Provision for Depreciation, Depletion, and Amortization — The provision for depreciation, depletion, and amortization was $1,204 in 2004 compared with $1,175 in 2003. The increase of $29, or 3%, was primarily caused by unfavorable foreign currency exchange movements.

The provision for depreciation, depletion, and amortization was $1,175 in 2003 compared with $1,096 in 2002. The increase of $79, or 7%, was primarily due to the full-year results related to the acquisitions of Ivex and Fairchild, as well as the negative impact of foreign currency exchange movements, somewhat offset by a reduction due to ceasing depreciation on assets held for sale.

Restructuring and Other Charges — Restructuring and other charges for each of the three years in the period ended December 31, 2004, were comprised of:

December 31	2004	2003	2002
Asset write-downs	$ 6	$ —	$292
Layoff costs	41	44	104
Other costs	—	—	25
Sale of specialty chemicals business	(53)	—	—
Net additions to/(reversals) of prior year layoff and other costs*	(15)	(38)	(7)
Net additions to/(reversals) of prior year gains/losses on assets held for sale	—	(33)	—
Restructuring and other charges	$(21)	$(27)	$414

*Reversals of prior year layoff and other costs resulted from changes in facts and circumstances that led to changes in estimated costs.

Restructuring and other charges consisted of income of $21 ($41 after tax and minority interests) in 2004. The income recognized in 2004 was comprised of the following: a gain of $53 ($61 after tax and minority interests) on the sale of Alcoa's specialty chemicals business and $15 from adjustments to prior year reserves; offset by charges of $41 related to additional layoff reserves recorded in 2004 associated with approximately 4,100 hourly and salaried employees located primarily in Mexico and the U.S., as the company continued to focus on reducing costs, and $6 of asset write-downs.

As of December 31, 2004, approximately 3,700 of the 4,100 employees associated with the 2004 restructuring charges had been terminated and approximately $22 of cash payments were made against the reserves.

Restructuring and other charges consisted of income of $27 ($25 after tax and minority interests) in 2003. The income recognized in 2003 was comprised of: $33 of net favorable adjustments on assets held for sale; $38 of income resulting from adjustments to prior year layoff reserves; and $44 of charges for additional layoff costs associated with approximately 1,600 hourly and salaried employees located primarily in Europe, the U.S., and Brazil, as the company continued to focus on cost reductions in businesses that continued to be impacted by market declines. The 2003 restructuring program is essentially complete.

During 2002, Alcoa recorded special charges of $414 ($272 after tax and minority interests) for restructurings associated with the curtailment of aluminum production at three smelters, as well as restructuring operations for those businesses experiencing negligible growth due to continued market declines and the decision to divest certain businesses that failed to meet internal growth and return measures. The 2002 charges were comprised of asset write-downs of $292, consisting of $113 of goodwill on businesses to be divested, as well as $179 for structures, machinery, and equipment; employee termination and severance costs of $104 related to approximately 6,700 salaried and hourly employees at over 70 locations, primarily in Mexico, Europe, and the U.S.; and exit costs, including environmental, demolition, and lease termination costs, of $25. Additionally, net reversals of $7 were recorded in 2002, primarily associated with adjustments to 2001 restructuring program reserves due to changes in estimates of liabilities resulting from lower than expected costs. The 2002 restructuring program is essentially complete.

Alcoa does not include restructuring and other charges in the segment results. The pre-tax impact of allocating restructuring and other charges to the segment results would have been as follows:

December 31	2004	2003	2002
Alumina and Chemicals	$(48)	$ (1)	$ 3
Primary Metals	(1)	4	64
Flat-Rolled Poducts	1	13	65
Engineered Products	9	(4)	217
Packaging and Consumer	10	(44)	46
Other	6	(2)	17
Segment total	(23)	(34)	412
Corporate expenses	2	7	2
Total Restructuring and other charges	$(21)	$(27)	$414

Interest Expense — Interest expense was $270 in 2004 compared with $314 in 2003, resulting in a decrease of $44, or 14%. This decrease was principally caused by lower average debt levels.

Interest expense was $314 in 2003 compared with $350 in 2002. The decrease of $36, or 10%, was primarily due to lower average effective interest rates, somewhat offset by higher average debt levels due to higher borrowings in 2002 to fund acquisitions.

Other Income — Other income of $268 in 2004 was relatively flat with $274 in 2003. In 2004, a $58 gain recognized on the restructuring of debt, $54 change in favorable foreign currency exchange movements, and a $35 gain on the termination of an alumina tolling arrangement were mostly offset by the $105 gain in 2003 from insurance settlements of a series of historical environmental matters in the U.S., as well as a decrease in the cash surrender value of employee life insurance, among other smaller items.

Other income was $274 in 2003 compared with $178 in 2002. The increase of $96, or 54%, was primarily due to a gain of $105 from insurance settlements; $66 of higher equity income, primarily at Elkem; and an increase in the cash surrender value of employee life insurance; partially offset by the unfavorable impact of foreign currency translation losses of $51, primarily due to the impact of strengthening Australian and Canadian currencies; and several favorable nonoperating gains recognized in 2002.