

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K/A

CURRENT REPORT

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

Date of Report (Date of earliest event reported): May 3, 2000

ALCOA INC.

(Exact name of registrant as specified in its charter)

Pennsylvania	1-3610	25-0317820
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)
201 Isabella Street, Pittsburgh, Pennsylvania		15212-5858
(Address of principal executive offices)		(Zip code)

Office of Investor Relations 412-553-3042  
Office of the Secretary 412-553-4707

(Registrant's telephone number including area code)

The Registrant hereby amends its Current Report on Form 8-K filed on May 8, 2000 (i) to add a reference to the number and caption of Item 2 in addition to the reference to the number and caption of Item 5 included in the initial filing; and (ii) to include Financial Statements of Businesses Acquired and Pro Forma Financial Information in accordance with Items 7(a) and 7(b) within 60 days after the due date of the initial filing.

Item 2 and Item 5. Acquisition or Disposition of Assets.

(As previously reported under Item 5 of the Registrant's Current Report on Form 8-K filed on May 8, 2000.)

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits

(a) Financial statements of businesses acquired.

The following financial statements are incorporated by reference into this filing:

The audited consolidated balance sheets of Reynolds Metals Company ("Reynolds") as of December 31, 1999 and 1998, and the related consolidated statements of income, changes in stockholders' equity, and cash flows for each of the three years in the period ended December 31, 1999. (As previously filed on March 3, 2000 in Reynolds Metals Company's Annual Report on Form 10-K for the year ended December 31, 1999.)

The unaudited financial statements of Reynolds for the quarterly period ended March 31, 2000. (As previously filed on April 28, 2000 in Reynolds Metals Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2000.)

(b) Pro forma financial information.

Introduction to unaudited pro forma condensed consolidated financial statements.

Unaudited pro forma condensed consolidated balance sheet of Alcoa Inc. ("Alcoa") and Reynolds as of March 31, 2000.

Unaudited pro forma condensed consolidated earnings statements of Alcoa and Reynolds for the three-month period ended March 31, 2000 and for the year ended December 31, 1999.

Notes to unaudited pro forma condensed consolidated financial statements.

(c) Exhibits.

8.1 Opinion of Skadden, Arps, Slate, Meagher & Flom LLP, dated May 3, 2000. (As previously filed on May 8, 2000 in Form 8-K of Alcoa Inc.)

- 8.2 Opinion of Wachtell, Lipton, Rosen & Katz, dated May 3, 2000.  
(As previously filed on May 8, 2000 in Form 8-K of Alcoa Inc.)
- 23.1 Consent of Skadden, Arps, Slate, Meagher & Flom LLP, dated May 4, 2000. (As previously filed on May 8, 2000 in Form 8-K of Alcoa Inc.)
- 23.2 Consent of Wachtell, Lipton, Rosen & Katz, dated May 4, 2000.  
(As previously filed on May 8, 2000 in Form 8-K of Alcoa Inc.)
- 23.3 Consent of Independent Auditors of Reynolds. (filed herewith)
- 99.1 The audited consolidated balance sheets of Reynolds as of December 31, 1999 and 1998, and the related consolidated statements of income, changes in stockholders' equity, and cash flows for each of the three years in the period ended December 31, 1999. (As previously filed on March 3, 2000 in Reynolds Metals Company's Annual Report on Form 10-K for the year ended December 31, 1999.)
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- 99.3 Introduction to unaudited pro forma condensed consolidated financial statements. Unaudited pro forma condensed consolidated balance sheet of Alcoa and Reynolds as of March 31, 2000. Unaudited pro forma condensed consolidated earnings statements of Alcoa and Reynolds for the three-month period ended March 31, 2000 and for the year ended December 31, 1999. Notes to unaudited pro forma condensed consolidated financial statements. (filed herewith)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the following duly authorized officer.

ALCOA INC.

Date: July 10, 2000

By \_\_\_\_\_  
Richard B. Kelson  
Executive Vice President  
and Chief Financial Officer

INDEX TO EXHIBITS

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Consent of Ernst & Young LLP, Independent Auditors

We consent to the incorporation by reference in the Current Report on Form 8-K/A of Alcoa Inc. dated July 10, 2000, of our report dated February 18, 2000, with respect to the consolidated financial statements and schedule of Reynolds Metals Company included in its Annual Report on Form 10-K for the year ended December 31, 1999 filed with the Securities and Exchange Commission.

/s/Ernst & Young LLP  
Ernst & Young LLP

Richmond, Virginia  
July 6, 2000

## UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following Unaudited Pro Forma Condensed Consolidated Financial Statements are based on and should be read in conjunction with the historical consolidated financial statements of Alcoa and Reynolds, including the notes thereto. These financial statements have been adjusted to give effect to the merger with Reynolds. The Unaudited Pro Forma Condensed Consolidated Earnings Statement does not (a) purport to represent what the results of operations actually would have been if the above transaction had occurred as of the date indicated or what such results will be for any future periods or (b) give effect to certain nonrecurring charges expected to result from the Reynolds acquisition.

The Unaudited Pro Forma Condensed Consolidated Earnings Statements for the three month period ended March 31, 2000 and for the year ended December 31, 1999 give effect to the Reynolds merger and related transactions as if such transactions had occurred on January 1, 1999. The Unaudited Pro Forma Condensed Consolidated Balance Sheet as of March 31, 2000 gives effect to the Reynolds merger and related transactions as if such transaction had occurred on that date.

The pro forma adjustments are based upon available information and include certain assumptions and adjustments that the management of Alcoa believes to be reasonable. These adjustments are directly attributable to the transaction referenced above and are expected to have a continuing impact on Alcoa's business, results of operations and financial position. Reynolds has certain severance plans, agreements and policies applicable to its executive management and salaried employees. Some covered persons are entitled to severance benefits under these arrangements. The amount payable under these arrangements will range from \$215 to \$250 million pre-tax. The final amount to be paid has not been determined as Alcoa is presently in the process of determining which employees will be affected. However, the known amount of \$215 million has been reflected in the purchase price allocation. Alcoa has announced a curtailment of Reynolds' Troutdale, Oregon smelter. This will result in severance and related costs of \$85 million pre-tax which has been included in the range of severance benefits discussed above. Alcoa has completed a preliminary assessment of potential benefits from synergies which are estimated at this time to be \$300 million over the next two years. The Unaudited Pro Forma Condensed Consolidated Financial Statements do not include any adjustments related to synergies.

The merger with Reynolds has been accounted for using the purchase method of accounting. The total purchase costs of the acquisition will be allocated to the tangible and intangible assets and liabilities acquired based upon their estimated fair values. The purchase price allocation is preliminary, based on facts currently known to Alcoa. Management is not aware of any significant unrecorded obligations or contingencies, other than the severance and related costs referred to above, and, except as noted above, does not believe that the final purchase price allocation will materially differ from that included in the pro forma financial information contained herein. The final allocation of the purchase price will be made based upon valuations and other studies that have not been completed.

As part of the merger agreement, Alcoa agreed to divest the following Reynolds operations:

- - Reynolds 56% stake in its alumina refinery at Worsley, Australia,
- - Reynolds 50% stake in its alumina refinery at Stade, Germany,
- - 100% of Reynolds alumina refinery at Sherwin, Texas and
- - 25% of Reynolds interest in its aluminum smelter at Longview, Washington

These divestitures are required to be completed within six months of the merger date of May 3, 2000 (nine months for Worsley). The Unaudited Pro Forma Condensed Consolidated Financial Statements have been adjusted, in accordance with EITF 87-11 "Allocation of Purchase Price to Assets to be Sold," to record the impact of these divestitures. The net assets to be divested have been reported as Assets held for sale in the Unaudited Pro Forma Condensed Consolidated Balance Sheet and the results of operations from these assets have been removed from the Unaudited Pro Forma Condensed Consolidated Earnings Statements.

On June 9, 2000, Alcoa completed a two-for-one stock split that was approved by shareholders on May 12, 2000. Per share amounts in this 8-K/A have been labeled as pre-split or post-split to eliminate uncertainty.

Unaudited Pro Forma Condensed Consolidated Balance Sheet  
As of March 31, 2000

(dollars in millions)

	Historical Alcoa	Historical Reynolds (A)	Pro Forma Adjustments	Pro Forma
<b>Assets</b>				
<b>Current Assets</b>				
Cash, cash equivalents and short-term investments	\$ 289	\$ 54	\$ (30) (B)	\$ 313
Receivables from customers, less allowances	2,538	722	(50) (D)	3,210
Inventories	1,645	586	284 (B) (44) (D)	2,471
Prepaid expenses and other current assets	489	62	(1) (D)	550
	-----	-----	-----	-----
Total current assets	4,961	1,424	159	6,544
Properties, plant and equipment	18,363	4,335	1,611 (B) (2,343) (B) (873) (D)	21,093
Less: accumulated depreciation, depletion and amortization	(9,360)	(2,343)	2,343 (B)	(9,360)
	-----	-----	-----	-----
Net properties, plant and equipment	9,003	1,992	883	11,733
Goodwill	1,338	-	1,089 (B)	2,427
Other assets including assets held for sale	1,808	2,623	1,055 (D)	5,486
	-----	-----	-----	-----
Total Assets	<u>\$17,110</u>	<u>\$6,039</u>	<u>\$ 3,041</u>	<u>\$26,190</u>
<b>Liabilities</b>				
Short term borrowings	\$ 684	\$ 177	-	\$ 861
Accounts payable and accrued liabilities	2,640	798	\$ (73) (D) 215 (B)	3,580
Long-term debt due within one year	302	147	-	449
	-----	-----	-----	-----
Total current liabilities	3,626	1,122	142	4,890
Long-term debt	2,406	1,150	-	3,556
Accrued postretirement benefits	1,705	966	(261) (B)	2,410
Other noncurrent liabilities and deferred costs	1,901	584	(16) (D) 730 (B)	3,199
	-----	-----	-----	-----
Total liabilities	9,638	3,822	595	14,055
Minority interests	1,475	13	31 (D)	1,519
<b>Shareholders' Equity</b>				
Preferred stock	56	-	-	56
Common stock	790	1,588	(1,588) (B) 135 (C)	925
Additional capital	1,363	-	4,367 (C)	5,730
Retained earnings	6,232	1,305	(1,305) (B)	6,232
Common stock to be issued under options	-	-	117 (B)	117
Treasury stock, at cost	(1,727)	(626)	626 (B)	(1,727)
Accumulated other comprehensive income	(717)	(63)	63 (B)	(717)
	-----	-----	-----	-----
Total shareholders' equity	5,997	2,204	2,415	10,616
	-----	-----	-----	-----
Total Liabilities and Equity	<u>\$17,110</u>	<u>\$6,039</u>	<u>\$ 3,041</u>	<u>\$26,190</u>

The accompanying notes are an integral part of the unaudited pro forma condensed consolidated financial statements.

Unaudited Pro Forma Condensed Consolidated Earnings Statement  
For the Three-month Period Ended

March 31, 2000  
(dollars in millions, except per share amounts)

	Historical Alcoa	Historical Reynolds (A)	Pro Forma Adjustments		Pro Forma
<b>Revenues</b>					
Sales	\$4,531	\$1,313	\$(55) (E)		
			(64) (D)		\$ 5,725
Other income	41	6	-		47
	-----	-----	---		-----
	4,572	1,319	(119)		5,772
<b>Costs and Expenses</b>					
Cost of goods sold	3,332	1,047	(55) (E)		
			(16) (D)		4,308
Selling, general administrative and other expenses	227	82	(1) (D)		308
Research and development expenses	39	6	-		45
Provision for depreciation, depletion and amortization	225	61	17 (G)		
			(8) (D)		295
Interest expense	51	18	-		69
Merger-related expenses	-	7	(7) (H)		-
	-----	-----	---		-----
	3,874	1,221	(70)		5,025
<b>Earnings</b>					
Income before taxes on income	698	98	(49)		747
Provision for taxes on income	238	27	(15) (I)		250
	-----	-----	---		-----
Income from operations	460	71	(34)		497
Minority interests	(105)	-	(2) (D)		(107)
	-----	-----	---		-----
Net Income	\$ 355	\$ 71	\$(36)		\$ 390
	=====	=====	===		=====
<b>Earnings per Share (post-split)</b>					
Basic	\$0.49	\$1.11	-		\$0.45
Diluted	\$0.48	\$1.10	-		\$0.44
<b>Weighted average shares outstanding (post-split):</b>					
Basic	732	64	(64) (J)		
			135 (J)		867
Diluted	744	64	(64) (J)		
			136 (J)		880

The accompanying notes are an integral part of the unaudited pro forma condensed consolidated financial statements.

Alcoa Inc.

Unaudited Pro Forma Condensed Consolidated Earnings Statement  
For the Year Ended December 31, 1999  
(dollars in millions, except per share amounts)

	Historical Alcoa	Historical Reynolds (A)	Pro Forma Adjustments		Pro Forma
<b>Revenues</b>					
Sales	\$16,323	\$4,780	\$(191) (E)		
			(196) (D)		\$20,716
Other income	124	16	(1) (D)		139
	-----	-----	---		-----
	16,447	4,796	(388)		20,855
<b>Costs and Expenses</b>					

Cost of goods sold	12,536	3,928	(191)	(E)	
			(123)	(D)	16,150
Selling, general administrative and other expenses	851	336	(17)	(F)	
			(4)	(D)	1,166
Research and development expenses	128	25	-		153
Provision for depreciation, depletion and amortization	888	242	69	(G)	
			(37)	(D)	1,162
Interest expense	195	75	-		270
Merger-related expenses	-	19	(19)	(H)	-
	-----	-----	-----		-----
	14,598	4,625	(322)		18,901
Earnings					
Income before taxes on income	1,849	171	(66)		1,954
Provision for taxes on income	553	47	(14)	(I)	586
	-----	-----	-----		-----
Income from operations	1,296	124	(52)		1,368
Minority interests	(242)	-	(4)	(D)	(246)
	-----	-----	-----		-----
Net Income	\$1,054	\$ 124	\$(56)		\$ 1,122
	=====	=====	=====		=====
Earnings per Share (post-split)					
Basic	\$1.44	\$1.95	-		\$1.29
Diluted	\$1.41	\$1.94	-		\$1.27
Weighted average shares outstanding (post-split):					
Basic	734	64	(64)	(J)	
			135	(J)	869
Diluted	748	64	(64)	(J)	
			136	(J)	884

The accompanying notes are an integral part of the unaudited pro forma condensed consolidated financial statements.

Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements  
(dollars in millions, except per-share amounts)

- (A) Certain reclassifications have been made to the Reynolds historical financial statements to conform to the presentation to be used by Alcoa.
- (B) The Reynolds merger is accounted for as a purchase business combination. The Unaudited Pro Forma Condensed Consolidated Financial Statements do not include any adjustments related to Reynolds restructuring costs or recurring benefits from synergies, except for the Troutdale smelter discussed below. Reynolds has certain severance plans, agreements and policies applicable to its executive management and salaried employees. It is probable that some covered persons will become entitled to severance benefits under these arrangements following the completion of the merger. The amount payable under such arrangements will range from \$215 to \$250 pre-tax. The final amount to be paid has not been determined at present because Alcoa is in the process of determining which employees will be affected. However, the known amount of \$215 has been reflected in the purchase price allocation. Alcoa has announced a curtailment of Reynolds' Troutdale, Oregon smelter. This will result in severance and related costs of \$85 million pre-tax which has been included in the range of severance benefits discussed above. Alcoa has completed a preliminary assessment of potential benefits from synergies which are estimated at this time to be \$300 over the next two years.

The purchase price includes an adjustment for deferred income taxes representing the difference between the assigned values and the tax basis of the assets and liabilities acquired. Outstanding Reynolds employee stock options as of May 3, 2000 have been converted to the equivalent Alcoa options. These options were then valued using the Black Scholes Model with a four year life, 29% volatility, 5% risk free interest rate and a 1.6% dividend yield with the resulting value of \$117 being added to the purchase price. The weighted average fair market value of these options is \$21 per-share (pre-split). The purchase price, including acquisition costs, has been allocated as follows:

Purchase price:	
Acquisition of outstanding shares of common stock (see note C)..	\$4,502
Acquisition expenses incurred by Alcoa.....	30
Conversion of outstanding Reynolds options to Alcoa options.....	117



Less: Book value of net assets acquired.....	(2,204)
	-----
Increase in basis.....	\$2,445
	=====
Allocation of increase in basis:	
Increase in inventory value to convert LIFO to fair value.....	\$284
Increase in the fair value of property, plant and equipment and intangibles not including goodwill.....	1,756
Severance benefits.....	(215)
Adjust pension and postretirement accruals.....	261
Increase in goodwill.....	1,089
Increase in deferred tax liabilities--long term.....	(730)
	-----
	\$2,445
	=====

The purchase price allocation is preliminary and further adjustments may be made based on the completion of final valuation and other studies.

(C) Represents the issuance of Alcoa common stock for all of the common stock of Reynolds at an exchange ratio of 1.06 (pre-split) shares of Alcoa common stock per share of Reynolds common stock. In accordance with generally accepted accounting principles, the value of Alcoa stock to be issued was determined based on the market price of such Alcoa common stock over a reasonable period of time before and after August 18, 1999, the date the merger agreement was executed. This resulted in a value of \$66.60 per share (pre-split) of Alcoa stock. Based on these facts, a value of \$70.60 (pre-split) was ascribed to each share of Reynolds common stock. Therefore, the acquisition of 63,765,418 shares of Reynolds common stock at a value of \$70.60 (pre-split) totaled \$4,502.

The following details the issuance of common stock in connection with the merger agreement.

Total stock acquisition price paid in shares of Alcoa common stock....	\$4,502
Par value of Alcoa common stock issued at \$33.30 (post-split).....	(135)
	-----
Additional capital.....	\$4,367
	=====

(D) Represents the Assets, Liabilities, Equity and Results of Operations from Reynolds operations that Alcoa has agreed to divest as part of the merger agreement. These assets include the refineries at Worsley, Australia (56%), Stade, Germany (50%) and Sherwin, Texas (100%), as well as a 25% interest in the aluminum smelter at Longview, Washington.

(E) Represents the elimination of inter-company sales and purchases between Alcoa and Reynolds.

(F) Represents lower pension and OPEB expenses as a result of recording a pro forma adjustment for pension and post-retirement accruals.

(G) Pro forma adjustments have been included to adjust depreciation expense based on property, plant and equipment fair values and the amortization of goodwill. An average useful life of 25 years was assumed for fixed assets and intangibles not including goodwill and a 40-year amortization period was assumed for goodwill.

(H) Represents the elimination of merger-related costs from the pro forma statement of income.

(I) Represents income taxes related to pro forma adjustments at the statutory rate and the impact of certain non-deductible costs.

(J) Represents the conversion of Reynolds common stock and the issuance of 135 million (post-split) shares of Alcoa common stock in connection with the merger. Also included is the dilutive impact of the outstanding Reynolds employees' stock options that have been converted to equivalent Alcoa options.