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UNITED COMPANY RUSAL PLC

(Incorporated under the laws of Jersey with limited liability)

(Stock Code: 486)

RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2016

Key highlights

- United Company RUSAL Plc (“UC RUSAL” or the “Company”, together with its subsidiaries, the “Group”) continued to see challenging environment in the aluminium industry in the first quarter of 2016. Average London Metals Exchange (“LME”) aluminium price increased by 1.3% to USD1,515 for the first quarter of 2016 as compared to USD1,495 in last quarter of 2015, while the average realized product premium for the same period decreased by 3.9% and the average sales price decreased by 3.6% to USD1,666 in the first quarter of 2016 as compared to USD1,729 in the preceding quarter.
- Revenue in the first quarter of 2016 decreased by 22.7% to USD 1,914 million as compared to USD2,477 million in the first quarter of 2015 due to the 15.9% decrease in LME aluminium price, and sharp decline in the average realized premiums to USD172 per tonne in the first three months of 2016 from USD424 per tonne in the respective period of the prior year.
- Aluminium segment cost per tonne decreased by 11.5% to USD1,326 in the first quarter of 2016 in comparison with USD1,499 per tonne in the same period of 2015 and by 6.0% compared to USD1,410 per tonne in the preceding quarter resulting from continuous cost control measures and external factors such as depreciation of the Russian Ruble to the US dollar and decrease in raw material prices. Ongoing decrease in cost per tonne allowed the Company to maintain steady EBITDA margin at 16.3% and leverage ratio below 3.0.

- On 19 April 2016, the Company successfully completed a placement of RUB10 billion of the exchange-traded ruble bonds of OJSC RUSAL Bratsk series BO-01. Maturity of the bonds is ten years subject to a put option exercisable in three years.
- On 26 April 2016 the Company entered into an amendment and restatement agreement with the lenders under the Combined PXF Facility to introduce new refinancing tranches under the Combined PXF Facility. On 29 April 2016 the Company prepaid three scheduled repayment instalments falling due in 2016 under the Combined PXF Facility in the total amount of USD524 million, utilizing USD415 million of available commitments under the new refinancing tranches as well as USD109 million of the Company's own funds. The Company's obligation to repay the scheduled instalments under the Combined PXF Facility for the year 2016 has been discharged in full.

Statement of the Chief Executive Officer (“CEO”)

“During the first quarter of 2016 amid turbulent commodity markets, RUSAL’s continued focus was on tighter cost controls and operational efficiency.

During the reporting period, the Company reduced its aluminium cash cost per tonne to USD1,326.

Post quarter end, RUSAL reached new agreements with its lenders and fully executed its obligations to repay scheduled installments under the Combined PXF Facility in 2016. This refinancing represents a substantial move for the Company’s debt profile. Further deleveraging remains a priority for RUSAL in order to support our financial position.

Positive dynamics witnessed in the aluminium sector are supported by an accelerating ex-China deficit and solid demand fundamentals as the transportation sector continues to fuel global demand growth in primary aluminium.”

Vladislav Soloviev

Chief Executive Officer

12 May 2016

Financial and Operating Highlights

	Quarter ended 31 March		Change quarter on quarter, % (1Q to 1Q)	Quarter ended 31 December 2015 <i>unaudited</i>	Change, quarter on quarter, % (1Q to 4Q)
	2016 <i>unaudited</i>	2015 <i>unaudited</i>			
Key operating data					
<i>(‘000 tonnes)</i>					
Aluminium	916	900	1.8%	921	(0.5%)
Alumina	1,873	1,808	3.6%	1,906	(1.7%)
Bauxite	3,009	3,124	(3.7%)	2,850	5.6%
Key pricing and performance data					
<i>(‘000 tonnes)</i>					
Sales of primary aluminium and alloys	957	935	2.4%	876	9.2%
<i>(USD per tonne)</i>					
Aluminium segment cost per tonne ¹	1,326	1,499	(11.5%)	1,410	(6.0%)
Aluminium price per tonne quoted on the LME ²	1,515	1,801	(15.9%)	1,495	1.3%
Average premiums over LME price ³	172	424	(59.4%)	179	(3.9%)
Average sales price	1,666	2,299	(27.5%)	1,729	(3.6%)
Alumina price per tonne ⁴	220	343	(35.9%)	234	(6.0%)
Key selected data from the consolidated interim condensed statement of income					
<i>(USD million)</i>					
Revenue	1,914	2,477	(22.7%)	1,857	3.1%
Adjusted EBITDA	312	721	(56.7%)	306	2.0%
margin (% of revenue)	16.3%	29.1%	NA	16.5%	NA
Adjusted Profit for the period	27	248	(89.1%)	55	(50.9%)
margin (% of revenue)	1.4%	10.0%	NA	3.0%	NA
Recurring Profit/(Loss) for the period	149	487	(69.4%)	(40)	NA
margin (% of revenue)	7.8%	19.7%	NA	(2.2%)	NA

¹ For any period, “Aluminium segment cost per tonne” is calculated as aluminium segment revenue less aluminium segment results less amortisation and depreciation divided by sales volume of the aluminium segment.

² Aluminium price per tonne quoted on the LME representing 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 consolidated interim condensed statement of financial position

	As at		Change,
	31 March	31 December	quarter on
	2016	2015	year end
	<i>(unaudited)</i>		
<i>(USD million)</i>			
Total assets	13,173	12,809	2.8%
Total working capital ⁵	1,527	1,606	(4.9%)
Net Debt ⁶	8,162	8,372	(2.5%)

Key selected data from consolidated interim condensed statement of cash flows

	Quarter ended		Change
	31 March	31 March	quarter on
	2016	2015	quarter, (1Q
	<i>(unaudited)</i>	<i>(unaudited)</i>	to 1Q)
<i>(USD million)</i>			
Net cash flows generated from operating activities	320	612	(47.7%)
Net cash flows generated from/(used in) investing activities	91	(66)	NA
<i>of which CAPEX⁷</i>	(84)	(87)	(3.4%)
Interest paid	(97)	(145)	(33.1%)
Dividends from Norilsk Nickel	171	—	100.0%

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.

Global aluminum market trends in the first quarter of 2016

LME cash official aluminium price increased by USD20 per tonne to USD1,515 per tonne in average in the first quarter of 2016 as compared to an average price of USD1,495 per tonne in the fourth quarter of 2015, mostly due to rising in February 2016 to its highest level since July 2015 on the back of further policy support in China, higher oil prices and a weaker dollar.

On the demand side, the global manufacturing PMI remained above 50 points, showing modest improvement in the output and new orders to the end of March. Production activity continues to remain firm in the US and Eurozone, along with a number of South East Asian economies. In China a stronger macro situation emerged as new credit, industrial output, fixed-asset investment and retail sales all picked up during the latter part of Q1.

Regional consumption

RUSAL estimates that global aluminum demand grew by 5.6% year on year (“YoY”) during 1Q 2016 to 14.0 million tonnes, compared to 2015. Within this estimate, demand ex-China grew by 2.5% YoY to 6.9 million tonnes. The strongest demand growth was experienced in India (+6.0% YoY), Middle East (+5.8% YoY), Non-China Asian countries (+3% YoY), North America (+2.7% YoY) and Europe (+2.4% YoY).

North American aluminium market fundamentals remain positive supported by the automotive sector which grew by 4.3% in 1Q 2016, with the light truck segment particularly strong. Housing starts remain flat for the quarter at 1.1 million units annualised.

In the Eurozone, the economy has surpassed its pre-crisis high, with GDP growth 0.6% in the first three months of the year compared to the previous quarter showing its fastest pace in five years. The European passenger car market posted its 31st consecutive month of sales growth in March 2016. In the construction segment, the first two months 2016 recorded 4.4% and 2.3% production in construction in EU28 growth to the previous year.

In Asia, both the Japanese and Korean economies remained subdued. Housing starts in Japan grew by 5.5% in 1Q 2016, showing steady improvement, while automotive production declined by 3.7%. In South Korea, exports have fallen for 15 consecutive months, due to softening demand from China. In the automotive sector, which accounts for more than 10% of total manufacturing output, vehicle production fell by 3.3% in 1Q 2016.

In SE Asia, preliminary data suggests that GDP in ASEAN expanded 4.5% annually in 1Q 2016 with Vietnam, Indonesia and Taiwan expanding manufacturing. Asian countries posted an aluminium consumption growth rate of 3% YoY in 1Q 2016. China's primary aluminium consumption was 7.1 million tonnes in the 1Q of 2016, up by 8.4% YoY.

Aluminium Supply

On the supply side, the industry witnessed significant capacity adjustments as unprofitable capacity was curtailed whilst at the same time previously committed expansion projects came on stream and no significant expansions going forward.

According CRU, total aluminium production ex-China reached 6.7 million tonnes in 1Q 2016, an increase of 3% YoY, as growth in Asia and India was offset by curtailments in the US.

Aluminum supply in China continued to slowdown in 1Q 2016. RUSAL estimates that out of 4.4 million tonnes of production curtailments in 2015, 585 thousand tonnes were restarted in 1Q 2016 and 715 thousand tonnes were newly commissioned. At the same time 604 thousand tonnes were additionally idled. Chinese aluminum production in 1Q 2016 has increased to 7.576 million tonnes or 1.7% YoY compared to 7.453 million tonnes in the same period of last year, according to the Aladdiny's.

Considering the above factors, RUSAL forecasts the balanced global aluminum market at the end of 1Q 2016.

LME stocks continued to decline in 1Q 2016 by 1.226 million tonnes compared to 1Q 2015 to 2.67 million tonnes as metal owners continues to draw down stocks into cheaper storage locations. Within China, inventories declined by 421 thousand tonnes in 1Q 2016 versus 1Q 2015, reflecting the capacity cuts and an improving metal balance, despite traditional restocking at the beginning of each year. From a peak of 1.2 million tonnes in May 2015 stocks have dropped by 45%.

Outlook for 2016

RUSAL expects global aluminum demand will continue its growth at 5.3% during 2016 to 59.6 million tonnes, or by another 3 million tonnes. Chinese growth is expected to continue to be strong at 7% YoY in 2016 to 31 million tonnes. The transportation sector is expected to provide the biggest growth contribution in 2016 with half of 1.5 million tonnes growth followed by construction and electrical/consumer durables and packaging sectors.

The current “all-in” aluminium price means that around 5 million tonnes of smelting capacity ex-China continues to be loss-making. Consequently, the aluminum production in the rest of the world is forecast to decline by 100 thousand tonnes in 2016 versus 2015 to 26.2 million tonnes. As a result, the ex-China market deficit will widen to 2.4 million tonnes in 2016 from 1.2 million tonnes in 2015. At the same time, Chinese aluminium production is forecast to grow at the slowest pace during the last 5 years, or by 4.8% in 2016, resulting in a global market deficit of 1.2 million tonnes in 2016 versus 0.6 million tonnes of surplus in 2015.

Chinese semis export growth is expected to slow further in 2016 compared to 2015 on lower price arbitrage due to lower premium expectations ex-China and higher SHFE prices resulting from local capacity curtailments.

Business review

Aluminium production

- Aluminium production in 1Q 2016 totalled 916 thousand tons (-0.5% QoQ). The smelters utilization rate was on average 95%. Russia Siberian smelters accounted for 94% of total aluminium output.

Alumina production

- In 1Q 2016, total alumina production was 1,873 thousand tons (-1.7% QoQ). Alumina production at Non-Russian operations decreased by 4.3% QoQ to 1,196 thousand tons due largely to scheduled repairs performed at the production facilities (in particular at the Nikolaev Alumina Refinery and the Aughinish Alumina Refinery). Output at RUSAL’s Russian operations increased by 3.0% QoQ to 677 thousand tons amid an improved performance at the Achinsk Alumina Refinery.

Bauxite production

- In 1Q 2016 bauxite output increased by 5.6% QoQ to 3,009 thousand tons driven largely by an improved performance at Timan and Guyana mines. Nepheline ore production at Kiya Shaltyr in 1Q 2016 increased by 16.7% QoQ to 1,111 thousand tons to satisfy higher demand from the Achinsk Alumina Refinery.

Financial Overview

Revenue

	Quarter ended 31 March		Change, quarter on quarter, % (1Q to 1Q)	Quarter ended 31 December 2015 (unaudited)	Change, quarter on quarter, % (1Q to 4Q)
	2016 (unaudited)	2015 (unaudited)			
Sales of primary aluminium and alloys					
USD million	1,594	2,150	(25.9%)	1,515	5.2%
kt	957	935	2.4%	876	9.2%
Average sales price (USD/t)	1,666	2,299	(27.5%)	1,729	(3.6%)
Sales of alumina					
USD million	150	140	7.1%	144	4.2%
kt	606	391	55.0%	485	24.9%
Average sales price (USD/t)	248	358	(30.7%)	297	(16.5%)
Sales of foil (USD million)	51	68	(25.0%)	63	(19.0%)
Other revenue (USD million)	119	119	0.0%	135	(11.9%)
Total revenue (USD million)	<u>1,914</u>	<u>2,477</u>	<u>(22.7%)</u>	<u>1,857</u>	<u>3.1%</u>

Total revenue decreased by USD563 million, or by 22.7%, to USD1,914 million in the first quarter of 2016, as compared to USD2,477 million for the corresponding period of 2015.

Revenue from sales of primary aluminium and alloys decreased by USD556 million, or by 25.9%, to USD1,594 million in the first quarter of 2016, as compared to USD2,150 million in the first quarter of 2015, primarily due to 27.5% decrease in the weighted-average realized aluminium price per tonne (to an average of USD1,666 per tonne in the first quarter of 2016 from USD2,299 per tonne in the first quarter of 2015) driven by a decrease in the LME aluminium price (to an average of USD1,515 per tonne in the first quarter of 2016 from USD1,801 per tonne in the first quarter of 2015), as well as a decrease in premiums above the LME prices in the different geographical segments (to an average of USD172 per tonne from USD424 per tonne in the first quarter of 2016 and 2015, respectively). Revenue from sales of primary aluminium and alloys increased by USD79 million, or by 5.2% in the first quarter of 2016, as compared to the fourth quarter of 2015 due to increase in sales volumes partially offset by decrease in the weighted-average realized aluminium price per tonne.

Revenue from sales of alumina increased by USD10 million, or by 7.1%, to USD150 million in the first quarter of 2016 from USD140 million in the same period of 2015 and increased by USD6 million, or by 4.2%, compared to USD144 million for the fourth quarter of 2015. The increase in revenue over the comparable periods was driven by increase in alumina sales volume which was partially offset by a significant decrease in the average sales price.

Revenue from sales of foil decreased by USD17 million, or by 25.0%, to USD51 million in the first quarter of 2016, as compared to USD68 million for the corresponding period in 2015, primarily due to a 6.2% decrease in the weighted average sales price and 20.0% decrease in sales volumes.

Revenue from other sales, including sales of other products, bauxite and energy services was flat in the first quarter of 2016 as compared to the same period of 2015.

Cost of sales

The following table demonstrates the breakdown of UC RUSAL's cost of sales for the first quarter of 2016 and 2015:

	Quarter ended 31 March		Change, quarter on quarter, %	Share of costs, %
	2016	2015		
	(unaudited)	(unaudited)		
<i>(USD million)</i>				
Cost of alumina	184	198	(7.1%)	11.9%
Cost of bauxite	127	128	(0.8%)	8.2%
Cost of other raw materials and other costs	516	611	(15.5%)	33.4%
Purchases of primary aluminium from JV	55	—	100.0%	3.5%
Energy costs	403	462	(12.8%)	26.1%
Depreciation and amortization	117	114	2.6%	7.6%
Personnel expenses	128	131	(2.3%)	8.3%
Repairs and maintenance	18	13	38.5%	1.1%
Net change in provisions for inventories	(2)	1	NA	(0.1%)
Total cost of sales	<u>1,546</u>	<u>1,658</u>	<u>(6.8%)</u>	<u>100.0%</u>

Total cost of sales decreased by USD112 million, or 6.8%, to USD1,546 million for the first quarter of 2016, as compared to USD1,658 million for the corresponding period in 2015. The decrease was primarily driven by the continuing depreciation of the Russian Rouble and the Ukrainian Hryvnia against the US dollar by 20.0% and 21.5%, respectively, between the reporting periods that were partially compensated by the increase in volumes of primary aluminium and alloys sold.

Cost of alumina decreased to USD184 million in the first quarter of 2016 by USD14 million from USD198 million as compared to the same period of 2015 primarily as a result of a decrease by 10.5% in alumina purchase price as well as a decrease in transportation costs following significant Russian Ruble depreciation.

Cost of bauxite was almost flat during the first quarter of 2016 and the first quarter of 2015, primarily due to a 7.9% increase in purchase volume, partially compensated by 9.5% decrease in purchase price.

Cost of raw materials (other than alumina and bauxite) and other costs decreased by 15.5% in the first quarter of 2016 compared to the same period of previous year, due to the lower raw materials purchase price (such as raw petroleum coke by 28.8%, pitch by 14.1%, calcined petroleum coke by 13.5%).

Energy cost decreased by 12.2% to USD403 million for the first quarter of 2016 as compared to USD459 million for the first quarter of 2015 primarily due to the 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 USD368 million for the first quarter of 2016 compared to USD819 million for the same period in 2015, representing gross margins of 19.2% and 33.1%, respectively.

Adjusted EBITDA and results from operating activities

	Quarter ended 31 March		Change, quarter on quarter, % (1Q to 1Q)
(USD million)	2016 (unaudited)	2015 (unaudited)	
Reconciliation of Adjusted EBITDA			
Results from operating activities	170	583	(70.8%)
Add:			
Amortisation and depreciation	120	120	0.0%
Impairment of non-current assets	19	18	5.6%
Loss on disposal of property, plant and equipment	<u>3</u>	<u>—</u>	<u>100.0%</u>
Adjusted EBITDA	<u>312</u>	<u>721</u>	<u>(56.7%)</u>

Adjusted EBITDA, defined as results from operating activities adjusted for amortisation and depreciation, impairment charges and loss on disposal of property, plant and equipment, decreased to USD312 million for the first quarter of 2016, as compared to USD721 million for the corresponding period of 2015. The factors that contributed to the decrease in Adjusted EBITDA margin were the same that influenced the operating results of the Company.

Results from operating activities decreased for the first quarter of 2016 by 70.8% to USD170 million, as compared to USD583 million for the corresponding period of 2015, representing operating margins of 8.9% and 23.5%, respectively.

Finance income and expenses

	Quarter ended 31 March		Change
	2016	2015	
(USD million)	(unaudited)	(unaudited)	
Finance income			
Interest income on third party loans and deposits	6	11	(45.5%)
Interest income on loans to related party — <i>companies under common control</i>	<u>1</u>	<u>1</u>	<u>0.0%</u>
	<u>7</u>	<u>12</u>	<u>(41.7%)</u>
Finance expenses			
Interest expense on bank and company loans, bonds and other bank charges, including:	(146)	(174)	(16.1%)
<i>Interest expense</i>	(132)	(160)	(17.5%)
<i>Bank charges</i>	(14)	(14)	0.0%
Net foreign exchange loss	(50)	(126)	(60.3%)
Change in fair value of derivative financial instruments, including:	(6)	(29)	(79.3%)
<i>Change in fair value of embedded derivatives</i>	(16)	(4)	300.0%
<i>Change in other derivatives instruments</i>	10	(25)	NA
Interest expense on provisions	<u>(1)</u>	<u>(3)</u>	<u>(66.7%)</u>
	<u>(203)</u>	<u>(332)</u>	<u>(38.9%)</u>

Finance income decreased by USD5 million, or 41.7% to USD7 million for the first quarter of 2016 compared to USD12 million for the same period of 2015 due to decreased interest income on time deposit at several subsidiaries of the Group.

Finance expenses decreased by USD129 million or by 38.9% to USD203 million in the first quarter of 2016 as compared to USD332 million for the corresponding period of 2015, primarily due to a decrease in the net foreign exchange loss as well as a decrease in the net loss from change in fair value of derivative financial instruments.

Interest expenses on bank and company loans for the first quarter of 2016 decreased by USD28 million and comprised USD146 million as compared to USD174 million for the first quarter of 2015 due to a reduction of the principal amount payable to international and Russian lenders and a decrease of the overall interest margin between the periods.

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

	Quarter ended 31 March		Change
	2016 <i>(unaudited)</i>	2015 <i>(unaudited)</i>	
<i>(USD million)</i>			
Share of profits of Norilsk Nickel, with Effective shareholding of	122 28.05%	239 27.82%	(49.0%) NA
Share of profits/(losses) of other associates	<u>1</u>	<u>(3)</u>	<u>NA</u>
Share of profits of associates	<u>123</u>	<u>236</u>	<u>(47.9%)</u>
Share of profits/(losses) of joint ventures	<u>59</u>	<u>(8)</u>	<u>NA</u>

Share of profits of associates was USD123 million in the quarter ended 31 March 2016 and USD236 million for the corresponding period in 2015. Share in results of associates in both periods resulted primarily from the Company's investment in PJSC MMC Norilsk Nickel ("Norilsk Nickel"), which amounted to a profit of USD122 million and USD239 million for the quarter ended 31 March 2016 and 2015, respectively.

As stated in Note 10 to the consolidated interim condensed financial information for the three months period ended 31 March 2016, at 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 three-month period ended 31 March 2016. Consequently the Group estimated its share in the profits, other comprehensive income and foreign currency translation of Norilsk Nickel for the period ended 31 March 2016 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 and the carrying value of the investment in Norilsk Nickel which has been previously reported.

The market value of UC RUSAL's stake in Norilsk Nickel was USD5,726 million as at 31 March 2016, as compared to USD5,542 million as at 31 December 2015.

Share of profits of joint ventures was USD59 million for the first quarter of 2016 as compared to USD8 million of losses for the same period of 2015. Included in share of profits of joint ventures for the first quarter of 2016 is a partial reversal of provision for the Company's guarantee related to BEMO project of USD50 million. The Company's joint ventures include investments in BEMO, LLP Bogatyr Komir, Mega Business and Alliance (transportation business in Kazakhstan) and North United Aluminium Shenzhen Co., Ltd ("North United Aluminium").

Profit for the period

As a result of the above, the Company recorded a profit of USD126 million for the quarter ended 31 March 2016, as compared to USD572 million for the same period of 2015.

Adjusted and Recurring Net Profit

<i>(USD million)</i>	Quarter ended 31 March 2016 <i>(unaudited)</i>	2015 <i>(unaudited)</i>	Change, quarter on quarter (1Q to 1Q)
Reconciliation of Adjusted Net Profit			
Profit for the period	126	572	(78.0%)
Adjusted for:			
Share of profits and other gains and losses attributable to Norilsk Nickel, net of tax effect, with	(122)	(239)	(49.0%)
<i>Share of profits, net of tax</i>	(122)	(239)	(49.0%)
Change in derivative financial instruments, net of tax (20.0%)	4	32	(87.5%)
Foreign currency translation gain recycled from other comprehensive income on deconsolidation of subsidiary	—	(155)	(100.0%)
Impairment of non-current assets, net of tax	19	18	5.6%
Net impairment of underlying net assets of joint ventures	—	20	(100.0%)
Adjusted Net Profit	<u>27</u>	<u>248</u>	<u>(89.1%)</u>
Add back:			
Share of profits of Norilsk Nickel, net of tax	<u>122</u>	<u>239</u>	<u>(49.0%)</u>
Recurring Net Profit	<u>149</u>	<u>487</u>	<u>(69.4%)</u>

Adjusted Net Profit for any period is defined as the Net Profit 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 impairment of non-current assets. Recurring Net Profit for any period is defined as Adjusted Net Profit plus the Company's net effective share in Norilsk Nickel's results.

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. 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.

	Quarter ended 31 March			
	2016		2015	
(USD million)	Aluminium (unaudited)	Alumina (unaudited)	Aluminium (unaudited)	Alumina (unaudited)
Segment revenue				
<i>kt</i>	970	2,033	969	1,534
<i>USD million</i>	1,613	451	2,191	502
Segment result	230	(12)	640	67
Segment EBITDA ⁸	328	9	739	86
Segment EBITDA margin	20.3%	2.0%	33.7%	17.1%
Total capital expenditure	<u>75</u>	<u>3</u>	<u>55</u>	<u>24</u>

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

For the quarters ended 31 March 2016 and 2015, respectively, segment result margins (calculated as the percentage of segment result to total segment revenue) from continuing operations were positive 14.3% and 29.2% for the aluminium segment, and negative 2.7% and positive 13.3% for the alumina segment. Key drivers for the increase 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 interim condensed financial information as at and for the three-month period ended 31 March 2016.

Capital expenditure

UC RUSAL recorded total capital expenditures of USD84 million for the three months ended 31 March 2016. UC RUSAL's capital expenditure for the first quarter of 2016 was aimed at maintaining existing production facilities.

<i>(USD million)</i>	Quarter ended 31 March	
	2016 <i>(unaudited)</i>	2015 <i>(unaudited)</i>
Development capital expenditure	30	14
Maintenance		
Pot rebuilds costs	20	27
Re-equipment	<u>34</u>	<u>46</u>
Total capital expenditure	<u>84</u>	<u>87</u>

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.

Auditors' conclusion on the review of consolidated interim condensed financial information

The Company notes that its auditor, JSC KPMG, has provided a qualified conclusion in its review of the unaudited consolidated interim condensed financial information of the Company for the three months ended 31 March 2016 as it was unable to obtain and review the consolidated interim financial information of Norilsk Nickel. An extract from the review report provided by JSC KPMG on the consolidated interim condensed financial information of the Company dated 12 May 2016 is as follows:

“Basis for Qualified Conclusion

We were unable to obtain and review consolidated interim financial information of the Group's equity investee, PJSC MMC Norilsk Nickel (“Norilsk Nickel”), supporting the Group's estimate of the share of profit, other comprehensive income and the foreign currency translation gain in relation to that investee of USD122 million, USD nil million and USD247 million, respectively, for the three-month period ended 31 March 2016 and the carrying value of the Group's investment in the investee stated at USD3,139 million as at 31 March 2016. 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 31 March 2016 and for the three-month period 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 months ended 31 March 2016 was approved by the Directors of UC RUSAL on 12 May 2016, 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. The members are as follows: Dr. Peter Nigel Kenny (chairman of the committee, independent non-executive Director, with relevant professional qualifications and knowledge related to accounting and financial management); Mr. Philip Lader (independent non-executive Director); Ms. Elsie Leung Oi-sie (independent non-executive Director); Mr. Daniel Lesin Wolfe (non-executive Director); Ms. Olga Mashkovskaya (non-executive Director) and Mr. Dmitry Vasiliev (independent non-executive Director).

On 12 May 2016, the Audit Committee has reviewed the financial results of the Company for the quarter ended 31 March 2016.

Material events over the first quarter of 2016 and since the end of that period

The following is a summary of the key events that have taken place over the first quarter of 2016 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 31 March 2016 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).

18 February 2016	UC RUSAL published an update on the corporate Ruble bonds. The Company approved, on 17 February 2016, the coupon rate under the Issue (first tranche series 07) at 12% p.a. for a two-year period after which the bonds will be subject to redemption.
09 March 2016	UC RUSAL published the Annual Results for the year ended 31 December 2015.
16 March 2016	US RUSAL published an update to the annual results for the year ended 31 December 2015. The update refers to the publication of Norilsk Nickel audited consolidated financial statements for the year ended 31 December 2015.
21 March 2016	UC RUSAL published an update on the annual results announcement for the year ended 31 December 2015.
01 April 2016	UC RUSAL announced a proposed registration of exchange-traded bonds with respect to OJSC RUSAL Bratsk Aluminium Smelter (BrAZ) programme to issue up to RUR 70 billion worth of multicurrency exchange-traded bonds
05 April 2016	UC RUSAL published an update on the settlement with Interros in relation to Norilsk Nickel and dividend policy of Norilsk Nickel.
14 April 2016	UC RUSAL published an update on exchange traded Ruble bonds. The Company announced the book opening with respect to the Exchange-traded Ruble Bonds of OJSC RUSAL Bratsk series BO-01 (in the amount of RUR10 billion), expected to be closed on or around the same day.
20 April 2016	UC RUSAL published an update on exchange traded Ruble bonds. The Company announced the placement of the Exchange-traded Ruble Bonds of OJSC RUSAL Bratsk series BO-01 (in the amount of RUB10 billion) completed and the Bonds commenced trading on the MICEX Stock Exchange.
26 April 2016	UC RUSAL published an update on the refinancing, following the comments made on the debt refinancing process as disclosed in the Company's announcement dated 21 March 2016 with respect to financial results for the year ended 31 December 2015.

28 April 2016	UC RUSAL announced signing with the Republic of Guinea of an annex to the Dian-Dian concession agreement and reaching of an agreement on resuming operations at the Friguia bauxite and alumina complex.
29 April 2016	UC RUSAL announced its Operating Results for the first quarter 2016.
29 April 2016	UC RUSAL announce the updates of the refinancing for the year 2016.
29 April 2016	UC RUSAL published Annual Report 2015.

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

13 May 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, Dr. 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.