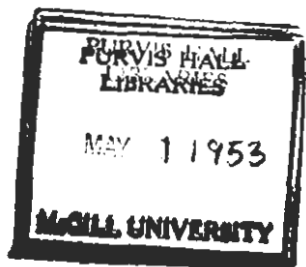


ALUMINUM COMPANY OF CANADA, LIMITED

1949

FINANCIAL STATEMENTS



ALUMINUM COMPANY OF CANADA, LIMITED
and Subsidiary Companies

Consolidated Balance Sheet
31st December 1949

ASSETS

	<u>31st December 1949</u>	<u>31st December 1948</u>
Current Assets:		
Cash in banks and on hand	\$ 12,331,446	\$ 7,476,822
Funds set apart for preferred dividend payable 1st March 1950	139,004	141,635
Canadian Government bonds (quoted value \$23,944,000)	23,414,813	20,577,838
Accounts and notes receivable, less reserves	7,760,327	8,889,370
Accounts receivable from affiliated companies	13,175,668	5,589,429
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>39,826,927</u>	<u>41,692,573</u>
	96,648,185	84,367,667
Prepaid expense and deferred charges to operations	4,488,460	4,161,043
Indemnity, surety and other deposits	574,479	547,090
Investment in shares of an affiliated company	16,750	—
Lands, plants, riparian rights, and facilities, at cost	350,549,779	345,096,255
	<u><u>\$452,277,653</u></u>	<u><u>\$434,172,055</u></u>

ALUMINUM COMPANY OF CANADA, LIMITED
and Subsidiary Companies

Consolidated Balance Sheet
31st December 1949

LIABILITIES

	<u>31st December 1949</u>	<u>31st December 1948</u>
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 11,670,809	\$ 13,583,692
Notes payable to Aluminium Limited	5,500,000	—
Accounts payable to affiliated companies	387,595	193,125
Preferred dividend payable 1st March 1950	139,004	141,635
Provision for income and other taxes	<u>10,783,954</u>	<u>9,185,590</u>
	<u>28,481,362</u>	<u>23,104,042</u>
Indebtedness not maturing within one year (see note No. 2)	<u>104,651,674</u>	<u>106,898,321</u>
Reserves for amortization, depreciation and depletion of lands, plants and facilities	<u>234,477,856</u>	<u>228,555,282</u>
Deferred profit on sales of aluminum for future delivery	<u>3,441,257</u>	<u>—</u>
Operating reserves and deferred credits	<u>769,547</u>	<u>787,802</u>
Capital Stock and Surplus:		
4% Cumulative redeemable sinking fund preferred shares—par \$25— 555,534 shares outstanding (565,504 shares at 31st December, 1948)	13,888,350	14,137,600
Common shares—no par—1,500,000 shares outstanding	15,000,000	15,000,000
Capital surplus	1,111,650	862,400
Earned surplus	<u>50,455,957</u>	<u>44,826,608</u>
	<u>80,455,957</u>	<u>74,826,608</u>
	<u>\$452,277,653</u>	<u>\$434,172,055</u>

Signed on behalf of the Board,
R. E. POWELL, Director
DANA T. BARTHOLOMEW, Director

ALUMINUM COMPANY OF CANADA, LIMITED
and Subsidiary Companies

Consolidated Statement of Profit and Loss
For the Year Ending 31st December 1949

	1949	1948
Profit for the year after provision for depreciation and depletion (see footnote) but before taking into account the following items	\$ 44,667,299	\$ 41,903,228
Add:		
Income from investment	—	83,732
Interest, etc.	677,912	645,417
Gain on disposal of surplus equipment	245,661	97,262
	<u>45,590,872</u>	<u>42,729,639</u>
Deduct:		
Interest on indebtedness not maturing within one year	3,172,246	3,204,149
Other interest	99,400	33,637
Executive salaries	276,567	243,829
Legal fees	37,095	23,630
Directors' fees	351	528
Provision for Canadian income taxes	15,372,600	13,146,648
Provision for foreign income taxes	1,731,519	1,294,689
Premium and expense on bonds retired	25,771	22,358
Purchase of past service retirement annuities	85,391	504,585
Adjustment arising from currency revaluations	304,484	—
	<u>21,105,424</u>	<u>18,474,053</u>
Profit carried to earned surplus	<u>\$ 24,485,448</u>	<u>\$ 24,255,586</u>

NOTE: Provision for depreciation and depletion for the year amounted to \$7,824,916 of which \$5,980,495 was charged to cost of production.

ALUMINUM COMPANY OF CANADA, LIMITED
and Subsidiary Companies

Consolidated Statement of Surplus
For the Year Ending 31st December 1949

EARNED SURPLUS

Earned surplus — 31st December 1948.....	\$ 44,826,608
Profit for the year.....	24,485,448
	<u>69,312,056</u>
Dividends:	
Preferred, including dividend payable 1st March 1950.....	557,717
Common.....	18,000,000
Appropriation for the purchase for cancellation of preferred shares.....	298,382
	<u>18,856,099</u>
Earned surplus—31st December 1949.....	<u>\$ 50,455,957</u>

CAPITAL SURPLUS

Capital surplus — 31st December 1948.....	\$ 862,400
Par value of 9,970 preferred shares purchased in 1949 for cancellation.....	249,250
Capital surplus — 31st December 1949.....	<u>\$ 1,111,650</u>

ALUMINUM COMPANY OF CANADA, LIMITED
and Subsidiary Companies

Notes to Financial Statements

1. The accounts of subsidiary companies, other than Canadian companies, included in the consolidated balance sheet are translated into Canadian dollars at official rates of exchange current at 31st December 1949, except that fixed assets and their related reserves are at rates determined at dates of acquisition of such assets. The series "B" first mortgage 3½% sinking fund bonds, due 1974, payable in U.S. currency, and the second hypothec, securing contractual obligation for annual payments, payable in Canadian currency and in U.S. currency in equal parts, are stated on a dollar for dollar basis.

2. Indebtedness not maturing within one year comprises the following:

Aluminum Company of Canada, Ltd.:

First mortgage 3½% sinking fund bonds, due 1974:

Series "A" — payable in Canadian currency	\$ 12,617,000
Series "B" — payable in U.S. currency	24,087,000

Commutation value of contractual obligation for annual payments secured by second hypothec — payable in Canadian currency and in U.S. currency in equal parts	11,178,226
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3% Redeemable notes, due 1961 — payable to the British Government — interest and \$33,360,000 of principal abatable in certain circumstances as provided in the contracts under which they were issued	54,968,185
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Indebtedness of subsidiaries (secured on property)	3,586,583
	106,436,994

Less: Provision for sinking funds and other indebtedness payable in 1950 included in current liabilities	1,785,320
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\$104,651,674

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

AUDITOR'S 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 1949, and the related statements of profit and loss and surplus. Our examination of Aluminum Company of Canada, Limited and its 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 and the inspection of audited financial statements submitted by other independent accountants for those subsidiaries whose records were not examined by us. We have received all the information and explanations we have required.

On the above basis, we report that, in our opinion, the accompanying consolidated balance sheet supplemented by the notes appended thereto 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 1949, 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 submitted by other independent accountants.



Auditors.

Montreal, 15th March 1950.

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

DIRECTORS

R. E. POWELL

President, Saguenay Power Company, Ltd.
Montreal

DANA T. BARTHOLOMEW
President, Aluminium Securities Limited
Montreal

NATHANAEL V. DAVIS
President, Aluminium Limited
Montreal

J. A. DULLEA
President, Aluminium Secretariat Limited
Montreal

PAUL LaROQUE
Secretary, Aluminium Secretariat Limited
Montreal

E. G. MacDOWELL
President, Aluminium Union Limited
Montreal

E. J. MEJIA
President, Aluminium Fiduciaries Limited
Montreal

J. ALEX PRUD'HOMME, K.C.
Geoffrion & Prud'homme
Montreal

H. H. RICHARDSON
President, Aluminium Laboratories Limited
Montreal

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*

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

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

McNEELY DuBOSE, *Vice-President*

N. E. RUSSELL, *Vice-President*

PAUL LEMAN, *Treasurer*