



Moscow, 21 April 2009 – UC RUSAL, the world's largest aluminium and alumina producer, today provides a Q1 update on the impact of its Cost Efficiency Leader programme, aimed at counteracting the consequences of the global economic downturn and increasing the efficiency of the company's business.

Highlights*:

- Economic effect from cost reduction measures was USD554 mln in Q1. Annual cost reduction in 2009 is planned to amount to USD1.1 bln.
- Average production cost was reduced by 23% by March 2009.
- Energy costs were cut by more than 19%.
- Raw materials expenses decreased by 35%.
- Management costs were cut by 60%.
- Bauxite production was 3 mln tonnes in Q1, a reduction of 34.2% compared to Q1 2008. In 2009 the reduction of bauxite production is planned to be 5.6 mln tonnes.
- Alumina output was cut to 2.1 mln tonnes in Q1, a reduction of 25.3% compared to Q1 2008. By the end of 2009 alumina production is planned to be cut by 3.9 mln tonnes overall.
- Aluminium production was 1.0 mln tonnes in Q1, a reduction of 7.2% compared to Q1 2008. Total cuts of aluminium output in 2009 are planned to amount to 0.5 mln tonnes.

** Production figures are preliminary and may be revised following audit completion.*

"In the two months since we initiated our Cost Efficiency Leader Programme we have achieved significant results across all key areas of our business. We have reduced costs, optimized production at economically inefficient facilities and progressed negotiations with our key creditors. This ensures the long-term stability of our business and demonstrates the effective management of our operations as well as our flexibility as a business to react to changing economic conditions quickly. Our goal is to reduce costs further by Q4, providing us with cost savings of USD1.1 bln in 2009. Our proactive steps will also strengthen our position as the world's most efficient aluminium company," said Oleg Deripaska, the CEO of RUSAL.

Reduction of Production Output

As part of its Cost Efficiency Leader programme, RUSAL has reduced production across its most economically inefficient and environmentally unsound facilities. By the end of 2009 the total reduction of aluminium will be 0.5 mln tonnes, which is approximately 11% of 2008 volume. The alumina output will be cut by 3.9 mln tonnes, approximately 34% of the total output. The current reduction compared to Q1 2008 is 3.2% at the Siberian smelters and 25.7% at the Urals smelters. In Q1 2009 the aluminium output was reduced by 23% compared to Q1 2008 at the smelters outside Russia - Zaporozhye Aluminium Smelter (Ukraine), ALSCON (Nigeria), and Kubal (Sweden).

RUSAL also reduced the alumina production through temporary suspension of its operations at Alpart and Winalco (Jamaica), Eurallumina (Italy) and by cutting volumes 25% (compared to Q1 2008) at Aughinish (Ireland) reaching the balance on the market in the Atlantic region. The production optimisation will be completed during Q2 2009.

Cuts of Production Costs

RUSAL's key objective is to achieve the best production costs in the industry. Through a series of complex cost-cutting measures, the company reduced the average production cost of aluminium per tonne by more than 23% compared to December 2008. By Q4 the company plans to further reduce the production costs by 26%.

Considerable cuts were achieved in key components of the production cost. In particular, electricity costs were reduced by more than 19% as a result of signing long-term energy contracts, optimisation of the share of the regulated sector as well as introducing energy-saving technologies.

Raw materials expenses were cut by 35% as a result of favourable terms for key types of raw materials. In addition, the company continued its active development of RUSAL business systems, which aim to provide better resource-saving and no-waste production, as well as help enhance the health and safety performance.

Costs of finished product transportation were reduced by 13% through optimised logistics, hiring transportation operators

on a tender basis and agreed new transportation terms.

Management costs were cut by 60% as a result of dropping administrative and overhead costs in the management company and the plants' administrations.

Therefore, the total economic effect from these cost-cutting measures in Q1 amounted to USD 554 mln. Overall the company is expected to achieve USD 1.1 bln of cost reductions not taking into account the investment programmes.

Sales and marketing

Increased sales of alloys to end-users, an increase in the quality of products and its commercial services, capturing new markets and searching for new clients are the key priorities of the department for client services. By the end of Q1, more than 80% of RUSAL's metal production has been contracted. The company's strategic goal is to increase the share of sales to end-users which is planned to reach up to 60% of total sales volumes in 2010.

Debt restructuring

A key milestone in the company's efforts to counteract the economic downturn and the decline in metal demand has been the standstill agreement that RUSAL signed with its international lending banks in February. The agreement, which demonstrates the strong support we have from these banks, is effective for a period of two months with the possibility of extension for a further month. The terms of this agreement have been also supported by the Russian lending banks. During the period of the agreement RUSAL plans to coordinate with the banks the terms of a long-term restructuring.

RUSAL has also reached an agreement with ONEXIM Group to restructure RUSAL's USD 2.8bln debt. It has been agreed that USD 2.0 billion of debt will be converted into RUSAL shares. The remaining USD 800 million debt to ONEXIM will be restructured.

About UC RUSAL

United Company RUSAL (www.rusal.com) is the global leader in the aluminium industry and accounts for approximately 12% and 15% of the global production of aluminium and alumina respectively. RUSAL sells its products in 70 countries worldwide and employs 90,000 people in 19 countries across five continents.

To learn more about aluminium please visit <http://www.aluminiumleader.com>