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## **UNITED COMPANY RUSAL PLC**

*(Incorporated under the laws of Jersey with limited liability)*

**(Stock Code: 486)**

### **FIRST QUARTER 2016 TRADING UPDATE**

This announcement is made by United Company RUSAL Plc (“**UC RUSAL**” or the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and applicable French laws and regulations.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of UC RUSAL.

**UC RUSAL announces its operating results for the first quarter 2016 (“1Q16”)<sup>1</sup>**

#### **Aluminium**

- Aluminium production<sup>2</sup> in 1Q16 totalled 916 thousand tons (-0.5% QoQ). The smelters utilization rate was on average at 95%. Russia Siberian smelters accounted for 94% of total aluminium output.
- 1Q16 aluminium sales increased by 9.2% QoQ to 957 thousand tons. This growth in sales is largely explained by the seasonal factors (lower sales in 4Q15 during the winter season) and the addition of primary aluminium produced at

<sup>1</sup> Operating data is based on preliminary data and can be updated in 1Q16 financial results.

<sup>2</sup> Aluminium production represented by salable products output.

<sup>3</sup> Aluminium produced at BOAZ was purchased by RUSAL and sold to the third parties.

BOAZ<sup>3</sup> (the plant is currently operating in the test mode). The share of VAP<sup>4</sup> in total aluminium sales declined to 41% in 1Q16 (versus 45% in 4Q15) amid higher sales of primary aluminium. The volume of VAP sold remained largely flat.

- In 1Q16 the aluminium realised price reduced by -3.6% QoQ to USD1,666/t amid a reduction in average aluminium London Metal Exchange (“LME”) QP prices<sup>5</sup> and the average premium. The delayed recognition of market premium benchmarks in the realized premiums and lower share of VAP in the product portfolio were largely behind the premium decline.

### **Alumina**

- In 1Q16 total alumina production was 1,873 thousand tons (-1.7% QoQ). Alumina production at Non-Russian operations decreased by 4.3% QoQ to 1,196 thousand tons due largely to scheduled repairs performed at the production facilities (in particular at the Nikolaev Alumina Refinery and Aughinish Alumina Refinery). Output at RUSAL’s Russian operations increased by 12.4% QoQ to 677 thousand tons amid an improved performance at the Achinsk Alumina Refinery.

### **Bauxite**

- In 1Q16 bauxite output increased by 5.6% QoQ to 3,009 thousand tons driven largely by an improved performance at Timan and Guyana Mines. Nepheline ore production at Kiya Shaltyr in 1Q16 increased by 16.7% QoQ to 1,111 thousand tons amid higher demand from the Achinsk Alumina Refinery.

### **Market overview<sup>6</sup>**

- Aluminium was the largest gainer across base metals in March. The LME aluminium price increased by USD86.5/t to USD1635/t, the highest level since July 2015. This was attributable to tightening in the supply of metal and very limited restarts in China due to high associated costs and strict controls by official Chinese authorities.

<sup>4</sup> VAP includes alloyed ingots, slabs, billets and wire rod.

<sup>5</sup> QP (quotation period) prices differs from the real time LME quotes due to time lag between LME quotes and sales recognition and due to contract formula speciality.

<sup>6</sup> Data for the Market review section is sourced from China Nonferrous Metals Industry Association (“CNIA”), International Aluminium Institute (“IAI”) and Antaik.

- Aluminum world (ex-China) production data for March 2016 from CRU<sup>7</sup> evidenced that capacity closures that took place in 4Q15-1Q16 have started to influence the market. Daily average primary aluminium production in March 2016 declined by 0.8% MoM to 73.04 thousand tons, on a yearly basis it increased by only 1.4% YoY. The major monthly decline was fixed in North America.
- LME stocks continued to decline in 1Q16 by 1.152 million tons compared to 1Q15 to 2.67 million tons.
- Chinese aluminum production in 1Q16 slowed down to 7.170 million tons, a decline of 5% YoY compared to 7.556 million tons in the same period last year. According to CNIA's data, aluminum stocks in China's biggest warehouses have declined by 421 thousand tons in 1Q16 versus 1Q15.
- In 1Q16 China's exports of aluminium semis declined 12.4% YoY (days adj.) to 948 thousand tons as compared to 1.070 million tons in the same period of 2015.
- Additional positive factors resulted from the stronger macro situation in China as new credit, industrial output, fixed-asset investment and retail sales all picked up in March. House prices in China advanced at the fastest pace for nearly two years in March 2016, led by rises in Shenzhen and Shanghai. Average house prices in 70 Chinese cities climbed up by 4.9% YoY in March, compared to a 3.6% rise in February.
- China's economy stabilized in the last quarter and gathered pace in March. GDP rose strongly to 6.7% in the first quarter of 2016.

<sup>7</sup> CRU is a research agency that covers all major commodities including metals.

## KEY OPERATING DATA

### GROUP PRODUCTION DATA<sup>8</sup>

| ('000 tons)                           | 1Q16  | 4Q15  | Change,<br>% (QoQ) | 1Q15  | Change,<br>% (YoY) |
|---------------------------------------|-------|-------|--------------------|-------|--------------------|
| Aluminium                             | 916   | 921   | -0.5%              | 900   | 1.7%               |
| Aluminium foil and packaging products | 18.8  | 22.4  | -15.9%             | 22.5  | -16.4%             |
| Alumina                               | 1,873 | 1,906 | -1.7%              | 1,808 | 3.6%               |
| Bauxite                               | 3,009 | 2,850 | 5.6%               | 2,956 | 1.8%               |
| Nepheline                             | 1,111 | 952   | 16.7%              | 1,066 | 4.2%               |

### GROUP SALES DATA

| ('000 tons)                       | 1Q16  | 4Q15  | Change,<br>% (QoQ) | 1Q15  | Change,<br>% (YoY) |
|-----------------------------------|-------|-------|--------------------|-------|--------------------|
| Aluminium sales                   | 957   | 876   | 9.2%               | 935   | 2.7%               |
| incl BOAZ aluminium product sales | 39    | 12    | —                  | —     | —                  |
| <i>Realized price, USD/ton</i>    | 1,666 | 1,729 | -3.6%              | 2,299 | -27.5%             |
| share of VAP                      | 41%   | 45%   | -4.0p.p.           | 39%   | +2.0p.p.           |

<sup>8</sup> The production data throughout the report is presented on an equity-adjusted basis if not stated otherwise. Production volumes are calculated based on the pro rata share of the Company's (and its subsidiaries') ownership.

## ALUMINIUM PRODUCTION

| <i>(‘000 tons)</i>                            | <b>Interest</b> | <b>1Q16</b> | <b>4Q15</b> | <b>Change,<br/>% (QoQ)</b> | <b>1Q15</b> | <b>Change,<br/>% (YoY)</b> |
|---|-----------------|-------------|-------------|----------------------------|-------------|----------------------------|
| <b>Russia (Siberia)</b>                       |                 |             |             |                            |             |                            |
| Bratsk aluminium smelter                      | 100%            | 251         | 253         | -1.1%                      | 248         | 1.0%                       |
| Krasnoyarsk aluminium<br>smelter              | 100%            | 256         | 257         | -0.6%                      | 250         | 2.4%                       |
| Sayanogorsk aluminium<br>smelter              | 100%            | 130         | 130         | -0.1%                      | 131         | -0.5%                      |
| Novokuznetsk aluminium<br>smelter             | 100%            | 53          | 53          | -0.4%                      | 51          | 4.2%                       |
| Irkutsk aluminium smelter                     | 100%            | 103         | 104         | -0.7%                      | 101         | 1.5%                       |
| Khakas aluminium<br>smelter                   | 100%            | 73          | 74          | -0.7%                      | 71          | 2.9%                       |
| <b>Russia — Other</b>                         |                 |             |             |                            |             |                            |
| Nadvoitsy aluminium<br>smelter                | 100%            | 3           | 3           | 4.9%                       | 3           | 7.4%                       |
| Kandalaksha aluminium<br>smelter              | 100%            | 17          | 17          | 0.4%                       | 16          | 3.1%                       |
| <b>Sweden</b>                                 |                 |             |             |                            |             |                            |
| Kubikenborg Aluminium<br>(KUBAL) <sup>9</sup> | 100%            | 30          | 29          | 3.7%                       | 29          | 5.6%                       |
| <b>Total production</b>                       |                 | <b>916</b>  | <b>921</b>  | <b>-0.5%</b>               | <b>900</b>  | <b>1.7%</b>                |

<sup>9</sup> Does not include remelting of the metal from other RUSAL’s smelters

| <i>(‘000 tons)</i>   | <b>Interest</b> | <b>1Q16</b> | <b>4Q15</b> | <b>Change,<br/>% (QoQ)</b> | <b>1Q15</b> | <b>Change,<br/>% (YoY)</b> |
|--|-----------------|-------------|-------------|----------------------------|-------------|----------------------------|
| <i>Remelting of third-party<br/>primary aluminium at<br/>Volgograd smelter</i> |                 | 12          | 8           | 48.8%                      | 3           | —                          |
| <b>Total aluminium<br/>products output<br/>including remelting</b>             |                 | 928         | 929         | -0.1%                      | 904         | 2.7%                       |

#### **Foil and packaging production results**

| <i>(‘000 tons)</i>      | <b>Interest</b> | <b>1Q16</b> | <b>4Q15</b> | <b>Change,<br/>% (QoQ)</b> | <b>1Q15</b> | <b>Change,<br/>% (YoY)</b> |
|-------------------------|-----------------|-------------|-------------|----------------------------|-------------|----------------------------|
| <b>Russia</b>           |                 |             |             |                            |             |                            |
| Sayanal                 | 100%            | 6.9         | 9.2         | -24.9%                     | 9.9         | -30.4%                     |
| Ural Foil               | 100%            | 3.9         | 4.8         | -18.6%                     | 4.2         | -7.2%                      |
| Sayana Foil             | 100%            | 0.8         | 1.0         | -18.2%                     | 0.6         | 35.4%                      |
| <b>Armenia</b>          |                 |             |             |                            |             |                            |
| Armenal                 | 100%            | 7.2         | 7.4         | -2.8%                      | 7.8         | -7.8%                      |
| <b>Total production</b> |                 | <b>18.8</b> | <b>22.4</b> | <b>-15.9%</b>              | <b>22.5</b> | <b>-16.4%</b>              |

#### **Other aluminium products output and silicon output**

| <i>(‘000 tons)</i> | <b>1Q16</b> | <b>4Q15</b> | <b>Change,<br/>% (QoQ)</b> | <b>1Q15</b> | <b>Change,<br/>% (YoY)</b> |
|--------------------|-------------|-------------|----------------------------|-------------|----------------------------|
| Secondary alloys   | 5.6         | 4.5         | 24.2%                      | 6.1         | -9.0%                      |
| Silicon            | 15.2        | 15.3        | -0.5%                      | 14.9        | 2.0%                       |
| Powder             | 4.0         | 3.8         | 4.2%                       | 4.4         | -8.8%                      |

## ALUMINA PRODUCTION

| <i>( '000 tons)</i>             | <b>Interest</b> | <b>1Q16</b>  | <b>4Q15</b>  | <b>Change,<br/>% (QoQ)</b> | <b>1Q15</b>  | <b>Change,<br/>% (YoY)</b> |
|---------------------------------|-----------------|--------------|--------------|----------------------------|--------------|----------------------------|
| <b>Ireland</b>                  |                 |              |              |                            |              |                            |
| Aughinish Alumina               | 100%            | 488          | 514          | -5.2%                      | 488          | -0.1%                      |
| <b>Jamaica</b>                  |                 |              |              |                            |              |                            |
| Alpart                          | 100%            | —            | —            | —                          | —            | —                          |
| Windalco                        | 100%            | 154          | 156          | -1.5%                      | 149          | 3.5%                       |
| <b>Ukraine</b>                  |                 |              |              |                            |              |                            |
| Nikolaev Alumina Refinery       | 100%            | 370          | 389          | -4.7%                      | 353          | 5.0%                       |
| <b>Italy</b>                    |                 |              |              |                            |              |                            |
| Eurallumina                     | 100%            | —            | —            | —                          | —            | —                          |
| <b>Russia</b>                   |                 |              |              |                            |              |                            |
| Bogoslovsk Alumina Refinery     | 100%            | 235          | 245          | -4.0%                      | 220          | 7.1%                       |
| Achinsk Alumina Refinery        | 100%            | 244          | 217          | 12.4%                      | 224          | 9.0%                       |
| Urals Alumina Refinery          | 100%            | 197          | 195          | 1.1%                       | 190          | 3.9%                       |
| Boxitogorsk Alumina Refinery    | 100%            | —            | —            | —                          | —            | —                          |
| <b>Guinea</b>                   |                 |              |              |                            |              |                            |
| Friguia Alumina Refinery        | 100%            | —            | —            | —                          | —            | —                          |
| <b>Australia (JV)</b>           |                 |              |              |                            |              |                            |
| Queensland Alumina Ltd          | 20%             | 184          | 190          | -2.9%                      | 185          | -0.2%                      |
| <b>Total alumina production</b> |                 | <b>1,873</b> | <b>1,906</b> | <b>-1.7%</b>               | <b>1,808</b> | <b>3.6%</b>                |

## BAUXITE MINING

| <i>(‘000 tons)</i>                | <b>Interest</b> | <b>1Q16</b>  | <b>4Q15</b>  | <b>Change,<br/>% (QoQ)</b> | <b>1Q15</b>  | <b>Change,<br/>% (YoY)</b> |
|-----------------------------------|-----------------|--------------|--------------|----------------------------|--------------|----------------------------|
| <b>Jamaica</b>                    |                 |              |              |                            |              |                            |
| Alpart                            | 100%            | 44           | 21           | 106.1%                     | —            | —                          |
| Windalco                          | 100%            | 488          | 465          | 4.9%                       | 513          | -4.8%                      |
| <b>Russia</b>                     |                 |              |              |                            |              |                            |
| North Urals                       | 100%            | 551          | 561          | -1.9%                      | 684          | -19.5%                     |
| Timan                             | 100%            | 683          | 576          | 18.7%                      | 604          | 13.1%                      |
| <b>Guinea</b>                     |                 |              |              |                            |              |                            |
| Friguia                           | 100%            | —            | —            | —                          | —            | —                          |
| Kindia                            | 100%            | 925          | 934          | -1.0%                      | 863          | 7.1%                       |
| <b>Guyana</b>                     |                 |              |              |                            |              |                            |
| Bauxite Company of<br>Guyana Inc. | 90%             | 319          | 293          | 8.9%                       | 291          | 9.6%                       |
| <b>Total bauxite production</b>   |                 | <b>3,009</b> | <b>2,850</b> | <b>5.6%</b>                | <b>2,956</b> | <b>1.8%</b>                |

## Nepheline ore production

| <i>(‘000 tons)</i>                | <b>Interest</b> | <b>1Q16</b> | <b>4Q15</b> | <b>Change,<br/>% (QoQ)</b> | <b>1Q15</b> | <b>Change,<br/>% (YoY)</b> |
|-----------------------------------|-----------------|-------------|-------------|----------------------------|-------------|----------------------------|
| Kiya Shaltyr Nepheline<br>Syenite | 100%            | 1,111       | 952         | 16.7%                      | 1,066       | 4.2%                       |



## JOINT VENTURE OPERATING RESULTS

|   | 1Q16  | 4Q15  | Change,<br>% (QoQ) | 1Q15  | Change,<br>% (YoY) |
|---|-------|-------|--------------------|-------|--------------------|
| <b>Boguchanskaya HP</b>                                 |       |       |                    |       |                    |
| Electricity generation, mwh                             | 3,127 | 2,881 | 8.5%               | 2,354 | 32.8%              |
| <b>Boguchanskiy aluminium smelter</b>                   |       |       |                    |       |                    |
| Aluminium production ('000<br>tons) <sup>10</sup>       | 38    | 21    | 76.8%              | —     | —                  |
| <b>Bogatyr Komir and Bogatyr<br/>Trans<sup>11</sup></b> |       |       |                    |       |                    |
| Coal production (50%) (Kt)                              | 4,465 | 5,438 | -17.9%             | 4,708 | -5.2%              |
| Transportation volumes (50%)<br>(Kt of transportation)  | 1,516 | 1,898 | -20.2%             | 1,449 | 4.6%               |

By order of the Board of Directors of  
**United Company RUSAL Plc**  
**Aby Wong Po Ying**  
 Company Secretary

29 April 2016

*As at the date of this announcement, the executive Directors are Mr. Oleg Deripaska, Mr. Vladislav Soloviev and Mr. Stalbek Mishakov, the non-executive Directors are Mr. Maxim Sokov, Mr. Dmitry Afanasiev, Mr. Len Blavatnik, Mr. Ivan Glasenberg, Mr. Maksim Goldman, Ms. Gulzhan Moldazhanova, Mr. Daniel Lesin Wolfe, Ms. Olga Mashkovskaya and Ms. Ekaterina Nikitina, and the independent non-executive Directors are Mr. Matthias Warnig (Chairman), Dr. Peter Nigel Kenny, Mr. Philip Lader, Dr. Elsie Leung Oi-sie, Mr. Mark Garber and Mr. Dmitry Vasiliev.*

*All announcements and press releases published by the Company are available on its website under the links <http://www.rusal.ru/en/investors/info.aspx>, <http://rusal.ru/investors/info/moex/> and <http://www.rusal.ru/en/press-center/press-releases.aspx>, respectively.*

<sup>10</sup> BOAZ continues to operate in the test mode. Production volumes are presented not on equity adjusted basis

<sup>11</sup> Production volumes are calculated based on the pro rata share of the Company's (and its subsidiaries') ownership.