



Year	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	© VALUE LINE PUB., INC.	12-14
Price	12.81	13.86	17.72	18.93	19.79	20.91	22.19	26.50	26.97	23.99	24.76	26.96	30.06	34.94	37.16	33.61	18.25	20.55	Sales per sh	25.80
Gain	1.07	1.21	2.13	1.88	2.25	2.33	2.66	3.13	2.97	2.25	2.56	2.92	2.90	4.63	1.83	.55	1.75	1.75	"Cash Flow" per sh	2.30
Options	.10	.27	1.11	.79	1.09	1.21	1.41	1.81	1.46	.92	1.21	1.53	1.43	2.90	2.95	.28	d.75	.50	Earnings per sh A	1.00
to Buy	.20	.20	.23	.33	.25	.38	.40	.50	.60	.60	.60	.60	.60	.60	.68	.68	.26	.12	Div's Decl'd per sh B	.15
to Sell	1.07	.86	1.26	1.44	1.36	1.27	1.25	1.30	1.39	1.50	.99	1.31	2.44	3.68	4.39	4.30	1.85	.90	Cap'l Spending per sh	1.50
Options	4.99	5.52	6.22	6.39	6.48	8.18	8.51	13.13	12.46	11.69	13.84	15.21	15.30	16.76	19.29	14.59	13.65	13.35	Book Value per sh C	12.90
to Buy	706.89	714.85	705.26	690.04	673.10	733.62	735.50	865.52	847.59	844.82	868.49	870.98	870.27	869.54	827.40	800.32	975.00	950.00	Common Shs Outst'g D	930.00
to Sell	87.1	36.3	11.0	18.9	17.1	14.8	20.4	17.6	25.3	32.3	21.6	21.5	19.5	10.4	12.4	NMF	NMF	NMF	Avg Ann'l P/E Ratio	20.0
Hld's(000)	5.15	2.38	.74	1.18	.99	.77	1.16	1.14	1.30	1.76	1.23	1.14	1.04	.56	.66	NMF	NMF	NMF	Relative P/E Ratio	1.35
663146	2.3%	2.1%	1.8%	2.2%	1.3%	2.1%	1.4%	1.6%	1.6%	2.0%	2.3%	1.8%	2.1%	2.0%	1.9%	2.4%	2.4%	2.4%	Avg Ann'l Div'd Yield	.7%

Year	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	© VALUE LINE PUB., INC.	12-14
Total Debt	16323	22936	22859	20263	21504	23478	26159	30379	30748	26901	17810	19500	Sales (\$mill)	24000						
LT Debt	17.3%	18.8%	15.4%	13.1%	13.4%	14.4%	14.0%	17.9%	15.5%	12.3%	3.0%	9.5%	Operating Margin	12.0%						
LT Interest	901.0	1219.0	1253.0	1116.0	1194.0	1204.0	1267.0	1280.0	1268.0	1234.0	1245	1180	Depreciation (\$mill)	1200						
Interest Coverage	1054.0	1489.0	1263.0	785.0	1034.0	1340.6	1259.3	2540.0	2564.0	229.0	d695	475	Net Profit (\$mill)	930						
Interest Coverage	29.9%	33.5%	33.3%	33.8%	24.2%	25.5%	34.6%	25.1%	37.8%	43.2%	NMF	30.0%	Income Tax Rate	30.0%						
Interest Coverage	6.5%	6.5%	5.5%	3.9%	4.8%	5.7%	4.8%	8.4%	8.3%	.9%	NMF	2.4%	Net Profit Margin	3.9%						
Working Cap'l	1797.0	d376.0	1789.0	1852.0	1656.0	1195.0	1422.0	1876.0	920.0	871.0	1500	1300	Working Cap'l (\$mill)	1800						
Long-Term Debt	2657.0	4987.0	6388.0	8365.0	6692.0	5346.0	5279.0	4778.0	6371.0	8509.0	8900	8500	Long-Term Debt (\$mill)	8000						
Shr. Equity	6318.0	11422	10614	9927.0	12075	13300	13373	14631	16016	11735	13300	12700	Shr. Equity (\$mill)	12000						
Return on Total Cap'l	12.8%	10.3%	8.5%	5.2%	6.3%	7.8%	7.6%	14.0%	12.3%	2.1%	NMF	3.5%	Return on Total Cap'l	6.0%						
Return on Shr. Equity	16.7%	13.0%	11.9%	7.9%	8.6%	10.1%	9.4%	17.4%	16.0%	2.0%	NMF	3.5%	Return on Shr. Equity	8.0%						
Retained to Com Eq	12.1%	9.4%	7.1%	2.8%	4.3%	6.2%	5.5%	13.8%	12.4%	NMF	NMF	3.0%	Retained to Com Eq	6.5%						
All Div's to Net Prof	28%	28%	41%	65%	50%	39%	42%	21%	23%	NMF	NMF	24%	All Div's to Net Prof	15%						

CAPITAL STRUCTURE as of 9/30/09
 Total Debt \$9730 mill. Due in 5 Yrs \$5142 mill.
 LT Debt \$9067 mill. LT Interest \$390 mill.
 (Long-term interest earned: 3.1%)
 (Total interest coverage: 3.0x) (41% of Cap'l)

Uncapitalized Annual rentals \$398.0 mill.
Pension Assets 12/08 \$7.9 bill. Oblig. \$10.8 bill.
Pfd Stock \$55.0 mill. Pfd Div'd \$2.0 mill.

Common Stock 974,377,851 shs.
as of 10/20/09
MARKET CAP: \$15.7 billion (Large Cap)

CURRENT POSITION (SMILL.)

	2007	2008	9/30/09
Cash Assets	483	762	1066
Receivables	3053	1883	1723
Inventory (LIFO)	3326	3238	2516
Other	1224	2267	1727
Current Assets	8086	8150	7032
Accts Payable	2787	2518	1850
Debt Due	202	56	663
Other	4177	4705	2504
Current Liab.	7166	7279	5017

BUSINESS: Alcoa is a global leader in aluminum production, serving the aerospace, automotive, building and construction, commercial transportation and industrial markets. Sold the consumer and packaging division during 1Q 2008. Has more than 300 operating and sales locations in over 35 countries. 2008 revenues by segment: Alumina and Aluminum, 66%; Transportation, 22%; Packaging, 2%; other, 10%. Foreign sales : 47% of total. Has about 87,000 employees. Capital World Investors owns 5.8% of common stock, State Street Global Advisors, 4.2%, officers and directors own less than 2% (3/09 Proxy). Chairman: Alain J.P. Belda. Incorporated: PA. Address: 201 Isabella St., Pittsburgh, PA. 15212. Telephone: 412-553-4545. Internet: www.alcoa.com.

Alcoa was probably able to generate a small profit in the second half of 2009. This partly reflected higher aluminum prices. Restructuring initiatives also helped. But the losses the company sustained during the first two quarters may have caused full-year share net to slide to a deficit of \$0.75. Still, we expect the momentum in the second half to continue in 2010, enabling the bottom line to advance to \$0.50 a share.

A promising joint venture was formed in Saudi Arabia with Ma'aden, a mining company in that country. In the initial phases of the deal, a complex will be constructed, including: a bauxite mine, with initial capacity of four million metric tons per year (mtpy); an alumina refinery with initial output of 1.8 million mtpy; an aluminum smelter with initial production of 740,000 mtpy; and a rolling mill with initial capacity of between 250,000 and 460,000 mtpy. The total cost is estimated to be \$10.8 billion, subject to certain adjustments. Ma'aden will own 60% of the joint venture, and Alcoa will control the remaining 40%, via a partnership in which it will own 20% and its affiliates will participate through financing that represents the other 20% interest. (Alcoa and the partners will each invest \$900 million over a four-year period.) First production from the aluminum smelter and rolling mill is expected to be in 2013, and initial output from the bauxite mine and alumina refinery is anticipated in 2014. The complex will serve the growing markets of the Middle East and elsewhere.

The automotive sector has healthy, though cyclical, prospects for Alcoa. A trend we see continuing for some time is the increased use of aluminum in cars and trucks. As auto makers have faced mounting pressure from regulators to improve safety, enhance fuel efficiency, and reduce emissions, they have focused on the lightweight metal, which is about as durable as steel (a major component in automobiles).

The neutrally ranked stock continues to regain lost ground. It seems that can be attributed partly to improved aluminum prices. The aforesaid joint venture has been another positive. But these shares' price-recovery potential is subpar.

Frederick L. Harris, III January 15, 2010

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2006	7244	7664	7631	7840	30379
2007	7908	8066	7387	7387	30748
2008	6998	7245	6970	5688	26901
2009	4147	4244	4615	4804	17810
2010	4500	4600	5000	5400	19500

(A) Primary shares through '96, diluted after. Excludes nonrecurring items: '93, (18¢); '94, 52¢; '96, (12¢); '97, 13¢; '01, (41¢); '02, 43¢; '03, (7¢); '04, (4¢); '05, (3¢); '06, (33¢). Excludes discontinued operations: '07, (28¢); '08, (37¢); '09, (17¢). Next earnings report due early April. (B) Dividends historically paid in late Feb., May, Aug., Nov. Dividend reinvestment plan available. (C) Includes intangibles: At 12/31/08 \$5,591 mill., \$6.99/sh. (D) In millions, adjusted for stock splits.