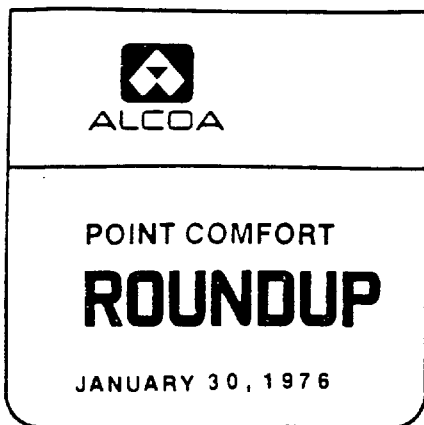




THE CHALLENGE OF '76

S-t-r-e-t-c-h-i-n-g \$ \$ \$

SHIPMENTS OF ALUMINUM DROPPED last year more than 30% below the 1974 level, plunging Alcoa's net income to \$64.8 million for 1975, the company reported on Jan. 20.

This represents a return on invested capital of only 2.3% (compared to 7% in 1974) and signals the reason for the serious cash-crunch Alcoa is experiencing.

"Stretching dollars to pay for new equipment or renovating existing facilities has been a way of life at Point Comfort for the past year," noted Operations Manager Ron Kuerner.

Such a small return also points up the serious need for each Alcoa to accept a challenge in 1976 to help generate dollars within the company by making our operating cash expenditures go further, and our present equipment produce more with what we have, he said.

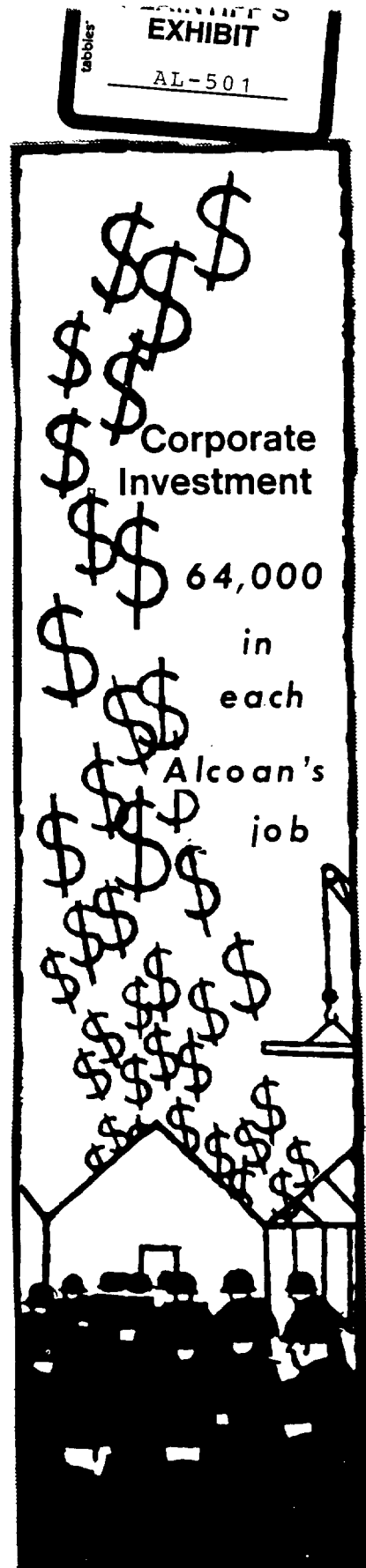
"At the beginning of last year, Alcoa had \$64,000 invested in every employee's job -- well over twice the national manufacturing industry average of \$30,000," he stated.

Alcoa President Bill Renner estimates that to build a mine-to-metal complex today would require an investment of more than \$350,000, Kuerner said.

"That gives you some indication of how valuable the facilities we now have are, and why we need to take care of each piece of equipment," he commented.

"We expect to have more dollars for some projects than we had last year," he added, "but cost of getting added dollars is still going to be high, and the company will spend them only where top management thinks the best return can be generated."

(See 1975 Wrap-up Report, page 3)



APC 005011

Facts about our health care program



DR. MILTON JONES

By Milton F. Jones, M.D.
Texas Medical Director

ALCOA HAS BEEN A LEADER in industry in establishing meaningful health care programs. The reason for this is quite simple and understandable -- healthy employees are more productive workers.

What is a Health Maintenance Program?

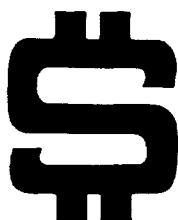
This is a program consisting of periodic physical examinations, done for the purpose of detecting at an early state medical problems which if undetected and untreated may be disabling to the individual.

Who is entitled to the examination? How often?

All Alcoa employees are entitled to Survey Physical Exams. Employees over 50 years of age are examined annually; those ages 36 to 50 every two years, and those 35 years old or less are examined every three years. There are some exceptions to this rule as in some areas of the plant the employees are examined more frequently.

What sort of "medical problems" are expected to be found in such examinations?

As people grow older they have a tendency to develop one or more of a group of conditions referred to as degenerative disorders. Examples of these are high blood pressure, heart disease, diabetes, lung problems, visual loss, hearing trouble, arthritis and others.



Here at Point Comfort a large number of disorders are found in our Survey Physical Exams, including not only the degenerative diseases but everything from minor skin problems to malignancies.

What is done for a condition once it is found?

If the problem can be relieved by counseling or limited medical care they are often treated by the Medical department. Those with more serious problems are referred to their own physicians for adequate treatment. We have established follow-up programs to aid employees and their personal physician in following such conditions as hypertension, diabetes, weight control and such.

What does the exam consist of? How much would it cost you if you were paying for this service by someone other than Alcoa's Medical department?

The figures listed below show the number of tests performed in 1975 and the cost figures are estimated average costs charged by outside sources:

Type of Test	Average Cost	Total No./Yr.	Total
Physical Exam	\$13.50	2163	\$ 29,200.50
Chest X-Ray	12.50	2163	27,037.50
E. K. G.	19.00	902	17,138.00
Blood Chem.	20.00	336	6,720.00
C. B. C.	7.00	336	2,352.00
Pulm. Function Test	20.00	2163	43,260.00
Visual Screening	10.00	2163	21,630.00
Hearing Test	15.00	2163	32,445.00
			\$179,783.00

The value of the individual examination varies from \$91 to \$117. The total of \$179,783 takes into account this variation in cost.

Do many employees consult the Medical department for problems other than those found on the survey exam?

In 1975 there were 7,381 visits to the Medical department for personal illnesses and 1,955 revisits. At the average cost of visiting one's own physician, this represents a cost savings of \$80,917 to the employee. Not a bad savings.

In summary, just these two services of the many rendered by your Medical department represents a total value of over \$260,000. However, Alcoa's intent in conducting these health services is to prolong the healthy life of Point Comfort Alcoans.

APC 005012



BASIC FIRST AID techniques were taught here by Mine Enforcement Safety Administration trainer Layton Revel, who reviews with Norris Neely, Bob Sheppard, Victor Jendry and Al Rambukir the mouth-to-mouth resuscitation method. Looking on is Supervisory Nurse Nancy Beeler (left). The M.E.S.A. course will be offered to persons requesting it.



FEEDING A MULTITUDE like the 600 or more attending the local Chamber of Commerce annual seafood banquet is no great chore for Chef-Ramrod Ed Taylor (right), office manager for Alcoa's oil and gas subsidiaries. Here he offers encouragement to Accounting's Ervin Hermes and County Agent Gil Heideman as they cook 180 pounds of fish fillets; 3,000 shrimp, 14 gallons of oysters, and 45 pounds of long grain rice with 30-pounds of hens, with the help of many other volunteers, of course.

1975 Wrap-up Report

Individual effort was significant positive factor

"EXTRAORDINARY EFFORT BY ALL employees" was a highly significant positive factor for Alcoa in 1975, Board Chairman Krome George said, commenting on the company's 1975 operating report.

He said that the "unprecedented decline in industry shipments" and "large increases in the unit cost of virtually everything we buy" combined with high inventories and low levels of business activity resulted in our depressed financial situation last year.

However, Mr. George noted that the "productivity of Alcoa people in our fabricating operations -- measured in pounds shipped per hour worked -- held steady despite the drastic decline in demand and operating levels."

He also pointed out that "a recent definite upswing in tons ordered per day would seem to indicate that the large customer inventories had been worked down by year-end."

(Continued From Page 1)

In a 1975 wrap-up report, Alcoa reported Jan. 20 that shipments of aluminum products was down 623,000 tons to 1,340,000 tons, and primary aluminum production was 595,000 tons less, totaling 1,368,000 tons.

While sales and operating revenues amounted to \$2.3 billion, the income from operations was \$54 million (compared to \$164.1 million in '74).

YEAR-END COMPARISON OF LEADING ALUMINUM PRODUCERS

12 MONTH PERIOD - 1975

(1974 shown in parenthesis)

	Net Sales & Op. Rev.	Net Income	Per Share
Alcoa	\$2.3 billion (\$2.7 billion)	\$ 64.8 million (\$174.6 million)	\$1.85 (\$5.18)
Reynolds	\$1.67 billion (\$1.99 billion)	\$ 60. million (\$114.2 million)	\$3.29 (\$6.41)
Kaiser	\$1.5 billion (\$1.7 billion)	\$ 94.7 million (\$110.9 million)	\$4.78 (\$5.63)
Alcan	\$2.3 billion (\$2.4 billion)	\$ 22.6 million (\$141.8 million)	65¢ (\$4.11)

APC 005013



The 25-Year Club



ANDREW H. GONZALES
DIGESTION
12/22



NOVEAL E. YENDREY
INGOT
12/22



ALFONSE T. PARTL
POTROOMS
12/17



ANSELMO C. SANCHEZ
POTROOMS
12/27



WILLIAM A. LAWHN
POWER MAINT.
1/2



RAYMOND A. MCBRIDE
ELECTROLYTE
1/8



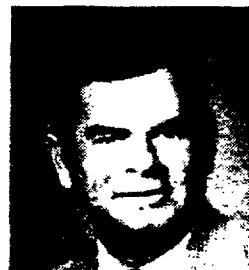
EUGENE SAMPSON
CALCINATION
1/4



JESSIE G. HUDSON
CIVIL MAINT.
1/15



ALBERT FOJTIK
INGOT
1/16



THOMAS S. RICHARD
CLARIFICATION
1/16



CARL F. HERRETH
WELDING
1/17

CIVIL DEFENSE IS NOW A GREATER CONCERN for C. L. "Pinky" Roberts (at right) , Smelting Dept., who for years has been a key man in setting up the emergency radio network in Calhoun County. Earlier this month County Commissioners appointed Roberts as the director of the Civil Defense program. No stranger to disaster preparedness, Pinky manned the shortwave radio here during Hurricane Carla and has had Point Comfort Operations radio responsibilities. Power Manager Sam Marshall is backing Roberts up by training Safety Administrator Bob Rose and others in radio communication skills, to free Pinky for other duties.



BULK RATE
U S POSTAGE
PAID
POINT COMFORT, TEXAS
PERMIT NO. ONE

Aluminum Company of America, Point Comfort, Texas 77913

APC 005014