



1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
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	18.92	20.56	23.45	21.85	23.50	Sales per sh	26.70
1.88	2.25	2.33	2.66	3.13	2.97	2.25	2.56	2.92	2.90	4.39	4.63	1.83	.33	1.67	2.10	1.55	2.25	"Cash Flow" per sh	3.00
.79	1.09	1.21	1.41	1.81	1.46	.92	1.21	1.53	1.43	2.90	2.95	.28	d1.06	.25	.67	.20	.85	Earnings per sh A	1.40
.33	.25	.38	.40	.50	.60	.60	.60	.60	.60	.60	.68	.68	.26	.12	.12	.12	.14	Div'ds Decl'd per sh B	.18
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	1.66	.99	1.21	1.40	1.40	Cap'l Spending per sh	1.60
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	12.69	13.26	13.01	13.00	13.75	Book Value per sh C	17.10
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	974.38	1022.0	1064.4	1070.00	1070.00	Common Shs Outst'g D	1070.00
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	20.8	Bold figures are Value Line estimates	20.8	Avg Ann'l P/E Ratio	15.0
1.18	.99	.77	1.16	1.14	1.30	1.76	1.23	1.14	1.04	.56	.66	NMF	--	NMF	1.32	1.32	1.32	Relative P/E Ratio	1.00
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%	.9%	.9%	.9%	.9%	Avg Ann'l Div'd Yield	.9%

CAPITAL STRUCTURE as of 6/30/12																			Sales (\$mill)	28580
Total Debt \$9743 mill. Due in 5 Yrs \$2094 mill.																			Operating Margin	15.0%
LT Debt \$8618 mill. LT Interest \$450 mill.																			Depreciation (\$mill)	1715
(Long-term interest earned: 3.3x)																			Net Profit (\$mill)	1500
(Total interest coverage: 3.3x) (38% of Cap'l)																			Income Tax Rate	27.0%
Uncapitalized Annual rentals \$246.0 mill.																			Net Profit Margin	5.3%
Pension Assets 12/11 \$9.5 bill. Oblig. \$12.3 bill.																			Working Cap'l (\$mill)	1740
Pfd Stock \$55.0 mill. Pfd Div'd \$2.0 mill.																			Long-Term Debt (\$mill)	8030
Common Stock 1,066,703,047 shs.																			Shr. Equity (\$mill)	18310
MARKET CAP: \$9.4 billion (Large Cap)																			Return on Total Cap'l	5.5%

CURRENT POSITION	2010	2011	6/30/12	Full Year
Cash Assets	1543	1939	1749	18439
Receivables	1565	1571	1526	21013
Inventory (LIFO)	2562	2899	3097	24951
Other	1199	1304	1511	23360
Current Assets	6869	7713	7883	25170
Accts Payable	2322	2692	2734	
Debt Due	323	731	1125	
Other	2591	2590	2423	
Current Liab.	5236	6013	6239	

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11	to '15-'17
of change (per sh)				
Sales	-2.0%	-8.0%	4.0%	
"Cash Flow"	-8.0%	-17.5%	14.5%	
Earnings			NMF	
Dividends	-10.5%	-22.5%	1.5%	
Book Value	1.0%	-4.5%	5.0%	

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	4147	4244	4615	5433	18439
2010	4887	5187	5287	5652	21013
2011	5958	6585	6419	5989	24951
2012	6006	5963	5650	5741	23360
2013	6120	6380	6290	6380	25170

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	d.59	d.32	.07	d.27	d1.06
2010	d.19	.13	.06	.24	.25
2011	.27	.28	.15	d.03	.67
2012	.09	--	.02	.09	.20
2013	.20	.23	.22	.20	.85

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.17	.17	.17	.17	.68
2009	.17	.03	.03	.03	.26
2010	.03	.03	.03	.03	.12
2011	.03	.03	.03	.03	.12
2012	.03	.03	.03		

Alcoa is facing a number of obstacles. Most significant weak aluminum fundamentals, with a glut of new capacity proving detrimental. In fact, inventories at the London Metal Exchange are near record levels. Globally, a major concern is production in China, which has created excess supplies and kept prices under pressure. To that end, the People's Republic declared earlier this year that it would reduce its projected 2012 output. However, for the most part, operating rates have been maintained throughout the industry. To make matters worse, many of the country's aluminum producers are bringing new smelters on line in response to the government's renewed emphasis on infrastructure development. While aluminum prices have rebounded recently in response to quantitative easing and/or accommodative monetary policy around the globe, demand pickup has been minimal. **This appears to be a recipe for weakness.** Our full-year top-line forecast stands at \$23.3 billion, which would represent a 6%-7% decrease from the comparable 2011 figure. The cost of energy (the second-most-significant expense in the production of aluminum) remains relatively high, posing a problem for manufacturing and shipping. Accordingly, we have trimmed our bottom-line outlook for 2012 by \$0.40, to \$0.20. In all likelihood, 2013 will be a bounce-back year for this producer, with sales gaining roughly 8%, and share net advancing threefold to \$0.85. Due to recent share-price weakness and difficult earnings comparisons, these shares carry a Below-Average rank for Timeliness (4).

But, Alcoa stock offers wide price recovery potential, though patience may be required. The company's long-term prospects will largely hinge on aluminum demand from the auto industry, since car manufacturers are under increased pressure to build lighter, more fuel-efficient vehicles. And commercial airlines are in the middle of turning over an aging fleet. Moreover, industrialization of the developing world should make meaningful contributions. Thus, demand for aluminum is apt to improve in the years ahead, given the alloy's high strength-to-weight ratio

Company's Financial Strength B+
Stock's Price Stability 40
Price Growth Persistence 10
Earnings Predictability 10

To subscribe call 1-800-833-0046.