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UNITED COMPANY RUSAL PLC

(Incorporated under the laws of Jersey with limited liability)

(Stock Code: 486)

THIRD QUARTER 2017 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 securities of UC RUSAL.

UC RUSAL announces its operating results for the third quarter (“3Q17”) 2017¹

Aluminium

- Aluminium production² in 3Q17 totaled 931 thousand tonnes (+1.1% QoQ), with Siberian smelters representing 94% of total aluminium output. The total production dynamics remained largely stable with capacity utilization rate standing at 95%;
- In 3Q17, aluminium sales decreased (-3.4% QoQ) totaling 968 thousand tonnes. The QoQ decline in aluminium sales dynamics is largely explained by increase of goods in transit due to ports/vessels availability (volumes to be realized in the next period);

¹ Operating data is based on preliminary data and may be updated in the 3Q17 financial results.

² Aluminium production represented by salable products output (the number includes all facilities excluding Volgograd remelting).

- In 3Q17 sales of value added products (VAP³) stood at 479 thousand tonnes. The Company as per its strategy continued to grow the VAP's share in total sales, which now stands at 50% in comparison with 49% in 2Q17 sales;
- In 3Q17 the average aluminium realized price⁴ increased by 2.1 % QoQ to USD2,124/t due to positive dynamics in London Metal Exchange (“LME”) QP⁵ component (+2.9% QoQ to USD1,962/t). The average realized premium component declined (-7.0% QoQ to USD162/t) due to seasonal (summer time) market indicators decrease (WH Rotterdam, CIF MJP, Mid West).

Alumina

- In 3Q17, total alumina production increased by 1.9% QoQ, totaling 1,965 thousand tonnes.
- The continuation of capacities ramp up at Russia-based refineries post completion of upgrades earlier in 2017 coupled with growing production at Aughinish refinery on improved quality of purchased bauxites were largely behind the QoQ production increase for the Company overall, while Nikolaev refinery output was -3.5% down QoQ on the back of scheduled maintenance works.

Bauxite and nepheline ore

- In 3Q17, Nepheline output was stable, marginally growing by 1.2% QoQ to 1,125 thousand tonnes, while consolidated bauxites output decreased by -11.3%, totaling 2,742 thousand tonnes. The Company covered alumina refineries consumption needs in relevant feedstock using the available inventory at its operations at Achinsk, Bogoslovsk, Urals and Windalco operations and additional purchased bauxite elsewhere.
- Production volumes at Timan decreased by -5.5% QoQ to totaling 839 thousand tonnes and Kindia production volumes decreased by -11.0% QoQ to 717 thousand tonnes due to scheduled operational equipment care and maintenance works.

³ VAP include alloyed ingots, slabs, billets, wire rod, high and special purity aluminium.

⁴ The realised price includes three components: LME component, commodity premium and VAP upcharge.

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

- Abnormal weather conditions affected operational performance of Bauxite Company of Guyana production, which decreased to 161 thousand tonnes (-41.6% QoQ) and Windalco production which decreased to 476 thousand tonnes (-5.5% QoQ).
- North Urals bauxite production declined by -11.0% QoQ to 548 thousand tonnes to match the needs of Urals alumina refinery where as part of working capital management, the feed from accumulated inventory was prioritized during the quarter.

Market overview⁶

- The LME aluminium price fluctuated around USD1,900/t during March — July 2017, but then jumped to above USD2,100/t in August and reached USD2,164/t in September 2017, its highest level since December 2012. Price growth is attributed to market expectations of widespread capacity shutdowns during winter in China, the robust demand for aluminium during the period, coupled with significant production cost inflation.
- The world economy witnessed broad based growth in 9M2017, with an increase in business activity, particularly in the developed economies. The main drivers for demand for aluminium were the growth of consumer spending particularly for cars and durable goods sales and also fixed asset investments.
- In August-September, the JP Morgan Global Manufacturing PMI reached 53.2, a six-year high. Current multi-year high growth rates, particularly in the U.S. and Europe, continue to suggest underlying strong demand, which supports LME prices.
- The Chinese economy continued to show strong growth through 9M2017. The official PMI reached 52.4 in September 2017, its highest since April 2012, and the Caixin Manufacturing PMI stood at a 51.0 level in September. GDP grew by 6.8% in 3Q17 Y-Y after 6.9% growth in 2Q17.
- The reported inventories of aluminium in the World ex China declined further to 3.0 Mt at the end of September 2017, down 985 kt from the inventories level at the end of 2016. The days of consumption continued to decline at a steady rate during 9M2017 and fell to 36 days at the end of September 2017 as compared to 58 days at the end of 2016.

⁶ Unless otherwise stated data for the “Market overview” section is sourced from Bloomberg, CRU, CNIA, IAI and Antaika.

- UC RUSAL estimates that global aluminium demand grew by 5.9% year-on-year in the 9 months of 2017 to 47.8 million tonnes as a result of strong demand in China, Europe, Asia ex-China, North America and India. Robust demand growth left the global aluminum market balance in a deficit of 0.8 million tonnes.
- Based on CRU estimates, global aluminium demand ex-China rose by a strong 3.9% in 9M2017 year-on-year to 22.1 million tonnes while production (estimate based on IAI data plus CRU's estimate for production of eight non-reporting countries) increased by 0.9% year-on-year to 20.3 million tonnes. This left the rest of the world aluminium market with approximately 1.8 million tonnes in deficit in 9M2017.
- Demand for aluminum in China in 9M2017 grew by 7.7% to 25.7 million tonnes compared to the same period of last year.
- The announcement by the Chinese regulator regarding winter capacity cuts, which is now underway in several provinces, was implemented to curb industrial pollution. As expected, winter smelting cuts will result in an annualized production loss of around 1 million tonnes and alumina around 3.3 million tonnes of alumina, according to UC Rusal estimates. Deeper losses may take place in carbon materials supply including anodes, coking coal etc., due to 100% closures in 26+2 cities during the winter season.
- When considering the expected curtailments of the so-called “illegal capacities” on top of winter cuts, UC Rusal expects that during the winter season, the Chinese aluminium market balance may become very tight. As of the date of this announcement, according to SMM, around 4.2 million tonnes of illegal operating capacity have been closed.
- As expected Chinese semis exports are expected to drop in 4Q17- 1H18 due to the tight domestic market and negative export arbitrage. Thus, China's exports of aluminum semis fell 7.6% M-M (adjusted by a number of days in the months) to 358 kt in August 2017 and for second month in a row, fake extrusions exports dropped 31% YoY during 8M2017.

Net Debt

- As part of commitment to continuous deleveraging, UC RUSAL has directed part of its strong 3Q17 cash flow to repayment of debt facilities and accumulated significant cash balance for further debt reduction.
- According to management accounts, the management of the Group expects the net debt of the Group as at 30 September 2017 to be below US\$7.7 billion, subject to update by the Company upon issue of the reviewed quarterly financial information as at and for the three and nine months ended 30 September 2017.

KEY OPERATING DATA

GROUP PRODUCTION DATA⁷

('000 tonnes)	3Q17	2Q17	Change, %	9M17	9M16	Change 9M, % (YoY)
			(QoQ)			
Aluminium	931	921	1.1%	2,763	2,756	0.3%
<i>utilisation rate</i>	95%	95%		95%	95%	
Aluminium foil and packaging products	25.5	26.0	-2.0%	74.7	62.2	20.07%
Alumina	1,965	1,928	1.9%	5,783	5,588	3.50%
Bauxite	2,742	3,090	-11.3%	8,701	9,346	-6.9%
Nepheline	1,125	1,111	1.2%	3,291	3,454	-4.7%

GROUP SALES DATA

('000 tonnes)	3Q17	2Q17	Change, %	9M17	9M16	Change 9M, % (YoY)
			(QoQ)			
Aluminium sales	968	1,002	-3.4%	2,955	2,896	2.0%
incl						
BOAZ aluminium						
product sales	37	37	0.0%	108	109	-0.9%
other third party						
aluminium products						
sales	42	40	5.0%	127	50	154.0%
<i>Realized price,</i>						
<i>US\$/tonne</i>	2,124	2,081	2.1%	2,051	1,711	19.9%
<i>LME QP component</i>	1,962	1,907	2.9%	1,888	1,550	21.8%
<i>Realised premium</i>	162	174	-7.0%	163	161	1.2%
VAP sales in tonnes	479	493	-2.8%	1,407	1,277	9.2%
<i>Share of VAP</i>	50%	49%	1.3%	48%	44%	9.9%

⁷ Unless stated otherwise the production data throughout the report is presented on equity-adjusted basis (for exceptions please refer to the data of the Boguchansky smelter and Boguchanskaya HPP). Production volumes are calculated based on the pro rata share of the Company's (and its subsidiaries') ownership.

ALUMINIUM PRODUCTION

('000 tonnes)	Interest	3Q17	2Q17	Change,	9M17	9M16	Change
				%			(YoY)
				(QoQ)			(YoY)
Russia (Siberia)							
Bratsk aluminium smelter	100%	254	251	1.1%	753	752	0.1%
Krasnoyarsk aluminium smelter	100%	255	253	0.6%	761	768	-0.8%
Sayanogorsk aluminium smelter	100%	134	134	0.0%	398	395	0.8%
Novokuznetsk aluminium smelter	100%	54	54	1.1%	161	159	0.9%
Irkutsk aluminium smelter	100%	105	104	0.8%	313	310	0.7%
Khakas aluminium smelter	100%	73	73	0.6%	218	219	-0.5%
Russia — Other							
Volgograd aluminium smelter	100%	4	1	717.3%	5	—	
Nadvoitsy aluminium smelter	100%	3	3	1.5%	9	9	-3.7%
Kandalaksha aluminium smelter	100%	18	18	0.5%	54	51	5.7%
Sweden							
Kubikenborg Aluminium (KUBAL)	100%	31	31	-1.0%	92	93	-1.2%
Total production		931	921	1.1%	2,763	2,756	0.3%
<i>Remelting of third-party primary aluminium at Volgograd smelter</i>		6	6	-6.8%	18	30	-39.4%
Total aluminium products output including remelting		937	927	1.1%	2,781	2,785	0.2%

Foil and packaging production results

('000 tonnes)	Interest	3Q17	2Q17	Change,	9M17	9M16	Change
				%			(YoY)
				(QoQ)			9M, %
Russia							
Sayanal	100%	9.7	10.1	-4.3%	28.8	25.2	14.6%
Ural Foil	100%	6.3	6.2	0.7%	18.4	12.5	47.4%
Sayana Foil	100%	1.0	0.8	14.7%	2.6	2.4	8.2%
Armenia							
Armenal	100%	8.6	8.9	-2.9%	24.8	22.1	12.1%
Total production		25.5	26.0	-2.0%	74.7	62.2	20.1%

Other aluminium products output and silicon output

('000 tonnes)	3Q17	2Q17	Change,	9M17	9M16	Change
			%			(YoY)
			(QoQ)			9M, %
Secondary alloys	7.2	6.6	8.5%	2.0	18.7	11.9%
Silicon	14.1	12.3	14.5%	40.6	43.8	-7.3%
Powder	5.0	5.0	-1.5%	14.6	14.4	1.3%

ALUMINA PRODUCTION

('000 tonnes)	Interest	3Q17	2Q17	Change, % (QoQ)	9M17	9M16	Change 9M, % (YoY)
Ireland							
Aughinish Alumina	100%	497	480	3.6%	1,448	1,458	-0.7%
Jamaica							
Alpart	100%	—	—		—	—	
Windalco	100%	149	134	11.3%	429	453	-5.4%
Ukraine							
Nikolaev Alumina Refinery	100%	416	431	-3.5%	1,244	1,103	12.8%
Italy							
Eurallumina	100%	—	—		—	—	
Russia							
Bogoslovsk Alumina Refinery	100%	252	238	5.7%	725	712	1.8%
Achinsk Alumina Refinery	100%	234	230	1.8%	707	702	0.7%
Urals Alumina Refinery	100%	230	227	1.2%	667	598	11.4%
Boxitogorsk Alumina Refinery	100%	—	—		—	—	
Guinea							
Friguia Alumina Refinery	100%	—	—		—	—	
Australia (JV)							
Queensland Alumina Ltd	20%	187	189	-0.9%	563	562	0.2%
Total alumina production		1,965	1,928	1.9%	5,783	5,588	3.5%

BAUXITE MINING

('000 tonnes)	Interest	3Q17	2Q17	Change,	9M17	9M16	Change
				%			(YoY)
				(QoQ)			9M, %
Jamaica							
Alpart	100%	—	—		—	69	-100%
Windalco	100%	476	504	-5.5%	1,483	1,544	-3.9%
Russia							
North Urals	100%	548	616	-11.0%	1,753	1,760	0.4%
Timan	100%	839	887	-5.5%	2,449	2,396	2.2%
Guinea							
Friguia	100%	—	—		—	—	
Kindia	100%	717	806	-11.0%	2,295	2,733	-16.0%
Guyana							
Bauxite Company of Guyana Inc.	90%	161	276	-41.6%	721	844	-14.5%
Total bauxite production		2,742	3,090	-11.3%	8,701	9,346	-6.9%

Nepheline ore production⁸

('000 tonnes wet)	Interest	3Q17	2Q17	Change,	9M17	9M16	Change
				%			(YoY)
				(QoQ)			9M, %
Kiya Shaltyr Nepheline Syenite	100%	1,125	1,111	1.2%	3,291	3,454	-4.7%

⁸ Nepheline ore used as a feedstock for alumina production at the Achinsk alumina refinery.

JOINT VENTURE OPERATING RESULTS

('000 tonnes wet)	Interest	3Q17	2Q17	Change,	9M17	9M16	Change,
				%			(QoQ)
Boguchanskaya HP							
Electricity							
generation, mwh	50%	3,716	3,572	4.0%	10,463	10,517	-0.5%
Boguchanskiy aluminium smelter							
Aluminium							
production ('000 tons)	50%	37	37	1.2%	111	112	-0.9%
Bogatyr Komir and Bogatyr Trans							
Coal production							
(50%) (Kt)	50%	5,212	4,114	26.6%	14,397	11,502	25.1%
Transportation							
volumes (50%) (Kt of transportation)	50%	1,499	1,458	2.8%	4,524	4,573	-1.1%

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

23 October 2017

As at the date of this announcement, the executive Directors are Mr. Oleg Deripaska, Mr. Vladislav Soloviev and Mr. Siegfried Wolf, the non-executive Directors are Mr. Maxim Sokov, Mr. Dmitry Afanasiev, Mr. Ivan Glaserberg, Mr. Maksim Goldman, Ms. Gulzhan Moldazhanova, Mr. Daniel Lesin Wolfe, Ms. Olga Mashkovskaya and Ms. Ekaterina Nikitina and Mr. Marco Musetti, and the independent non-executive Directors are Mr. Matthias Warnig (Chairman), Mr. Philip Lader, Dr. Elsie Leung Oi-sie, Mr. Mark Garber, Mr. Dmitry Vasiliev and Mr. Bernard Zonneveld.

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