

ALCOA INC
Form 10-Q
April 26, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the Quarterly Period Ended March 31, 2012

OR

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

Commission File Number 1-3610

ALCOA INC.

(Exact name of registrant as specified in its charter)

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PENNSYLVANIA
(State of incorporation)

25-0317820
(I.R.S. Employer

Identification No.)

390 Park Avenue, New York, New York
(Address of principal executive offices)

10022-4608
(Zip code)

Investor Relations 212-836-2674

Office of the Secretary 212-836-2732

(Registrant's telephone number including area code)

(Former name, former address and former fiscal year, if changed since last report)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of April 20, 2012, 1,066,703,047 shares of common stock, par value \$1.00 per share, of the registrant were outstanding.

PART I FINANCIAL INFORMATION**Item 1. Financial Statements.****Alcoa and subsidiaries****Statement of Consolidated Operations (unaudited)****(in millions, except per-share amounts)**

	First quarter ended March 31,	
	2012	2011
Sales (H)	\$ 6,006	\$ 5,958
Cost of goods sold (exclusive of expenses below)	5,098	4,715
Selling, general administrative, and other expenses	241	245
Research and development expenses	43	43
Provision for depreciation, depletion, and amortization	369	361
Restructuring and other charges (C)	10	6
Interest expense	123	111
Other income, net (G)	(16)	(28)
Total costs and expenses	5,868	5,453
Income from continuing operations before income taxes	138	505
Provision for income taxes	39	138
Income from continuing operations	99	367
Loss from discontinued operations		(1)
Net income	99	366
Less: Net income attributable to noncontrolling interests	5	58
NET INCOME ATTRIBUTABLE TO ALCOA	\$ 94	\$ 308
AMOUNTS ATTRIBUTABLE TO ALCOA COMMON SHAREHOLDERS:		
Income from continuing operations	\$ 94	\$ 309
Loss from discontinued operations		(1)
Net income	\$ 94	\$ 308
EARNINGS PER SHARE ATTRIBUTABLE TO ALCOA COMMON SHAREHOLDERS (I):		
Basic:		
Income from continuing operations	\$ 0.09	\$ 0.29
Loss from discontinued operations		
Net income	\$ 0.09	\$ 0.29
Diluted:		
Income from continuing operations	\$ 0.09	\$ 0.27

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Loss from discontinued operations

Net income	\$ 0.09	\$ 0.27
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Dividends paid per common share	\$ 0.03	\$ 0.03
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The accompanying notes are an integral part of the consolidated financial statements.

Alcoa and subsidiaries

Statement of Consolidated Comprehensive Income (unaudited)

(in millions)

	Alcoa		Noncontrolling Interests		Total	
	First quarter ended March 31, 2012	First quarter ended March 31, 2011	First quarter ended March 31, 2012	First quarter ended March 31, 2011	First quarter ended March 31, 2012	First quarter ended March 31, 2011
Net income	\$ 94	\$ 308	\$ 5	\$ 58	\$ 99	\$ 366
Other comprehensive income, net of tax:						
Change in unrecognized net actuarial loss and prior service cost/benefit related to pension and other postretirement benefits	56	37	2	1	58	38
Foreign currency translation adjustments	244	368	65	74	309	442
Unrealized gains on available-for-sale securities:						
Unrealized holding gains	2				2	
Net amount reclassified to earnings						
Net change in unrealized gains on available-for-sale securities	2				2	
Unrecognized losses on derivatives (L):						
Net change from periodic revaluations	(82)	(188)	(2)		(84)	(188)
Net amount reclassified to earnings	1	40			1	40
Net change in unrecognized losses on derivatives	(81)	(148)	(2)		(83)	(148)
Total Other comprehensive income, net of tax	221	257	65	75	286	332
Comprehensive income	\$ 315	\$ 565	\$ 70	\$ 133	\$ 385	\$ 698

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

Alcoa and subsidiaries**Consolidated Balance Sheet (unaudited)**

(in millions)

	March 31, 2012	December 31, 2011
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,749	\$ 1,939
Receivables from customers, less allowances of \$45 in 2012 and \$46 in 2011 (J)	1,526	1,571
Other receivables (J)	587	371
Inventories (D)	3,097	2,899
Prepaid expenses and other current assets	924	933
 Total current assets	 7,883	 7,713
 Properties, plants, and equipment	 38,429	 37,820
Less: accumulated depreciation, depletion, and amortization	18,813	18,404
 Properties, plants, and equipment, net	 19,616	 19,416
 Goodwill	 5,271	 5,251
Investments	1,750	1,626
Deferred income taxes	3,615	3,546
Other noncurrent assets	2,568	2,568
 Total assets	 \$ 40,703	 \$ 40,120
LIABILITIES		
Current liabilities:		
Short-term borrowings (E)	\$ 722	\$ 62
Commercial paper	275	224
Accounts payable, trade	2,734	2,692
Accrued compensation and retirement costs	909	985
Taxes, including income taxes	479	438
Other current liabilities	1,045	1,167
Long-term debt due within one year (E)	128	445
 Total current liabilities	 6,292	 6,013
 Long-term debt, less amount due within one year	 8,618	 8,640
Accrued pension benefits	3,059	3,261
Accrued other postretirement benefits	2,560	2,583
Other noncurrent liabilities and deferred credits	2,548	2,428
 Total liabilities	 23,077	 22,925
CONTINGENCIES AND COMMITMENTS		
EQUITY		
Alcoa shareholders' equity:		
Preferred stock	55	55

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Common stock	1,178	1,178
Additional capital	7,523	7,561
Retained earnings	11,690	11,629
Treasury stock, at cost	(3,898)	(3,952)
Accumulated other comprehensive loss	(2,406)	(2,627)
Total Alcoa shareholders equity	14,142	13,844
Noncontrolling interests	3,484	3,351
Total equity	17,626	