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UNITED COMPANY RUSAL PLC

(Incorporated under the laws of Jersey with limited liability)

(Stock Code: 486)

SECOND QUARTER 2017 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 securities of UC RUSAL.

UC RUSAL announces its operating results for the second quarter (“2Q17”) 2017¹.

Aluminium

- Aluminium production² in 2Q17 totaled 921 thousand tonnes (+1.2% QoQ), with Siberian smelters representing 94% of total aluminium output. The total production dynamics is largely explained by the number of calendar days in the periods (91 days in 2Q17 and 90 days in 1Q17). Smelters utilization remained on average at a high of 95%.
- In 2Q17 aluminium sales totaled 1,002 thousand tonnes (+1.7% QoQ).

¹ Operating data is based on preliminary data and may be updated in the 2Q17 financial results.

² Aluminium production represented by salable products output (the number includes all facilities excluding Volgograd remelting).

- In 2Q17 sales of value added products (VAP³) increased strongly QoQ by 13.1% to 493 thousand tonnes from 436 thousand tonnes in 1Q17. As a result the share of sales of VAP in total sales grew to 49.2% in 2Q17 in comparison with 44.3% in 1Q17. The strong growth of VAP sales is in line with Company's strategy of increasing the share of respective product mix and it was achieved due to continuous upgrades in relevant capacities and achieved productivity gains.
- In 2Q17 the average aluminium realized price⁴ increased by 7.1% QoQ to USD2,087/t. The increase was driven by positive dynamics in London Metal Exchange ("LME") QP⁵ component (+6.5% QoQ to USD1,913/t) and average realized premium component growth (+13.7% QoQ to USD174/t).

Alumina

- In 2Q17, total alumina production increased by 2.1% QoQ, totaling 1,928 thousand tonnes. Russian operations accounted for 36% of total output. Production volumes at refineries were largely in line with production plans. Seasonal repair works performed at Windalco, Auginish and Bogoslovsk were offset by production performance at Achinsk and Urals.
- Capacity upgrades which were completed at Nikolaev and Urals refineries were largely behind the YoY production increase at refineries in 2Q17.

Bauxite and nepheline ore

- In 2Q17, bauxite output totaled 3,090 thousand tonnes (+7.7% QoQ). Nepheline output increased by 5.2% QoQ to 1,111 thousand tonnes due to seasonal factor. Production volumes at Timan and Kia Shaltyr (nepheline ore⁶) increased by 22.7% and 5.2% QoQ to meet the production plan needs of the Urals and Achinsk alumina refineries and seasonal factor respectively. Kindia production volumes increased by 4.6% QoQ in 2Q17 which is largely explained by repairs and purchasing of rolling stock. Bauxite Company of Guyana production decreased by 2.4% QoQ.

³ VAP includes alloyed ingots, slabs, billets, wire rod, high and special purity aluminium.

⁴ The realised price includes three components: LME component, commodity premium and VAP upcharge.

⁵ QP (quotation period) prices differs from the real time LME quotes due to a time lag between LME quotes and sales recognition and due to contract formula speciality.

⁶ Kiya Shaltyr Nepheline ore is used as a feedstock for alumina production at Achinsk alumina refinery.

Market overview⁷

- The LME aluminium price reached USD1,962/t in April 2017, its highest level since December 2014 and since then has fluctuated around USD1,900/t during 1H2017. Price growth is attributed to the robust demand for aluminium during the period, market expectations of supply disruptions in China coupled with significant production cost inflation.
- The world economy witnessed broad based growth in 1H17, with an increase in business activity, particularly in the developed economies. The main drivers for demand for aluminium were the growth of consumer spending particularly for cars, durable goods sales and also fixed asset investments. Global PMI remains strongly above 52.6 level with EU and Japan leading the way with 57.4 and 52.4 respectively and the US ISM index was strongly at 52 level.
- The Chinese economy continued to show strong growth through 1H2017. The official PMI reached 51.7 in June 2017 and Caixin showed 50.4 level. At the same time industrial production grew 7.6% in June YoY and GDP in 2Q2017 went up 6.9% YoY.
- The reported inventories of aluminium have declined further to 3.1 mn tonnes as at the end of June 2017 (7.5% down from inventories level at end of April 2017). The days of consumption decreased to 37 days from 110 days in 2015 and continue to decline at a steady rate.
- UC RUSAL estimates that in 1H2017 global aluminum demand grew by 5.7% YoY to 31.7 mn tonnes. Global supply in 1H2017 was up by 11.5% to 31.8 mn tonnes, leaving the aluminum market roughly balanced.
- Based on CRU estimates, aluminium demand in the world ex-China rose by a strong 3.5% in 1H2017 YoY to 14.7 mn tonnes while production (including eight non-reporting countries) increased by 2.3% YoY to 13.5 mn tonnes. This left the ROW (rest of the world) aluminium market with approximately 1.1 mn tonnes in deficit in 1H2017.

⁷ Unless otherwise stated data for the “Market overview” section is sourced from Bloomberg, CRU, CNIA, IAI and Antaike.

- According to UC RUSAL's estimates, demand in China grew by 7.5% in 1H2017 YoY to 17.0 mn tonnes, implying that the Chinese market was oversupplied by c.1.2 mn tonnes during this period. This was a result of domestic production growing on the back of new capacity additions through 4Q2016 as well as restart of production.
- Nevertheless, the announcement by the Chinese regulator regarding winter capacity cuts is expected to result in an annualized production loss of 1.2 mn tonnes, according to UC RUSAL estimates. When considering the expected curtailments of the so-called "illegal capacities", UC RUSAL expects that the Chinese aluminium market balance will improve in 2H2017 leading to much tighter market situation in 2018. As of the date of this announcement, according to SMM, around 1.8 mn tonnes of illegal operating capacity and 2 mn tonnes of projects under construction have been closed and UC RUSAL expects another 2-3 mn tonnes of operating capacity to be closed by the end of this year.
- In addition, the continued aluminium cost push in China, mainly driven by surge in carbon materials prices, provides further support for growth of domestic aluminum prices amid the backdrop of expected winter cuts. Thus, even historically low cost producing regions like Xinjiang and Inner-Mongolia experienced average growth of producing costs including transportation cost up to the level of RMB13,000/t as at the end of June 2017 as compared to their level of RMB12,400/t on average through 2016.

KEY OPERATING DATA

GROUP PRODUCTION DATA⁸

<i>('000 tonnes)</i>	2Q17	1Q17	Change, %(QoQ)	1H17	1H16	Change, %(YoY)
Aluminium	921	910	1.2%	1,832	1,835	-0.2%
<i>utilisation rate</i>	95%	95%		95%	95%	
Aluminium foil and packaging products	26.0	23.1	12.8%	49.2	40.8	20.6%
Alumina	1,928	1,889	2.1%	3,818	3,724	2.5%
Bauxite	3,090	2,869	7.7%	5,959	6,135	-2.9%
Nepheline	1,111	1,056	5.2%	2,166	2,319	-6.6%

GROUP SALES DATA

<i>('000 tonnes)</i>	2Q17	1Q17	Change, %(QoQ)	1H17	1H16	Change, %(YoY)
Aluminium sales	1,002	985	1.7%	1,987	1,915	3.8%
including						
BOAZ aluminium product sales	37	33	12.0%	71	68	3.2%
other third party aluminium products sales	40	46	-12.4%	86	5	1,571%
VAP sales						
(included in the total aluminium sales)	493	436	13.1%	930	831	11.9%
<i>Realized price, USD/ton</i>	2,087	1,949	7.1%	2,019	1,689	19.5%

⁸ Unless stated otherwise the production data throughout the report is presented on equity-adjusted basis (for exceptions please refer to the data of the Boguchansky smelter and Boguchanskaya HPP). Production volumes are calculated based on the pro rata share of the Company's (and its subsidiaries') ownership.

ALUMINIUM PRODUCTION

<i>(‘000 tonnes)</i>	Interest	2Q17	1Q17	Change, %(QoQ)	1H17	1H16	Change, %(YoY)
Russia (Siberia)							
Bratsk aluminium smelter	100%	251	248	1.2%	499	501	-0.4%
Krasnoyarsk aluminium smelter	100%	253	253	0.1%	506	512	-1.1%
Sayanogorsk aluminium smelter	100%	134	131	2.1%	264	263	0.6%
Novokuznetsk aluminium smelter	100%	54	53	1.0%	107	106	0.5%
Irkutsk aluminium smelter	100%	104	103	1.4%	208	206	0.8%
Khakas aluminium smelter	100%	73	72	0.9%	145	146	-1.0%
Russia — Other							
Nadvoitsy aluminium smelter	100%	3	3	2.0%	6	6	-5.1%
Kandalaksha aluminium smelter	100%	18	18	0.1%	36	34	5.9%
Sweden							
Kubikenborg Aluminium (KUBAL) ⁹	100%	31	30	4.1%	61	62	-1.2%
Total production		921	910	1.2%	1,832	1,835	-0.2%
<i>Remelting of third-party primary aluminium at Volgograd smelter</i>		6	6	2.5%	12	19	-36.9%
Total aluminium products output including remelting¹⁰		927	916	1.3%	1,844	1,855	-0.6%

⁹ Does not include remelting of the metal from other UC RUSAL smelters.

¹⁰ Here and further “total production” may not be equal to the arithmetic addition of the numbers above presented in the table. The differences arise due to the rounding of exact numbers (including decimals).

Foil and packaging production results

<i>('000 tonnes)</i>	Interest	2Q17	1Q17	Change, %(QoQ)	1H17	1H16	Change, %(YoY)
Russia							
Sayanal	100%	10.1	9.0	12.4%	19.2	16.1	19.0%
Ural Foil	100%	6.2	5.9	5.2%	12.1	8.2	48.4%
Sayana Foil	100%	0.8	0.8	4.0%	1.7	1.5	9.9%
Armenia							
Armenal	100%	8.9	7.4	19.8%	16.2	15.0	8.2%
Total production		26.0	23.1	12.8%	49.2	40.8	20.6%

Other aluminium products output and silicon output

<i>('000 tonnes)</i>	2Q17	1Q17	Change, %(QoQ)	1H17	1H16	Change, %(YoY)
Secondary alloys	6.6	7.2	-8.3%	13.8	11.9	15.7%
Silicon	12.3	14.3	-14.0%	26.6	29.4	-9.6%
Powder	4.6	4.6	0.0%	9.2	9.3	-1.2%

ALUMINA PRODUCTION

<i>(‘000 tonnes)</i>	Interest	2Q17	1Q17	Change, %(QoQ)	1H17	1H16	Change, %(YoY)
Ireland							
Aughinish Alumina	100%	480	471	1.8%	951	965	-1.5%
Jamaica							
Alpart ¹¹	100%	—	—	—		—	—
Windalco	100%	134	146	-8.2%	280	301	-7.1%
Ukraine							
Nikolaev Alumina Refinery	100%	431	397	8.5%	828	740	11.9%
Italy							
Eurallumina	100%	—	—	—		—	—
Russia							
Bogoslovsk Alumina Refinery	100%	238	234	1.9%	473	473	-0.1%
Achinsk Alumina Refinery	100%	230	243	-5.5%	473	475	-0.4%
Urals Alumina Refinery	100%	227	209	8.7%	437	399	9.6%
Boxitogorsk Alumina Refinery	100%	—	—	—		—	—
Guinea							
Friguia Alumina Refinery	100%	—	—	—		—	—
Australia (JV)							
Queensland Alumina Ltd (20%)	20%	189	187	1.0%	376	370	1.6%
Total alumina production		1,928	1,889	2.1%	3,818	3,724	2.5%

¹¹ The Alpart was sold to an external party (see UC RUSAL’s announcement dated 19 July 2016). The results of Alpart are excluded from UC RUSAL Consolidated Financial Statements from 3Q 2016.

BAUXITE MINING

<i>(‘000 tonnes wet)</i>	Interest	2Q17	1Q17	Change, %(QoQ)	1H17	1H16	Change, %(YoY)
Jamaica							
Alpart	100%	—	—	—	—	69	—
Windalco	100%	504	503	0.1%	1,007	1,018	-1.1%
Russia							
North Urals	100%	616	589	4.6%	1,205	1,148	5.0%
Timan	100%	887	723	22.7%	1,610	1,485	8.4%
Guinea							
Friguia	100%	—	—	—	—	—	—
Kindia	100%	806	771	4.6%	1,578	1,852	-14.8%
Guyana							
Bauxite Company of Guyana Inc	90%	276	283	-2.4%	560	563	-0.6%
Total bauxite production		3,090	2,869	7.7%	5,959	6,135	-2.9%

Nepheline ore production¹²

<i>(‘000 tonnes wet)</i>	Interest	2Q17	1Q17	Change, %(QoQ)	1H17	1H16	Change, %(YoY)
Kiya Shaltyr Nepheline Syenite	100%	1,111	1,056	5.2%	2,166	2,319	-6.6%

¹² Nepheline ore used as a feedstock for alumina production at the Achinsk alumina refinery.

JOINT VENTURE OPERATING RESULTS

	Interest	2Q17	1Q17	Change, %(QoQ)	1H17	1H16	Change, %(YoY)
Boguchanskaya HPP¹³							
Electricity generation, mwh	50%	3,572	3,176	12.5%	6,748	6,491	4.0%
Boguchansky aluminium smelter¹⁴							
Aluminium production (‘000 tonnes)	50%	37	37	0.5%	74	75	-1.6%
Bogatyr Komir and Bogatyr Trans							
Coal production (50%) (Kt)	50%	4,114	5,071	-18.9%	9,185	7,680	19.6%
Transportation volumes (50%) (Kt of transportation)	50%	1,458	1,571	-7.2%	3,025	3,013	0.4%

By order of the Board of Directors of
United Company RUSAL Plc
Aby Wong Po Ying
Company Secretary

27 July 2017

As at the date of this announcement, the executive Directors are Mr. Oleg Deripaska, Mr. Vladislav Soloviev and Mr. Siegfried Wolf, the non-executive Directors are Mr. Maxim Sokov, Mr. Dmitry Afanasiev, Mr. Ivan Glasenberg, Mr. Maksim Goldman, Ms. Gulzhan Moldazhanova, Mr. Daniel Lesin Wolfe, Ms. Olga Mashkovskaya, Ms. Ekaterina Nikitina and Mr. Marco Musetti, and the independent non-executive Directors are Mr. Matthias Warnig (Chairman), Mr. Philip Lader, Dr. Elsie Leung Oi-sie, Mr. Mark Garber, Mr. Dmitry Vasiliev and Mr. Bernard Zonneveld.

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.

¹³ Boguchanskaya HPP data is represented by 100% of energy generated (not on an ownership pro rata basis).

¹⁴ Boguchansky aluminium smelter data is represented by 100% of volumes produced (not on an ownership pro rata basis).