day of February, 2000.

IN WITNESS WHEREOF, the undersigned has executed and

delivered this Power of Attorney on the 19th day of February, 1999.

/s/ Robert L. Hintz

Robert L. Hintz

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, 1998 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 Registration Statements on Form S-8, or on such other form as may be appropriate, for registration of shares of the Company's common stock, without par value ("Common Stock"), to be offered and sold under the Reynolds Metals Company 1999 Nonqualified Stock Option Plan, and any and all post-effective amendments to such Registration Statements, and to file the same, with all exhibits thereto and documents in connection therewith, with the SEC; and

(iii) 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 100,000 shares of Common Stock under the Reynolds Metals Company Performance Incentive Plan; and (h) 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

(iv) 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 Rights Agreement between the Company and The Chase Manhattan Bank, N.A., dated as of December 1, 1997, 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

(v) Sign any and all post-effective amendments to the Company's Registration Statements relating to the offer and sale of up to $1,650,000,000 principal amount of unsecured debt securities of the Company, 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 29th day of February, 2000.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Power of Attorney on the 19th day of February, 1999.

/s/ William H. Joyce

William H. Joyce

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, 1998 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 Registration Statements on Form S-8, or on such other form as may be appropriate, for registration of shares of the Company's common stock, without par value ("Common Stock"), to be offered and sold under the Reynolds Metals Company 1999 Nonqualified Stock Option Plan, and any and all post-effective amendments to such Registration Statements, and to file the same, with all exhibits thereto and documents in connection therewith, with the SEC; and

(iii) 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 100,000 shares of Common Stock under the Reynolds Metals Company Performance Incentive Plan; and (h) 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

(iv) 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 Rights Agreement between the Company and The Chase Manhattan Bank, N.A., dated as of December 1, 1997, 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

(v) Sign any and all post-effective amendments to the Company's Registration Statements relating to the offer and sale of up to $1,650,000,000 principal amount of unsecured debt securities of the Company, 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 29th day of February, 2000.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Power of Attorney on the 17th day of March, 1999.

/s/ William E. Leahey, Jr.

William E. Leahey, Jr.

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, 1998 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 Registration Statements on Form S-8, or on such other form as may be appropriate, for registration of shares of the Company's common stock, without par value ("Common Stock"), to be offered and sold under the Reynolds Metals Company 1999 Nonqualified Stock Option Plan, and any and all post-effective amendments to such Registration Statements, and to file the same, with all exhibits thereto and documents in connection therewith, with the SEC; and

(iii) 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 100,000 shares of Common Stock under the Reynolds Metals Company Performance Incentive Plan; and (h) 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

(iv) 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 Rights Agreement between the Company and The Chase Manhattan Bank, N.A., dated as of December 1, 1997, 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

(v) Sign any and all post-effective amendments to the Company's Registration Statements relating to the offer and sale of up to $1,650,000,000 principal amount of unsecured debt securities of the Company, 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 29th day of February, 2000.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Power of Attorney on the 19th day of February, 1999.

/s/ Mylle Bell Mangum

Mylle Bell Mangum

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, 1998 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 Registration Statements on Form S-8, or on such other form as may be appropriate, for registration of shares of the Company's common stock, without par value ("Common Stock"), to be offered and sold under the Reynolds Metals Company 1999 Nonqualified Stock Option Plan, and any and all post-effective amendments to such Registration Statements, and to file the same, with all exhibits thereto and documents in connection therewith, with the SEC; and

(iii) 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 100,000 shares of Common Stock under the Reynolds Metals Company Performance Incentive Plan; and (h) 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

(iv) 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 Rights Agreement between the Company and The Chase Manhattan Bank, N.A., dated as of December 1, 1997, 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

(v) Sign any and all post-effective amendments to the Company's Registration Statements relating to the offer and sale of up to $1,650,000,000 principal amount of unsecured debt securities of the Company, 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 29th day of February, 2000.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Power of Attorney on the 19th day of February, 1999.

/s/ D. Larry Moore

D. Larry Moore

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, 1998 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 Registration Statements on Form S-8, or on such other form as may be appropriate, for registration of shares of the Company's common stock, without par value ("Common Stock"), to be offered and sold under the Reynolds Metals Company 1999 Nonqualified Stock Option Plan, and any and all post-effective amendments to such Registration Statements, and to file the same, with all exhibits thereto and documents in connection therewith, with the SEC; and

(iii) 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 100,000 shares of Common Stock under the Reynolds Metals Company Performance Incentive Plan; and (h) 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

(iv) 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 Rights Agreement between the Company and The Chase Manhattan Bank, N.A., dated as of December 1, 1997, 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

(v) Sign any and all post-effective amendments to the Company's Registration Statements relating to the offer and sale of up to $1,650,000,000 principal amount of unsecured debt securities of the Company, 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 29th day of February, 2000.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Power of Attorney on the 19th day of February, 1999.

/s/ Randolph N. Reynolds

Randolph N. Reynolds

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, 1998 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 Registration Statements on Form S-8, or on such other form as may be appropriate, for registration of shares of the Company's common stock, without par value ("Common Stock"), to be offered and sold under the Reynolds Metals Company 1999 Nonqualified Stock Option Plan, and any and all post-effective amendments to

such Registration Statements, and to file the same, with all exhibits thereto and documents in connection therewith, with the SEC; and

(iii) 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 100,000 shares of Common Stock under the Reynolds Metals Company Performance Incentive Plan; and (h) 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

(iv) 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 Rights Agreement between the Company and The Chase Manhattan Bank, N.A., dated as of December 1, 1997, 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

(v) Sign any and all post-effective amendments to the Company's Registration Statements relating to the offer and sale of up to $1,650,000,000 principal amount of unsecured debt securities of the Company, 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 29th day of February, 2000.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Power of Attorney on the 19th day of February, 1999.

/s/ James M. Ringler

James M. Ringler

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, 1998 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 Registration Statements on Form S-8, or on such other form as may be appropriate, for registration of shares of the Company's common stock,

without par value ("Common Stock"), to be offered and sold under the Reynolds Metals Company 1999 Nonqualified Stock Option Plan, and any and all post-effective amendments to such Registration Statements, and to file the same, with all exhibits thereto and documents in connection therewith, with the SEC; and

(iii) 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 100,000 shares of Common Stock under the Reynolds Metals Company Performance Incentive Plan; and (h) 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

(iv) 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 Rights Agreement between the Company and The Chase Manhattan Bank, N.A., dated as of December 1, 1997, 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

(v) Sign any and all post-effective amendments to the

Company's Registration Statements relating to the offer and sale of up to $1,650,000,000 principal amount of unsecured debt securities of the Company, 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 29th day of February, 2000.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Power of Attorney on the 19th day of February, 1999.

/s/ Samuel C. Scott, III

Samuel C. Scott, III

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, 1998 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 Registration Statements on Form S-

8, or on such other form as may be appropriate, for registration of shares of the Company's common stock, without par value ("Common Stock"), to be offered and sold under the Reynolds Metals Company 1999 Nonqualified Stock Option Plan, and any and all post-effective amendments to such Registration Statements, and to file the same, with all exhibits thereto and documents in connection therewith, with the SEC; and

(iii) 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 100,000 shares of Common Stock under the Reynolds Metals Company Performance Incentive Plan; and (h) 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

(iv) 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 Rights Agreement between the Company and The Chase Manhattan Bank, N.A., dated as of December 1, 1997, 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

(v) Sign any and all post-effective amendments to the Company's Registration Statements relating to the offer and sale of up to $1,650,000,000 principal amount of unsecured debt securities of the Company, 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 29th day of February, 2000.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Power of Attorney on the 19th day of February, 1999.

/s/ Jeremiah J. Sheehan

Jeremiah J. Sheehan

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, 1998 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 Registration Statements on Form S-8, or on such other form as may be appropriate, for registration of shares of the Company's common stock, without par value ("Common Stock"), to be offered and sold under the Reynolds Metals Company 1999 Nonqualified Stock Option Plan, and any and all post-effective amendments to such Registration Statements, and to file the same, with all exhibits thereto and documents in connection therewith, with the SEC; and

(iii) 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 100,000 shares of Common Stock under the Reynolds Metals Company Performance Incentive Plan; and (h) 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

(iv) 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 Rights Agreement between the Company and The Chase Manhattan Bank, N.A., dated as of December 1, 1997, 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

(v) Sign any and all post-effective amendments to the Company's Registration Statements relating to the offer and sale of up to $1,650,000,000 principal amount of unsecured debt securities of the Company, 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 29th day of February, 2000.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Power of Attorney on the 19th day of February, 1999.

/s/ Joe B. Wyatt

Joe B. Wyatt

<TABLE> <S> <C>

<ARTICLE> 5
<LEGEND>
This schedule contains summary information extracted from the Reynolds Metals Company Condensed Balance Sheet (Unaudited) for December 31, 1998 and Consolidated Statement of Income (Unaudited) for the Year ended December 31, 1998 and is qualified in its entirety by reference to such financial statements.
</LEGEND>
<MULTIPLIER> 1,000,000

<S>	<C>	
<PERIOD-TYPE>	12-MOS	
<FISCAL-YEAR-END>		DEC-31-1998
<PERIOD-END>		DEC-31-1998
<CASH>		94
<SECURITIES>		0
<RECEIVABLES>		728
<ALLOWANCES>		14
<INVENTORY>		500
<CURRENT-ASSETS>		1602
<PP&E>		4282
<DEPRECIATION>		2258
<TOTAL-ASSETS>		6134
<CURRENT-LIABILITIES>		1241
<BONDS>		1035
<PREFERRED-MANDATORY>		0
<PREFERRED>		0
<COMMON>		1533
<OTHER-SE>		661
<TOTAL-LIABILITY-AND-EQUITY>		6134
<SALES>		5859
<TOTAL-REVENUES>		5859
<CGS>		4774
<TOTAL-COSTS>		4774
<OTHER-EXPENSES>		396
<LOSS-PROVISION>		0
<INTEREST-EXPENSE>		114
<INCOME-PRETAX>		197
<INCOME-TAX>		45
<INCOME-CONTINUING>		152
<DISCONTINUED>		0
<EXTRAORDINARY>		(63)
<CHANGES>		(23)
<NET-INCOME>		66
<EPS-PRIMARY>		.94
<EPS-DILUTED>		.94

</TABLE>