RUSAL

UNITED COMPANY RUSAL PLC

(Incorporated under the laws of Jersey with limited liability)

(Stock Code: 486)

RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2011

Key highlights

- Revenue increased by 28.4% to USD2,993 million as a result of higher aluminium and alumina market prices, as well as improved product mix and realised premiums over LME price.
- Adjusted EBITDA[1] increased by 40.6% to USD682 million due to increased weighted-average realised prices and sales volumes.
- Net profit of USD746 million[2] for the three months ended 31 March 2011 compared to net profit of USD247 million for the three months ended 31 March 2010.
- Total aluminium output amounted to 1,014 thousand tonnes for the three months ended 31 March 2011, an increase of 4.2% as compared to the three months ended 31 March 2010.
- Alumina output totaled 1,996 thousand tonnes for the three months ended 31 March 2011, an increase of 9.5% as compared to the three months ended 31 March 2010.

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

2 Net profit includes the gain on revaluation of embedded derivatives of USD715 million and the related tax expense of USD143 million.

- Bauxite production totaled 3,139 thousand tonnes for the three months ended 31 March 2011 and increased by 20.1% as compared to the three months ended 31 March 2010.

- In the first three months ended 31 March 2011, the Company reduced its obligations under the debt restructuring agreements by USD860 million including a repayment of USD530 million out of the proceeds from the Russian ruble denominated bonds issue in March 2011.

- Reduction of Total Net Debt[3] resulted in a decrease in the Company's Leverage ratio below 4:1 that would lead to a decrease in interest margin.

[3] Total Net Debt has the meaning given in the International Override Agreement.

STATEMENT FROM THE CEO

The first quarter of 2011 was a difficult one for aluminium producers, and our financial results reflect the current situation in the global aluminium industry and in the Russian economy. On the one hand, high inflation has had a negative impact on all aluminium producers, with UC RUSAL coming under particular pressure due to the sharp rise in energy tariffs in Russia in the first quarter of 2011. The company is taking a number of steps to mitigate the impact of escalating tariffs through the negotiating of new long-term electricity supply contracts, and the development of our own energy base. At the same time we continued to work to increase the efficiency of our business, which enabled us to keep the cost of sales at the level of the fourth quarter of last year.

On the other hand, the increasing demand for aluminium, supported by a return to pre-crisis rates of growth of the global economy, has seen a steady growth of aluminum prices, which in the first quarter exceeded our expectations. In this regard, we have revised our forecast and now expect that the average price for aluminium in 2011 will be above 2,700 per tonne. UC RUSAL is well positioned to take advantage of the strengthening price of aluminium by increasing production and launching new facilities, such as the Boguchansky and Taishet aluminium smelters.

UC RUSAL has a solid foundation in place, as well as a favorable situation in global markets, due to growth of the economically active population, urbanisation and the increased use of aluminium as the metal of choice in the transport sector due to its unique characteristics, create good conditions for the growth of the Company's value in the interest of all shareholders.

Oleg Deripaska
CEO
11 May 2011

Key selected data	**Three months ended 31 March 2011**	**31 March 2010**	**Change year-on-year (%)**
Aluminium and alumina price information			
(USD per tonne)			
Aluminium price per tonne quoted on the LME[4]	2,503	2,163	15.7%
Alumina price per tonne[5]	388	327	18.7%
Average premiums over LME price	153	83	84.3%
Key operating data			
('000 tonnes)			
Aluminium	1,014	973	4.2%
Alumina	1,996	1,822	9.5%
Bauxite	3,139	2,613	20.1%
Aluminium foil and packaging products	20.1	19.2	4.7%
Selected data from consolidated statement of income	*(unaudited)*	*(unaudited)*	
(USD million) unless otherwise indicated			
Revenue	2,993	2,331	28.4%
Cost of sales	(2,004)	(1,566)	28.0%
Results from operating activities	442	366	20.8%
margin (% of revenue)	*14.8%*	*15.7%*	
Adjusted EBITDA	682	485	40.6%
margin (% of revenue)	*22.8%*	*20.8%*	
Net profit for the period	746	247	202.0%
margin (% of revenue)	*24.9%*	*10.6%*	

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

5 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.

Key selected data	**As at**		**Change**
	31 March 2011	**31 December 2010**	**year-on-year (%)**
Selected data from consolidated interim condensed statement of financial position	*(unaudited)*		
(USD million)			
Total assets	28,232	26,525	6.4%
Total working capital[6]	2,190	2,122	3.2%
Net Debt[7]	11,382	11,472	(0.8%)

	Three months ended		**Change**
	31 March 2011	**31 March 2010**	**year-on-year (%)**
Selected data from consolidated interim condensed statement of cash flows	*(unaudited)*	*(unaudited)*	
(USD million)			
Net cash flows generated from operating activities	589	229	157.2%
Net cash flows used in investing activities	(98)	(310)	(68.4%)
of which capex[8]	*(112)*	*(59)*	*89.8%*
of which contribution to BEMO[9]	—	*(279)*	*NA*

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

7 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 and bonds outstanding at the end of any period.

The effect of debt reduction due to the repayment of USD324 million from the free operating cash flow and under the cash sweep mechanism was compensated by the amortisation of gain on debt restructuring in the amount of USD172 million due to the accelerated schedule of the debt repayment.

8 Capex is defined as payment for the acquisition of property, plant and equipment and intangible assets.

9 For the first quarter of 2011 contribution to BEMO is zero as a result of obtaining project financing at the end of 2010.The BEMO project companies utilise the project financing proceeds to make necessary contributions to the ongoing construction projects and do not require contributions from the joint venture partners at this time. For the first quarter of 2010 contribution to BEMO also includes refinancing of BEMO facility in an amount of USD208 million and repayment of the BEMO loan in an amount of USD52 million out of IPO proceeds in accordance with the terms of the International Override Agreement.

Overview of trends in industry and business

Aluminium industry during three months period ended 31 March 2011

Demand for aluminium continued to improve throughout the first three months of 2011 driven by strong global economic activity. Aluminium consumption in the period improved by approximately 18% to 10.9 million tonnes, compared to the same period in 2010. Worldwide production of primary aluminium in the first three months of 2011 was 10.8 million tonnes which was 7.6% higher than the 10 million tonnes of production in the first three months of 2010.

UC RUSAL continues to see strengthening fundamental demand for aluminium and further price support based on continuing global economic expansion as well as inflation in aluminium inputs including raw materials, power and labor. The aluminium price increased during the quarter to an average of USD2,503 per tonne which was up by 15.7% compared to the same period of last year.

On a regional basis, demand in the USA improved following an increase in consumption driven by the automotive and engineered products sectors, where US auto sales increased by 18% in the first three months of 2011 compared to the same period of last year. In Europe, German auto sales also grew strongly in the first quarter of 2011, up by 10% compared to the same period of last year with positive underlying demand for consumer products, including packaging and beverage cans, continuing to support the rolled products segment.

Asian economic activity during the period was dominated by the Japanese earthquake in March. However, despite major loss of life and significant disruption to infrastructure, the events have yet to fully ripple through to the aluminium industry. In China, consumption increased by 4.8% quarter on quarter which was slower than anticipated after a sluggish return from New Year holidays.

Investor appetite for commodities remained firm during the first quarter of 2011 with oil breaching USD120 per barrel and aluminium prices rising as a consequence. The US dollar also weakened over the last month which, along with an estimated of three fourths LME aluminium stocks tied in financial deals, has been supportive of price and further investment inflows.

Aluminium industry 2011 outlook

The Company has revised its global aluminium industry outlook on growing consumption in key regions.

UC RUSAL expects strong demand for aluminium to continue in 2011 with 13% growth to 46 million tonnes. The emerging markets of China, Brazil, India and Russia are expected to be driving the growth of aluminium consumption in 2011.

Total underlying demand in China is forecasted at 19 million tonnes in 2011 with aluminium consumption growth expected to be 15% year on year. The transportation industry remains the key growth driver in China with additional support from continuing urbanisation, infrastructure development and realisation of development projects. Managing the transition of major economic activity from "investment driven" to "consumption driven" remains one of the key challenges of the government during 2011.

Indian primary aluminium consumption is forecasted to grow by 16% in 2011 with urbanisation and industrialisation projects driving the country's aluminium demand. The growth in demand will be supported by spending on electricity transmission, road/rail infrastructure 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 the 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 consumption growth in the medium to the longer term. The Company expects Russia's cumulative annual compound growth rate for aluminium consumption between 2011 and 2015 to be 8%.

UC RUSAL expects the aluminium price to trade above USD2,700 per tonne throughout 2011 supported by positive underlying demand, whilst the continuing weakness of the US dollar and strong oil price outlook will support the investment into tangible assets from investors. Aluminium power cost inflation is underlined by the growth in thermal coal prices in China as well as liberalisation of the power markets in Russia.

Premiums

Regional premiums reflect the improvement in current physical demand and limited availability of stocked metal in the traded market. Premiums are forecasted to continue at current levels in 2011 with the European Premium at USD195 to USD200 per tonne and the US Premium trading at USD150 to USD180 per tonne. In Japan and Korea, premiums are expected to be at the level of USD115 to USD120 per tonne, reflecting closer access to nearby stocks of the metal. UC RUSAL does not expect a significant influx of aluminium from LME warehouses in 2011 as aluminium prices remain firm and financial transactions linked to stocks are being retained by financial investors as long term investments.

Alumina market

Alumina price continued strong growth in the first three months of 2011, up by 18.7% compared to the same period of last year to USD388 per tonne, reaching a level of USD400 per tonne in March 2011 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 USD450 per tonne in 2011 based on strong Chinese and other regions' demands as well as oil price above USD120 per barrel. In August, UC RUSAL commenced selling its free alumina at prices formed by a basket of indices including Metal Bulletin, CRU and Platts. The index increased by 27% since inception to USD404 per tonne in the first quarter of 2011.

Electricity and capacity market in Russia

Starting in January 2011, the rules and regulations of the wholesale electricity and capacity market in Russia were significantly modified. In particular and amongst other changes:

— the regulators required electricity generating companies to provide electricity to the retail sector on a subsidised basis;

— a guaranteed capacity supply concept was introduced for electricity generating companies that do not qualify in competitive bidding, resulting in an increase of the capacity tariffs for the subsidiaries of the Group[10] in Siberia that concluded direct contracts with suppliers that was partially compensated in a reduction of the capacity tariffs for other subsidiaries of the Group;

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[10] Group means UC RUSAL and its subsidiaries, including a number of production, trading and other entities controlled by UC RUSAL directly or through its wholly owned subsidiaries

— all participants of the wholesale market are now required to participate in guaranteed capacity supply through Agreements on Provision of Capacity (APC). All these initiatives resulted in partial replacement of capacity purchases that were previously executed by the Company under other agreements, including direct capacity supply contracts;

— transmission tariffs increased under the state regulation;

UC RUSAL continues to actively monitor the changes in this sector and is actively negotiating possible amendments to the current regulations. The management believes that UC RUSAL should benefit from the expected forthcoming decrease in transmission tariffs which is due to start in May 2011 as well as possible modifications in regulations for APCs that should favor UC RUSAL's position.

Cost growth — a strong cycle's side-effect

Metals and mining industry has faced strong cost pressure from the strengthening of the local currencies against US dollar and increasing oil prices.

Russian ruble appreciation and higher fuel and energy costs (on the back of the stronger oil price) have become important factors for the metals and mining industry in Russia recently, given a 6.7% year-to-date ruble appreciation and 22.7% year-to-date growth in oil prices in the first quarter of 2011.

These factors should not be considered on a stand-alone basis as they are followed by stronger commodity price environment which is seen for aluminium in the first quarter and the beginning of the second quarter of 2011. Besides that, high oil prices also indicate a strong industrial demand globally, so the overall impact should be generally positive.

Norilsk Nickel investment

The market value of UC RUSAL's stake in Norilsk Nickel increased by 12.3% from USD11,186 million as at 31 December 2010 to USD12,557 million as at 31 March 2011 due to positive share price performance in the reported period.

FINANCIAL OVERVIEW

Revenue

Revenue increased by 28.4% to USD2,993 million in the three months ended 31 March 2011, as compared to USD2,331 million for the same period in 2010. The increase in revenue was primarily due to increase in sales prices for primary aluminium and alloys which accounted for 83.8% of UC RUSAL's revenue for the three months ended 31 March 2011 and 83.3% for the three months ended 31 March 2010.

	Three months ended 31 March	
	2011	**2010**
	(unaudited)	*(unaudited)*
Sales of primary aluminium and alloys		
USD million	2,508	1,942
kt	*971*	*873*
Average sales price (USD/t)	2,583	2,225
Sales of alumina		
USD million	167	129
kt	*464*	*408*
Average sales price (USD/t)	*360*	*316*
Sales of foil		
USD million	73	59
Other revenue		
USD million	245	201
Total revenue	**2,993**	**2,331**

Revenue from sales of primary aluminium and alloys increased by USD566 million, or by 29.1%, to USD2,508 million in the three months ended 31 March 2011, as compared to USD1,942 million in the same period in 2010. The increase in revenue over the period resulted primarily from the rise in weighted-average realised aluminium prices, by approximately 16.1% in the three months ended 31 March 2011, as compared to the same period in 2010, due to the increase in the LME aluminium price and premiums over LME price in the different geographical segments, as well as improved product mix and an increase in the volume of sales of aluminium by 11.2%. Traditional factors influenced sales in the first quarter of 2011: that is, the harsh ice season in Russia that disrupts aluminium shipment and the shorter quarter (the first quarter is two days shorter than the last quarter of the year). As a result, UC RUSAL should see additional revenue from aluminium sales in the second quarter of 2011.

Premiums for delivery of physical metal continued to increase during the first quarter of 2011. Weighted-average realised premiums above LME aluminium prices have increased by 84.3% from USD83 per tonne in the first quarter of 2010 to USD153 per tonne in the first quarter of 2011. One of the key factors influencing higher premiums was the increased proportion of alloy production (value-added products with the higher premiums) in the total production volume, from 26% in the first quarter of 2010 to 36% in the first quarter of 2011.

Revenue from sales of alumina increased by USD38 million, or 29.5%, to USD167 million in the three months ended 31 March 2011, as compared to USD129 million in the same period in 2010. The increase in revenue in the three months ended 31 March 2011 was primarily the result of an increase in alumina weighted-average sales prices by 13.9%, in line with the rise in worldwide aluminium prices, as well as an increase in the volume of sales of alumina by 13.7%.

Revenue from sales of foil increased to USD73 million in the three months ended 31 March 2011, or by 23.7%, as compared to USD59 million in the same period in 2010, due to an increase in the average realised price during the three months ended 31 March 2011 as compared to the same period in 2010.

Revenue from other sales, including transportation and energy, increased to USD245 million in the three months ended 31 March 2011, or by 21.9%, from USD201 million in the same period in 2010. The increase in other sales in the three months ended 31 March 2011 was primarily due to an increase in sales volumes and the corresponding tariffs earned from the Group's transportation business in Kazakhstan due to an increase in coal consumption. Other factors contributing to the increase in other sales were increases in prices and volumes of various by-products and secondary materials, including silicon, 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.

Cost of sales

Consolidated cost of sales increased by 28.0% in the first quarter of 2011 as compared to the same period in 2010, in line with the revenue growth. Key reasons are discussed above in the *Overview of trends in industry and business* section.

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 to USD682 million in the three months ended 31 March 2011, as compared to USD485 million in the same period in 2010, which was mainly due to the increase in revenue.

(USD million)	**Three months ended 31 March 2011**	**2010**	**Change year-on-year (%)**
Reconciliation of Adjusted EBITDA			
Results from operating activities	442	366	20.8%
Add:			
Amortisation and depreciation	120	114	5.3%
Impairment of non-current assets	120	5	2,300.0%
Adjusted EBITDA	682	485	40.6%

Finance income and expenses

Finance income/expense changed significantly between the comparable periods to net finance income of USD298 million in the first quarter of 2011 as compared to a finance expense of USD367 million in the same period in 2010. The key factor was the gain on the change in the fair value of derivative financial instruments in the first quarter of 2011 of USD715 million. Following changes in the regulations of the electricity sector in Russia starting in 2011 discussed above, the Company assessed the impact on the existing long-term electricity contracts with related parties under common control. The Company believes that these contracts continue to represent a long-term intention to purchase electricity and capacity of up to a stated volume at a pre-agreed price, but the current circumstances of the wholesale market do not allow the Company and its counterparties to contractually commit any specific volume to be delivered under the terms of the contracts on a long-term basis except for the volumes stated in the notice regularly submitted to the administrator of trading system ("ATS"). The Company and its counterparties under the long-term electricity contracts at this time submit such notices on a monthly basis. As a result, at 31 March 2011 the Company revalued the embedded derivatives based on the contractually committed volumes of electricity and capacity in line with timeline prospective of such notices.

Net profit for the period

UC RUSAL reported a net profit of USD746 million for the three months ended 31 March 2011, as compared to a net profit of USD247 million for the same period in 2010.

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.

	Three months ended			
	31 March 2011		**31 March 2010**	
USD million	*Aluminium*	*Alumina*	*Aluminium*	*Alumina*
Segment revenue	2,570	718	1,974	542
Segment result	659	10	451	9
Segment EBITDA[11]	751	33	540	29
Segment EBITDA margin	29.2%	4.6%	27.4%	5.4%

Aluminium

The Aluminium segment is involved in the production and sale of primary aluminium and related products. EBITDA margin of the segment increased to 29.2% in the first three months of 2011 from 27.4% in the same period of 2010 due to rising of LME aluminium prices and realised premiums over LME. Total aluminium output amounted to 1,014 thousand tonnes for the three months ended 31 March 2011, an increase of 4.2% as compared to the three months ended 31 March 2010.

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 decreased to 4.6% in the three months ended 31 March 2011 from 5.4% in the same period of 2010 mainly due to the increase of cost of sales. Alumina output totaled 1,996 thousand tonnes for the

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

three months ended 31 March 2011, an increase of 9.5% as compared to the three months ended 31 March 2010. Bauxite production totaled 3,139 thousand tonnes for the three months ended 31 March 2011 and increased by 20.1% as compared to the three months ended 31 March 2010.

Consolidated interim condensed financial information

The unaudited consolidated interim condensed financial information of UC RUSAL for the three months ended 31 March 2011 was approved by the Directors of UC RUSAL on 11 May 2011, and reviewed by the Company's Audit Committee. It has also been filed with the French *Autorité des marchés financiers* on the date hereof and is accessible on UC RUSAL's website at http://rusal.ru/en/fin_statements.aspx

Material events of the first quarter of 2011

26 January 2011	The restart of works at the construction site of the Boguchansky aluminum smelter that is part of the BEMO project.
14 February 2011	Decision to restart operations at Kirkvine Plant (part of WINDALCO) in Jamaica.
1 March 2011	Book closure of the ruble bond issue, Series 07, in the amount of 15 billion rubles on MICEX.
11 March 2011	Debt prepayments made in the total amount of approximately USD835 million to the Company's international lenders, Russian lenders and Onexim Holdings Limited under the International Override Agreement. The debt prepayments were made on four separate dates, 16 February 2011, 25 February 2011, 4 March 2011 and 10 March 2011.
28 March 2011	Memorandum of Understanding signed with Xinshan Aluminum Industry Demonstration Park, China's largest organisation responsible for the development of aluminium production in the country and supported by the Chinese Government.

Events subsequent to the end of the first quarter period

14 April 2011	Book closure of the second tranche of the ruble bond issue, Series 08, by OJSC RUSAL Bratsk in the amount of 15 billion rubles.

25 April 2011	Further debt repayments in the total amount of approximately US$529 million made to international and Russian lenders. The debt prepayment in the amount of approximately USD517 million was made on 20 April 2011 with additional USD12 million prepaid until the end of April 2011.

Audit committee

The Directors have established an audit committee to assist them in providing an independent view of the effectiveness of the Company'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. The members of the audit committee are as follows: three independent non-executive Directors, being Dr. Peter Nigel Kenny (Chairman), Mr Philip Lader and Ms. Elsie Leung and two non-executive Directors, Mr. Alexander Popov, and Mr. Dmitry Razumov.

On 11 May 2011, the audit committee has reviewed the financial results of the Company for the quarter ended 31 March 2011.

Compliance

Pursuant to Article L.451-1-2 IV of the French Code monétaire et financier, the Company is required to publish quarterly financial information for the first and third quarters of the financial year.

The Directors confirm that the information contained in this announcement does not contain any false statements, misleading representations or material omissions, and all of them jointly and severally accept responsibility as to the truthfulness, accuracy and completeness of the content of this announcement.

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 risk 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

11 May 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. Elsie Leung Oi-sie.

All announcements and press releases published by the Company 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.