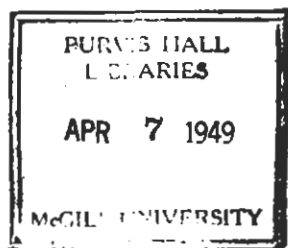


ALUMINUM COMPANY OF CANADA, LIMITED

1948

FINANCIAL STATEMENTS



ALUMINUM COMPANY OF CANADA, LIMITED
and Subsidiary Companies

Consolidated Balance Sheet

31st December 1948

A S S E T S

	<u>31st December 1948</u>	<u>31st December 1947</u>
Current Assets:		
Cash in banks and on hand	\$ 7,476,822	\$ 7,909,584
Funds set apart for preferred dividend payable 1st March 1949	141,635	144,220
Dominion of Canada bonds (quoted value \$20,906,094)	20,577,838	22,221,979
Accounts and notes receivable, less reserves	8,889,370	8,467,741
Accounts receivable from affiliated companies	5,589,429	7,018,507
Inventories of aluminum, materials and supplies at cost or under, which is not in excess of market, determined from book and physical inventories, certified by officers of the companies	<u>41,692,573</u>	<u>35,277,446</u>
	84,367,667	81,039,477
Refundable portion of excess profits tax (contra)	—	560,578
Prepaid expense and deferred charges to operations	4,161,043	3,431,074
Indemnity and surety deposits	547,090	577,247
Investment in shares of an affiliated company	—	3,687,499
Lands, plants, riparian rights, and facilities, at cost	345,096,255	334,922,150
	<u>\$434,172,055</u>	<u>\$424,218,025</u>

ALUMINUM COMPANY OF CANADA, LIMITED
and Subsidiary Companies

Consolidated Balance Sheet
31st December 1948

LIABILITIES

	<u>31st December 1948</u>	<u>31st December 1947</u>
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 12,284,692	\$ 12,687,062
Accounts payable to affiliated companies	193,125	131,325
Preferred dividend payable 1st March 1949	141,635	144,220
Reserves for income and excess profits taxes	9,185,590	6,715,466
	<u>21,805,042</u>	<u>19,678,073</u>
Indebtedness not maturing within one year:		
Aluminum Company of Canada, Ltd.:		
First mortgage 3½% sinking fund bonds, due 1974:		
Series "A"—payable in Canadian currency	13,064,000	13,438,000
Series "B"—payable in U.S. currency	24,939,000	25,655,000
Second hypothec, securing contractual obligation for annual pay- ments, which may be commuted for	11,639,553	12,118,651
3% Redeemable notes, due 1961—payable to the British Govern- ment—interest and \$36,140,000 of principal abatable in certain circumstances as provided in the contracts under which they were issued	54,968,185	54,968,185
Indebtedness of subsidiaries (secured on property)	3,586,583	4,071,902
	<u>108,197,321</u>	<u>110,251,738</u>
Reserves for amortization, depreciation and depletion of lands, plants and facilities	228,555,282	223,832,163
Operating reserves and deferred credits	787,802	962,572
Refundable portion of excess profits tax (contra)	—	560,578
Capital Stock and Surplus:		
4% Cumulative redeemable sinking fund preferred shares—par \$25—565,504 shares outstanding after purchase for cancellation of 11,200 shares in 1948	14,137,600	14,417,600
Common shares—no par—1,500,000 shares outstanding	15,000,000	15,000,000
Capital surplus	862,400	582,400
Earned surplus	44,826,608	38,932,901
	<u>74,826,608</u>	<u>68,932,901</u>
	<u>\$434,172,055</u>	<u>\$424,218,025</u>

Approved on behalf of the Board,
R. E. POWELL, *Director*
J. A. DULLEA, *Director*

ALUMINUM COMPANY OF CANADA, LIMITED
and Subsidiary Companies

Consolidated Statement of Profit and Loss
For the Year Ending 31st December 1948

	1948	1947
Profit for the year ending 31st December 1948, after provision for depreciation and depletion (see footnote) but before taking into account the following items	\$ 41,903,228	\$ 31,370,905
Add:		
Income from investment	83,732	167,464
Interest, etc.	640,667	781,728
Gain on disposal of surplus equipment	97,262	638,867
Gain on sale of marketable securities	4,750	77,738
	42,729,639	33,036,702
Deduct:		
Interest on indebtedness not maturing within one year	3,204,149	3,253,582
Other interest	33,637	17,621
Executive salaries	243,829	229,323
Legal fees	23,630	41,137
Directors' fees	528	311
Provision for Canadian income taxes	13,146,648	10,543,210
Provision for foreign income taxes	1,294,689	1,076,449
Premium and expense on bonds retired	22,358	19,535
Purchase of past service retirement annuities	504,585	—
	18,474,053	15,181,168
Profit carried to earned surplus	\$ 24,255,586	\$ 17,855,534

NOTE: Provision for depreciation and depletion for the year amounted to \$6,736,193 of which \$5,382,791 was charged to cost of production.

ALUMINUM COMPANY OF CANADA, LIMITED
and Subsidiary Companies

Consolidated Statement of Surplus
For the Year Ending 31st December 1948

EARNED SURPLUS

	1948	1947
Earned surplus—beginning of year	\$ 38,932,901	\$ 37,176,933
Adjustments applicable to prior years (net)	—	121,523
Refundable portion of excess profits tax	493,598	—
	39,426,499	37,298,456
Profit for the year	24,255,586	17,855,534
	63,682,085	55,153,990
Dividends:		
Preferred, including dividend payable 1st March 1949	569,755	588,128
Common	18,000,000	15,000,000
Appropriation for the purchase for cancellation of 11,200 preferred shares	285,722	632,961
	18,855,477	16,221,089
Earned surplus—end of year	\$ 44,826,608	\$ 38,932,901

CAPITAL SURPLUS

Capital surplus—beginning of year	\$ 582,400	\$ —
Par value of 11,200 preferred shares purchased in 1948 for cancellation	280,000	582,400
Capital surplus—end of year	\$ 862,400	\$ 582,400

AUDITORS' REPORT

TO THE SHAREHOLDERS OF ALUMINUM COMPANY OF CANADA, LIMITED:

We have examined the consolidated balance sheet of Aluminum Company of Canada, Limited and its subsidiary companies as at 31st December 1948, and the related consolidated statements of profit and loss and surplus. Our examination of Aluminum Company of Canada, Limited and its Canadian subsidiaries included such tests of the accounting records and other supporting evidence and such other procedures as we deemed appropriate, including a review of the reports of the company's internal auditors. We were furnished by other independent accountants with audited financial statements of those subsidiaries operating outside Canada whose records were not examined by us. We have received all the information and explanations we have required.

The accounts of subsidiary companies, other than Canadian companies, included in the consolidated balance sheet and the related statement of profit and loss are translated into Canadian dollars at official rates of exchange current at 31st December 1948, except that fixed assets are at rates determined at dates of acquisition.

The surpluses of the individual companies included in the consolidation are subject to such restrictions as to distribution as may be imposed by regulatory bodies of the countries in which the companies are carrying on operations.

On the above basis, we report that, in our opinion, the accompanying consolidated balance sheet is properly drawn up so as to exhibit a true and correct view of the combined state of affairs of Aluminum Company of Canada, Limited and its subsidiary companies as at 31st December 1948, and that the related statements of profit and loss and surplus present fairly the results of the combined operations of the companies for the year ending on that date, according to the best of our information and the explanations given to us and as shown by the books of the companies examined by us and the audited financial statements furnished by other independent accountants.

PRICE, WATERHOUSE & CO.,
Auditors.

Montreal, 15th March 1949.

ALUMINUM COMPANY OF CANADA, LIMITED
MONTREAL, QUE., CANADA

DIRECTORS

R. E. POWELL

President, Saguenay Power Company, Ltd.
Montreal

NATHANAEL V. DAVIS

President, Aluminium Limited
Montreal

E. J. MEJIA

President, Aluminium Fiduciaries Limited
Montreal

J. A. DULLEA

President, Aluminium Secretariat Limited
Montreal

J. ALEX PRUD'HOMME, K.C.

Geoffrion & Prud'homme
Montreal

PAUL LaROQUE

Secretary, Aluminium Secretariat Limited
Montreal

H. H. RICHARDSON

President, Aluminium Laboratories Limited
Montreal

E. G. MacDOWELL

President, Aluminium Union Limited
Montreal

N. E. RUSSELL

President, Aluminum Goods Limited
Toronto

R. E. POWELL, *President*

J. ALEX PRUD'HOMME, K.C., *Vice-President*

A. W. WHITAKER, Jr., *Vice-President and General Manager*

FRASER W. BRUCE, *Vice-President and General Sales Manager*

PAUL S. WHITE, *Vice-President, Secretary and Treasurer*

J. B. WHITE, *Vice-President and Director of Personnel*

McNEELY DuBOSE, *Vice-President*

