RUSAL

UNITED COMPANY RUSAL PLC

(Incorporated under the laws of Jersey with limited liability)

(Stock Code: 486)

RESULTS ANNOUNCEMENT FOR THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2014

Key highlights of the quarter ended 30 September 2014

- The operating profitability and underlying results of United Company RUSAL Plc (the "Company" or "UC RUSAL") in the third quarter of 2014 were positively affected by growing LME aluminium price that reached the highest level since February 2013. Continuing procurement saving and cost reduction initiatives undertaken by management supported by product mix improvement, weakening local currency and growing premiums allowed the Company to recognise Adjusted Net Profit of USD25 million for the third quarter of 2014, demonstrating positive result first time since the fourth quarter of 2011.

- Total aluminium output amounted to 2,686 thousand tonnes for the nine months of 2014, representing a decrease of 9.0% as compared to 2,953 thousand tonnes for the same period of the prior year reflecting the successful completion of 2012-2013 capacity curtailments program at the less efficient smelters.

- Revenue in the third quarter of 2014 increased by 9.6% to USD2,477 million as compared to USD2,261 million in the second quarter of the year primarily due to the increase in the LME aluminium price up to an average of USD1,987 per tonne, a 10.5% increase compared to the previous quarter, and supported by continually increasing premiums over LME aluminium price of USD422 per tonne.

- Aluminium segment cost per tonne decreased by 8.9% to USD1,748 in the first nine months of 2014 in comparison with USD1,919 per tonne in the same period of 2013 resulting from continuous cost control measures and external factors such as depreciation of the Russian Ruble to the US dollar by 11.9% to RUB35.39 in the nine months of 2014 from RUB31.62 in the respective period of 2013.

- All these factors resulted in more than two-fold increase of Adjusted EBITDA to USD470 million for the third quarter of 2014 from USD220 million for the previous quarter of the year, with Adjusted EBITDA margin reaching 19.0% for the three months ended 30 September 2014 as compared to 9.7% in the previous quarter. Adjusted EBITDA for the nine months of 2014 amounted to USD863 million representing 56.9% increase compared to USD550 million for the respective period of 2013. Aluminium segment EBITDA margin in the third quarter of 2014 reached 23.2%.

- Recurring Net Profit for the three months ended 30 September 2014 increased by 93.8% to USD250 million as compared to USD129 million for the preceding quarter. Recurring Net Profit for nine months of the current year comprised USD210 million as compared to Recurring Net Loss of USD288 million for the same period of the prior year.

- In August 2014 the Company successfully completed the refinancing of its' debt portfolio and announced that the Amendment Agreement on the refinancing of USD4.75 billion and USD400 million PXF facilities has become effective. Pursuant to the Amendment Agreement, the two PXF facilities were combined into a single facility agreement with repayments starting from 12 January 2016 and final maturity at 31 December 2018 (for tranche A) and 31 December 2020 (for tranche B).

- Aluminium production is expected to be around 900 thousand tonnes in the fourth quarter of 2014. UC RUSAL maintains strict cost discipline and low cash cost base. Management views further improvement of margins and profits in the fourth quarter of 2014 at current aluminium price levels and USD/RUB exchange rate. Capital expenditures expected to come under USD500 million. UC RUSAL's EBITDA in the fourth quarter of 2014 is expected to be in excess of USD400 million at current market conditions.

Statement of the Chief Executive Officer

In the third quarter of 2014 the situation in the aluminium market continued to improve resulting in price growth reaching USD2,114 per tonne in August, its highest level for a year and a half. Premiums have also continued to grow strongly reaching historical highs on the back of a sustained market deficit and strong demand. According to our estimates, healthy consumption growth coupled with production curtailments, have led to a deficit in the global market, ex-China, of 0.9 million tonnes of aluminium in the first nine months of the year. This, together with falling LME inventories, which have dropped below 4.5 million tonnes, means the deficit is continuing to widen.

These positive market developments and our continued focus on cost controls and increasing margins through value added production have enabled UC RUSAL to report significantly improved third quarter results. Revenue improved by 9.6% from the preceding quarter, while costs decreased by 0.3% quarter-on-quarter. Adjusted EBITDA reached USD470 million, up by 113.6% from the second quarter and was higher than in the first two quarters of the year combined. Adjusted EBITDA margin improved to 19%. Recurring Net Profit increased to USD250 million, or by 93.8%, in the third quarter of 2014 from USD129 million in the preceding quarter.

An important corporate development milestone during the quarter was the completion of the refinancing of UC RUSAL's loan portfolio, which was successfully completed in August. The new agreements with our lenders have significantly improved the Company's debt profile and enabled us to maintain a sustainable cash position. While the Company is permitted a grace period for the repayment of the principle amount until January 2016, further deleveraging remains a priority and the Company will be able to make debt repayments ahead of the schedule depending on market dynamics.

Looking beyond 2014, UC RUSAL estimates that global aluminium consumption will reach 66 million tonnes in 2018 vs. 52 million tonnes in 2013, and that the market will remain in deficit for the foreseeable future.

Oleg Deripaska
Chief Executive Officer

11 November 2014

Financial and Operating Highlights

	Three months ended 30 September 2014	2013	Change quarter on quarter, % (3Q to 3Q)	Three months ended 30 June 2014	Change quarter on quarter, % (3Q to 2Q)	Nine months ended 30 September 2014	2013	Change nine months on nine months, %
	unaudited	*unaudited*		*unaudited*		*unaudited*	*unaudited*	
Key operating data								
('000 tonnes)								
Aluminium	903	954	(5.3%)	900	0.3%	2,686	2,953	(9.0%)
Alumina	1,817	1,802	0.8%	1,804	0.7%	5,435	5,440	(0.1%)
Bauxite	3,291	3,160	4.1%	3,003	9.6%	9,176	9,072	1.1%
Key pricing and performance data								
('000 tonnes)								
Sales of primary aluminium and alloys	904	969	(6.7%)	893	1.2%	2,651	2,967	(10.7%)
(USD per tonne)								
Aluminium segment cost per tonne[1]	1,739	1,872	(7.1%)	1,764	(1.4%)	1,748	1,919	(8.9%)
Aluminium price per tonne quoted on the LME[2]	1,987	1,781	11.6%	1,798	10.5%	1,833	1,871	(2.0%)
Average premiums over LME price[3]	422	272	55.1%	354	19.2%	382	269	42.0%
Average sales price	2,298	2,078	10.6%	2,114	8.7%	2,154	2,179	(1.1%)
Alumina price per tonne[4]	319	352	(9.4%)	317	0.6%	322	364	(11.5%)

1 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.

2 Aluminium price per tonne quoted on the LME represents the average of the daily closing official **LME** prices for each period.

3 Average premiums over LME realized by the company based on management accounts.

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 the consolidated interim condensed statement of income *(USD million)*	Three months ended 30 September 2014 *unaudited*	Three months ended 30 September 2013 *unaudited*	Change quarter on quarter, % (3Q to 3Q)	Three months ended 30 June 2014 *unaudited*	Change quarter on quarter, % (3Q to 2Q)	Nine months ended 30 September 2014 *unaudited*	Nine months ended 30 September 2013 *unaudited*	Change nine months on nine months, %
Revenue	2,477	2,432	1.9%	2,261	9.6%	6,861	7,635	(10.1%)
Adjusted EBITDA	470	130	261.5%	220	113.6%	863	550	56.9%
margin (% of revenue)	*19.0%*	*5.3%*	*NA*	*9.7%*	*NA*	*12.6%*	*7.2%*	*NA*
Net Profit/(Loss) for the period	220	(172)	NA	116	89.7%	11	(611)	NA
margin (% of revenue)	*8.9%*	*(7.1%)*	*NA*	*5.1%*	*NA*	*0.2%*	*(8.0%)*	*NA*
Adjusted Net Profit/(Loss) for the period	25	(234)	NA	(149)	NA	(370)	(470)	(21.3%)
margin (% of revenue)	*1.0%*	*(9.6%)*	*NA*	*(6.6%)*	*NA*	*(5.4%)*	*(6.2%)*	*NA*
Recurring Net Profit/(Loss) for the period	250	(134)	NA	129	93.8%	210	(288)	NA
margin (% of revenue)	*10.1%*	*(5.5%)*	*NA*	*5.7%*	*NA*	*3.1%*	*(3.8%)*	*NA*

Key selected data from consolidated interim condensed statement of financial position

	As at 30 September 2014 *(unaudited)*	As at 31 December 2013	Change nine months on year end,%
(USD million)			
Total assets	18,194	20,480	(11.2%)
Total working capital[5]	1,606	1,593	0.8%
Net Debt[6]	9,917	10,109	(1.9%)

Key selected data from consolidated interim condensed statement of cash flows

	Nine months ended 30 September 2014 *(unaudited)*	Nine months ended 30 September 2013 *(unaudited)*	Change nine months on nine months, %
(USD million)			
Net cash flows generated from operating activities	598	337	77.4%
Net cash flows (used in)/generated from investing activities	(8)	833	NA
of which dividends from Norilsk Nickel	*304*	*522*	*(41.8%)*
of which CAPEX[7]	*(349)*	*(384)*	*(9.1%)*
Interest paid	(524)	(472)	11.0%

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 the aluminium industry

During the first nine months of 2014, global primary aluminium consumption reached 41 million tonnes, representing a 7% increase as compared the corresponding period of 2013. The fastest growing markets during the period were China (12%), Japan, and South Korea (6%). North America experienced a 4.3% increase in growth whereas consumption grew strongly in Europe by 3.7% year-on-year.

Global Manufacturing PMI for September stayed flat at 52.2 slightly lower than 52.5 in August. The global PMI continues to signal 3-4% annualized gains in global manufacturing output due to strong growth in North America and China and a fast recovery throughout Europe and maintaining a strong driver of commodity demand. According to UC RUSAL forecasts, the aluminium market Ex-China experienced a market deficit of 0.9 million tonnes due to stronger than anticipated aluminium consumption and production curtailments during the first nine months of 2014.

Global Aluminum Demand

North America

The U.S. economy continues to improve. The preliminary GDP growth in third quarter of 2014 was strong at 3.5% year-on-year. The September ISM Manufacturing PMI Index ("PMI") registered 56.6% indicating continued expansion in manufacturing. The New Orders Index registered 60%, indicating growth in new orders for the 16th consecutive month. The Production Index registered 64.6%, 0.1 percentage point above the August reading of 64.5%. U.S. home building rebounded in September on the strength of apartment construction. Housing starts rose 6.3% in September 2014 from a month earlier to a seasonally adjusted annual rate of 1.017 million units. There were 1.5 million vehicle produced in September in North America which was up 6.6% from September 2013. September year-to-date vehicle production amounted to 13.1 million, up 5.6% from last year. The total U.S. light-vehicle market is heading for around 17 million units in 2015.

North American primary aluminium demand from the automotive sector continues to power ahead. Estimated net shipments of Aluminum Sheet and Plate by U.S. and Canadian mills showed a year-on-year increase of 4.7% in August and were up by 0.7% to 324 thousand tonnes from January to August this year.

Europe

Primary aluminium demand in Europe grew by 3.5% in the first nine months of 2014 in comparison with the same period during 2013. Turkey has increased consumption by 4.0% and Germany by 4.1%, respectively.

The PMI in the Eurozone slightly dipped to 50.3 points in September 2014 from 50.7 points in August. However, it held above 50 points which separates growth from contraction for the 15th month in a row. Turkey's industrial production index increased by 5.2% year-on-year in August after rising by 3.6% on the year in July.

Eurozone construction output increased at a faster pace in August. Construction output advanced 1.5% month-on-month following a 0.3% rise in July. Building output was up 1.4% and civil engineering advanced 2.1%. In the EU28, construction output gained 0.5% in August 2014 from the prior month while it fell 0.8% from the last year.

In September 2014, the EU market for new passenger cars expanded for the 13th consecutive month, totalling 1,235,501 units with substantial growth in all major markets.

From January to September, the EU market for passenger cars increased (+6.1%) compared to the first nine months of 2013, mainly caused by the significant growth recorded in Spain (+17.2%) and the UK (+9.1%). Likewise Italian (+3.6%), German (+2.9%) and French (+2.1%) markets expanded. New passenger car registrations in the EU totalled 9,572,259 units over the period.

Demand for flat rolled products was mixed during September. Orders from the transportation sector remained strong, supported by robust demand for aluminium automotive sheets. Meanwhile demand for aluminium foil from the packaging sector has declined. However the switch of beverage cans from steel to aluminium is continuing throughout Europe. Rexam has just announced plans to switch all of its Spanish canning lines to use aluminium. European extrusions demand was depressed by weak construction activity.

Asia - Ex-China

Primary aluminium consumption in Asia ex-China grew by 4.9% in the first nine months of 2014 compared to the same period of the last year.

Japan shows manufacturing expanded in the third quarter of 2014 although the PMI fell to 51.7, after seasonal adjustment in September from a final reading of 52.2 in August. Vehicle production in Japan for the first nine months of 2014 registered an annual growth increase of 4.3% compared to the same period last year to 7.446 million units.

Domestic demand for extrusions in the first half of 2014 was driven higher by a 7% rise in shipments to transportation equipment manufacturers and a 6.7% rise in shipments to the construction sector. Primary aluminium demand increased by 11.5% in Japan for the first eight months of 2014 compared to the same period last year.

South Korea PMI posted a reading of 48.8 in September 2014, down from 50.3 in August, indicating deteriorating operating conditions for South Korean manufacturers. However, during the same period South Korean vehicle sales gained 12.3% year-on-year to 127,687 units in September, while production improved modestly by 2% year-on-year to 294,160 units. For the first nine months of 2014 production gained 2.1% year-on-year to 3,318,991 units. In view of the encouraging business and economic environment, the South Korean new vehicle market is likely to close the year with a positive growth of 5.4% year-on-year to about 1.63 million units.

Malaysia's industrial production expanded by 6.5% in August 2014 compared to last year, beating market expectations, mainly due to gains in electricity generation and manufacturing activity. Output from the key industrial sectors rose by 7.4% from a year earlier, while the electricity index increased by 8.4% in August. Mining activities increased by 3.6% when compared to the same month last year.

Indian industrial cumulative growth index during April to September 2014 was 4%. Electricity generation increased by 10% during April-September 2014 over the corresponding period of previous year. Passenger-vehicle sales in India grew for the fifth straight month in September as improving economic sentiment and upcoming festivals boosted consumer demand. A total of 223,568 passenger vehicles were sold during those five months, a 3.3% increase from last September. The higher sales were due mainly to increased demand for sport-utility vehicles. Sales of trucks and buses, which are linked strongly to the health of the economy, grew 8.6% in September to 56,140 vehicles. Also, India requires USD250 billion in the next 20 years for basic urban infrastructure and this offers huge investment opportunities to international investors. Indian primary aluminium consumption rose by 3.1% for the first nine months of the year, compared to the same period last year.

China

The strong recovery of the Chinese economy during July and September of 2014 compensated for the slowdown during the first quarter of 2014. Overall, Chinese aluminum consumption remained robust.

China's PMI remained stable at 51.1 in September 2014. During the third quarter of 2014, GDP grew by 7.3% year-on-year. Industrial production rose by 8% year-on-year in September, against a more than five-year low of 6.9% in August.

Floor space of completed residential buildings, despite some weaknesses, grew by 5.1% for the first nine months of 2014 compared to the same period last year. Floor space of building under construction rose by 11.5% year-on-year in January — September 2014. Wire and cables output was up 48% during September 2014 compared to last year.

According to the Chinese National Automobile Association, car production for the first nine months of the year advanced by 8.1% to 17.22 million units.

The NBS have reported that fixed-asset investment ("FAI"), excluding rural households, grew by 16.1% year-on-year in the first nine months of the year, compared with 20.2% for the same period last year. Up until the end of August, China has spent RMB370 billion total railway FAI, up 18.2% year-on-year. Within which, RMB298 billion was on railway infrastructure and the rest was for railway equipment and railway upgrade FAI.

Demand for aluminium in China has continued to improve during the third quarter of 2014, with higher orders reported from all aluminium intensive sectors: construction, automotive, power, white goods and packaging.

Total aluminum apparent consumption for the first nine months of 2014 grew by 12% to 20.7 million tonnes compared to the same period last year. During the third quarter of 2014, China's aluminum balance was trimmed by 300,000 tonnes due to decreased production and grown demand, for nine months of 2014 Chinese market was balanced with slight 11 thousand tonnes of deficit. We predict that it will continue to improve further in the fourth quarter of 2014 and expect balanced market for the whole of 2014.

Global aluminum supply

According to IAI and CRU data, global aluminium production ex-China fell by 182,000 tonnes during the first nine months of 2014 versus the same period of last year. Despite new capacity commissioned in the Middle East and Asia, more than 1.3 million tonnes of ex-China capacity was closed during the first nine months of 2014 and another 0.4 million tonnes is still under threat of potential closure by the year end. As expected, higher prices will not incentivise marginal producers to significantly restart capacity in the coming years.

Chinese net operating capacity increased by 1.86 million tonnes to 29 million tonnes during the first nine months of the year due to the commissioning of new capacity and recommencement in specific provinces throughout China. However, around 1.8 million tonnes of operating capacity remains idle. Total aluminum production in China for the first nine months of 2014 rose by 11.6% to 20.7 million tonnes.

Chinese official authorities continue to limit growth in new investments into aluminum industry as a measure to tackle with overcapacity. As a result according to China Nonferrous Metals Industry Association (CNIA) China′s fixed-asset Investments in alumina, primary aluminum and secondary aluminum (aluminum recycling) projects decreased by 33.9% year-on-year to RMB35.5 billion in the first eight months of 2014.

Another factor which may affect Chinese capacity growth for both aluminum and alumina is a possible imported material constraint in form of bauxite and alumina in 2015-2017.

Aluminum stocks and premiums

US premiums rose sharply during September from 19.5 cents/lb in beginning of July to 22.25 cents/lb, a record level by the end of September. In Europe, the primary ingots premiums rose significantly from USD355/tonne in July to USD410/tonne by the end of September.

Spot premiums in Asia, as reflected by the Cost, Insurance and Freight in Major Japanese Ports indicator, also grew to a record level in September to USD408/tonne.

Aluminum premiums reached record levels due to market tension, long queues in major LME storage locations as well as rising logistics costs. As expected, the introduction of new LME rules in February 2015 is unlikely to impact premiums.

Aluminum stocks on the LME continued to decline due to the current aluminum market deficit. Since the beginning of the year, LME stocks have dropped by 838,000 tonnes to 4.614 million tonnes, the lowest level recorded since December 2011. This is in line with the market deficit outside of China during the first nine months of this year.

Importantly, there have been minimal deliveries of aluminium into LME warehouses (165,000 tonnes since the end of April 2014), so much so that irrespective of the introduction of new LME rules in February 2015, the load out rate from the “affected” warehouses of Detroit and Vlissingen will remain the same as that implied under the old warehousing rules. More than 98% of total stocks were canceled in

Detroit's warehouses and 69% in Vlissingen's on September 30 as requested on current market tightness. Consequently, RUSAL expects physical premiums to maintain their growth path as the deficit out of China is forecast to increase by the year end.

Aluminium industry outlook in 2014

UC RUSAL's 2014 market outlook remains broadly unchanged.

Global consumption of primary aluminium is forecast to reach 55 million tonnes, an increase of 6.5% compared to the same period last year. China remains the largest growing market with an expected growth rate of 12% followed by North America with 5% growth, Asia ex-China with 4% growth and Europe with 3% growth.

Overall, RUSAL forecasts the 2014 global aluminium market to be in 1.4 million tonnes of supply deficit.

Business review

Aluminium production

Primary aluminium production for the quarter ended 30 September 2014 reached 903 thousand tonnes demonstrating a decrease of 5.3% (or by 51 thousand tonnes) compared to 954 thousand tones for the third quarter of 2013. This dynamics reflects the finalization of capacity curtailment program and was mostly attributable to the mothballed production at certain smelters located in European part of Russia and Urals.

Alumina production

Alumina output for the quarter ended 30 September 2014 amounted to 1,817 thousand tonnes demonstrating stable dynamics (growth by 0.8%) compared to 1,802 thousand tonnes for the third quarter of 2013.

Bauxite production

Bauxite production for the quarter ended 30 September 2014 was 3,291 thousand tonnes as compared to 3,160 thousand tonnes for the third quarter of 2013, demonstrating a 4.1% growth. The main growth factor over the reported periods was increased mining operations at Windalco and SUBR.

Financial Overview

Revenue

	Three months ended 30 September		Change quarter on quarter, % (3Q to 3Q)	Three months ended 30 June	Change quarter on quarter, % (3Q to 2Q)	Nine months ended 30 September		Change nine months on nine months, %
	2014	2013		2014		2014	2013	
	(unaudited)	*(unaudited)*		*(unaudited)*		*(unaudited)*	*(unaudited)*	
(USD million)								
Sales of primary aluminium and alloys								
USD million	2,077	2,014	3.1%	1,888	10.0%	5,709	6,466	(11.7%)
kt	904	969	(6.7%)	893	1.2%	2,651	2,967	(10.7%)
Average sales price (USD/t)	2,298	2,078	10.6%	2,114	8.7%	2,154	2,179	(1.1%)
Sales of alumina								
USD million	157	151	4.0%	117	34.2%	420	377	11.4%
kt	489	494	(1.0%)	365	34.0%	1,309	1,176	11.3%
Average sales price (USD/t)	321	306	4.9%	321	0.0%	321	321	0.0%
Sales of foil (USD million)	74	77	(3.9%)	78	(5.1%)	223	232	(3.9%)
Other revenue (USD million)	169	190	(11.1%)	178	(5.1%)	509	560	(9.1%)
Total revenue (USD million)	**2,477**	**2,432**	**1.9%**	**2,261**	**9.6%**	**6,861**	**7,635**	**(10.1%)**

Revenue decreased by USD774 million or 10.1% to USD6,861 million in the nine months ended 30 September 2014, as compared to USD7,635 million for the corresponding period of 2013.

Revenue from sales of primary aluminium and alloys decreased by USD757 million, or by 11.7%, to USD5,709 million in the nine months ended 30 September of 2014, as compared to USD6,466 million for the same period of 2013. This decrease resulted primarily from the decrease of aluminium sales volumes by 10.7% in the nine months ended 30 September 2014 as compared to the corresponding period of 2013 following the completion of non-efficient capacity curtailment program.

The slight decrease in average LME aluminium prices was partially offset by a 42.0% growth in premiums above the LME price in the different geographical segments (to an average of USD382 per tonne from USD269 per tonne for the nine months ended 30 September 2014 and 2013, respectively).

Revenue from sales of alumina increased by USD43 million or 11.4% to USD420 million in the nine months of 2014 as compared to USD377 million for the corresponding period of 2013, due to 11.3% increase in alumina sales volume.

Revenue from sales of foil decreased by USD9 million or 3.9% to USD223 million in the nine months of 2014, as compared to USD232 million for the corresponding period in 2013, primarily due to a decrease by 5.4% in foil average sales price.

Revenue from other sales, including sales of other products, bauxite and energy services decreased by USD51 million or 9.1% to USD509 million in the nine months of 2014 as compared to USD560 million for the corresponding period of 2013, due to 5.6% lower sales of bauxite and a 9.5% decrease in sales of other materials.

Cost of sales

The following table demonstrates the breakdown of UC RUSAL's cost of sales for the nine months ended 30 September 2014 and 2013:

	Nine months ended 30 September		**Change, %**	**Share of costs, %**
	2014 *(unaudited)*	**2013** *(unaudited)*		
(USD million)				
Cost of alumina	610	788	(22.6%)	11.1%
Cost of bauxite	468	478	(2.1%)	8.5%
Cost of other raw materials and other costs	2,017	2,297	(12.2%)	36.6%
Energy costs	1,471	1,862	(21.0%)	26.7%
Depreciation and amortisation	328	378	(13.2%)	5.9%
Personnel expenses	562	687	(18.2%)	10.2%
Repairs and maintenance	57	74	(23.0%)	1.0%
Net change in provisions for inventories	1	9	(88.9%)	0.0%
Total cost of sales	**5,514**	**6,573**	**(16.1%)**	**100.0%**

Total cost of sales decreased by USD1,059 million, or 16.1%, to USD5,514 million for the nine months of 2014, as compared to USD6,573 million for the corresponding period in 2013. The decrease was primarily driven by the 10.7% (or 316 thousand tonnes) reduction in the aggregate volumes of aluminium sold, as well as depreciation of the Russian Ruble to the US dollar by 11.9% in the nine months of 2014 compared to the respective period of 2013.

Cost of alumina decreased in the reporting period (as compared to the nine months of 2013) by 22.6%, primarily as a result of a decrease in both alumina purchase volumes and average alumina purchase price.

Cost of bauxite decreased by 2.1% in the nine months of 2014 as compared to the same period of prior year, due to 16.2% decrease in purchase volume which was partially offset by a 8.1% growth in average purchase price.

Cost of raw materials (other than alumina and bauxite) and other costs decreased by 12.2% due to the lower raw materials purchase price (such as raw petroleum coke by 9.2%, calcined petroleum coke by 19.9%, raw pitch coke by 33.0%, pitch by 22.9%) and lower purchase volumes for the nine months of 2014 as compared to the nine months of 2013.

Energy cost decreased by 21.0% in the reporting period compared to the same period of 2013, primarily due to the lower aggregate volumes of aluminium sold as well as continuing depreciation of the Russian Ruble against the US dollar.

Gross profit

As a result of the foregoing factors, UC RUSAL reports a gross profit of USD1,347 million for the nine months ended 30 September 2014 as compared with USD1,062 million for the same period of 2013, representing gross margins over the periods of 19.6% and 13.9%, respectively.

Adjusted EBITDA and Results from operating activities

(USD million)	Nine months ended 30 September 2014 *(unaudited)*	Nine months ended 30 September 2013 *(unaudited)*	Change nine months on nine months, %
Reconciliation of Adjusted EBITDA			
Results from operating activities	444	28	1,485.7%
Add:			
Amortisation and depreciation	346	399	(13.3%)
Impairment of non-current assets	67	114	(41.2%)
Loss on disposal of property, plant and equipment	6	9	(33.3%)
Adjusted EBITDA	**863**	**550**	**56.9%**

Adjusted EBITDA, defined as results from operating activities adjusted for amortisation and depreciation, impairment charges and loss on disposal of property, plant and equipment, increased to USD863 million for the nine months ended 30 September 2014, as compared to USD550 million for the corresponding period of 2013. The factors that contributed to the growth of Adjusted EBITDA margin were the same that influenced the operating results of the Company.

Results from operating activities increased in the nine months ended 30 September 2014 to USD444 million, as compared to USD28 million for the corresponding period of 2013, demonstrating the increase in operating margins to 6.5% from 0.4% for the nine months periods of 2014 and 2013, correspondingly.

Finance income and expenses

(USD million)	Nine months ended 30 September 2014 (unaudited)	2013 (unaudited)	Change, %
Finance income			
Interest income on loans and deposits	22	11	100.0%
Foreign exchange gain	—	38	(100.0%)
Interest income on provisions	—	5	(100.0%)
	22	**54**	**(59.3%)**
Finance expenses			
Interest expense on bank loans and company loans wholly repayable within five years, bonds and other bank charges, including	(625)	(570)	9.6%
Nominal interest expense	*(533)*	*(491)*	*8.6%*
Bank charges	*(92)*	*(79)*	*16.5%*
Foreign exchange loss	(145)	—	100.0%
Change in fair value of derivative financial instruments, including	(147)	(11)	1,236.4%
Change in fair value of embedded derivatives	*(15)*	*(11)*	*36.4%*
Change in other derivatives instruments	*(132)*	—	*100.0%*
Interest expense on provisions	(12)	(18)	(33.3%)
	(929)	**(599)**	**55.1%**

Finance income decreased by USD32 million to USD22 million in the nine months ended 30 September 2014 as compared to USD54 million for the corresponding period of 2013, due to the net foreign exchange gain of USD38 million for the nine months of 2013, as compared to the net foreign exchange loss of USD145 million for the same period of 2014.

The same factor contributed to the increase of finance expenses in the nine months of 2014 by 55.1% to USD929 million as compared to USD599 million for the same period of 2013. Finance expenses for the nine months of 2014 were also affected by the net loss from change in fair value of derivative financial instruments, due to the significant depreciation of the Russian Ruble against the US dollar resulting in revaluation of certain cross-currency instruments.

Interest expenses on bank and company loans increased by USD55 million to USD625 million for the reporting period as compared to the USD570 million for the nine months of the previous year primarily due to the higher interest rate margins and negative effect of interest rate swap.

Share of profits/(losses) of associates and joint ventures

	Nine months ended 30 September		**Change, %**
	2014	**2013**	
(USD million)	*(unaudited)*	*(unaudited)*	
Share of profits of Norilsk Nickel, *with Effective shareholding of*	596 *27.82%*	204 *27.82%*	192.2% *NA*
Share of losses of other associates	(18)	(23)	(21.7%)
Share of profits of associates	**578**	**181**	**219.3%**
Share of profits of joint ventures	**33**	**33**	**0.0%**

Share of profits of associates was USD578 million in the nine months ended 30 September 2014 and USD181 million for the corresponding period in 2013. Share in results of associates in both periods resulted primarily from the investment in Norilsk Nickel, which amounted to profit of USD596 million and USD204 million for the nine months ended 30 September 2014 and 2013, respectively.

Share of profits of joint ventures was almost flat during the nine months of 2014 as compared to the same period of 2013. 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 ("North United Aluminium").

Loss recycled from other comprehensive income for the nine months ended 30 September 2013

On 24 April 2013 the Group completed its disposal of 3,873,537 shares in Norilsk Nickel to Crispian Investments Limited for USD620 million which was settled in cash.

On the date of disposal the Group recycled USD230 million of accumulated foreign currency translation losses and USD4 million of other losses relating to shares sold from other comprehensive income recognized in equity to the statement of income. The accumulated foreign currency translation losses of USD230 million and USD4 million of other losses were accumulated while the shares were recognized as part of the Group's investment in an associate.

Net Profit/(Loss) for the period

As a result of the above, the Company recorded a net profit of USD11 million for the nine months ended 30 September 2014, as compared to the net loss of USD611 million for the same period of 2013.

Adjusted and Recurring Net Profit/(Loss)

(USD million)	Three months ended 30 September 2014 *unaudited*	Three months ended 30 September 2013 *unaudited*	Change quarter on quarter, % (3Q to 3Q)	Three months ended 30 June 2014 *unaudited*	Change quarter on quarter, % (3Q to 2Q)	Nine months ended 30 September 2014 *unaudited*	Nine months ended 30 September 2013 *unaudited*	Change nine months on nine months, %
Reconciliation of Adjusted Net Profit/(Loss)								
Net profit/(loss) for the period	220	(172)	NA	116	89.7%	11	(611)	NA
Adjusted for:								
Share of profits and other gains and losses attributable to Norilsk Nickel, net of tax effect, *with*	(225)	(100)	125.0%	(278)	(19.1%)	(580)	52	NA
Share of profits, net of tax	*(225)*	*(100)*	*125.0%*	*(278)*	*(19.1%)*	*(580)*	*(182)*	*218.7%*
Loss on disposal of Norilsk Nickel recycled from other comprehensive income	—	—	—	—	—	—	*234*	*(100.0%)*
Change in derivative financial instruments, net of tax (20.0%)	19	5	280.0%	(16)	NA	132	(25)	NA
Impairment of non-current assets, net of tax	11	33	(66.7%)	29	(62.1%)	67	114	(41.2%)
Adjusted Net Profit/(Loss)	**25**	**(234)**	**NA**	**(149)**	**NA**	**(370)**	**(470)**	**(21.3%)**
Add back:								
Share of profits of Norilsk Nickel, net of tax	225	100	125.0%	278	(19.1%)	580	182	218.7%
Recurring Net Profit/(Loss)	**250**	**(134)**	**NA**	**129**	**93.8%**	**210**	**(288)**	**NA**

Adjusted Net Profit/(Loss) for any period is defined as the net profit/(loss) adjusted for the net effect of the Company's investment in Norilsk Nickel, the net effect of derivative financial instruments and the net effect of non-current assets impairment. Recurring Net Profit/(Loss) for any period is defined as Adjusted Net Loss plus the Company's net effective share in Norilsk Nickel results.

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.

	Nine months ended 30 September			
	2014		**2013**	
	Aluminium	**Alumina**	**Aluminium**	**Alumina**
(USD million)	*(unaudited)*	*(unaudited)*	*(unaudited)*	*(unaudited)*
Segment revenue				
kt	*2,736*	*4,617*	*3,022*	*4,501*
USD million	*5,831*	*1,437*	*6,574*	*1,525*
Segment result	773	(93)	458	(196)
Segment EBITDA[8]	1,048	(29)	774	(121)
Segment EBITDA margin	18.0%	(2.0%)	11.8%	(7.9%)
Total capital expenditure	189	142	247	122

For the nine months ended 30 September 2014 and 2013 respectively, segment result margins (calculated as the percentage of segment result to total segment revenue) from continuing operations were 13.3% and 7.0% for the aluminium segment, and negative 6.5% and 12.9% for the alumina segment. Key drivers for the increase in margins 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 interim condensed financial information as at and for the three- and nine-month periods ended 30 September 2014.

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

Capital expenditure

UC RUSAL recorded total capital expenditures of USD349 million for the nine months ended 30 September 2014. UC RUSAL's capital expenditure for the nine months of 2014 was primarily aimed at maintaining existing production facilities.

	Nine months ended 30 September	
	2014	**2013**
(USD million)	*(unaudited)*	*(unaudited)*
Development capex	45	46
	45	**46**
Maintenance		
Pot rebuilds costs	112	121
Re-equipment	192	217
Total capital expenditure	**349**	**384**

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 ventures partners at this time.

Norilsk Nickel investment

The market value of UC RUSAL's stake in Norilsk Nickel was USD8,209 million as at 30 September 2014, as compared to USD7,261 million as at 31 December 2013 due to a positive share price performance between the relevant dates.

As stated in Note 10 to the consolidated interim condensed financial information for the three and nine months period ended 30 September 2014, as of the date of this consolidated interim condensed financial information the Group was unable to obtain consolidated interim financial information of Norilsk Nickel as at and for the three- and nine-month periods ended 30 September 2014. Consequently the Group estimated its share in the profits, other comprehensive income and foreign currency translation reserve of Norilsk Nickel for the three- and nine-month periods ended 30 September 2014 based on publicly available information reported by Norilsk Nickel. The information used as a basis for these estimates is incomplete in many aspects. Once the consolidated interim financial information for Norilsk Nickel becomes available, it is compared to management's estimates. If there are significant differences, adjustments may be required to restate the Group's share in profit, other comprehensive income, foreign currency translation reserve and the carrying value of the investment in Norilsk Nickel reported in this consolidated interim condensed financial information.

The Company notes that its auditor, ZAO KPMG, has provided a qualified conclusion in its review of the unaudited consolidated interim condensed financial information of the Company for the three and nine months ended 30 September 2014 as it was unable to obtain and review the consolidated interim financial information of Norilsk Nickel. An extract from the review report provided by ZAO KPMG on the consolidated interim condensed financial information of the Company dated 11 November 2014 is as follows:

"Basis for Qualified Conclusion

We were unable to review consolidated interim financial information of the Group's equity investee, OJSC MMC Norilsk Nickel ("Norilsk Nickel"), supporting the Group's share in the profit of USD225 million and USD596 million for the three- and nine-month periods ended 30 September 2014, respectively, other comprehensive income of that investee of USD nil million and USD1 million for the three- and nine-month periods ended 30 September 2014, respectively, the foreign currency translation loss of USD1,391 million and USD1,172 million for the three- and nine-month periods ended 30 September 2014, respectively, and the carrying value of the Group's investment in the investee stated at USD6,694 million as at 30 September 2014. Had we been able to complete our review procedures in respect of interests in associates, matters might have come to our attention indicating that adjustments might be necessary to this consolidated interim condensed financial information.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the consolidated interim condensed financial information as at 30 September 2014 and for the three- and nine-month periods then ended is not prepared, in all material respects, in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting."

Consolidated interim condensed financial information

The unaudited consolidated interim condensed financial information of UC RUSAL for the three and nine months ended 30 September 2014 was approved by the Directors of UC RUSAL on 11 November 2014, and reviewed by the Audit Committee. It has also been filed with the French *Autorité des marchés financiers* on the date hereof and is accessible on UC RUSAL's website at *http://www.rusal.ru/en/investors/ financial_stat.aspx*.

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 currently 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. Daniel Lesin Wolfe and Ms. Olga Mashkovskaya. On 11 November 2014, the Audit Committee has reviewed the financial results of the Company for the nine months ended 30 September 2014.

Material events over the third quarter of 2014 and since the end of that period

The following is a summary of the key events that have taken place over the third quarter of 2014 and since the end of that period. All information regarding key events that has been made public by the Company for the three months ended 30 September 2014 and since the end of that period pursuant to legislative or regulatory requirements, including announcements and press releases, is available on the Company's website *(www.rusal.com)*.

2 July 2014	UC RUSAL announces that the Company has begun initial design work on a project to build a new casting line at the Krasnoyarsk aluminium smelter ("KrAZ"). The project is part of the Company's strategy to increase the share of value added products in total aluminium output. Completion is expected in 2016. Total investment in the project is estimated at USD45 million.
10 July 2014	UC RUSAL announces the beginning of Dian-Dian project in the Republic of Guinea.

21 July 2014	UC RUSAL announces that a three-member ICC arbitral tribunal (Paris, France) has rendered an award in favor of UC RUSAL in its case against the Republic of Guinea regarding RUSAL's purchase of shares in Friguia bauxite and alumina complex.
30 July 2014	UC RUSAL announces the completion of the work to allow the Aughinish alumina refinery, Europe's largest alumina producer, switch from heavy fuel oil to gas as its main energy source.
21 August 2014	UC RUSAL announces that the Amendment Agreement on the refinancing of USD4.75 billion and USD400 million PXF facilities has been signed and has become effective. The Schemes of Arrangement processes are discontinued.
26 August 2014	UC RUSAL announces an update on the Sberbank amendment agreement.
27 August 2014	UC RUSAL announces the interim results for the six months ended 30 June 2014.
11 September 2014	UC RUSAL announces an update on the interim results for the six months ended 30 June 2014.
22 September 2014	UC RUSAL announces the start of work on a new production process for making nanostructured aluminium alloys with improved mechanical strength for the electric power industry. The project is being implemented by the Engineering and Technology Centre of UC RUSAL on the premises of the Irkutsk aluminium smelter (IrkAZ).
24 September 2014	UC RUSAL announces plans to set up a joint business with ELSO Group for manufacturing aluminium radiators at the Nadvoitsy aluminium smelter.
8 October 2014	UC RUSAL announces the change of registered office in Jersey.
8 October 2014	UC RUSAL notes that the Court of Appeal upheld the London Metal Exchange's appeal against the High Court judgment of Mr Justice Phillips.

16 October 2014	UC RUSAL announces that a three-member LCIA arbitral tribunal in London rendered an award in favour of UC RUSAL in its case against four Nigerian state entities: the Bureau of Public Enterprises, the Federal Government of Nigeria, the Ministry of Finance, and the National Council for Privatisation.

Compliance

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

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

Forward-looking statements

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

By Order of the board of directors of
United Company RUSAL Plc
Vladislav Soloviev
Director

12 November 2014

As at the date of this announcement, the executive Directors are Mr. Oleg Deripaska, Ms. Vera Kurochkina, Mr. Vladislav Soloviev and Mr. Stalbek Mishakov, the non-executive Directors are Mr. Maxim Sokov, Mr. Dmitry Afanasiev, Mr. Len Blavatnik, Mr. Ivan Glasenberg, Mr. Maksim Goldman, Ms. Gulzhan Moldazhanova, Mr. Daniel Lesin Wolfe, Ms. Olga Mashkovskaya and Ms. Ekaterina Nikitina, and the independent non-executive Directors are Mr. Matthias Warnig (Chairman), Dr. Peter Nigel Kenny, Mr. Philip Lader, Ms. Elsie Leung Oi-sie and Mr. Mark Garber.

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.