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## **UNITED COMPANY RUSAL PLC**

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

**(Stock Code: 486)**

### **PRODUCTION RESULTS FOR THE YEAR ENDED 31 DECEMBER 2012**

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

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

#### **UC RUSAL announces its key production data for the year ended 31 December 2012**

##### **Key highlights**

- Total aluminium output reached 4,173 thousand tonnes in 2012, an increase of 1% compared to 2011 mainly due to restart of production at Sayanogorsk aluminium smelter partially interrupted in 2011 following railway bridge collapse. Total aluminium output in the fourth quarter of 2012 decreased by 2% to 1,038 thousand tonnes compared to 1,060 thousand tonnes in the fourth quarter of 2011.
- Alumina output totaled 7,477 thousand tonnes in 2012, a decrease of 8% compared to 2011. Alumina output in the fourth quarter of 2012 decreased by 13% to 1,806 thousand tonnes compared to 2,082 thousand tonnes in the fourth quarter of 2011.

- Bauxite production totaled 12,365 thousand tonnes in 2012, a decrease of 8% compared to 2011. Bauxite output in the fourth quarter of 2012 decreased by 15% to 2,788 thousand tonnes compared to 3,288 thousand tonnes in the fourth quarter of 2011.

<b>Key operating data<sup>1</sup></b> <i>('000 tonnes) unless otherwise indicated</i>	<b>Year ended</b>		<b>Change year-on- year (%)</b>
	<b>2012</b>	<b>2011</b>	
Aluminium	4,173	4,123	1%
Alumina	7,477	8,154	(8%)
Bauxite	12,365	13,473	(8%)
Nepheline	4,947	4,608	7%
Aluminium foil and packaging products	86	81	6%

<sup>1</sup> UC RUSAL assets also include two quartzite mines, one fluorite mine, two coal mines, one nepheline syenite mine and two limestone mines. The Company also has three aluminium powder metallurgy plants and produces cryolite, aluminium fluoride and cathodes. The detailed production results of these businesses are disclosed on pages 10-11.

## **Global Aluminium Industry**

### ***Key Highlights***

UC RUSAL forecasts that:

- Global demand for aluminium will maintain its growth and increase by 6% reaching 50 million tonnes in 2013
- Aluminium consumption growth primarily to be driven by China, other Asian countries and the United States (US)
- Aluminium premiums will continue to grow in 2013
- About 1-1.5 million tonnes of the global aluminium production to be idled in 2013 under the current circumstances as significant amount of the global production will be at the break-even point
- The aluminium market will remain balanced in 2013

## ***Global aluminium consumption in 2012***

Global aluminium consumption rose by 6% in 2012 to 47.4 million tonnes. While aluminium demand in Europe remained subdued, this was offset by strong consumption growth in China and the US in the fourth quarter of 2012 which has continued into the first quarter of 2013 and ensures positive sentiment for the year ahead.

Aluminium consumption in the US grew by 5.4% in 2012 to 5.9 million tonnes. Demand in the fourth quarter of 2012 was boosted by increased production across the automotive industry, of particular relevance due to increasing levels of aluminium parts being used in manufacture of cars and significant uplift in construction sector activity.

In China, continued spending on large infrastructure projects combined with domestic economy stimulus plans led to improved growth in the Chinese economy in the fourth quarter of 2012 to 7.9% and industrial production to 10.3%. Chinese automotive production grew 6.3% year-on-year to 20.6 million units in 2012. Chinese aluminium consumption in 2012 grew by 9.3% to 21.8 million tonnes.

Japanese aluminium consumption grew by 3.1% to 2 million tonnes in 2012 while consumption in South Korea grew by 3% to 1.3 million tonnes for the same period. Other Asian economies are expected to benefit from continued growth in Chinese economic activity and as a result of the growth in the export of products containing aluminium.

## ***2013 Outlook***

UC RUSAL expects that the uncertainties seen in 2012, namely the current Eurozone financial crisis and slowdown in Chinese growth, will lessen during 2013 thanks to the strong financial stimulus programs that have been taken by central banks in key regions and growing data from China.

Global primary aluminium consumption is forecast to reach 50 million tonnes (6% growth), with China the largest growing market (9.5% growth), followed by India (6% growth), Asia excluding China (5.8% growth), North America (5% growth) and Russia & CIS (4% growth). Consumption growth in Europe in 2013 is expected to be 2% lower than 2012 levels.

As a consequence UC RUSAL forecasts that the global aluminium market to be balanced in the current year.

### *China*

Chinese infrastructure investments were boosted by 20.6% in 2012. The continued urbanization process will require significant investment in infrastructure, including housing, transportation, and social services in 2013.

According to official statistics real estate sales in China were strong towards the end of 2012 with sales in October and November by floor area increasing by 23% and 30% year-on-year respectively, suggesting improved economic sentiment as freer credit conditions allowed households to get access to loans.

According to WardsAuto forecast, Chinese car production is expected to exceed European production in 2013. China is forecasted to manufacture 19.6 million cars and light vehicles in 2013 (a 10% increase year-on-year). The emerging economies like China and India should be the ultimate beneficiaries of aluminium demand from the car sector given that the aluminium penetration in those countries remains well below the level in North America and Europe.

China's stimulus program for home appliance purchases in rural areas boosted sales of products containing aluminium like television, air-conditioners, washing machines and refrigerators.

### *Other Asia*

The trend of Japan's automotive and electronics' plants moving to low-cost countries in South East Asia or to North America and Eastern Europe continued and were a negative factor for aluminium demand in the past year. This is likely to impact the level of consumption growth in Japan in the medium to long term. The strong value of the YEN against the USD also affected exports in 2012. In addition to this, geopolitical tensions between China and Japan affected production of aluminium die casters in Japan. Aluminium stock adjustments in Q1 2013 will result in a fall in imports in Q1 but growth is expected as the stimulus plans announced in December resulted in a 13% devaluation of the Yen, which will be positive for exports and the consumption of aluminium.

South Korea's consumption growth is estimated at 3% in 2012 due to weaker demand in the fourth quarter as a result of negative impact of demand for aluminium semis and goods in the US and especially in Europe for export-oriented sectors. The ongoing recovery in the US and strong demand in SE Asia is expected to support exports and aluminium consumption in 2013. The new government is reacting to the 2012 slowdown by increasing public infrastructure investment, which will in turn increase domestic demand. Renewable energy projects are planned and the transmission lines associated with the new generation capacity will have a positive influence on aluminium demand.

Primary aluminium consumption in India increased by about 5.5% in 2012. The electrical power sector is the largest aluminium consumer sector, responsible for 40% of total aluminium consumption in India in 2012. In the medium and long term, there are several electrification plans that will continue to boost aluminium demand from this sector. The transportation sector is also a large consumer of aluminium in the country. Demand from transportation will show the highest year-on-year percentage increase in the future.

### *North America*

According to WardsAuto passenger car production increased by 17.5% to 15.4 million units in 2012 compared to 13.1 million units in 2011. The level of automotive production capacity utilization reached 92.7% in the third quarter of 2012 compared to 78.7% in the third quarter of 2011.

According to Ducker Worldwide Research, the aluminium content in American cars has now reached 150 kg per vehicle in 2012 and will continue to grow at a compound annual growth rate (CAGR) of 3.7% until 2020.

The North American building and construction sectors supported the demand for aluminium in 2012. The US construction market as a whole continues to show solid growth. According to official statistics US housing demand climbed by 12.1% month-on-month in December, continuing to signal a recovery in demand for the construction sector. In annual terms US housing rose by 36.9% in December to 954,000 units and by 27.7% year-on-year in 2012.

## *Europe*

While the US, China and rest of Asia are expected to drive aluminium demand in 2013, our view on the European consumption of aluminium remains negative for 2013. Despite the efforts taken by the European Central Bank (ECB) to solve the debt problem, European countries are still suffering from weak economic activity, large budget deficits and cuts in capital spending which are unlikely to stimulate economic growth and consumption activity. Aluminium consumption in Europe declined by 3% to 7.7 million tonnes in 2012.

The automotive industry, a key aluminium end-user, remains depressed in Europe. According to EUROSTAT, in 2012, new car registrations totalled around 12 million units, a decrease of 8.2% from 2011. The demand for new cars fell to the lowest level recorded since 1995. After two years of production growth, unit production started to fall again in 2012 (-7%), under-shooting the pre-crisis level from 2007 by around 15%. It is expected that there will be a further, albeit less pronounced, decline of car production in 2013. However any reduction is expected to be partially offset by an increase in the aluminium content in cars, which has increased to 135 kg per vehicle in 2012.

### *LME stocks and premiums*

LME stocks have sustained the 5.2 million tonnes level seen at the end of 2012. The current warehouse incentives in Europe and the US will continue to attract surplus metal which will be supported by strong contangoes resulting from ongoing low costs of finance and renewed interest from the hedge funds.

Financial deals continue to be a dominant factor for LME aluminium pricing. As more than 65% of LME stocks are locked in financial deals, ongoing low costs of finance and renewed interest from the hedge funds increase financial trading of aluminium contracts which is significantly exceeding a physical demand. Fundamental pricing factors including rising producers' costs and real demand growth for physical metal are currently less defining for aluminium price.

The increase in demand and the tight metal availability continued to push regional premiums to historical highs in all major regional markets in 2012 and this trend will possibly continue in 2013. As at the end of December, the Japanese premium stood at USD254 per tonne, the US Mid-West premium was at USD248 per tonne and the European Rotterdam in-warehouse premium was reported to be at USD285 per tonne.

## **Aluminium production results**

UC RUSAL's total attributable aluminium output (see footnotes 2 below table) amounted to 4,173 thousand tonnes in 2012, compared to 4,123 thousand tonnes in 2011 (an increase of 1%).

The increase in volumes during the period was mostly due to increased production across the lower cost aluminium smelters located in Siberian Region (Russia), as well as at KUBAL (Sweden) and at Alscon (Nigeria).

The significant increase in the output at the Sayanogorsk aluminium smelter in 2012 (by 42 thousand tonnes or by 8%) was due to the reduced production in the second half of 2011 following the collapse of the railway bridge over the Abakan River in Khakas region that was used to deliver, among other freights, raw materials to the Sayanogorsk and Khakas aluminium smelters.

As announced in the third quarter of 2012 the Company has begun a long-term phased programme of production optimization which has seen aluminium output decrease in 2012 at certain less-efficient smelters located in the European part of Russia and the Urals (mainly at the Bogoslovsk and Nadvoitsy aluminium smelters, by 21 thousand tonnes and 15 thousand tonnes respectively).

The table below shows the contribution from each facility.

Asset (Kt)	Interest <sup>2</sup>	Year ended 31 December		Change year-on- year (%)
		2012	2011	
<b>Russia (Siberia)</b>				
Bratsk aluminium smelter	100%	995	988	1%
Krasnoyarsk aluminium smelter	100%	1,000	995	1%
Sayanogorsk aluminium smelter	100%	541	499	8%
Novokuznetsk aluminium smelter	100%	291	286	2%
Irkutsk aluminium smelter	100%	413	403	3%
Khakas aluminium smelter	100%	295	293	1%
<b>Russia — Other</b>				
Bogoslovsk aluminium smelter	100%	103	124	(17%)
Volgograd aluminium smelter	100%	168	168	—
Urals aluminium smelter	100%	71	77	(8%)
Nadvoitsy aluminium smelter	100%	60	75	(20%)
Kandalaksha aluminium smelter	100%	71	68	4%
Volkhov aluminium smelter	100%	16	16	—
<b>Ukraine</b>				
Zaporozhye aluminium smelter	97.6%	—	7	—
<b>Sweden</b>				
Kubikenborg Aluminium (KUBAL)	100%	129	111	16%
<b>Nigeria</b>				
ALSCON	85%	22	15	47%
<b>Total production</b>		<b><u>4,173</u></b>	<b><u>4,123</u></b>	1%

<sup>2</sup> Presents total production of the plants, each of which is a consolidated subsidiary of the Company.



## **Alumina production results**

UC RUSAL's total attributable alumina output<sup>3</sup> amounted to 7,477 thousand tonnes in 2012, compared to 8,154 thousand tonnes in 2011, a decrease of 8%.

The decrease in the volume of alumina production in 2012 compared to that of 2011 was predominantly attributable to the Nikolaev alumina refinery (Ukraine) and the Friguia Alumina Refinery (Guinea) with operations interrupted in April 2012.

<sup>3</sup> Calculated based on the pro rata share of the Group's ownership in corresponding alumina refineries.

Asset (Kt)	Interest	Year ended		Change year-on- year (%)
		31 December 2012	2011	
<b>Ireland</b>				
Aughinish Alumina	100%	1,926	1,927	—
<b>Jamaica</b>				
Alpart	100%	—	—	—
Windalco (Ewarton and Kirkvine Works)	93%	514	554	(7%)
<b>Ukraine</b>				
Nikolaev Alumina Refinery	100%	1,429	1,601	(11%)
Zaporozhye Alumina Refinery <sup>4</sup>	97.6%	—	—	—
<b>Italy</b>				
Eurallumina	100%	—	—	—
<b>Russia</b>				
Bogoslovsk Alumina Refinery	100%	1,006	1,052	(4%)
Achinsk Alumina Refinery	100%	945	977	(3%)
Urals Alumina Refinery	100%	768	741	4%
Boxitogorsk Alumina Refinery	100%	—	55	—
<b>Guinea</b>				
Friguia Alumina Refinery	100%	150	574	(74%)
<b>Australia (JV)</b>				
Queensland Alumina Ltd. <sup>5</sup>	20%	740	673	10%
<b>Total production</b>		<b><u>7,477</u></b>	<b><u>8,154</u></b>	<b>(8%)</b>

<sup>4</sup> Zaporozhye Alumina Refinery (ZALK) is a fully consolidated subsidiary of the Company

<sup>5</sup> Pro-rata share of production attributable to UC RUSAL.

## Bauxite production results

UC RUSAL's total attributable bauxite output<sup>6</sup> was 12,365 thousand tonnes in 2012, compared to 13,473 thousand tonnes in 2011 (a decrease of 8%).

The decrease in the volume of bauxite production was mainly due to the reduced mining operations at the Friguia bauxite mine in Guinea following production interruption at the Friguia alumina refinery; this was partially offset by the increased output at other facilities in Russia, Guinea and Guyana. The table below shows the contribution from each facility.

In December 2012 the Company announced the signing of the Annex 11 to the Dian-Dian Concession Agreement with the Republic of Guinea specifying details of the development of Dian-Dian, the world's largest bauxite deposit. According to the signed document, the project development will be divided into four phases to be realized by the end of 2019 and will involve the development of a bauxite mine and construction of an alumina refinery.

<b>Bauxite mines</b> (Kt Wet)	<b>Interest</b>	<b>Year ended</b>		<b>Change</b>
		<b>31 December</b>	<b>2011</b>	<b>year-on-</b>
		<b>2012</b>	<b>2011</b>	<b>year</b>
				<b>(%)</b>
<b>Jamaica</b>				
Alpart	100%	—	—	—
Windalco (Ewarton and Kirkvine)	93%	1,812	1,842	(2%)
<b>Russia</b>				
North Urals	100%	2,954	3,350	(12%)
Timan	80%	2,212	2,030	9%
<b>Guinea</b>				
Friguia	100%	491	1,921	(74%)
Kindia	100%	3,331	3,002	11%
<b>Guyana</b>				
Bauxite Company of Guyana Inc.	90%	1,566	1,328	18%
<b>Total production</b>		<b><u>12,365</u></b>	<b><u>13,473</u></b>	<b>(8%)</b>

<sup>6</sup> Calculated based on pro-rata share of the Company's ownership in corresponding bauxite mines and mining complexes. The total production of the Company's fully consolidated subsidiaries, Timan and Bauxite Company of Guyana Inc., are included in the production figures, notwithstanding that minority interests in each of these subsidiaries are held by third parties.

## Nepheline production results

UC RUSAL's nepheline syenite production was 4,947 thousand tonnes in 2012, compared to 4,608 thousand tonnes in 2011 (an increase of 7%).

Nepheline mines (Achinsk) (Kt Wet)	Interest	Year ended 31 December		Change year-on- year (%)
		2012	2011	
Kiya Shaltyr Nepheline Syenite	100%	4,947	4,608	7%
<b>Total production</b>		<b><u>4,947</u></b>	<b><u>4,608</u></b>	7%

## Foil and packaging production results

The aggregate aluminium foil and packaging material production from the Company's plants increased by 6% to 86 thousand tonnes in 2012, primarily due to increased production at Sayanal in Russia.

The table below shows the contribution from each facility.

Foil Mills (kt)	Interest	Year ended 31 December		Change year-on- year (%)
		2012	2011	
<b>Russia</b>				
Sayanal	100%	40.666	36.372	12%
Ural Foil	100%	16.509	17.305	(5%)
Sayana Foil	100%	2.808	2.164	30%
<b>Armenia</b>				
Armenal	100%	26.263	25.313	4%
<b>Total production</b>		<b><u>86.246</u></b>	<b><u>81.154</u></b>	6%

## Other business

The Company's aggregate output from its non-core business has shown multidirectional dynamics. Silicon increased by 6% to 59,348 tonnes in 2012 while secondary alloys decreased in 2012 by 9%, cathodes by 67%, powder by 4% and fluorides by 11% compared to 2011. The decrease in the production was due to weaker demand for the products.

<i>(t) unless otherwise indicated</i>	Year ended		Change year-on- year (%)
	31 December 2012	2011	
<b>Secondary alloys</b>	24,635	27,105	(9%)
<b>Cathodes</b>	11,177	34,000	(67%)
<b>Silicon</b>	59,348	56,171	6%
<b>Powder</b>	19,110	19,934	(4%)
<b>Fluorides</b>	69,514	77,760	(11%)
<b>Coal (50%) (Kt)</b>	22,012	20,320	8%
<b>Transport (50%) (Kt of transportation)</b>	7,793	8,160	(4%)

### *Coal production results*

The aggregate coal production attributable to the Group's 50% share in LLP Bogatyr Komir increased by 8% to 22,012 thousand tonnes in 2012, compared to 20,320 thousand tonnes in 2011. The increase in volume in 2012 compared to 2011 was due to a higher demand for coal in Kazakhstan.

### *Transportation results*

The aggregate coal and iron ore transported by the Company's 50% share in LLP Bogatyr Komir Trans by railway decreased by 4% to 7,793 thousand tonnes in 2012, compared to 8,160 thousand tonnes in 2011. The decrease in volume in 2012 compared to 2011 was due to a greater volume of coal delivered to Russia during the period, which is further away than the internal railing in Kazakhstan.

## **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 UC RUSAL's 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 UC RUSAL's prospectus dated 31 December 2009. 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*

8 February 2013

*As at the date of this announcement, the executive Directors are Mr. Oleg Deripaska, Ms. Vera Kurochkina, Mr. Maxim Sokov and Mr. Vladislav Soloviev, the non-executive Directors are Mr. Dmitry Afanasiev, Mr. Len Blavatnik, Mr. Ivan Glasenberg, Mr. Maksim Goldman, Ms. Gulzhan Moldazhanova, Mr. Christophe Charlier, Mr. Artem Volynets, Mr. Dmitry Yudin, Mr. Vadim Geraskin, and the independent non-executive Directors are Mr. Barry Cheung Chun-yuen, Dr. Peter Nigel Kenny, Mr. Philip Lader, Ms. Elsie Leung Oi-sie and Mr. Matthias Warnig (Chairman).*

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