

UC RUSAL DEVELOPED UNIQUE SCANDIUM ALLOYS FOR THE SHIPBUILDING INDUSTRY

Moscow, 13 March 2018 – UC RUSAL (SEHK: 486, Euronext: RUSAL/RUAL, Moscow Exchange: RUAL), a leading global aluminium producer, is pleased to announce that new high strength wrought scandium aluminium alloys have entered the test phase that is held in cooperation with customers from the shipbuilding industry.

The unique Al-Mg-Sc composition of the new alloys was developed by UC RUSAL and the Institute of Light Materials and Technologies. Its main competitive advantage is that it reduces the required scandium content three-fold while preserving the improved properties usually associated with scandium aluminium alloys.

The new alloys are thus cheaper while still delivering the best possible strength, corrosion resistance and welding seam strength characteristics. This means that the new alloys will be much more accessible rather than being an upscale product.

The company's been working on the project for 4 years, having invested over RUB 90 million in it. Pilot lots of the material are already being tested by Russian and foreign companies specialising in ship spare parts manufacture and supply. The results of these tests will then be used to develop new alloys to customer specifications.

In course of this project the company's specialists managed to overcome the main obstacle on the way to making aluminium scandium alloys a mass market product: by managing to reduce the scandium content several-fold, they significantly reduced the cost of the new alloy, meaning that it can now be used en masse in ship building and aerospace manufacturing as well as in other industries that require materials that are easy to work with and delivery low weight to payload ratios.

The new material is being certified for mass production even as the tests are still continuing. The certification process is expected to complete in 2019, after which the company will start mass production of the new alloys and their promotion in the automotive and aerospace industries.

In the meantime UC RUSAL continues to cooperate with the Institute of Light Materials and Technologies to develop new scandium aluminium materials for additive manufacturing. The company's new material offers the same high strength properties as Scalmalloy standard but the amount of scandium is 2.5 times lower than that found in the products currently in the market. Currently work is underway to develop 3D printing processes that use the new powder to build finished products.

Victor Mann, RUSAL's Technical Director, commented: "The fact that UC RUSAL has its own raw materials and a unique production process for making scandium oxide, master alloys and aluminium scandium alloys will allow the company to bring a brand new value-added product to market, for which there may be a lot of demand across a broad range of mechanical engineering industries. According to the results of cooperation with both Russian and overseas companies, a decision will be made about whether the company should go ahead and expand its aluminium scandium semi-finished goods production capacity."

About RUSAL

UC RUSAL (www.rusal.com) is a leading, global producer of aluminium, in 2017 accounting for approximately 5.8% of global production of aluminium and 6.3% 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 depository 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 and Russian depositary receipts that are issued on common shares of the Company are listed on Moscow Exchange (RUAL/RUALR).

Disclaimer

The information contained in this press release is for media advice only. The contents are true and accurate at the time of publishing, however, may change over time.

Contacts:

Elena Morenko

+7 (495) 720-51-70

elena.morenko@rusal.com