RUSAL

Press-release

UC RUSAL ANNOUNCES 2017 THIRD QUARTER AND NINE MONTHS RESULTS

Moscow, 13 November 2017 – UC RUSAL (SEHK: 486, Euronext: RUSAL/RUAL, Moscow Exchange: RUAL), a leading global aluminium producer, announces its results for the three and nine months ended 30 September 2017.

Key highlights

- Recovery in the London Metals Exchange ("LME") aluminium price in the nine months of 2017 by 22.6% to an average of USD1,924 per tonne as compared to USD1,569 per tonne in the nine months of 2016 as well as an increase in volumes of primary aluminium and alloys sold by 2.0% between the same periods resulted in the growth of RUSAL revenue in the nine months of 2017 by 21.3% to USD7,224 million as compared to USD5,956 million in the nine months of 2016.

- Revenue in the third quarter of 2017 increased by 19.4% to USD2,460 million, as compared to USD2,060 million for the third quarter of 2016, following the improvement in the LME aluminium price and increase in the share of value added products ("VAP") in total aluminium sales to 50% in the third quarter of 2017 in comparison with 45% in the same quarter of 2016.

- RUSAL reported strong financial results thanks to the Company's commitment to operational efficiency and cost discipline, supported by robust LME prices. The Company's total Adjusted EBITDA in the third quarter of 2017 increased by 7.6% to USD549 million as compared to the second quarter of 2017 and increased by 42.4% to USD1,534 million in the nine months of 2017 compared to the same period of 2016. Aluminium segment cost per tonne increased by 1.5% to USD1,520 in the third quarter of 2017 in comparison with USD1,497 in the second quarter of 2017 as a result of the increase in key raw materials costs.

- The Company achieved Adjusted Net Profit and Recurring Net Profit of USD727 million and USD1,122 million, respectively, for the nine months of 2017 as compared to USD248 million and USD752 million for same period of 2016.

- In August 2017 the Board of directors approved an interim dividend of USD299.3 million (USD 0.0197 per ordinary share) for 2017. The interim dividend was paid on 10 October 2017.

- The Company reduced its Net Debt to USD7.6 billion as at 30 September 2017. As part of commitment to continuous deleveraging, UC RUSAL has directed part of its strong 3Q17 cash flow to repayment of debt facilities and accumulated significant cash balance for further debt reduction.

- The Company's weighted average nominal interest rate on the credit portfolio reduced to 5% following series of successful refinancing.

Commenting on the third quarter and nine months 2017 results, Vladislav Soloviev, CEO of RUSAL, said:

"3Q2017 was another successful period for RUSAL. On the back of robust aluminium demand and growing LME price, the Company reported strong financial results in the reporting quarter and in the first nine months of 2017.

Revenue growth for the first nine months of the year was 21.3%, reaching USD7.2 billion. In 3Q2017 RUSAL set another record in sales of value added products with the latter reaching 50% in total sales for the first time. The Company remains committed to its sales and marketing strategy and is on track to increase its share of VAP in the product mix to 60% by 2021.

3Q2017 EBITDA increased by 7.6% QoQ, demonstrating a very healthy margin of 22.3%. Recurring net profit for the third quarter impressively grew by 73.0% QoQ to USD436 million. Respective figures for the nine months of the year are also very strong with EBITDA growing by 42.4% YoY to USD1.5 billion and recurring net profit advancing to USD1.1 billion, up by 49.2%.

As consumers become more demanding about the provenance of the products they purchase and their associated carbon footprint, post reporting period end, RUSAL launched its new bespoke brand for low carbon aluminium – ALLOW with a certified carbon footprint of lower than 4 tonnes of CO_2 per tonne of aluminium, significantly lower than the industry average. ALLOW will provide consumers and manufacturers alike with confidence that the aluminium from RUSAL used in their products has one of the lowest carbon footprints in the industry.

Looking ahead towards the end of the year, we maintain our positive forecast for global aluminium industry with the demand to reach 63.1 million tonnes and deficit to widen to 1.1 million tonnes."

Financial and operating highlights

	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, %**
	2017 *unaudited*	**2016** *unaudited*		**2017** *unaudited*		**2017** *unaudited*	**2016** *unaudited*	
Key operating data								
('000 tonnes)								
Aluminium	931	920	1.2%	921	1.1%	2,762	2,755	0.3%
Alumina	1,965	1,865	5.4%	1,928	1.9%	5,782	5,589	3.5%
Bauxite	2,742	3,211	(14.6%)	3,090	(11.3%)	8,701	9,346	(6.9%)
Key pricing and performance data								
('000 tonnes)								
Sales of primary aluminium and alloys	968	981	(1.3%)	1,002	(3.4%)	2,955	2,896	2.0%
(USD per tonne)								
Production cost per tonne in Aluminium segment[1]	1,520	1,330	14.3%	1,497	1.5%	1,478	1,330	11.1%
Aluminium price per tonne quoted on the LME[2]	2,011	1,621	24.1%	1,911	5.2%	1,924	1,569	22.6%
Average premiums over LME price[3]	162	150	8.0%	174	(6.9%)	163	161	1.2%
Average sales price	2,124	1,754	21,1%	2,081	2.1%	2,051	1,711	19.9%
Alumina price per tonne[4]	310	234	32.5%	296	4.7%	315	236	33.5%

[1] *For any period, "Production cost per tonne in Aluminium segment" is calculated as aluminium segment revenue (excluding sales of third parties' metal and other products sales) less aluminium segment results less amortisation and depreciation (excluding margin on sales of third parties' metal and intersegment margin) divided by sales volume of the aluminium segment (excluding volumes of third parties' aluminium sold).*

[2] *Aluminium price per tonne quoted on the LME represents the average of the daily closing official London Metals Exchange ("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.*

	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, %
Key selected data from the consolidated interim condensed statement of income								
(USD million)								
Revenue	2,460	2,060	19.4%	2,467	(0.3%)	7,224	5,956	21.3%
Adjusted EBITDA	549	421	30.4%	510	7.6%	1,534	1,077	42.4%
margin (% of revenue)	*22.3%*	*20.4%*	*NA*	*20.7%*	*NA*	*21.2%*	*18.1%*	*NA*
Net Profit for the period	312	273	14.3%	283	10.2%	782	534	46.4%
margin (% of revenue)	*12.7%*	*13.3%*	*NA*	*11.5%*	*NA*	*10.8%*	*9.0%*	*NA*
Adjusted Net Profit for the period	262	181	44.8%	202	29.7%	727	248	193.1%
margin (% of revenue)	*10.7%*	*8.8%*	*NA*	*11.5%*	*NA*	*10.1%*	*4.2%*	*NA*
Recurring Net Profit for the period	436	327	33.3%	252	73.0%	1,122	752	49.2%
margin (% of revenue)	*17.7%*	*15.9%*	*NA*	*10.2%*	*NA*	*15.5%*	*12.6%*	*NA*

Key selected data from the consolidated interim condensed statement of financial position

(USD million)	**As at 30 September 2017** *(unaudited)*	**As at 31 December 2016**	**Change nine months on year end, %**
Total assets	15,602	14,452	8.0%
Total working capital[5]	1,748	1,691	3.4%
Net Debt[6]	7,592	8,421	(9.8%)

Key selected data from the consolidated interim condensed statement of cash flows

	Nine months ended		
(USD million)	**30 September 2017** *(unaudited)*	**30 September 2016** *(unaudited)*	**Change nine months on nine months, %**
Net cash flows generated from operating activities	1,181	966	22.3%
Net cash flows (used in)/generated from investing activities	112	(49)	NA
of which dividends from Norilsk Nickel	*622*	*320*	*94.4%*
of which CAPEX[7]	*(547)*	*(407)*	*34.4%*
Interest paid	(385)	(325)	18.5%

[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

Highlights for the nine months of 2017

- UC RUSAL estimates that global aluminium demand grew by 5.9% YoY in the nine months of 2017 to 47.8 million tonnes as a result of strong demand in China, Europe, Asia ex-China, North America and India.
- UC RUSAL forecasts that global aluminium demand will increase by 5.9% YoY to 63.1 million tonnes in 2017, driven by growth of 3.9% to 29.3 million tonnes ex-China and China growth of 7.7% to 33.8 million tonnes.
- Based on CRU estimates, global aluminium demand ex-China rose to 22.1 million tonnes while production (estimated based on IAI data plus CRU's estimate for production of eight non-reporting countries) increased by 0.9% YoY to 20.3 million tonnes. This left the rest of the world (ROW) aluminium market with approximately 1.8 million tonnes in deficit in the nine months of 2017.
- Announced smelting cuts by Chinese Regulators, driven by the necessity to stem industrial pollution, are expected to result in an annualized production loss of 1.1 million tonnes, according to RUSAL's estimates. Deeper losses may take place in carbon materials supply including anodes, coking coal etc. including 100% closures in 26+2 cities during the winter season.
- Chinese semis exports are expected to drop in 4Q17-1H18 due to a tight domestic market and negative export arbitrage. China's exports of aluminium semis fell by 7.6% M-M (adjusted by a number of days in the months) to 358 thousand tonnes in August 2017 and for a second month in a row, fake extrusions exports dropped by 31% YoY during the eight months of 2017.

Aluminium demand

UC RUSAL estimates global demand for primary aluminium of 47.8 million tonnes during the first three quarters of the year, representing growth of 5.9% compared to the same period of 2016. This has been led by developed economies maintaining their solid pace of growth from earlier in the year, while demand in developing economies has accelerated in many cases. ROW aluminium demand in the nine months 2017 grew by 3.9% YoY to 22.1 million tonnes. Demand for aluminium in China in the nine months 2017 grew by 7.7% to 25.7 million tonnes compared to the same period of last year.

North America's industrial recovery is advancing apace, reflected by September's manufacturing PMI in the US, hitting its highest level since 2004. This is driving demand for aluminium across a range of end use sectors, in particular the construction and the transport sectors, which are also enjoying the intensity of use gains, outweighing sluggish auto sales and production. Overall, North American demand is estimated at 5.1 million tonnes in the nine months of 2017, an increase of 3.4% on the same period a year ago.

In the Eurozone, manufacturing PMIs are at multiyear highs. Demand for aluminium has mirrored the underlying economic improvement as consumption accelerated through the year, with residential construction supporting strong growth in building sheet and extrusions. In other end use sectors, the consumption of aluminium is running ahead of underlying activities, with substitution boosting both the automotive and can stock sectors in Europe. The net result is that primary demand has risen by an estimated 3.6% in Europe to 7.2 million tonnes in the first nine months of the year.

In Asia, industrial activity in Japan began to re-accelerate in August, before extending gains in September, as evidenced by manufacturing PMI reaching its highest level in four months. It has been the automotive sector that has been the key driver of demand though, amid strength in automotive production and the intensity of use gains. In the rest of Asia region Ex China & India, growth has followed a similar pattern, with light-weighting trends in automotive applications leading demand. As a consequence, demand in the region grew to 4.8 million tonnes, an increase of 3.6% on the first three quarters of last year. In the other regional major, India, demand has accelerated through the year, with the packaging sector particularly strong amid the increasing domestic production of foil. This has resulted in Indian demand growth of 6.7% in the January to September period to 1.7 million tonnes.

In the rest of the world, South America is enjoying a strong recovery, led by a sharp increase in vehicle production, which surged by 27% in the first three quarters of the year. This has lifted demand for castings, rolled products and extrusions from the sector and breathed new life into the region after a period of stagnation. This has led to growth in demand for aluminium of 3.6% in South America as a whole, amounting to 0.8 million tonnes.

The Chinese economy continued to show strong growth through the nine months of 2017. The official PMI reached 52.4 in September 2017, its highest since April 2012, and the Caixin Manufacturing PMI stood at a 51.0 level in September. GDP grew by 6.8% in 3Q17 YoY after 6.9% growth in 2Q17. Industrial profits grew 6.6% YoY, while retail sales jumped 10.3% YoY in September. Fixed-asset investment climbed 7.5% YoY in the nine months of 2017. Infrastructure investment surged 19.8% YoY in the nine months of 2017. Investment in property development expanded at a faster pace of 8.1% in the nine months of 2017, up from 7.9% in the eight months of 2017. The fixed asset investment in urban in China totaled RMB 45,850 billion in the nine months of 2017, representing a 7.5% YoY growth. Investment in power grid was RMB 325 billion, up by 7.9% YoY.

Demand of the primary aluminium on the Russian market is growing +17.5% as the result for the nine months 2017 YoY due to: the recovery of industries after the recession, development of export and the growth on the cable market. The light vehicle production has grown by 18% in September and by 10.6% in total for the nine months of 2017.

Aluminium supply

Aluminium supply out of China continues to be very modest. According to IAI production figures and CRU's estimation of 8 countries production data, ROW primary aluminium annualized production fell by 0.11 million tonnes M-M to 27.02 million tonnes in August 2017. At the same time the possible restarts of closed smelting capacity is limited due to a lack of competitive power supply, the high restarting cost and the shortage of carbon raw materials supply.

The announcement by the Chinese regulator regarding winter capacity cuts which is now underway in several provinces was implemented due to the necessity to curb industrial pollution. As expected winter smelting cuts will result in an annualized production loss of around 1 million tonnes and alumina around 3.3 million tonnes, according to UC Rusal estimates. Deeper losses may take place in carbon materials supply including anodes, coking coal etc. including 100% closures in 26+2 cities during the winter season.

When considering the expected curtailments of the so-called "illegal capacities" on top of winter cuts, RUSAL expects that during the winter season, the Chinese aluminium market balance may become very tight. As of the date of this announcement, according to SMM, around 4.2 million tonnes of illegal operating capacity have been closed.

As expected Chinese semis export are to drop in 4Q17-1H18 due to the tight domestic market and negative export arbitrage. Thus China's exports of aluminium semis fell by 7.6% M-M (adjusted by a number of days in the months) to 0.36 million tonnes in August 2017 and for second month in a row, fake extrusions exports dropped 31% YoY during the eight months of 2017.

Forecast for 2017

- Global aluminium demand is expected to grow by 5.9% from 5.7% in 2017 to 63.1 million tonnes as a result of strong growth in Russia and EU. Chinese demand to grow by 7.7% to 33.8 million tonnes and ex.China by 3.9% to 29.3 million tonnes driven by growth in EMEA, EU and Asian economies;
- Global aluminium supply will grow by 5.3% to 62.4 million tonnes;
- The global aluminium market deficit is expected to grow to 1.1 million tonnes in 2017 as compared to 0.4 million tonnes in 2016.

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, %
	2017 *unaudited*	**2016** *unaudited*		**2017** *unaudited*		**2017** *unaudited*	**2016** *unaudited*	
Sales of primary aluminium and alloys								
USD million	2,056	1,721	19.5%	2,085	(1.4%)	6,061	4,955	22.3%
kt	968	981	(1.3%)	1,002	(3.4%)	2,955	2,896	2.0%
Average sales price (USD/t)	2,124	1,754	21.1%	2,081	2.1%	2,051	1,711	19.9%
Sales of alumina								
USD million	172	157	9.6%	175	(1.7%)	536	458	17.0%
kt	502	566	(11.3%)	515	(2.5%)	1,526	1,697	(10.1%)
Average sales price (USD/t)	343	277	23.8%	340	0.9%	351	270	30.0%
Sales of foil and other aluminium products (USD million)	91	62	46.8%	82	11.0%	232	175	32.6%
Other revenue (USD million)	141	120	17.5%	125	12.8%	395	368	7.3%
Total revenue (USD million)	**2,460**	**2,060**	**19.4%**	**2,467**	**(0.3%)**	**7,224**	**5,956**	**21.3%**

Total revenue increased by USD1,268 million, or 21.3% to USD7,224 million in the nine months ended 30 September of 2017, from USD5,956 million in the corresponding period of 2016. The increase in total revenue was mainly due to the growth of sales of primary aluminium and alloys, which accounted for 83.9% and 83.2% of UC RUSAL's revenue for the nine months ended 30 September of 2017 and 2016, respectively.

Revenue from sales of primary aluminium and alloys increased by USD1,106 million, or 22.3% to USD6,061 million in the nine months ended 30 September of 2017, from USD4,955 million for the corresponding period in 2016, primarily due to a 19.9% increase in the weighted-average realized aluminium price per tonne driven by an increase in the LME aluminium price (to an average of USD1,924 per tonne in the first nine months of 2017 from USD1,569 per tonne in the same period of 2016), as well as an increase in the sales volumes by 2.0% and a slight improvement in premiums above the LME prices in the different geographical segments (to an average of USD163 per tonne from USD161 per tonne in the first nine months of 2017 and 2016, respectively).

Revenue from sales of alumina increased by 17.0% to USD536 million during the nine months of 2017 from USD458 million in the corresponding period of 2016 primarily due to an increase in the average sales price by 30.0%, which was partially offset by a decrease in the sales volumes by 10.1%.

Revenue from sales of foil and other aluminium products increased by USD57 million, or by 32.6%, to USD232 million in the nine months ended 30 September of 2017, as compared to USD175 million for the corresponding period in 2016, primarily due to a 20.2% increase in sales volumes of foil.

Revenue from other sales, including sales of bauxite and energy services increased by 7.3% to USD395 million for the nine months ended 30 September of 2017 from USD368 million in the same period of 2016, due to an increase 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 2017 and 2016:

	Nine months ended 30 September		Change, %	Share of costs, %
	2017 *(unaudited)*	2016 *(unaudited)*		
(USD million)				
Cost of alumina	543	547	(0.7%)	10.3%
Cost of bauxite	340	267	27.3%	6.5%
Cost of other raw materials and other costs	1,878	1,579	18.9%	35.8%
Purchases of primary aluminium from JV	202	170	18.8%	3.8%
Energy costs	1,571	1,187	32.4%	29.9%
Depreciation and amortisation	351	334	5.1%	6.7%
Personnel expenses	430	358	20.1%	8.2%
Repairs and maintenance	51	44	15.9%	1.0%
Net change in provisions for inventories	(3)	-	100%	(0.1%)
Change in finished goods	(115)	69	NA	(2.2%)
Total cost of sales	**5,248**	**4,555**	**15.2%**	**100.0%**

Total cost of sales increased by USD693 million, or 15.2%, to USD5,248 million for the nine months of 2017, as compared to USD4,555 million for the corresponding period of 2016. The increase was driven by the increase in volumes of primary aluminium and alloys sold as well as significant increase in electricity prices, railway transportation tariffs and other raw material costs in Russian Ruble in the nine months of 2017.

Cost of alumina was almost flat during the nine months of 2017 compared to the same period of 2016.

Cost of bauxite increased by 27.3% in the nine months of 2017 compared to the same period of the previous year, primarily as a result of an increase in purchase volume and a slight increase in purchase prices.

Cost of raw materials (other than alumina and bauxite) and other costs increased by 18.9% in the nine months of 2017 compared to the same period of previous year, due to a rising raw materials purchase price (prices for raw pitch coke increased by 90.6%, raw petroleum coke by 13.0%, pitch by 38.0%, soda by 44.2%).

Energy costs increased by 32.4% in the nine months of 2017 compared to the same period of 2016, primarily due to 14.7% appreciation of Russian Ruble against US dollar between the comparable periods. Increase was also a result of change in terms of long-term electricity contracts and overall market price growth.

The finished goods mainly consist of primary aluminium and alloys (approximately 94%). The dynamic of change between the reporting periods was primarily driven by the fluctuations of primary aluminium and alloys physical inventory between the reporting dates: 16.4% increase for the nine months of 2017 as compared to 8.3% decrease for the same period of 2016.

Adjusted EBITDA and Results from operating activities

(USD million)	Nine months ended 30 September 2017 (unaudited)	2016 (unaudited)	Change nine months on nine months, %
Reconciliation of Adjusted EBITDA			
Results from operating activities	1,023	624	63.9%
Add:			
Amortisation and depreciation	364	349	4.3%
Impairment of non-current assets	139	101	37.6%
Loss on disposal of property, plant and equipment	8	3	166.7%
Adjusted EBITDA	**1,534**	**1,077**	**42.4%**

Adjusted EBITDA, defined as results from operating activities adjusted for amortization and depreciation, impairment charges and loss on disposal of property, plant and equipment, increased to USD1,534 million in the nine months ended 30 September of 2017, as compared to USD1,077 million for the corresponding period of 2016. The factors that contributed to the increase in 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 of 2017 by 63.9% to USD1,023 million, as compared to USD624 million for the corresponding period of 2016, representing operating margins of 14.2% and 10.5%, respectively.

Net Profit for the period

As a result of the above, the Company recorded a profit of USD782 million for the nine months ended 30 September of 2017, as compared to USD534 million for the same period of 2016.

Adjusted and Recurring Net Profit

(USD million)	Three months ended 30 September 2017 *unaudited*	2016 *unaudited*	Change quarter on quarter, % (3Q to 3Q)	Three months ended 30 June 2017 *unaudited*	Change quarter on quarter, % (3Q to 2Q)	Nine months ended 30 September 2017 *unaudited*	2016 *unaudited*	Change nine months on nine months, %
Reconciliation of Adjusted Net Profit								
Net profit for the period	312	273	14.3%	283	10.2%	782	534	46.4%
Adjusted for:								
Share of profits and other gains and losses attributable to Norilsk Nickel, net of tax effect	(174)	(146)	19.2%	(50)	248.0%	(395)	(504)	(21.6%)
Change in the fair value of derivative financial liabilities, net of tax (20.0%)	66	8	725.0%	(95)	NA	201	117	71.8%
Impairment of non-current assets, net of tax	58	46	26.1%	64	(9.4%)	139	101	37.6%
Adjusted Net Profit	**262**	**181**	**44.8%**	**202**	**29.7%**	**727**	**248**	**193.1%**
Add back:								

	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, %
Share of profits of Norilsk Nickel, net of tax	174	146	19.2%	50	248.0%	395	504	(21.6%)
Recurring Net Profit	**436**	**327**	**33.3%**	**252**	**73.0%**	**1,122**	**752**	**49.2%**

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

Segment reporting

The Group has four reportable segments, as described in the Annual Report, which are the Group's strategic business units: Aluminium, Alumina, Energy and 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			
	2017		2016	
	Aluminium[8]	**Alumina**	**Aluminium**	**Alumina**
(USD million)	*(unaudited)*	*(unaudited)*	*(unaudited)*	*(unaudited)*
Segment revenue				
kt	*2,794*	*5,719*	*2,948*	*6,128*
USD million	*5,724*	*1,668*	*5,021*	*1,531*
Segment result	1,331	67	815	3
Segment EBITDA[9]	1,598	140	1,099	65
Segment EBITDA margin	27.9%	8.3%	21.9%	4.2%
Total capital expenditure	219	216	228	98

In the nine months ended 30 September 2017 and 2016, respectively, segment result margins (calculated as the percentage of segment result to total segment revenue) from continuing operations were positive 23.3% and 16.2% for the aluminium segment, and positive 4.0% and 0.2% for the alumina segment. Key drivers for the increase in margin in the aluminium segment are disclosed in "Cost of sales" and "Results from operations and Adjusted EBITDA" above.

Forward-looking statements

This press-release 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

[8] *Starting 2017 the Company presents two metrics for Aluminium segment: (1) total segment information and (2) information on own aluminium production. The difference between two metrics relates to the intersegment margins, sales of third parties metal and related costs and other non-production costs and expenses. Segment information for the nine months ended 30 September 2017 presented above relates to the own aluminium production, that is different from relevant segment information presented in the Company's consolidated interim condensed financial information for the nine months ended 30 September 2017.*

[9] *Segment EBITDA for any period is defined as segment result adjusted for amortization and depreciation for the segment.*

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.

About RUSAL
UC RUSAL (www.rusal.com) is a leading, global producer of aluminium, in 2016 accounting for approximately 6.2% of global production of aluminium and 6.5% of alumina. UC RUSAL employs over 61,000 people in 20 countries, across 5 continents. UC RUSAL markets and sells its products primarily in the European, Japanese, Korean, Chinese, South East Asian and North American markets. UC RUSAL's ordinary shares are listed on The Stock Exchange of Hong Kong Limited (Stock code: 486), global depositary shares representing UC RUSAL's ordinary shares are listed on the professional compartment of Euronext Paris (RUSAL for Reg S GDSs and RUAL for Rule 144A GDSs). UC RUSAL's ordinary shares are listed on Moscow Exchange (RUAL).

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