

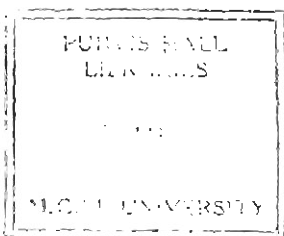
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ALUMINIUM LIMITED

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FINANCIAL  
STATEMENTS  
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**ALUMINIUM LIMITED**  
AND FULLY OWNED SUBSIDIARY COMPANIES

**Consolidated Balance Sheet**

31st December, 1944

*In Canadian Dollars*

A S S E T S

Land, Plants and Facilities, at cost.....	\$339,421,907	
Less: Reserves for Amortization, Depreciation and Depletion, including approximately \$177,000,000 allowed us in respect of War Facilities.....	222,545,742	
		\$116,876,165
Patents, at cost, less Reserve for Amortization of \$139,820.....		156,642
Investments in Shares of Subsidiary Companies.....		6,912,009
<i>(Capital Stock more than 50% owned)</i>		
Investments in and Advances to Other Allied Companies.....		5,708,729
<i>(Capital Stock not more than 50% owned)</i>		
Indemnity, Surety and Other Deposits.....		921,183
Prepaid Expenses and Deferred Charges to Operations.....		2,567,466
Refundable Portion of Canadian Excess Profits Tax (Contra).....		596,444
 Current Assets:		
Inventories of Aluminium, 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.....	27,361,919	
Accounts and Notes Receivable, less reserves.....	28,445,914	
Marketable Securities, at cost—principally Dominion of Canada Bonds and Treasury Bills (Quoted value \$42,055,309).....	41,977,007	
Cash in Banks and on Hand.....	54,692,106	
		152,476,946
		286,215,584
Net Assets of Fully Owned Subsidiary Companies and Investments in Other Companies in enemy territory, less reserves.....		13,210,705
		\$299,426,289

Approved on behalf of the Board,  
EDWARD K. DAVIS, Director  
GEORGE O. MORGAN, Director

**ALUMINIUM LIMITED**  
AND FULLY OWNED SUBSIDIARY COMPANIES

**Consolidated Balance Sheet**

31st December, 1944

*In Canadian Dollars*

**LIABILITIES**

<b>Capital Stock:</b>			
6% Cumulative Redeemable Preferred Shares—Par \$100—72,449 Shares outstanding . . . . .		\$ 7,244,900	
Common Shares—No Par—744,410 Shares outstanding . . . . .		33,935,185	
		\$ 41,180,085	
Aluminum Company of Canada, Ltd. 5% Cumulative Redeemable S.F. Preferred Shares—Par \$100—150,000 Shares outstanding . . . . .			15,000,000
<b>Aluminum Company of Canada, Ltd. Funded Debt:</b>			
First Mortgage 3½% Sinking Fund Bonds, due 1974:			
Series "A"—payable in Canadian currency . . . . .	13,750,000		
Less: Held in Treasury . . . . .	4,250,000		
		9,500,000	
Series "B"—payable in U.S. currency . . . . .	26,250,000		
		35,750,000	
Second Hypathec, securing Contractual Obligation for annual payments, which may be commuted for . . . . .			13,678,758
<b>Notes Payable:</b>			
3% Redeemable Notes, due 1961—payable to the British Government—interest and \$45,280,000 of principal abatable in certain circumstances as provided in the contracts under which they were issued . . . . .	55,600,000		
3% Notes (U.S. \$11,730,000) to Export-Import Bank, Washington, D.C.—payable U.S. \$620,000 annually, balance in 1952 and 1953 . . . . .	12,903,000		
		68,503,000	
Advance Payments on Sales Contracts . . . . .			21,786,851
Accounts Payable to Subsidiary Companies not consolidated . . . . .			50,336
<b>Current Liabilities:</b>			
Accounts Payable and Accrued Liabilities . . . . .	32,403,032		
Reserves for Income and Excess Profits Taxes, less United Kingdom Tax Certificates of \$1,933,474 . . . . .	6,331,230		
		38,734,262	
Operating Reserves and Deferred Credits . . . . .			2,596,459
Reserve against future depreciation in inventory values . . . . .			6,430,004
Refundable Portion of Canadian Excess Profits Tax (Contra) . . . . .			596,444
Capital Surplus . . . . .			1,194,700
Earned Surplus . . . . .			53,925,390
			\$299,426,289

NOTE: Aluminium Limited Preferred Dividends are expressed to be payable in U.S. funds and in the event of redemption or liquidation the Preferred Shares are payable in U.S. funds at the option of the shareholder.

ALUMINIUM LIMITED  
AND FULLY OWNED SUBSIDIARY COMPANIES

Consolidated Statement of Profit and Loss  
For the Year Ending 31st December, 1944

*In Canadian Dollars*

Profit for the year ending 31st December, 1944, after provision for Depreciation and Depletion (see footnote) but before taking into account the following items.....		\$26,641,212
Add:		
Income from Investments.....	\$ 665,656	
Interest, etc.....	502,884	
		1,168,540
		27,809,752
Deduct:		
Interest on Indebtedness not maturing within one year.....	3,439,647	
Other Interest.....	1,023,851	
Executive Salaries..... (Parent and fully owned subsidiary companies)	682,984	
Legal Fees.....	96,091	
Directors' Fees.....	13,603	
Provision for Income and Excess Profits Taxes, including \$6,246,805 Canadian Taxes.....	10,779,672	
Amortization of Patents.....	19,037	
		16,054,885
Profit before Dividends on Aluminum Company of Canada, Ltd. Preferred Shares.....		11,754,867
Aluminum Company of Canada, Ltd. Preferred Dividends, including Dividend payable 1st February, 1945.....		750,000
Profit carried to Earned Surplus.....		\$11,004,867

NOTE: Provision for Depreciation and Depletion for the year amounted to \$58,625,626 (including special provision of \$51,787,341 in respect of War Facilities) of which \$5,534,827 was charged to Cost of Production.

**ALUMINIUM LIMITED**  
AND FULLY OWNED SUBSIDIARY COMPANIES

**Consolidated Statement of Earned Surplus**  
**For the Year Ending 31st December, 1944**

*In Canadian Dollars*

Earned Surplus—31st December, 1943.....		\$48,434,464
Adjustments applicable to prior years:		
Sales Adjustments.....	\$ 903,003	
Less: Canadian Income and Excess Profits Taxes thereon.....	361,201	
		541,802
Earned Surplus (as adjusted)—31st December, 1943.....		47,892,662
Profit for the year.....	11,004,867	
Net Premium and Exchange realized on bonds issued and bonds redeemed, less expenses, and less balance of unamortized expense of Aluminum Company of Canada, Ltd. Preferred Share issue.....	1,465,651	
		12,470,518
Dividends Paid:		60,363,180
Aluminium Limited Preferred, including Exchange Premium.....	482,510	
Aluminium Limited Common.....	5,955,280	
		6,437,790
Earned Surplus—31st December, 1944.....		\$53,925,390

## AUDITORS' REPORT

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### To the Shareholders of Aluminium Limited:

We have examined the consolidated balance sheet of Aluminium Limited and its fully owned subsidiary companies as at 31st December, 1944, and the relative consolidated statements of profit and loss and surplus. In connection therewith we have reviewed the system of internal control and the accounting procedures of Aluminium Limited and its Canadian subsidiaries and have examined or tested accounting records of these companies and other supporting evidence, but we did not make a detailed audit. The detail transactions of the Canadian Companies are examined by the Companies' internal auditors whose reports are furnished to us. We were furnished by other independent accountants with audited financial statements of those subsidiaries whose records were not examined or tested by us, except for companies in enemy territory. 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 relative statement of profit and loss are translated into Canadian dollars at official rates of exchange current at 31st December, 1944, except that Fixed Assets are at rates determined at dates of acquisition. The Aluminum Company of Canada, Ltd., 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.

We have satisfied ourselves that the inventories of aluminium, materials and supplies are stated at cost or under which is not in excess of market. Intercompany profits have been excluded from inventories. The provisions for Income and Excess Profits taxes, considered adequate by the management, are subject to final determination by the appropriate tax authorities.

Net assets of fully owned subsidiary companies and investments in other companies in enemy territory are segregated in the attached balance sheet.

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

The earned surplus at 31st December, 1943, has been adjusted in respect of sales and related tax adjustments affecting the operations of prior years.

Subsequent to 31st December, 1944, arrangements have been consummated under which the Aluminum Company of Canada, Ltd. 3% Notes payable to Export-Import Bank, Washington, D.C. will be applied in payment for aluminium to be delivered in 1945.

On the above basis, we report that the attached consolidated balance sheet is, in our opinion, properly drawn up so as to exhibit a true and correct view of the combined state of affairs of Aluminium Limited and its fully owned subsidiary companies as at 31st December, 1944, 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 financial statements above referred to; and that the relative consolidated statements of profit and loss and surplus fairly present the results of the combined operations of the companies, excluding those in enemy territory.

Pursuant to Section 114 of the Companies Act, 1934, we report that the profit for the year of the one subsidiary company not consolidated and for which financial statements are available has been included in the consolidated accounts to the extent of dividends declared and that your company's share of the profit of that subsidiary for the period exceeded the amount of such dividends. No accounts are available in respect of the other non-consolidated subsidiary company which is located in enemy territory.

PRICE, WATERHOUSE & CO.,  
Auditors.

21st March, 1945.

**ALUMINIUM LIMITED**  
AND FULLY OWNED SUBSIDIARY COMPANIES

*In Canadian Dollars*

**Comparative Condensed Earnings**  
(as adjusted)

	1942	1943	1944
Profit before taking into account the following items.....	\$76,121,770	\$ 96,826,010	\$81,160,165
Deduct:			
Provision for Depreciation and Depletion:			
Normal.....	6,328,056	5,810,223	6,838,285
Special (in respect of War Facilities).....	40,571,185	64,555,491	51,787,341
Provision for Income and Excess Profits Taxes.....	13,902,358	14,003,494	10,779,672
Reserved for Investments and Other Assets in Enemy Territory.....	76,149	0	0
Aluminum Company of Canada, Ltd. Preferred Dividends....	0	749,917	750,000
Profit carried to Earned Surplus.....	\$15,244,022	\$11,706,885	\$11,004,867

**Comparative Condensed Balance Sheets**  
(as adjusted)

	31st December 1942	1943	1944
<b>ASSETS</b>			
Land, Plants and Facilities (net).....	\$180,402,620	\$167,123,852	\$116,876,165
Investments.....	12,140,972	12,273,062	12,620,738
Prepaid Expenses, Deferred Charges, etc.....	7,172,939	7,699,745	4,241,735
Current Assets.....	138,041,160	163,078,312	152,476,946
Net Assets in Enemy Territory (less reserves).....	13,220,323	13,212,635	13,210,705
	\$350,978,014	\$363,387,606	\$299,426,289
<b>LIABILITIES</b>			
Capital Shares.....	\$ 41,834,785	\$ 56,180,085	\$ 56,180,085
Surplus.....	45,383,179	49,087,362	55,120,090
Bonds, Notes, etc.....	107,027,503	123,926,647	117,931,758
Advance Payments on Sales Contracts.....	88,828,865	58,773,796	21,786,851
Current Liabilities.....	59,795,104	66,590,372	38,784,598
Reserves and Deferred Credits.....	8,108,578	8,829,344	9,622,907
	\$350,978,014	\$363,387,606	\$299,426,289

NOTE: The statements for the years 1941 and 1942 have been adjusted to reflect the net adjustment of \$51,409 charged to Earned Surplus in 1943 and the statement for the year 1943 has been adjusted to reflect the net adjustment of \$541,802 charged to Earned Surplus in 1944.

# ALUMINIUM LIMITED

Montreal  
Canada

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## DIRECTORS

HON. LEIGHTON McCARTHY, P.C., K.C.

E. BLOUGH

President  
Aluminium Laboratories Limited

GEORGE O. MORGAN

President  
Aluminium Securities Limited

J. A. DULLEA

President  
Aluminium Secretariat Limited

R. E. POWELL

President  
Aluminium Works Limited

E. G. MacDOWELL

President  
Aluminium Union Limited

EDWIN J. MEJIA

President  
Aluminium Fiduciaries Limited

AIMÉ GEOFFRION, K.C.

EDWARD K. DAVIS

President  
Stand Corporation  
New York

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EDWARD K. DAVIS, President

J. A. DULLEA, Secretary

J. W. McKEE, Treasurer

