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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 2018 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).

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 fourth quarter of 2018 (“4Q18”) and for the 12 months ending 31 December 2018 (“12M18”)¹.

As disclosed by the Company earlier, on 6 April 2018, the Office of Foreign Assets Control (“**OFAC**”) of the Department of Treasury of the United States of America added the Company to its Specially Designated Nationals List (the “**Sanctions**”). On 27 January 2019, OFAC announced the removal of the Sanctions and as such, the Company was operating under the Sanctions for the majority of 2018. These circumstances coupled with other factors stated below led to certain changes to ordinary levels of operational performance.

¹ Operating data is based on preliminary data and may be updated in the 4Q18 financial results.

Aluminium

- Aluminium production² in 4Q18 totaled 943 thousand tonnes (+0.4% quarter-on-quarter (“QoQ”)), with Siberian smelters representing 93% of total aluminium output. Total production dynamics remained largely stable with capacity utilization reaching 96%;
- In 4Q18, aluminium sales decreased (-16.2% QoQ) to 877 thousand tonnes. In 4Q18 sales of value added products decreased to 333 thousand tonnes (-32.4% QoQ). Commodity and value added products (VAP³) sales in 4Q18 were significantly challenged by short OFAC General License extensions;
- In 4Q18, the average aluminium realized price⁴ decreased by 7.0% QoQ to USD2,115/t. The decrease was driven both by the London Metal Exchange (“LME”) QP⁵ component (-4.7% QoQ to USD2,007/t) and average realized premium component (-35.3% QoQ to USD108/t). The decline in premiums during 4Q18 is attributed to a number of factors, including market backwardation that contributed to a liquidation of traders stocks and decline of VAP share in product sales mix due to external market drivers related to the Sanctions;
- In 12M18, aluminium production totaled 3,753 thousand tonnes (+1.3%, year-on-year (“YoY”));
- In 12M18, aluminium sales decreased (-7.2% YoY) totaling 3,671 thousand tonnes. VAP sales amounted to 1,664 thousand tonnes (-11.0% YoY). The share of VAP sales in total sales now stands at 45%;

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

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

- In 12M18, the average aluminium realized price increased by 7.3% YoY to USD2,259/t due to positive dynamics demonstrated mostly during first three quarters of 2018 by the LME QP component (+8.5% YoY to USD2,107/t). The average realized premium component decreased by 6.7% YoY to USD152/t).

Alumina

- In 4Q18, total alumina production decreased by 2.1% QoQ, to 1,958 thousand tonnes. Russian operations accounted for 34% of the total output. The performance of the Company's alumina assets was largely in line with the production plan;
- In June 2018 the Company restarted operation of the Friguia alumina refinery in Guinea. As a result, despite various factors, including abnormal weather conditions that affected the operational performance of Windalco capacities, overall alumina production in 12M18 remained similar to 12M17, at 7,774 thousand tonnes.

Bauxite and nepheline ore

- In 4Q18, bauxite production decreased by 3.4% QoQ, to 3,719 thousand tonnes. Nepheline output decreased by 32.3% to 817 thousand tonnes due to operational equipment care and maintenance works at the mine;
- In June 2018 the Company announced the completion of the first stage of development of the Dian-Dian bauxite deposit and the reopening of the operations of the Friguia bauxite and alumina complex. As a result in 12M18 bauxite output increased by 18.9%, up to 13,847 thousand tonnes. Despite decrease in Nepheline ore output in 4Q18 overall nepheline production in 12M18 remained almost unchanged at 4,294 thousand tonnes (-0.9% YoY), as a result of increased output during first three quarters of 2018 compared to the same period in 2017.

Market overview⁶

- During 4Q18, the aluminum price along with the whole LME metals' basket was affected by investors sell-off on the back of rising trade tensions between the US and China that many market participants perceive to be potentially negative for future economic growth and industrial activity. Chinese Caixin manufacturing PMI dropped to 49.7 points for the first time in 19 months further proving negative investor's sentiment toward commodities.

⁶ Unless otherwise stated data for the "Market overview" section is sourced from Bloomberg, CRU, CNIA, IAI and Antaike.

- Aluminum stocks at the LME warehouses dropped by 175 thousand tonnes to 926 thousand tonnes during January — mid-October 2018, the lowest since December 2007, but by the end of 2018 stocks rebounded to 1.273 million tonnes. January has seen a significant increase in LME cancelled warrants to 755 thousand tonnes, a multi-year low.
- Aluminium scrap availability may also become an issue in 2019 due to an expected increase of scrap prices and strong demand compared to 2018 levels.
- Aluminium continues to be challenged by supply disruptions and soaring production costs. Based on the current LME price and data on average market premiums, around 50% of aluminum production facilities outside of China and 60% in China are lossmaking.
- Chinese aluminium production declined for the first time in history by 0.6% YoY in 2018 to 36.4 million tonnes. More than 3 million tonnes of Chinese smelting capacity was cut from August to December 2018.
- Chinese regional stocks declined by 0.5 million tonnes YoY to 1.33 million tonnes at the end of 2018 and returned to an average monthly level of 2018.
- Aluminium production outside China was flat in 2018 at 27.6 million tonnes, but demand rose by 2.8% to 30 million tonnes thus retaining 2.4 million tonnes of deficit. Given that most smelters outside China are lossmaking, this is likely to limit potential restarts and will further increase the risk of supply disruptions.
- After a continuous rise in 2018, Chinese exports may be set to decline due to lower arbitrage, a fall in inventories/production and new stimulation programmes expected to be introduced by the Chinese Government in 2019 to significantly improve domestic aluminum balance.
- In general, the aluminium market is in heavy deficit and demand is set to improve, the aluminium price has upside potential.
- The alumina market may be expected to be more balanced due to Alunorte continuing production recovery and capacity growth in China.

KEY OPERATING DATA

GROUP PRODUCTION DATA⁷

('000 tonnes)	4Q18	3Q18	Change, %	12M18	12M17	Change, %
			(QoQ)			(YoY)
Aluminium	943	940	0.4%	3,753	3,707	1.3%
utilisation rate	96%	96%	96%	96%		
Aluminium foil and packaging products	19	21	-9.2%	89	101	-12.0%
Alumina	1,958	2,000	-2.1%	7,774	7,773	—
Bauxite	3,719	3,848	-3.4%	13,847	11,645	18.9%
Nepheline	817	1,207	-32.3%	4,294	4,332	-0.9%

GROUP SALES DATA

('000 tonnes)	4Q18	3Q18	Change, %	12M18	12M17	Change, %
			(QoQ)			(YoY)
Aluminium sales incl BOAZ aluminium	877	1,046	-16.2%	3,671	3,955	-7.2%
product sales	32	43	-24.5%	128	147	-12.8%
Other third parties aluminium products sales	6.6	4.2	56.8%	60	169	-64.3%
<i>Realized price,</i>						
<i>US\$/tonne</i>	2,115	2,274	-7.0%	2,259	2,105	7.3%
<i>LME QP component</i>	2,007	2,107	-4.7%	2,107	1,942	8.5%
<i>Realised premium</i>	108	167	-35.3%	152	163	-6.7%
VAP sales in tonnes	333	492	-32.4%	1,664	1,869	-11.0%
<i>Share of VAP</i>	38%	47%		45%	47%	

⁷ 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

('000 tonnes)	Interest	4Q18	3Q18	Change,	12M18	12M17	Change,
				%			%
				(QoQ)			(YoY)
Russia (Siberia)							
Bratsk aluminium smelter	100%	254	253	0.3%	1,009	1,008	0.2%
Krasnoyarsk aluminium smelter	100%	256	254	0.6%	1,015	1,019	-0.4%
Sayanogorsk aluminium smelter	100%	136	134	1.3%	536	533	0.5%
Novokuznetsk aluminium smelter	100%	54	54	1.0%	215	215	-0.2%
Irkutsk aluminium smelter	100%	105	105	0.2%	419	419	—
Khakas aluminium smelter	100%	73	72	1.3%	291	292	-0.3%
Russia — Other							
Volgograd aluminium smelter	100%	17	17	—	64	13	393.5%
Nadvoitsy aluminium smelter	100%	—	1	—	6	12	-48.3%
Kandalaksha aluminium smelter	100%	18	18	—	72	72	—
Sweden							
Kubikenborg Aluminium (KUBAL)	100%	29	30	-3.8%	125	123	1.7%
Total production⁸		943	940	0.4%	3,753	3,707	1.3%
<i>Remelting of third-party primary aluminium at Volgograd smelter</i>		<i>0.7</i>	<i>0.6</i>	<i>29.2%</i>	<i>3</i>	<i>22</i>	<i>-87.8%</i>
Total aluminium products output including remelting		944	940	0.4%	3,756	3,728	0.7%

⁸ Here and further “total production” may not equal to the arithmetic addition of the numbers presented above in the table. The difference arises due to the roundoff of exact numbers (incl. decimals).

Foil and packaging production results

('000 tonness)	Interest	4Q18	3Q18	Change,	12M18	12M17	Change,
				% (QoQ)			% (YoY)
Russia							
Sayanal	100%	7.8	8.7	-9.4%	34.8	38.2	-9.0%
Ural Foil	100%	4.2	5.3	-21.1%	21.6	25.3	-14.5%
Sayana Foil	100%	1.2	0.9	33.4%	4.0	3.8	5.1%
Armenia							
Armenal	100%	5.9	6.2	-5.4%	28.5	33.7	-15.4%
Total							
production		19.1	21.1	-9.2%	89.0	101.1	-12.0%

Other aluminium products output and silicon output

('000 tonness)	4Q18	3Q18	Change,	12M18	12M17	Change,
			% (QoQ)			% (YoY)
Secondary alloys ⁹	—	—	—	8.8	28.3	-68.9%
Silicon	14.0	14.0	—	56.8	56.0	1.4%
Powder	6.4	6.3	1.4%	25.7	18.5	38.9%
Wheels ('000 units)	277.6	255.1	8.8%	970.1	842.0 ¹⁰	15.2%

⁹ In 2018 the Company has moved dross processing to third parties.

¹⁰ SKAD operations, engaged in wheels production, were acquired in April 2017. The production volumes attributable to the Company since the date of consolidation until 31 December 2017, amounted to 617 thousand wheels.

ALUMINA PRODUCTION

('000 tonnes)	Interest	4Q18	3Q18	Change,	12M18	12M17	Change,
				%			(QoQ)
Ireland							
Aughinish Alumina	100%	468	484	-3.4%	1,874	1,937	-3.3%
Jamaica							
Windalco	100%	130	122	6.5%	502	582	-13.7%
Ukraine							
Nikolaev Alumina Refinery	100%	439	420	4.3%	1,715	1,676	2.4%
Italy							
Eurallumina	100%	—	—	—	—	—	—
Russia							
Bogoslovsk Alumina Refinery	100%	255	255	—	1,002	983	1.9%
Achinsk Alumina Refinery	100%	172	225	-23.4%	851	945	-10.0%
Urals Alumina Refinery	100%	228	229	-0.5%	910	894	1.8%
Boxitogorsk Alumina Refinery	100%	—	—	—	—	—	—
Guinea							
Friguia Alumina Refinery	100%	81	79	2.7%	182	—	—
Australia (JV)							
Queensland Alumina Ltd	20%	186	185	0.3%	738	756	-2.3%
Total alumina production		1,958	2,000	-2.1%	7,774	7,773	—

BAUXITE MINING

('000 tonnes)	Interest	4Q18	3Q18	Change,	12M18	12M17	Change,
				%			(QoQ)
Jamaica							
Windalco	100%	480	457	5.0%	1,791	1,954	-8.3%
Russia							
North Urals	100%	625	549	13.7%	2,326	2,360	-1.5%
Timan	100%	639	1,060	39.7%	3,325	3,163	5.1%
Guinea							
Friguia	100%	245	299	-18.1%	720	—	—
Kindia	100%	909	812	12.0%	3,451	3,124	10.5%
Dian-Dian	100%	476	277	71.5%	840	—	—
Guyana							
Bauxite Company of Guyana Inc.	90%	345	393	-12.3%	1,394	1,045	33.4%
Total bauxite production		3,719	3,848	-3.4%	13,847	11,645	18.9%

Nepheline ore production¹¹

('000 tonnes wet)	Interest	4Q18	3Q18	Change,	12M18	12M17	Change,
				%			(QoQ)
Kiya Shaltyr Nepheline Syenite	100%	817	1,207	-32.3%	4,294	4,332	-0.9%

¹¹ Nepheline ore used as a feedstock for alumina production at the Achinsk alumina refinery.

JOINT VENTURE OPERATING RESULTS

				Change, %			Change, %
('000 tonnes wet)	Interest	4Q18	3Q18	(QoQ)	12M18	12M17	(YoY)
Boguchanskaya HP							
Electricity generation, mwh	50%	3,324	4,122	-19.0%	13,610	13,287	2.4%
Boguchanskiy aluminium smelter							
Aluminium production ('000 tonnes)	50%	36.7	36.4	0.9%	147	148	-1.1%
Bogatyr Komir and Bogatyr Trans							
Coal production (50%) (Kt)	50%	6,154	5,338	15.3%	22,433	20,204	11.0%
Transportation volumes (50%) (Kt of transportation)	50%	1,440	1,548	-6.9%	5,773	6,222	-7.2%

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

8 February 2019

As at the date of this announcement, the executive Directors are Mr. Evgenii Nikitin, Mr. Evgenii Vavilov and Mr. Sergei Popov, the non-executive Directors are Mr. Marco Musetti, Mr. Vyacheslav Solomin and Mr. Timur Valiev, and the independent non-executive Directors are Dr. Elsie Leung Oi-sie, Mr. Dmitry Vasiliev and Mr. Bernard Zonneveld.

All announcements published by the Company are available on its website under the links <http://www.rusal.ru/en/investors/info.aspx> and <http://rusal.ru/investors/info/moex/>, respectively.