



For Immediate Release
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More jobs and cleaner air for Warrick County

INDIANAPOLIS – The Indiana Finance Authority (IFA) awarded Volume Cap designation to Alcoa Inc. for \$30 million last week, allowing the company to obtain tax-exempt financing for upgrades to its Warrick Operations. The upgrades will significantly reduce emissions at the plant and contribute to Alcoa’s global commitment to improve the environment while creating 32 new jobs for Indiana residents.

“The Indiana Finance Authority prioritizes new jobs when we award Volume Cap, which provides low-cost financing for businesses,” said Public Finance Director Ryan Kitchell. “The financing savings can be reinvested back into businesses and create more jobs for Hoosiers – Governor Daniels’ number one goal.”

Alcoa’s Warrick Power Plant generates electricity and steam for smelting aluminum and producing rolled aluminum sheet at its Warrick County facility. The project is creating job openings for maintenance workers, operators, supervisors and engineers, all with competitive pay and benefits.

By financing the acquisition, construction and installation of solid waste disposal and pollution control facilities at Alcoa Warrick Operation through tax-exempt bonds rather than through the open market, Alcoa will save an estimated \$3 million in interest. The project is just one portion of a larger \$400 million environmental investment to install scrubbers on all four units of the Warrick Power Plant.

“We appreciate the opportunity to work with the State of Indiana to provide a cost-effective way to complete this major investment,” said Royce Haws, Warrick Operations Primary Metals Location Manager. “This \$400 million project is vital to the future of the plant. We’re very pleased about the substantial, positive impact to the region through improving the environment and the many jobs being created and retained.”

The plant upgrades will make drastic cuts to emissions of air pollutants and will eliminate 6 to 8 million gallons per day of wastewater – steps that will improve the air quality, health and quality of life for Indiana residents while providing employment opportunities.

“Alcoa has been a very positive community partner, and I am pleased to see the IFA grant this award to allow tax-free financing,” said Senator Vaneta Becker. “This will create additional jobs in Warrick County and this will also ensure that Alcoa remains a viable business in our community.”

A borrower must obtain an award of Volume Cap before it can issue tax-exempt bonds, which provides a lower interest rate on long-term loans. Volume Cap is the amount of tax-exempt financing available for certain types of private companies or developers in a calendar year. Federal law determines project eligibility.

Indiana statute appoints the IFA to administer the Volume Cap Program. Governor Mitch Daniels created the IFA in 2005 to more effectively manage the State’s finances under one entity.

To ensure that Alcoa’s most recent expansion was within the state, the Indiana Economic Development Corporation (IEDC) finalized negotiations and will provide incentives to the company. The IEDC is the lead entity charged with Indiana ’s economic development; its board is chaired by Governor Mitch Daniels.

For information about how your business can apply for Volume Cap, contact your local lender. If you have general Program questions, contact Cindy Pierson, Program Manager, at cperson@ifa.in.gov or (317) 233-4335.

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About Alcoa

Alcoa is the world's leading producer and manager of primary aluminum, fabricated aluminum and alumina facilities, and is active in all major aspects of the industry. Alcoa serves the aerospace, automotive, packaging, building and construction, commercial transportation and industrial markets, bringing design, engineering, production and other capabilities of Alcoa's businesses to customers. In addition to aluminum products and components, Alcoa also markets consumer brands including Reynolds Wrap® foils and plastic wraps, Alcoa® wheels, and Baco® household wraps. Among its other businesses are closures, fastening systems, precision castings, and electrical distribution systems for cars and trucks. The company has 123,000 employees in 44 countries and has been named one of the top most sustainable corporations in the world at the World Economic Forum in Davos , Switzerland . More information can be found at www.alcoa.com.