UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K/A

(AMENDMENT NO. 1)

[x] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For The Fiscal Year Ended December 31, 2012

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 1-3610

ALCOA INC.

(Exact name of registrant as specified in its charter)

Pennsylvania	25-0317820
(State of incorporation)	(I.R.S. Employer Identification No.)

390 Park Avenue, New York, New York 10022-4608
(Address of principal executive offices) (Zip code)

Registrant's telephone numbers:
Investor Relations------------— (212) 836-2674
Office of the Secretary---------—(212) 836-2732

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value $1.00	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ✓ No __.

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes __ No ✓.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes ✓ No __.

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ✓ No __.

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [✓]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [✓] Accelerated filer [ ] Non-accelerated filer [ ] Smaller reporting company [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes __ No ✓.

The aggregate market value of the outstanding common stock, other than shares held by persons who may be deemed affiliates of the registrant, as of the last business day of the registrant's most recently completed second fiscal quarter was approximately $9 billion. As of February 11, 2013, there were 1,069,326,205 shares of common stock, par value $1.00 per share, of the registrant outstanding.

Documents incorporated by reference.

Part III of this Form 10-K incorporates by reference certain information from the registrant's definitive Proxy Statement for its 2013 Annual Meeting of Shareholders to be filed pursuant to Regulation 14A (Proxy Statement).

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of Alcoa Inc.

In our opinion, the accompanying consolidated balance sheets and the related statements of consolidated operations, consolidated comprehensive (loss) income, changes in consolidated equity, and consolidated cash flows present fairly, in all material respects, the financial position of Alcoa Inc. and its subsidiaries (the "Company") at December 31, 2012 and 2011, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2012 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2012, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Pittsburgh, Pennsylvania
February 15, 2013

In January 2011, Alcoa contributed 36,518,563 newly issued shares of its common stock to a master trust that holds the assets of certain U.S. defined benefit pension plans in a private placement transaction. These shares were valued at $16.43 per share (the closing price of Alcoa's common stock on January 24, 2011), or $600 in the aggregate, and were issued to satisfy the estimated minimum required funding and to provide additional funding towards maintaining an approximately 80% funded status of Alcoa's U.S. pension plans. On January 25, 2011, the 36,518,563 shares were registered under Alcoa's then-current shelf registration statement dated March 10, 2008 (replaced by shelf registration statement dated February 18, 2011) for resale by the master trust, as selling stockholder.

In January 2010, Alcoa contributed 44,313,146 newly issued shares of its common stock to a master trust that holds the assets of certain U.S. defined benefit pension plans in a private placement transaction. These shares were valued at $13.54 per share (the closing price of Alcoa's common stock on January 26, 2010), or $600 in the aggregate, and were issued to satisfy a portion of Alcoa's future funding obligations to these plans, including a portion of the estimated minimum required funding for 2011. On January 27, 2010, the 44,313,146 shares were registered under Alcoa's then-current shelf registration statement dated March 10, 2008 for resale by the master trust, as selling stockholder.

As of December 31, 2012, 110 million and 86 million shares of common stock were reserved for issuance upon conversion of convertible notes and under Alcoa's stock-based compensation plans, respectively. Alcoa issues shares from treasury stock to satisfy the exercise of stock options and the conversion of stock awards.

Share Activity (number of shares)

	Common stock	
	Treasury	**Outstanding**
Balance at end of 2009	122,695,718	974,378,820
Private placement	-	44,313,146
Conversion of convertible notes	-	310
Issued for stock-based compensation plans	(3,333,689)	3,333,689
Balance at end of 2010	119,362,029	1,022,025,965
Private placement	-	36,518,563
Issued for stock-based compensation plans	(5,867,538)	5,867,538
Balance at end of 2011	113,494,491	1,064,412,066
Issued for stock-based compensation plans	(2,799,887)	2,799,887
Balance at end of 2012	110,694,604	1,067,211,953

Stock-based Compensation

Stock options under Alcoa's stock-based compensation plans are granted in January each year at market prices on the dates of grant. Prior to 2011, performance stock options were also granted to certain individuals. For performance stock options granted in 2010, the final number of options earned was based on Alcoa's adjusted free cash flow and profitability against pre-established targets. Stock option features based on date of original grant were as follows:

Date of original grant	**Vesting**	**Term**	**Reload feature**
2002 and prior	1 year	10 years	One reload over option term
2003	3 years (1/3 each year)	10 years	One reload in 2004 for 1/3 vesting in 2004
2004 - 2009	3 years (1/3 each year)	6 years	None
2010 and forward	3 years (1/3 each year)	10 years	None

In addition to the stock options described above, Alcoa grants stock awards that vest three years from the date of grant. In 2010, certain of these stock awards were granted with the same performance conditions described above for performance stock options. In 2012 and 2011, the final number of performance stock awards earned will be based on the achievement of sales and profitability targets over a three-year period. One-third of the award will be earned each year based on the performance against pre-established targets for that year. The performance stock awards earned over the three-year period vest at the end of the third year.

Most plan participants can choose whether to receive their award in the form of stock options, stock awards, or a combination of both. This choice is made before the grant is issued and is irrevocable.

The following table summarizes the total compensation expense recognized for all stock options and stock awards (there was no stock-based compensation expense capitalized in 2012, 2011, or 2010):

	2012	**2011**	**2010**
Compensation expense recognized:			
Stock option grants	$27	$34	$44
Stock award grants	40	49	40
Total compensation expense before income taxes	67	83	84
Benefit for income taxes	21	27	27
Total compensation expense, net of income taxes	$46	$56	$57

As part of Alcoa's stock-based compensation plan design, individuals who are retirement-eligible have a six-month requisite service period in the year of grant. As a result, a larger portion of expense will be recognized in the first half of each year for these retirement-eligible employees. Of the total compensation expense before income taxes included in the table above, $13, $18, and $19 in 2012, 2011, and 2010, respectively, pertains to the acceleration of expense related to retirement-eligible employees.

The fair value of new options was estimated on the date of grant using a lattice-pricing model with the following assumptions:

	2012	**2011**	**2010**
Weighted average fair value per option	$ 3.11	$ 4.96	$ 4.67
Average risk-free interest rate	0.06-1.89%	0.19-3.44%	0.14-3.62%
Dividend yield	0.9%	0.9%	1.1%
Volatility	39-45%	36-43%	47-51%
Annual forfeiture rate	5%	5%	4%
Exercise behavior	45%	45%	35%
Life (years)	5.8	5.8	5.6

The range of average risk-free interest rates was based on a yield curve of interest rates at the time of the grant based on the contractual life of the option. The dividend yield was based on a one-year average. Volatility was based on historical and implied volatilities over the term of the option. Alcoa utilized historical option forfeiture data to estimate annual pre- and post-vesting forfeitures. Exercise behavior was based on a weighted average exercise ratio (exercise patterns for grants issued over the number of years in the contractual option term) of an option's intrinsic value resulting from historical employee exercise behavior. Based upon the other assumptions used in the determination of the fair value, the life of an option was an output of the lattice-pricing model.

The activity for stock options was as follows (options in millions):

	2012	2011	2010
Outstanding, beginning of year:			
Number of options	46.8	56.1	65.5
Weighted average exercise price	$17.41	$19.29	$24.44
Granted:			
Number of options	10.5	4.5	9.0
Weighted average exercise price	$10.17	$16.24	$13.52
Exercised:			
Number of options	(1.5)	(4.3)	(1.6)
Weighted average exercise price	$ 8.28	$ 8.59	$ 8.34
Expired or forfeited:			
Number of options	(10.8)	(9.5)	(16.8)
Weighted average exercise price	$31.83	$31.90	$37.21
Outstanding, end of year:			
Number of options	45.0	46.8	56.1
Weighted average exercise price	$12.58	$17.41	$19.29
Exercisable, end of year:			
Number of options	29.8	28.8	30.2
Weighted average exercise price	$13.02	$20.90	$26.91

The total intrinsic value of options exercised during 2012, 2011, and 2010 was $2, $34, and $8, respectively. In 2012, 2011, and 2010, the cash received from option exercises was $12, $37, and $13 and the total tax benefit realized from these exercises was $1, $11, and $2, respectively.

The following tables summarize certain stock option information at December 31, 2012 (number of options and intrinsic value in millions):

Options Fully Vested and/or Expected to Vest*

Range of exercise price	Number	Weighted average remaining contractual life	Weighted average exercise price	Intrinsic Value
$6.12 - $8.33	17.9	2.06	$ 8.33	$7
$8.34 - $11.33	10.3	8.93	10.17	-
$11.34 - $17.40	11.2	7.21	14.47	-
$17.41 - $46.77	5.6	0.26	26.96	-
Total	45.0	4.69	12.58	$7

* Expected forfeitures are immaterial to the Company and are not reflected in the table above.

Options Fully Vested and Exercisable

Range of exercise price	Number	Weighted average remaining contractual life	Weighted average exercise price	Intrinsic Value
\$6.12 - \$8.33	17.9	2.06	\$ 8.33	\$7
\$8.34 - \$11.33	0.1	6.65	10.72	-
\$11.34 - \$17.40	6.2	7.07	14.10	-
\$17.41 - \$46.77	5.6	0.26	26.96	-
Total	29.8	2.77	13.02	\$7

In addition to stock option awards, the Company grants stock awards and performance share awards, both of which vest three years from the date of grant. Performance share awards are issued at target and the final award amount is determined at the end of the performance period.

The following table summarizes the outstanding stock and performance share awards (awards in millions):

	Stock Awards	Performance Share Awards	Total	Weighted average FMV per award
Outstanding, January 1, 2012	6.4	2.9	9.3	\$13.63
Granted	3.0	1.9	4.9	10.08
Converted	(1.0)	(0.8)	(1.8)	8.42
Forfeited	(0.5)	(0.2)	(0.7)	13.49
Performance share adjustment	-	0.2	0.2	12.74
Outstanding, December 31, 2012	7.9	4.0	11.9	12.96

At December 31, 2012, there was \$22 and \$35 of unrecognized compensation expense (pretax) related to non-vested stock option grants and non-vested stock award grants, respectively. This expense is expected to be recognized over a weighted average period of 1.5 years. As of December 31, 2012, the following table summarizes the unrecognized compensation expense expected to be recognized in future periods:

	Stock-based compensation expense (pretax)
2013	\$38
2014	18
2015	1
Totals	\$57

S. Earnings Per Share

Basic earnings per share (EPS) amounts are computed by dividing earnings, after the deduction of preferred stock dividends declared and dividends and undistributed earnings allocated to participating securities, by the average number of common shares outstanding. Diluted EPS amounts assume the issuance of common stock for all potentially dilutive share equivalents outstanding not classified as participating securities.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

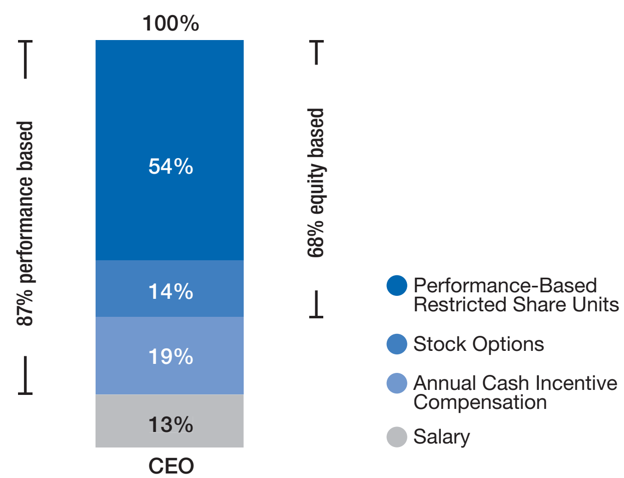
Executive Summary

Alcoa's executive compensation decisions reflect the Company's commitment to pay for performance and maintain shareholder alignment. In 2012, those decisions were complicated by two conflicting forces: Alcoa's management delivered strong operational and financial performance, but economic and political uncertainty, coupled with a decline in the average price of aluminum on the London Metal Exchange (LME), had an adverse impact on Alcoa's stock performance.

At Alcoa, executive pay is heavily dependent on performance and impacted by stock price. With 87% of our CEO's target pay based on performance and 68% provided in the form of equity compensation, Alcoa's compensation design is solidly aligned with shareholder interests (see Chart 1). We require the CEO to hold six times his annual salary in Alcoa common stock until retirement and the other named executive officers to hold three times their annual salaries in Alcoa common stock until retirement.

CHART 1

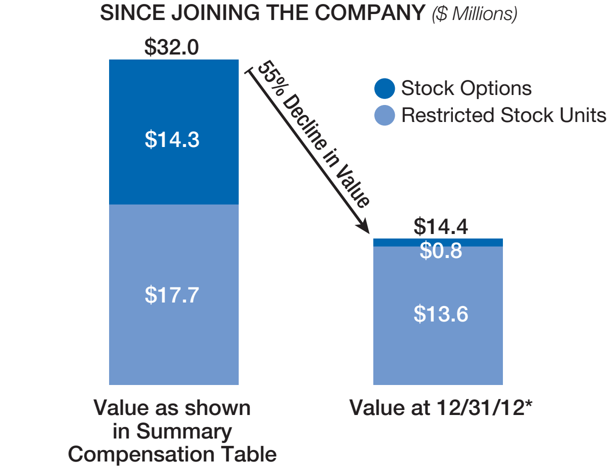
2012 CEO PAY MIX



In addressing the CEO's annual compensation, the Compensation and Benefits Committee of the Alcoa Board of Directors (the "Compensation and Benefits Committee" or, for purposes of this Item, the "Committee") considers equity awards a major factor in reinforcing Alcoa's commitment to shareholder alignment. Specifically, in January 2012, the Committee, with the support of Mr. Kleinfeld, reduced the grant value of the CEO's 2012 equity grant by 20% compared to January 2011, a level below the peer median. The pressure on the stock price of Alcoa and its aluminum peers since the economic downturn in 2008 has had a major impact on the realizable value of Mr. Kleinfeld's outstanding equity grants since joining the Company in October 2007. The total realizable value of Mr. Kleinfeld's equity holdings awarded since joining Alcoa has dropped 55% compared to the original grant values (see Chart 2).

CHART 2

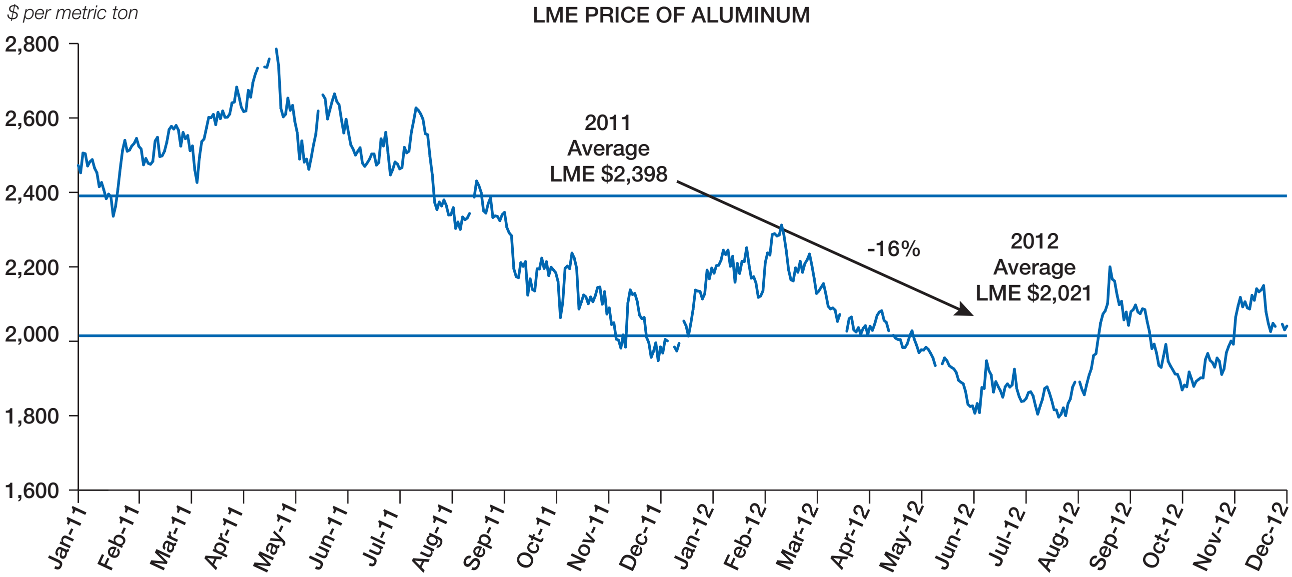
CHANGE IN VALUE OF OUTSTANDING EQUITY AWARDS SINCE JOINING THE COMPANY *($ Millions)*



* Based on the year-end stock price of $8.68 and the "in-the-money" value of stock options. Stock options currently valued at $0 could still have value if the stock price increases above the grant price prior to the expiration date of the award.

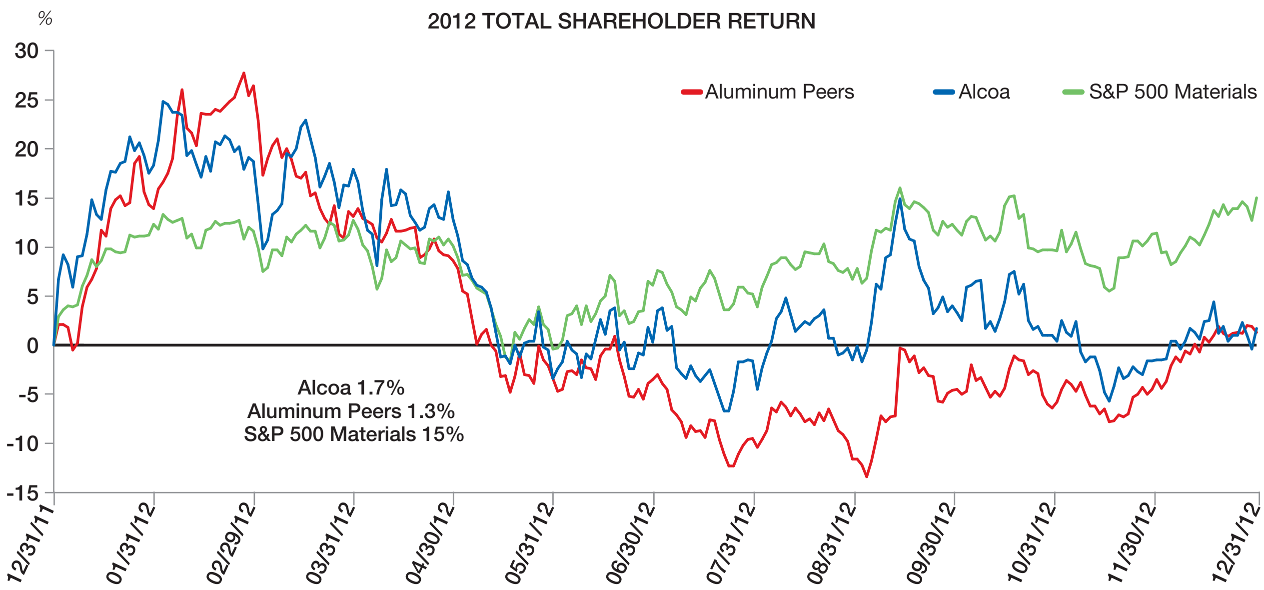
Stock performance in 2012 was directly impacted by economic and political uncertainty. Since the aluminum industry provides a metal that is important to a wide range of industries, it is especially sensitive to economic and political trends. With the threat of defaults in several European countries, the U.S. fiscal cliff, elections in the United States and France, and a leadership change in China, 2012 was characterized by tremendous business uncertainty and economic volatility. This, in turn, created volatility in the price of aluminum, which trades as a commodity on the LME, directly affecting the upstream portion of the aluminum industry. In 2012, the price of aluminum on the LME fluctuated throughout the year between approximately $1,800 and $2,300 per metric ton. In 2011, the average LME price of aluminum was $2,398, dropping by 16% in 2012 to $2,021 (see Chart 3). For each $100 movement in the average LME price per metric ton of aluminum, Alcoa's after-tax profit is impacted by $240 million.

CHART 3



The decline in the price of aluminum had an adverse impact on the total shareholder returns (TSR) of Alcoa and its aluminum industry peers during 2012 compared with the broader S&P 500 Materials Sector Index (see Chart 4).

CHART 4



Aluminum peers include aluminum and alumina producing companies with a market capitalization of at least $3 billion (as of 2010) and some publicly traded shares: Aluminum Corporation of China Limited, United Company RUSAL, Norsk Hydro ASA, Alumina Limited, National Aluminum Company Limited and Shandong Nanshun Aluminium Co., Ltd.

While the weighting of equity in Alcoa's executive compensation program maintains shareholder alignment, Alcoa reinforces pay for performance through annual and long-term incentive targets focused on achieving strong financial and operational performance in respect of goals over which Alcoa managers have direct control. In setting such targets, currency exchange rates and the price of aluminum are normalized in order to eliminate the effects of aluminum prices and currency exchange rates on incentive compensation. This is a practice that Alcoa has been following for many years. We do so in order not to reward or punish management for factors that are outside their control, and not to encourage them to speculate on the movement of LME prices and currency exchange rates. As a result, our management team is highly focused on achieving productivity gains and other operational and strategic improvements that benefit our top and bottom line performance.

Additionally, in recognition that safety, environmental stewardship and diversity are intrinsic to Alcoa's values and have an impact on Alcoa's performance, 20% of management's cash incentive targets are based on performance against metrics in these areas. The safety metric focuses on reducing the number of lost work days through injury and has a direct relationship to employee engagement and productivity. Our environmental metric is based on a reduction of carbon dioxide emissions; as a major user of energy, it is important that we encourage our employees to increase energy efficiency and minimize our carbon footprint, which also aligns with our financial and societal commitments. Our measurement of representation of women globally and minorities in the U.S. reinforces our goal to tap every talent pool to attract the best and brightest to Alcoa as well as our respect for improved outcomes while building on diverse viewpoints.

In 2012, Alcoa outperformed its operational and incentive targets in a difficult market. Despite the market volatility and drop in the average LME price of aluminum from 2011, Alcoa delivered strong operational and financial performance in 2012. As a result, we achieved a 114.7% payout against our annual cash incentive targets for adjusted free cash flow and non-financial metrics (safety, environmental and diversity representation). We also achieved a 120.8% payout against our targets for revenue growth and adjusted EBITDA margin for the first year of our 2012 three-year performance share awards.

The following is a summary of that performance:

- Achieved normalized adjusted free cash flow of approximately $162 million against a target of $78 million;
- Achieved generally strong performance against our non-financial targets (safety, environmental and diversity);
- Generated normalized revenue growth of 3.9% versus a target of 2.6%; and
- Reached normalized adjusted EBITDA margin levels of 12.6% against a target of 11.8%

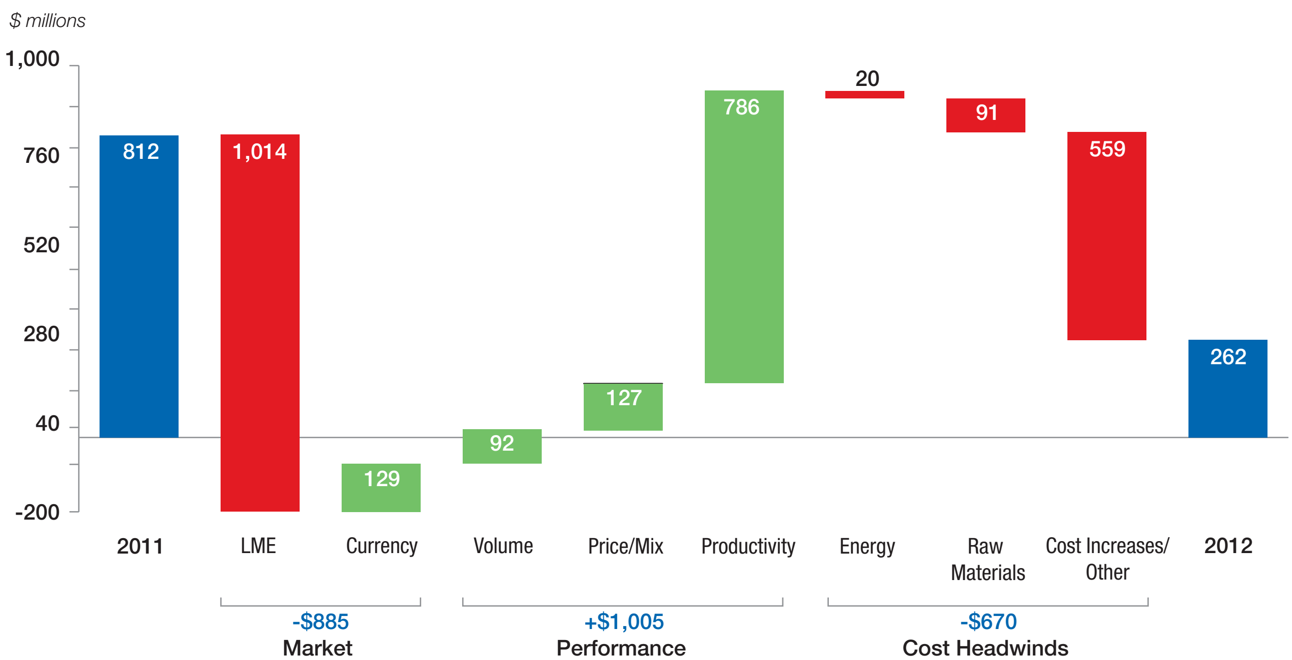
For more details on the metrics, targets (including threshold, target and maximum performance levels), and payouts under our annual incentive plan and performance share awards, see pages 42 and 43.

For the reconciliation to accounting principles generally accepted in the United States of America ("GAAP") of the non-GAAP financial measures used in this Compensation Discussion and Analysis, please refer to Attachment F, "Calculation of Financial Measures," beginning on page 92.

Alcoa directly addressed market challenges and cost headwinds. The drop in the average LME price of aluminum in 2012, over which Alcoa had no control, impacted Alcoa's adjusted income from continuing operations excluding restructuring and other special items by $1,014 million. Although it was partially offset by favorable foreign currency movements of $129 million, the negative market impact of LME aluminum prices and currency fluctuations combined was $885 million on a year over year basis. This market impact, together with a rise in the cost of energy, raw materials, and other costs (such as labor inflation, maintenance and pensions), created profit challenges for Alcoa. Productivity was a significant contributor to 2012 profitability. Our actions helped to generate $1,005 million in performance improvements which overcame headwinds from cost increases of $670 million and mitigated $335 million of the adverse $885 million market impact of currency and aluminum price movements (see Chart 5).

CHART 5

INCOME FROM CONTINUING OPERATIONS EXCLUDING RESTRUCTURING & OTHER SPECIAL ITEMS



Each of Alcoa's four businesses delivered solid operational performance in 2012 (see Chart 6).

Although adjusted EBITDA per metric ton in our alumina and primary businesses declined in 2012 due to the reduction in LME aluminum prices, we managed our position on the cost curve in line with our long-term strategy. Our Alumina business held steady on the refining cost curve as the actions we are taking have a longer time horizon, but those actions still advanced our strategic agenda in 2012. We achieved $190 million in productivity improvements and curtailed 390,000 metric tons per year of high cost refinery capacity. We also achieved a milestone on our investment in Saudi Arabia, with the first concrete pour for the refinery project in February 2012.

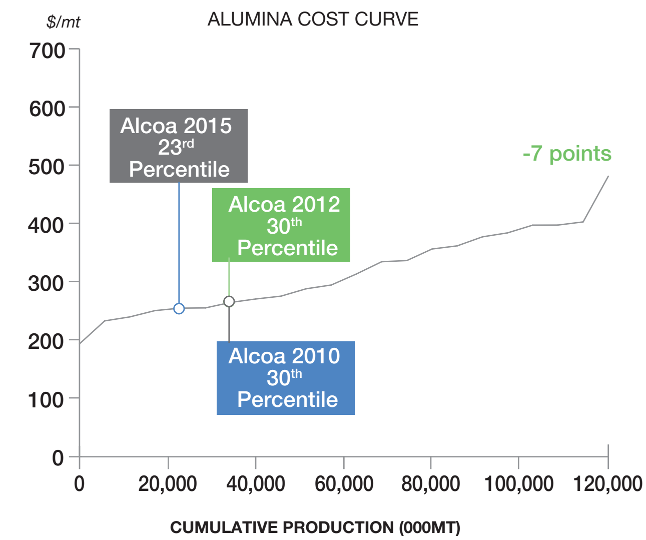
Our Primary Metals business moved 4 percentage points down the smelting cost curve, compared to 2011, which was achieved by making $245 million in productivity improvements, curtailing 240,000 metric tons per year of European smelter capacity, permanently closing 291,000 metric tons per year of smelter capacity in the United States and securing beneficial long term power contracts. In addition, our new smelter being constructed in Saudi Arabia, which will be the lowest cost smelter in the world, produced its first metal ahead of its 2013 on-line schedule.

Our Global Rolled Products business continued its historically strong performance with a 35 percent increase in after-tax operating income ("ATOI") and record full year adjusted EBITDA per metric ton of $390, a 19 percent increase over 2011. Our margin improvement in this business is driven by product innovation, rebalancing the portfolio toward higher value-added products and growing market share.

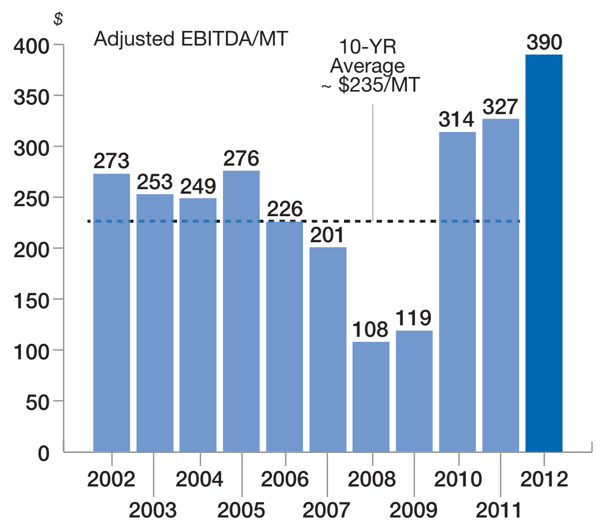
Our Engineered Products and Solutions business increased ATOI by 14 percent and achieved a full-year record high 19.2 percent adjusted EBITDA margin, which is more than double the margins of 10 years ago. The continued focus on innovation, intense cooperation with our customers and a keen eye on cost led to these improvements.

CHART 6

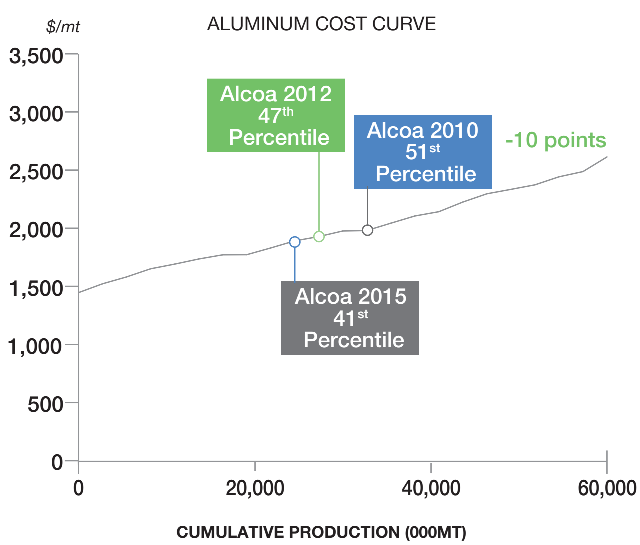
ALUMINA: COST CURVE HOLDING STEADY



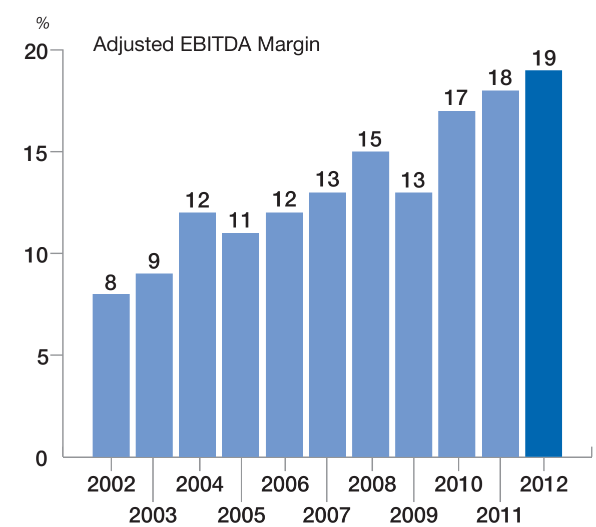
GRP: GROWING PROFITABILITY AT RECORD LEVELS



PRIMARY METALS: COST CURVE DOWN 4% POINTS



EPS: RECORD MARGINS EXCEEDING HISTORICAL LEVELS



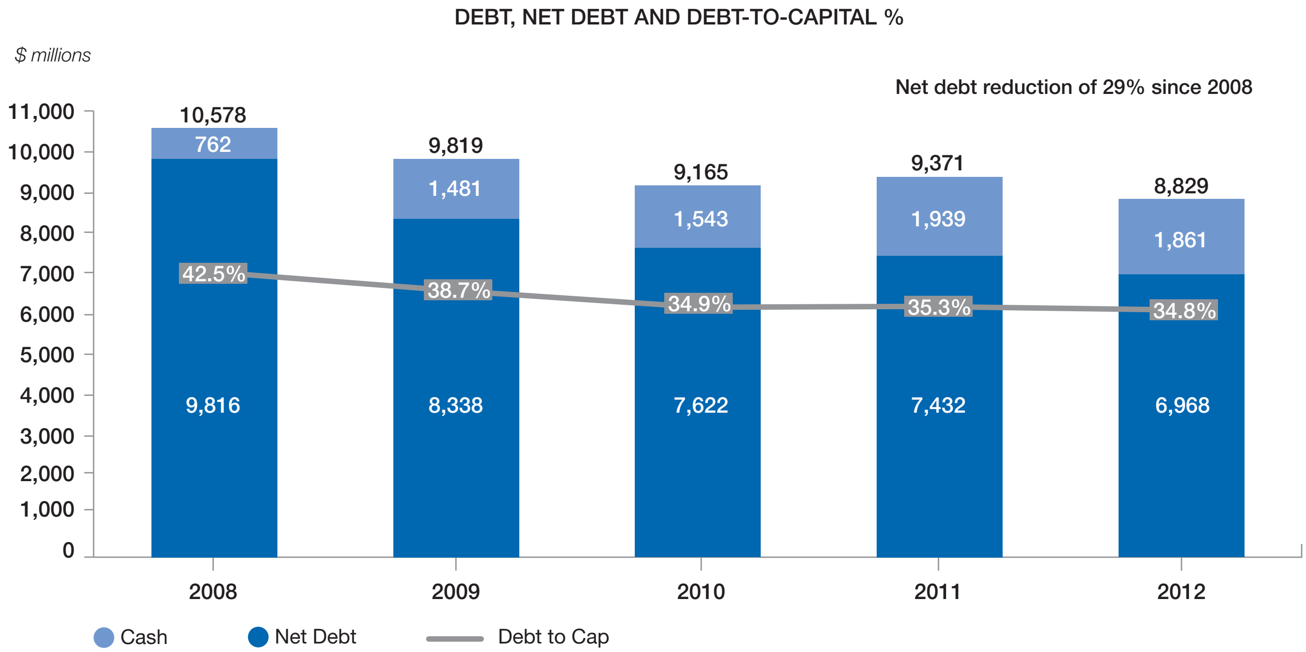
Movement down the cost curve is the 5-year performance metric for Alcoa's upstream businesses (Alumina and Primary), measuring cost structure improvements against a 2010 baseline.

Performance improvements and disciplined capital management drove strong cash flow generation. 2012 marked the fourth consecutive year in which we achieved our cash sustainability targets, and the Company is in a significantly stronger liquidity position than it was four years ago. Specific actions taken to achieve free cash flow of $236 million include the following:

- We generated approximately $1.3 billion ($786 million after-tax) in productivity gains and overhead cost reductions in 2012, exceeding our target by $491 million.
- We achieved an all-time low of 24 days working capital, including a year-over-year reduction of three days amounting to approximately $200 million in cash. Since 2008, days working capital has improved by 19 days and generated $1.2 billion in cash.
- We managed our total spend on capital expenditures and investments for the year, achieving $300 million in further reductions beyond our target of $1.7 billion.

All of these levers enabled us to significantly strengthen our liquidity position. We ended the year with a debt balance of $8.8 billion and cash on hand of $1.9 billion, resulting in 2012 net debt of $7.0 billion. This is the lowest year-end net debt level since 2006 and represents roughly a 29% reduction since 2008. Our debt-to-capital ratio was 34.8% at year-end, within the target range of 30 to 35% (see chart 7).

CHART 7



In summary, the fundamentals of Alcoa's executive compensation policies incentivized performance while maintaining alignment with shareholder interests. In 2012, managers and employees exceeded on their financial and operational targets in a volatile market environment that saw the average price of aluminum on the LME fall by 16% compared to 2011. Besides creating difficult operational headwinds for Alcoa managers to overcome, the low levels of LME aluminum prices since the economic downturn in 2008 have adversely impacted Alcoa's stock price and dramatically lowered the realizable value of our managers' equity holdings. The 2012 awards, combining a mix of short and long-term performance incentives, validated the effectiveness of Alcoa's executive compensation design in ensuring pay for performance and shareholder alignment.

Compensation Design and Philosophy

Our compensation design is strongly weighted toward performance-based equity compensation. Our CEO and the other named executive officers are paid mostly in stock. We emphasize variable incentive awards over fixed or guaranteed compensation in order to promote our overall goal of creating long-term shareholder value. More equity compensation awards are granted in the form of long-term performance shares than in stock options in order to ensure that the majority of equity units awarded are performance-based. The target total compensation is paid as follows:

Type of compensation	% of target compensation
Salaries	13% to 22%
Annual Cash Incentive Compensation (metrics for adjusted free cash flow, safety, environment and diversity)	19% to 22%
Performance shares (metrics for revenue growth and adjusted EBITDA margin over a three-year period)	45% to 54%
Stock Options	11% to 14%

This design is intended to drive strong operational performance aligned with our business strategy, while also linking management's interests with the interests of our shareholders in stock price appreciation.

It is important to consider the effect of stock price performance on the value of equity grants when judging pay for performance. When judging pay for performance, we believe it is important to look not only at the January grant date value in the 2012 Summary Compensation Table, but to also consider the effect of stock price performance at year end on the value of those equity compensation grants and stock ownership. The Compensation and Benefits Committee makes annual stock grants in January each year after our earnings are released. We report the January grant date value in the Summary Compensation Table. In January 2012, in consideration of the stock price decline during 2011, the Compensation and Benefits Committee worked with Mr. Kleinfeld to reduce his equity award grant date value by 20% compared to his 2011 award. It is important to recognize that the grant date value does not reflect changes in the stock price after the date of grant, which affect realizable pay. The high proportion of equity in total executive compensation creates strong alignment with stock price performance.

The effect of the year-end 2012 stock price performance on equity grants made to the CEO in January 2012 demonstrates an alignment with total shareholder returns as shown in the table below. The realizable value of compensation awarded to the CEO in 2012 is 83% of the Summary Compensation Table grant date value.

2012 CEO REALIZABLE PAY COMPARED TO GRANT DATE VALUE

	Summary Compensation Table	Realizable Value as of 12/31/2012	Realizable Value as % of Summary Comp. Table
Salary + Other Compensation	$ 1,643,566	$ 1,643,566	100%
Incentive Compensation	$ 2,484,000	$ 2,484,000	100%
Value of Restricted Share Units	$ 6,080,033	$ 5,549,046*	91%
Value of Stock Options	$ 1,520,013	$ 0**	0%
Total, excluding change in pension	$ 11,727,612	$ 9,676,612	83%

* *Units granted on 1/20/2012 including the earned amount in respect of the first one-year performance period.*

** *"In the money" value of stock options granted during 2012, based on the year-end stock price of $8.68. Although these options were not exercisable as of 12/31/2012, they have a 10-year term and could become "in the money" during this term.*

Results of the 2012 Say on Pay Vote

Our say on pay vote in 2012 received the approval of 84% of the votes cast at the 2012 annual meeting. We contacted a significant majority of our top 25 shareholders (as of the February 6, 2012 record date) after the 2012 annual meeting to get their further opinion and advice on our compensation policies and practices. As a result of those discussions, we have provided additional information in this proxy statement relating to the design, metrics and targets (including threshold and maximum performance payout levels) of our annual and long-term incentive plans. The shareholders appreciated the outreach and the dialogue that resulted, and generally expressed a high level of satisfaction with our pay-for-performance approach and overall disclosure. We intend to continue this dialogue with our major shareholders.

Analysis of 2012 Compensation Decisions

The Compensation and Benefits Committee uses its business judgment to determine the appropriate compensation targets and awards for the named executive officers, in addition to assessing several factors that include:

- Individual, Group, and Corporate performance;
- Market positioning based on peer group data (described on page 44);
- Complexity and importance of the role and responsibilities; and
- Leadership and growth potential.

Chairman and Chief Executive Officer—Mr. Kleinfeld. In January 2012, the Compensation and Benefits Committee decided to award Mr. Kleinfeld performance share awards and stock options with a total grant date value of $7,600,045. In making this decision, the Compensation and Benefits Committee considered the stock price decline during 2011. Mr. Kleinfeld's 2012 equity award was set 20% lower than his 2011 award of $9,500,185 and also lower than his 2010 award of $8,139,372. Mr. Kleinfeld's annual incentive compensation award for 2012 of $2,484,000 was based on the rounded corporate incentive compensation plan results described in the table on page 42.

The corporate incentive compensation plan result for 2012 was 114.7%.

Although the increase in Mr. Kleinfeld's pension value was greater than the increase in 2011, as described on page 48, this was not the result of any Compensation and Benefits Committee action in 2012. Rather, approximately 60% of the increase in Mr. Kleinfeld's pension value in 2012 was attributable to the increase in average final earnings calculated over a full five-year period, as compared to a period of 4.25 years used to calculate the increase in value of his pension in 2011, based on Mr. Kleinfeld's having joined Alcoa in October 2007. The Compensation and Benefits Committee has eliminated most perquisites from executive compensation, but has continued two benefits for Mr. Kleinfeld: the personal use of a Company plane and car. These benefits are provided for security and efficiency reasons and to focus as much of Mr. Kleinfeld's personal time on Company business as possible. Mr. Kleinfeld's personal use of the Company plane was valued at an incremental cost of $54,528. The value of his use of a Company car was $55,138 in 2012, which includes the cost of his commute to and from New York City and his home in Westchester County, New York. These perquisites are not grossed up for taxes.

Executive Vice President and Chief Financial Officer—Mr. McLane. In January 2012, Mr. McLane was granted performance stock awards valued at $1,280,098 and stock options valued at $320,019, which is equal to the target award. Mr. McLane's annual incentive compensation award for 2012 of $722,610 was based on the corporate incentive compensation plan results described in the table on page 42. The corporate incentive compensation plan result for 2012 was 114.7%.

Executive Vice President and Group President, Engineered Products and Solutions—Mr. Jarrault. In January 2012, Mr. Jarrault was granted performance stock awards valued at $1,408,037 and stock options valued at $352,021, which is above the target award based on his strong performance review in 2011. Mr. Jarrault's annual incentive compensation award for 2012 of $677,400 is above the target award based on his strong performance review in 2012. The award was based 50% on the corporate incentive compensation plan results described in the table on page 42 and 50% on the incentive compensation plan results for the Engineered Products and Solutions (EPS) group, which he leads. The EPS group incentive compensation plan for 2012 had the same design as the corporate plan. The EPS group incentive compensation plan result for 2012 was 111.0% based on the group's strong contribution to the overall corporate results (see Chart 6 on page 38), including exceeding the group's adjusted free cash flow target.

Executive Vice President and Group President, Global Primary Products—Mr. Ayers. In January 2012, Mr. Ayers was granted performance stock awards valued at $1,408,037 and stock options valued at $352,021, which is above the target award based on his strong performance review in 2011. Mr. Ayers' annual incentive compensation award for 2012 of $778,550 was based 50% on the corporate incentive compensation plan results described in the table on page 42 and 50% on the incentive compensation plan results for the Global Primary Products ("GPP") group which he leads. The GPP group incentive compensation plan for 2012 had the same design as the corporate plan and the same financial metrics. The GPP group incentive compensation plan result for 2012 was 156.1% based on the group's strong contribution to the overall corporate results (see Chart 6 on page 38), including exceeding the group's adjusted free cash flow target. His other compensation of $150,792 relates to relocation benefits and savings account matching grants, which are described in detail in the Notes to the 2012 Summary Compensation Table.

Executive Vice President, Chief Legal and Compliance Officer and Secretary—Ms. Strauss. Ms. Strauss was hired in May 2012. Her incentive compensation award for 2012 of $475,240 is above the target award based on her strong performance review in 2012. The award was based on the corporate incentive compensation plan results described in the table on page 42. The corporate incentive compensation plan result for 2012 was 114.7%.

In connection with her appointment to the role of Executive Vice President, Chief Legal and Compliance Officer and Secretary, Ms. Strauss received a special one-time cash payment of $1,500,000 to offset a portion of the estimated value of forfeited retirement income from her previous employer, as discussed in the Notes to the 2012 Summary Compensation Table on page 47. Ms. Strauss was not granted an equity compensation award in 2012.

2012 Performance Plans: Annual Cash Incentive Compensation

The corporate annual cash incentive plan for 2012 was designed to achieve operating goals set at the beginning of the year.

- 80% of the cash incentive formula was based on achieving financial targets for adjusted free cash flow; and
- 20% of the formula was based on achieving safety, environmental and diversity targets.

The formula award at the corporate level resulted in 114.7% achievement against these operational financial and non-financial goals.

The financial metric of adjusted free cash flow accounts for 80% of the incentive compensation payment. The steep curve to achieve 100% performance, as shown in the table below, is intended to drive maximum effort. We believe this design helped us to exceed our performance goals in 2012.

2012 ANNUAL CASH INCENTIVE COMPENSATION PLAN DESIGN, TARGETS AND RESULTS

		Defined Corporate Level Payout Percentage								
$ in millions	**Metric**	**0%**	**50%**	**100% (Target)**	**150%**	**200%**	**Result**	**IC Result**	**Weighting**	**Formula Award**
Financial Measures	**Adjusted Free Cash Flow**[1]	($ 510)	($ 216)	$ 78	$ 568	$ 1,549	$ 161.5	108.5%	80%	**86.8%**
Non-Financial Measures	**Safety**[2]									
	• DART		0.677	0.641		0.606	0.501	200%	2.5%	**2.5%**
	• Global Voices Survey on Safety questions		76.2%	77.2%		79.2%	75.6%	0%	2.5%	**0.0%**
	Environment[3] • CO_2 tons reduction		265,000	475,000		675,000	638,570	181.8%	5%	**9.1%**
	Diversity[4]						**Diversity Total**		10%	**16.3%**
	• Executive level women, global		17.8%	18.1%		19.1%	19.0%	190%	2.5%	4.8%
	• Executive level minorities, U.S.		14.0%	14.5%		15.5%	16.0%	200%	2.5%	5.0%
	• Professional level women, global		25.2%	25.5%		26.5%	25.3%	67%	2.5%	1.7%
	• Professional level minorities, U.S.		15.7%	16.2%		17.2%	17.1%	190%	2.5%	4.8%
TOTAL									**100%**	**114.7%**

Currency exchange rates and the price of aluminum on the London Metal Exchange (LME) were kept constant at the rates and prices in effect when the targets were established in order to eliminate the effect of fluctuation in exchange rates and aluminum prices, factors that are outside management's control. See Attachment F for calculation of financial measures and for the definition of Adjusted Free Cash Flow. The threshold payout is 0% for the financial metric and 50% for non-financial metrics. The maximum payout for each metric is 200%. For performance between defined levels, the payout is interpolated.

1. *80% of the cash incentive formula was based on achieving financial targets for adjusted free cash flow. We achieved a payout of 108.5% of target in 2012.*
2. *Safety targets included: a) a reduction in DART (Days Away, Restricted and Job Transfer), which tracks injuries that involve days away from work due to injury and days in which work is restricted or employees are transferred to another job due to injury (while actual performance in 2012 with respect to this metric would have yielded a 200% payout the percentage attributable to this metric was cut in half due to the occurrence of two work-related fatalities during the year); and b) an increase in favorable responses on the Global Voices Survey of hourly Alcoa employees to questions regarding safety, which serves as a leading indicator of safety performance. While favorable responses increased over 2011, the result fell short of the threshold of 76.2%.*
3. *The environmental target highlights our commitment to reduce CO_2 emissions in 2012 and make progress against our 2030 environmental goals. We achieved a payout of 181.8% of target in 2012.*
4. *Diversity targets were established to increase the representation of executive and professional women on a global basis and to increase the representation of minority executives and professionals in the U.S. In 2012, we exceeded the aggressive representation targets for each diversity metric, except for professional level women on a global basis. While we exceeded 2011 levels for that metric, our results fell short of the 2012 target.*

Calculation of Annual Cash Incentive Compensation for Each Named Executive Officer. The calculation of annual cash incentive compensation awards for the named executive officers is shown in the following table and described below.

Officer		Target Award ($)	Plan Payout (%)	Individual Performance Multiplier (%)		Formula Award ($)
Klaus Kleinfeld	$	2,160,000	114.7%	100%	$	2,484,000
Charles D. McLane, Jr.	$	630,000	114.7%	100%	$	722,610
Olivier M. Jarrault	$	500,000	112.9%	120%	$	677,400
Chris L. Ayers	$	575,000	135.4%	100%	$	778,550
Audrey Strauss	$	376,667	114.7%	110%	$	475,240

Target Award: Mr. Kleinfeld's 2012 target award was calculated at 150% of his salary and the other named executive officers' awards were targeted at 100% of their salaries. Ms. Strauss' target was prorated based on her hire date in May 2012.

Plan Payout: Mr. Kleinfeld's, Mr. McLane's and Ms. Strauss' respective plan payouts were based 100% on corporate performance; the plan payout for Mr. Jarrault was based 50% on corporate performance and 50% on Engineered Products and Solutions group performance; and the plan payout for Mr. Ayers was based 50% on corporate performance and 50% on Global Primary Products group performance.

Individual Performance Multiplier: Mr. Jarrault and Ms. Strauss received above target multipliers based on strong performance reviews in 2012.

Formula Award is the product of the target award, the plan payout, and the individual multiplier. The Compensation and Benefits Committee rounded Mr. Kleinfeld's plan payout percentage up from 114.7% to 115.0% in calculating his formula award.

2012 Equity Awards: Stock Options and Performance-Based Restricted Share Units

Long-term stock incentives are performance based. We grant long-term stock awards to align executives' interests with those of shareholders, link compensation to stock price appreciation over a multi-year period and support the retention of our management team. We provide two types of annual equity awards to the named executive officers—performance-based restricted share units and stock options. More performance-based restricted share units are granted than stock options in order to ensure that the majority of equity units awarded are performance-based. Performance is measured as the three-year average achievement against annual targets for revenue growth and adjusted EBITDA margin. Earned performance-based restricted share units will be converted into shares of Alcoa common stock three years from the date of the grant if the executive is still actively employed by the Company. Performance-based restricted share units are not convertible into Alcoa shares if an executive leaves the Company (other than to retire) before the units vest. Stock options vest ratably over a three-year period (one-third vests each year on the anniversary of the grant date) and if unexercised, will expire the earlier of ten years from the date of grant or five years after retirement. In January 2012, stock awards were made to all the named executive officers except Ms. Strauss, who was hired in May 2012.

Performance-based restricted share units support long-term operational targets, which differ from the financial metrics in our annual cash incentive plan. The named executive officers, excluding Ms. Strauss, plus 40 other executives were eligible in 2012 to receive performance-based long-term stock incentives because they are in positions to have the most influence over the Company's financial performance.

The number of performance-based restricted share units earned at the end of the three-year plan has been and will be determined as follows, based on the average of the annual payout percentages over the three-year period:

- 1/3 of the award was based on performance against the 2012 targets, which was earned at 120.8% (see table below)
- 1/3 of the award will be based on performance against the 2013 targets established for 2013, and
- 1/3 of the award will be based on performance against the 2014 targets established for 2014.

2012-2014 PERFORMANCE-BASED EQUITY DESIGN AND RESULTS FOR 2012

	Payout Percentage								
Performance Measure (%)	0%	50%	100% (Target)	150%	200%	2012 Result	Plan Result	Weighting	% of 1/3 of Target Award earned in 2012
Revenue Growth	0.4%	1.5%	2.6%	4.4%	8.0%	3.9%	136.7%	25%	34.2%
Adjusted EBITDA Margin	8.6%	10.2%	11.8%	14.4%	19.3%	12.6%	115.5%	75%	86.6%
TOTAL								**100%**	**120.8%**

For each year, a minimum performance level will also be established. For performance below that level, the portion of the award subject to performance criteria in that year will be forfeited and will not carry over into any future performance period.

As with the annual cash incentive compensation plan, we use a steep curve to achieve 100% performance, which is intended to drive maximum effort. We believe this design helped us to exceed our performance goals in 2012.

Stock options constitute approximately 11% to 14% of the target total compensation of senior executives. In 2012, approximately 11% to 14% of the value of total compensation of the named executive officers was in the form of stock options. We believe that stock options further align management's interests with those of our shareholders because the options have no value unless the stock price increases.

Other Compensation Policies and Practices

We highlight below certain executive compensation practices, both the practices we have implemented to incentivize performance and certain other practices that we have not implemented because we do not believe they would serve shareholders' long-term interests.

What We Do

We Pay for Performance. We link our executives' compensation to measured performance in key financial and non-financial areas. As noted above, performance against rigorous adjusted free cash flow, adjusted EBITDA margin, revenue growth, safety, environmental, and workplace diversity targets are measured in determining compensation. These metrics, coupled with the individual performance multipliers, incentivize individual, Group, and Corporate performance. The Company's strategic priorities are reflected in these compensation metrics.

We Consider Peer Groups in Establishing Compensation. We use Towers Watson broad-based survey data for companies with revenues between $15 billion and $50 billion (excluding financial companies) to help estimate competitive compensation for the CEO and other executive level positions. We target our compensation structure at the median of this broad-based group of companies. For 2012, 99 companies met the revenue and industry criteria and were used to compare compensation for all of the executive level positions except the CEO position. Of this peer group, 49 companies provided data for a combined CEO/Chairman position in a publicly traded company comparable to the structure currently in place at Alcoa. The data from these 49 companies were used to evaluate our CEO's compensation. We selected this peer group because it provides a broad measure of compensation in the market in which we compete for talent and it reflects the generally accepted range of revenue (0.5 to 2 times the Company's revenue) for an appropriately sized group. Our independent compensation consultant has reviewed and endorses this peer group. See Attachment B which lists the companies in the peer group. Our aluminum industry peers do not provide an adequate basis for compensation comparison purposes because there are too few of them, they are all located outside of the United States and they do not disclose sufficient comparative compensation data.

We Review Tally Sheets. The Compensation and Benefits Committee reviews tally sheets that summarize various elements of historic and current compensation for each named executive officer in connection with making annual compensation decisions. This information includes compensation opportunity, actual compensation realized and wealth accumulation. We have found that the tally sheets help us synthesize the various components of our compensation program in making decisions.

We Have Robust Stock Ownership Guidelines. Our stock ownership requirements further align the interests of management with those of our shareholders by requiring executives to hold substantial equity in Alcoa until retirement. We recently increased our stock ownership guidelines to six times salary for the CEO and three times salary for each of the other named executive officers to reinforce management's focus on long-term shareholder value and commitment to the Company. Until the stock ownership requirements are met, each executive will be required to retain until retirement 50% of shares acquired upon vesting of restricted share units after March 1, 2011 or upon exercise of stock options that vest after March 1, 2011, after deducting shares used to pay for the exercise price and taxes. Unvested restricted share units, unexercised stock options and any stock appreciation rights do not count towards the stock ownership guidelines. Because this policy was only recently instituted, none of the named executive officers had satisfied the new guidelines by December 31, 2012.

We Schedule and Price Stock Option Grants to Promote Transparency and Consistency. Alcoa grants stock options to named executive officers at a fixed time every year—generally the date of the Board and committee meetings in January. The timing of the Board and committee meetings in January is such that the meetings occur after we release earnings for the year and the performance of the Company for the year is publicly disclosed. The exercise price of our stock options is the closing price of our stock on the date of the grant, as reported on the New York Stock Exchange.

We Have Clawback Policies Incorporated into Our Incentive Plans. The 2009 Alcoa Stock Incentive Plan, the Incentive Compensation Plan for annual cash incentives and the Alcoa Internal Revenue Code Section 162(m) Compliant Annual Cash Incentive Compensation Plan each contain provisions permitting recovery of performance-based compensation. These provisions are explained in "Corporate Governance — Recovery of Incentive Compensation".

We Have Double-Trigger Equity Vesting in the Event of a Change in Control. The 2009 Alcoa Stock Incentive Plan was amended on February 15, 2011 to eliminate the immediate vesting of Alcoa stock awards upon a change in control if a replacement award is provided. The replacement award will vest immediately if, within a two-year period following a change in control, a plan participant is terminated without cause or leaves for good reason. Performance-based stock awards will be converted to time-vested stock awards upon a change in control under the following terms: (i) if 50% or more of the performance period has been completed as of the date on which the change in control has occurred, then the number of shares or the value of the award will be based on actual performance completed as of the date of the change in control; or (ii) if less than 50% of the performance period has been completed as of the date on which the change in control has occurred, then the number of shares or the value of the award will be based on the target number or value.

We Pay Reasonable Salaries to Our Senior Executives. Each named executive officer receives a salary that is determined after consideration of the median of the peer group for his or her position (as explained above and in Attachment B) and performance and other factors. We pay salaries to the named executive officers to ensure an appropriate level of fixed compensation that enables attraction and retention of highly skilled executives and mitigates the incentive to assume highly risky business strategies to maximize annual cash incentive compensation.

We Provide Appropriate Benefits to Our Senior Executives. The named executive officers participate in the same benefit plans as our salaried employees. We provide retirement and benefit plans to senior executives for the same reasons we provide them to employees—to provide a competitive compensation package that offers an opportunity for retirement, savings and health and welfare benefits. Retirement plans for executives generally pay the same formula amount as retirement plans for salaried employees, other than for Mr. Kleinfeld. Mr. Kleinfeld has an individual arrangement offset by retirement benefits provided by a prior employer. See notes to the 2012 Pension Benefits table on page 51.

We Have a Conservative Compensation Risk Profile. The Compensation and Benefits Committee evaluates the risk profile of our compensation programs when establishing policies and approving plan design, and the Board of Directors annually considers risks related to compensation in its oversight of enterprise risk management. These evaluations noted numerous ways in which compensation risk is effectively managed or mitigated, including the following factors:

- A balance of corporate and business unit weighting in incentive compensation plans
- A balanced mix between short-term and long-term incentives
- Caps on incentives
- Use of multiple performance measures in the annual cash incentive compensation plan and the equity incentive plan, with a focus on operational targets to drive free cash flow and profitability
- Discretion retained by the Committee to adjust individual awards
- Stock ownership guidelines requiring holding substantial equity in the Company until retirement
- Clawback policies applicable to all forms of incentive compensation
- Anti-hedging provisions in the Insider Trading Policy
- Restricting stock options to 20% of the value of equity awards to senior officers

In addition, (i) no business unit has a compensation structure significantly different from that of other units or that deviates significantly from the Company's overall risk and reward structure; (ii) unlike financial institutions involved in the financial crisis, where leverage exceeded capital by many multiples, the Company has a conservative leverage policy with a target of keeping the debt-to-capital ratio in the range of 30% to 35%; and (iii) compensation incentives are not based on the results of speculative trading. In 1994, the Board of Directors adopted resolutions creating the Strategic Risk Management Committee with oversight of hedging and derivative risks and a mandate to use such instruments to manage risk and not for speculative purposes. As a result of these evaluations, we have determined that it is not reasonably likely that risks arising from our compensation and benefit plans would have a material adverse effect on the Company. See page 23 for a discussion of the Board's role in risk oversight.

We Maximize the Tax Deductibility of Incentive Compensation. An Internal Revenue Code Section 162(m) annual cash incentive compensation plan was approved by shareholders at the 2011 annual meeting, and we issued Section 162(m) compliant awards under that plan in 2012.

We Retain an Independent Compensation Consultant. The Compensation and Benefits Committee has authority under its charter to retain its own advisors, including compensation consultants. In 2012, the Committee directly retained Pay Governance LLC, which is independent and without conflicts of interest with the Company. See "Corporate Governance—Compensation Consultants" on page 27. Pay Governance LLC provided advice as requested by the Committee, on the amount and form of certain executive compensation components, including, among other things, executive compensation best practices, insights concerning SEC and say on pay policies, analysis and review of the Company's compensation plans for executives and advice on setting the CEO's compensation. Pay Governance LLC also provided advice on the Compensation Discussion and Analysis in this proxy statement. Pay Governance LLC did not provide any services to the Company other than the services provided directly to the Committee. We use comparative compensation data from Towers Watson to help evaluate whether our compensation programs are competitive with the market. The comparative compensation data are not customized based on parameters developed by Towers Watson. Towers Watson does not provide any advice or recommendations to the Compensation and Benefits Committee on the amount or form of executive or director compensation.

What We Don't Do

We Do Not Pay Dividend Equivalents on Stock Options and Unvested Restricted Share Units. Beginning with awards granted after January 1, 2010, dividend equivalents have not been paid currently on any restricted share units (including performance share units), but have been accrued and paid only if the award vests. Dividend equivalents that accrue on restricted share units will be calculated at the same rate as dividends paid on the common stock of the Company. Dividend equivalents have not been paid on any stock options granted after January 1, 2003.

We Do Not Allow Share Recycling. Section 4(b) of the 2009 Alcoa Stock Incentive Plan prohibits share recycling. Shares tendered in payment of the purchase price of a stock option award or withheld to pay taxes may not be added back to the available pool of shares.

We Do Not Allow Repricing of Underwater Stock Options (including cash outs). Section 15(q) of the 2009 Alcoa Stock Incentive Plan prohibits repricing, including cash outs.

We Do Not Allow Hedging or Pledging of Company Stock. Short sales of Alcoa securities (a sale of securities which are not then owned) and derivative or speculative transactions in Alcoa securities by our directors, officers and employees are prohibited. No director, officer or employee or any designee of such director, officer or employee is permitted to purchase or use financial instruments (including prepaid variable forward contracts, equity swaps, collars, and exchange funds) that are designed to hedge or offset any decrease in the market value of Alcoa securities. Directors and officers subject to Section 16 of the Securities Exchange Act of 1934 are prohibited from holding Alcoa securities in margin accounts, pledging Alcoa securities as collateral, or maintaining an automatic rebalance feature in savings plans, deferred compensation or deferred fee plans.

We Do Not Have Excise Tax Gross-Ups for New Participants in Our Change-in-Control Severance Plan. The Change-in-Control Severance Plan provides that no excise or other tax gross-ups will be paid, and severance benefits will be available only upon termination of employment for "good reason" by an officer or without cause by the Company, with regard to any new plan participants after January 1, 2010. For a discussion of the Change in Control Severance Plan, see "Potential Payments upon Termination or Change in Control" on page 53.

We Do Not Enter into Multi-Year Employment Contracts. It is the policy of the Compensation and Benefits Committee not to enter into multi-year employment contracts with senior executives providing for guaranteed payments of cash or equity compensation.

We Do Not Pay Tax Gross-Ups on Our Limited Perquisites. The Compensation and Benefits Committee has eliminated most perquisites, with the exception of Mr. Kleinfeld's personal use of a Company plane and car (described in the "Notes to the 2012 Summary Compensation Table—Column (i)—All Other Compensation" on page 48). These benefits are provided for security and efficiency reasons and to focus as much of Mr. Kleinfeld's personal time on Company business as possible. These perquisites are not grossed up for taxes.

Compensation Committee Report

The Compensation and Benefits Committee (the "Committee") has:

1. reviewed and discussed the Compensation Discussion and Analysis included in this proxy statement with management; and
2. based on the review and discussions referred to in paragraph (1) above, the Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Company's proxy statement relating to the 2013 annual meeting of shareholders.

The Compensation and Benefits Committee
Patricia F. Russo, *Chairman*
Arthur D. Collins, Jr.
Kathryn S. Fuller
Michael G. Morris

February 15, 2013

2012 Summary Compensation Table

Name and Principal Position (a)	Year (b)	Salary ($) (c)	Bonus ($) (d)	Stock Awards ($) (e)	Option Awards ($) (f)	Non-Equity Incentive Plan Compensation ($) (g)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings ($) (h)	All Other Compensation ($) (i)	Total ($) (j)
Klaus Kleinfeld	**2012**	**$ 1,440,000**	**$ 0**	**$ 6,080,033**	**$ 1,520,013**	**$ 2,484,000**	**$ 2,599,289**	**$ 203,566**	**$ 14,326,901**
Chairman and Chief Executive Officer	2011	$ 1,433,333	$ 0	$ 7,600,158	$ 1,900,027	$ 1,505,000	$ 1,416,071	$ 189,103	$ 14,043,692
	2010	$ 1,400,000	$ 0	$ 4,000,258	$ 4,139,114	$ 2,604,000	$ 943,642	$ 205,348	$ 13,292,362
Charles D. McLane, Jr.	**2012**	**$ 630,000**	**$ 0**	**$ 1,280,098**	**$ 320,019**	**$ 722,610**	**$ 1,740,458**	**$ 40,422**	**$ 4,733,607**
Executive Vice President and Chief Financial Officer	2011	$ 625,000	$ 0	$ 1,440,001	$ 360,046	$ 641,500	$ 2,380,402	$ 40,233	$ 5,487,182
	2010	$ 600,000	$ 0	$ 3,800,357	$ 0	$ 820,000	$ 2,513,845	$ 35,850	$ 7,770,052
Olivier M. Jarrault	**2012**	**$ 500,000**	**$ 0**	**$ 1,408,037**	**$ 352,021**	**$ 677,400**	**$ 343,887**	**$ 20,000**	**$ 3,301,345**
Executive Vice President and Group President, Engineered Products and Solutions	2011	$ 500,000	$ 0	$ 800,145	$ 200,037	$ 553,200	$ 273,997	$ 14,700	$ 2,342,079
Chris L. Ayers	**2012**	**$ 575,000**	**$ 0**	**$ 1,408,037**	**$ 352,021**	**$ 778,550**	**$ 0**	**$ 150,792**	**$ 3,264,400**
Executive Vice President and Group President, Global Primary Products	2011	$ 556,061	$ 0	$ 1,306,218	$ 264,021	$ 583,588	$ 0	$ 147,203	$ 2,857,091
Audrey Strauss *Executive Vice President, Chief Legal and Compliance Officer and Secretary*	**2012**	**$ 376,667**	**$ 1,500,000**	**$ 0**	**$ 0**	**$ 475,240**	**$ 0**	**$ 33,900**	**$ 2,385,807**

Notes to 2012 Summary Compensation Table

Column (a)—Named Executive Officers. The named executive officers include the chief executive officer, the chief financial officer, and the three other most highly compensated executives who were serving as executive officers at December 31, 2012. For purposes of determining the most highly compensated executive officers, the amounts shown in column (h) were excluded.

Column (c)—Salaries. The salary column includes annual salary.

Column (d)—Bonus. The bonus column includes the hiring bonus paid to Ms. Strauss to offset a portion of the estimated value of forfeited retirement income from her previous employer.

Columns (e) and (f)—Stock Awards and Stock Options. The value of stock awards in column (e) and stock options in column (f) equals the fair value at date of grant. The value is calculated in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation—Stock Compensation. Performance share awards granted in January 2012 are shown at 100% of target. The value of the performance awards on the date of grant was as follows:

	Grant Date Value of Performance Award	
Name	**At Target**	**At Maximum**
Klaus Kleinfeld	$ 6,080,033	$ 12,160,066
Charles D. McLane, Jr.	$ 1,280,098	$ 2,560,196
Olivier M. Jarrault	$ 1,408,037	$ 2,816,073
Chris L. Ayers	$ 1,408,037	$ 2,816,073

A restricted share unit is valued at the market price of a share of stock on the date of grant as determined by the closing price of the common stock. At the date of grant on January 20, 2012 the closing price of our common stock was $10.17. At December 31, 2012, the closing price of our common stock was $8.68.

For a discussion of the assumptions made in the value of stock awards and stock options, please refer to the following sections in the Company's Annual Report on Form 10-K/A for the year ended December 31, 2012: "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates—Stock-based Compensation" on page 78 and the discussions on "Stock-Based Compensation" in Notes A and R to the consolidated financial statements on pages 92 and 130, respectively.

Column (g)—Non-Equity Incentive Plan Compensation. Reflects cash payments made under the annual Incentive Compensation Plan for 2012 performance.

Column (h)—Change in Pension Value and Non-Qualified Deferred Compensation Earnings. The amount shown in column (h) reflects the aggregate change in the actuarial present value of each named executive officer's accumulated benefit under all defined benefit and actuarial plans, including supplemental plans, from December 31, 2011 to December 31, 2012. Approximately 60% of the increase in Mr. Kleinfeld's pension value was attributable to the increase in average final earnings calculated over a full five year period as compared to 4.25 years in the 2011 value based on Mr. Kleinfeld joining Alcoa in October 2007. Earnings on deferred compensation are not reflected in this column because the return on earnings is calculated in the same manner and at the same rate as earnings on externally managed investments of salaried employees participating in the tax-qualified 401(k) plan and dividends on Company stock are paid at the same rate as dividends paid to shareholders. Mr. Ayers and Ms. Strauss have no change in pension value because they are not eligible to participate in the defined benefit pension plan, which was closed to employees hired after March 1, 2006.

Column (i)—All Other Compensation.

Company Contributions to Savings Plans. The named executive officers are eligible to participate in the Alcoa Retirement Savings Plan and the Deferred Compensation Plan for U.S. salaried employees. Under our 401(k) tax-qualified retirement savings plan, participating employees may contribute up to 25% of base pay on a pre-tax basis and up to 10% on an after-tax basis. Alcoa matches up to 6% of pre-tax contributions. If a named executive officer's contributions to the savings plan exceed the limit on contributions imposed by the Internal Revenue Code, the executive may elect to have the amount over the limit "spill over" into the non-qualified Deferred Compensation Plan. For U.S. salaried employees hired after March 1, 2006, including Messrs. Kleinfeld and Ayers and Ms. Strauss, the Company contributes an amount equal to 3% of salary and annual incentive eligible for contribution to the Alcoa Retirement Savings Plan. In 2012, the Company contributions were as follows:

	Company Matching Contribution		3% Retirement Contribution		
Name	**Savings Plan**	**Def. Comp. Plan**	**Savings Plan**	**Def. Comp. Plan**	**Total Company Contribution**
Klaus Kleinfeld	$ 15,000	$ 71,400	$ 7,500	$ 0	$ 93,900
Charles D. McLane, Jr.	$ 15,000	$ 22,800	$ 0	$ 0	$ 37,800
Olivier M. Jarrault	$ 15,000	$ 0	$ 0	$ 0	$ 15,000
Chris L. Ayers	$ 15,000	$ 19,500	$ 7,500	$ 27,258	$ 69,258
Audrey Strauss	$ 15,000	$ 7,600	$ 7,500	$ 3,800	$ 33,900

Split dollar life insurance and other Company paid insurance. We provide split dollar life insurance through a legacy plan to Mr. McLane. The foregone interest on the Company's portion of 2012 premiums for split dollar life insurance under policies provided prior to enactment of the Sarbanes-Oxley Act of 2002 is $135. The Company continues to pay annual premiums of $2,487 on these policies, which are deductible to the Company as a compensation expense and taxable to Mr. McLane as ordinary income.

Company aircraft and car service. In 2012, the incremental cost of Mr. Kleinfeld's personal use of Company aircraft was valued at $54,528. The incremental cost for the use of the Company aircraft is calculated based on the variable costs to the Company, including fuel costs, mileage, trip related maintenance, universal weather monitoring costs, on-board catering, landing and ramp fees and other miscellaneous variable costs. Fixed costs which do not change based on usage, such as pilot salaries, the lease costs of the Company aircraft and the cost of maintenance not related to trips are excluded. In 2012, Mr. Kleinfeld had personal use of a Company car and driver valued at $55,138. Personal use of a Company car includes Mr. Kleinfeld's commute to and from his home in Westchester County, New York and his office in New York City.

Charitable Contributions. In 2012, the Alcoa Foundation matched $5,000 in contributions by Mr. Jarrault to an approved charitable organization on which he serves as an advisory board member, pursuant to the Foundation's nonprofit board placement program, which supports thought leadership and skills-based volunteerism by Alcoa employees. The Foundation has committed to make a matching contribution of $5,000 per year for five years if Mr. Jarrault remains on the board of the organization and an employee of Alcoa over that period.

Relocation benefits. The Company provides Mr. Ayers with a furnished apartment in New York City, including maid service and utility expenses, the cost of which totaled $81,534 in 2012.

2012 Grants of Plan-Based Awards

Name (a)	Grant Dates (b)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards[1] Threshold ($) (c)	Target ($) (d)	Maximum[4] ($) (e)	Estimated Future Payouts Under Equity Incentive Plan Awards[2] Thres-hold (#) (f)	Target (#) (g)	Maximum (#) (h)	All Other Stock Awards: Number of Shares of Stock or Units (#) (i)	All Other Option Awards: Number of Securities Underlying Options[3] (#) (j)	Exercise or Base Price of Option Awards ($/sh) (k)	2012 Grant Date Fair Value of Stock and Option Awards ($) (l)
Klaus Kleinfeld		1,080,000	2,160,000	6,480,000							
	01/20/12				0	597,840	1,195,680		488,750	10.17	7,600,045
Charles D. McLane, Jr.		315,000	630,000	1,890,000							
	01/20/12				0	125,870	251,740		102,900	10.17	1,600,117
Olivier M. Jarrault		250,000	500,000	1,500,000							
	01/20/12				0	138,450	276,900		113,190	10.17	1,760,057
Chris L. Ayers		287,500	575,000	1,725,000							
	01/20/12				0	138,450	276,900		113,190	10.17	1,760,057
Audrey Strauss		188,333	376,667	1,130,000							

1. *2012 annual cash incentive awards made under the Incentive Compensation Plan. See "Compensation Discussion and Analysis — 2012 Performance Plans: Annual Cash Incentive Compensation" on page 42.*
2. *Performance equity awards in the form of restricted share units, granted under the 2009 Alcoa Stock Incentive Plan. See "Compensation Discussion and Analysis — 2012 Equity Awards: Stock Options and Performance-Based Restricted Share Units" on page 43.*
3. *Time-vested stock options granted under the 2009 Alcoa Stock Incentive Plan, which vest ratably over a 3-year period and terminate the earlier of 10 years or 5 years after retirement.*
4. *The maximum award under the 2012 incentive compensation plan formula is 200% of target. However, the Compensation and Benefits Committee has retained discretion to reduce the calculated award to zero or increase the calculated award by up to 150% of the calculated amount. The maximum amount of the award shown in this column is 150% of 200% to show the maximum discretionary amount that could possibly be awarded.*

Grants of Plan Based Awards: Actual Payouts

The Grants of Plan Based Awards table sets forth the 2012 cash incentive and equity incentive opportunity for the named executive officers. The 2012 awards targets and performance are discussed in "Compensation Discussion and Analysis" beginning on page 42.

Mr. Kleinfeld. On January 20, 2012, Mr. Kleinfeld received an annual grant of 488,750 stock options and an annual grant of performance equity with a total target amount of 597,840 restricted share units. The earned amount of the first third of the performance equity award was 240,731 restricted share units. He was paid cash incentive compensation for 2012 in the amount of $2,484,000.

Mr. McLane. On January 20, 2012, Mr. McLane received an annual grant of 102,900 stock options and an annual grant of performance equity with a target amount of 125,870 restricted share units. The earned amount of the first third of the performance equity award was 50,685 restricted share units. He was paid cash incentive compensation for 2012 in the amount of $722,610.

Mr. Jarrault. On January 20, 2012, Mr. Jarrault received an annual grant of 113,190 stock options and an annual grant of performance equity with a target amount of 138,450 restricted share units. The earned amount of the first third of the performance equity award was 55,750 restricted share units. He was paid cash incentive compensation for 2012 in the amount of $677,400.

Mr. Ayers. On January 20, 2012, Mr. Ayers received an annual grant of 113,190 stock options and an annual grant of performance equity with a target amount of 138,450 restricted share units. The earned amount of the first third of the performance equity award was 55,750 restricted share units. He was paid cash incentive compensation for 2012 in the amount of $778,550.

Ms. Strauss. Ms. Strauss was paid cash incentive compensation for 2012 in the amount of $475,240.

2012 Outstanding Equity Awards at Fiscal Year-End

	Option Awards					Stock Awards			
Name (a)	Number of Securities Underlying Unexercised Options (Exercisable) (#) (b)	Number of Securities Underlying Unexercised Options (Unexercisable) (#) (c)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#) (d)	Option Exercise Price ($) (e)	Option Expiration Date (f)	Number of Shares or Units of Stock That Have Not Vested (#) (g)	Market Value of Shares or Units of Stock That Have Not Vested ($) (h)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) (i)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($) (j)
Klaus Kleinfeld									
Stock Awards[1]						581,653	$ 5,048,748*	909,833	$ 7,897,350*
Performance Options	590,880	295,440	-	13.54	2020/01/26				
	1,200,000	-	-	8.33	2015/01/23				
Options[2]	89,286	-	-	39.15	2013/10/01				
	-	488,750	-	10.17	2022/01/20				
	127,690	255,380	-	16.24	2021/01/25				
	1,200,000	-	-	8.33	2015/01/23				
Charles D. McLane, Jr.									
Stock Awards[1]						334,993	$ 2,907,739*	184,983	$ 1,605,652*
Performance Options	184,000	-	-	8.33	2015/01/23				
Options[2]	-	102,900	-	10.17	2022/01/20				
	24,197	48,393	-	16.24	2021/01/25				
Olivier M. Jarrault									
Stock Awards[1]						63,912	$ 554,756*	171,296	$ 1,486,849*
Options[2]	-	113,190	-	10.17	2022/01/20				
	13,444	26,886	-	16.24	2021/01/25				
	24,040	12,020	-	13.54	2020/01/26				
	35,000	-	-	8.33	2015/01/23				
	21,804	-	-	28.79	2014/01/17				
	12,150	-	-	30.30	2013/01/18				
Chris L. Ayers									
Stock Awards[1]						119,651	$ 1,038,571*	181,803	$ 1,578,050*
Options[2]	-	113,190	-	10.17	2022/01/20				
	17,744	35,486	-	16.24	2021/01/25				

* *The closing price of the Company's common stock on December 31, 2012 was $8.68.*

1. *Stock awards in column (g) include earned performance share awards and time-vested share awards. Stock awards in column (i) include unearned performance share awards at the target amount. In January 2013, the payout for the second one-third of performance share awards granted in January 2011 and the first one-third of performance share awards granted in January 2012 was determined to be 120.8%. These amounts are shown at target in column (i) above. The full earned amount will be shown in column (g) in next year's proxy.*
2. *Options include stock options granted at the regular annual grant date when the Compensation and Benefits Committee meets in January. Options granted prior to 2010 have a term of six years. Options granted since 2010 have a term of ten years. Options vest over three years (1/3 each year).*

2012 Option Exercises and Stock Vested

This table sets forth the actual value received by the named executive officers upon exercise of stock options or vesting of stock awards in 2012.

	Option Awards		Stock Awards		
Name (a)	Number of Shares Acquired on Exercise (#) (b)	Value Realized on Exercise ($) (c)	Number of Shares Acquired on Vesting (#) (d)		Value Realized on Vesting ($) (e)
Klaus Kleinfeld	-	-	150,000	$	1,537,500
Charles D. McLane, Jr.	-	-	34,250	$	351,063
Olivier M. Jarrault	-	-	39,375	$	403,594

2012 Pension Benefits

Name	Plan Name(s)	Years of Credited Service		Present Value of Accumulated Benefits	Payments During Last Fiscal Year
Klaus Kleinfeld	Individual Agreement	5.25	$	6,332,144	**N/A**
Charles D. McLane, Jr.	Alcoa Retirement Plan	40.04	$	1,967,102	
	Supplemental Pension Plan for Senior Executives*		$	10,348,195	
	TOTAL		**$**	**12,315,297**	**N/A**
Olivier M. Jarrault	Alcoa Retirement Plan	10.08	$	258,372	
	Excess Benefits Plan C		$	745,274	
	TOTAL		**$**	**1,003,646**	**N/A**

* *A portion of Mr. McLane's benefit will be paid from the Reynolds Restoration Plan.*

Qualified Defined Benefit Plan. In 2012, Messrs. McLane and Jarrault participated in the Alcoa Retirement Plan. The Alcoa Retirement Plan is a funded, tax-qualified, non-contributory defined benefit pension plan that covers a majority of U.S. salaried employees. Benefits under the plan are based upon years of service and final average earnings. Final average earnings include salary plus 100% of annual cash incentive, and are calculated using the average of the highest five of the last ten years of earnings (high consecutive five for Mr. Jarrault). The Alcoa Retirement Plan reflects limits imposed by the tax code. The limit for 2012 compensation was $250,000. The base benefit payable at age 65 is 1.1% of final average earnings up to the social security covered compensation limit plus 1.475% of final average earnings above the social security covered compensation limit, times years of service. Benefits are payable as a single life annuity, a reduced 50% joint and survivor annuity, or a reduced 75% joint and survivor annuity upon retirement. At December 31, 2012, Mr. McLane was eligible to retire with an unreduced normal retirement benefit under the applicable rules of the Alcoa Retirement Plan because he has at least 30 years of service.

Non-qualified Defined Benefit Plan. Mr. McLane participates in the Supplemental Pension Plan for Senior Executives. This plan is a non-qualified plan which provides for benefits that exceed the limits on compensation imposed by the tax code. In addition, this plan, upon qualified retirement, provides executives who retire with 30 or more years of service a total pension benefit prior to age 62 that is equal to 1.475% of average final compensation (salary plus 100% of annual cash incentive) per year of service. This payment will be reduced by 1% for each year by which retirement precedes age 62. The post age 62 amount is equivalent to the Alcoa Retirement Plan formula and is based on final average earnings consisting of salary plus 100% of incentive compensation. Mr. Jarrault participates in the Excess Benefits Plan C. This plan is a non-qualified plan which provides for benefits that exceed the limits on compensation imposed by the tax code. The benefit formula is identical to the Alcoa Retirement Plan formula. Benefits under both non-qualified plans are payable as a reduced 50% joint and survivor annuity if the executive is married. Otherwise, the benefit is payable as a single life annuity.

Individual Agreements. Mr. Kleinfeld is entitled to a supplemental retirement benefit payable annually after retirement equal to the excess of the product of 4.35% multiplied by years of service multiplied by average final compensation, over a retirement pension payable by Siemens AG.

Valuation and Assumptions. For a discussion of the valuation method and assumptions applied in quantifying the present value of the current accrued benefit, please refer to the following sections in the Company's Annual Report on Form 10-K/A for the year ended December 31, 2012: "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates—Pension and Other Postretirement Benefits" on page 77 and Note W to the consolidated financial statements on page 139.

Alcoa Retirement Savings Plan. For U.S. salaried employees hired after March 1, 2006, including Messrs. Kleinfeld and Ayers and Ms. Strauss, the Company contributes an Employer Retirement Income Contribution (ERIC) amount equal to 3% of salary and annual incentive eligible for contribution to the Alcoa Retirement Savings Plan as a pension contribution in lieu of a defined benefit pension plan available to employees hired before March 1, 2006. The Company contributed $7,500 to the accounts of Messrs. Kleinfeld and Ayers, and Ms. Strauss in 2012. In addition, all U.S. salaried employees, including the named executive officers, are eligible to receive a Company matching contribution of 100% of up to the first 6% of deferred salary. In 2012, the Company matching contribution amount was $15,000 for Messrs. Kleinfeld, McLane, Jarrault and Ayers and Ms. Strauss.

Non-qualified Defined Contribution Plan. When the tax code limits on ERIC contributions to the Alcoa Retirement Savings Plan are reached, the ERIC contributions are made into the Deferred Compensation Plan and are reported in the table below titled “2012 Non-Qualified Deferred Compensation.” In 2012, the Company contributed $27,258 for Mr. Ayers and $3,800 for Ms. Strauss. Mr. Kleinfeld does not receive these deferred compensation contributions due to his individual pension agreement. These amounts are included in the column “All Other Compensation” in the 2012 Summary Compensation Table on page 47.

2012 Non-Qualified Deferred Compensation

Name (a)	**Executive Contributions in 2012 ($) (b)**	**Registrant Contributions in 2012 ($) (c)**	**Aggregate Earnings in 2012 ($) (d)**	**Aggregate Withdrawals/ Distributions ($) (e)**	**Aggregate Balance at 12/31/2012 FYE ($) (f)**
Klaus Kleinfeld	$ 71,400	$ 71,400	$ 47,242 E $ 2,244 D	$ 0	$ 652,837
Charles D. McLane, Jr.	$ 22,800	$ 22,800	$ 51,639 E $ 819 D	$ 0	$ 539,908
Olivier M. Jarrault	$ 0	$ 0	$ 0 E $ 0 D	$ 0	$ 0
Chris L. Ayers	$ 19,500	$ 46,758	$ 10,297 E $ 359 D	$ 0	$ 164,909
Audrey Strauss	$ 7,600	$ 11,400	$ 156 E $ 0 D	$ 0	$ 19,156

E - Earnings

D - Dividends on Alcoa common stock or share equivalents

The investment options under the non-qualified Deferred Compensation Plan are the same choices available to all salaried employees under the Alcoa Retirement Savings Plan and the named executive officers do not receive preferential earnings on their investments. The named executive officers may defer up to 25% of their salaries in total to the Alcoa Retirement Savings Plan and Deferred Compensation Plan and up to 100% of their annual cash incentive compensation to the Deferred Compensation Plan.

To the extent the executive elects, the Company contributes matching contributions on employee salary deferrals that exceed the limits on compensation imposed by the tax code.

These amounts are included in the column “All Other Compensation” in the 2012 Summary Compensation Table on page 47.

The principal benefit to executives of the Deferred Compensation Plan is that U.S. income taxes are deferred until the investment is withdrawn, so that savings accumulate on a pre-tax basis. The Company also benefits from this arrangement because it does not use its cash to pay the salaries or incentive compensation of the individuals who have deferred receipt of these amounts. The Company may use this cash for other purposes until the deferred account is paid to the individual upon termination of employment. All non-qualified pension and deferred compensation amounts are general unsecured assets of the Company until paid. Upon termination of employment, deferred compensation will be paid in cash as a lump sum or in up to ten annual installments, depending on the individual’s election, account balance and retirement eligibility.

Potential Payments Upon Termination or Change in Control

Executive Severance Agreements. Alcoa has entered into executive severance agreements with key executives to facilitate transitioning key positions to suit the timing needs of the Company. The agreements provide for higher severance benefits than the Alcoa severance plan for salaried employees, but these agreements also require the executives to agree to a two-year non-competition and non-solicitation provision. Messrs. McLane, Jarrault and Ayers and Ms. Strauss have executive severance agreements, which provide that, if their employment is terminated without cause, they will receive two years' salary, continued healthcare benefits for a two-year period, and two additional years of pension accrual. They will also receive a lump sum severance payment of $50,000 upon execution of a general release of legal claims against the Company prior to the scheduled payment date. No severance payments will be made under these agreements unless the general release is signed. Mr. Kleinfeld has a similar severance agreement containing the terms described above except that it provides for two years' salary and annual cash incentive at the target amount. If severance payments or benefits are payable under the Change in Control Severance Plan, described below, no payments will be paid under the executive severance agreements.

Name	Estimated net present value of cash severance payments	Estimated net present value of additional pension credits	Estimated net present value of continued health care benefits	Total
Klaus Kleinfeld	$ 7,081,229	$ 2,168,800	$ 36,483	$ 9,286,512
Olivier M. Jarrault	$ 1,026,559	$ 154,700	$ 36,483	$ 1,217,742
Chris L. Ayers	$ 1,173,043	$ 67,383	$ 36,483	$ 1,276,909
Audrey Strauss	$ 1,153,512	$ 66,211	$ 819	$ 1,220,542

Effective August 1, 2013, Mr. McLane will be entitled under his agreement to continuation of health care benefits for two years. He will also be entitled to be paid the following amounts no earlier than 6 months following August 1, 2013:

- Lump sum severance of $1,260,000, which is equivalent to two years of salary.
- Lump sum payment estimated at $625,757, which is equivalent to the value of two years additional pension service.
- Lump sum payment of $50,000 for the release of any potential legal claims against the Company.

Potential Payments upon a Change in Control. In 2002, the Board of Directors approved a Change in Control Severance Plan for officers and other key executives designated by the Compensation and Benefits Committee. The plan is designed to retain key executives during the period that a transaction is being negotiated or during a period in which a hostile takeover is being attempted and to ensure the impartiality of the key negotiators for the Company. The Change in Control Severance Plan provides each of the named executive officers with termination compensation if their employment is terminated without cause or terminated by them in certain circumstances, in either case within three years after a change in control of the Company. Messrs. Kleinfeld and McLane, namely those officers who are in key positions to negotiate or handle a change in control transaction, may elect, if they have not been terminated or left for good reason sooner, to leave the Company during a window period of 30 days which begins six months after a change in control. The Compensation and Benefits Committee has determined to freeze this provision of the Change in Control Severance Plan. As of January 1, 2010, no additional employees will be entitled to this provision of the plan, but rather must be terminated or leave for good reason to be eligible to receive a payment under the plan. Messrs. Jarrault and Ayers and Ms. Strauss are currently subject to this requirement.

Compensation provided by the plan includes: a cash payment equal to three times annual salary plus target annual cash incentive compensation; continuation of benefits for three years; growth on pension credits for three years; reimbursement of excise taxes; reimbursement for additional tax liability resulting from reimbursement of excise taxes; and six months outplacement.

The Compensation and Benefits Committee determined to freeze the reimbursement of excise taxes and the reimbursement for additional tax liability resulting from reimbursement of excise taxes effective for new plan participants on and after January 1, 2010. Mr. Ayers, who became an officer in 2010, and Ms. Strauss, who was hired in 2012, are not eligible to receive these benefits.

The Compensation and Benefits Committee periodically reviews market data, which indicate that most companies have such plans or adopt such plans when a change in control is imminent. The amounts shown in the table below include the estimated net present value of accelerated vesting of stock options and stock awards. The 2009 Alcoa Stock Incentive Plan was amended in 2011 to provide that there will be no automatic vesting of stock awards upon a change in control. Grants made prior to this amendment vest automatically upon a change in control.

CHANGE IN CONTROL SEVERANCE BENEFITS

Name	Estimated net present value of change in control severance and benefits	Potential excise tax liability and gross up for excise taxes	Total
Klaus Kleinfeld	$ 17,937,794	$ 6,983,834	$ 24,921,629
Charles D. McLane, Jr.	$ 4,430,981	$ 0	$ 4,430,981
Olivier M. Jarrault	$ 3,839,690	$ 1,414,858	$ 5,254,548
Chris L. Ayers	$ 4,110,395	Not eligible	$ 4,110,395
Audrey Strauss	$ 3,267,340	Not eligible	$ 3,267,340

Retirement benefits. The table below lists the named executive officer who is eligible to retire under an Alcoa pension plan as of December 31, 2012. If Mr. McLane had terminated employment as of December 31, 2012, he would have been entitled to annual pension benefits under the plans described in "2012 Pension Benefits" on page 51 as shown in the following table:

Name	Amount before Age 62	Amount from Age 62
Charles D. McLane, Jr.	$ 791,552	$ 802,901

If Mr. Kleinfeld had voluntarily terminated employment as of December 31, 2012, it is estimated that his supplemental executive retirement pension would have paid an annual annuity of $478,627 starting at age 60. If Mr. Jarrault had voluntarily terminated employment as of December 31, 2012, it is estimated that the pension would have paid an annual annuity of $51,588 starting at age 55. Mr. McLane would be eligible for additional benefits of $400 per month payable until age 62 provided through the qualified pension plans in the event of an involuntary termination with no offer of suitable employment.