RUSAL

UNITED COMPANY RUSAL PLC

(Incorporated under the laws of Jersey with limited liability)

(Stock Code: 486)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

Key highlights

- Revenue increased by 12.0% to USD12,291 million for the year ended 31 December 2011, as compared to USD10,979 million for the year ended 31 December 2010, outperforming LME aluminium price growth, mainly due to an increase in average realised aluminium prices, including a record level of realised premiums of USD160 per tonne over the LME aluminium price with an increase of 48.1% over the preceding year.

- Increase in the share of value-added products output to 36% of total aluminium production in comparison to 32% for the previous year.

- Sustainable level of costs in the fourth quarter of 2011 in comparison with the previous quarter of the year. Continuing decrease of the average-weighted energy tariff throughout the year (a drop of 12.2% in the fourth quarter of 2011, as compared to that of the first quarter of 2011).

- Adjusted EBITDA[1] for the year ended 31 December 2011 of USD2,512 million is generally in line with USD2,597 million for the year ended 31 December 2010, with the immaterial decrease resulting from the revenue growth being offset by cost increases in energy and raw materials. Adjusted EBITDA margin was 20.4% and 23.7% for the respective periods, maintaining the premier position of United Company RUSAL Plc ("**UC RUSAL**" or "**the Company**") in the industry.

[1] Please refer to page 14.

- Adjusted Net Profit[2], being the major indicator of the Company's core business results, increased for the year ended 31 December 2011 by 24.6% to USD987 million as compared to USD792 million for the previous year, primarily due to the decrease in interest expenses following the Company's successful debt refinancing in 2011 and overall decrease in the outstanding debt of the Company.

- Recurring results of the Company, being Adjusted Net Profit plus effective share of Norilsk Nickel results for the year ended 31 December 2011 increased to USD1,981 million from USD1,683 million for the previous year.

- The reduction in the carrying value of the Company's investment in Norilsk Nickel, which is attributable to the sales and purchases by Norilsk Nickel of its own shares during the year, was a primary reason for the decrease in the net profit to USD237 million for the year ended 31 December 2011 compared to that of USD2,867 million for the year ended 31 December 2010.

- Completed refinancing of the Company's debt portfolio with an extended maturity profile and reduced interest margins, which allowed for improved operational and financial flexibility, including agreement on a covenant holiday. Nominal interest expense reduced by 23.5% in 2011 as compared to 2010.

- Total capital expenditure[3] amounted to USD622 million for the year ended 31 December 2011.

An identical form of this announcement, to which the audited consolidated financial statements of UC RUSAL for the year ended 31 December 2011 will not be attached, will be disseminated to the French Autorité des marchés financiers, Euronext Paris and the French market via Businesswire simultaneously with this announcement.

[2] Please refer to page 19.

[3] Please refer to page 21.

Statement of the CEO

In spite of the deterioration of the global economy during the second half of 2011, on-going cost pressures across the whole commodities sector and a particularly challenging fourth quarter in 2011, UC RUSAL delivered a solid financial performance during the year, with revenue and adjusted net profit increasing by 12.0% and 24.6%, respectively. The ability of the Company to maintain its EBITDA margin above 20% throughout the year was a testament to its focus on, and commitment to, operational efficiency and cost control across UC RUSAL.

Given the challenges the aluminium industry has faced over the past year and the uncertain near-term outlook, the successful debt refinancing and overall strengthening of the Company's financial position has had a positive impact on our financial results in 2011. Importantly, the refinanced debt portfolio with an extended maturity profile and reduced interest margins, including an option to introduce a covenant holiday, allows for more operational and financial flexibility in the future. On the production side, in 2011, the Company has continued to modernise its casting facilities in order to increase its share of value-added products, enabling us to meet growing demand from end users, while also ensuring cost efficient production across our smelters.

While the current global economic volatility, in conjunction with excessive stock levels, will continue to put pressure on aluminium prices in the near term, global aluminium demand remains well above 2009 recession levels and we anticipate that the rising influence of developing countries will ensure demand remains robust throughout 2012. The Company is committed to its long term strategic growth paths and we view the current volatility as an opportunity to focus on the development of the most efficient and environmentally-friendly capacities, underpinning UC RUSAL's position as the world's aluminium leader.

Oleg Deripaska
CEO
19 March 2012

Financial and Operating Highlights

	Quarter ended 31 December		Change quarter on quarter, % (4Q to 4Q)	Quarter ended 30 September	Change quarter on quarter, % (4Q to 3Q)	Year ended 31 December		Change year-on-year,
	2011	**2010**		**2011**		**2011**	**2010**	**%**
	unaudited	*unaudited*		*unaudited*				
Key operating data								
('000 tonnes)								
Aluminium	1,060	1,050	1.0%	1,041	1.8%	4,123	4,083	1.0%
Alumina	2,082	2,082	0.0%	2,049	1.6%	8,154	7,840	4.0%
Bauxite	3,288	3,101	6.0%	3,560	(7.6%)	13,473	11,798	14.2%
Key pricing and performance data								
('000 tonnes)								
Sales of primary aluminium and alloys	1,006	997	0.9%	1,011	(0.5%)	4,017	4,085	(1.7%)
(USD per tonne)								
Aluminium segment cost per tonne[4]	1,952	1,794	8.8%	1,980	(1.4%)	1,984	1,693	17.2%
Aluminium price per tonne quoted on the LME[5]	2,090	2,343	(10.8%)	2,399	(12.9%)	2,395	2,173	10.2%
Average premiums over LME price	159	131	21.4%	164	(3.0%)	160	108	48.1%
Alumina price per tonne[6]	329	353	(6.8%)	372	(11.6%)	374	333	12.3%
Key selected data from the consolidated statement of income								
(USD million)								
Revenue	2,806	2,950	(4.9%)	3,162	(11.3%)	12,291	10,979	12.0%
Adjusted EBITDA	382	708	(46.0%)	705	(45.8%)	2,512	2,597	(3.3%)
margin (% of revenue)	*13.6%*	*24.0%*	*NA*	*22.3%*	*NA*	*20.4%*	*23.7%*	*NA*
Net (loss)/profit for the period	(974)	1,447	NA	432	NA	237	2,867	(91.7%)
margin (% of revenue)	*(34.7%)*	*49.1%*	*NA*	*13.7%*	*NA*	*1.9%*	*26.1%*	*NA*
Adjusted Net Profit for the period	111	182	(39.0%)	351	(68.4%)	987	792	24.6%
margin (% of revenue)	*4.0%*	*6.2%*	*NA*	*11.1%*	*NA*	*8.0%*	*7.2%*	*NA*

4 For any period, "Aluminium segment cost per tonne" is calculated as aluminium segment revenue less aluminium segment results less amortisation and depreciation divided on sales volume of the aluminium segment.

5 Aluminium price per tonne quoted on the LME representing the average of the daily closing official London Metals Exchange ("**LME**") prices for each period.

6 The average alumina price per tonne provided in this table for 2011 is based on the daily closing spot prices for alumina according to Non-ferrous Metal Alumina Index FOB Australia USD per tonne and for 2010 is based on the daily closing spot prices for alumina according to Alumina Metallurgical Grade MB spot USD per tonne.

Key selected data from the consolidated statement of cash flows

	Year ended 31 December 2011	Year ended 31 December 2010	Change year-on-year, %
(USD million)			
Net cash flows generated from operating activities	1,781	1,738	2.5%
Net cash flows used in investing activities	(299)	(442)	(32.4%)
of which dividends from Norilsk Nickel	*279*	*295*	*(5.4%)*
of which total capital expenditure	*(622)*	*(367)*	*69.5%*
of which contribution to the BEMO project[7]	—	*(171)*	*(100.0%)*
of which refinancing of the BEMO project[8]	—	*(260)*	*(100.0%)*

7 BEMO project means the Boguchanskoye Energy & Metals project involving the construction of the BEMO HPP (Boguchanskaya hydro power plant) and the BEMO smelter (Boguchansky aluminium smelter). For the year ended 31 December 2011, contribution to the BEMO project was USD nil 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.

8 For the year ended 31 December 2010, the contribution to the BEMO project also included refinancing of the BEMO facility in an amount of USD208 million and repayment of the BEMO loan in an amount of USD52 million out of the IPO proceeds in accordance with the terms of the International Override Agreement.

Key selected data from the consolidated statement of financial position

	Year ended 31 December 2011	31 December 2010	Change year-on-year, %
(USD million)			
Total assets	25,345	26,525	(4.4%)
Total working capital[9]	2,367	2,122	11.5%
Net Debt[10]	11,049	11,472	(3.7%)

Selected covenants as per the current credit facility agreement

Selected covenants such as Total Net Debt, Leverage Ratio, Interest Cover Ratio, have the meaning given in the credit facility agreement signed on 29 September 2011. At the end of 2011, UC RUSAL was in full compliance with the financial covenants set forth in the relevant loan agreements.

	31 December 2011
Total Net Debt *(USD million)*	11,445
Leverage Ratio	3.4:1
Interest Cover Ratio	3.1:1

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

10 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.

Overview of trends in the aluminium industry and business environment

Aluminium industry in 2011

Global aluminium consumption in 2011 is estimated at 45.1 million tonnes, 10% higher than in 2010. Global demand for aluminium was stronger in the first half of 2011 due to the economic recovery at the beginning of the year, supported by the continuation of government stimulus programs. A noticeable slowdown in consumption occurred in the second half of 2011, due to the escalation of the crisis in the Eurozone, a slowdown in Chinese growth and the cumulative effects of the supply chain disruptions in Japan and Thailand.

Nevertheless, late in 2011, there were positive signs of recovering demand in the United States and Japan, which stabilised in the second half of 2011 following an increase in consumption driven by the automotive and engineering sectors. Underlying demand for consumer products, including packaging and beverage cans, continued to support the rolled products segment of the aluminium market in the United States and Asia, whilst running flat in Europe.

Global production of primary aluminium in 2011 is estimated at 45.6 million tonnes, 8% higher than in 2010. Aluminium production growth was predominantly driven by capacity increases in China, where output grew to 19.1 million tonnes in 2011 (10% higher than 2010 levels). This was achieved despite production cuts in the second half of 2011 in China to minimise national energy consumption, and the closure of outdated Chinese smelter capacity.

Premiums continued to be well supported above historical averages during 2011, with a slight softening in the fourth quarter. By the end of 2011, the In-Warehouse Duty Paid Premium in Rotterdam was quoted within a range of USD180-190 per tonne and the US Midwest Premium traded at US7.3 cents per lb for the same period. The Asian premium remained firm at USD112-117 per tonne. Metals generally became more readily available in the major markets by the end of the year due to slower economic activity and year end stock adjustments, with large deliveries made to LME warehouses, incentivised by comparatively strong storage premiums and financing terms.

The 2011 average aluminium price was USD2,395 per tonne, 10% higher than that in 2010.

Review of the global aluminium industry in 2012

Despite flat aluminium demand in some regions during the second half of 2011, demand remains well above 2009 recession levels, thereby challenging the prediction of many market participants that there would be a severe contraction in demand. UC RUSAL expects that the uncertainties seen in 2011, namely the current Eurozone crisis and the slowdown or hard landing in Chinese growth, may continue to dominate the outlook for the metal markets in the months to come, with evidence of a potential recovery emerging in the second quarter of 2012.

UC RUSAL expects that in 2012, global primary aluminium consumption will reach 48.2 million tonnes, 7% higher than 2010 global consumption, with China being the largest growing market (11% growth), followed by India (10% growth), Russia/Commonwealth of Independent States (CIS) (6% growth), Japan (5% growth), North America (5% growth) and Latin America (5% growth). It is expected that aluminium consumption in the Eurozone during 2012 will be flat, remaining at 2011 levels.

As a consequence, UC RUSAL forecasts the global aluminium market to be almost balanced in 2012, taking into account the expected loss of 2-3% of global aluminium supply due to announced and anticipated curtailments and closures.

UC RUSAL expects that the supply/demand balance, coupled with positive metal financing conditions, should support LME aluminium prices, as well as regional premiums during 2012.

Norilsk Nickel investment

According to the consensus forecast[11], Norilsk Nickel's net income for the year ended 31 December 2011 is expected to decrease to USD4,693 million from USD5,396 million in 2010. The market value of UC RUSAL's stake in Norilsk Nickel decreased by 51.9% from USD11,186 million as at 31 December 2010 to USD7,365 million as at 31 December 2011, due to negative share price performance in the reported year.

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

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 2011, as Norilsk Nickel's consolidated financial statements for the year ended 31 December 2011 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 of the profits and losses relating to investment in Norilsk Nickel recognised in profit or loss and other comprehensive income, and the related taxation, for the year ended 31 December 2011 and the carrying value of the Group's investment in Norilsk Nickel as at 31 December 2011.

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 2011 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 2011 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 2011 not being available, we were unable to obtain sufficient appropriate audit evidence in relation to the Group's estimate of the Group's share of profits and losses relating to investment in Norilsk Nickel recognised in profit or loss and other comprehensive income of USD336 million and USD193 million, respectively, and the related taxation, for the year ended 31 December 2011, and the carrying value of the Group's investment in Norilsk Nickel of USD9,247 million as at 31 December 2011 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 2011 consolidated financial statements.

Financial Overview

Revenue

	Year ended 31 December 2011			Year ended 31 December 2010		
	USD million	*kt*	*Average sales price (USD/tonne)*	*USD million*	*kt*	*Average sales price (USD/tonne)*
Sales of primary aluminium and alloys	10,414	4,017	2,592	9,208	4,085	2,254
Sales of alumina	664	1,837	361	597	1,845	324
Sales of foil	309	75	4,120	293	79	3,709
Other revenue[12]	904	—	—	881	—	—
Total revenue	**12,291**			**10,979**		

Revenue increased by 12.0% to USD12,291 million in 2011 compared to USD10,979 million in 2010. The increase in revenue was primarily due to increased sales of primary aluminium and alloys, which accounted for 84.7% and 83.9% of UC RUSAL's revenue for the years 2011 and 2010, respectively.

[12] Including chemicals, energy and bauxite.

	Quarterly financial information							
	Quarter ended 31 December		Quarter ended 30 September		Quarter ended 30 June		Quarter ended 31 March	
	2011	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
	unaudited	*unaudited*	*unaudited*	*unaudited*	*unaudited*	*unaudited*	*unaudited*	*unaudited*
Sales of primary aluminium and alloys								
USD million	2,376	2,430	2,700	2,280	2,830	2,557	2,508	1,941
kt	1,006	997	1,011	1,058	1,029	1,157	971	873
Average sales price (USD/t)	2,362	2,436	2,671	2,155	2,750	2,210	2,582	2,223
Sales of alumina								
USD million	156	188	160	140	181	140	167	129
kt	476	552	430	457	467	428	464	408
Average sales price (USD/t)	328	346	372	306	388	327	360	316
Sales of foil (USD million)	80	84	76	74	80	76	73	59
Other revenue (USD million)	194	248	226	214	239	217	245	202
Total revenue (USD million)	**2,806**	**2,950**	**3,162**	**2,708**	**3,330**	**2,990**	**2,993**	**2,331**

Sales of primary aluminium and alloys increased by 13.1%, primarily due to an increase in the weighted-average realised aluminium price per tonne (by 15.0% year-on-year), which was driven by an increase in LME aluminium prices (to an average of USD2,395 per tonne in 2011 from USD2,173 per tonne in 2010) and a record level of premiums over the LME price in the different geographical segments (weighted-average realised premiums over the LME prices have increased by 48.1% from USD108 in 2010 to USD160 per tonne in 2011), despite a slight decrease of 68 thousand metric tonnes in sales volumes, or 1.7%, from 4,085 thousand metric tonnes in 2010 to 4,017 thousand metric tonnes in 2011.

Revenue from sales of alumina increased by 11.2% to USD664 million in 2011 from USD597 million in 2010. The increase in revenue over the comparable periods was primarily attributable to an increase of 11.4% in the average realised price, which was partially offset by a slight decrease of 0.4% in sales volumes. In 2011, UC RUSAL continued to sell alumina to external parties, but only under specific long-term contracts.

Revenue from sales of foil accounted for 2.5% and 2.7% of UC RUSAL's revenue for 2011 and 2010, respectively. Revenue from sales of foil increased from USD293 million in 2010 to USD309 million in 2011 due to an increase in the average realised price.

Revenue from other sales, excluding bauxite, increased slightly to USD892 million, or by 2.9%, in 2011 from USD867 million in 2010. The main factors contributing to the increase in revenue from other sales were increases in prices of various by-products, including silicon, hydrate, soda, aluminium powders, and secondary materials and services, including electricity and transportation.

Cost of sales

	Year ended 31 December 2011	2010	Change year-on-year (%)	Share of costs (%)
(USD million)				
Cost of alumina	1,052	1,120	(6.1%)	12.0%
Cost of bauxite	513	414	23.9%	5.8%
Cost of other raw materials and other costs	3,145	2,605	20.7%	35.8%
Energy costs	2,535	1,972	28.5%	28.8%
Depreciation and amortisation	492	473	4.0%	5.6%
Personnel expenses	860	735	17.0%	9.8%
Repairs and maintenance	149	132	12.9%	1.7%
Change in asset retirement obligations	7	17	(58.8%)	0.1%
Net change in provisions for inventories	33	27	22.2%	0.4%
Total cost of sales	**8,786**	**7,495**	**17.2%**	**100.0%**

Cost of sales increased by USD1,291 million, or 17.2%, to USD8,786 million in 2011, compared to USD7,495 million in 2010. The increase was in line with the overall increase of purchase prices and transportation tariffs for raw materials, the higher cost of energy, which was primarily due to increases in power tariffs, and personnel expenses as a result of the implementation of a new incentive program for main production personnel. In addition, the appreciation of the Rouble/US dollar average exchange rate in 2011, as compared to 2010, negatively affected Rouble-denominated expenses in 2011.

The cost of sales has remained almost unchanged for the fourth quarter of 2011, as compared to the third quarter of 2011, despite the rise in material purchase prices, mainly due to the continuing decrease in the average-weighted energy tariff throughout both periods and depreciation of the average exchange rate of Rouble against US dollar in the fourth quarter as compared to the third quarter of

2011. The cost of other raw materials and other costs increased by USD540 million, or 20.7%, from USD2,605 million in 2010 to USD3,145 million in 2011, primarily due to the overall growth in the purchase prices of raw materials, such as fuel (approximately by 32%), coke (approximately by 40%), caustic soda (by 41% on average) and others.

Energy costs increased by USD563 million, or 28.5%, to USD2,535 million in 2011 compared to USD1,972 million in 2010. The increase in electricity costs over the period resulted primarily from growth in weighted-average electricity tariffs following electricity market liberalisation in January 2011 and Rouble/US dollar fluctuations.

As a result of these factors, the cost of sales as a percentage of revenue increased to 71.5% in 2011 from 68.3% in 2010.

Gross profit

As a result of the foregoing factors, UC RUSAL reported a flat gross profit of USD3,505 million and USD3,484 million in 2011 and 2010, respectively, representing decreased gross profit margins of 28.5% in 2011 from 31.7% in the previous year.

Distribution, administrative and other expenses

Distribution expenses increased by 10.3% to USD610 million in 2011, compared to USD553 million in 2010, mainly due to an increase in transportation tariffs.

Administrative expenses remained flat in 2011 as compared to the previous year, amounting to USD759 million and USD762 million, respectively.

Impairment of non-current assets increased by USD196 million in 2011 to USD245 million due to the reassessment of the timing and extent of site restoration and dismantling activities at one of the Group's subsidiaries and the recognition of an additional impairment charge relating to the Jamaican assets.

Other operating expenses (including loss on disposal of property, plant and equipment) increased by 59.6% to USD142 million in 2011, compared to USD89 million in 2010. The increase was primarily due to the recognition of provisions for certain tax contingencies in 2011.

Results from operating activities and Adjusted EBITDA

UC RUSAL reported a profit from operating activities of USD1,749 million in 2011, as compared to USD2,031 million in 2010, representing positive operating margins of 14.2% and 18.5%, respectively. The decrease in margins resulted mainly from the increase in electricity and transportation tariffs, higher material purchase prices and Rouble appreciation, despite the positive effect of an increase in the LME aluminum price and premiums over the LME price.

Adjusted EBITDA, being results from operating activities adjusted for amortisation and depreciation, impairment charges and loss on disposal of property, plant and equipment, decreased slightly by 3.3% to USD2,512 million in 2011 as compared to USD2,597 million in 2010, with adjusted EBITDA margins of 20.4% and 23.7% respectively, maintaining the Company's premier position in the industry.

The factors that contributed to the decrease in Adjusted EBITDA margin were the same that influenced the operating results of the Company.

	Year ended 31 December		**Change year-on-year**
	2011	**2010**	**(%)**
(USD million)			
Reconciliation of Adjusted EBITDA			
Results from operating activities	1,749	2,031	(13.9%)
Add:			
Amortisation and depreciation	518	498	4.0%
Impairment of non-current assets	245	49	400.0%
Loss on disposal of property, plant and equipment	—	19	(100.0%)
Adjusted EBITDA	**2,512**	**2,597**	**(3.3%)**

Finance income and expenses

(USD million)	**Year ended 31 December 2011**	**2010**	**Change year-on-year (%)**
Finance income			
Interest income on loans and deposits	7	7	0.0%
Foreign exchange gain	58	25	132.0%
Change in fair value of derivative financial instruments	416	—	100.0%
Change in fair value of embedded derivatives	*499*	—	*100.0%*
Revaluation of financial instruments linked to the share price of Norilsk Nickel	*(97)*	—	*100.0%*
Change in other derivatives instruments	*14*	—	*100.0%*
Interest income on provisions	40	10	300.0%
	521	**42**	**1,140.5%**
Finance expenses			
Interest expense on bank loans and company loans wholly repayable within five years, bonds and other bank charges, including	(1,319)	(1,230)	7.2%
Nominal interest expense	*(664)*	*(868)*	*(23.5%)*
Excess of effective interest rate charge over nominal interest rate charge on restructured debt	*(560)*	*(249)*	*124.9%*
Bank charges	*(95)*	*(113)*	*(15.9%)*
Change in fair value of derivative financial instruments	—	(189)	(100.0%)
Change in fair value of embedded derivatives	—	*(240)*	*(100.0%)*
Revaluation of financial instruments linked to the share price of Norilsk Nickel	—	*57*	*100.0%*
Change in other derivatives instruments	—	*(6)*	*(100.0%)*
Listing and restructuring related expenses	—	(21)	(100.0%)
Loss on disposal of financial investments	—	(12)	(100.0%)
Interest expense on provisions	(17)	(20)	(15.0%)
	(1,336)	**(1,472)**	**(9.2%)**

Finance income increased by USD479 million to USD521 million in 2011, as compared to USD42 million in 2010. Finance income in 2011 was primarily represented by a gain in the fair value of derivative financial instruments of USD416 million. As a percentage of revenue, finance income increased from 0.4% in 2010 to 4.2% in 2011.

Foreign exchange gain results from fluctuations in the exchange rate between the Rouble and USD and their effect on the working capital items of several Group companies denominated in currencies other than functional currencies of those companies.

Finance expenses decreased by 9.2% to USD1,336 million in 2011, as compared to USD1,472 million in 2010, primarily as the result of a change in the valuation of energy embedded derivatives.

Starting from the beginning of 2011, the valuation is based on the contractually-committed volumes of electricity and capacity, as detailed in, and consistent with the term of notice submitted to the administrator of the trading system, on a monthly basis. Previously, the embedded-derivative features were valued for the entire duration of the contracts. As a result, the change in fair value of derivative financial instruments, representing the revaluation of the energy embedded derivatives for the period under the contracts that extends beyond the term of notice, which amounted to USD738 million for 2010, was derecognised in the first quarter of 2011.

The LME-linked price-adjusting premiums to counterparties contained in long-term electricity and other supply contracts and realised during the period amounted to USD239 million and USD75 million for the years ended 31 December 2011 and 2010, respectively, and were included in the change in fair value of derivative financial instruments.

The nominal interest expense decreased by 23.5% from USD868 million in 2010 to USD664 million in 2011, as a result of reduction in principal amounts payable to international and Russian lenders and in overall interest margin during the year.

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

(USD million)	Year ended 31 December 2011	2010	Change year-on-year (%)
Share of (losses)/profits of associates			
Share of (losses)/profits of Norilsk Nickel, with	(336)	2,451	NA
Effective shareholding of	30.28%	25.13%	
Share of profits	*1,095*	*891*	*22.9%*
Reversal of impairment	—	*1,399*	*(100.0%)*
Result from changes in the underlying net assets following treasury share transactions	*(1,431)*	*161*	*NA*
Share of losses of other associates	(13)	(16)	(18.8%)
	(349)	**2,435**	**NA**
Share of profits/(losses) of jointly controlled entities	**25**	**(25)**	**NA**

The Company's share of the results of Norilsk Nickel for the years ended 31 December 2011 and 2010 included a loss of USD1,431 million and gain of USD161 million recognised by the Company as a result of the change in the carrying value of the Company's share of the net assets of Norilsk Nickel, respectively. This change in carrying value was attributable to sales and purchases by Norilsk Nickel of its own shares during these periods.

As at the date of this consolidated financial statement, the Group was unable to obtain the consolidated financial statement for Norilsk Nickel for the year ended 31 December 2011. Consequently, the Group estimated its share in the results and other comprehensive income of Norilsk Nickel for the year ended 31 December 2011 based on publicly available information reported by Norilsk Nickel. The information used as a basis for these estimates is incomplete in many respects. Once the consolidated financial statements of Norilsk Nickel for the year ended 31 December 2011 become available, they will be compared to the management's estimates. If there are significant differences, adjustments may be required to restate the Group's share of loss, other comprehensive income and the carrying value of the investment in Norilsk Nickel which has been previously reported.

The Company's share of profits of jointly controlled entities was USD25 million in 2011 as compared to a loss of USD25 million in 2010. This represents UC RUSAL's aggregate share of results and impairment in UC RUSAL's joint ventures - BEMO Project, LLP Bogatyr Komir and the transportation business. In September 2011, the Group sold a 50% interest in its 100% business for transportation of coal from Ekibazstus to the customers in Russia and Kazakhstan for USD47 million and accordingly, as at 31 December 2011, the Group held a 50% interest in the transportation business.

Profit before income tax

UC RUSAL made a profit before income tax of USD610 million for the year ended 31 December 2011, as compared to USD3,011 million for the year ended 31 December 2010 for the reasons set out above.

Income tax

Income tax expense increased by USD229 million to USD373 million in 2011, as compared to an income tax expense of USD144 million in 2010.

Current tax expenses decreased by USD19 million, or 10.2%, to USD166 million as at 31 December 2011, compared to USD185 million as at 31 December 2010. The decrease in current tax expenses was primarily due to the recalculation of tax on property, plant and equipment for prior periods. The deferred tax expense was USD207 million in 2011, as compared to a deferred tax benefit of USD41 million in 2010, primarily due to the revaluation of energy embedded derivative liabilities.

Net profit for the year

As a result of the above, UC RUSAL recorded a net profit of USD237 million for the year ended 31 December 2011, as compared to a net profit of USD2,867 million for the year ended 31 December 2010.

Adjusted and Recurring Net Profit

Adjusted Net Profit for any period is defined as the net profit adjusted for the net effect of the Company's investment in Norilsk Nickel, the net effect of embedded derivative financial instruments, the excess of effective interest rate charges over nominal interest rate charges on restructured debt and the net effect of non-current assets impairment. Adjusted Net Profit increased to USD987 million for the year 2011, as compared to USD792 million for the same period in 2010, due to the decrease in the Company's interest expenses following its successful debt refinancing and the overall decrease in its outstanding debt.

	Year ended 31 December		**Change year-on-year**
	2011	**2010**	**(%)**
(USD million)			
Reconciliation of Adjusted Net Profit			
Net profit for the year	237	2,867	(91.7%)
Adjusted for:			
Share of profits and other gains and losses attributable to Norilsk Nickel, net of tax effect (9%), with	534	(2,508)	NA
Share of profits, net of tax	*(994)*	*(891)*	*11.6%*
Reversal of impairment	—	*(1,399)*	*(100.0%)*
Result from changes in the underlying net assets following treasury share transactions	*1,431*	*(161)*	*NA*
Revaluation of financial instruments linked to the share price of Norilsk Nickel	*97*	*(57)*	*NA*
Change in fair value of embedded derivative financial instruments, net of tax (20%)	(589)	135	NA
Excess of effective interest rate charge over nominal interest rate charge on restructured debt	560	249	124.9%
Impairment of non-current assets, net of tax	245	49	400.0%
Adjusted Net Profit	**987**	**792**	**24.6%**
Add back:			
Share of profits of Norilsk Nickel, net of tax	994	891	11.6%
Recurring Net Profit	**1,981**	**1,683**	**17.7%**

Recurring Net Profit for any period is defined as Adjusted Net Profit plus the Company's effective share in Norilsk Nickel. Management considers that this measurement is an important indicator of the Company's profitability and that it is consistent with the way the market forecasts and evaluates the Company's performance.

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.

	2011		**2010**	
	Aluminium	**Alumina**	**Aluminium**	**Alumina**
USD million				
Segment revenue	10,600	2,444	9,361	1,983
Segment result	2,072	(24)	1,929	151
Segment EBITDA[13]	2,472	76	2,323	237
Segment EBITDA margin	23.3%	3.1%	24.8%	11.9%
Total capital expenditure[14]	416	177	234	115

For the years ended 31 December 2011 and 2010, segment result margins (calculated as the percentage of profit to total segment revenue) from continuing operations were 23.3% and 24.8% for the aluminium segment, and 3.1% and 11.9% for the alumina segment.

Key drivers for the change in main data for both segments are disclosed in "Revenue", "Cost of sales" and "Results from operating activities and Adjusted EBITDA" above. Growth in purchase prices of materials over the comparable periods (mainly fuel oil, bauxite and caustic soda) ahead of the alumina sales price, which is linked to the LME aluminium price, was the key driver for the decrease in the segment margin of the alumina segment.

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

14 Please refer to page 21.

Assets and liabilities

UC RUSAL's total assets decreased by USD1,180 million, or 4.5%, to USD25,345 million as at 31 December 2011 as compared to USD26,525 million as at 31 December 2010. The decrease in total assets mainly resulted from the decrease in the carrying value of the investment in Norilsk Nickel.

Total liabilities decreased by USD263 million, or 1.8%, to USD14,806 million as at 31 December 2011 as compared to USD15,069 million as at 31 December 2010. The decrease was mainly due to the decrease in the outstanding debt of the Group and change in the fair value of financial derivative instruments which was partially offset by the increase in trade and other payables.

Capital expenditure

UC RUSAL recorded total capital expenditure (being payment for the acquisition of property, plant and equipment and intangible assets) of USD622 million in 2011, with total capital expenditure of the main business segments disclosed above. UC RUSAL's capital expenditure in 2011 was aimed at maintaining existing production facilities, with the exception of the BEMO project.

	Year ended 31 December	
	2011	**2010**
(USD million)		
Growth project		
BEMO HPP	off balance sheet	158
BEMO smelter	off balance sheet	13
Taishet smelter	89	13
	89	**184**
Maintenance		
Pot rebuilds costs	181	140
Re-equipment	352	214
Total capital expenditure and contribution to the BEMO project	**622**	**538**

Consolidated financial statements

The following section contains the audited consolidated financial statements of UC RUSAL for the year ended 31 December 2011 which were approved by the directors of UC RUSAL on 16 March 2012.

The full set of audited consolidated financial statements of UC RUSAL, together with the report of the joint auditors is available on UC RUSAL's website at *http://www.rusal.ru/en/investors/financial_stat.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 2011 by UC RUSAL or any of its subsidiaries.

Code of Corporate Governance Practices

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 1 January 2011 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.

A.1.8 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 during which significant business is discussed and decided upon and, in particular, efforts are made at each meeting to include, discuss and resolve connected transactions and transactions in which directors may be interested due to, inter alia, 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+[15], SUAL Partners[16] and Glencore[17], 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 2011, 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 year ended 31 December 2011, UC RUSAL has sought to comply with the spirit of A.1.8 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 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

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

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

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

otherwise), their signature (if any) is not counted in the majority 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 A.1.8 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. As at the date of this announcement, the audit committee consists of three independent non-executive directors, being Dr. Peter Nigel Kenny (Chairman), Mr. Philip Lader, Ms. Elsie Leung Oi-sie and two non-executive Directors, Mr. Dmitry Troshenkov and Mr. Dmitry Razumov.

The audit committee has reviewed the financial results of UC RUSAL for the year ended 31 December 2011.

Material events since the end of the year

18 January 2012	UC RUSAL announced an update on the refinancing facility disclosed in the Announcement on 30 September 2011. According to the revised terms and conditions of the Refinancing facility, the Company will have an option to introduce a 12-month covenant holiday starting from any quarter in 2012.
13 February 2012	UC RUSAL announced production results for the year ended 31 December 2011.
16 March 2012	UC RUSAL announced the decisions of the Board including the appointment of the Chairman of the Board.

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 herein and 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
Vladislav Soloviev
Director

19 March 2012

As at the date of this announcement, the executive Directors are Mr. Oleg Deripaska, Mr. Vladislav Soloviev, Mr. Alexander Livshits, Ms. Vera Kurochkina, Mr. Maxim Sokov and Mr. Petr Sinshinov, the non-executive Directors are Mr. Maksim Goldman, Mr. Dmitry Afanasiev, Mr. Len Blavatnik, Mr. Ivan Glasenberg, Mr. Dmitry Razumov, Mr. Anatoly Tikhonov, Mr. Artem Volynets and Mr. Dmitry Troshenkov, and the independent non-executive Directors are Dr. Peter Nigel Kenny, Mr. Philip Lader, Mr. Barry Cheung Chun-yuen (Chairman) 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/investors/info.aspx and http://www.rusal.ru/en/press-center/press-releases.aspx, respectively.