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UNITED COMPANY RUSAL PLC
(Incorporated under the laws of Jersey with limited liability)
(Stock Code: 486)

FOURTH QUARTER AND FULL YEAR 2015 TRADING UPDATE

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

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

UC RUSAL announces its operating results for fourth quarter 2015 (“4Q15”) and 12 months 2015 (“12M15”).

Aluminium

- Aluminium production¹ in 4Q15 totaled 878 thousand tons (-4.0% QoQ) remaining flat on the YoY basis.
- 4Q15 aluminium sales² totaled 876 thousand tons (-6.7% QoQ). Sales reduction was attributable to a relatively high level of 3Q15 sales on export and domestic markets and a marginal increase of inventories (goods in transit) in 4Q15 to be distributed 1Q16. The share of VAP³ in the overall aluminium sales portfolio in 4Q15 was 44%.
- 4Q15 realised price decreased by 6.2% QoQ to USD1,729/t reflecting the general downward trend of London Metal Exchange (“LME”) aluminium prices in the second half of 2015 (please refer to the Market review section for further details).
- 12M15 aluminium production totalled 3,603 thousand tons (flat YoY).
- 12M15 aluminium sales totalled 3,638 thousand tons (+3.2% YoY), with 43% share of VAP in the sales portfolio. Average realised price in 12M15 was at USD2,001/t (-9.8%, YoY).

Alumina

- 4Q15 alumina production totalled 1,906 thousand tons (+1.9% QoQ). International operations (including Aughinish, Nikolaev, Windalco and JV Queensland) accounted for the major part (66%) of the output. The production growth was largely attributable to stronger internal (intercompany) demand.
- 12M15 production totalled 7,402 thousand tons (+2.0% YoY).

Bauxites

- 4Q15 bauxite⁴⁴ and nepheline ores production totalled 2,850 thousand tons (-13.4% QoQ) and 952 thousand tons (-9.6% QoQ), respectively. Bauxite production volumes decline was largely attributable to seasonal factors in Russia where volumes were down QoQ

¹ Aluminium production represented by salable products output. Production volumes are based on preliminary data and can be updated in 4Q15 financial results.

² Sales volume and realised sales price based on preliminary data and can be updated in 4Q15 financial results.

³ VAP includes alloyed ingots, slabs, billets and wire rod.

⁴ Bauxite production volumes differs from the volumes given in the 3Q15 trading update due to the exclusion of low grade bauxites from the output. Exclusion of low grade bauxites from supplementary operating data has no impact on financial results.

due to weather conditions. In advance of the winter season, inventories were built in 3Q15 to keep supplies stable at Group aluminium smelters. International assets bauxite production totalled 1,713 thousand tons (-1.4% QoQ). Output at Windalco and Bauxite Company of Guyana were lower QoQ due to seasonal planned repairs and destocking.

- 12M15 production of bauxite and nepheline ore totalled 12,112 thousand tons (no change YoY) and 4,111 thousand tons (-6.5% YoY), accordingly.

Production guidance

- The Company does not plan on restarting the aluminium smelters idled in 2013 and is considering further aluminium production cuts totaling approximately 200 thousand tons per annum.

Market review⁵

- In 4Q15 average aluminium LME Cash price was on average at USD1,495 /t (-5.9% QoQ). LME prices remained volatile (trading in the range of USD1,425/t - USD1,597/t) during the quarter amid remaining concerns over continuing reduction in the oil price and negative Chinese economy scenarios accompanied by an aggressive yuan devaluation and mounting aluminium exports. Commodity grade premiums recovered during 4Q15 after they dipped below transportation / insurance component levels in September and October 2015. EU premium (duty unpaid) increased from USD65/t to USD117/t during the 4Q15 and stabilized at USD100/t in the middle of January 2016. Japan's 1Q16 aluminium premiums were set at USD110/t growing 22% QoQ on falling local inventory and higher premiums across other regions.
- Following several announcements on aluminium capacity cuts in China in 4Q15 with total closures of 4.4 mn tons/year in 2015 aluminium production started to decline in December 2015 (-8.7% MoM), indicating an improving supply discipline in the region. Ex-China production in December 2015 was remained flat (-0.3% MoM). Domestic inventories in China at the largest warehouses in China fell 7 kt to 663 kt in the period of January which shows evidence of capacity cuts and improving balance and despite traditional restocking in the begging of each year. From its pick of 1.2 mn tons in May 2015 stocks have dropped by 45%.
- China added 3.7 mn of new capacity into operation thus net operating capacity growth of China in 2015 changed insignificantly. In 2016 it is expected China to ramp up around 3 mn tons of new capacity and close around 1.5 mn tons thus capacity growth for 2015-2016 to be much lower compared to last 5 years.
- Chinese net semis export grew by 17.5% in 2015 to 3.7 mn tons. As expected Chinese semis exports will slowdown in 2016 compared to 2015 on lower arbitrage and tight domestic metal supply.
- Global aluminum demand grew by 5.6% in 2015 YoY to 56.4 mn tons. As expected global aluminum demand continue growth at a healthy 5.7% growth in 2016 to 59.5 mn tons as a result of strong ex-China demand growth in North America, Europe and Asia. Chinese growth is expected to continue to be strong at 7% YoY.
- Manufacturing PMI's in the end of 2015 are become more constructive in Japan, Korea and Taiwan, as well as Southern Europe to further support aluminum consumption growth in 1H16.
- Around 1 mn tons of ex-China production was cut in 2015 and another 0.5 mn tons will be cut in 1H of 2016, maintaining a strong 2 mn tons deficit from 2016-2020. Overall we expect 1.2 mn tons of global aluminum market deficit in 2016 compared to 0.6 mn tons of surplus in 2015.
- The news on aluminium capacity curtailments are supporting the LME Aluminium price and premiums are expected to stabilize at current levels in 1Q16. The upside of the aluminium "all-in" price on the short-term horizon will be dependent on FX rates, underlying energy prices and the positioning of commodity funds based on their views of the Chinese economy.

KEY OPERATING DATA

GROUP PRODUCTION DATA⁶

('000 tons)	4Q15	3Q15	Change, % (QoQ)	12M15	12M14	Change, % (YoY)
Aluminium	878	916	-4.0%	3,603	3,601	0.0%
Aluminium foil and packaging products	22.4	22.1	1.4%	89.1	93.6	-4.8%
Alumina	1,906	1,870	1.9%	7,402	7,253	2.0%
Bauxite	2,850	3,290	-13.4%	12,112	12,108	0.0%
Nepheline	952	1,053	-9.6%	4,111	4,396	-6.5%

⁵ Data for the Market review section is sourced from Bloomberg, Metal Bulletin, CNIA and IAI

⁶ The production data throughout the report is presented on equity-adjusted basis. Production volumes are calculated based on the pro rata share of the Company's (and its subsidiaries') ownership.

GROUP SALES DATA

<i>(⁰⁰⁰ tons), unless otherwise indicated</i>	4Q15	3Q15	Change, % (QoQ)	12M15	12M14	Change, % (YoY)
Aluminium sales	876	939	-6.7%	3,638	3,525	3.2%
Share of VAP	44%	46%		43%	46%	
Aluminium realised price, USD/t	1,729	1,843	-6.2%	2,001	2,219	-9.8%

JOINT VENTURES PRODUCTION

	4Q15	3Q15	Change, % (QoQ)	12M15	12M14	Change, % (YoY)
Bogatyr Komir and Bogatyr Trans						
Coal (50%) (Kt)	5,438	3,973	37%	17,241	19,001	-9.3%
Transport (50%) (Kt of transportation)	2,017	1,841	10%	6,482	6,588	-1.6%
Boguchanskaya HP						
Electricity generation, mwh	2,881	4,231	-31.9%	13,077	8,362	56.4%

United Company RUSAL Plc
Aby Wong Po Ying
Company Secretary

11 February 2016

As at the date of this announcement, the executive Directors are Mr. Oleg Deripaska, 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, Mr. Mark Garber and Mr. Dmitry Vasiliev.

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>, <http://rusal.ru/investors/info/moex/> and <http://www.rusal.ru/en/press-center/press-releases.aspx>, respectively.