ALCOA INC
Form 424B5
January 23, 2007
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**Filed Pursuant to Rule 424(b)(5)**
**Registration Nos. 333-74874**
**333-74874-01**

**Prospectus Supplement**

(To Prospectus dated December 14, 2001)

# Alcoa Inc.

## $750,000,000 5.55% Notes due 2017

## $625,000,000 5.90% Notes due 2027

## $625,000,000 5.95% Notes due 2037

The 2017 notes will mature on February 1, 2017, the 2027 notes will mature on February 1, 2027, and the 2037 notes will mature on February 1, 2037. We refer collectively to the 2017 notes, the 2027 notes and the 2037 notes as the notes. Interest on the notes will accrue from January 25, 2007. Interest on the notes is payable February 1 and August 1 of each year, commencing August 1, 2007.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

| | Price to Public(1) | Underwriting Discounts | Proceeds to Alcoa |
|---|---|---|---|

| | | | |
|---|---|---|---|
| Per 2017 note | 99.748% | 0.450% | 99.298% |
| Total | $ 748,110,000 | $ 3,375,000 | $ 744,735,000 |
| Per 2027 note | 99.685% | 0.875% | 98.810% |
| Total | $ 623,031,250 | $ 5,468,750 | $ 617,562,500 |
| Per 2037 note | 99.624% | 0.875% | 98.749% |
| Total | $ 622,650,000 | $ 5,468,750 | $ 617,181,250 |

(1) Plus accrued interest, if any, from January 25, 2007.

The notes will not be listed on any securities exchange. Currently, there is no public market for the notes.

The notes will be ready for delivery in book-entry form only through The Depository Trust Company and its participants including Clearstream and the Euroclear system, on or about January 25, 2007.

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*Joint Book-Running Managers*

**Citigroup** **Credit Suisse** **Deutsche Bank Securities** **JPMorgan**

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*Senior Co-Managers*

**Barclays Capital** **Morgan Stanley**

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*Co-Managers*

**ANZ Securities, Inc.** **Banc of America Securities LLC** **BNP PARIBAS** **HSBC**
**Lehman Brothers** **Mellon Financial Markets, LLC** **Mitsubishi UFJ Securities**

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*Managers*

**Banca Imi** **BBVA Securities** **NAB Capital** **RBC Capital Markets**

January 22, 2007

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**You should rely only on the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with different information. We are not making an offer to sell the notes in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in this prospectus supplement, the accompanying prospectus or the documents incorporated by reference is accurate as of any date other than their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.**

Offers and sales of the notes are subject to restrictions which are discussed in Underwriting below. The distribution of this prospectus supplement and the accompanying prospectus and the offering of the notes in certain other jurisdictions may also be restricted by law.

In this prospectus supplement and the accompanying prospectus, references to Alcoa, the company, we, us and our are to Alcoa Inc. and its consolidated subsidiaries, and references to dollars and $ are to United States dollars, unless otherwise noted.

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## WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (the SEC ). Our SEC filings are available to the public from the SEC s web site at *http://www.sec.gov*. You may also read and copy any document we file with the SEC at the SEC s public reference room in Washington, D.C. located at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our common stock is listed and traded on the New York Stock Exchange (the NYSE ). You may also inspect the information we file with the SEC at the NYSE s offices at 20 Broad Street, New York, New York 10005. Information about us is also available at our Internet site at *http://www.alcoa.com*. However, the information on our Internet site is not a part of this prospectus supplement or the accompanying prospectus.

The SEC allows us to incorporate by reference in this prospectus supplement and the accompanying prospectus the information in the documents that we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus supplement and the accompanying prospectus, and information in documents that we file later with the SEC will automatically update and supersede information contained in documents filed earlier with the SEC or contained in this prospectus supplement and the accompanying prospectus. We incorporate by reference in this prospectus supplement and the accompanying prospectus the documents listed below and any future filings that we may make with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934, as amended, until we sell all of the securities that may be offered by this prospectus supplement:

Annual Report on Form 10-K for the year ended December 31, 2005;

Quarterly Reports on Form 10-Q for the quarters ended March 31, 2006, June 30, 2006 and September 30, 2006; and

Current Reports on Form 8-K filed January 19, 2006, April 28, 2006, May 12, 2006, September 20, 2006, November 15, 2006, November 16, 2006, and November 22, 2006, and each of the two Current Reports on Form 8-K filed on January 19, 2007.

We are not incorporating, in each case, any documents or information deemed to have been furnished and not filed in accordance with SEC rules.

You may obtain a copy of any or all of the documents referred to above which have been or will be incorporated by reference into this prospectus supplement and the accompanying prospectus (excluding certain exhibits to the documents) at no cost to you by writing or telephoning us at the following address:

Alcoa Inc.

390 Park Avenue

New York, New York 10022-4608

Attention: Investor Relations

Telephone: (212) 836-2674

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## FORWARD-LOOKING STATEMENTS

This prospectus supplement and the accompanying prospectus contain or incorporate by reference forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements can be identified by the use of predictive, future-tense or forward-looking terminology, such as anticipates, believes, estimates, expects, forecasts, intends, may, projects, should, will or other similar words. All statements that reflect Alcoa s expectations, assumptions or projections abou future other than statements of historical fact are forward-looking statements, including, without limitation, forecasts concerning aluminum industry growth or other trend projections, anticipated financial results or operating performance, and statements regarding Alcoa s strategies, objectives, goals, targets, outlook, and business and financial prospects. Forward-looking statements are subject to risks, contingencies and uncertainties and are not guarantees of future performance. Actual results, performance or outcomes may differ materially from those expressed in or implied by those forward-looking statements. Alcoa disclaims any intention or obligation (other than as required by law) to update or revise any forward-looking statements.

The following are some of the important factors that could cause Alcoa s actual results to differ materially from those projected in any forward-looking statements:

- Changes in economic conditions generally, especially an economic downturn in the key markets served by Alcoa;
- Changes in the global supply and demand conditions for aluminum, alumina and aluminum products;
- Fluctuations in commodity prices, especially the price of aluminum on the London Metal Exchange;
- Availability of power for Alcoa s operations and changes in energy prices, especially electricity and natural gas;
- Changes in raw materials costs and availability;
- Political, economic and regulatory risks in the countries in which Alcoa operates or sells products, including fluctuations in foreign currency exchange rates and interest rates;
- Changes in laws and regulations, particularly those affecting environmental, health or safety compliance;
- Outcomes of significant legal proceedings or investigations;
- Factors affecting Alcoa s operations such as equipment outages, labor disputes, supply disruptions or other unexpected events;
- Changes in relationships with, or in the financial or business condition of, customers and suppliers; and
- Changes in competitive conditions, including actions by competitors and developments in technology and products.

The above list of factors is not exhaustive or necessarily in order of importance. Additional information concerning factors that could cause actual results to differ materially from those in forward-looking statements include those discussed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2005, and in our other periodic reports referred to in Where You Can Find More Information above.

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**ALCOA INC.**

Formed in 1888, Alcoa is a Pennsylvania corporation with its principal office at 390 Park Avenue, New York, New York 10022-4608 (telephone number (212) 836-2600).

Alcoa is the world s leading producer of primary aluminum, fabricated aluminum and alumina, and is active in all major aspects of the industry: technology, mining, refining, smelting, fabricating and recycling. Aluminum is a commodity that is traded on the London Metal Exchange and priced daily based on market supply and demand. Aluminum and alumina represent approximately three-fourths of the company s revenues, and the price of aluminum influences the operating results of the company. Nonaluminum products include precision castings, industrial fasteners, consumer products, food service and flexible packaging products, plastic closures and electrical distribution systems for cars and trucks.

Alcoa is a global company operating in over 40 countries. Alcoa s products are used worldwide in aircraft, automobiles, commercial transportation, packaging, consumer products, building and construction, and industrial applications. Alcoa s consumer brands include, among others, Reynolds Wrap® foils and plastic wraps, Alcoa® wheels, and Baco® household wraps.

**Recent Developments**

On January 19, 2007, we announced that our board of directors has authorized:

- the repurchase of up to 10% of our outstanding common stock, or approximately 87 million shares;
- a more than 13% increase in the dividend on our common stock from $0.60 per share to $0.68 per share annually; and
- steps to manage our debt maturity schedule and modify and strengthen our capital structure, including extending maturities.

Following the announcement:

- Moody s Investors Service Inc. ( Moody s ) affirmed our A2 senior unsecured long-term debt rating. In December 2006, Moody s had affirmed our Prime-1 short-term debt rating and revised the ratings outlook to negative from stable; and
- Standard & Poor s Ratings Services lowered our senior unsecured long-term debt rating from A- to BBB+, affirmed our A-2 short-term debt rating, and revised the ratings outlook to stable.

Other rating agencies may take negative actions with respect to our ratings based on the facts that resulted in the actions described above. A security rating is not a recommendation to buy, sell or hold securities and is subject to revision or withdrawal by the assigning rating organization. Each rating should be evaluated independently of any other rating.

On January 9, 2007, we announced our financial results for the fourth quarter and year ended December 31, 2006. The following table sets forth selected unaudited financial data for the indicated periods.

| | Quarter Ended December 31, 2006 | Year Ended December 31, 2006 |
|---|---|---|
| ($ in millions) | (unaudited) | (unaudited) |
| **Income Statement:** | | |
| Sales | $ 7,840 | $ 30,379 |
| Income from continuing operations before taxes on income | 355 | 3,432 |
| Income from continuing operations | 258 | 2,161 |
| Net income | 359 | 2,248 |
| Restructuring and other charges | 554 | 543 |
| **Balance Sheet:** | | |
| Cash and cash equivalents | $ 506 | $ 506 |
| Total assets | 37,174 | 37,174 |
| Total debt | 7,235 | 7,235 |
| Total shareholders equity | 14,631 | 14,631 |

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## RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth the ratio of Alcoa s earnings to fixed charges for the periods indicated:

| Nine Months Ended September 30, | Year Ended December 31, | | | | |
|---|---|---|---|---|---|
| 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
| 8.0x | 5.4x | 7.1x | 5.2x | 3.2x | 4.5x |

The ratios include all earnings from continuing operations and fixed charges of Alcoa and its majority-owned subsidiaries. Earnings have been calculated by adding to net income the provision for taxes on income, amortization of capitalized interest, interest expense and an amount representative of the interest factor in rentals, and the distributed income of less than 50% owned entities, and have been decreased by the undistributed earnings of entities less than 50% owned, preferred stock dividend requirements of majority owned subsidiaries and the minority interest share in the losses of majority owned subsidiaries without fixed charges of Alcoa. Fixed charges consist of total interest expense, amortization of debt expense, an amount representative of the interest factor in rentals, capitalized interest and preferred stock dividend requirements of majority owned subsidiaries.

## USE OF PROCEEDS

The net proceeds from the sale of the notes are estimated to be approximately $1,978,658,750, after deducting underwriting discounts and our estimated offering expenses. We intend to use the net proceeds from the sale of the notes to reduce the amount of our outstanding commercial paper, to pay the purchase price of any or all of our outstanding 4.25% Notes due August 2007 that are validly tendered and accepted and not validly withdrawn pursuant to our offer to purchase such 4.25% Notes due August 2007 for cash as announced on January 19, 2007, and for general corporate purposes, which may include capital expenditures and working capital requirements. As of December 31, 2006, our commercial paper had a weighted average interest rate of approximately 5.34% and a weighted average maturity of approximately 19 days. The 4.25% Notes due August 2007 are outstanding in an aggregate principal amount of $792,045,000, bear interest at a rate of 4.25% per annum, and mature on August 15, 2007. Pending any specific application, we may initially invest the net proceeds from the sale of the notes in short-term marketable securities. Following reduction of the outstanding commercial paper balance, we expect to incur additional indebtedness from time to time under our commercial paper program or otherwise in the ordinary course of business.

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## DESCRIPTION OF THE NOTES

*The following description of the particular terms of the notes offered by this prospectus supplement supplements, and to the extent inconsistent therewith replaces, the description of the general terms and provisions of the senior debt securities set forth under the caption Description of Senior Debt Securities in the accompanying prospectus. Terms used in this prospectus supplement that are otherwise not defined have the meanings given to them in the accompanying prospectus.*

### General

The 2017 notes will be issued in an initial aggregate principal amount of $750,000,000, will bear interest from January 25, 2007 at the rate of interest stated on the cover page of this prospectus supplement, will mature, at par, on February 1, 2017, and will be offered and sold in multiples of U.S. $1,000.

Interest on the 2017 notes will be payable semi-annually on February 1 and August 1, commencing August 1, 2007, to the persons in whose names the notes are registered at the close of business on the January 15 or July 15, as the case may be, next preceding such interest payment date.

The 2027 notes will be issued in an initial aggregate principal amount of $625,000,000, will bear interest from January 25, 2007 at the rate of interest stated on the cover page of this prospectus supplement, will mature, at par, on February 1, 2027 and will be offered and sold in multiples of U.S. $1,000.

Interest on the 2027 notes will be payable semi-annually on February 1 and August 1, commencing August 1, 2007, to the persons in whose names the notes are registered at the close of business on the January 15 or July 15, as the case may be, next preceding such interest payment date.

The 2037 notes will be issued in an initial aggregate principal amount of $625,000,000, will bear interest from January 25, 2007 at the rate of interest stated on the cover page of this prospectus supplement, will mature, at par, on February 1, 2037 and will be offered and sold in multiples of U.S. $1,000.

Interest on the 2037 notes will be payable semi-annually on February 1 and August 1, commencing August 1, 2007, to the persons in whose names the notes are registered at the close of business on the January 15 or July 15, as the case may be, next preceding such interest payment date.

Interest on the notes will be paid on the basis of a 360-day year consisting of twelve 30-day months.

The notes will be issued under the indenture dated as of September 30, 1993, between Alcoa and The Bank of New York Trust Company, N.A., as successor to J.P. Morgan Trust Company, National Association (formerly known as Chase Manhattan Trust Company, N.A.), as supplemented by a first supplemental indenture to be entered into between Alcoa and the trustee (together, the indenture ). The indenture is filed as an exhibit to the Registration Statement of which the accompanying prospectus is a part. (See Exhibit (4)(a) to our Registration Statement on Form S-3 (No. 333-74874) filed with the SEC on December 10, 2001). We will file the first supplemental indenture by means of a Current Report on Form 8-K. You may also obtain a copy of the indenture from us without charge. References in this prospectus supplement and the accompanying prospectus to the trustee for the senior debt securities mean The Bank of New York Trust Company, N.A.

The notes are not subject to the provisions of any optional or mandatory sinking fund. The notes are not convertible or exchangeable into any other security of Alcoa. The indenture sets forth the conditions under which Alcoa may enter into a merger or consolidation, or convey, transfer or lease all or substantially all of its assets or properties (see Description of Senior Debt Securities Consolidation, Merger and Sale of Assets in the accompanying prospectus). Except as described below under Change of Control Repurchase Event, the covenants contained in the indenture and the notes will not afford holders protection in the event of a sudden decline in credit rating that may result from a recapitalization, restructuring or other highly leveraged transaction.

As used in this prospectus supplement, business day means any day, other than a Saturday or Sunday, that is not a day on which banking institutions are authorized or obligated by law or executive order to close in The City of New York.

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**Optional Redemption**

The notes will be redeemable, as a whole or in part, at our option, at any time or from time to time, on at least 30 days, but not more than 60 days, prior notice to holders of the notes given in accordance with Notices below, at a redemption price equal to the greater of:

- 100% of the principal amount of the notes to be redeemed, plus accrued interest, if any, to the redemption date; or
- the sum of the present values of the Remaining Scheduled Payments, as defined below, discounted, on a semiannual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate, as defined below, plus 12.5 basis points in the case of the 2017 notes, 15 basis points in the case of the 2027 notes, and 20 basis points in the case of the 2037 notes, plus, in each case, accrued interest to the date of redemption which has not been paid.

Treasury Rate means, with respect to any redemption date for the notes:

- the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated H.15(519) or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption Treasury Constant Maturities, for the maturity corresponding to the Comparable Treasury Issue; provided that if no maturity is within three months before or after the maturity date for the notes, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue will be determined and the Treasury Rate will be interpolated or extrapolated from those yields on a straight line basis rounding to the nearest month; or
- if that release, or any successor release, is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for that redemption date.

The Treasury Rate will be calculated on the third business day preceding the redemption date.

Comparable Treasury Issue means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such notes.

Comparable Treasury Price means, with respect to any redemption date for the notes:

- the average of four Reference Treasury Dealer Quotations for that redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations; or

if the trustee obtains fewer than four Reference Treasury Dealer Quotations, the average of all quotations obtained by the trustee.

Independent Investment Banker means one of the Reference Treasury Dealers, to be appointed by Alcoa.

Reference Treasury Dealer means each of Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., and J.P. Morgan Securities Inc., and their respective successors; provided, however, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer, which we refer to as a Primary Treasury Dealer, Alcoa will substitute therefor another nationally recognized investment banking firm that is a Primary Treasury Dealer.

Reference Treasury Dealer Quotations means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the trustee, of the bid and asked prices for the Comparable

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Treasury Issue, expressed in each case as a percentage of its principal amount, quoted in writing to the trustee by such Reference Treasury Dealer at 3:30 p.m., New York City time, on the third business day preceding such redemption date.

Remaining Scheduled Payments means, with respect to each note to be redeemed, the remaining scheduled payments of the principal thereof and interest thereon that would be due after the related redemption date but for such redemption; provided, however, that, if such redemption date is not an interest payment date with respect to such note, the amount of the next succeeding scheduled interest payment thereon will be deemed to be reduced by the amount of interest accrued thereon to such redemption date.

On and after the redemption date, interest will cease to accrue on the notes or any portion thereof called for redemption, unless Alcoa defaults in the payment of the redemption price and accrued interest. On or before the redemption date, Alcoa will deposit with a paying agent, or the trustee, money sufficient to pay the redemption price of and accrued interest on the notes to be redeemed on such date. If less than all of the notes are to be redeemed, the notes to be redeemed shall be selected by the trustee by such method as the trustee shall deem fair and appropriate.

**Change of Control Repurchase Event**

If a change of control repurchase event occurs, unless we have exercised our right to redeem the notes as described above, we will be required to make an offer to each holder of notes to repurchase all or any part (in integral multiples of $1,000) of that holder s notes at a repurchase price in cash equal to 101% of the aggregate principal amount of notes repurchased plus any accrued and unpaid interest on the notes repurchased to, but not including, the date of repurchase. Within 30 days following any change of control repurchase event or, at our option, prior to any change of control, but after the public announcement of the change of control, we will mail a notice to each holder, with a copy to the trustee, describing the transaction or transactions that constitute or may constitute the change of control repurchase event and offering to repurchase notes on the payment date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed. The notice shall, if mailed prior to the date of consummation of the change of control, state that the offer to purchase is conditioned on a change of control repurchase event occurring on or prior to the payment date specified in the notice. We will comply with the requirements of Rule 14e-1 under the Exchange Act, and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the notes as a result of a change of control repurchase event. To the extent that the provisions of any securities laws or regulations conflict with the change of control repurchase event provisions of the notes, we will comply with the applicable securities laws and regulations and will not be deemed to have breached our obligations under the change of control repurchase event provisions of the notes by virtue of such conflict.

On the repurchase date following a change of control repurchase event, we will, to the extent lawful:

(1) accept for payment all notes or portions of notes properly tendered pursuant to our offer;

(2) deposit with the paying agent an amount equal to the aggregate purchase price in respect of all notes or portions of notes properly tendered; and

(3) deliver or cause to be delivered to the trustee the notes properly accepted, together with an officers certificate stating the aggregate principal amount of notes being purchased by us.

The paying agent will promptly mail to each holder of notes properly tendered the purchase price for the notes, and the trustee will promptly authenticate and mail (or cause to be transferred by book-entry) to each holder a new note equal in principal amount to any unpurchased portion of any notes surrendered; provided that each new note will be in a principal amount of an integral multiple of $1,000.

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We will not be required to make an offer to repurchase the notes upon a change of control repurchase event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by us and such third party purchases all notes properly tendered and not withdrawn under its offer.

For purposes of the foregoing discussion of a repurchase at the option of holders, the following definitions are applicable:

below investment grade ratings event means that on any day within the 60-day period (which period shall be extended so long as the rating of the notes is under publicly announced consideration for a possible downgrade by any of the rating agencies) after the earlier of (1) the occurrence of a change of control; or (2) public notice of the occurrence of a change of control or the intention by Alcoa to effect a change of control, the notes are rated below investment grade by each of the rating agencies. Notwithstanding the foregoing, a below investment grade ratings event otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect of a particular change of control (and thus shall not be deemed a below investment grade ratings event for purposes of the definition of change of control repurchase event hereunder) if the rating agencies making the reduction in rating to which this definition would otherwise apply do not announce or publicly confirm or inform the trustee in writing at its request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable change of control (whether or not the applicable change of control shall have occurred at the time of the ratings event).

change of control means the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any person (as that term is used in Section 13(d)(3) of the Exchange Act), other than Alcoa, our subsidiaries, or our or such subsidiaries employee benefit plans, becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the combined voting power of our voting stock or other voting stock into which our voting stock is reclassified, consolidated, exchanged or changed measured by voting power rather than number of shares.

change of control repurchase event means the occurrence of both a change of control and a below investment grade ratings event.

Fitch means Fitch Ratings Ltd.

investment grade means a rating of Baa3 or better by Moody s (or its equivalent under any successor rating categories of Moody s); a rating of BBB- or better by S&P or Fitch (or its equivalent under any successor rating categories of S&P and Fitch); and the equivalent investment grade credit rating from any additional rating agency or rating agencies selected by us.

Moody s means Moody s Investors Service Inc.

rating agency means (1) each of Moody s, S&P and Fitch; and (2) if any of Moody s, S&P or Fitch ceases to rate the notes or fails to make a rating of the notes publicly available for reasons outside of our control, a nationally recognized statistical rating organization within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act, selected by us (as certified by a resolution of our board of directors) as a replacement agency for Moody s, S&P or Fitch, or all of them, as the case may be.

S&P means Standard & Poor s Ratings Services, a division of McGraw-Hill, Inc.

voting stock of any specified person (as that term is used in Section 13(d)(3) of the Exchange Act) as of any date means the capital stock of such person that is at the time entitled to vote generally in the election of the board of directors of such person.

The change of control repurchase event feature of the notes may in certain circumstances make more difficult or discourage a sale or takeover of Alcoa and, thus, the removal of incumbent management. Subject to

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the limitations discussed below, we could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a change of control under the notes, but that could increase the amount of indebtedness outstanding at such time or otherwise affect our capital structure or credit ratings on the notes. Restrictions on our ability to incur liens and enter into sale and leaseback transactions are contained in the covenants as described in this prospectus supplement under Description of the Notes Certain Limitations and in the accompanying prospectus under Description of Senior Debt Securities Certain Limitations Liens and Certain Limitations Sale and Leaseback Transactions.

We may not have sufficient funds to repurchase all the notes upon a change of control repurchase event.

**Status**

The notes will rank pari passu with other senior unsecured unsubordinated indebtedness of Alcoa.

**Defeasance of Certain Obligations**

Alcoa may omit to comply with the covenants described under Description of Senior Debt Securities Certain Limitations and the covenants described under Description of Senior Debt Securities Consolidation, Merger and Sale of Assets in the accompanying prospectus if the conditions set forth under Description of Senior Debt Securities Defeasance and Covenant Defeasance in the accompanying prospectus are satisfied.

**Certain Limitations**

The provisions of the indenture described under Certain Limitations in the accompanying prospectus apply to the notes, except that the number 10% in the last paragraph under Certain Limitations Liens is replaced with 15% . (Section 1009)

**Events of Default**

The following are events of default under the indenture with respect to the notes:

(a) failure to pay any interest when due, and this failure continues for 30 days;

(b) failure to pay any principal or premium when due;

(c) failure to deposit any sinking fund payment when due and this failure continues for 30 days;

(d) failure to perform any other covenant of Alcoa in the indenture (other than a covenant included in the indenture solely for the benefit of a series of senior debt securities other than that series), and this failure continues for 90 days after written notice as provided in the indenture;

(e) default resulting in acceleration of any indebtedness for money borrowed by Alcoa in a principal amount in excess of $50,000,000 under the terms of the instrument(s) under which such indebtedness is issued or secured if such acceleration is not rescinded or annulled within 10 days after written notice as provided in the indenture, provided that, the resulting event of default under the indenture will be cured or waived if such other default is cured or waived;

(f) certain events in bankruptcy, insolvency or reorganization involving Alcoa; and

(g) any other event of default provided with respect to senior debt securities of a series. (Section 501)

Because the applicable threshold amount of indebtedness the acceleration of which would give rise to an event of default under the indenture is lower for each series of senior indebtedness issued under the indenture before the date of the first supplemental indenture, the acceleration of outstanding indebtedness of Alcoa may constitute an event of default with respect to one or more of such previously issued series, but may not constitute an event of default under the respective terms of the notes offered by this prospectus supplement.

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**Meetings, Modification and Waiver**

The provisions of the indenture described under Description of Senior Debt Securities Meetings, Modifications and Waiver in the accompanying prospectus apply to the notes, except that the number 66 2/3% is replaced with 50% in each place it appears in such description. (Sections 902 and 1012)

**Book-Entry, Delivery and Form**

The notes will be issued in the form of one or more fully registered global notes, which we refer to as the Global Notes, which will be deposited with, or on behalf of, The Depository Trust Company, New York, New York, which we refer to as the Depositary or DTC, and registered in the name of Cede & Co., the Depositary s nominee. Beneficial interests in the Global Notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in the Depositary.

Investors may elect to hold interests in the Global Notes through the Depositary, Clearstream Banking Luxembourg S.A., which we refer to as Clearstream, or Euroclear Bank S.A./N.A., as operator of the Euroclear System, which we refer to as Euroclear, if they are participants in such systems, or indirectly through organizations which are participants in such systems. Clearstream and Euroclear will hold interests on behalf of their participants through customers securities accounts in Clearstream s and Euroclear s names on the books of their respective depositaries, which in turn will hold such interests in customers securities accounts in the depositaries names on the books of the Depositary. Citibank, N.A. will act as depositary for Clearstream, and JPMorgan Chase Bank, N.A., successor to The Chase Manhattan Bank, will act as depositary for Euroclear, which we refer to in such capacities as the U.S. Depositaries. Except as set forth below, the Global Notes may be transferred, in whole and not in part, only to another nominee of the Depositary or to a successor of the Depositary or its nominee.

The Depositary has advised Alcoa as follows: the Depositary is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code, and a clearing agency registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. The Depositary holds securities deposited with it by its participants and records the settlement of transactions among its participants in such securities through electronic computerized book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities certificates. The Depositary s participants include securities brokers and dealers (including the underwriters), banks, trust companies, clearing corporations and certain other organizations, some of which, and/or their representatives, own the Depositary. Access to the Depositary s book-entry system is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly.

Clearstream advises that it is incorporated under the laws of Luxembourg as a bank. Clearstream holds securities for its customers, which we refer to as Clearstream Customers, and facilitates the clearance and settlement of securities transactions between Clearstream Customers through electronic book-entry transfers between their accounts. Clearstream provides to Clearstream Customers, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream Interfaces with domestic securities markets in over 30 countries through established depository and custodial relationships. As a bank, Clearstream is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector, also known as the Commission de Surveillance du Secteur Financier. Clearstream Customers are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Clearstream s U.S. customers are limited to securities brokers and dealers and banks. Indirect access to Clearstream is also available to other institutions such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream Customer.

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Distributions with respect to the notes held through Clearstream will be credited to cash accounts of Clearstream Customers in accordance with its rules and procedures, to the extent received by the U.S. Depositary for Clearstream.

Euroclear advises that it was created in 1968 to hold securities for its participants, which we refer to as Euroclear Participants, and to clear and settle transactions between Euroclear Participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear provides various other services, including securities lending and borrowing and interfaces with domestic markets in several countries. Euroclear is operated by Euroclear Bank S.A./N.A., which we refer to as the Euroclear Operator, under contract with Euroclear Clearance Systems, S.C., a Belgian cooperative corporation, which we refer to as the Cooperative. All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator, not the Cooperative. The Cooperative establishes policy for Euroclear on behalf of Euroclear Participants. Euroclear Participants include banks, including central banks, securities brokers and dealers and other professional financial intermediaries and may include the underwriters. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear Participant, either directly or indirectly.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law, which we refer to collectively as the Terms and Conditions. The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear Participants and has no record of or relationship with persons holding through Euroclear Participants.

Distributions with respect to the notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear Participants in accordance with the Terms and Conditions, to the extent received by the U.S. Depositary for Euroclear.

Euroclear further advises that investors that acquire, hold and transfer interests in the notes by book-entry through accounts with the Euroclear Operator or any other securities intermediary are subject to the laws and contractual provisions governing their relationship with their intermediary, as well as the laws and contractual provisions governing the relationship between such an intermediary and each other intermediary, if any, standing between themselves and the Global Notes.

The Euroclear Operator advises that under Belgian law, investors that are credited with securities on the records of the Euroclear Operator have a co-property right in the fungible pool of interests in securities on deposit with the Euroclear Operator in an amount equal to the amount of interests in securities credited to their accounts. In the event of the insolvency of the Euroclear Operator, Euroclear Participants would have a right under Belgian law to the return of the amount and type of interests in securities credited to their accounts with the Euroclear Operator. If the Euroclear Operator did not have a sufficient amount of interests in securities on deposit of a particular type to cover the claims of all Euroclear Participants credited with such interests in securities on the Euroclear Operator s records, all Participants having an amount of interests in securities of such type credited to their accounts with the Euroclear Operator would have the right under Belgian law to the return of their pro rata share of the amount of interest in securities actually on deposit.

Under Belgian law, the Euroclear Operator is required to pass on the benefits of ownership in any interests in securities on deposit with it, such as dividends, voting rights and other entitlements, to any person credited with such interests in securities on its records.

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Individual certificates in respect of the notes will not be issued in exchange for the Global Notes, except in very limited circumstances. If DTC notifies us that it is unwilling or unable to continue as a clearing system in connection with the Global Notes or ceases to be a clearing agency registered under the Securities Exchange Act of 1934, and a successor clearing system is not appointed by us within 90 days after receiving such notice from DTC or upon becoming aware that DTC is no longer so registered, we will issue or cause to be issued individual certificates in registered form on registration of transfer of, or in exchange for, book-entry interests in the notes represented by such Global Notes upon delivery of such Global Notes for cancellation.

Title to book-entry interests in the notes will pass by book-entry registration of the transfer within the records of Clearstream, Euroclear or DTC, as the case may be, in accordance with their respective procedures. Book-entry interests in the notes may be transferred within Clearstream and within Euroclear and between Clearstream and Euroclear in accordance with procedures established for these purposes by Clearstream and Euroclear. Book-entry interests in the notes may be transferred within DTC in accordance with procedures established for this purpose by DTC. Transfers of book-entry interests in the notes among Clearstream and Euroclear and DTC may be effected in accordance with procedures established for this purpose by Clearstream, Euroclear and DTC.

A further description of the Depositary s procedures with respect to the Global Notes is set forth in the accompanying prospectus under Description of Senior Debt Securities Book-Entry Securities beginning on page 12. The Depositary has confirmed to us, the underwriters and the trustee that it intends to follow such procedures.

**Global Clearance and Settlement Procedures**

Initial settlement for the notes will be made in immediately available funds. We will make all payments of principal, premium, if any, and interest in respect of the notes in immediately available funds while the notes are held in book-entry only form. Secondary market trading between DTC participants will occur in the ordinary way in accordance with the Depositary s rules and will be settled in immediately available funds using the Depositary s Same-Day Funds Settlement System. Secondary market trading between Clearstream Customers and/or Euroclear Participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream and Euroclear and will be settled using the procedures applicable to conventional Eurobonds in immediately available funds.

Cross-market transfers between persons holding directly or indirectly through the Depositary on the one hand, and directly or indirectly through Clearstream Customers or Euroclear Participants, on the other, will be effected in the Depositary in accordance with the Depositary s rules on behalf of the relevant European international clearing system by its U.S. Depositary; however, such cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines, in European time. The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its U.S. Depositary to take action to effect final settlement on its behalf by delivering interests in the notes to or receiving interests in the notes from the Depositary, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to the Depositary. Clearstream Customers and Euroclear Participants may not deliver instructions directly to their respective U.S. Depositaries.

Because of time-zone differences, credits of interests in the notes received in Clearstream or Euroclear as a result of a transaction with a DTC participant will be made during subsequent securities settlement processing and dated the business day following the Depositary settlement date. Such credits or any transactions involving interests in such notes settled during such processing will be reported to the relevant Clearstream Customers or Euroclear Participants on such business day. Cash received in Clearstream or Euroclear as a result of sales of interests in the notes by or through a Clearstream Customer or a Euroclear Participant to a DTC participant will be received with value on the Depositary settlement date but will be available in the relevant Clearstream or Euroclear cash account only as of the business day following settlement in the Depositary.

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Although the Depositary, Clearstream and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of interests in the notes among participants of the Depositary, Clearstream and Euroclear, they are under no obligation to perform or continue to perform such procedures and such procedures may be changed or discontinued at any time.

**Further Issues**

We may from time to time, without notice to, or the consent of, the registered holders of the notes, create and issue further notes equal in rank to the notes offered hereby in all respects (or in all respects except for the payment of interest accruing before the issue date of such further notes or except for the first payment of interest following the issue date of such further notes) and so that such further notes may be consolidated and form a single series with the notes and have the same terms as to status, redemption or otherwise as the notes. We will not issue any further notes intended to form a single series with the notes unless the further notes will be fungible with all notes of the same series for U.S. federal income tax purposes.

**Notices**

Notices to holders of the notes will be given by mail to the addresses of the registered holders as they appear in the security register.

**Regarding the Trustee**

The Bank of New York Trust Company, N.A. is the trustee under the indenture relating to the notes and serves as the trustee for other debt securities of Alcoa and certain of its subsidiaries. The Bank of New York Trust Company, N.A. has, and certain of its affiliates may from time to time have, banking relationships with us and certain of our affiliates.

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## UNITED STATES FEDERAL TAX CONSIDERATIONS

### General

This section summarizes the material U.S. tax consequences to holders of notes. However, the discussion is limited in the following ways:

- The discussion only covers you if you buy your notes in the initial offering.
- The discussion only covers you if you hold your notes as a capital asset (that is, for investment purposes), and if you do not have a special tax status.
- The discussion does not cover tax consequences that depend upon your particular tax situation in addition to your ownership of notes. We suggest that you consult your tax advisor about the consequences of holding notes in your particular situation.
- The discussion is based on current law. Changes in the law may change the tax treatment of the notes.
- The discussion does not cover state, local or foreign law.
- The discussion does not apply to you if you are a non-U.S. Holder of notes and if you (a) own 10% or more of the voting stock of Alcoa, (b) are a controlled foreign corporation with respect to Alcoa, or (c) are a bank making a loan in the ordinary course of its business.
- We have not requested a ruling from the IRS on the tax consequences of owning the notes. As a result, the IRS could disagree with portions of this discussion.

**TO ENSURE COMPLIANCE WITH INTERNAL REVENUE SERVICE CIRCULAR 230, HOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS PROSPECTUS SUPPLEMENT IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (B) SUCH DISCUSSION IS NOT INTENDED OR WRITTEN TO BE USED AND CANNOT BE USED BY ANY PERSON FOR THE PURPOSE OF AVOIDING ANY TAX PENALTIES THAT MAY BE IMPOSED ON SUCH PERSON UNDER THE CODE. HOLDERS ARE STRONGLY URGED TO CONSULT THEIR TAX ADVISORS REGARDING THE POSSIBLE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF HOLDING THE NOTES IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES.**

### Tax Consequences to U.S. Holders

This section applies to you if you are a U.S. Holder . A U.S. Holder is:

an individual U.S. citizen or resident alien;

a corporation, or entity taxable as a corporation, that was created under U.S. law (federal or state); or

an estate or trust whose worldwide income is subject to U.S. federal income tax.

If a partnership holds notes, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. If you are a partner of a partnership holding notes, we suggest that you consult your tax advisor.

*Interest*

If you are a cash method taxpayer (including most individual holders), you must report interest on the notes in your income when you receive it.

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If you are an accrual method taxpayer, you must report interest on the notes in your income as it accrues.

*Sale or Retirement of Notes*

On your sale or retirement of your note:

You will have taxable gain or loss equal to the difference between the amount received by you and your tax basis in the note. Your tax basis in the note is your cost, subject to certain adjustments.

Your gain or loss will generally be capital gain or loss, and will be long term capital gain or loss if you held the note for more than one year.

If you sell the note between interest payment dates, a portion of the amount you receive reflects interest that has accrued on the note but has not yet been paid by the sale date. That amount is treated as ordinary interest income and not as sale proceeds.

*Information Reporting and Backup Withholding*

Under the tax rules concerning information reporting to the IRS:

Assuming you hold your notes through a broker or other securities intermediary, the intermediary must provide information to the IRS and to you on IRS Form 1099 concerning interest and retirement proceeds on your notes, unless an exemption applies.

Similarly, unless an exemption applies, you must provide the intermediary with your Taxpayer Identification Number for its use in reporting information to the IRS. If you are an individual, this is your social security number. You are also required to comply with other IRS requirements concerning information reporting.

If you are subject to these requirements but do not comply, the intermediary must withhold at a rate currently equal to 28% of all amounts payable to you on the notes (including principal payments). This is called backup withholding. If the intermediary withholds payments, you may use the withheld amount as a credit against your federal income tax liability.

All individuals are subject to these requirements. Some holders, including all corporations, tax-exempt organizations and individual retirement accounts, are exempt from these requirements.

**Tax Consequences to Non-U.S. Holders**

For purposes of the following discussion a Non-U.S. Holder is:

an individual that is not a citizen or resident of the United States;

a corporation or other entity treated as a corporation for United States federal income tax purposes organized or created under non-U.S. law; or

an estate or trust that is not taxable in the U.S. on its worldwide income.

*Withholding Taxes*

Generally, payments of principal and interest on the notes will not be subject to U.S. withholding taxes.

However, for the exemption from withholding taxes to apply to you, you must meet one of the following requirements.

You provide a completed Form W-8BEN (or substitute form) to the bank, broker or other intermediary who holds the notes. The Form W-8BEN contains your name, address and a statement that you are the beneficial owner of the notes and that you are not a U.S. Holder.

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You hold your notes directly through a qualified intermediary , and the qualified intermediary has sufficient information in its files indicating that you are not a U.S. Holder. A qualified intermediary is a bank, broker or other intermediary that (1) is either a U.S. or non-U.S. entity, (2) is acting out of a non-U.S. branch or office and (3) has signed an agreement with the IRS providing that it will administer all or part of the U.S. withholding rules under specified procedures.

You are entitled to an exemption from withholding tax on interest under a tax treaty between the U.S. and your country of residence. To claim this exemption, you must generally complete Form W-8BEN and claim this exemption on the form. In some cases, you may instead be permitted to provide documentary evidence of your claim to the intermediary, or a qualified intermediary may already have some or all of the necessary evidence in its files.

The interest income on the notes is effectively connected with the conduct of your trade or business in the U.S., and is not exempt from U.S. tax under a tax treaty. To claim this exemption, you must complete Form W-8ECI.

Even if you meet one of the above requirements, interest paid to you will be subject to withholding tax under any of the following circumstances:

The withholding agent or an intermediary knows or has reason to know that you are not entitled to an exemption from withholding tax. Specific rules apply for this test.

The IRS notifies the withholding agent that information that you or an intermediary provided concerning your status is false.

An intermediary through which you hold the notes fails to comply with the procedures necessary to avoid withholding taxes on the notes. In particular, an intermediary is generally required to forward a copy of your Form W-8BEN (or other documentary information concerning your status) to the withholding agent for the notes. However, if you hold your notes through a qualified intermediary or if there is a qualified intermediary in the chain of title between yourself and the withholding agent for the notes the qualified intermediary will not generally forward this information to the withholding agent.

Interest payments made to you will generally be reported to the IRS and to you on Form 1042-S. However, this reporting does not apply to you if you hold your notes directly through a qualified intermediary and the applicable procedures are complied with.

The rules regarding withholding are complex and vary depending on your individual situation. They are also subject to change. In addition, special rules apply to certain types of non-U.S. Holders, including partnerships, trusts, and other entities treated as pass-through entities for U.S. federal income tax purposes. We suggest that you consult with your tax advisor regarding the specific methods for satisfying these requirements.

*Sale or Retirement of Notes*

If you sell a note or it is redeemed, you will not be subject to federal income tax on any gain unless one of the following applies:

The gain is connected with a trade or business that you conduct in the U.S.

You are an individual, you are present in the U.S. for at least 183 days during the year in which you dispose of the note, and certain other conditions are satisfied.

The gain represents accrued interest, in which case the rules for interest would apply.

*U.S. Trade or Business*

If you hold your note in connection with a trade or business that you are conducting in the U.S.:

Any interest on the note, and any gain from disposing of the note, generally will be subject to income tax as if you were a U.S. Holder.

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If you are a corporation, you may be subject to the branch profits tax on your earnings that are connected with your U.S. trade or business, including earnings from the note. This tax is 30%, but may be reduced or eliminated by an applicable income tax treaty.

*Estate Taxes*

If you are an individual, your notes will not be subject to U.S. estate tax when you die. However, this rule only applies if, at your death, payments on the notes were not connected to a trade or business that you were conducting in the U.S.

*Information Reporting and Backup Withholding*

U.S. rules concerning information reporting and backup withholding are described above. These rules apply to Non-U.S. Holders as follows:

Principal and interest payments you receive will be automatically exempt from the usual rules if you are a Non-U.S. Holder exempt from withholding tax on interest, as described above. The exemption does not apply if the withholding agent or an intermediary knows or has reason to know that you should be subject to the usual information reporting or backup withholding rules. In addition, as described above, interest payments made to you may be reported to the IRS on Form 1042-S.

Sale proceeds you receive on a sale of your notes through a broker may be subject to information reporting and/or backup withholding if you are not eligible for an exemption. In particular, information reporting and backup withholding may apply if you use the U.S. office of a broker, and information reporting (but not backup withholding) may apply if you use the foreign office of a broker that has certain connections to the U.S. In general, you may file Form W-8BEN to claim an exemption from information reporting and backup withholding. We suggest that you consult your tax advisor concerning information reporting and backup withholding on a sale.

*European Union Tax Reporting and Withholding*

Directive 2003/48/EC (the Directive ) of the Council of the European Union relating to the taxation of savings income became effective on July 1, 2005. Under the Directive, if a paying agent for interest on a debt claim is resident in one member state of the European Union and an individual who is the beneficial owner of the interest is a resident of another member state, then the former member state is required to provide information (including the identity of the recipient) to authorities of the latter member state. Paying agent is defined broadly for this purpose and generally includes any agent of either payor or payee. Belgium, Luxembourg and Austria have opted instead to withhold tax on the interest during a transitional period (initially at a rate of 15% but rising in steps to 35% after six years), subject to the ability of the individual to avoid withholding taxes through voluntary disclosure of the investment to the individual s member state. In addition, certain non-members of the European Union (Switzerland, Liechtenstein, Andorra, Monaco and San Marino), as well as dependent and associated territories of the United Kingdom and the Netherlands, have adopted equivalent measures effective on the same date, and some (including Switzerland) have exercised the option to apply withholding taxes as described above.

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## UNDERWRITING

Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc. and J.P. Morgan Securities Inc. are acting as representatives of the underwriters named below.

Under the terms and subject to the conditions contained in the underwriting agreement dated the date of this prospectus supplement, each underwriter named below has agreed to purchase, and we have agreed to sell to that underwriter, the principal amount of the notes set forth below opposite the underwriter s name.

| Name | Principal amount of 2017 notes | Principal amount of 2027 notes | Principal amount of 2037 notes |
|---|---|---|---|
| Citigroup Global Markets Inc. | $ 150,000,000 | $ 125,000,000 | $ 125,000,000 |
| Credit Suisse Securities (USA) LLC | 150,000,000 | 125,000,000 | 125,000,000 |
| Deutsche Bank Securities Inc. | 150,000,000 | 125,000,000 | 125,000,000 |
| J.P. Morgan Securities Inc. | 150,000,000 | 125,000,000 | 125,000,000 |
| Barclays Capital Inc. | 37,500,000 | 31,250,000 | 31,250,000 |
| Morgan Stanley & Co. Incorporated | 37,500,000 | 31,250,000 | 31,250,000 |
| ANZ Securities, Inc. | 9,000,000 | 7,500,000 | 7,500,000 |
| Banc of America Securities LLC | 9,000,000 | 7,500,000 | 7,500,000 |
| BNP Paribas Securities Corp. | 9,000,000 | 7,500,000 | 7,500,000 |
| HSBC Securities (USA) Inc. | 9,000,000 | 7,500,000 | 7,500,000 |
| Lehman Brothers Inc. | 9,000,000 | 7,500,000 | 7,500,000 |
| Mellon Financial Markets, LLC | 9,000,000 | 7,500,000 | 7,500,000 |
| Mitsubishi UFJ Securities International plc | 9,000,000 | 7,500,000 | 7,500,000 |
| Banca Imi S.p.A | 3,000,000 | 2,500,000 | 2,500,000 |
| BBVA Securities, Inc. | 3,000,000 | 2,500,000 | 2,500,000 |
| National Australia Bank Limited | 3,000,000 | 2,500,000 | 2,500,000 |
| RBC Capital Markets Corporation | 3,000,000 | 2,500,000 | 2,500,000 |
| **Total** | **$ 750,000,000** | **$ 625,000,000** | **$ 625,000,000** |

The underwriting agreement provides that the obligations of the underwriters to pay for and accept delivery of the notes included in this offering are subject to, among other things, approval of certain legal matters by their counsel and certain other conditions. The underwriters are obligated to take and pay for all the notes if any are taken.

We have been advised by the underwriters that the underwriters propose to offer the notes to the public initially at the public offering prices set forth on the cover page of this prospectus supplement and to certain dealers at such prices less a concession not in excess of 0.30% of the principal amount of the 2017 notes, 0.50% of the principal amount of the 2027 notes, and 0.50% of the principal amount of the 2037 notes; that the underwriters may allow, and such dealers may reallow, a concession not in excess of 0.15% of the principal amount of the 2017 notes, 0.25% of the principal amount of the 2027 notes, and 0.25% of the principal amount of the 2037 notes, on sales to certain other dealers; and that after the initial public offering, the public offering price and such concession may be changed by the underwriters.

To facilitate the offering of the notes, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the notes. Specifically, the underwriters may over-allot in connection with the offering of the notes, creating short positions in the notes for their own account. In addition, to cover over-allotments or to stabilize the price of the notes, the underwriters may bid for, and purchase, notes in the open market. Finally, the underwriters may reclaim selling concessions allowed to an underwriter or dealer for distributing notes in this offering, if the underwriters repurchase previously distributed notes in transactions that cover syndicate short positions, in stabilization transactions or otherwise. Any of these activities may stabilize or maintain the market price of the notes above independent market levels. The underwriters are not required to engage in any of these activities and may end any of these activities at any time.

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Each of the underwriters has represented and agreed that it has not and will not offer, sell or deliver any of the notes directly or indirectly, or distribute this prospectus supplement or the accompanying prospectus or any other offering material relating to the notes, in or from any jurisdiction except under circumstances that will result in compliance with the applicable laws and regulations thereof and that will not impose any obligations on Alcoa except as set forth in the underwriting agreement.

In particular, each underwriter has represented and agreed that:

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State ), each underwriter has represented and agreed that, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date ), it has not made and will not make an offer of notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of notes to the public in that Relevant Member State at any time:

(a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than 43,000,000 and (3) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts; or

(c) in any other circumstances which do not require the publication by the issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an offer of notes to the public in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe for the notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression Prospectus Directive means Directive 2003/71/ EC and includes any relevant implementing measure in each Relevant Member State.

With respect to sales to residents of the United Kingdom:

(a) (i) it is a qualified investor within the meaning of Section 86(7) of the Financial Services and Markets Act 2000 (the FSMA ), and (ii) it has not offered or sold and will not offer or sell any notes to persons in the United Kingdom except to persons who are qualified investors within the meaning of Section 86(7) of the FSMA or otherwise in circumstances which do not require a prospectus to be made available to the public in the United Kingdom within the meaning of Section 85(1) of the FSMA;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the

issue or sale of the notes in circumstances in which Section 21(1) of the FSMA does not apply to the company; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the notes in, from or otherwise involving the United Kingdom.

The notes are a new issue of securities with no established trading market. In addition, we have not applied and do not intend to apply to list the notes on any securities exchange or to have the notes quoted on any quotation system. The underwriters have advised us that they intend to make a market in the notes, but that they are not obligated to do so and may discontinue any market-making at any time in their sole discretion without notice. Therefore, we cannot assure you that a liquid trading market for the notes will develop, that you will be able to sell your notes at a particular time or that the price you receive when you sell will be favorable.

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Certain of the underwriters are not U.S. registered broker-dealers and, therefore, to the extent that they offer or sell any of the notes in the United States, they will do so only through one or or more U.S. registered broker-dealers in accordance with applicable U.S. law.

In the ordinary course of their respective businesses, certain of the underwriters or their affiliates have engaged and may in the future engage in commercial and investment banking services, financial advisory services, hedging services and other commercial dealings with us and our affiliates, for which they have received and may continue to receive customary fees and commissions. Certain of the underwriters or their affiliates are lenders under our bank credit facilities.

Alain J. P. Belda, Director, Chairman of the Board and Chief Executive Officer of Alcoa, Franklin A. Thomas, a director of Alcoa, and Klaus Kleinfeld, a director of Alcoa, are also directors of Citigroup Inc.

We estimate that our out-of-pocket expenses for this offering (excluding underwriting discounts and commissions) will be approximately $820,000.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended.

## LEGAL MATTERS

The validity of the notes offered by this prospectus supplement will be passed upon for Alcoa by Thomas F. Seligson, Esq., Counsel to Alcoa. Mr. Seligson is paid a salary by Alcoa, is a participant in various employee benefit plans offered to Alcoa employees, and beneficially owns, or has rights to acquire, an aggregate of less than one percent of the shares of Alcoa common stock. Certain legal matters relating to the offering of the notes will be passed upon for the underwriters by Cravath, Swaine & Moore LLP, New York, New York. From time to time, Cravath, Swaine & Moore LLP provides legal services to Alcoa and its subsidiaries.

## EXPERTS

The consolidated financial statements as of December 31, 2005 and 2004 and for each of the three years in the period ended December 31, 2005, the related financial statement schedule and management s assessment of the effectiveness of internal control over financial reporting (which is included in Management s Report on Internal Control over Financial Reporting) as of December 31, 2005, incorporated in this prospectus supplement by reference to the Current Report on Form 8-K of Alcoa Inc. filed on January 19, 2007 have been so incorporated in reliance on the reports of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

With respect to the unaudited financial information of Alcoa Inc. for the three-month periods ended March 30, 2006 and 2005 and the three-month and six-month periods ended June 30, 2006 and 2005 incorporated in this prospectus supplement by reference to the Current Report on Form 8-K of Alcoa Inc. filed on January 19, 2007, and the three-month and nine-month periods ended September 30, 2006 and 2005 incorporated in this prospectus supplement by reference to the Quarterly Report on Form 10-Q of Alcoa Inc. for the quarterly period ended

September 30, 2006, PricewaterhouseCoopers LLP reported that they have applied limited procedures in accordance with professional standards for reviews of such information. However, their separate reports dated April 26, 2006, except with respect to the effects of the discontinued operations discussed in Note H, as to which the date is January 15, 2007; July 26, 2006, except with respect to the effects of the discontinued operations discussed in Note H, as to which the date is January 15, 2007 and October 26, 2006, all incorporated by reference herein, state that they did not audit and they do not express an opinion on that unaudited financial information. Accordingly, the degree of reliance on their reports on such information should be restricted in light of the limited nature of the review procedures applied. PricewaterhouseCoopers LLP is not subject to the liability provisions of Section 11 of the Securities Act of 1933 for their reports on the unaudited financial information because those reports are not reports or a part of the registration statement prepared or certified by PricewaterhouseCoopers LLP within the meaning of Sections 7 and 11 of the Act.

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**PROSPECTUS**

# $5,000,000,000

# Alcoa Inc.

## Debt Securities

## Preferred Stock

## Common Stock

## Warrants

## Stock Purchase Contracts

## Stock Purchase Units

# Alcoa Trust I

**Trust Preferred Securities Fully and Unconditionally Guaranteed by Alcoa Inc.**

Alcoa Inc. may sell from time to time in one or more offerings, together or separately:

- senior debt securities
- subordinated debt securities
- preferred stock
- common stock
- warrants to purchase debt securities, preferred stock or common stock
- stock purchase contracts
- stock purchase units.

Alcoa Inc. s common stock is listed on the New York Stock Exchange under the symbol AA.

Alcoa Trust I may sell trust preferred securities, fully and unconditionally guaranteed on a subordinated basis

by Alcoa Inc.

The securities offered by Alcoa Inc. and Alcoa Trust I may be issued in one or more series or issuances and their total offering price, in the aggregate, will not exceed $5,000,000,000. We will provide the specific terms of any securities we actually offer for sale in supplements to this prospectus. You should read this prospectus and the supplements carefully before you decide to invest in any of these securities.

The mailing address of the principal executive offices of Alcoa Inc. and Alcoa Trust I is 201 Isabella Street, Pittsburgh, Pennsylvania 15212-5858. The telephone number is (412) 553-4545.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

This prospectus may not be used to sell securities unless accompanied by a prospectus supplement.

**The date of this Prospectus is December 14, 2001.**

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## ABOUT THIS PROSPECTUS

This prospectus is part of a shelf registration statement that Alcoa and the Alcoa Trust have filed with the SEC. By using a shelf registration statement, we may sell, from time to time, in one or more offerings, any combination of the securities described in this prospectus in a dollar amount that does not exceed $5,000,000,000. For further information about Alcoa s business, the Alcoa Trust and the securities, you should refer to the registration statement and its exhibits. The exhibits to our registration statement contain the full text of certain contracts and other important documents we have summarized in this prospectus. Since these summaries may not contain all the information that you may find important in deciding whether to purchase the securities we may offer, you should review the full text of these documents. The registration statement can be obtained from the SEC as indicated under the heading Where You Can Find More Information.

This prospectus only provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement that contains specific information about the terms of those securities. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with the additional information described below under the heading Where You Can Find More Information.

You should rely only on the information contained or incorporated by reference in this prospectus and the prospectus supplement. We have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We will not make an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus, as well as information we previously filed with the SEC and incorporated by reference in this prospectus, is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

## WHERE YOU CAN FIND MORE INFORMATION

Alcoa Inc. ( Alcoa or the Company ) files annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (the SEC ). Its SEC filings are available over the Internet at the SEC s web site at *http://www.sec.gov*. You also may read and copy any document it files with the SEC at the SEC s public reference room at 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for more information on the public reference room and its copy charges. Alcoa s common stock is listed and traded on the New York Stock Exchange (the NYSE ). You may also inspect the information it files with the SEC at the NYSE s offices at 20 Broad Street, New York, New York 10005.

No separate financial statements of Alcoa Trust I (the Alcoa Trust ) have been included or incorporated by reference. Neither the Alcoa Trust nor Alcoa considers financial statements of the Alcoa Trust material to holders of the trust preferred securities because:

- all of the voting securities of the Alcoa Trust will be owned, directly or indirectly, by Alcoa, a reporting company under the Securities Exchange Act of 1934, as amended (the Exchange Act );
- the Alcoa Trust has no independent operations and exists for the purpose of issuing securities representing undivided beneficial interests in the assets of the Alcoa Trust and investing the proceeds in the subordinated debt securities issued by Alcoa; and

the obligations of the Alcoa Trust under the trust preferred securities issued by it will be fully and unconditionally guaranteed on a subordinated basis by Alcoa to the extent described in this prospectus.

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## INCORPORATION BY REFERENCE

The SEC allows Alcoa to incorporate by reference the information in documents it files with the SEC. This means that Alcoa can disclose important information to you by referring you to those documents. Any information Alcoa incorporates in this manner is considered part of this prospectus. Any information Alcoa files with the SEC after the date of this prospectus will automatically update and supersede the information contained or incorporated by reference in this prospectus.

Alcoa incorporates by reference the following documents that it has filed with the SEC:

- Annual Report on Form 10-K for the fiscal year ended December 31, 2000, as amended by Amendment No. 1 on Form 10-K/A filed on March 6, 2001;

- Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2001, June 30, 2001 and September 30, 2001; and

- Current Reports on Form 8-K filed on May 23, 2001, August 21, 2001, November 19, 2001, November 28, 2001 and December 6, 2001.

Alcoa also incorporates by reference any future filings it will make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus, but before the end of the offering of the securities made by this prospectus.

You may request a copy of any filings referred to above (including any exhibits that are specifically incorporated by reference), at no cost, by contacting Alcoa at the following address or telephone number:

Alcoa Inc.

Attention: Treasurer

390 Park Avenue

New York, New York 10022-4608

Telephone: (212) 836-2600

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**ALCOA INC.**

Alcoa is the world s leading producer of primary aluminum, fabricated aluminum and alumina, and is active in all major aspects of the industry: technology, mining, refining, smelting, fabricating and recycling. Alcoa serves customers worldwide in the packaging, consumer, automotive and transportation, aerospace, building and construction, industrial products and distribution markets. Related businesses include packaging machinery, precision castings, vinyl siding, plastic bottles and closures, fiber optic cables and electrical distribution systems for cars and trucks.

Alcoa s operations consist of five worldwide segments: Alumina and Chemicals, Primary Metals, Flat-Rolled Products, Engineered Products and Packaging and Consumer. Alcoa businesses that are not reported to management as part of one of these five segments are aggregated and reported as Other.

*Alumina and Chemicals* This segment s activities include the mining of bauxite, which is then refined into alumina. Alumina is sold to internal and external customers worldwide or processed into industrial chemical products. The alumina assets of Reynolds Metals Company ( Reynolds ) acquired in 2000 which were required to be and have been divested were not included in this segment before divestiture.

*Primary Metals* This segment consists of Alcoa s worldwide smelter system and includes the smelting operations of Reynolds acquired in 2000. Primary Metals receives alumina from the Alumina and Chemicals segment and produces aluminum ingot to be used by Alcoa s fabricating businesses, as well as sold to outside customers. Also included in this segment are revenues from the sale of powder, excess power and results from internal hedging contracts.

*Flat-Rolled Products* This segment s principal business is the production and sale of aluminum plate, sheet and foil. This segment includes rigid container sheet, which is used to produce aluminum beverage cans, and sheet and plate used in the transportation and distributor markets.

*Engineered Products* This segment consists of hard- and soft-alloy extrusions, including architectural extrusions, super-alloy castings, steel and aluminum fasteners, aluminum forgings and wheels. These products serve the transportation, construction and distributor markets.

*Packaging and Consumer* This segment includes the packaging and consumer businesses of Reynolds acquired in 2000, as well as Alcoa s closures, packaging, PET bottles and packaging machinery businesses. Before the acquisition of Reynolds, Alcoa s closures, packaging, PET bottles and packaging machinery businesses were included in the *Other* group.

*Other* This group includes Alcoa Fujikura Ltd., which produces fiber-optic cable, provides services for the telecommunications industry and produces electrical components for the automotive industry; the residential building products operations, Alcoa Building Products; and aluminum automotive engineering and parts businesses. On April 20, 2001, Alcoa sold Thiokol Propulsion, a producer of solid rocket propulsion systems, which had been included in this group. On November 1, 2001, Alcoa announced it had completed a merger of its metals distribution business, Reynolds Aluminum Supply Company (known as RASCO), which had been included in this group, with BHP Billiton Group s North America metals distribution business. Alcoa and BHP each own 50% of the new, independently managed company called Integris Metals.

Alcoa has operating locations in 37 countries. The principal executive offices of Alcoa are located at 201 Isabella Street, Pittsburgh, Pennsylvania 15212-5858 (telephone: (412) 553-4545).

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**ALCOA TRUST I**

The Alcoa Trust is a statutory business trust formed under Delaware law pursuant to:

a Declaration of Trust (a Declaration ) executed by Alcoa, as sponsor for the Alcoa Trust, and the trustees of the Alcoa Trust; and

the filing of a certificate of trust with the Delaware Secretary of State.

Unless an accompanying prospectus supplement provides otherwise, the Alcoa Trust exists for the sole purposes of:

selling trust preferred securities and investing the proceeds in a specific series of subordinated debt securities issued by Alcoa;

issuing and selling common securities to Alcoa in exchange for cash and investing the proceeds in additional subordinated debt securities issued by Alcoa; and

engaging in other activities that are necessary, convenient or incidental to the sale of trust preferred and common securities or the purchase of Alcoa debt securities.

The Alcoa Trust will not borrow money, issue debt or reinvest proceeds derived from investments, pledge any of its assets, or otherwise undertake, or permit to be undertaken, any activity that would cause the Alcoa Trust not to be classified for United States Federal income tax purposes as a grantor trust. Alcoa will own all of the trust common securities issued by the Alcoa Trust. The trust common securities will rank *pari passu*, and payments will be made thereon *pro rata*, with the trust preferred securities, except that upon the occurrence and continuance of an event of default under the Declaration, the rights of the holders of the trust common securities to payment in respect of distributions and payments upon liquidation, redemption and otherwise will be subordinated to the rights of the holders of the trust preferred securities. In connection with the issuance of trust preferred securities by the Alcoa Trust, Alcoa will acquire trust common securities having an aggregate liquidation amount equal to a minimum of 3% of the total capital of the Alcoa Trust. The Alcoa Trust will have a term of 40 years, but may terminate earlier as provided in the Declaration.

The Alcoa Trust s business and affairs will be conducted by the trustees. The holder of the trust common securities will be entitled to appoint, remove or replace any of, or increase or reduce the number of, the trustees of the Alcoa Trust. The duties and obligations of the trustees will be governed by the Declaration of the Alcoa Trust. At least one of the trustees of the Alcoa Trust will be a person who is an employee or officer of or who is affiliated with Alcoa (a Regular Trustee ). One trustee of the Alcoa Trust will be a financial institution that is not affiliated with Alcoa, which will act as property trustee and as indenture trustee for the purposes of the Trust Indenture Act of 1939, as amended (the Trust Indenture Act ), pursuant to the terms set forth in the applicable prospectus supplement (the Property Trustee ). In addition, unless the Property Trustee maintains a principal place of business in the State of Delaware and otherwise meets the requirements of applicable law, one trustee of the Alcoa Trust will be a legal entity having a principal place of business in, or an individual resident of, the State of Delaware (the Delaware Trustee ).

Alcoa will pay all fees and expenses related to the Alcoa Trust and the offering of the trust preferred securities. Unless otherwise set forth in the prospectus supplement, the Property Trustee will be The Chase Manhattan Bank, and the Delaware Trustee will be Chase Manhattan Bank Delaware. The office of the Delaware Trustee in the State of Delaware is 1201 Market Street, Wilmington, Delaware 19801. The principal place of business of the Alcoa Trust is c/o Alcoa Inc., 201 Isabella Street, Pittsburgh, Pennsylvania 15212-5858 (telephone: (412) 553-4545).

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## RATIOS OF EARNINGS TO FIXED CHARGES

The following table sets forth the ratio of Alcoa s earnings to fixed charges for the periods indicated:

| Nine Months Ended September 30, | Year Ended December 31, | | | | |
|---|---|---|---|---|---|
| 2001 | 2000 | 1999 | 1998 | 1997 | 1996 |
| 6.0 | 6.5 | 8.1 | 7.0 | 9.2 | 7.1 |

The ratios include all earnings, before extraordinary items and the cumulative effects of accounting changes, and fixed charges of Alcoa and its majority owned subsidiaries. Earnings have been calculated by adding to net income the provision for taxes on income, amortization of capitalized interest, interest expense and an amount representative of the interest factor in rentals, the distributed income of less than 50% owned entities, and have been decreased by the undistributed earnings of entities less than 50% owned, preferred stock dividend requirements of majority owned subsidiaries and the minority interest share in the losses of majority owned subsidiaries without fixed charges of Alcoa. Fixed charges consist of total interest expense, amortization of debt expense, an amount representative of the interest factor in rentals, capitalized interest and preferred stock dividend requirements of majority owned subsidiaries.

## USE OF PROCEEDS

Unless otherwise specified in a prospectus supplement, Alcoa will use the net proceeds from the sale of the securities offered by it for general corporate purposes, including repayment of borrowings (including borrowings under Alcoa s commercial paper program), working capital, capital expenditures, stock repurchase programs and acquisitions. Unless otherwise specified in a prospectus supplement, the Alcoa Trust will use the net proceeds from the sale of the trust preferred securities to purchase subordinated debt securities of Alcoa.

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## DESCRIPTION OF SENIOR DEBT SECURITIES

The following description sets forth certain general terms and provisions of the senior debt securities Alcoa may offer from time to time in the future. The particular terms of the senior debt securities and the extent, if any, to which the following general provisions may apply to any series of senior debt securities will be described in the related prospectus supplement.

Senior debt securities may be issued, from time to time, in one or more series under an indenture, dated as of September 30, 1993, between Alcoa and J.P. Morgan Trust Company, N.A. (formerly known as Chase Manhattan Trust Company, N.A.) as successor trustee, or another trustee that is named in a prospectus supplement. The indenture is filed with the SEC and incorporated by reference as an exhibit to the registration statement of which this prospectus is a part. The following summary of certain provisions of the indenture and the senior debt securities is not meant to be complete. For more information, you should refer to the full text of the indenture and the senior debt securities, including the definitions of terms used and not defined in this prospectus or the prospectus supplement.

### General

The indenture does not limit the aggregate principal amount of senior debt securities that Alcoa may issue. Unless otherwise specified in a prospectus supplement, the senior debt securities:

- will be unsecured obligations of Alcoa;
- may be issued under the indenture from time to time in separate series up to the aggregate amount from time to time authorized by Alcoa for each series; and
- will rank on a parity with all other unsecured and unsubordinated indebtedness of Alcoa.

A prospectus supplement will describe the following terms of any series of senior debt securities Alcoa may offer:

- the title;
- any limit on the aggregate principal amount that Alcoa may issue;
- whether the senior debt securities are to be issuable as registered securities or bearer securities or both, whether any of the senior debt securities are to be issuable initially in temporary global form and whether any of the senior debt securities are to be issuable in permanent global form;
- the price(s), expressed as a percentage of aggregate principal amount, at which the senior debt securities will be issued;

the date(s) of maturity;

any rate(s) of interest or the formula pursuant to which interest rate(s) will be determined, and the date from which interest will accrue;

the interest payment dates on which any interest on the senior debt securities will be payable, the regular record date for any interest payable on any senior debt securities which are registered securities on any interest payment date and the extent to which, or the manner in which, any interest payable on a temporary global senior debt security on an interest payment date will be paid if other than in the manner described under Temporary Global Securities below;

the person to whom any interest on any registered security of the series will be payable if other than the person in whose name the registered security is registered at the close of business on the regular record date for the interest as described under Payment and Paying Agents below, and the manner in which any interest on any bearer security will be paid if other than in the manner described under Payment and Paying Agents below;

any mandatory or optional sinking fund or analogous provisions;

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each office or agency where, subject to the terms of the indenture as described below under Payment and Paying Agents, the principal of and any premium and interest on the senior debt securities will be payable and each office or agency where, subject to the terms of the indenture as described below under Form, Exchange, Registration and Transfer, the senior debt securities may be presented for registration of transfer or exchange;

any date after which and the price(s) at which the senior debt securities may, pursuant to any optional or mandatory redemption provisions, be redeemed, in whole or in part, and the other detailed terms and provisions of any optional or mandatory redemption provisions;

the denominations in which any senior debt securities that are registered securities will be issuable, if other than denominations of $1,000 and any integral multiple thereof, and the denomination or denominations in which any senior debt securities that are bearer securities will be issuable, if other than the denomination of $5,000;

the currency, currencies or currency units of payment of principal of and any premium and interest on the senior debt securities and the manner of determining the U.S. dollar equivalent for purposes of determining outstanding senior debt securities of the series;

any index used to determine the amount of payments of principal of and any premium and interest on the senior debt securities;

the portion of the principal amount of the senior debt securities, if other than the principal amount, payable upon acceleration of maturity;

if other than the trustee, the person who will be the security registrar of senior debt securities;

whether the senior debt securities will be subject to defeasance or covenant defeasance as described under Defeasance and Covenant Defeasance ;

any terms and conditions under which the senior debt securities of the series are convertible into or exchangeable for other securities of Alcoa or another issuer;

whether the senior debt securities of the series will be issuable in whole or in part in the form of one or more book-entry securities and, in such case, the depository or depositories for such book-entry debt security or book-entry securities and any circumstances other than those set forth in the indenture in which any such book-entry security may be transferred to, and registered and exchanged for senior debt securities registered in the name of, a person other than the depository for such book-entry security or a nominee thereof and in which any such transfer may be registered;

any other terms of the senior debt securities not inconsistent with the provisions of the indenture (Section 301); and

any special provisions for the payment of additional amounts with respect to the senior debt securities.

Senior debt securities may be issued at a substantial discount below their stated principal amount. Certain United States Federal income tax considerations applicable to senior debt securities issued at a discount and to senior debt securities that are denominated in a currency other than United States dollars will be described in the applicable prospectus supplement.

Senior debt securities may also be issued under the indenture upon the exercise of warrants, in connection with a stock purchase contract or as part of a stock purchase unit. See Description of Warrants and Description of Stock Purchase Contracts and Stock Purchase Units.

**Form, Exchange, Registration and Transfer**

Senior debt securities may be issued in registered form or bearer form or both, as specified in the terms of the series. Unless otherwise indicated in an applicable prospectus supplement, definitive bearer securities will

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have interest coupons attached. (Section 201) Senior debt securities of a series may also be issuable in temporary and permanent global form. (Section 201) See Permanent Global Securities.

In connection with its sale during the restricted period (as defined in United States Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)), no bearer security, including a senior debt security in permanent global form, may be mailed or otherwise delivered to any location in the United States or its possessions. No bearer security other than a temporary global bearer security may be delivered, nor may interest be paid on any bearer security unless the person entitled to receive the bearer security or interest furnishes written certification, in the form required by the indenture, to the effect that such person:

is not a United States person;

is a foreign branch of a United States financial institution purchasing for its own account or for resale, or is a United States person who acquired the senior debt security through such a financial institution and who holds the senior debt security through such financial institution on the date of certification. In either of such cases, such financial institution must provide a certificate to Alcoa or the distributor selling the senior debt security to it stating that it agrees to comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Internal Revenue Code of 1986, as amended, and the United States Treasury Regulations thereunder; or

is a financial institution holding for purposes of resale during the restricted period (as defined in United States Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)).

A financial institution holding for purposes of resale during the restricted period, whether or not also satisfying the other two prongs of the above sentence, must certify that it has not acquired the senior debt security for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions. In the case of a bearer security in permanent global form, such certification must be given in connection with notation of a beneficial owner s interest therein. (Section 303) See Temporary Global Securities.

Senior debt securities may be presented for exchange as follows:

Registered securities will be exchangeable for other registered securities of the same series.

If senior debt securities have been issued as both registered securities and bearer securities, subject to certain conditions, holders may exchange bearer securities for registered securities of the same series of any authorized denominations and of a like aggregate principal amount and tenor.

Bearer securities surrendered in exchange for registered securities between a regular record date or a special record date and the relevant date for payment of interest must be surrendered without the coupon relating to such date for payment of interest and interest will not be payable in respect of the registered security issued in exchange for such bearer security, but will be payable only to the holder of such coupon when due in accordance with the terms of the indenture.

Bearer securities will not be issued in exchange for registered securities.

Each bearer security other than a temporary global bearer security will bear a legend substantially to the following effect: Any United States Person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.

Registered securities may be presented for registration of transfer, with the form of transfer endorsed thereon duly executed, if so required by Alcoa or the trustee or any transfer agent, at the office of the security registrar or at the office of any transfer agent designated by Alcoa for that purpose with respect to any series of senior debt securities and referred to in the applicable prospectus supplement, without service charge and upon payment of any taxes and other governmental charges as described in the indenture. Any transfer or exchange

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will be effected once the security registrar or transfer agent, as the case may be, is satisfied with the documents of title and identity of the person making the request. (Section 305)

If a prospectus supplement refers to any transfer agents, in addition to the security registrar, initially designated by Alcoa with respect to any series of senior debt securities, Alcoa may at any time rescind the designation of any additional transfer agent or approve a change in the location through which any transfer agent acts. If senior debt securities of a series are issuable solely as registered securities, Alcoa will be required to maintain a transfer agent in each place of payment for the series. If senior debt securities of a series are issuable as bearer securities, Alcoa will be required to maintain, in addition to the security registrar, a transfer agent in a place of payment for the series located outside the United States. Alcoa may at any time designate additional transfer agents with respect to any series of senior debt securities. (Section 1002)

If debt securities of a series are redeemed in part, Alcoa will not be required to:

- issue, register the transfer of or exchange senior debt securities of the series during a period beginning at the opening of business 15 days before any selection of senior debt securities of that series to be redeemed and ending at the close of business on:
  - if senior debt securities of the series are issuable only as registered securities, the day of mailing of the relevant notice of redemption, and
  - if senior debt securities of the series are issuable as bearer securities, the day of the first publication of the relevant notice of redemption or, if senior debt securities of the series are also issuable as registered securities and there is no publication, the mailing of the relevant notice of redemption;
- register the transfer of or exchange any registered security, or portion thereof, called for redemption, except the unredeemed portion of any registered security being redeemed in part; or
- exchange any bearer security called for redemption, except to exchange such bearer security for a registered security of that series and like tenor which is immediately surrendered for redemption. (Section 305)

**Payment and Paying Agents**

Unless otherwise indicated in an applicable prospectus supplement, payment of principal of and any premium and interest on registered securities will be made at the office of the paying agent(s) designated by Alcoa from time to time. At the option of Alcoa, payment of any interest may instead be made by check mailed to the address of the person entitled thereto as such address appears in the security register. Unless otherwise indicated in an applicable prospectus supplement, payment of any installment of interest on registered securities will be made to the person in whose name the registered security is registered at the close of business on the regular record date for that interest. (Section 307)

Unless otherwise indicated in an applicable prospectus supplement, payment of principal of and any premium and interest on bearer securities will be payable, subject to any applicable laws and regulations, at the offices of paying agents outside the United States as Alcoa may designate from time to time by check or by transfer, at the option of the holder, to an account maintained by the payee with a bank located outside the United States. Unless otherwise indicated in an applicable prospectus supplement, payment of interest on bearer securities on any interest payment date will be made only against surrender outside the United States, to the paying agent, of the coupon relating to that interest payment

date. (Section 1001) No payment with respect to any bearer security will be made at any office or agency of Alcoa in the United States or by check mailed to any address in the United States or by transfer to an account maintained with a bank located in the United States. Notwithstanding the foregoing, payments of principal of and any premium and interest on bearer securities denominated and payable in U.S. dollars will be made at the office of Alcoa s paying agent in the Borough of Manhattan, the City of New York, if, but only if, payment of the full amount thereof in U.S. dollars at all offices or agencies outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions. (Section 1002)

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Unless otherwise indicated in an applicable prospectus supplement, the corporate trust office of the trustee in Pittsburgh, Pennsylvania will be designated as a paying agent for Alcoa for payments with respect to senior debt securities which are issuable solely as registered securities. Alcoa will maintain a paying agent outside of the United States for payments with respect to senior debt securities, subject to the limitations described above on bearer securities, which are issuable solely as bearer securities, or as both registered securities and bearer securities. Any paying agents outside the United States and any other paying agents in the United States initially designated by Alcoa for the senior debt securities will be named in an applicable prospectus supplement. Alcoa may at any time designate additional paying agents or rescind the designation of any paying agent or approve a change in the office through which any paying agent acts. If senior debt securities of a series are issuable solely as registered securities, Alcoa will be required to maintain a paying agent in each place of payment for the series. If senior debt securities of a series are issuable as bearer securities, Alcoa will be required to maintain:

- a paying agent in the Borough of Manhattan, the City of New York, for payments with respect to any registered securities of the series and for payments with respect to bearer securities of the series in the circumstances described above, but not otherwise; and

- a paying agent in a place of payment located outside the United States where senior debt securities of the series and any coupons appertaining thereto may be presented and surrendered for payment. If the senior debt securities of such series are listed on The Stock Exchange of the United Kingdom and the Republic of Ireland or the Luxembourg Stock Exchange or any other stock exchange located outside the United States and such stock exchange so requires, Alcoa will maintain a paying agent in London or Luxembourg or any other required city located outside the United States, as the case may be, for the senior debt securities of such series. (Section 1002)

All moneys paid by Alcoa to a paying agent for the payment of principal of and any premium or interest on any senior debt security which remain unclaimed at the end of two years after such principal, premium or interest becomes due and payable will be repaid to Alcoa. Thereafter, the holder of any such senior debt security or any coupon may look only to Alcoa for payment. (Section 1003)

**Book-Entry Securities**

The senior debt securities of a series may be issued in the form of one or more registered securities that will be registered in the name of a depository or its nominee and bear a legend as specified in the indenture. These senior debt securities will be known as book-entry securities. Unless otherwise indicated in the applicable prospectus supplement, a book-entry security may not be registered for transfer or exchange to any person other than the depository or its nominee unless:

- the depository notifies Alcoa that it is unwilling to continue as depository or ceases to be a clearing agency registered under the Exchange Act;

- Alcoa executes and delivers to the trustee a company order that the transfer or exchange of the book-entry security will be registrable; or

- there has occurred and is continuing an event of default, or an event that after notice or lapse of time, or both, would be an event of default, with respect to the senior debt securities evidenced by the book-entry security.

Upon the occurrence of any of the conditions specified above or other conditions as may be specified as contemplated by the indenture, the book-entry security may be exchanged for senior debt securities of the series registered in the names of, and the transfer of the book-entry security may be registered to, such persons, including persons other than the depository with respect to such series and its nominees, as the depository may direct.

The specific terms of the depositary arrangement with respect to any portion of a series of registered book-entry securities to be represented by a book-entry security will be described in the applicable prospectus supplement. Alcoa expects that the following provisions will apply to depositary arrangements.

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Unless otherwise specified in the applicable prospectus supplement, senior debt securities that are to be represented by a book-entry security to be deposited with or on behalf of a depository will be represented by a book-entry security registered in the name of the depository or its nominee. Upon the issuance of a book-entry security, and the deposit of the book-entry security with or on behalf of the depository, the depository will credit, on its book-entry registration and transfer system, the respective principal amounts of the senior debt securities represented by the book-entry security to the accounts of institutions that have accounts with the depository or its nominee. The accounts to be credited will be designated by the underwriters or agents of the senior debt securities or by Alcoa if the senior debt securities are offered and sold directly by Alcoa. Ownership of beneficial interests in a book-entry security will be limited to the institutions that have accounts with the depository or persons that may hold interests through the institutions. Ownership of beneficial interests by the institutions in the book-entry security will be shown on, and the transfer of that ownership interest will be effected only through, records maintained by the depository or its nominee for the book-entry security. Ownership of beneficial interests in the book-entry security by persons that hold through the institutions will be shown on, and the transfer of that ownership interest within the institution will be effected only through, records maintained by that institution. The laws of some jurisdictions require that certain purchasers of securities take physical delivery of securities in certificated form. The foregoing limitations and such laws may impair the ability to transfer beneficial interests in book-entry securities.

So long as the depository for a book-entry security, or its nominee, is the registered owner of that book-entry security, the depository or nominee, as the case may be, will be considered the sole owner or holder of the senior debt securities represented by the book-entry security for all purposes under the indenture. Unless otherwise specified in the applicable prospectus supplement, owners of beneficial interests in a book-entry security:

will not be entitled to have senior debt securities of the series registered in their names;

will not receive or be entitled to receive physical delivery of senior debt securities in certificated form; and

will not be considered the holders of debt securities for any purposes under the indenture. (Sections 204 and 305)

Accordingly, each person owning a beneficial interest in a book-entry security must rely on the procedures of the depository and, if such person does not have an account with the depository, on the procedures of the institution through which such person owns its interest, to exercise any rights of a holder under the indenture. The indenture provides that the depository may grant proxies and otherwise authorize participants to give or take any request, demand, authorization, direction, notice, consent, waiver or other action that a holder is entitled to give or take under the indenture. (Section 104) Alcoa understands that under existing industry practices, if Alcoa requests any action of holders, or if an owner of a beneficial interest in such book-entry security desires to give any notice or take any action a holder is entitled to give or take under the indenture, the depository would authorize the participants to give such notice or take such action, and participants would authorize beneficial owners owning through such participants to give such notice or take such action or would otherwise act upon the instructions of beneficial owners owning through them.

**Temporary Global Securities**

If so specified in an applicable prospectus supplement, all or any portion of the senior debt securities of a series that are issuable as bearer securities may initially be represented by one or more temporary global senior debt securities, without interest coupons, to be deposited with a common depositary in London for the Euroclear System ( Euroclear ) and Clearstream Luxembourg for credit to the designated accounts. On and after the date determined as provided in any temporary global senior debt security and described in an applicable prospectus supplement, each temporary global senior debt security will be exchanged for an interest in a permanent global

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bearer security as specified in an applicable prospectus supplement, but, unless otherwise specified in an applicable prospectus supplement, only upon receipt of:

- written certification from Euroclear or Clearstream Luxembourg, as the case may be, in the form and to the effect required by the indenture (a Depository Tax Certification ); and
- written certification by Euroclear or Clearstream Luxembourg from the person entitled to receive such senior debt securities in the form and to the effect described under Form, Exchange, Registration and Transfer.

No definitive bearer security, including a senior debt security in permanent global form that is either a bearer security or exchangeable for bearer securities, delivered in exchange for a portion of a temporary or permanent global senior debt security may be mailed or otherwise delivered to any location in the United States in connection with such exchange. (Section 304)

Unless otherwise specified in an applicable prospectus supplement, interest in respect of any portion of a temporary global senior debt security payable in respect of an interest payment date occurring before the issuance of securities in permanent global form will be paid to each of Euroclear and Clearstream Luxembourg with respect to the portion of the temporary global senior debt security held for its account following the receipt by Alcoa or its agent of a Depository Tax Certification. Each of Euroclear and Clearstream Luxembourg will undertake in such circumstances to credit such interest received by it in respect of a temporary global senior debt security to the respective accounts for which it holds such temporary global senior debt security only upon receipt in each case of certification in the form and to the effect described under Form, Exchange, Registration and Transfer with respect to the portion of such temporary global senior debt security on which such interest is to be so credited. Receipt of the certification described in the preceding sentence by Euroclear or Clearstream Luxembourg, as the case may be, will constitute irrevocable instructions to Euroclear or Clearstream Luxembourg to exchange such portion of the temporary global senior debt security with respect to which such certification was received for an interest in a permanent global senior debt security.

**Permanent Global Securities**

If any senior debt securities of a series are issuable in permanent global form, the applicable prospectus supplement will describe any circumstances under which beneficial owners of interests in any such permanent global senior debt security may exchange their interests for senior debt securities of the series and of like tenor and principal amount in any authorized form and denomination. No bearer security delivered in exchange for a portion of a permanent global senior debt security may be mailed or otherwise delivered to any location in the United States in connection with the exchange. (Section 305)

A person having a beneficial interest in a permanent global senior debt security will, except with respect to payment of principal of and any premium and interest on the permanent global senior debt security, be treated as a holder of the principal amount of outstanding senior debt securities represented by the permanent global senior debt security as is specified in a written statement of:

- the holder of the permanent global senior debt security, or
- in the case of a permanent global senior debt security in bearer form, the operator of Euroclear or Clearstream Luxembourg,

which is produced to the trustee by such person. (Section 203) Principal of and any premium and interest on a permanent global senior debt security will be payable in the manner described in the applicable prospectus supplement.

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**Certain Limitations**

The indenture contains the covenants and limitations summarized below. These covenants and limitations will be applicable, unless waived or amended, so long as any of the senior debt securities are outstanding, unless stated otherwise in the prospectus supplement.

*Liens.* Alcoa covenants that it will not create, incur, assume or guarantee, and will not permit any Restricted Subsidiary to create, incur, assume or guarantee, any indebtedness for borrowed money secured by a mortgage, security interest, pledge, charge or similar encumbrance ( mortgages ) upon any Principal Property of Alcoa or any Restricted Subsidiary or upon any shares of stock or indebtedness of any Restricted Subsidiary without equally and ratably securing the senior debt securities. The foregoing restriction, however, will not apply to:

- mortgages on property, shares of stock or indebtedness of any corporation existing at the time such corporation becomes a Restricted Subsidiary;
- mortgages on property existing at the time of acquisition of such property by Alcoa or a Restricted Subsidiary or mortgages to secure the payment of all or any part of the purchase price of such property upon the acquisition or to secure any indebtedness incurred before, at the time of, or within 180 days after, the acquisition of such property for the purpose of financing all or any part of the purchase price thereof, or mortgages to secure the cost of improvements to such acquired property;
- mortgages to secure indebtedness of a Restricted Subsidiary to Alcoa or another Restricted Subsidiary;
- mortgages existing at the date of the indenture;
- mortgages on property of a corporation existing at the time such corporation is merged into or consolidated with Alcoa or a Restricted Subsidiary or at the time of a sale, lease, or other disposition of the properties of a corporation as an entirety or substantially as an entirety to Alcoa or a Restricted Subsidiary;
- certain mortgages in favor of governmental entities; or
- extensions, renewals or replacements of any mortgage referred to in the above listed exceptions. (Section 1009)

Notwithstanding the restrictions outlined in the preceding paragraph, Alcoa or any Restricted Subsidiary will be permitted to create, incur, assume or guarantee any indebtedness secured by a mortgage without equally and ratably securing the senior debt securities, if after giving effect thereto, the aggregate amount of all indebtedness so secured by mortgages, not including mortgages permitted under the listed exceptions above, does not exceed 10% of Consolidated Net Tangible Assets. (Section 1009)

*Sale and Leaseback Arrangements.* Alcoa covenants that it will not, nor will it permit any Restricted Subsidiary to, enter into any arrangement with any person providing for the leasing to Alcoa or any Restricted Subsidiary of Principal Property, where such Principal Property has been or is to be sold or transferred by Alcoa or such Restricted Subsidiary to such person, unless either:

Alcoa or such Restricted Subsidiary would be entitled to create, incur, assume or guarantee indebtedness secured by a mortgage on such Principal Property at least equal in amount to the Attributable Debt with respect to such arrangement, without equally and ratably securing the senior debt securities pursuant to the limitation in the indenture on liens; or

Alcoa applies an amount equal to the greater of the net proceeds of such sale or the Attributable Debt with respect to such arrangement to the retirement of indebtedness that matures more than twelve months after the creation of such indebtedness.

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This restriction on sale and leaseback transactions does not apply to any transaction:

involving a lease for a term of not more than three years; or

between Alcoa and a Restricted Subsidiary or between Restricted Subsidiaries. (Section 1010)

*Highly leveraged transactions.* The indenture does not contain provisions that would afford protection to the holders of the senior debt securities in the event of a highly leveraged transaction involving Alcoa.

**Certain Definitions**

The following are definitions of capitalized words used in this summary. These and other definitions are set forth in their entirety in the indenture.

Attributable Debt when used in connection with a sale and leaseback transaction referred to above means, at the time of determination, the lesser of:

the fair value of such property as determined by Alcoa s board of directors; or

the present value, discounted at the annual rate of 9%, compounded semi-annually, of the obligation of the lessee for net rental payments during the remaining term of the lease, including any period for which such lease has been extended.

Bearer Security means any senior debt security established under the indenture that is payable to bearer.

Book-entry security means a registered security bearing the legend specified in Section 204 of the indenture, evidencing all or part of a series of senior debt securities, issued to the depository for such series or its nominee, and registered in the name of such depository or nominee. Book-entry securities will not be deemed to be securities in global form for purposes of Sections 201 and 203 and Article Three of the indenture.

Common Stock includes any stock of any class of Alcoa that has no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding-up of Alcoa and which is not subject to redemption by Alcoa. However, subject to the provisions of Section 1511 of the indenture, shares issuable on conversion of senior debt securities will include only shares of the class designated as common stock of Alcoa at September 30, 1993 or shares of any class or classes resulting from any reclassification or reclassifications thereof and which have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding-up of Alcoa and which are not subject to redemption by Alcoa. If at any time there is more than one such resulting class, the shares of each such class then so issuable will be substantially in the proportion that the total number of shares of each such class resulting from all such reclassifications bears to the total number of shares of all such classes resulting from all such reclassifications.

Consolidated Net Tangible Assets means, as of any particular time, the aggregate amount of assets, less applicable reserves and other properly deductible items, adjusted for inventories on the basis of cost, before application of the last-in first-out method of determining cost, or current market value, whichever is lower, and deducting therefrom:

all current liabilities except for:

notes and loans payable,

current maturities of long-term debt, and

current maturities of obligations under capital leases; and

all goodwill, tradenames, patents, unamortized debt discount and expenses, to the extent included in such aggregate amount of assets, and other like intangibles, all as set forth on the most recent consolidated balance sheet of Alcoa and its consolidated Subsidiaries and computed in accordance with generally accepted accounting principles.

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Principal Property means any manufacturing plant or manufacturing facility that is:

owned by Alcoa or any Restricted Subsidiary; and

located within the continental United States of America.

However, any plant that, in the opinion of Alcoa s board of directors, is not of material importance to the total business conducted by Alcoa and the Restricted Subsidiaries taken as a whole will not constitute a Principal Property.

Restricted Subsidiary means any Subsidiary substantially all the property of which is located within the continental United States, but excluding any Subsidiary that:

is principally engaged in leasing or in financing receivables, or

is principally engaged in financing Alcoa s operations outside the continental United States, or

principally serves as a partner in a partnership.

Subsidiary means any corporation of which at least a majority of the outstanding stock having the voting power to elect a majority of the board of directors of such corporation as at the time is owned, directly or indirectly, by Alcoa or by one or more Subsidiaries, or by Alcoa and one or more Subsidiaries.

**Events of Default**

Unless otherwise provided in the applicable prospectus supplement, the following are events of default under the indenture with respect to senior debt securities:

(a) failure to pay any interest when due, and this failure continues for 30 days;

(b) failure to pay any principal or premium when due;

(c) failure to deposit any sinking fund payment when due and this failure continues for 30 days;

(d) failure to perform any other covenant of Alcoa in the indenture (other than a covenant included in the indenture solely for the benefit of a series of senior debt securities other than that series), and this failure continues for 90 days after written notice as provided in the indenture;

(e) default resulting in acceleration of any indebtedness for money borrowed by Alcoa under the terms of the instrument(s) under which such indebtedness is issued or secured if such acceleration is not rescinded or annulled within 10 days after written notice as provided in the indenture, provided that, the resulting event of default under the indenture will be cured or waived if such other default is cured or waived;

(f) certain events in bankruptcy, insolvency or reorganization involving Alcoa; and

(g) any other event of default provided with respect to senior debt securities of a series. (Section 501)

If an event of default with respect to senior debt securities occurs and is continuing, either the trustee or the holders of at least 25% in aggregate principal amount of the outstanding senior debt securities of that series by notice as provided in the indenture may declare the principal amount (or, if the senior debt securities of that series are original issue discount securities, such portion of the principal amount as may be specified in the terms of that series) of all the senior debt securities of that series to be due and payable immediately. At any time after a declaration of acceleration with respect to senior debt securities of any series has been made, but before a judgment or decree for payment of money has been obtained by the trustee, the holders of a majority in aggregate principal amount of the outstanding senior debt securities of that series may, under certain circumstances, rescind and annul such acceleration. (Section 502)

Subject to the duty of the trustee during default to act with the required standard of care, the trustee will be under no obligation to exercise any of its rights or powers under the indenture at the request or direction of

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any of the holders, unless such holders have offered to the trustee reasonable indemnity. (Sections 601 and 603) The holders of a majority in aggregate principal amount of the outstanding senior debt securities of any series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred on the trustee, with respect to the senior debt securities of that series. (Section 512)

**Conversion and Exchange Rights**

The senior debt securities of any series may be convertible into or exchangeable for other securities of Alcoa or another issuer on the terms and subject to the conditions set forth in the applicable prospectus supplement.

**Defeasance and Covenant Defeasance**

Unless otherwise indicated in the applicable prospectus supplement with respect to the senior debt securities of a series, Alcoa, at its option:

(a) will be discharged from any and all obligations in respect of the senior debt securities of that series, except for certain obligations to:

issue temporary senior debt securities pending preparation of definitive senior debt securities,

register the transfer or exchange of senior debt securities of such series,

replace stolen, lost or mutilated senior debt securities of such series, and

maintain paying agents and hold moneys for payment in trust,

or

(b) need not comply with the covenants that are set forth under Certain Limitations and Consolidation, Merger and Sale of Assets, and the occurrence of an event described under clause (d) of Events of Default with respect to any defeased covenant and clauses (e) and (g) of Events of Default will no longer be events of default,

if, in each case, Alcoa irrevocably deposits with the trustee, in trust, money and/or U.S. government obligations that through the scheduled payment of interest thereon and principal thereof in accordance with their terms will provide money in an amount sufficient to pay all the principal of and any premium and interest on the senior debt securities of such series on the dates such payments are due, which may include one or more redemption dates designated by Alcoa, in accordance with the terms of the indenture and the senior debt securities. (Sections 1301, 1302, 1303 and 1304) The trust may only be established if, among other things:

no event of default, or event that with the giving of notice or lapse of time, or both, would become an event of default, under the indenture has occurred and is continuing on the date of such deposit, and no event of default, or event that with the giving of notice or lapse of time, or both, would become an event of default, under clause (f) of Events of Default has occurred and is continuing at any time during the period ending on the 91st day following such date of deposit, and

Alcoa has delivered an opinion of counsel based, in the event of a defeasance of the type described in clause (a) above, upon a ruling from the Internal Revenue Service or a change in applicable Federal income tax law from the date of the indenture, to the effect that the holders of the senior debt securities will not recognize income, gain or loss for Federal income tax purposes as a result of such deposit or defeasance and will be subject to Federal income tax in the same manner as if such defeasance had not occurred. (Section 1304)

If Alcoa omits to comply with its remaining obligations under the indenture after a defeasance of the indenture with respect to the senior debt securities of any series as described under clause (b) above and the senior debt

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securities of such series are declared due and payable because of the occurrence of any undefeased event of default, the amount of money and/or U.S. government obligations on deposit with the trustee may be insufficient to pay amounts due on the senior debt securities of such series at the time of the acceleration resulting from such event of default. However, Alcoa will remain liable in respect of such payments.

**Meetings, Modification and Waiver**

Alcoa and the trustee may make modifications and amendments of the indenture with the consent of the holders of not less than 66 2/3% in aggregate principal amount of the outstanding senior debt securities of each series affected by the modification or amendment. However, Alcoa and the trustee may not make any of the following modifications or amendments without the consent of the holder of each outstanding senior debt security affected:

- change the Stated Maturity of the principal of, or any installment of principal of or interest on, any senior debt security;
- reduce the principal amount of, or premium or interest on, any senior debt security;
- change any obligation of Alcoa to pay additional amounts;
- reduce the amount of principal of an original issue discount security payable upon acceleration of the maturity thereof;
- change the coin or currency in which any senior debt security or any premium or interest thereon is payable;
- impair the right to institute suit for the enforcement of any payment on or with respect to any senior debt security;
- reduce the percentage in principal amount of outstanding senior debt securities of any series, the consent of whose holders is required for modification or amendment of the indenture or for waiver of compliance with certain provisions of such indenture or for waiver of certain defaults;
- reduce the requirements contained in the indenture for quorum or voting;
- change any obligation of Alcoa to maintain an office or agency in the places and for the purposes required by the indenture; or
- modify any of the above provisions. (Section 902)

The holders of at least 66 2/3% of the outstanding senior debt securities of a series may waive compliance by Alcoa with certain restrictive provisions of the indenture. (Section 1012) The holders of not less than a majority in aggregate principal amount of the outstanding senior debt securities of each series may, on behalf of all holders of senior debt securities of that series and any coupons appertaining thereto, waive any past default under the indenture with respect to senior debt securities of that series, except a default:

in the payment of principal of, or any premium or interest on, any senior debt security of the series; and

in respect of a covenant or provision of the indenture that cannot be modified or amended without the consent of the holder of each outstanding senior debt security of the series affected. (Section 513)

In determining whether the holders of the requisite principal amount of the outstanding senior debt securities have given any request, demand, authorization, direction, notice, consent or waiver thereunder or are present at a meeting of holders of senior debt securities for quorum purposes:

the principal amount of an original issue discount security that will be deemed to be outstanding will be the amount of its principal that would be due and payable as of the date of such determination upon acceleration of its maturity;

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the principal amount of a senior debt security denominated in a foreign currency or currencies will be the U.S. dollar equivalent, determined on the date of original issuance of that security, of the principal amount of the senior debt security (or, in the case of an original issue discount security, the U.S. dollar equivalent, determined on the date of original issuance of the senior debt security, of the amount determined as provided above); and

senior debt securities owned by Alcoa or an affiliate of Alcoa will not be deemed outstanding. (Section 101)

The indenture contains provisions for convening meetings of the holders of senior debt securities of a series if senior debt securities of that series are issuable as bearer securities. (Section 1401) A meeting may be called at any time by the trustee, and also, upon request, by Alcoa or the holders of at least 10% in principal amount of the outstanding senior debt securities of a series, in any case upon notice given in accordance with Notices below. (Section 1402) To be entitled to vote at any meeting of holders of senior debt securities of any series, a person must be:

a holder of one or more outstanding senior debt securities of the series; or

a person appointed by an instrument in writing as proxy of a holder, including proxies given to beneficial owners of book-entry securities by the depository or its nominee. (Section 1403)

Except for any consent that must be given by the holder of each outstanding senior debt security affected thereby, as described above,

any resolution presented at a meeting or adjourned meeting at which a quorum is present may be adopted by the affirmative vote of the holders of a majority in principal amount of the outstanding senior debt securities of that series;

any resolution with respect to any consent or waiver that may be given by the holders of not less than 66 2/3% in principal amount of the outstanding senior debt securities of a series may be adopted at a meeting or an adjourned meeting at which a quorum is present only by the affirmative vote of 66 2/3% in principal amount of the outstanding senior debt securities of that series; and

any resolution with respect to any request, demand, authorization, direction, notice, consent, waiver or other action that may be made, given or taken by the holders of a specified percentage, which is less than a majority, in principal amount of outstanding senior debt securities of a series may be adopted at a meeting or adjourned meeting duly reconvened at which a quorum is present by the affirmative vote of the holders of such specified percentage in principal amount of the outstanding senior debt securities of that series.

Any resolution passed or decision taken at any meeting of holders of senior debt securities of any series duly held in accordance with the indenture will be binding on all holders of senior debt securities of that series and the related coupons.

The quorum at any meeting called to adopt a resolution, and at any reconvened meeting, will be persons holding or representing a majority in principal amount of the outstanding senior debt securities of a series; provided, however, that if any action is to be taken at such meeting with respect to a consent or waiver that may be given by the holders of not less than 66 2/3% in principal amount of the outstanding senior debt securities of a series, the persons holding or representing 66 2/3% in principal amount of the outstanding senior debt securities of such series will constitute a quorum. (Section 1404)

**Consolidation, Merger and Sale of Assets**

Alcoa may, without the consent of the holders of any of the outstanding senior debt securities under the indenture, consolidate or merge with or into, or transfer or lease its assets substantially as an entirety to, any person that is a corporation, partnership or trust organized and validly existing under the laws of any domestic

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jurisdiction, or may permit any such person to consolidate with or merge into Alcoa or convey, transfer or lease its properties and assets substantially as an entirety to Alcoa, provided that:

any successor person assumes Alcoa s obligations on the senior debt securities and under the indenture;

after giving effect to the transaction, no event of default, and no event that, after notice or lapse of time, would become an event of default, has occurred and is continuing; and

certain other conditions are met. (Section 801)

**Notices**

Except as otherwise provided in the indenture, notices to holders of bearer securities will be given by publication at least twice in a daily newspaper in the City of New York and in such other city or cities as may be specified in such senior debt securities and described in the applicable prospectus supplement. Notices to holders of registered securities will be given by mail to the addresses of such holders as they appear in the security register. (Sections 101 and 106)

**Title**

Title to any bearer securities and any coupons will pass by delivery. Alcoa, the trustee and any agent of Alcoa or the trustee may treat the bearer of any bearer security and the bearer of any coupon and the registered owner of any registered security as the absolute owner thereof, whether or not the senior debt security or coupon is overdue and notwithstanding any notice to the contrary, for the purpose of making payment and for all other purposes. (Section 308)

**Replacement of Securities and Coupons**

Alcoa will replace any mutilated senior debt security or a senior debt security with a mutilated coupon at the expense of the holder upon surrender of the senior debt security to the security registrar.

Alcoa will replace senior debt securities or coupons that become destroyed, stolen or lost at the expense of the holder upon delivery to the trustee of the senior debt security and coupons or evidence of the destruction, loss or theft thereof satisfactory to Alcoa and the trustee. If any coupon becomes destroyed, stolen or lost, that coupon will be replaced by issuance of a new senior debt security in exchange for the senior debt security to which that coupon is attached. In the case of a destroyed, lost or stolen senior debt security or coupon, an indemnity satisfactory to the trustee and Alcoa may be required at the expense of the holder of such senior debt security or coupon before a replacement senior debt security will be issued. (Section 306)

**Governing Law**

The indenture, the senior debt securities and the coupons will be governed by, and construed in accordance with, the laws of the Commonwealth of Pennsylvania, except to the extent that the Trust Indenture Act applies. (Section 113)

**Regarding the Trustee**

J.P. Morgan Trust Company, N.A. is the trustee under the indenture. Alcoa and certain of its subsidiaries maintain deposit accounts and conduct other banking transactions, including borrowings in the ordinary course of business, with J.P. Morgan Trust Company, N.A. or its affiliates.

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## DESCRIPTION OF SUBORDINATED DEBT SECURITIES

The following description sets forth certain general terms and provisions of the subordinated debt securities that Alcoa may offer. The particular terms of the subordinated debt securities and the extent, if any, to which the general provisions may apply to the subordinated debt securities will be described in the related prospectus supplement.

The subordinated debt securities may be issued under an indenture between Alcoa and J.P. Morgan Trust Company, N.A., as trustee, or such other trustee that is named in a prospectus supplement. The form of the indenture has been filed with the SEC as an exhibit to the registration statement of which this prospectus is a part. The following summary of certain provisions of the indenture and the subordinated debt securities is not meant to be complete. For more information, you should refer to the full text of the indenture and the subordinated debt securities, including the definitions of terms used and not defined in this prospectus or the related prospectus supplement.

### General

The subordinated debt securities will be unsecured and will rank junior and be subordinate in right of payment to all Senior Debt (as defined below) of Alcoa. The indenture does not limit the incurrence or issuance of other secured or unsecured debt of Alcoa, whether under the indenture or any existing or other indenture that Alcoa may enter into in the future or otherwise. See Subordination.

The subordinated debt securities will not be subject to any sinking fund provision.

A prospectus supplement will describe the following terms of the subordinated debt securities Alcoa may offer:

- the specific designation, aggregate principal amount and purchase price;
- any limit on the aggregate principal amount;
- the date(s) on which the principal is payable and any right to extend such date(s);
- any rate(s) at which the subordinated debt securities will bear interest or the method of calculating any interest rate(s);
- the date(s) from which interest will accrue, the interest payment dates on which interest will be payable or the manner of determination of interest payment dates and the record dates for the determination of holders to whom interest is payable on any interest payment dates;
- any right to defer payments of interest by extending the interest payment periods and the duration of such extensions;

the period(s) within which, the price(s) at which, and the terms and conditions upon which, the subordinated debt securities may be redeemed, in whole or in part, at the option of Alcoa;

any obligation of Alcoa to redeem or purchase the subordinated debt securities at the option of the holder thereof and the period(s) within which, the price(s) at which, and the terms and conditions upon which, the subordinated debt securities will be redeemed or purchased, in whole or part, under such obligation;

any applicable United States Federal income tax consequences, including whether and under what circumstances Alcoa will pay additional amounts on the subordinated debt securities held by a person who is not a U.S. person in respect of any tax, assessment or governmental charge withheld or deducted and, if so, whether Alcoa will have the option to redeem the subordinated debt securities rather than pay such additional amounts;

the form of the subordinated debt securities;

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if other than denominations of $1,000 or any integral multiple thereof, the denominations in which the subordinated debt securities will be issuable;

any and all other terms, including any modifications of or additions to the events of default or covenants, and any terms that may be required by or advisable under applicable laws or regulations not inconsistent with the indenture;

the terms and conditions upon which the subordinated debt securities may be convertible into or exchanged for other securities of Alcoa or another issuer; and

whether the subordinated debt securities are issuable as a global security, and in such case, the identity of the depository.

Unless otherwise indicated in the applicable prospectus supplement, the subordinated debt securities will be issued in United States dollars in fully registered form without coupons. No service charge will be made for any transfer or exchange of any subordinated debt securities, but Alcoa may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with a transfer or exchange.

Subordinated debt securities may also be issued under the indenture upon the exercise of warrants, in connection with a stock purchase contract or as part of a stock purchase unit. See Description of Warrants and Description of Stock Purchase Contracts and Stock Purchase Units.

**Global Securities**

If any subordinated debt securities are represented by one or more global securities, the applicable prospectus supplement will describe any circumstances under which beneficial owners of interests in any global security may exchange those interests for subordinated debt securities of like tenor and principal amount in any authorized form and denomination. Principal of, and any premium and interest on, a global security will be payable in the manner described in the applicable prospectus supplement.

The specific terms of the depositary arrangement regarding any portion of subordinated debt securities to be represented by a global security will be described in the applicable prospectus supplement.

**Payment and Paying Agents**

Payments on subordinated debt securities represented by a global security will be made to the depository for the subordinated debt securities. If subordinated debt securities are issued in definitive form, then the following will take place at the corporate office of the trustee in Pittsburgh, Pennsylvania or at the office of such paying agent(s) as Alcoa may designate:

payment of principal of and any premium and interest on the subordinated debt securities;

registration of the transfer of the subordinated debt securities; and

the exchange of the subordinated debt securities into subordinated debt securities of other denominations of a like aggregate principal amount.

However, at the option of Alcoa, payment of any interest may be made:

by check mailed to the address of the person entitled thereto as such address appears in the securities register; or

by wire transfer to an account maintained by the person entitled thereto as specified in the securities register, provided that proper transfer instructions have been received by the regular record date.

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Payment of any interest on subordinated debt securities will be made to the person in whose name the subordinated debt securities are registered at the close of business on the regular record date for the interest, except in the case of defaulted interest. Unless otherwise set forth in the applicable prospectus supplement, the regular record date for the interest payable on any interest payment date will be the 15th day, whether or not a business day, next preceding such interest payment date. Alcoa may at any time designate additional paying agents or rescind the designation of any paying agent. (Section 2.3)

Any monies deposited with the trustee or any paying agent or then held by Alcoa in trust for the payment of the principal of and any premium or interest on any subordinated debt securities and remaining unclaimed for two years after such principal and premium, if any, or interest has become due and payable will, at the request of Alcoa, be repaid to Alcoa. Thereafter, the holder of such subordinated debt securities may look, as a general unsecured creditor, only to Alcoa for payment. (Section 10.3)

**Modification of Indenture**

Alcoa and the trustee may, without the consent of the holders of subordinated debt securities, amend, waive or supplement the indenture for specified purposes, including, among other things:

curing ambiguities, defects or inconsistencies, provided that any such action does not materially adversely affect the interest of the holders of the subordinated debt securities; and

qualifying, or maintaining the qualification of, the indenture under the Trust Indenture Act. (Section 9.1)

Alcoa and the trustee may, with the consent of the holders of not less than a majority in principal amount of the outstanding subordinated debt securities, modify the indenture in a manner affecting the rights of the holders of the subordinated debt securities. However, no such modification may, without the consent of the holder of each outstanding subordinated debt security so affected:

change the stated maturity of the subordinated debt securities;

reduce the principal amount thereof;

reduce the rate or extend the time of payment of interest thereon, other than deferrals of the payments of interest during any extension period as described in any applicable prospectus supplement;

reduce the premium payable upon redemption;

impair any right to institute suit for the enforcement of any such payment;

adversely affect the subordination provisions of the indenture or any right to convert or exchange any subordinated debt securities; or

reduce the percentage of principal amount of subordinated debt securities, the holders of which are required to consent to any such modification of the indenture. (Section 9.2)

**Events of Default**

Any one or more of the following described events that has occurred and is continuing constitutes an event of default with respect to the subordinated debt securities:

(a) failure for 30 days to pay any interest when due (subject to the deferral of any due date in the case of an extension period);

(b) failure to pay any principal or premium when due whether at maturity, upon redemption, by declaration or otherwise;

(c) failure by Alcoa to deliver securities upon an appropriate election by holders of subordinated debt securities to convert their subordinated debt securities into those securities;

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(d) failure to observe or perform certain other covenants contained in the indenture for 90 days after written notice to Alcoa from the trustee or to the trustee and Alcoa from the holders of at least 25% in aggregate outstanding principal amount of the subordinated debt securities; or

(e) certain events in bankruptcy, insolvency or reorganization of Alcoa. (Section 5.1)

The holders of a majority in aggregate outstanding principal amount of the subordinated debt securities of any series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee consistent with the indenture with respect to the subordinated debt securities of that series. (Section 5.12) If an event of default with respect to subordinated debt securities occurs and is continuing, either the trustee or the holders of not less than 25% in aggregate principal amount of the outstanding subordinated debt securities of that series may declare the principal of all of the subordinated debt securities of that series due and payable immediately. At any time after a declaration of acceleration with respect to subordinated debt securities of any series has been made, but before a judgment or decree for payment of money has been obtained by the trustee, the holders of a majority in aggregate outstanding principal amount of the subordinated debt securities of that series may annul and rescind such declaration if the default, other than the non-payment of the principal of the subordinated debt securities which has become due solely by such acceleration, has been cured or waived, and a sum sufficient to pay all matured installments of interest and principal due, otherwise than by acceleration, has been deposited with the trustee. (Section 5.2)

The holders of a majority in aggregate outstanding principal amount of the subordinated debt securities of any series may, on behalf of the holders of all the subordinated debt securities of that series, waive any past default under the indenture with respect to that series. However, they may not waive:

a default in the payment of principal or interest, unless such default has been cured and a sum sufficient to pay all matured installments of interest and principal due otherwise than by acceleration has been deposited with the trustee; or

a default in respect of a covenant or provision that under the indenture cannot be modified or amended without the consent of the holder of each outstanding subordinated debt security. (Section 5.13)

Alcoa is required to file annually with the trustee a certificate as to whether or not Alcoa is in compliance with all the conditions and covenants applicable to it under the indenture. (Section 10.5)

**Consolidation, Merger, Sale of Assets and Other Transactions**

Alcoa may not consolidate with or merge into any other person or convey, transfer or lease its properties and assets substantially as an entirety to any person, and no person may consolidate with or merge into Alcoa or convey, transfer or lease its properties and assets substantially as an entirety to Alcoa, unless:

if Alcoa consolidates with or merges into another person or conveys, transfers or leases its properties and assets substantially as an entirety to any person, the successor person is organized under the laws of the United States or any state or the District of Columbia, and such successor person expressly assumes Alcoa s obligations on the subordinated debt securities and under the indenture;

immediately after giving effect thereto, no event of default, and no event that, after notice or lapse of time or both, would become an event of default, has happened and is continuing; and

certain other conditions as prescribed in the indenture are met. (Section 8.1)

**Highly Leveraged Transactions**

The general provisions of the indenture do not afford holders of the subordinated debt securities protection in the event of a highly leveraged or other transaction involving Alcoa that may adversely affect holders of the subordinated debt securities.

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**Satisfaction and Discharge**

The indenture will cease to be of further effect, and Alcoa will be deemed to have satisfied and discharged the indenture, when, among other things:

all subordinated debt securities not previously delivered to the trustee for cancellation have become due and payable or will become due and payable at their stated maturity within one year or are to be properly called for redemption within one year; and

Alcoa irrevocably deposits or causes to be deposited with the trustee as trust funds money and/or U.S. government obligations sufficient to pay and discharge the entire indebtedness on the subordinated debt securities for the principal and any premium, interest and other sums payable under the indenture on the dates such payments are due. (Section 4.1)

**Subordination**

Any subordinated debt securities issued under the indenture will be subordinate and junior in right of payment to all Senior Debt (as defined below) of Alcoa whether existing at the date of the indenture or subsequently incurred. Upon any payment or distribution of assets of Alcoa to creditors upon any:

liquidation;

dissolution;

winding-up;

reorganization;

assignment for the benefit of creditors;

marshaling of assets or any bankruptcy;

insolvency; or

debt restructuring or similar proceedings in connection with any insolvency or bankruptcy proceeding of Alcoa,

the holders of Senior Debt will first be entitled to receive payment in full of principal of and any premium and interest on such Senior Debt before the holders of the subordinated debt securities will be entitled to receive or retain any payment in respect of the principal of and any premium or interest on the subordinated debt securities. (Sections 12.1 and 12.2)

Upon the acceleration of the maturity of any subordinated debt securities, the holders of all Senior Debt outstanding at the time of such acceleration will first be entitled to receive payment in full of all amounts due thereon, including any amounts due upon acceleration, before the holders of subordinated debt securities will be entitled to receive or retain any payment in respect of the principal of or any premium or interest on the subordinated debt securities. (Section 12.1)

No payments on account of principal, or any premium or interest, in respect of the subordinated debt securities may be made if:

there has occurred and is continuing a default in any payment with respect to Senior Debt;

there has occurred and is continuing an event of default with respect to any Senior Debt resulting in the acceleration of the maturity thereof; or

any judicial proceeding is pending with respect to any such default or event of default with respect to any Senior Debt. (Section 12.3)

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Debt means, with respect to any person, whether recourse is to all or a portion of the assets of such person and whether or not contingent:

- every obligation of such person for money borrowed;
- every obligation of such person evidenced by bonds, debentures, notes or other similar instruments, including obligations incurred in connection with the acquisition of property, assets or businesses;
- every reimbursement obligation of such person with respect to letters of credit, bankers acceptances or similar facilities issued for the account of such person;
- every obligation of such person issued or assumed as the deferred purchase price of property or services, but excluding trade accounts payable or accrued liabilities arising in the ordinary course of business;
- every capital lease obligation of such person; and
- every obligation of the type referred to above of another person and all dividends of another person the payment of which, in either case, such person has guaranteed or for which such person is responsible or liable, directly or indirectly, as obligor or otherwise.

Senior Debt means the principal of, and any premium and interest, including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to Alcoa, whether or not such claim for post-petition interest is allowed in such proceeding, on Debt of Alcoa, whether incurred on, before or after the date of the indenture, unless the instrument creating or evidencing the Debt or under which the Debt is outstanding provides that obligations created by it are not superior in right of payment to the subordinated debt securities.

The indenture will place no limitation on the amount of additional Senior Debt that may be incurred by Alcoa.

**Governing Law**

The indenture and the subordinated debt securities will be governed by and construed in accordance with the laws of the State of New York, except to the extent that the Trust Indenture Act applies. (Section 1.12)

**Information Concerning the Trustee**

J.P. Morgan Trust Company, N.A. will be the trustee under the indenture. The trustee is not obligated to exercise any of its powers under the indenture at the request of any holder of subordinated debt securities, unless the holder offers to indemnify the trustee against any loss, liability or expense, and then only to the extent required by the terms of the indenture. The trustee is not required to expend or risk its own funds or otherwise incur personal financial liability in the performance of its duties if the trustee reasonably believes that repayment or adequate indemnity is not reasonably assured to it. (Section 6.3) Alcoa and certain of its subsidiaries maintain deposit accounts and conduct other banking transactions, including borrowings in the ordinary course of business, with J.P. Morgan Trust Company, N.A. or its affiliates.

**Additional Provisions that may be Applicable to Subordinated Debt Securities**

Alcoa may issue a specific series of subordinated debt securities in connection with the issuance by the Alcoa Trust of trust preferred securities. See Description of Trust Preferred Securities and Trust Guarantee below. At the time the Alcoa Trust issues trust preferred securities, it will invest the proceeds from the issuance of such securities, together with the consideration paid by Alcoa for the related trust common securities, in subordinated debt securities. The subordinated debt securities held by the Alcoa Trust will be in the principal amount equal to the aggregate stated liquidation amount of the trust preferred securities plus Alcoa s concurrent investment in the related trust common securities.

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So long as any of the trust preferred securities remain outstanding:

- no modification may be made to the indenture relating to the subordinated debt securities that adversely affects the holders of the trust preferred securities in any material respect;

- no termination of the indenture may occur, and no waiver of any event of default with respect to the subordinated debt securities or compliance with any covenant under the indenture may be effective, without the prior consent of the holders of at least a majority in aggregate liquidation amount of the trust preferred securities then outstanding unless and until the principal of and any premium on the subordinated debt securities and all accrued and unpaid interest thereon has been paid in full; and

- where a consent under the indenture would require the consent of each holder of subordinated debt securities, no such consent will be given by the Property Trustee without the prior consent of each holder of the trust preferred securities. (Sections 9.1 and 9.2)

If an event of default occurs and is continuing, the Property Trustee will have the right to declare the principal of and the interest on the subordinated debt securities and any other amounts payable under the indenture to be due and payable and to enforce its other rights as a creditor with respect to the subordinated debt securities. (Section 5.2)

Upon the occurrence and continuance of an event of default under the indenture:

- the holders of at least 25% in aggregate liquidation amount of the trust preferred securities then outstanding will have the right to declare the principal of all the subordinated debt securities to be immediately due and payable if the trustee or the holders of not less than 25% in principal amount of the outstanding subordinated debt securities fail to make such declaration; and

- the holders of a majority in aggregate liquidation amount of the trust preferred securities then outstanding will have the right to annul and rescind such declaration if the holders of a majority in principal amount of the outstanding subordinated debt securities fail to annul and rescind such declaration as provided in the indenture. (Section 5.2)

The holders of a majority in aggregate liquidation amount of the trust preferred securities then outstanding will have the right to waive any past default under the indenture if the holders of a majority in principal amount of the outstanding subordinated debt securities fail to waive such past default as provided in the indenture. (Section 5.13)

Any consolidation, merger, conveyance, transfer or lease of Alcoa s properties and assets substantially as an entirety permitted under the indenture must also be permitted under the trust agreement and the trust guarantee relating to the trust preferred securities. (Section 8.1)

Under the indenture, Alcoa will pay all of the costs, expenses or liabilities of the Alcoa Trust, other than obligations of the Alcoa Trust to pay to the holders of any trust preferred securities or trust common securities the amounts due under the terms of those securities. (Section 10.9)

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## DESCRIPTION OF PREFERRED STOCK

Alcoa s Articles of Incorporation, as amended, authorize Alcoa to issue two classes of preferred stock:

660,000 shares of $3.75 Cumulative Preferred Stock, par value $100.00 per share ( Class A Stock ); and

10,000,000 shares of Class B Serial Preferred Stock, par value $1.00 per share ( Class B Stock ).

As of November 30, 2001, Alcoa had 557,649 shares of Class A Stock outstanding and no shares of Class B Stock outstanding. No additional shares of Class A Stock may be issued. Alcoa initiated an ongoing program to purchase and retire shares of Class A Stock in 1989.

The following is a description of certain general terms and provisions of the series of Class B Stock. The specific terms of a particular series of Class B Stock will be described in the related prospectus supplement. The terms of any series of Class B Stock as set forth in a prospectus supplement may differ from the terms set forth below. The following description of Class B Stock and the description of the terms of a particular series of Class B Stock set forth in the applicable prospectus supplement are not meant to be complete. For more information, you should refer to Alcoa s Articles of Incorporation and Statement with Respect to Shares relating to such series of Class B Stock, which will be filed or incorporated by reference as an exhibit to the registration statement of which this prospectus is a part.

### General

The board of directors of Alcoa may issue shares of Class B Stock in one or more series and may fix the specific number of shares and, subject to Alcoa s Articles of Incorporation, the relative rights and preferences of any such series so established. All shares of preferred stock must be identical, except with respect to the following relative rights and preferences, any of which may vary between different series:

the rate of dividend, including the date from which dividends will be cumulative, whether such dividend rate will be fixed or variable and the methods, procedures and formulas for the recalculation or periodic resetting of any variable dividend rate;

the price at, and the terms and conditions on, which shares may be redeemed;

the amounts payable on shares in the event of voluntary or involuntary liquidation;

sinking fund provisions for the redemption or purchase of shares in the event shares of any series of preferred stock are issued with sinking fund provisions; and

the terms and conditions on which the shares of any series may be converted in the event the shares of any series are convertible.

Each share of any series of Class B Stock will be identical with all other shares of the same series, except as to the date from which dividends will be cumulative.

The prospectus supplement will set forth the following specific terms regarding the series of Class B Stock it offers:

- the designation, number of shares and liquidation preference per share;
- the initial public offering price;
- the dividend rate(s), or the method of determining the dividend rate(s);
- any index upon which the amount of any dividends is determined;
- the dates on which any dividends will accrue and be payable, whether dividends will be cumulative, and the designated record dates for determining the holders entitled to dividends;

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any redemption or sinking fund provisions;

any conversion or exchange provisions;

provisions for issuance of global securities;

the currency, which may be a composite currency, in which payment of any dividends will be payable if other than United States dollars;

any voting rights, except as otherwise required by law; and

any additional terms, preferences or rights and qualifications, limitations or restrictions.

The shares of Class B Stock will, when issued, be fully paid and nonassessable and will have no preemptive rights.

The transfer agent, registrar, dividend disbursing agent and redemption agent for the Class B Stock will be specified in the related prospectus supplement.

**Dividends**

The holders of Class A Stock are entitled to receive, when and as declared by Alcoa s board of directors, out of legally available funds, cumulative cash dividends at the annual rate of $3.75 per share, payable quarterly on the first day of January, April, July and October in each year.

The holders of the Class B Stock of each series will be entitled to receive, when, as and if declared by Alcoa s board of directors, out of legally available funds, cumulative cash or other dividends at such rate(s) and on such dates as the board of directors determines. The applicable prospectus supplement will set forth this dividend right. Rates may be fixed or variable or both. The board may not declare dividends in respect of any dividend period on any series of Class B Stock unless all accrued dividends and the current quarter yearly dividend on the Class A Stock are paid in full or the board contemporaneously declares and sets apart such Class A Stock dividends. If Alcoa has not declared and paid or set apart the full cumulative dividends on shares of a series of Class B Stock, dividends thereon will be declared and paid *pro rata* to the holders of the series. Alcoa will not pay interest on any dividend payment on the Class A Stock or the Class B Stock which is in arrears.

If Alcoa has not declared and paid or set apart when due full cumulative dividends on any class or series of Class A Stock or Class B Stock, including the current quarter yearly dividend for shares of Class A Stock, Alcoa may not declare or pay any dividends on, or make other distributions on or make payment on account of the purchase, redemption, or other retirement, of Alcoa common stock. No restriction applies to Alcoa s repurchase or redemption of Class A Stock or Class B Stock while there is any arrearage in the payment of dividends or any applicable sinking fund installments on Class A Stock or Class B Stock.

**Redemption**

Alcoa may redeem all or any part of the Class A Stock at any time at the option of its board of directors. Such redemption will be at par, plus accrued dividends. Alcoa must publish notice of such redemption in daily newspapers of general circulation in New York City and in Pittsburgh, Pennsylvania, as well as by mail to each record holder. Alcoa must give such notice not less than 30 days nor more than 60 days before the date fixed for redemption. If Alcoa redeems only part of the Class A Stock, Alcoa will select the shares to be redeemed *pro rata* or by lot, as Alcoa s board of directors determines.

If notice of redemption has been given, from and after the redemption date for the shares of Class A Stock called for redemption, the following will occur, unless Alcoa fails to provide funds for payment of the redemption price:

dividends on the shares of Class A Stock called for redemption will cease to accrue;

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such shares will no longer be deemed to be outstanding; and

holders will have no further rights as shareholders of Alcoa, except the right to receive the redemption price.

Holders will receive the redemption price for the Class A Stock when they surrender the certificates representing such shares in accordance with the redemption notice (including being properly endorsed or assigned for transfer, if Alcoa s board of directors so requires and the notice so states). If Alcoa redeems fewer than all of the shares represented by any certificate, Alcoa will issue a new certificate representing the unredeemed shares, at no cost to the certificate holder. All shares of Class A Stock which Alcoa redeems will be cancelled and not reissued.

The terms and conditions under which all or any part of any series of the Class B Stock may be redeemed will be established by Alcoa s board of directors before Alcoa issues such series of Class B Stock. Unless Alcoa s board of directors determines otherwise, all shares of Class B Stock which Alcoa redeems or otherwise acquires will return to the status of authorized but unissued shares.

**Liquidation Preference**

Upon any liquidation, dissolution or winding up of Alcoa, each holder of Class A Stock will be entitled to receive, out of the assets of Alcoa available for distribution to shareholders, $100 per share plus accrued and unpaid dividends, before any distribution of assets is made to or set apart for the holders of Class B Stock or common stock.

Upon any liquidation, dissolution or winding up of Alcoa, the holders of shares of each series of Class B Stock will be entitled to receive, out of the assets of Alcoa available for distribution to shareholders, an amount fixed by the board of directors plus any accrued and unpaid dividends, before any distribution is made or set apart for holders of common stock, as described in the prospectus supplement relating to the series of Class B Stock. If Alcoa s assets are insufficient to pay the full amount payable on shares of each series of Class B Stock in any case of liquidation, dissolution or winding up of Alcoa, the holders of shares of the series of Class B Stock will share ratably in any such distribution of assets of Alcoa in proportion to the full respective preferential amounts to which they are entitled. Once holders of shares of the series of Class B Stock are paid the full preferential amounts to which they are entitled, they will not be entitled to participate any further in any distribution of assets by Alcoa, unless indicated otherwise in the applicable prospectus supplement. A consolidation or merger of Alcoa with one or more corporations will not be deemed to be a liquidation, dissolution or winding up of Alcoa.

**Conversion and Exchange Rights**

Class A Stock is not convertible or exchangeable for common stock. Any terms on which shares of any series of Class B Stock are convertible into or exchangeable for common stock will be set forth in the related prospectus supplement. These terms may include provisions for conversion or exchange, either mandatory, at the option of the holder, or at the option of Alcoa.

**Voting Rights**

Except as indicated below or in the related prospectus supplement for a particular series of the Class B Stock, or except as expressly required by applicable law, the holders of Class A Stock and Class B Stock will not be entitled to vote.

Pennsylvania law requires that holders of outstanding shares of a particular class or series of stock be entitled to vote as a class on an amendment to the Articles of Incorporation that would do any of the following:

authorize Alcoa s board of directors to fix and determine the relative rights and preferences as between any series of any preferred stock or special class of stock;

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change the preferences, limitations or other special rights of the shares of a class or series in a manner which is adverse to that class or series;

authorize a new class or series of shares which has a preference as to dividends or assets which is senior to that of shares of a particular class or series; or

increase the number of authorized shares of any particular class or series which has a preference as to dividends or assets which is senior in any respect to the shares of such class or series.

The board of directors, under Alcoa s Articles of Incorporation, may limit or eliminate the voting rights applicable to any series of Class B Stock before the issuance of such series, except as otherwise required by law. Any one or more series of the Class B Stock may be issued with such additional voting rights, which will be exercisable only during extended periods of dividend arrearages, as the board of directors may determine in order to qualify such series for listing on a recognized stock exchange. Such rights may only be granted if there are no shares of Class A Stock outstanding.

Each full share of any series of the Class B Stock will be entitled to one vote on matters on which holders of such series, together with holders of any other series of Class B Stock, are entitled to vote as a single class. Therefore, the voting power of each series will depend on the number of shares in that series, and not on the liquidation preference or initial offering price of such shares.

Alcoa must obtain the consent of the holders of at least a majority of the outstanding Class A Stock and Class B Stock, voting as a class, to do the following:

authorize any additional class of stock or increase the authorized number of shares of preferred stock or any class of stock which ranks on a parity with the Class A Stock or Class B Stock as to dividends or assets; or

merge or consolidate with or into any other corporation if the corporation surviving or resulting from such merger or consolidation would have any authorized class of stock ranking senior to or on a parity with the Class A Stock or Class B Stock, except the same number of shares of stock with the same rights and preferences as the authorized stock of the corporation immediately before such merger or consolidation.

So long as any shares of Class A Stock or Class B Stock remain outstanding, Alcoa may not, without the consent of the holders of at least two-thirds of the outstanding Class A Stock and Class B Stock, voting as a class:

make any adverse change in the rights and preferences of the Class A Stock or Class B Stock. If such a change would affect any series of Class A Stock or Class B Stock adversely as compared to the effect on any other series of Class A Stock or Class B Stock, no such change may be made without the additional consent of the holders of at least two-thirds of the outstanding shares of such series of Class A Stock or Class B Stock;

authorize any additional class of stock or increase the authorized number of shares of any class of stock which ranks senior to the Class A Stock or Class B Stock as to dividends or assets; or

sell or otherwise part with control of all or substantially all of its property or business or voluntarily liquidate, dissolve or wind up its affairs.

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## DESCRIPTION OF COMMON STOCK

Alcoa is authorized to issue 1,800,000,000 shares of common stock, par value $1.00 per share. As of November 30, 2001, there were 848,394,799 shares of Alcoa common stock outstanding. In addition, as of the same date, there were 76,179,739 shares of Alcoa common stock issued and held in Alcoa s treasury, and 84,255,699 shares of Alcoa common stock reserved for issuance under various incentive plans.

### Dividend Rights

Holders of Alcoa common stock are entitled to receive dividends as declared by the Alcoa board of directors. However, no dividend will be declared or paid on Alcoa s common stock until Alcoa has paid (or declared and set aside funds for payment of) all dividends which have accrued on all classes of Alcoa s preferred stock, including the current quarter yearly dividend on the Class A Stock.

### Voting Rights

Holders of Alcoa common stock are entitled to one vote per share.

### Liquidation Rights

Upon any liquidation, dissolution or winding up of Alcoa, whether voluntary or involuntary, after payments to holders of preferred stock of amounts determined by the board of directors, plus any accrued dividends, Alcoa s remaining assets will be divided among holders of Alcoa common stock. Under Alcoa s Articles of Incorporation, neither the consolidation or merger of Alcoa with or into one or more corporations or any share exchange or division involving Alcoa will be deemed a liquidation, dissolution or winding up of Alcoa.

### Preemptive or Other Subscription Rights

Holders of Alcoa common stock will not have any preemptive right to subscribe for any securities of Alcoa.

### Conversion and Other Rights

No conversion, redemption or sinking fund provisions apply to Alcoa common stock, and Alcoa common stock is not liable to further call or assessment by Alcoa. All issued and outstanding shares of Alcoa common stock are fully paid and non-assessable.

**Other Matters**

Alcoa s Articles of Incorporation provide for the following:

- a classified board of directors with staggered three-year terms;
- special shareholder voting requirements to remove directors; and
- certain procedures relating to the nomination of directors, filling of vacancies and the vote required to amend or repeal any of these provisions.

Alcoa s Articles of Incorporation also prohibit Alcoa s payment of green-mail, that is, payment of a premium in purchasing shares of its common stock from a present or recent holder of 5% or more of the common stock, except with the approval of a majority of the disinterested shareholders. This provision and the classified board provision may be amended or repealed only with the affirmative vote of at least 80% of the common stock. In addition, the Articles of Incorporation limit or eliminate to the fullest extent permitted by Pennsylvania law, as

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from time to time in effect, the personal liability of Alcoa s directors for monetary damages, and authorize Alcoa, except as prohibited by law, to indemnify directors, officers, employees and others against liabilities and expenses incurred by them in connection with the performance of their duties to Alcoa. The classified board article provision and the anti- greenmail provision may have certain anti-takeover effects.

Alcoa is governed by certain anti-takeover provisions in the Pennsylvania Business Corporation Law (the PCBL ). Chapter 25 of the PBCL contains several anti-takeover provisions that apply to registered corporations such as Alcoa. Section 2538 of the PBCL requires shareholder approval for certain transactions between a registered corporation and an interested shareholder (generally, a shareholder who owns 20% of the stock entitled to vote in an election of directors). Section 2538 applies if an interested shareholder (together with anyone acting jointly with such shareholder and any affiliates of such shareholder):

- is to be a party to a merger or consolidation, a share exchange or certain sales of assets involving such corporation or one of its subsidiaries;
- is to receive a disproportionate amount of any of the securities of any corporation which survives or results from a division of the corporation;
- is to be treated differently from others holding shares of the same class in a voluntary dissolution of such corporation; or
- is to have his or her percentage of voting or economic share interest in such corporation materially increased relative to substantially all other shareholders in a reclassification.

In such a case, the proposed transaction must be approved by the affirmative vote of the holders of shares representing at least a majority of the votes that all shareholders are entitled to cast with respect to such transaction. Shares held by the interested shareholder are not included in calculating the number of shares entitled to be cast, and the interested shareholder is not entitled to vote on the transaction. This special voting requirement does not apply if the proposed transaction has been approved in a prescribed manner by the corporation s board of directors or if certain other conditions, including the amount of consideration to be paid to certain shareholders, are satisfied or the transaction involves certain subsidiaries.

Section 2555 of the PBCL may also apply to a transaction between a registered corporation and an interested shareholder, even if Section 2538 also applies. Section 2555 prohibits a corporation from engaging in a business combination with an interested shareholder unless one of the following conditions is met:

- the board of directors has previously approved either the proposed transaction or the interested shareholder s acquisition of shares;
- the interested shareholder owns at least 80% of the stock entitled to vote in an election of directors and, no earlier than three months after the interested shareholder reaches the 80% level,
  - the majority of the remaining shareholders approve the proposed transaction;
  - shareholders receive a minimum fair price for their shares in the transaction; and

the other conditions of Section 2556 of the PBCL are met;

holders of all outstanding common stock approve the transaction;

no earlier than 5 years after the interested shareholder acquired the 20%, a majority of the remaining shares entitled to vote in an election of directors approve the transaction; or

no earlier than 5 years after the interested shareholder acquired the 20%, a majority of all the shares approve the transaction, all shareholders receive a minimum fair price for their shares, and certain other conditions are met.

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Alcoa s Articles of Incorporation also provide that Alcoa may not repurchase any stock from an interested shareholder at prices greater than the current fair market value. Under the PBCL, a person or group of persons acting in concert who hold 20% of the shares of a registered corporation entitled to vote in the election of directors constitutes a control group. On the occurrence of the transaction that makes the group a control group, any other shareholder of the registered corporation who objects can, under procedures set forth under the PBCL, require the control group to purchase his or her shares at fair value, as defined in the PBCL.

The PBCL also contains certain provisions applicable to a registered corporation such as Alcoa which, under certain circumstances, permit a corporation to:

redeem control shares, as defined in the PBCL;

remove the voting rights of control shares; and

require the disgorgement of profits by a controlling person, as defined in the PBCL.

The transfer agent and registrar for Alcoa common stock is First Chicago Trust Company, a Division of EquiServe.

## DESCRIPTION OF WARRANTS

### General

Alcoa may issue warrants for the purchase of debt securities, preferred stock or common stock. Alcoa may issue such warrants independently or together with other securities offered by any prospectus supplement. Alcoa will issue each series of warrants under a separate warrant agreement to be entered into between itself and a bank or trust company, as warrant agent, that it will name in the prospectus supplement. The warrant agent will act solely as Alcoa s agent in connection with the warrants and will not have any obligation or relationship of agency or trust for or with any holders or beneficial owners of warrants. The form of proposed warrant agreement relating to warrants to purchase senior debt securities of Alcoa, including the form of warrant certificates representing the warrants, is filed with the SEC and incorporated by reference as an exhibit to the registration statement of which this prospectus is a part. A copy of the warrant agreement for any other securities offered by Alcoa will be filed with the SEC in connection with the offering of such warrants. The following summary of certain provisions of the warrants is not complete. You should read the applicable warrant agreement and related warrant certificate for provisions that may be important to you.

### Debt Warrants

If Alcoa offers warrants for the purchase of debt securities, the applicable prospectus supplement will describe the terms of the warrants, the warrant agreement and the warrant certificates, including the following:

the title and aggregate number of the warrants;

the offering price for the warrants, if any;

the designation, aggregate principal amount and terms of the debt securities purchasable upon exercise of the warrants;

the designation and terms of any related debt securities with which the warrants are issued, and the number of warrants issued with each such debt security;

the date, if any, on and after which the warrants and the related debt securities will be separately transferable;

the principal amount of debt securities purchasable upon exercise of one warrant and the price at which such principal amount may be purchased upon such exercise;

the date on which the right to exercise the warrants will commence and the date on which such right will expire;

whether the warrants represented by the warrant certificates will be issued in registered or bearer form, and if registered, where they may be transferred and registered;

information with respect to any book-entry procedures;

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if applicable, the minimum or maximum amount of the warrants that may be exercised at any one time;

the currency or currency units in which the offering price, if any, and the exercise price are payable;

if applicable, a discussion of material United States Federal income tax considerations;

anti-dilution provisions of the warrants, if any;

redemption or call provisions, if any, applicable to the warrants; and

any other terms of the warrants.

If the debt securities purchasable upon exercise of the warrants are issuable in bearer form, the warrants may not be offered nor constitute an offer to United States persons other than to offices outside the United States of certain United States financial institutions. Moreover, bearer debt securities issuable upon exercise of the warrants may not be issued to United States persons other than to offices outside the United States of certain United States financial institutions.

**Stock Warrants**

If Alcoa offers warrants for the purchase of common stock or preferred stock, the applicable prospectus supplement will describe the terms of the common stock warrants or preferred stock warrants, the warrant agreement and the warrant certificates, including the following:

the title and aggregate number of the warrants;

the offering price for the warrants, if any;

the designation and terms of the preferred stock that may be purchased upon exercise of the warrants;

the designation and terms of any related securities with which the warrants are issued, and the number of warrants issued with each such security;

the date, if any, on and after which the warrants and the related securities will be separately transferable;

the number of shares of common stock or preferred stock that may be purchased upon exercise of each warrant and the price at which the shares may be purchased upon exercise;

the date on which the right to exercise the warrants will commence and the date on which such right will expire;

if applicable, the minimum or maximum amount of the warrants that may be exercised at any one time;

the currency or currency units in which the offering price, if any, and the exercise price are payable;

if applicable, a discussion of material United States Federal income tax considerations;

anti-dilution provisions of the warrants, if any;

redemption or call provisions, if any, applicable to the warrants; and

any other terms of the warrants.

**Exercise of Warrants**

Each warrant will entitle the holder of the warrant to purchase at the exercise price set forth in the applicable prospectus supplement the principal amount of debt securities or shares of preferred stock or common stock being offered. Holders may exercise warrants at any time up to the close of business on the expiration date set forth in the applicable prospectus supplement. After the close of business on the expiration date, unexercised warrants are void. Holders may exercise warrants as set forth in the prospectus supplement relating to the warrants being offered.

Until the exercise of their warrants to purchase debt securities, preferred stock or common stock, holders of warrants will not have any rights as a holder of the debt securities, preferred stock or common stock, as the case may be, by virtue of such holder s ownership of warrants.

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## DESCRIPTION OF STOCK PURCHASE CONTRACTS

## AND STOCK PURCHASE UNITS

Alcoa may issue stock purchase contracts, including contracts obligating holders to purchase from Alcoa, and Alcoa to sell to the holders, a specified number of shares of Alcoa common stock or other securities at a future date or dates, which we refer to in this prospectus as stock purchase contracts. The price per share of the securities and the number of shares of the securities may be fixed at the time the stock purchase contracts are issued or may be determined by reference to a specific formula set forth in the stock purchase contracts. The stock purchase contracts may be issued separately or as part of units consisting of a stock purchase contract and debt securities, preferred stock or warrants of Alcoa, trust preferred securities of Alcoa Trust I or debt obligations of third parties, including U.S. treasury securities, securing the holders obligations to purchase the securities under the stock purchase contracts, which we refer to herein as stock purchase units. The stock purchase contracts may require holders to secure their obligations under the stock purchase contracts in a specified manner. The stock purchase contracts also may require Alcoa to make periodic payments to the holders of the stock purchase units or vice versa, and such payments may be unsecured or funded on some basis.

The applicable prospectus supplement will describe the terms of the stock purchase contracts or stock purchase units. The description in the prospectus supplement will not necessarily be complete, and reference will be made to the stock purchase contracts, and, if applicable, collateral or depositary arrangements, relating to the stock purchase contracts or stock purchase units, which will be filed with the SEC each time Alcoa issues stock purchase contracts or stock purchase units. Certain United States Federal income tax considerations applicable to the stock purchase contracts and stock purchase units will also be discussed in the applicable prospectus supplement.

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## DESCRIPTION OF TRUST PREFERRED SECURITIES AND TRUST GUARANTEE

### Trust Preferred Securities

The Declaration under which the Alcoa Trust is organized will be replaced by an amended and restated trust agreement which will authorize the trustees of the Alcoa Trust to issue on behalf of the Alcoa Trust one series of trust preferred securities and one series of trust common securities. The form of trust agreement is filed with the SEC and incorporated by reference as an exhibit to the registration statement of which this prospectus is a part. The trust agreement will be subject to, and governed by, the Trust Indenture Act. The trust preferred securities will be issued to the public under the registration statement of which this prospectus is a part. The trust common securities will be issued directly or indirectly to Alcoa. This summary of certain terms of the trust preferred securities and the trust agreement is not complete. For more information, you should refer to the full text of the trust preferred securities and the trust agreement, including the definitions of terms used and not defined in this prospectus or the related prospectus supplement, and those made part of the trust agreement by the Trust Indenture Act.

The trust preferred securities will have the terms, including dividends, redemption, voting, conversion, liquidation rights and such other preferred, deferred or other special rights or such restrictions as set forth in the trust agreement or made part of the trust agreement by the Trust Indenture Act. A prospectus supplement will describe the specific terms of the trust preferred securities the Alcoa Trust is offering, including:

- the distinctive designation of trust preferred securities;
- the number of trust preferred securities issued by the Alcoa Trust;
- the annual dividend rate, or method of determining the rate, for trust preferred securities and the date(s) upon which dividends will be payable;
- whether dividends on trust preferred securities will be cumulative, and, in the case of trust preferred securities having cumulative dividend rights, the date or dates or method of determining the date(s) from which dividends on trust preferred securities will be cumulative;
- the amount or amounts that will be paid out of the assets of the Alcoa Trust to the holders of trust preferred securities upon voluntary or involuntary dissolution, winding up or termination of the Alcoa Trust;
- any terms and conditions under which trust preferred securities may be converted into shares of capital stock of Alcoa, including the conversion price per share and any circumstances under which the conversion right will expire;
- any terms and conditions upon which the related series of the subordinated debt securities of Alcoa may be distributed to holders of trust preferred securities;
- any obligation of the Alcoa Trust to purchase or redeem trust preferred securities and the price(s) at which, the period(s) within which and the terms and conditions upon which trust preferred securities will be purchased or redeemed, in whole or in part, under that obligation;

any voting rights of trust preferred securities in addition to those required by law, including the number of votes per trust preferred security and any requirement for the approval by the holders of trust preferred securities, as a condition to specified action or amendments to the trust agreement; and

any other relevant rights, preferences, privileges, limitations or restrictions of trust preferred securities consistent with the trust agreement or with applicable law.

Under the trust agreement, the Property Trustee will own a series of subordinated debt securities of Alcoa purchased by the Alcoa Trust for the benefit of the holders of the trust preferred securities and the trust common securities. The payment of dividends out of money held by the Alcoa Trust, and payments upon redemption of trust preferred securities or liquidation of the Alcoa Trust, will be guaranteed by Alcoa to the extent described under Trust Guarantee.

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Certain United States Federal income tax considerations applicable to an investment in trust preferred securities will be described in the applicable prospectus supplement.

In connection with the issuance of trust preferred securities, the Alcoa Trust will also issue one series of trust common securities. The trust agreement will authorize the regular trustees of the Alcoa Trust to issue on behalf of the Alcoa Trust one series of trust common securities having such terms as will be set forth in the trust agreement, including:

- dividends;
- conversion;
- redemption;
- voting;
- liquidation rights; or
- such restrictions as may be set forth in the trust agreement.

Except as otherwise provided in the prospectus supplement, the terms of the trust common securities will be substantially identical to the terms of the trust preferred securities. The trust common securities will rank *pari passu*, and payments will be made on the trust common securities *pro rata* with the trust preferred securities, except that, upon an event of default under the trust agreement, the rights of the holders of the trust common securities to payment in respect of dividends and payments upon liquidation, redemption and otherwise will be subordinated to the rights of the holders of the trust preferred securities. Except in certain limited circumstances, the trust common securities will also carry the right to vote and appoint, remove or replace any of the trustees of the Alcoa Trust. All of the trust common securities will be directly or indirectly owned by Alcoa.

Alcoa and certain of its subsidiaries maintain deposit accounts and conduct other banking transactions, including borrowings in the ordinary course of business, with the Property Trustee.

**Trust Guarantee**

Alcoa will execute and deliver a guarantee, concurrently with the issuance by the Alcoa Trust of its trust preferred securities, for the benefit of the holders from time to time of the trust preferred securities. The accompanying prospectus supplement will describe any significant differences between the actual terms of the trust guarantee and the summary below. The following summary of the trust guarantee is not complete. For more information, you should refer to the full text of the trust guarantee, including the definitions of terms used and not defined in this prospectus or the related prospectus supplement and those terms made a part of the trust guarantee by the Trust Indenture Act. The form of trust guarantee is filed with the SEC and incorporated by reference as an exhibit to the registration statement of which this prospectus is a part.

*General*

Alcoa will irrevocably and unconditionally agree, to the extent set forth in the trust guarantee, to pay in full to the holders of trust preferred securities the trust guarantee payments, except to the extent paid by the Alcoa Trust, as and when due, regardless of any defense, right of set-off or counterclaim that the Alcoa Trust may have or assert. The following payments with respect to the trust preferred securities, to the extent not paid by the Alcoa Trust, will be subject to the trust guarantee, without duplication:

any accrued and unpaid dividends that are required to be paid on the trust preferred securities, to the extent the Alcoa Trust has funds legally available therefor;

the redemption price, including all accrued and unpaid dividends, payable out of funds legally available therefor, with respect to any trust preferred securities called for redemption by the Alcoa Trust; and

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upon a liquidation of the Alcoa Trust, other than in connection with the distribution of subordinated debt securities of Alcoa to the holders of the trust preferred securities or the redemption of all of the trust preferred securities issued by the Alcoa Trust, the lesser of:

the aggregate of the liquidation amount and all accrued and unpaid dividends on the trust preferred securities to the date of payment; and

the amount of assets of the Alcoa Trust remaining available for distribution to holders of trust preferred securities in liquidation of the Alcoa Trust.

Alcoa s obligation to make a trust guarantee payment may be satisfied by Alcoa s direct payment of the required amounts to the holders of trust preferred securities or by causing the Alcoa Trust to pay the amounts to the holders.

*Covenants of Alcoa*

In the trust guarantee, Alcoa will covenant that, so long as any trust preferred securities issued by the Alcoa Trust remain outstanding, if there has occurred any event that would constitute an event of default under the trust guarantee or the trust agreement, then:

Alcoa will not declare or pay any dividend on, make any distributions with respect to, or redeem, purchase or make a liquidation payment with respect to, any of its common stock, other than:

purchases or acquisitions of shares of common stock in connection with the satisfaction by Alcoa of its obligations under any employee benefit plan;

as a result of a reclassification of Alcoa s common stock or the exchange or conversion of one class or series of Alcoa s common stock for another class or series of Alcoa s common stock;

the purchase of fractional interests in shares of Alcoa s common stock under the conversion or exchange provisions of such common stock or the security being converted or exchanged; or

purchases or acquisitions of shares of common stock to be used in connection with acquisitions of common stock by shareholders under Alcoa s dividend reinvestment plan;

or make any guarantee payments with respect to the foregoing; and

Alcoa will not make any payment of principal of, or premium, if any, on or repurchase any debt securities issued by Alcoa (including guarantees) which rank *pari passu* with or junior to the subordinated debt securities, other than at stated maturity.

*Amendment and Assignment*

Except with respect to any changes that do not adversely affect the rights of holders of trust preferred securities, in which case no vote will be required, the trust guarantee may be amended only with the prior approval of the holders of not less than a majority in liquidation amount of the outstanding trust preferred securities. The manner of obtaining any approval of the holders will be as set forth in an accompanying prospectus supplement. All guarantees and agreements contained in the trust guarantee will bind the successors, assigns, receivers, trustees and representatives of Alcoa and will inure to the benefit of the holders of the trust preferred securities then outstanding.

*Termination*

The trust guarantee will terminate:

upon full payment of the redemption price of all trust preferred securities;

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upon distribution of the subordinated debt securities of Alcoa held by the Alcoa Trust to the holders of the trust preferred securities; or

upon full payment of the amounts payable in accordance with the trust agreement upon liquidation of the Alcoa Trust.

The trust guarantee will continue to be effective or will be reinstated, as the case may be, if at any time any holder of trust preferred securities must restore payment of any sums paid under those trust preferred securities or the trust guarantee. The subordination provisions of the subordinated debt securities and the trust guarantee, respectively, will provide that in the event payment is made on the subordinated debt securities or the trust guarantee in contravention of the subordination provisions, such payments will be paid over to the holders of Senior Debt.

*Ranking of the Trust Guarantee*

The trust guarantee will constitute an unsecured obligation of Alcoa and will rank:

subordinate and junior in right of payment to all other liabilities of Alcoa;

*pari passu* with the most senior preferred or preference stock, if any, thereafter issued by Alcoa and with any guarantee thereafter entered into by Alcoa in respect of any preferred or preference stock or interests of any affiliate of Alcoa; and

senior to Alcoa s common stock.

The trust agreement will provide that each holder of trust preferred securities by acceptance of those securities agrees to the subordination provisions and other terms of the trust guarantee.

The trust guarantee will constitute a guarantee of payment and not of collection. The trust guarantee will be deposited with the Property Trustee to be held for the benefit of the trust preferred securities. The Property Trustee will have the right to enforce the trust guarantee on behalf of the holders of the trust preferred securities. The holders of not less than a majority in aggregate liquidation amount of the trust preferred securities will have the right to direct the time, method and place of conducting any proceeding for any remedy available in respect of the trust guarantee, including the giving of directions to the Property Trustee. Any holder of trust preferred securities may institute a legal proceeding directly against Alcoa to enforce its rights under the trust guarantee, without first instituting a legal proceeding against the Alcoa Trust, or any other person or entity. The trust guarantee will not be discharged except by payment of the trust guarantee payments in full to the extent not paid by the Alcoa Trust, and by complete performance of all obligations under the trust guarantee.

*Governing Law*

The trust guarantee will be governed by and construed in accordance with the laws of the State of New York.

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## PLAN OF DISTRIBUTION

Alcoa and/or the Alcoa Trust may sell the securities in one or more of the following ways:

- to underwriters for public offering and sale by them;
- directly to purchasers;
- through agents;
- through dealers; or
- through a combination of any of these methods of sale.

Offers to purchase securities may be solicited directly by Alcoa and/or the Alcoa Trust or by agents designated by Alcoa and/or the Alcoa Trust from time to time. Any agent, who may be deemed to be an underwriter, as that term is defined in the Securities Act, involved in the offer and sale of the securities will be named, and any commissions payable by Alcoa and/or the Alcoa Trust to that agent will be provided, in an applicable prospectus supplement. Alcoa and/or the Alcoa Trust and its agents may sell the securities at:

- a fixed price or prices, which may be changed;
- market prices prevailing at the time of sale;
- prices related to such prevailing market prices; or
- negotiated prices.

Underwriters, dealers and agents participating in the distribution of the securities may be deemed to be underwriters, and any discounts and commissions received by them and any profit realized by them on resale of the securities may be deemed to be underwriting discounts and commissions under the Securities Act. Underwriters, dealers and agents may be entitled, under agreements with Alcoa and/or the Alcoa Trust, to indemnification against and contribution toward certain civil liabilities, including liabilities under the Securities Act, and to reimbursement by Alcoa and/or the Alcoa Trust for certain expenses.

If an underwriter or underwriters are used in the offer or sale of securities, Alcoa and/or the Alcoa Trust will execute an underwriting agreement with the underwriters at the time of sale of the securities to the underwriters, and the names of the underwriters and the principal terms of Alcoa s and/or the Alcoa Trust s agreements with the underwriters will be provided in the applicable prospectus supplement.

If indicated in an applicable prospectus supplement, Alcoa and/or the Alcoa Trust will authorize dealers acting as agents for Alcoa and/or the Alcoa Trust to solicit offers by certain institutions to purchase securities from Alcoa and/or the Alcoa Trust at the public offering price set forth in the prospectus supplement under delayed delivery contracts providing for payment and delivery on the date or dates stated in the prospectus supplement. The terms of such delayed delivery contracts will be set forth in the applicable prospectus supplement.

If indicated in an applicable prospectus supplement, Alcoa may sell shares of Alcoa common stock under a newly established direct stock purchase and dividend reinvestment plan. The terms of any such plan will be set forth in the applicable prospectus supplement.

Each underwriter, dealer and agent participating in the distribution of any of the securities that are issuable in bearer form will agree that it will not offer, sell or deliver, directly or indirectly, securities in bearer form in the United States or to United States persons, other than qualifying financial institutions, during the restricted period, as defined in United States Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7).

Except for shares of Alcoa common stock or as otherwise described in an applicable prospectus supplement, all of the securities will be a new issue of securities with no established trading market. Any underwriters to whom or agents through whom the securities are sold by Alcoa and/or the Alcoa Trust for public offering and sale may make a market in the securities, but such underwriters or agents will not be obligated to do so and may discontinue any market making at any time without notice. No assurance can be given as to the liquidity of the trading market for any such securities.

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Certain of the underwriters, dealers or agents and their associates may be customers of, engage in transactions with and perform services for Alcoa and its subsidiaries in the ordinary course of business.

## LEGAL MATTERS

Unless otherwise indicated in the applicable prospectus supplement, the validity of the securities offered by Alcoa will be passed upon for Alcoa by Thomas F. Seligson, Esq., Counsel of Alcoa. The validity of the trust preferred securities will be passed upon for the Alcoa Trust by Skadden, Arps, Slate, Meagher & Flom LLP, New York, New York, special counsel to Alcoa and the Alcoa Trust. The validity of all of the securities offered by this prospectus will be passed upon for any underwriters or agents by Cravath, Swaine & Moore, New York, New York. Mr. Seligson is paid a salary by Alcoa, is a participant in various employee benefit plans offered by Alcoa to employees of Alcoa generally and has options to purchase shares of Alcoa common stock. Cravath, Swaine & Moore currently represents Alcoa on various matters and may continue to do so in the future.

## INDEPENDENT ACCOUNTANTS

The consolidated financial statements and related schedule of Alcoa and its subsidiaries incorporated in this prospectus by reference to Alcoa s Annual Report on Form 10-K, as amended, for the fiscal year ended December 31, 2000, have been so incorporated in reliance on the reports of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

With respect to the unaudited financial information of Alcoa for the three-month periods ended March 31, 2001 and 2000, the three-month and six-month periods ended June 30, 2001 and 2000, and the three-month and nine-month periods ended September 30, 2001 and 2000, incorporated by reference in this prospectus, PricewaterhouseCoopers LLP reported that they have applied limited procedures in accordance with professional standards for a review of such information. However, their separate reports dated April 5, 2001, except for Note L, for which the date is April 20, 2001, July 6, 2001, except for Note N, for which the date is August 6, 2001, and October 4, 2001 incorporated by reference herein, states that they did not audit and they do not express an opinion on that unaudited financial information. Accordingly, the degree of reliance on their reports on such information should be restricted in light of the limited nature of the review procedures applied. PricewaterhouseCoopers LLP is not subject to the liability provisions of Section 11 of the Securities Act of 1933 for their reports on the unaudited financial information because those reports are not reports or parts of the registration statement prepared or certified by PricewaterhouseCoopers LLP within the meaning of Sections 7 and 11 of the Act.

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