



2011 WARRICK OPERATIONS COMMUNITY ANNUAL REPORT

Dear Community Member,

As the leaders at Alcoa Warrick Operations, we're proud of the work our employees do to sustain our business, protect the environment and support our local community.

Last year, we celebrated 50 consecutive years of production. This special section provides a snapshot of some of our activities and investments in the previous year.

Inside, you'll learn what it means to be an Alcoa employee - a rigorous pursuit of excellence, a focus on consistent improvement and a values-based culture that is truly integrated into everything we do.

We know that our future is linked to the success of this community. We believe that being the best company in the world, means being the best company here at home.

Ed Hemmersbach
Location Manager, Rigid Packaging Division

G. Royce Haws
Location Manager, Primary Metals

Alcoa Warrick Operations: An Integrated Advantage

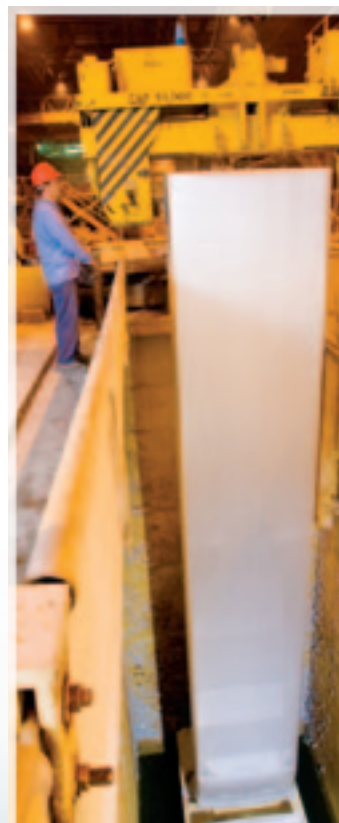
Warrick Operations is one of the world's largest integrated aluminum facilities, providing a competitive advantage in a global marketplace served by more than 1,900 dedicated employees who call themselves Alcoans.

Alcoa Warrick Operations has three distinct components: Energy production at the 791-megawatt Warrick Power Plant, aluminum smelting in the Primary Metals business and the production of large coils of metal in the Rigid Packaging Division.

There are more than 8,300 acres surrounding the plant site and more than 120 acres under roof.

We have the largest, fully operating smelter in the United States, and our own coal reserves provide fuel for the Warrick Power Plant, with new environmental control systems.

This integration - coal reserves, power generation, smelting, casting, rolling and finishing provides Warrick with an integrated advantage.



While aluminum beverage cans are an integral part of our plant's history, we don't actually make cans at Warrick Operations. Rather, our aluminum is sold to customers on giant coils.

Chances are pretty high you've used our metal: The last time you took a drink from a soda can or opened up a variety of aluminum food cans, the metal was likely produced by the men and women at Alcoa Warrick Operations.

Also, the latest glossy magazine or advertisement you read may have been printed with a high quality lithographic printing plate produced from our metal.

All of this is made by your friends and neighbors - people dedicated to operating a world-class business and supporting our community.



ALCOA VISION

To be the best company in the world—in the eyes of our customers, shareholders, communities and people.

We expect and demand the best we have to offer by always keeping Alcoa's values top of mind.

ALCOA VALUES

- Integrity
- Environment, Health & Safety
- Customers
- Excellence
- People
- Profitability
- Accountability

ALCOA SUSTAINABILITY

At Alcoa, sustainability is defined as using our values to build financial success, environmental excellence, and social responsibility in partnership with all stakeholders in order to deliver net long-term benefits to our shareowners, employees, customers, suppliers, and the communities in which we operate.

A History of Innovation

For more than five decades, Alcoa Warrick Operations has been a strong community member, employing thousands of people, innovating with our products and contributing to a vibrant Warrick County.

Last year, the community and our more than 1,900 employees celebrated 50 consecutive years of production at our sprawling facility along the Ohio River, just east of Newburgh.

It all started on May 31, 1960, when electricity surged for the first time into one of our smelting pots, beginning a successful story that continues today. Warrick Operations is one of the largest aluminum facilities in the world - with coal reserves, power generation, smelting, casting, rolling and fabricating all at one location.



Several people attending the 50th Anniversary Family Day celebration took the opportunity to leave their mark on the historical event by signing a special, commemorative banner draped over an ingot.



Some of Alcoa's earliest coils are packaged and prepped for shipment to customers. The first coils of container sheet left the plant in November of 1964.



On June 10, 1960 the first crucible of molten aluminum was poured into a 700 pound pig mold.

When Alcoa announced that it would build the power plant and the aluminum smelter, it was welcome relief for a regional economy that had suffered difficult times. More than 20,000 jobs were lost in the 1950s with the closings of Servel and the Chrysler Corp. So April 17, 1956, the date Alcoa announced its decision to build in Warrick County, was a significant one.

Warrick Operations provides a strong example of our corporation's history of innovation. Our plant was built because of a strategic decision to make aluminum the defacto standard for beverage cans. The employees who have worked at Warrick Operations made that happen.

Today, we continue to innovate - producing metal for aluminum bottles developed through an Alcoa-patented process. And while most of our metal is used for food and beverage cans, Warrick has entered a new market - we are the only North American supplier of high-quality metal used to create lithographic printing plates.

Alcoa's corporate history is one that employees continually celebrate - in fact, Alcoa's founder, Charles Martin Hall, invented the process that we use today to smelt aluminum - something once considered impossible to do on a commercial scale. Warrick Operations has five potlines with about 1.6 million pounds of molten metal produced each day.

Safety Performance

It is Alcoa's policy to operate in a safe, responsible manner that respects the environment and health of our employees, our customers, and the communities where we operate.

At Alcoa Warrick Operations, we work safely in a manner that protects and promotes the health and well-being of the individual and the environment. We do not compromise our environmental, health or safety values for profit or production.

Alcoa is a recognized leader in the prevention of injuries. While our recordable injury rate at Warrick Operations is significantly better than our industry's average, we are not satisfied by merely being better than most. Our goal is zero injuries. To do this, we utilize numerous proactive safety tools, such as pre-job safety reviews.

There is a positive correlation between our declining Recordable Injury Rate and the number of pre-job reviews and other comprehensive risk-notification systems in place at our facility.



Warrick Plant Protection and Fire Brigade Chief Harold Grossman demonstrates to a young child some of the protective gear members of Warrick's Volunteer Fire Brigade wear.

A Strong Regional Employer

With more than 1,900 employees across our expansive site, Warrick Operations remains a strong regional employer.

A recent study from the University of Southern Indiana's Center for Applied Research says the employment levels at Alcoa Warrick Operations help generate the equivalent of about 4,000 additional jobs in Evansville's metro area. Also, the study said Warrick Operations generates

about \$1.06 million a day in labor income to workers in this area.

This year, Alcoa Warrick Operations has resumed hiring for vacant positions. Alcoa offers a wide breadth of career options, everything from production to professional careers.

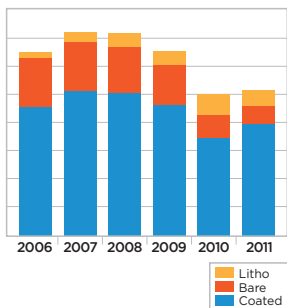
Employment opportunities can be viewed by visiting www.alcoa.com/careers. For open positions at Warrick Operations, search IN-Warrick through the online application site.



WHERE OUR EMPLOYEES LIVE:

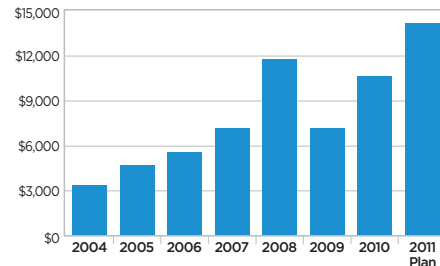
Warrick 38%
 Vanderburgh 24%
 Daviess (Ky.) 18%
 Spencer 9%
 Henderson (Ky.) 3%
 Other 8%

Production: Rigid Packaging



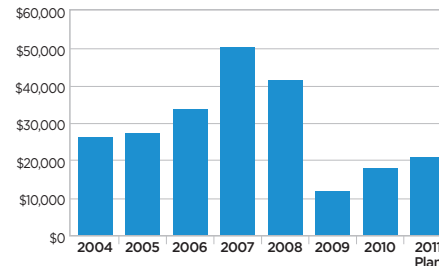
Primary Metals: Capital Investments

Amounts shown in thousands



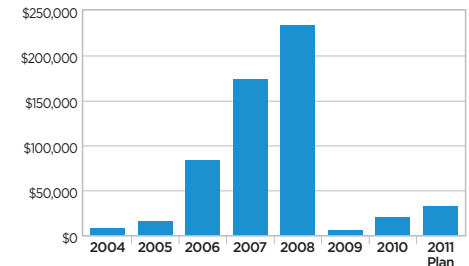
Rigid Packaging: Capital Investments

Amounts shown in thousands



Power Plant: Capital Investments

Amounts shown in thousands



Alcoa Wins Indiana Environmental Award

The state of Indiana last year presented Warrick Operations with the Indiana Governor's Award for five consecutive years of environmental improvement.



Last fall, Warrick Operations was one of five Indiana companies recognized with the Governor's Award for Environmental Excellence. Pictured are: Denny Wene, Alcoa Senior Staff Environmental Engineer; Jim Beck, Alcoa Warrick Operations Public Affairs Manager; Thomas Easterly, IDEM Commissioner; Rick Bossingham, IDEM Asst. Commissioner.

"By seeking out and utilizing innovative environmental practices, Alcoa has reduced waste, saved money and contributed greatly to Indiana's environmental protection efforts, benefiting the health and welfare of the state's communities," said IDEM Commissioner Thomas Easterly.

In 2000, Alcoa established sustainability goals, which included targets for large-scale reductions of wastewater, landfill use, and air pollutants. At Warrick Operations, strategic plans were implemented that included the introduction of a formalized environmental management system. Warrick Operations was ISO 14001 certified in 2004.

In receiving the award, the state mentioned a variety of improvements at Warrick Operations, including Alcoa's reduction of sulfur dioxide through the installation of wet flue gas desulphurization equipment at the Warrick Power Plant.

Household Hazardous Waste Day Provides Green Alternative

Alcoa Warrick Operations, in conjunction with Warrick County Solid Waste Management, hosts two Household Hazardous and Electronics Recycling days each year - one in the spring and fall.

The events, which occur on our plant-site, provide Warrick County residents and Alcoa employees the opportunity to recycle electronic and household waste such as paint, medicines, and cleaning products.



Thousands of gallons of various chemicals and paints are dropped off at the event. The majority of the material is recycled for reuse.

Typically, more than 800 people arrive for the event, and the first 250-450 vehicles are given a "green" gift such as saplings, Alcoa recycling bins, or most recently, aluminum water bottles.

An Environmental Investment for the Long Term

An investment of more than \$500 million at Alcoa's Warrick Power Plant is continuing to provide significant results for the regional environment.

In 2008, Alcoa completed the largest capital project in North America with the installation of wet flue gas desulphurization. More simply known as "scrubbers," this technology uses limestone rock, which is pulverized and mixed with water, to remove sulfur dioxide from the power plant's exhaust.

The scrubbers were completed in December of 2008, and the facility has now enjoyed two full years of their operation. They've helped Warrick Operations realize a

significant improvement in its environmental performance, reducing sulfur dioxide emissions by 95 percent. Also, the emissions of hydrochloric acid and hydrofluoric acid have been almost entirely eliminated.

The scrubber investment was the largest by Alcoa in North America at the time. In addition to the significant environmental improvements, which went above and beyond regulations, the new technology provides for the expanded use of Illinois Basin Coal. Traditionally higher in sulfur content, Warrick Operations can now utilize coal mined in this region, rather than importing coal from western states, saving energy, conserving costs and supporting jobs right here in the Tri-State.

Environmental Expedition: Employee Helps in Kenya

Randy Hamilton was one of 15 Alcoa employees from across the globe selected to serve as an Earthwatch Fellow, a program that sent him to a village in Mombasa, Kenya to assist with mangrove trees.



*Ingot Casting
Crew Leader
Randy Hamilton*

This annual sustainability program had representatives from Alcoa's global businesses in China, Russia, Australia, Iceland, USA and Brazil. They served in various areas around the globe.

"It was one of the greatest experiences of my life, and I encourage everyone who can, to volunteer. If not halfway around the world, then in your community," Hamilton said.



Hamilton and other members of the Earthwatch Expedition deployed to the Gazi Village in Kenya, were tasked with collecting data on and preserving Mangrove Trees – the area's primary resource.

Part of the Earthwatch team's objective was to ensure the preservation of the mangrove trees as well as plant new ones to continue the function and livelihood of the people living in the village. The team also analyzed the ecosystem surrounding the trees and counted daily two varieties of snails and crabs.

"I was most impressed with the teamwork and the general overall attitude to help the environment and the people there," Hamilton noted. "The joy on these people's faces made the experience that much more special."

Alcoans Helping our Community

Employees from Alcoa have the opportunity to help local non-profits through the Bravo and ACTION Grant programs.

The Bravo program recognizes the impact individual Alcoa employees make in their communities by matching their volunteer time with an annual grant. Employees who volunteer a minimum of 50 hours in a calendar year with an eligible non-profit/NGO may apply for one \$250 grant per year. Our employees have the

highest level of participation in this program across the Alcoa global system.

ACTION (Alcoans Coming Together In Our Neighborhoods) encourages a team of Alcoa employees to work together on a community service project. Grants are available of either \$1,500 or \$3,000, depending on the number of participating Alcoa employees. Last year, scores of ACTION grants were awarded to local organizations and even more events are planned this year.



Alcoa volunteers worked during this year's Annual WNIN Action Auction. Pictured here are (left to right): Evan Kovarik, Matt Carpenter, Tamera Shively, Kay Ness, and Steve Ness.



Alcoa volunteers worked together to build 10 picnic tables and benches for Boonville High School during Month of Service last fall. Pictured here are (left to right): Russ Winck, Joe Collins, Bob Martin, Ted Creech, Tim Plassmeier, Bill Spry, Cletus Esarey, Terry Briscoe, Ed Wynn, Jason Curry, and Jeff France.



Employee Lisa Alexander demonstrates to Warrick County 6th Graders how recycling creates a closed-loop system that helps protect the Earth.

Academic Research Measures Alcoa's Economic Impact

An academic study determined that the benefit of Alcoa Warrick Operations is so significant that it equates to 5 percent of all economic activity in the Evansville Metropolitan Area.

The study was prepared in the summer of 2010 under the auspices of the University of Southern Indiana's Center for Applied Research. Dr. Gale Blaylock, a professor of economics at the University of Evansville, and Dr. Perry Burnett, an assistant professor of economics at the University of Southern Indiana, worked together on the study.

They reviewed payrolls, purchases from Alcoa's suppliers and other relevant data for their economic impact study.

The researchers concluded that Alcoa Warrick Operations has an average output value of \$6.63 million each day on the Evansville, IN-KY Metropolitan Statistical Area (MSA). This considers both the direct, indirect and induced effects.

Their study concluded that the output value from Warrick Operations is larger than the Evansville MSA's leisure and hospitality industry, the finance and insurance industry and the transportation and warehousing industry.

"The economic activity associated with Alcoa Warrick Operations generates about \$1.06 million a day in labor income to local workers in the Evansville Metropolitan Area," the study's authors wrote.



UNIVERSITY
OF
EVANSVILLE

Alcoa Wins Recognition from Customer

Fujifilm Manufacturing USA has awarded Alcoa Warrick Operations with its 2010 Aluminum Supplier Quality Award.

While Fujifilm's plant in Greenwood, S.C. has other global suppliers, it selected Alcoa for this annual award based on the superior quality, delivery performance, partnership and overall customer service that employees at Warrick Operations provided in 2010. Fujifilm uses Alcoa's aluminum to produce superior quality pre-sensitized printing plates.

David Hine, Senior Engineer at Fujifilm's Greenwood facility, said the annual award is only given after careful consideration of the performance of all of its suppliers.

"In sum, it's the total quality of the aluminum coils and performance by Alcoa over the course of the entire year," he said.



Earlier this year, Warrick Operations received Fuji's Aluminum Quality Supplier Award from the company's Greenwood, S.C. plant.

Alcoa: A Good Neighbor

Earlier this year, the Town Council of Newburgh presented the Alcoa Foundation with its Good Neighbor Award, the highest annual honor the town presents.

The award is presented to an individual, business, corporation or group that has made significant contributions for the good of the entire community. The town selected the Alcoa Foundation for its support of the Rivertown Trail. This is the first time since 1991 that Alcoa has won this award from Newburgh.

"The partnership between the town and Alcoa Warrick Operations has proven successful and sustainable for many, many years," Town Council President Bill Kavanaugh said. "The town of Newburgh is very pleased and grateful for the financial and community support the Alcoa Foundation and Alcoa Warrick Operations has and continues to provide for our community."

The Rivertown Trail provides an important quality of life improvement for those who live and work in Newburgh. The Alcoa Foundation invested a total of \$40,000 for this project, which links the Old Lock and Dam to the Newburgh Lock and Dam and Indiana Hill Overlook Park.



Warrick environmental employee Chris Allen helps encourage recycling at a community event.



Alcoa volunteers constructed a large recycle bin from food cans, similar to the recycling bins provided to community groups. The food cans were later donated to the Tri-State Food Bank.

Our Miracle Metal: Infinitely Recyclable

At Alcoa Warrick Operations, we're actively working to spread the good news about aluminum recycling.

We sponsor organizations that encourage greater aluminum can recycling. We've created grants that help communities recycle more. And we've sponsored recycling contests, including a recent one between our local universities.

Importantly, we also help educate tomorrow's leaders, our young people, about the tremendous benefits of aluminum recycling.

The aluminum can is infinitely recyclable – that means it can be used, recycled, and turned back into a new can endlessly. In fact, it can be recycled and be back on the store shelf as a new beverage can in less than 60 days. And that's great for the environment because it takes 95% less energy to make a can from recycled aluminum than from raw materials.

Alcoa Warrick Operations is working to help our corporation reach one of our sustainability goals – to boost the recycling rate of used beverage cans in the



Participants for the annual Susan G. Komen Race for the Cure receive canned water from Alcoa employees. Also, Alcoa donated recycling bins during the event.

United States. While aluminum is the most recycled consumer material in the U.S., we still lag behind other countries. So we're working to increase that rate to 75 percent by 2015.

Every year, Alcoa sponsors the "Cans for Cash Challenge." The organizations that have the most aluminum recycled in their name win a special grant from Warrick Operations. The winners are announced on Nov. 15, America Recycles Day.

Alcoa Helps Our Community "Make an Impact"

The Alcoa Foundation and the Pew Center on Global Climate Change have partnered on Make an Impact - a unique, community-focused project aimed at raising awareness and mobilizing action on climate change in Alcoa communities.

Make an Impact provides the tools and resources for Alcoa employees, their families and local community members to measure and manage their individual carbon footprints. The program features a web-based, carbon-reduction calculator.

Three Warrick County Middle Schools – Castle North, Castle South and Boonville – shared this information with the community through the support of Alcoa. Together, the Warrick County



Alcoa sponsored the annual Evansville Earth Event (E3) at Mesker Park Zoo in April to help educate people on recycling aluminum and becoming more energy efficient.

schools had 1,683 people complete the calculator. All three schools received cash awards from Alcoa for their participation in a challenge with 12 other schools across the country.

Additionally, Alcoa Warrick Operations recently sponsored the 2nd Annual Evansville Earth Event (E3) at Mesker Park Zoo & Botanic Garden. Hundreds of people visited Alcoa's booth and signed a pledge to "Make an Impact" by reducing their carbon footprints.

Learn how you can reduce your carbon footprint by visiting www.alcoa.com/makeanimpact

Every year, Alcoa Warrick Operations invests hundreds of thousands into the local community through charitable giving, both from Warrick Operations and the Alcoa Foundation. In 2010, the Alcoa Foundation awarded \$300,000 in grants to non-profit organizations to focus on projects that were in alignment with the Foundation's strategic focus areas.

New Grant Awards through the Alcoa Foundation in 2010

Ivy Tech Community College
The Academic Skills Advancement Scholarship Program
 2010: \$15,000
 Total 4-year grant: \$27,000

University of Evansville
Tri-State Professional Network for Women in Engineering and Computer Science
 2010: \$10,500
 Total 2-year grant: \$21,000

University of Southern Indiana Foundation
Alcoa Project Lead the Way Scholarship Program
 2010: \$8,500
 Total 4-year grant: \$34,000

University of Southern Indiana Foundation
Go STEM! Girls-only Science, Technology, Engineering and Mathematics Program
 2010: \$20,000
 Total 2-year grant: \$40,000

Warrick County School Corp.
Mathematics Instruction Enhancement Program
 Total 1-year grant: \$20,000

EVSC Foundation
Region 11 Project Lead the Way Engineering Program
 2010: \$8,000
 Total 2-year grant: \$16,000

Junior Achievement
Financial Literacy / Work Readiness / Entrepreneurship
 2010: \$7,500
 Total 2-year grant: \$15,000

Youth Resources of Southwestern Indiana
Make a Difference Grants / Teen Advisory Council - Warrick County
 2010: 15,000
 Total 2-year grant: \$22,000

Girl Scouts of Southwestern IN
Forever Green: Our journey to Eco-Action
 2010: \$20,000
 Total 3-year grant: \$53,500

Ronald McDonald House Charities of the Ohio Valley
Student Recycling Initiative - "Cans for Kids"
 2010: \$13,000
 Total 2-year grant: \$26,000

GEM Ministries: Studio B
Bee Healthy Boot Camp
 2010: \$7,500
 Total 2-year grant: \$15,000

Four Rivers Resource Conservation & Development
Eagle Slough Observation Deck
 Total 1-year grant: \$18,000

Town of Newburgh
Rivertown Trail, Phase II
 2010: \$20,000
 Total 2-year grant: \$40,000

Wesselman Nature Society
Conservation Center's Raptor Exhibit and Educational Program
 2010: \$22,000
 Total 4-year grant: \$88,000

Keep Evansville Beautiful
21st Century Communication Project
 Total 1-year grant: \$15,000

Continuing Multi-year Grants in 2010

Children's Museum of Evansville
Quack Factory's Waterworks Exhibit
 2010: \$20,000
 Total 5-year grant: \$150,000

University of Evansville
LEED Certification and Scholarship Support
 2010: \$28,500
 Total 5-year grant: \$142,500

Boys and Girls Club
New Location Programming
 2010: 15,000
 Total on 3-year grant: \$50,000

Evansville ARC
Recycling Program
 2010: \$10,000
 Total 3-year grant: \$45,000

Carver Community Center
After-School Tutoring
 2010: \$12,500
 Total 3-year grant: \$40,000



Alcoa Volunteers - Our Values in Action

Alcoa Warrick Operations helped make our local communities better during Worldwide Month of Service in October.

While our employees volunteer year-round, the Worldwide Month of Service is an opportunity to come together and collectively demonstrate Alcoa's community value.

We were involved in a variety of building, painting and landscaping projects and also spent time talking about recycling in the Warrick school system. We assisted the homeless, served food for children at after-school programs, cleared nature trails, and helped the disabled.

We Appreciate Your Feedback!

If you have questions or comments regarding any information presented in this Community Annual Report, or if you would like to let us know how you think we're doing at living our values, please contact our Public Affairs Department by email at:

WarrickFeedback@Alcoa.com



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