RUSAL

UNITED COMPANY RUSAL PLC

(Incorporated under the laws of Jersey with limited liability)

(Stock Code: 486)

ANNUAL RESULTS ANNOUNCEMENT FOR YEAR ENDED 31 DECEMBER 2010

Key highlights

- Net profit of US$2,867 million for 2010 compared to net profit of US$821 million for 2009.
- Revenue increased by 34.5% to US$10,979 million as a result of higher aluminium market prices.
- Total investments[1] in development of existing facilities and construction of new assets amounted to US$798 million.
- Adjusted EBITDA[2] increased by 335.7% to US$2,597 million due to increased weighted-average realised prices and sales volumes.
- Net Debt[3] reduced to US$11,472 million.
- The market value of the Group's[4] investment in OJSC MMC Norilsk Nickel ("Norilsk Nickel") increased by 66.8% in 2010. The market capitalisation of the investment exceeded US$11 billion[5] as of 31 December 2010.

An identical form of this announcement, to which the audited consolidated financial statements of UC RUSAL for the year ended 31 December 2010 will be attached, will be simultaneously lodged with, and published on the website of, The Stock Exchange of Hong Kong Limited.

The audited consolidated financial statements of UC RUSAL for the year ended 31 December 2010, which were approved by the directors of UC RUSAL on 30 March 2011, have been filed with the French Autorité des marchés financiers and are accessible on UC RUSAL's website at http://rusal.ru/en/fin_statements.aspx

1 Calculated as acquisition of property, plant and equipment, acquisition of intangible assets and contributions to jointly controlled entities.

2 Adjusted EBITDA for any period is defined as results from operating activities adjusted for amortization and depreciation, impairment charges and loss on disposal of property, plant and equipment.

3 Net Debt is calculated as Total Debt less cash and cash equivalents as at the end of any period. Total Debt refers to UC RUSAL's loans and borrowings at the end of any period.

4 Group means UC RUSAL and its subsidiaries from time to time, including a number of production, trading and other entities controlled by UC RUSAL directly or through its wholly owned subsidiaries.

5 Source: RTS (Russian Trading System) closing price for the last trading day of the year.

Statement from the CEO

2010 saw UC RUSAL deliver excellent financial performance with both revenue and profits showing substantial gains on our 2009 results. This strong growth was driven by a significant increase in demand and prices for our metals which we were able to meet through productivity enhancement programs, enabling the Group to remain as the world's leading aluminium producer at the end of 2010.

UC RUSAL exceeded its 2010 debt repayment obligations and an extremely strong operating performance across the Group ensured a significant decrease to our Net Debt to EBITDA ratio and increased our strategic flexibility and development capabilities. This enabled us to respond to improving market conditions by launching new and restarting previously idled operations as well as moving ahead with our large-scale investment projects.

With an additional 1.3 million tonnes of technologically-advanced and environmentally friendly smelting capacity in the pipeline and further growth projects planned, UC RUSAL is ideally positioned to take advantage of the encouraging outlook for aluminium prices and increasing consumer demand. I am confident that the year ahead will see UC RUSAL strengthen its world leadership position.

Oleg Deripaska
CEO
30 March 2011

Key selected data	Year ended 31 December 2010	2009	Change year-on-year (%)
Aluminium and alumina price information			
(US$ per tonne)			
Aluminium price per tonne quoted on the LME[6]	2,173	1,668	30.3%
Alumina price per tonne[7]	333	244	36.5%
Key operating data[8]			
('000 tonnes) unless otherwise indicated			
Aluminium	4,083	3,946	3.5%
Alumina	7,840	7,279	7.7%
Bauxite (million tonnes wet)	11.8	11.3	4.4%
Aluminium foil and packaging products	81.4	69.8	16.6%
Selected data from consolidated statement of income			
(US$ million) unless otherwise indicated			
Revenue	10,979	8,165	34.5%
Cost of sales	(7,495)	(6,710)	11.7%
of which energy costs	*(1,972)*	*(1,880)*	*4.9%*
Gross profit	3,484	1,455	139.5%
Distribution expenses	(553)	(566)	(2.3%)
Administrative expenses	(762)	(713)	6.9%
Impairment of non-current assets	(49)	(68)	(27.9%)
Results from operating activities	2,031	(63)	NA
margin (% of revenue)	*18.5%*	*(0.8%)*	
Adjusted EBITDA	2,597	596	335.7%
margin (% of revenue)	*23.7%*	*7.3%*	

6 Represents the average of the daily closing official London Metals Exchange ("LME") prices for each period.

7 The average alumina price per tonne provided in this table is based on the daily closing spot prices of alumina FOB EU as reported by Metal Bulletin each Wednesday and Friday.

8 UC RUSAL assets also include two quartzite mines, one fluorite mine, two coal mines, one nepheline syenite mine and two limestone mines. UC RUSAL also has three aluminium powder metallurgy plants and produces cryolite, aluminium fluoride and cathodes.

Key selected data	Year ended 31 December 2010	2009	Change year-on-year (%)
Finance income	99	1,321	(92.5%)
Finance expenses	(1,529)	(1,987)	(23.0%)
Share of profits/(losses) and impairment of associates	2,435	1,417	71.8%
Income tax	(144)	(18)	700.0%
Net profit for the year	2,867	821	249.2%
Selected data from consolidated statement of financial position			
(US$ million)			
Total assets	26,525	23,886	11.0%
Total working capital[9]	2,122	1,477	43.7%
Net Debt	11,472	13,633	(15.9)%
Selected data from consolidated statement of cash flows			
(US$ million)			
Net cash flows generated from operating activities	1,738	1,286	35.1%
Net cash flows used in investing activities	(442)	(301)	46.8%
of which capex[10]	*(361)*	*(239)*	*51.0%*
of which contribution to BEMO[11]	*(431)*	*(176)*	*144.9%*
Selected ratio			
Net Debt to Adjusted EBITDA	4.4:1	22.9:1	NA

9 Total working capital is defined as inventories plus trade and other receivables minus trade and other payables.

10 Capex is defined as payments for the acquisition of property, plant and equipment.

11 Including refinancing of BEMO facility in an amount of US$208 million and repayment of the BEMO loan in an amount of US$52 million out of IPO proceeds in accordance with the terms of the International Override Agreement.

Overview of trends in industry and business

Aluminium industry in 2010 and UC RUSAL's industry view and outlook

The aluminium market demonstrated significant price volatility during 2010, with prices below US$2,000 per tonne at times and reaching maximum levels around US$2,500 per tonne.

Demand for aluminium continued to improve throughout 2010 driven by strong economic activity in Germany, South America and Asia. Demand in the USA and Japan stabilised in the second half of 2010 following an increase in consumption driven by the automotive and engineered products sectors. Global auto production accounted for 35% of aluminium consumption, which had reached the pre-crisis level of 73.4 million tonnes and was supported by aggressive Chinese and US car sales growth of 33% and 35% respectively.

Underlying demand for consumer products, including packaging and beverage cans, continued to support the rolled products segment.

Investors' appetite for commodities remained strong with oil reaching above US$90 per barrel and copper reaching above US$9,000 per tonne in December 2010 and aluminium prices rose as a consequence. The US dollar weakened over December 2010, also supporting the increase in aluminium prices.

Based on robust demand growth for aluminium from China and the recovery of physical demand in the USA, Europe and Japan demand for aluminium in 2010 surged by around 14% from 2009 levels to 40.6 million tonnes. Worldwide production of primary aluminium in 2010 was 40.4 million tonnes, 9% higher than the 37.0 million tonnes of production in 2009.

UC RUSAL expects strong global demand for aluminium to continue in 2011 with 8% growth to 43.8 million tonnes. The emerging markets of China, Brazil, India and Russia will be driving the growth of aluminium consumption in 2011. Total underlying demand in China will reach 18.5 million tonnes in 2011 and remain strong, with aluminium consumption growth expected to be 12%. The transportation industry remains the key driver of aluminium consumption growth in China.

It is estimated that more than 15% of China's domestic capacity is unprofitable at the current aluminium price due to the increase in domestic electricity tariffs, higher raw material costs and wage inflation. Curtailment expectations have been further fuelled by the Chinese government's restrictions on outdated facilities and the strengthening currency. These factors led to a reduction in production of 2.5 million tonnes in 2010. UC RUSAL believes that this closed capacity will not be fully restarted in the first half of 2011 due to power restrictions. Therefore, UC RUSAL forecasts that China will gradually increase its dependence on imports of primary aluminium, potentially reaching 3 to 4 million tonnes by 2015.

Indian primary aluminium consumption is forecasted to grow by 16% in 2011. Urbanisation and industrialisation of India should drive the country's aluminium demand. The growth of demand will be supported by spending on electricity transmission lines, roads, rail and irrigation schemes. At the same time Indian automotive production is forecasted to grow at an average annual rate of 12.4% per annum over the period 2011 to 2013.

In Latin America, Brazil accounts for half of the continent's primary aluminium consumption. Brazil's automotive sector production is expected to grow at an average rate of 5.5% per annum over the period 2011 to 2013 and appears to be the major driving force of aluminium demand in the region.

UC RUSAL expects its Russian and CIS market sales to grow by about 22% to 0.9 million tonnes in 2011, mainly driven by a strong rebound in the machinery, construction and packaging industries. Looking forward, infrastructure spending for the construction of roads, buildings and transportation facilities is expected to support further aluminium growth in the medium to longer term together with large-scale projects such as the 2014 Winter Olympic Games and the hosting of the 2018 Football World Cup that was recently awarded to Russia. The Company expects Russia's cumulative annual compound growth rate for aluminium consumption between 2011 and 2015 to be 8%.

UC RUSAL expects aluminium prices to maintain the level of US$2,500 to US$2,600 per tonne throughout 2011 and be supported by positive underlying demand, whilst the continuing weakness of the US dollar supports the investment into tangible assets from investors.

Premiums

Regional premiums reflect the improvement in current physical demand and limited access to available metal in the traded market. Premiums are forecasted to continue at current levels in 2011 with the Duty Unpaid European Premium at US$110 to US$135 per tonne and the US Premium trading at US$130 to US$150 per tonne, Midwest delivered. In Japan and Korea, premiums are expected to be at the level of US$105 to US$115 per tonne, reflecting readier access to nearby stocks of the metal.

Alumina market

The Company saw strong growth in alumina prices in 2010 up to US$367 per tonne as more third party alumina sales were tracking spot market prices as global producers tried to de-link the alumina price from aluminium. UC RUSAL expects the strong growth in alumina prices to continue in 2011 and the alumina spot market price to reach a level of US$450 per tonne in 2011 based on strong Chinese and other regions' demands.

In August, UC RUSAL commenced selling its free alumina at prices formed by a basket of indices including Metal Bulletin, CRU and Platts.

UC RUSAL believes that alumina contract prices and the LME aluminium price should be de-linked as they do not fully reflect growing production costs and capital expenditure. De-linking the alumina price from the aluminium price should promote fair pricing for this raw material and create new investment opportunities.

Aluminium stocks

Most LME aluminium stocks (around 75%) are covered by financial transactions and not available to aluminium consumers.

Financial deals in November and December were less attractive due to lower contango and 270 thousand tonnes of off-warrant metal were moved to LME registered warehouses (as owners of LME warehouses offer premiums to store aluminium sourced from off-warrant warehouses).

In the case of longer futures LME contracts, the contango improved from US$25 to US$30 per tonne towards the end of 2010 and the number of financial deals with longer maturities remained stable in 2010.

UC RUSAL does not expect a significant influx of aluminium from LME warehouses in 2011 as aluminium prices remain strong, the aluminium market is improving and most financial transactions linked to stocks are being retained by financial investors as long term investments.

For all significant events that occured after the reporting date refer to note 36 of the consolidated financial statements.

Norilsk Nickel investment

According to the consensus forecast[12] Norilsk Nickel's net income for 2010 is expected to increase to US$5,396 million from US$2,651 million for 2009. The market value of UC RUSAL's stake in Norilsk Nickel increased by 66.8% from US$6,707 million as at 31 December 2009 to US$11,186 million as at 31 December 2010 due to positive share price performance in the reported year.

UC RUSAL notes that its joint auditors, ZAO KPMG and KPMG have issued a qualified audit opinion on the consolidated financial statements of UC RUSAL for the year ended 31 December 2010 as Norilsk Nickel's consolidated financial statements for the year ended 31 December 2010 were not yet available as of the date of approval of UC RUSAL's consolidated financial statements. Therefore UC RUSAL's joint auditors were unable to obtain sufficient appropriate audit evidence in relation to the Group's estimate of its share in profit and other comprehensive income of Norilsk Nickel for the year ended 31 December 2010 and carrying value of the Group's investment in Norilsk Nickel as at 31 December 2010.

An extract from the Independent Auditor's Report provided by the joint auditors on the consolidated financial statements of UC RUSAL for the year ended 31 December 2010 is as follows:

"Basis for Qualified Opinion

As explained in Note 17 to the consolidated financial statements, the Group has estimated its share of profit and other comprehensive income of its associate, OJSC MMC Norilsk Nickel ("Norilsk Nickel"), for the year ended 31 December 2010 based on the latest publicly available information reported by Norilsk Nickel adjusted by the Group to account for Norilsk Nickel's performance in the remaining part of the reporting period. As a result of the consolidated financial statements of Norilsk Nickel for the year ended 31 December 2010 not being available, we were unable to obtain sufficient appropriate audit evidence in relation to the Group's estimate of the

[12] Bloomberg Consensus Net Income GAAP at 26/03/2010 — GMKN RU.

share of profit and other comprehensive income of Norilsk Nickel of USD2,451 million and USD20 million, respectively, for the year ended 31 December 2010, and the carrying value of the Group's investment in Norilsk Nickel of USD10,671 million as at 31 December 2010 and the summary financial information of associates disclosed in Note 17. As a result, we were unable to determine whether adjustments might have been found to be necessary in respect of interests in associates, and the elements making up the Consolidated Statement of Income, the Consolidated Statement of Comprehensive Income and the Consolidated Statement of Changes in Equity."

A further announcement may be made by UC RUSAL when Norilsk Nickel publishes its 2010 consolidated financial statements.

Financial Overview

Revenue

Revenue increased by 34.5% to US$10,979 million in 2010 compared to US$8,165 million in 2009. This was primarily due to increased sales of primary aluminium and alloys, which accounted for 83.9% and 82.9% of UC RUSAL's revenue for the years ended 31 December 2010 and 31 December 2009, respectively.

	Year ended 31 December 2010			**Year ended 31 December 2009**		
	US$ million	*kt*	*Average sales price (US$/tonne)*	*US$ million*	*kt*	*Average sales price (US$/tonne)*
Sales of primary aluminium and alloys	9,208	4,085	2,254	6,770	4,069	1,664
Sales of alumina	597	1,845	324	410	1,640	250
Sales of foil	293	79	3,709	243	70	3,471
Other revenue[13]	881	—	—	742	—	—
including bauxite	*14*	—	—	*28*	—	—
including other revenue	*867*	—	—	*714*	—	—
Total revenue[(1)]	**10,979**			**8,165**		

(1) Revenue derived from related parties represented 45% of UC RUSAL's total revenue for the year ended 31 December 2010.

13 Including chemicals and energy

Sales of primary aluminium and alloys increased by 36.0% primarily due to an increase in average realised price per tonne (by 35.5% year-on-year). Sales volumes increased by 16 thousand metric tonnes or 0.4% from 4,069 thousand metric tonnes in 2009 to 4,085 thousand metric tonnes in 2010.

Revenue from sales of alumina increased by 45.6% to US$597 million in 2010 from US$410 million in 2009. The increase in revenue was primarily attributable to the significant increase in average realised price. In 2010, UC RUSAL continued to sell alumina to external parties only under specific long-term contracts. Average sales price increased by 29.6% in 2010 as compared to 2009. The sales volume increased by 12.5% to 1,845 thousand metric tonnes in 2010.

Revenue from sales of foil increased from US$243 million in 2009 to US$293 million in 2010, which accounted for 3.0% and 2.7% of UC RUSAL's revenue for 2009 and 2010, respectively. Production volumes remained relatively stable with a slight increase of approximately 17% in 2010 while sales volume grew from 70 thousand metric tonnes in 2009 to 79 thousand metric tonnes in 2010. The increase in revenue from the sales of foil was primarily due to an increase in the average realised price.

Revenue from other sales, excluding bauxite, increased to US$867 million or by 21.4% in 2010 from US$714 million in 2009. The main factors contributing to the increase in revenue from other sales were increases in prices and volumes of various by-products and secondary materials, including silicon, hydrate, soda, aluminium powders and electricity following the overall recovery in the global economy and the resulting increase in capacity of a number of the Group's production entities.

UC RUSAL maintained sales to markets with higher premiums above LME aluminium prices, increasing the share of total sales to Asia, America and utilising growing demand in domestic Russia and the CIS markets. Sales to Europe continued to occupy the largest share of revenue from aluminium sales as the region with the highest premiums. The average premium of US$108 per tonne in 2010 was higher than the US$55 per tonne premium in 2009.

Cost of sales

(US$ million)	Year ended 31 December 2010	2009	Change year-on-year (%)
Cost of alumina	1,120	982	14.1%
Cost of bauxite	414	374	10.7%
Cost of other raw materials and other costs	2,605	2,253	15.6%
Energy costs	1,972	1,880	4.9%
Depreciation and amortisation	473	554	(14.6%)
Personnel expenses	735	774	(5.0%)
Repairs and maintenance	132	115	14.8%
Change in asset retirement obligations	17	29	(41.4%)
Net change in provisions for inventories	27	(251)	NA
Total cost of sales	**7,495**	**6,710**	**11.7%**

Cost of sales increased by US$785 million, or 11.7%, to US$7,495 million in 2010, compared to US$6,710 million in 2009. The increase was in line with the overall growth in production and sales volumes of both aluminium and alumina and the increase of purchase prices and transportation tariffs for raw materials.

Cost of other raw materials and other costs increased by US$352 million or 15.6% from US$2,253 million in 2009 to US$2,605 million in 2010 primarily due to the overall growth in materials purchase price. Energy costs increased by US$92 million, or 4.9%, to US$1,972 million in 2010 compared to US$1,880 million in 2009. The increase in electricity costs over the period resulted primarily from the growth of the weighted-average electricity tariff and increased consumption. The increase in the weighted-average electricity tariff was mainly due to continued market liberalisation and increased share of electricity sold through the wholesale market. Electricity tariffs are generally quoted in RUR[14] and increased in line with the Russian consumer price index. As a percentage of revenue, energy costs decreased from 23.0% in 2009 to 18.0% in 2010.

As a percentage of revenue, cost of sales decreased from 82.2% in 2009 to 68.3% in 2010.

[14] RUR means Ruble, the lawful currency of the Russian Federation

Gross profit

UC RUSAL reported a gross profit of US$3,484 million and US$1,455 million in 2010 and 2009 respectively, representing gross margins of 31.7% and 17.8% respectively.

Distribution expenses

Distribution expenses decreased by 2.3% to US$553 million in 2010, compared to US$566 million in 2009. This insignificant decrease was mainly due to reduction in transportation expenses through optimising logistics schemes, expanding the transportation range, choosing new routes, selecting transport operators on a tender basis and negotiating new transportation terms.

Administrative expenses

Administrative expenses increased by 6.9% to US$762 million in 2010, as compared to US$713 million in 2009. Personnel costs recorded under administrative expenses increased by 60.2% to US$362 million in 2010 from US$226 million in 2009. This was primarily due to the share-based compensation paid to the CEO and certain members of senior management following the successful completion of the Global Offering[15] in January 2010.

Loss on disposal of property, plant and equipment

Loss on disposal of property, plant and equipment increased from US$5 million in 2009 to US$19 million in 2010. As a percentage of revenue, loss on disposal of property, plant and equipment increased from 0.1% in 2009 to 0.2% in 2010.

Impairment of non-current assets

Based on the results of impairment testing, management has concluded that no impairment or reversal of previously recorded impairment of property, plant and equipment and intangible assets should be recorded in 2010, except for impairment of specific items that were no longer considered recoverable at 31 December 2010.

[15] Global Offering means the offering by UC Rusal of new shares for subscription or purchase to certain eligible investors in Hong Kong and other jurisdictions at an offer price of HK$10.80 per share, which was completed on 27 January 2010.

Other operating expenses

Other operating expenses decreased by 57.8% to US$70 million in 2010 compared to US$166 million in 2009. The decrease was primarily due to the reversal of certain provisions for trade and other receivables and tax contingencies that was partially offset by the increase in provisions for legal claims mostly connected with litigation with UC RUSAL's counterparties, in particular transportation companies.

Results from operating activities

UC RUSAL reported a profit from operating activities of US$2,031 million in 2010, as compared to a loss from operating activities of US$63 million in 2009, representing a positive operating margin of 18.5% and a negative operating margin of 0.8% respectively.

Adjusted EBITDA

Adjusted EBITDA, being results from operating activities adjusted for amortisation and depreciation, impairment charges and loss on disposal of property, plant and equipment, increased by 335.7% to US$2,597 million in 2010, as compared to US$596 million in 2009. The key influencing factors were operating results and a significant increase in market prices resulting from a recovery in economic conditions.

	Year ended 31 December		**Change year-on-year**
	2010	**2009**	**(%)**
(US$ million)			
Reconciliation of Adjusted EBITDA			
Results from operating activities	2,031	(63)	NA
Add:			
Amortisation and depreciation	498	586	(15.0%)
Impairment of non-current assets	49	68	(27.9%)
Loss on disposal of property, plant and equipment	19	5	280%
Adjusted EBITDA	**2,597**	**596**	**335.7%**

Finance income

Finance income decreased by US$1,222 million, or 92.5%, to US$99 million in 2010 as compared to US$1,321 million in 2009. Finance income in 2010 was primarily represented by a gain on fair value adjustment on financial instruments of US$57 million, foreign exchange gains of US$25 million and interest income on third party loans and deposits of US$14 million. As a percentage of revenue, finance income decreased from 16.2% in 2009 to 0.9% in 2010. Finance income in 2009 was primarily represented by a gain on debt restructuring of US$1,209 million, a gain on fair value adjustment on financial instruments of US$77 million and interest income on third party loans and deposits of US$32 million.

Finance expenses

Finance expenses decreased by 23.0% to US$1,529 million in 2010 as compared to US$1,987 million in 2009.

Interest expenses on bank loans, including other bank charges increased by US$124 million, or 12%, to US$1,157 million in 2010 compared to US$1,033 million in 2009, mainly due to the amortisation of the gain on restructuring recognised in 2009. Interest expenses on bank loans changed insignificantly, as the effect of reduction in principal amounts payable to International and Russian banks was almost fully offset by a slight increase in interest rates in 2010 subsequent to the debt restructuring.

In November and December 2009, UC RUSAL entered into long-term electricity contracts with related parties through to 2019-2021. The contract pricing contains a fixed or a cost-based component and an LME-linked price adjustment. Management has analysed the contracts and concluded that the price adjustments represent embedded derivatives which should be separated from the host contract.

The estimates of the fair value of the embedded derivatives are particularly sensitive to changes in the LME price. Loss from revaluation of embedded derivatives amounted to US$240 million and US$570 million in 2010 and 2009 respectively.

As a result of the continuing appreciation of the Ruble against the US dollar over the period, the Group reported a forex gain of US$25 million in 2010, compared to the forex loss of US$73 million recognised in 2009.

In 2010, UC RUSAL recorded US$73 million of interest expenses on payables to Onexim, as compared to US$163 million in 2009 as a result of the debt restructuring.

Interest expenses on provisions of US$20 million and US$62 million in 2010 and 2009 respectively related to interest expenses on defined benefit retirement plans and the asset retirement obligations of the Group.

Share of profits/(losses) and impairment of associates and jointly controlled entities

Share of profits and reversal of impairment of associates was US$2,435 million in 2010 and US$1,417 million in 2009. Share of profits of associates in both periods resulted primarily from UC RUSAL's investment in Norilsk Nickel.

Share of profits of jointly controlled entities was negative US$25 million in 2010 and positive US$151 million in 2009. This represents UC RUSAL's share of results and impairment in UC RUSAL's joint ventures - BEMO Project[16] and LLP Bogatyr Komir.

Profit before income tax

UC RUSAL made a profit before income tax of US$3,011 million for the year ended 31 December 2010, as compared to US$839 million for the year ended 31 December 2009.

Income tax

Income tax expense increased by US$126 million to US$144 million in 2010, as compared to an income tax expense of US$18 million in 2009.

Current tax expenses increased by US$94 million, or 103.3%, to US$185 million as at 31 December 2010, compared to US$91 million as at 31 December 2009. The increase in current tax expenses was primarily due to increased profits of the individual companies of the Group in 2010.

Deferred tax benefits decreased by US$32 million to US$41 million in 2010 as compared to US$73 million in 2009 due to the change in origination and reversal of temporary differences.

Net profit for the year

As a result of the above, UC RUSAL recorded a net profit of US$2,867 million for the year ended 31 December 2010, as compared to US$821 million for the year ended 31 December 2009.

[16] BEMO Project means the Boguchanskoye Energy and Metals project involving the construction of the BEMO HPP and the Boguchanskoye aluminium smelter.

Cash operating costs per tonne

The entire aluminium sector experienced cost inflation in 2010 and the Group was generally better off than the rest of the industry in managing its costs and maintained its position on the cost curve. The cost increases were principally driven by the following factors: energy related items, including power (partly attributable to the continued liberalisation of the Russian energy market during 2010), growing market prices for raw materials (coke, pitch, anodes) and fuel linked to increasing oil prices; LME-linked costs components due to the growth in the underlying aluminium price; and higher input costs associated with the revival of economic activity (e.g. transportation costs).

Aluminium Cash Operating Costs[17] therefore increased from an average of US$1,471 per tonne in 2009 to an average of US$1,724 per tonne for 2010, by 17% or US$253 per tonne (inclusive of exchange rate effects). Key drivers of the growth were increases of US$82 per tonne in the cost of alumina, US$47 per tonne in the cost of energy, US$66 per tonne in the cost of raw materials and US$58 per tonne in other expenses. Cost of alumina bought from third and related parties is linked to LME price, increase of which additionally contributed to growth of alumina cost between the periods. Cost of energy rose due to the liberalisation of the Russian wholesale electricity market.

The largest components of the UC RUSAL Aluminium Cash Operating Costs structure in 2010 were alumina and energy at 39% and 25% respectively, as compared to the industry average of 37% and 36% respectively. Other cost items (raw materials at 17%, payroll at 6%, transportation at 4% and other costs at 9%) were roughly in line with the industry averages.

The Group's Alumina Cash Operating Costs[18] also increased from an average of US$257 per tonne in 2009 to an average of US$277 per tonne in 2010, by 8% or US$20 per tonne. The principal factor in the overall increase in the Group's Alumina Cash Operating Costs from 2009 to 2010 was the increase in the market price of utilities (including fuel-oil and gas) as a result of a corresponding increase in market

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17 Aluminium Cash Operating Costs represent the average weighted costs of aluminium production (including maintenance costs, pot rebuild costs, capacity expansion or capacity closure costs, changes in work in progress/inventory and warehouse costs of commodity aluminium) and sales costs (including transport, security and handling), as well as general administrative costs of the Group's management company.

18 Alumina Cash Operating Costs represent the average weighted costs of calcined alumina production (including changes in inventory, work in progress and warehouse costs of commodity alumina) and sales costs (including transport, security and handling).

oil prices. Key factors contributing to the increase in Alumina Cash Operating Costs in 2010 were increases of US$18 per tonne in the cost of energy and US$5 per tonne in exchange rate effects which were partially offset by decreases of US$3 per tonne in costs of raw materials and US$1 per tonne in personnel costs.

Segment reporting

The Group has four reportable segments, which are the Group's strategic business units: Aluminium, Alumina, Energy, Mining and Metals. These business units are managed separately and results of their operations are reviewed by the CEO on a regular basis.

The core segments are Aluminium and Alumina.

	2010		**2009**	
	Aluminium	**Alumina**	**Aluminium**	**Alumina**
USD million				
Segment revenue	9,408	2,484	6,893	1,884
Segment result	2,244	49	300	(223)
Segment EBITDA[19]	2,638	135	750	(107)
Segment EBITDA margin	28.0%	5.4%	10.9%	(5.7)%

Aluminium

The Aluminium segment is involved in the production and sale of primary aluminium and related products. EBITDA margin of the segment increased to 28% in 2010 from 11% in 2009 due to a combination of rising LME prices and remaining strict cost control implemented by UC RUSAL in previous years.

Alumina

The Alumina segment is involved in the mining and refining of bauxite into alumina and the sale of alumina. EBlTDA margin of the segment increased to 5% in 2010 from negative result in 2009 representing a 32% increase in segment revenue due to growing sales volume and prices.

Assets and liabilities

UC RUSAL's total assets increased by US$2,639 million, or 11.0%, to US$26,525 million as at 31 December 2010 as compared to US$23,886 million as at 31

[19] Segment EBITDA for any period is defined as segment result adjusted for amortisation and depreciation for the segment.

December 2009. The increase in total assets mainly resulted from the increase in interests in associates and jointly controlled entities and inventories, partly offset by a decrease in property, plant and equipment.

Total liabilities decreased by US$2,485 million, or 14.2%, to US$15,069 million as at 31 December 2010 as compared to US$17,554 million as at 31 December 2009. The decrease was mainly due to the partial repayment of the outstanding debt of the Group, including of US$2,143 million out of the IPO proceeds (together with certain restructuring fees). Total Debt has been reduced to US$12.0 billion in 2010.

Capital expenditure

UC RUSAL recorded total capital expenditure of US$367 million in 2010 (including pot rebuilds of US$140 million). UC RUSAL's capital expenditure in 2010 was aimed at maintaining existing production facilities, with the exception of the BEMO Project.

The table below shows the breakdown of UC RUSAL's capital expenditure by business segments (excluding acquisitions) in the years ended 31 December 2010 and 31 December 2009.

	Year ended 31 December	
	2010	**2009**
(US$ million)		
Aluminium	234	164
Alumina	115	62
Energy	3	8
Other operations	15	10
Total capital expenditure	**367**	**244**

As a result of the approval received from the international lenders under the International Override Agreement[20] in March 2011, UC RUSAL's capital expenditure covenants for 2011 provided in the International Override Agreement were increased to the total amount of US$692 million (excluding VAT), including certain development and maintenance capital expenditure.

[20] International Override Agreement means the international override agreement entered into by UC RUSAL and certain members of the Group on 7 December 2009 with certain international banks.

The expected source of funding within the International Override Agreement framework is operating cashflow from UC RUSAL's operations.

Although the debt restructuring agreements generally prohibit UC RUSAL from incurring capital expenditure in relation to any projects until the end of the Override Period[21], in relation to the BEMO Project and the Taishet aluminium smelter, the International Override Agreement permits UC RUSAL to fund the projects on a project finance basis or through certain equity investments. In July 2010, VEB approved project financing for the completion of the construction of the BEMO Project in the amount of RUR50 billion (approximately US$1.7 billion). In December 2010, and subsequent to the year end, the companies of the BEMO Project have drawn down US$88 million of the project financing. UC RUSAL is considering other alternatives such as non-recourse project finance to continue investing in the Taishet aluminium smelter.

Spending on the BEMO Project and Taishet aluminium smelter[22]

UC RUSAL's proportion of capital expenditure for the BEMO Project is 50%, with total 100% capital expenditure for the BEMO HPP[23] currently estimated at approximately US$1,769 million (UC RUSAL's share of this capital expenditure will be approximately US$884 million), of which US$1,263 million had been spent as of 31 December 2010 (UC RUSAL's share of this amounted to US$631 million). The Russian Federation's Investment Fund finances the necessary infrastructure (the cost of which are not included in the project budget). The total investment from the Investment Fund approved by the Russian Government for the BEMO Project amounted to RUR26 billion, including RUR18 billion invested in the period between 2008 and 2009 and RUR1.9 billion in 2010.

21 Override Period means the period beginning on 7 December 2009 and ending on the earlier of (i) the date on which all amounts payable by the Group to its international lenders under the international loan facilities have been paid in full and no international lender is under any further obligation under the relevant international facility documents; and (ii) the date falling 48 months after 7 December 2009.

22 Capex amounts are based on UC RUSAL's management accounts, and differ from amounts disclosed in audited consolidated financial statements as the management accounts reflect the latest best estimate of the capital costs required to complete the project whereas amounts disclosed in the consolidated financial statements reflect commitments as at 31 December 2010.

23 BEMO HPP means the Boguchanskaya hydro power plant.

The capital expenditure for the Boguchansky aluminium smelter (588,000 tonnes of aluminium per annum capacity) is currently estimated at approximately US$1,590 million (UC RUSAL's share of this capital expenditure will be approximately US$795 million).

The capital expenditure for the first start-up complex (147,000 tonnes of aluminium per annum capacity) of Boguchansky aluminium smelter is currently estimated at approximately US$826 million (UC RUSAL's share of this capital expenditure will be approximately US$413 million), of which approximately US$296 million has been incurred as of 31 December 2010 (UC RUSAL's share of this amounted to US$148 million).

The total capital expenditure for the Taishet smelter (excluding construction of the anode plant) is currently estimated at approximately US$2,437 million, of which US$551.2 million had been spent as of 31 December 2010. Construction of the smelter has been temporarily suspended as a consequence of the global economic crisis. UC RUSAL is in the process of negotiating project financing from various international lenders and Russian banks.

Outlook for 2011

Assuming the continuing restoration of the market in 2011, UC RUSAL plans to increase production of aluminium by 2% in 2011, compared to 2010. The increase is expected to include an increase in production at the Siberian smelters in Russia.

On the basis of this assumption, UC RUSAL expects to increase alumina output by 8% in 2011 compared to 2010, mainly by increasing production at the Windalco-Ewarton Plant Works in Jamaica.

Consolidated financial statements

The audited consolidated financial statements of UC RUSAL for the year ended 31 December 2010, which were approved by the directors of UC RUSAL on 30 March 2011, have been filed with the French Autorité des marchés financiers and are accessible on UC RUSAL's website at http://rusal.ru/en/fin_statements.aspx

Purchase, sale or redemption of UC RUSAL's listed securities

There has been no purchase, sale or redemption of UC RUSAL's listed securities during 2010 by UC RUSAL and any of its subsidiaries.

Code of Corporate Governance Practice

UC RUSAL adopted a Corporate Code of Ethics on 7 February 2005. Based on the recommendations of the European Bank for Reconstruction and Development and the International Finance Corporation, UC RUSAL further amended the Corporate Code of Ethics in July 2007. The Corporate Code of Ethics sets out UC RUSAL's values and principles for many of its areas of operations.

UC RUSAL formally adopted a corporate governance code which is based on the Code on Corporate Governance Practices as set out in Appendix 14 to the Hong Kong Listing Rules ("CG Code") on 11 November 2010. The directors consider that save as set out below, UC RUSAL has complied with the code provisions of the CG Code during the period commencing 27 January 2010 and ending on the date of this announcement.

Paragraph A.4.1 of the CG Code provides that non-executive directors should be appointed for a specific term, subject to re-election. Paragraph A.4.2 of the Code provides that every director, including those appointed for a specific term, should be subject to retirement by rotation at least every three years. Each of the non-executive directors signed an appointment letter with UC RUSAL with no fixed term agreed. However, UC RUSAL has substantially addressed these requirements by enshrining a term in its Articles of Association ("Articles"). Article 24.2 of the Articles of Association provides that if any director has at the start of the annual general meeting been in office for three years or more since his last appointment or re-appointment, he shall retire at the annual general meeting. As such, it is possible that a director may be in office for more than three years depending upon the timing for calling the annual general meeting.

A1.8 of the CG Code states that "If a substantial shareholder or a director has a conflict of interest in a matter to be considered by the board which the board has determined to be material, the matter should not be dealt with by way of circulation or by a committee (except an appropriate board committee set up for that purpose pursuant to a resolution passed in a board meeting) but a board meeting should be held. Independent non-executive directors who, and whose associates, have no material interest in the transaction should be present at such board meetings."

Due to the size and nature of the Board, physical meetings are scheduled approximately every two months where significant business is discussed and decided upon and, in particular, efforts are made at each meeting to include, discuss and resolve upon connected transactions and transactions in which directors may be interested due to their affiliation with major shareholders. However, UC RUSAL transacts on a regular, and usually daily, basis with affiliated entities of certain of its major shareholders and, accordingly, requires the Board to make decisions on certain matters before a next scheduled physical meeting of the Board. This is due, in large part, to the fact that the Group was born out of a merger of the aluminium and alumina assets of En+[24], SUAL Partners[25] and Glencore[26], who remain major players in those and other connected industries and continue to transact with the Group. In order to continue its business, UC RUSAL needs to continue to regularly transact with these major shareholders and entities affiliated to them and, accordingly, directors may have corresponding interests by virtue of their directorships or beneficial ownership of those major shareholders. If all decisions on such transactions were dealt with by physical meetings of the Board, UC RUSAL would struggle to continue to operate which would be detrimental to the Group and the shareholders as a whole. As a result, in 2010, there were several instances where written resolutions were circulated involving business in which directors or substantial shareholders had interests that were considered material by the Board.

Where written resolutions have been passed during the financial year, UC RUSAL has sought to comply with the spirit of A1.8 of the CG Code by adopting the following procedures: directors have declared interests by having them noted in written resolutions and either (a) pursuant to the Articles, where their interests have been determined by the Board, acting by the independent non-executive directors, to be not material (in other words, not to be expected to materially conflict with the interests of UC RUSAL), those interested directors have not been prohibited from voting on and counting in the quorum in relation to the resolution (and circulation of the written resolution in such a situation would comply with the strict wording of A1.8 of the CG Code); or (b) where the Board, acting by the independent non-executive directors, has not made such a determination, UC RUSAL has sought to ensure that interested directors do not sign the written resolution and that, if they do (by error or otherwise), their signature (if any) is not counted in the majority

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[24] En+ means En+ Group Limited, a company incorporated in Jersey and which is a shareholder of UC RUSAL.

[25] SUAL Partners means SUAL Partners Limited, a company incorporated under the laws of the Bahamas, which is a shareholder of UC RUSAL.

[26] Glencore means Glencore International AG a company incorporated in Switzerland and which is an indirect shareholder of UC RUSAL.

necessary to pass that resolution. This is possible because the Articles allow the Board to pass resolutions in writing by a majority of directors signing the resolution and therefore materially interested directors can be excluded from the decision-making process.

UC RUSAL has therefore endeavoured to follow the spirit of A1.8 of the CG Code, whilst having regard to not limiting the operational effectiveness of the Board, by seeking to ensure that, where written resolutions are passed by the Board, directors who have interests which the Board considers may materially conflict with the interests of UC RUSAL are excluded from the decision-making process. UC RUSAL intends to continue to monitor its compliance with the CG Code, in this and every area, and will strive to make improvements to its corporate governance practices where it believes improvements are necessary.

Audit committee

The board of directors of UC RUSAL ("Board") has established an audit committee to assist the Board in providing an independent view of the effectiveness of UC RUSAL's financial reporting process, internal control and risk management systems and to oversee the audit process. The audit committee consists of a majority of independent non-executive directors. They are as follows: three independent non-executive directors, being Dr. Nigel Kenny (Chairman), Mr. Philip Lader, Ms. Elsie Leung and two non-executive Directors, Mr. Alexander Popov and Mr. Dmitry Razumov.

The audit committee has reviewed the financial results of UC RUSAL for the year ended 31 December 2010.

Forward-looking statements

This announcement contains statements about future events, projections, forecasts and expectations that are forward-looking statements. Any statement in this announcement that is not a statement of historical fact is a forward-looking statement that involves known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These risks and uncertainties include those discussed or identified in the prospectus for UC RUSAL. In addition, past performance of UC RUSAL cannot be relied on as a guide to future performance. UC RUSAL makes no representation on the accuracy and completeness of any of the forward-looking statements and, except as may be required by applicable law, assumes no obligations to supplement, amend, update or revise any such statements or any opinion expressed to reflect actual results, changes in assumptions or in UC RUSAL's expectations, or changes in factors affecting these statements. Accordingly, any reliance you place on such forward-looking statements will be at your sole risk.

By Order of the board of directors of
United Company RUSAL Plc
Tatiana Soina
Director

30 March 2011

As at the date of this announcement, our executive Directors are Mr. Oleg Deripaska, Mr. Vladislav Soloviev, Mr. Petr Sinshinov, Ms. Tatiana Soina, Mr. Alexander Livshits and Ms. Vera Kurochkina, our non-executive Directors are Mr. Victor Vekselberg (Chairman), Mr. Dmitry Afanasiev, Mr. Len Blavatnik, Mr. Ivan Glasenberg, Mr. Alexander Popov, Mr. Dmitry Razumov, Mr. Anatoly Tikhonov and Mr. Artem Volynets and our independent non-executive Directors are Dr. Peter Nigel Kenny, Mr. Philip Lader, Mr. Barry Cheung Chun-Yuen and Ms. Else Leung Oi-sie.

All announcements and press releases published by United Company RUSAL Plc are available on its website under the links http://www.rusal.ru/en/stock_fillings.aspx and http://www.rusal.ru/en/press-center.aspx, respectively.