

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): January 10, 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)

Item 5. Other Events.

The Registrant issued the following press releases on January 10, 2000:

Alcoa's Earnings Surge 24% Year-to-Year,
Exceed \$1 Billion for the First Time

PITTSBURGH, January 10, 2000 -- Alcoa announced today that for the first time in its 110-year history, the company had over a billion-dollars in earnings for the year.

For the year 1999, Alcoa's net income was \$1.054 billion, or \$2.82 per diluted share, up 24% from \$853 million, or \$2.42 per share for 1998.

"Alcoa's excellent performance in 1999 reflects the growing success of Alcoans worldwide in aligning our processes and systems with the Alcoa Business System," said CEO Alain Belda. "Our processes are more efficient, with improved cycle time, less waste, and reduced inventories as we strive to produce what the customer wants, when it's wanted."

	1999	Fourth Quarter 1998	%Change	1999	Year 1998	%Change
Revenues	\$4,253.1	\$4,198.8	1%	\$16,322.8	\$15,339.8	6%
Net Income	333.9	218.3	53	1,054.1	853.0	24
Earnings per share	\$.89	\$.59	51	\$2.82	\$2.42	17
Debt as a % of Invested Capital				28.3%	31.7%	(11)

(dollars in millions, except for share amounts)

Net income for the 1999 fourth quarter was \$333.9 million, or 89 cents per diluted share, up 53% from \$218.3 million, or 59 cents per share, for the 1998 fourth quarter.

Revenues for the 1999 fourth quarter were \$4.3 billion, compared with \$4.2 billion in the year ago quarter. For the full year 1999, revenues were a record \$16.3 billion, compared with \$15.3 billion for

1998.

"We continued to make progress on our \$1.1 billion cost-reduction initiative," noted CEO Belda. At the end of 1999, the company had achieved \$728 million in annualized cost savings towards its \$1.1 billion target. Announced in mid-1998, this aggressive target is to be achieved by January 1, 2001. The quarterly run rate at the end of the 1999 fourth quarter was \$182 million, compared with \$159 million for the 1999 third quarter.

Results for the 1999 fourth quarter were affected positively by \$31 million, or 8 cents per share, related to LIFO inventory reductions which are tangible results coming from the Alcoa Production System, and a decrease in Alcoa's effective tax rate from 32% to 29.9% for the year as a result of a decrease in the Australian income tax rate. The quarter was affected negatively by an uptick in administrative costs which is substantially attributable to higher acquisition expenses and incentive accruals for exceptional performance.

Return on shareholders' equity was 17.2% for 1999 and 16.3% for 1998.

Founded in 1888, Alcoa is the world's leading producer of aluminum and alumina and a major participant in all segments of the industry: mining, refining, smelting, fabricating and recycling. Alcoa serves customers worldwide in the packaging, automotive, aerospace, construction and other markets with a great variety of fabricated and finished products. The company has 250 operating locations in 31 countries.

Alcoa Inc. (NYSE: AA)

Financial and operating data for Alcoa and its subsidiaries follow.

FINANCIAL REPORT
Alcoa and subsidiaries
(in millions except share and ton amounts)
(UNAUDITED)

For the period ended December 31	Fourth quarter	
	----- 1999	----- 1998

Sales	\$4,253.1	\$4,198.8
Other income	45.9	55.4
	4,299.0	4,254.2
Cost of goods sold	3,147.8	3,262.8
Selling, general administrative and other expenses	254.7	251.2
Research and development expenses	36.6	47.2
Provision for depreciation and depletion	224.4	238.3
Interest expense	42.0	57.9
	3,705.5	3,857.4
Income from operations before taxes on income	593.5	396.8
Provision for taxes on income	151.1	120.9
Income from operations	442.4	275.9
Less: Minority interests' share	(108.5)	(57.6)
NET INCOME	\$333.9	\$218.3
Earnings per common share:		
Basic	\$0.91	\$0.59
Diluted	\$0.89	\$0.59
Average number of shares used to compute:		
Basic earnings per common share	366,913,979	366,838,176
Diluted earnings per common share	375,375,259	369,341,168
Translation and exchange adjustments included in net income	\$2.8	\$(3.8)

Shipments of aluminum products (metric tons)

1,129,000

1,174,000

FINANCIAL REPORT
Alcoa and subsidiaries
(in millions except share and ton amounts)
(UNAUDITED)

	Twelve months	
For the period ended December 31	1999	1998
Sales	\$16,322.8	\$15,339.8
Other income	123.6	149.6
	16,446.4	15,489.4
Cost of goods sold	12,535.5	11,933.4
Selling, general administrative and other expenses	851.2	782.5
Research and development expenses	128.0	128.4
Provision for depreciation and depletion	887.6	842.4
Interest expense	195.2	197.9
	14,597.5	13,884.6
Income from operations before taxes on income	1,848.9	1,604.8
Provision for taxes on income	552.8	513.5
Income from operations	1,296.1	1,091.3
Less: Minority interests' share	(242.0)	(238.3)
Net Income	\$1,054.1	\$853.0
Earnings per common share:		
Basic	\$2.87	\$2.44
Diluted	\$2.82	\$2.42
Average number of shares used to compute:		
Basic earnings per common share	366,944,365	349,113,644
Diluted earnings per common share	373,644,872	351,616,636
Shares outstanding at end of period	367,748,998	366,809,078
Translation and exchange adjustments included in net income	\$(8.3)	\$(8.0)
Shipments of aluminum products (metric tons)	4,478,000	3,951,000

ALCOA 4th QUARTER SUPPLEMENTAL INFORMATION

Consolidated						
Revenues	4Q98	1Q99	2Q99	3Q99	4Q99	1999
Alumina and chemicals	452.7	420.3	455.8	473.9	492.0	1,842.0
Primary metals	629.8	533.7	518.6	559.9	628.7	2,240.9
Flat-rolled products	1,291.8	1,269.6	1,257.6	1,273.0	1,312.3	5,112.5
Engineered products	978.8	942.3	939.3	917.1	929.6	3,728.3
Other	839.4	812.8	861.1	828.4	890.5	3,392.8
Total	4,192.5	3,978.7	4,032.4	4,052.3	4,253.1	16,316.5

Consolidated Shipments (KMT's)

Alumina and chemicals	1,783	1,664	1,836	1,814	1,740	7,054
Primary metals	441	370	354	335	383	1,442
Flat-rolled products	479	487	496	496	503	1,982
Engineered products	240	258	249	249	233	989
Other	14	17	18	20	10	65
Total Aluminum	1,174	1,132	1,117	1,100	1,129	4,478
Average realized price - Primary	0.64	0.63	0.64	0.71	0.72	0.67

Alcoa and subsidiaries
Condensed Consolidated Balance Sheet
(in millions)

ASSETS	December 31 1999	December 31 1998
	-----	-----
Current assets:		
Cash and cash equivalents (includes cash of \$67.4 in 1999 and \$131.1 in 1998)	\$ 236.9	\$ 342.2
Short-term investments	76.8	39.4
Receivables from customers, less allowances: 1999-\$58.0; 1998-\$61.4	2,199.5	2,163.2
Other receivables	164.6	171.0
Inventories	1,618.4	1,880.5
Deferred income taxes	232.9	198.0
Prepaid expenses and other current assets	270.9	230.8
Total current assets	4,800.0	5,025.1
Properties, plants and equipment, at cost	18,435.6	18,224.5
Less, accumulated depreciation, depletion and Amortization	9,302.7	9,091.0
Net properties, plants and equipment	9,132.9	9,133.5
Goodwill, net of accumulated amortization of \$220.5 in 1999 and \$179.3 in 1998	1,328.4	1,414.1
Other assets	1,804.5	1,889.8
Total assets	\$17,065.8	\$17,462.5
	=====	=====
LIABILITIES		
Current liabilities:		
Short-term borrowings	\$ 342.7	\$ 431.0
Accounts payable, trade	1,218.9	1,044.3
Accrued compensation and retirement costs	582.5	553.2
Taxes, including taxes on income	368.2	431.3
Other current liabilities	423.6	627.4
Long-term debt due within one year	67.4	181.1
Total current liabilities	3,003.3	3,268.3
Long-term debt, less amount due within one year	2,656.9	2,877.0
Accrued postretirement benefits	1,720.2	1,840.1
Other noncurrent liabilities and deferred credits	1,472.8	1,587.1
Deferred income taxes	437.0	358.1
Total liabilities	9,290.2	9,930.6
MINORITY INTERESTS	1,457.9	1,476.0
CONTINGENT LIABILITIES	-	-
SHAREHOLDERS' EQUITY		
Preferred stock	55.8	55.8

Common stock	394.7	394.7
Additional capital	1,703.7	1,675.9
Retained earnings	6,061.4	5,305.1
Treasury stock, at cost	(1,259.6)	(1,028.7)
Accumulated other comprehensive loss	(638.3)	(346.9)
	-----	-----
Total shareholders' equity	6,317.7	6,055.9
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Total liabilities and shareholders' equity	\$17,065.8	\$17,462.5
	=====	=====

Alcoa Announces 33% Increase in Base Dividend, 2-for-1 Stock Split

PITTSBURGH, January 10, 2000 - Alcoa today announced that its Board of Directors approved a base quarterly dividend increase of 33.3%, to 25 cents per common share from 18.75 cents per share. For a full year, base dividends will now total \$1.00 compared with 75 cents before the increase.

The company also announced that it will maintain its variable dividend, linked directly to financial performance. The variable dividend is 30% of the company's annual earnings when these earnings exceed a threshold. The threshold is changed to \$3.00 per basic share from \$2.25 per share. The variable dividend is paid in the following year in four equal quarterly installments with the base quarterly dividends.

Under the new policy, the Board declared a quarterly common stock dividend of 25 cents per share that is payable on February 25, 2000, to shareholders of record at the close of business on February 4, 2000. The 2000 dividend, based on the new formula, is a 24% increase from the 1999 dividend payment.

The directors also voted a regular dividend of 93.75 cents per share on Alcoa's \$3.75 cumulative preferred stock, payable April 1, 2000 to shareholders of record on March 10, 2000.

2-for-1 Stock Split

The Board declared a two-for-one split of Alcoa's common stock. The stock split is subject to approval of Alcoa shareholders who must approve an amendment to the company's articles to increase the authorized shares of common stock at Alcoa's annual meeting on May 12, 2000. Shareholders of record on May 26, 2000, will receive an additional common share for each share held, which will be distributed on June 9, 2000.

Commitment to Stock Repurchase Program

Alcoa restated its commitment to its previously authorized share repurchase program which it announced last year. Because of restrictions imposed by U.S. securities laws, the company has not repurchased its shares since October and is precluded from doing so until after the Reynolds shareholder meeting scheduled for February 11, 2000. It is Alcoa's intention to restart the stock repurchase program at that time.

In addition to the foregoing press releases, Alcoa reiterated that it is targeting, and plans to achieve, cost and efficiency savings of approximately \$200 million (pre-tax) by the end of the second year after the closing of the stock-for-stock merger transaction with Reynolds Metals Company. The projected cost synergies, approximately half of which are anticipated for the first year after closing, will be in addition to Alcoa's ongoing \$1.1 billion (pre-tax) cost-reduction program.

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 authorized officer.

ALCOA INC.

Date: January 10, 2000

By /s/Richard B. Kelson
Richard B. Kelson
Executive Vice President
and Chief Financial Officer