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 2012

Key highlights

- The operating profitability and underlying results of aluminium industry for the year ended 31 December 2012 were seriously affected by low LME aluminium price as a result of investor sentiment. Average LME aluminium price decreased by 15.7% from USD2,395 per tonne for the year ended 31 December 2011 to USD2,018 per tonne for the same period of 2012. However, thanks to savings in procurement, cost reduction and working capital optimization initiatives undertaken by the management supported by product mix improvement, weakened local currency and growing premiums, United Company RUSAL Plc (the "**Company**" or "**UC RUSAL**") demonstrated Aluminium segment EBITDA margin of 12.1%.

- Primary aluminium production was almost flat at 4,173 thousand tonnes for the year ended 31 December 2012 compared to 4,123 thousand tonnes for the preceding year. Total aluminium output in the fourth quarter of 2012 decreased by 2.1% to 1,038 thousand tonnes compared to 1,060 thousand tonnes in the fourth quarter of 2011.

- Share of value-added products output increased to 39% of total aluminium production in comparison with 36% for the previous year.

- Revenue in the fourth quarter of 2012 increased to USD2,624 million (by 2.4%) as compared to USD2,563 million for the third quarter of 2012 in line with a slight rebound in metal prices and historically high premiums of USD249 per tonne.

- Aluminium segment cost per tonne reduced to USD1,946 per tonne (by 1.9%) in 2012 as compared to USD1,984 in 2011 supported by a decrease in power tariffs by 9% to USc.3,17/KWh in 2012 as compared to USc.3,48/KWh in 2011.
- Adjusted EBITDA comprised USD915 million for the year ended 31 December 2012 with a margin of 8.4%. In the fourth quarter of 2012 adjusted EBITDA improved to USD221 million compared to USD130 million in the previous quarter of the year backed by stronger revenue and lower costs.
- The Company maintained a robust cash position with USD999 million of free cash flow[1] generated for the year ended 31 December 2012 and a reduction in working capital by 20.0% primarily due to stock optimization.
- Cost control and working capital reduction efforts allowed the Company to decrease the net debt position by USD220 million as at 31 December 2012 as compared to the beginning of the year.
- In the fourth quarter of the year ended 31 December 2012 the Company signed the agreement with major Norilsk Nickel shareholders improving corporate governance and providing increased guaranteed dividend flow.

An identical form of this announcement, to which the audited consolidated financial statements of UC RUSAL for the year ended 31 December 2012 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.

[1] Free Cash Flow is defined as Net cash flow generated from operating activities plus Net cash flows used in investing activities.

Statement of the CEO

2012 remained particularly challenging for the aluminium industry. Despite global aluminium consumption rising by 6% in 2012 to 47.4 million tonnes negative investor sentiment lead to LME prices for aluminium decreasing by 15.7% year-on-year, taking a large share of the global production capacity to or below break-even level. Whilst UC RUSAL's long-term focus on operational efficiency and cost control has allowed the Company to address these challenges, the unfavourable market conditions and lower LME price has inevitably impacted the operating results of the Company.

In an environment of depressed prices the Company focused its efforts to efficiently manage costs which succeeded in reducing aluminium segment cost per tonne in 2012 by 1.9% to USD1,946. As a result, UC RUSAL's EBITDA margin was 8.4% which is in line with the global peers, while EBITDA margin in aluminium segment was 12.1% allowing the Company to maintain a premier position in the industry.

In 2012, UC RUSAL enhanced its financial flexibility and made debt repayment exceeding USD1 billion with USD441 million being paid out of the Company's cash flows. Importantly the Company maintained its robust cash position with USD999 million of free cash flows being generated in 2012.

An undoubted milestone of 2012 was the signing of an agreement between UC RUSAL, Interros, and Millhouse aimed at settling the shareholders' conflict in MMC Norilsk Nickel. All parties' efforts will be integrated to deliver improved corporate governance and to increase the value of Norilsk Nickel in the interest of all its shareholders.

Through its lower cost smelters and capacity to optimize production, the Company has demonstrated its ability to respond to the challenging market conditions of the past 12 months. Continued focus on cost control, together with our longer term growth projects and robust financial position means we remain confident in our ability to deliver value and growth for all stakeholders.

Oleg Deripaska
CEO
4 March 2013

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,
	2012	2011		2012		2012	2011	%
	unaudited	*unaudited*		*unaudited*				
Key operating data								
('000 tonnes)								
Aluminium	1,038	1,060	(2.1%)	1,042	(0.4%)	4,173	4,123	1.2%
Alumina	1,806	2,082	(13.3%)	1,740	3.8%	7,477	8,154	(8.3%)
Bauxite	2,788	3,288	(15.2%)	2,864	(2.7%)	12,365	13,473	(8.2%)
('000 tonnes)								
Sales of primary aluminium and alloys	1,011	1,006	0.5%	1,030	(1.8%)	4,203	4,017	4.6%
(USD per tonne)								
Aluminium segment cost per tonne[2]	1,934	1,952	(0.9%)	1,936	(0.1%)	1,946	1,984	(1.9%)
Aluminium price per tonne quoted on the LME[3]	1,997	2,090	(4.5%)	1,918	4.1%	2,018	2,395	(15.7%)
Average premiums over LME price	249	159	56.6%	226	10.2%	208	160	30.0%
Average sales price	2,222	2,362	(5.9%)	2,115	5.1%	2,218	2,592	(14.4%)
Alumina price per tonne[4]	326	329	(0.9%)	316	3.2%	319	374	(14.7%)
Key selected data from the consolidated statement of income								
(USD million)								
Revenue	2,624	2,806	(6.5%)	2,563	2.4%	10,891	12,291	(11.4%)
Adjusted EBITDA	221	382	(42.1%)	130	70.0%	915	2,512	(63.6%)
margin (% of revenue)	*8.4%*	*13.6%*	*NA*	*5.1%*	*NA*	*8.4%*	*20.4%*	*NA*
Net Profit /(Loss) for the period	62	(974)	NA	(118)	NA	(55)	237	NA
Adjusted Net (Loss)/Profit for the period	(138)	111	NA	(248)	(44.3%)	(498)	987	NA
Recurring Net Profit /(Loss) for the period	131	214	(38.8%)	(76)	NA	274	1,829	(85.0%)

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2 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.

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

4 The average alumina price per tonne provided in this table is based on the daily closing spot prices of alumina according to Non-ferrous Metal Alumina Index FOB Australia USD per tonne.

Key selected data from consolidated statement of financial position

	As at 31 December 2012	31 December 2011	Change year-on-year, %
(USD million)			
Total assets	25,586	25,345	1.0%
Total working capital[5]	1,893	2,367	(20.0%)
Net Debt[6]	10,829	11,049	(2.0%)

Key selected data from consolidated statement of cash flows

	Year ended 31 December 2012	31 December 2011	Change year-on-year, %
(USD million)			
Net cash flows generated from operating activities	1,092	1,781	(38.7%)
Net cash flows used in investing activities	(93)	(299)	(68.9%)
of which dividends from Norilsk Nickel	*267*	*279*	*(4.3%)*
of which CAPEX[7]	*(501)*	*(622)*	*(19.5%)*
Interest paid	(610)	(551)	10.7%

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

6 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.

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

Overview of trends in industry and business

Aluminium industry 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 the manufacture of cars and a significant uplift in construction sector activity.

In China, continued spending on large infrastructure projects combined with domestic economy stimulus 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 by 6.3% year-on-year to 20.6 million units in 2012. Chinese aluminium consumption grew by 9.3% in 2012 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 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 adopted by central banks in key regions and improving 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 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 televisions, 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 a negative impact on 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.

Business review

Aluminium production

Total aluminium output reached 4,173 thousand tonnes in 2012, an increase of 1% compared to 2011 mainly due to the recovery to full production capacity at Sayanogorsk aluminium smelter partially interrupted in 2011 following a 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 production

Alumina output totaled 7,477 thousand tonnes in 2012, a decrease of 8% compared to 2011 in line with production optimization program. 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

Bauxite production totaled 12,365 thousand tonnes in 2012, a decrease of 8% compared to 2011 to support the decrease in alumina production. 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.

Financial Overview

Revenue

	Year ended 31 December 2012			Year ended 31 December 2011		
	USD million	*kt*	*Average sales price (USD/tonne)*	*USD million*	*kt*	*Average sales price (USD/tonne)*
Sales of primary aluminium and alloys	9,323	4,203	2,218	10,414	4,017	2,592
Sales of alumina	503	1,582	318	664	1,837	361
Sales of foil	302	80	3,775	309	75	4,120
Other revenue	763	—	—	904	—	—
Total revenue	**10,891**			**12,291**		

Total revenue decreased by 11.4% to USD10,891 million in 2012 compared to USD12,291 million in 2011. The decrease in total revenue primarily resulted from the decrease in sales of primary aluminium and alloys due to the decline in the LME aluminium price. Sales of primary aluminium and alloys accounted for 85.6% and 84.7% of UC RUSAL's revenue for the years 2012 and 2011, respectively.

	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,
	2012	2011	2012	2012	2011			%
	unaudited	*unaudited*		*unaudited*				
Sales of primary aluminium and alloys								
USD million	2,246	2,376	(5.5%)	2,178	3.1%	9,323	10,414	(10.5%)
kt	1,011	1,006	0.5%	1,030	(1.8%)	4,203	4,017	4.6%
Average sales price (USD/t)	2,222	2,362	(5.9%)	2,115	5.1%	2,218	2,592	(14.4%)
Sales of alumina								
USD million	89	156	(42.9%)	132	(32.6%)	503	664	(24.2%)
kt	283	476	(40.5%)	429	(34.0%)	1,582	1,837	(13.9%)
Average sales price (USD/t)	314	328	(4.3%)	308	1.9%	318	361	(11.9%)
Sales of foil (USD million)	82	80	2.5%	78	5.1%	302	309	(2.3%)
Other revenue (USD million)	207	194	6.7%	175	18.3%	763	904	(15.6%)
Total revenue (USD million)	**2,624**	**2,806**	**(6.5%)**	**2,563**	**2.4%**	**10,891**	**12,291**	**(11.4%)**

Revenue from sales of primary aluminium and alloys decreased by USD1,091 million, or by 10.5%, to USD9,323 million in 2012, as compared to USD10,414 million in 2011, despite an increase in volumes of the primary aluminium and alloys sold. This decrease resulted primarily from the sharp decline in weighted-average realised aluminium price, by 14.4% in 2012 as compared to 2011, due to the weak performance of the LME aluminium price (which decreased to an average of USD2,018 per tonne from USD2,395 per tonne for the years 2012 and 2011, respectively). The decrease in average LME aluminium prices was slightly offset by a 30.0% growth in premiums above the LME price in the different geographical segments (to an average of USD208 per tonne from USD160 per tonne for the years 2012 and 2011, respectively).

Revenue from sales of alumina decreased by 24.2% to USD503 million in 2012 as compared to USD664 million in 2011, due to an 11.9% decrease in alumina weighted-average sales prices (which was in line with the overall weaker aluminium price performance in 2012) as well as a 13.9% decrease in alumina sales volume.

Revenue from sales of foil decreased by 2.3% to USD302 million in 2012, as compared to USD309 million in 2011, primarily due to a decrease in average realised price driven by the decline in LME aluminium prices.

Revenue from other sales, including transportation, energy and bauxite, decreased by 15.6% to USD763 million in 2012 as compared to USD904 million in 2011, primarily due to the change in scope of consolidation after the disposal in September 2011 of a 50.0% share in the transportation business in Kazakhstan.

Cost of sales

The following table shows the breakdown of UC RUSAL's cost of sales for the periods ended 31 December 2012 and 2011:

	Year ended 31 December		**Change year-on-year,**	**Share of costs for the year ended 31 December 2012,**
	2012	**2011**	**%**	**%**
(USD million)				
Cost of alumina	1,352	1,052	28.5%	14.6%
Cost of bauxite	530	513	3.3%	5.7%
Cost of other raw materials and other costs	3,148	3,145	0.1%	34.1%
Energy costs	2,592	2,535	2.2%	28.1%
Depreciation and amortisation	515	492	4.7%	5.6%
Personnel expenses	914	860	6.3%	9.9%
Repairs and maintenance	147	149	(1.3%)	1.6%
Change in asset retirement obligations	(2)	7	NA	0.0%
Net change in provisions for inventories	36	33	9.1%	0.4%
Total cost of sales	**9,232**	**8,786**	**5.1%**	**100.0%**

Total cost of sales increased by USD446 million, or 5.1%, to USD9,232 million in 2012, as compared to USD8,786 million in 2011. The increase was primarily driven by the 4.6% (or 186 thousand tonnes) growth in the aggregate aluminium sales volumes.

Cost of alumina increased in 2012 (as compared to 2011) by 28.5%, primarily as a result of an increase in the volumes of externally purchased alumina following the decrease of self-produced alumina as well as the slight growth in transportation tariffs.

Cost of bauxite increased by 3.3% in 2012 as compared to 2011, primarily as a result of an increase in the purchased volume.

Costs of raw materials (other than alumina and bauxite) and other costs were almost flat during 2012 (as compared to 2011).

Energy cost was almost flat during 2012 year (as compared to 2011), as of the increase in sales volumes of aluminium was offset by the decrease in weighted-average electricity tariffs and depreciation of the Russian Ruble against the US dollar.

Distribution, administrative and other expenses

Distribution expenses decreased by 13.6% to USD527 million in 2012, compared to USD610 million in 2011, mainly due to the change in scope of consolidation after the disposal in September 2011 of a 50% share in the transportation business in Kazakhstan, where distribution expenses represented the key component of operating expenses. The fluctuation of the Russian Ruble within the comparable periods also facilitated a decrease in distribution expenses.

Administrative expenses decreased by 5.4% to USD718 million in 2012, compared to USD759 million in 2011. The decrease was primarily the result of the cost optimization programme.

Impairment of non-current assets increased by USD59 million in 2012 to USD304 million as a result of impairment of the alumina and bauxite plant in Guinea and the recognition of impairment charge relating to the specific assets of the Group.

Other operating expenses decreased by 70.4% to USD42 million in 2012, compared to USD142 million in 2011. The significant drop in other operating expenses was driven by the reduction in the provisions for tax and legal contingencies.

Adjusted EBITDA and Results from operating activities

	Year ended 31 December		Change year-on-year,
	2012	**2011**	**%**
(USD million)			
Reconciliation of Adjusted EBITDA			
Results from operating activities	60	1,749	(96.6%)
Add:			
Amortisation and depreciation	543	518	4.8%
Impairment of non-current assets	304	245	24.1%
Loss on disposal of property, plant and equipment	8	—	100.0%
Adjusted EBITDA	**915**	**2,512**	**(63.6%)**

A sharp decrease in the results from operating activities and Adjusted EBITDA for the year ended 31 December 2012 to USD60 million and USD915 million, respectively, as compared to the results from operating activities and Adjusted EBITDA of USD1,749 million and USD2,512 million, respectively for the corresponding period in 2011, reflected primarily low aluminium prices, the weaker macro-economic environment and an overall increase of certain raw materials purchase prices and transportation tariffs.

Segment reporting

The Group has four reportable segments, as described in the annual report of the Company, which are the Group's strategic business units: Aluminium, Alumina, Energy, Mining and Metals.

The core segments are Aluminium and Alumina.

	Year ended 31 December			
	2012		**2011**	
	Aluminium	**Alumina**	**Aluminium**	**Alumina**
(USD million)				
Segment revenue				
kt	*4,299*	*6,122*	*4,096*	*6,977*
USD million	*9,515*	*2,043*	*10,600*	*2,444*
Segment result	722	(190)	2,072	(24)
Segment EBITDA[8]	1,150	(86)	2,472	76
Segment EBITDA margin	12.1%	(4.2%)	23.3%	3.1%
Total capital expenditure	**327**	**155**	**416**	**223**

For the year ended 31 December 2012 and 2011 respectively, segment result margins (calculated as the percentage of segment result to total segment revenue) from continuing operations were 7.6% and 19.5% for the aluminium segment, and negative 9.2% and 1.0% for the alumina segment. Key drivers for the decrease in margin in the aluminium segment are disclosed in "Revenue", "Cost of sales" and "Adjusted EBITDA and Results from operating activities" sections above. Detailed segment reporting can be found in the consolidated financial statements for the year ended 31 December 2012.

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

Finance income and expenses

(USD million)	Year ended 31 December 2012	2011	Change year-on-year, %
Finance income			
Interest income on loans and deposits	19	7	171.4%
Foreign exchange gain	—	58	(100.0%)
Change in fair value of derivative financial instruments, including	—	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	6	40	(85.0%)
	25	**521**	**(95.2%)**
Finance expenses			
Interest expense on bank loans and company loans wholly repayable within five years, bonds and other bank charges, including	(682)	(1,319)	(48.3%)
Nominal interest expense	*(590)*	*(664)*	*(11.1%)*
Excess of effective interest rate charge over nominal interest rate charge on restructured debt	*—*	*(560)*	*(100.0%)*
Bank charges	*(92)*	*(95)*	*(3.2%)*
Foreign exchange loss	(66)	—	100.0%
Change in fair value of derivative financial instruments, including	(107)	—	100.0%
Change in fair value of embedded derivatives	*(113)*	*—*	*100.0%*
Change in other derivatives instruments	*6*	*—*	*100.0%*
Interest expense on provisions	(65)	(17)	282.4%
	(920)	**(1,336)**	**(31.1%)**

Finance income decreased by USD496 million to USD25 million in 2012 as compared to USD521 million in 2011, as finance income in 2011 was affected by a gain on the change in fair value of derivative financial instruments of USD416 million, of which USD499 million was represented by a gain on the revaluation of embedded derivative financial instruments. For the main reason of such significant change, please refer to Results Announcement for the first quarter of 2011 (accessible on UC RUSAL's website at *http://www.rusal.ru/en/investors/hkse*).

Finance expenses decreased by 31.1% to USD920 million in 2012 as compared to USD1,336 million in 2011 primarily due to the decrease in interest expenses partially compensated by the negative foreign exchange effect.

Total interest expenses on bank and company loans decreased in the year ended 31 December 2012 mainly due to the completed refinancing of the Company's outstanding debts during the year ended 31 December 2011. As at the date of refinancing, the excess of effective interest rate charges over nominal interest rate charges on restructured debt in amount of USD320 million was recognised. Nominal interest expenses decreased by 11.1% within the comparable periods as a result of the reduction in the principal amount payable to international and Russian lenders and in the overall interest margin.

Finance expenses in 2012 were also affected by the foreign exchange loss of USD66 million, as compared to a foreign exchange gain of USD58 million during 2011. The difference was driven by fluctuations in the exchange rate between the Russian Ruble and the US dollar and their effect on the working capital items of several Group companies denominated in currencies other than their functional currencies in the respective comparable periods.

Share of profits of associates and jointly controlled entities

	Year ended 31 December 2012	**2011**	**Change year-on-year, %**
(USD million)			
Share of profits/(losses) of Norilsk Nickel, *with*	772	(336)	NA
Effective shareholding of	*30.27%*	*30.27%*	
Share of profits	*772*	*943*	*(18.1%)*
Result from changes in the underlying net assets following treasury share transactions	*—*	*(1,279)*	*NA*
Share of losses of other associates	(21)	(13)	61.5%
Share of profits/(losses) of associates	**751**	**(349)**	**NA**
Share of profits of jointly controlled entities	**55**	**25**	**120.0%**

The Company's share of the results of associates for the years ended 31 December 2012 and 2011 included a gain of USD751 million and loss of USD349 million, respectively. Share in results of associates in both periods resulted primarily from the Company's investment in Norilsk Nickel, which amounted to profit of USD772 million and loss of USD336 million for 2012 and 2011, respectively. The Company's share of Norilsk Nickel results for 2011 included a loss of USD1,279 million recognized by the Company as a result of a decrease in the carrying value of the Company's share of net assets of Norilsk Nickel. This change in carrying value was attributable to sales and purchases by Norilsk Nickel of its own shares during this period and in particular to the combined effect of the prices at which such transactions took place and the changes in the Company's proportionate share of Norilsk Nickel resulting from the reduction and increase in Norilsk Nickel treasury stock as a consequence of the transactions.

As at the date of these consolidated financial statements, the Group was unable to obtain consolidated financial statements of Norilsk Nickel for the year ended 31 December 2012. Consequently, the Group estimated its share in the profits and other comprehensive income of Norilsk Nickel for the year ended 31 December 2012 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 2012 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 profits, other comprehensive income and the carrying value of the investment in Norilsk Nickel which has been previously reported.

Share of profits of jointly controlled entities was USD55 million in 2012 as compared to USD25 million in 2011. This represents the Company's share of results in the Company's joint ventures — BEMO, LLP Bogatyr Komir, Mega Business and Alliance (transportation business in Kazakhstan) and North United Aluminium Shenzhen Co., Ltd.

(Loss)/Profit before income tax

UC RUSAL incurred a loss before income tax of USD29 million for the year ended 31 December 2012, as compared to a profit before income tax USD610 million for the year ended 31 December 2011 for the reasons set out above.

Income tax

Income tax expense decreased by USD347 million to USD26 million in 2012, as compared to an income tax expense of USD373 million in 2011.

Current tax expenses decreased by USD35 million, or 21.1%, to USD131 million as at 31 December 2012, compared to USD166 million as at 31 December 2011 due to a decrease in the taxable profit period-on-period.

The deferred tax benefit was USD105 million in 2012 as compared to a deferred tax expense of USD207 million in 2011. The deferred tax benefit for the year ended 31 December 2012 primarily resulted from reversal of previously recognized provisions in respect of certain deferred tax assets. The deferred tax expense for the year ended 31 December 2011 was primarily represented by the tax effect of the revaluation of energy embedded derivative liabilities recognized in the first half of 2011 in amount of USD148 million.

Net (Loss)/Profit for the period

As a result of the above, the Company recorded a net loss of USD55 million in 2012, as compared to a net profit of USD237 million in 2011.

Adjusted and Recurring Net (Loss)/Profit

	Year ended 31 December 2012	2011	Change, year-on-year, %
(USD million)			
Reconciliation of Adjusted Net (Loss)/Profit			
Net (loss)/profit for the period	(55)	237	NA
Adjusted for:			
Share of profits and other gains and losses attributable to Norilsk Nickel, net of tax effect (9.0%), *with*	(772)	534	NA
Share of profits, net of tax	*(772)*	*(842)*	*(8.3%)*
Result from changes in the underlying net assets following treasury share transactions	—	*1,279*	*(100.0%)*
Revaluation of financial instruments linked to the share price of Norilsk Nickel	—	*97*	*(100.0%)*
Change in fair value of embedded derivative financial instruments, net of tax (20.0%)	25	(589)	NA
Excess of effective interest rate charge over nominal interest rate charge on restructured debt	—	560	(100.0%)
Impairment of non-current assets, net of tax	304	245	24.1%
Adjusted Net (Loss)/ Profit	**(498)**	**987**	**NA**
Add back:			
Share of profits of Norilsk Nickel, net of tax	772	842	(8.3%)
Recurring Net Profit	**274**	**1,829**	**(85.0%)**

Adjusted Net Loss/Profit for any period is defined as the net loss/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. Recurring Net Profit for any period is defined as Adjusted Net Loss/Profit plus the Company's net effective share in Norilsk Nickel results. Adjusted Net Loss and significant reduction of the Recurring Net Profit in 2012 in comparison of the corresponding period of the prior year were primarily driven by the decrease in the Company's result from operating activities.

Assets and liabilities

UC RUSAL's total assets increased by USD241 million, to USD25,586 million as at 31 December 2012 as compared to USD25,345 million as at 31 December 2011. The increase in total assets mainly resulted from the increase in the carrying value of the investment in Norilsk Nickel.

Total liabilities decreased by USD328 million, or 2.2%, to USD14,478 million as at 31 December 2012 as compared to USD14,806 million as at 31 December 2011. The decrease was mainly due to the decrease in the outstanding debt of the Group.

Cash flows

The Company generated net cash from operating activities of USD1,092 million for the year ended 31 December 2012 as compared to USD1,781 for the previous year. Net decrease in working capital and provisions contributed USD287 million to the operating cash flow for 2012 unlike the previous year when the net increase in working capital and provisions comprised USD644 million.

Net cash used for the investing activities decreased to USD93 million for 2012 as compared to USD299 million for the previous year primarily due to the enhanced control over the capital expenditures.

The above mentioned initiatives allowed the Company to assign USD441 million of the own cash flows for the debt repayment that together with the interest payments of USD610 million represent the main components of the cash used in the financing activities with the total amount of USD1,131 million for 2012.

Capital expenditure

UC RUSAL recorded total capital expenditures of USD501 million for the year ended 31 December 2012. UC RUSAL's capital expenditure in 2012 was aimed at maintaining existing production facilities.

	Year ended 31 December	
	2012	**2011**
(USD million)		
Growth project		
Taishet smelter	76	89
	76	**89**
Maintenance		
Pot rebuilds costs	134	181
Re-equipment	291	352
Total capital expenditure	**501**	**622**

The Company notes that its auditor, ZAO KPMG, has provided a qualified opinion on its audit of the consolidated financial statements of the Company for the year ended 31 December 2012 as it was unable to obtain and review the consolidated financial statements of Norilsk Nickel for the year ended 31 December 2012. An extract from the review report provided by ZAO KPMG on the consolidated financial statements of the Company 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 2012 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 2012 not being available, we were unable to obtain sufficient appropriate audit evidence in relation to the Group's estimate of the share of profit and other comprehensive income of Norilsk Nickel of USD772 million and USD145 million, respectively, for the year ended 31 December 2012, and the carrying value of the Group's investment in Norilsk Nickel of USD10,213 million as at 31 December 2012 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.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2012 and of the Group's net loss and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991 and the disclosure requirements of the Hong Kong Companies Ordinance.

Matters on which we are required to report by exception

Other than the matter described in the Basis for Qualified Opinion, we have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company; or
- the financial statements of the Company are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit."

Consolidated financial statements

The following section contains the audited consolidated financial statements of UC RUSAL for the year ended 31 December 2012 which were approved by the directors of UC RUSAL (the "**Directors**") on 1 March 2013, and reviewed by the Audit Committee.

The full set of audited consolidated financial statements of UC RUSAL, together with the report of the independent auditor 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 2012 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Hong Kong Listing Rules**") then in force on 11 November 2010. The Directors consider that save for code provisions A.1.7 (physical board meeting and independent non-executive directors' participation when considering matters with conflict of interest), A.4.1 (specific term of non-executive directors) and A.4.2 (specific term of directors) for reasons set out below and also on page 90 of UC RUSAL's interim report for six months ended 30 June 2012, UC RUSAL has complied with the code provisions as set out in Appendix 14 to the Hong Kong Listing Rules then in force during the period from 1 January 2012 to 31 March 2012, and the code provisions in the Corporate Governance Code and Corporate Governance Report in the existing Appendix 14 to the Hong Kong Listing Rules (the "**CG Code**") during the period from 1 April 2012 to 31 December 2012.

The Board has generally endeavored throughout the twelve-month period ended 31 December 2012 to ensure that it does not deal with business by way of written resolution where a substantial shareholder or a Director has disclosed an interest in a matter to be considered by the Board which the Board has determined to be material. As a result, there was only one occurrence (out of the 18 written resolutions the Board passed during the period) when urgent business was dealt with by the Board by way of written resolution where a material interest of a Director had been disclosed. In that instance, the Board was asked to resolve on an administrative matter that required an urgent confirmation from the Board rather than in respect of any operational business. The Director involved did not vote nor was he counted in the quorum.

Of the 13 Board meetings held in the twelve-month period ended 31 December 2012 where one or more Director(s) had disclosed a material interest, there were 5 of those meetings where not all the independent non-executive Directors (who had not disclosed material interests in the transaction) were present. Given the size of the Board and the amount of urgent business transacted by the Company where Directors and substantial shareholders have material interests, it is difficult to rearrange any scheduled Board meeting or postpone the discussion of such business in order to ensure all of the independent non-executive Directors are present. The Board meetings on those occasions were therefore proceeded with despite the fact that certain independent non-executive Directors were not able to attend but on each occasion at least half of the independent non-executive Directors (none of whom had disclosed material interests on any of those occasions) was present.

Audit Committee

The Board established an audit committee (the "**Audit Committee**") to assist it 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. 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 Oi-sie and two non-executive Directors, Mr. Dmitry Yudin and Mr. Christophe Charlier. The Audit Committee has reviewed the financial results of the Company for the year ended 31 December 2012.

Material events since the end of the year

31 January 2013	UC RUSAL announced that the Company has entered into a syndicated credit facility agreement of up to USD400 million with various international banks aimed at the early partial debt prepayment.
8 February 2013	UC RUSAL announced its key production data for 2012.

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
Vladislav Soloviev
Director

4 March 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).

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.