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UNITED COMPANY RUSAL PLC

(Incorporated under the laws of Jersey with limited liability)

(Stock Code: 486)

CONTINUING CONNECTED TRANSACTION

The Board is pleased to announce that on 17 January 2011, RUS-Engineering, as the buyer, and Energoprom Management, as the supplier, entered into the following contracts pursuant to which RUS-Engineering agreed to buy and Energoprom Management agreed to sell:

- a) approximately 6,000 tonnes of cathode blocks from 17 January 2011 to 31 December 2011, for the total consideration of up to USD7.65 million (the **“Purchase of Cathode Blocks Contract”**); and
- b) approximately 10,690 tonnes of carbon paste from 17 January 2011 to 31 December 2011, for the total consideration of up to USD7.35 million (the **“Purchase of Carbon Paste Contract”**).

Based on the terms of the 2011 Purchase Contracts, the annual aggregate transaction amount that is payable by RUS-Engineering to Energoprom Management for the financial year ending 31 December 2011 is estimated to be USD15 million.

Each of Mr. Vekselberg and Mr. Blavatnik indirectly holds more than 30% of the share capital in Energoprom Management. Energoprom Management is therefore an associate of each of Mr. Vekselberg and Mr. Blavatnik, each of whom is a Director. On this basis, Energoprom Management is a connected person of the Company under the Listing Rules.

Accordingly, each of the transactions contemplated under 2011 Purchase Contracts constitutes a continuing connected transaction of the Company. Pursuant to Rule 14A.25 of the Listing Rules, the Purchase of Cathode Blocks Contract and the Purchase of Carbon Paste Contract will be aggregated as they have been entered into by RUS-Engineering with the same party and the subject matter of each of the agreements relates to the purchase of materials by RUS-Engineering for the purposes of the 2011 pot repair programme.

The annual aggregate transaction amount for the financial year ending 31 December 2011 of the continuing connected transactions under the 2011 Purchase Contracts is more than 0.1% but less than 5% under the revenue ratio while the other percentage ratios (other than the profits ratio) are less than 0.1%. Accordingly, pursuant to Rule 14A.34 of the Listing Rules, the transactions contemplated under these agreements are only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47, the annual review requirements set out in Rules 14A.37 to 14A.40 and the requirements set out in Rules 14A.35(1) and 14A.35(2) of the Listing Rules. These transactions are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

1. BOARD APPROVAL OF AGREEMENTS

The Board is pleased to announce that on 17 January 2011, RUS-Engineering, as the buyer, and Energoprom Management, as the supplier, entered into the following contracts pursuant to which RUS-Engineering agreed to buy and Energoprom Management agreed to sell:

- (a) approximately 6,000 tonnes of cathode blocks from 17 January 2011 to 31 December 2011, for the total consideration of up to USD7.65 million (the **“Purchase of Cathode Blocks Contract”**); and
- (b) approximately 10,690 tonnes of carbon paste from 17 January 2011 to 31 December 2011, for the total consideration of up to USD7.35 million (the **“Purchase of Carbon Paste Contract”**),

(both of which are, collectively, the **“2011 Purchase Contracts”**). The contract amounts may be subject to any applicable cross-currency exchange rate adjustments.

The key terms of the 2011 Purchase Contracts are set out below:

	Purchase of Cathode Blocks Contract	Purchase of Carbon Paste Contract
Date:	17 January 2011	17 January 2011
Contracting Parties for each of the 2011 Purchase Contracts:	(1) RUS-Engineering, as the buyer (2) Energoprom Management, as the supplier	(1) RUS-Engineering, as the buyer (2) Energoprom Management, as the supplier
Term:	17 January 2011 to 31 December 2011	17 January 2011 to 31 December 2011
Amount of materials to be purchased:	approximately 6,000 tonnes of cathode blocks	approximately 10,690 tonnes of carbon paste
Amount of Consideration:	up to USD7.65 million	up to USD7.35 million
Terms of Delivery:	FCA Linevo	FCA Metallurgicheskaya
Terms of Payment:	payments will be made via wire transfer not later than 15 days from shipment	payments will be made via wire transfer not later than 15 days from shipment

THE AGGREGATION APPROACH

Pursuant to Rule 14A.25 of the Listing Rules, the continuing connected transactions contemplated under the Purchase of Cathode Blocks Contracts and Purchase of Carbon Paste Contract should be aggregated. This is on the basis that these contracts were each entered into by RUS-Engineering with Energoprom Management and the subject matter of each contract relates to the purchase of materials by RUS-Engineering from Energoprom Management for the purposes of the 2011 pot repair programme.

THE ANNUAL AGGREGATE TRANSACTION AMOUNT PAYABLE FOR THE 2011 PURCHASE CONTRACTS

Based on the terms of the 2011 Purchase Contracts, the annual aggregate transaction amount that is payable by RUS-Engineering to Energoprom Management for the financial year ending 31 December 2011 is estimated to be USD15 million.

This annual aggregate transaction amount is estimated by Directors based on the amount of cathode blocks and carbon paste to be supplied and their contract price.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The transactions contemplated under the 2011 Purchase Contracts are entered into for the purposes of repairing the pots in the aluminium smelters as part of the 2011 pot repair programme. The Company considers that the transactions contemplated under the 2011 Purchase Contracts are for the benefit of the Company, as RUS-Engineering purchases cathode blocks and carbon paste from Energoprom Management, who offered cathode blocks and carbon paste at costs lower than the prevailing market rate.

The terms of each of the 2011 Purchase Contracts have been fixed for the whole duration of the contract between RUS-Engineering and Energoprom Management and the transactions are entered into on normal commercial terms which are fair and reasonable. The consideration payable under each of the 2011 Purchase Contracts has been determined with reference to the market price and on terms no less favourable than those prevailing in the Russian market for cathode blocks and carbon paste respectively of the same type and quality as those offered by Energoprom Management to independent third parties.

The Directors (including the independent non-executive Directors) consider that each of the 2011 Purchase Contracts have been on normal commercial terms which are fair and reasonable and the transaction contemplated under each of the 2011 Purchase Contracts is in the ordinary and usual course of business of the Group and in the interests of the Company and its shareholders as a whole.

None of the Directors has a material interest in the transactions contemplated by the 2011 Purchase Contracts save for each of Mr. Vekselberg and Mr. Blavatnik who are each indirectly interested in more than 30% of Energoprom Management. Accordingly, each of Mr. Vekselberg and Mr. Blavatnik have abstained from voting at the board meeting at which the board resolutions to approve the 2011 Purchase Contracts were considered.

LISTING RULES IMPLICATIONS

Each of Mr. Vekselberg and Mr. Blavatnik indirectly holds more than 30% of the share capital in Energoprom Management. Energoprom Management is therefore an associate of each of Mr. Vekselberg and Mr. Blavatnik, each of whom is a Director. On this basis, Energoprom Management is a connected person of the Company under the Listing Rules.

Accordingly, each of the transactions contemplated under 2011 Purchase Contracts constitutes a continuing connected transaction of the Company. Pursuant to Rule 14A.25 of the Listing Rules, the Purchase of Cathode Blocks Contract and the Purchase of Carbon Paste Contract will be aggregated as they have been entered into by RUS-Engineering with the same party and the subject matter of each of the agreements relates to the purchase of materials by RUS-Engineering for the purposes of the 2011 pot repair programme.

The annual aggregate transaction amount for the financial year ending 31 December 2011 of the continuing connected transactions under the 2011 Purchase Contracts is more than 0.1% but less than 5% under the revenue ratio while the other percentage ratios (other than the profits ratio) are less than 0.1%. Accordingly, pursuant to Rule 14A.34 of the Listing Rules, the transactions contemplated under these agreements are only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47, the annual review requirements set out in Rules 14A.37 to 14A.40 and the requirements set out in Rules 14A.35(1) and 14A.35(2) of the Listing Rules. These transactions are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Details of the 2011 Purchase Contracts will be included in the next annual report and accounts of the Company in accordance with Rule 14A.46 of the Listing Rules.

PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY AND ENERGOPROM MANAGEMENT

The Company is principally engaged in the production of aluminium and alumina. The Company's assets include bauxite and nepheline ore mines, alumina refineries, aluminium smelters, casthouse business for alloys production, aluminium foil mills and production of aluminium packaging materials as well as power-generating assets. Spread across 19 countries in 5 continents, the operations and offices of the Company employ over 75,000 people.

Energoprom Management is principally engaged in manufacturing high-technology electrode and cathode products, the main consumers of which are producers of steel, aluminum, silicon and ferrous alloys.

DEFINITIONS

In this announcement, the following expressions have the following meanings, unless the context otherwise requires:

“Associate”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors of the Company
“Company”	United Company RUSAL Plc, a limited liability company incorporated in Jersey, the shares of which are listed on the main board of the Stock Exchange;
“connected person”	has the same meaning ascribed thereto under the Listing Rules
“continuing connected transaction”	has the same meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Energoprom Management”	Energoprom Management CJSC or ZAO Energoprom Management, a company incorporated in Russia
“Group”	the Company and its subsidiaries
“Listing Rules”	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Mr. Blavatnik”	Mr. Len Blavatnik, a non-executive director of the Company
“Mr. Vekselberg”	Mr. Victor Vekselberg, the chairman and a non-executive director of the Company
“percentage ratios”	the percentage ratios under Rule 14.07 of the Listing Rules
“profits ratio”	has the same meaning ascribed thereto under Rule 14.07 of the Listing Rules

“Purchase of Cathode Blocks Contract”	the contract dated 17 January 2011, entered into between RUS-Engineering, as the buyer, and Energoprom Management, as the supplier, for the purchase of approximately 6,000 tonnes of cathode blocks from 17 January 2011 to 31 December, 2011, for the total consideration of up to USD7.65 million
“Purchase of Carbon Paste Contract”	the contract dated 17 January 2011, entered into between RUS-Engineering, as the buyer, and Energoprom Management, as the supplier, for the purchase of approximately 10,690 tonnes of carbon paste from 17 January 2011 to 31 December 2011, for the total consideration of up to USD7.35 million
“revenue ratio”	has the same meaning ascribed thereto under Rule 14.07 of the Listing Rules
“RUS-Engineering”	RUS-Engineering LLC, a company incorporated in Russia, an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the same meaning ascribed thereto under the Listing Rules
“USD”	United States dollars, the lawful currency of the United States
“2011 Purchase Contracts”	Purchase of Cathode Blocks Contract and Purchase of Carbon Paste Contract

By Order of the Board of Directors of
United Company RUSAL Plc
Tatiana Soina
Director

18 January 2011

As at the date of this announcement, our executive directors are Mr. Oleg Deripaska, Mr. Vladislav Soloviev, Mr. Petr Sinshinov, Ms. Tatiana Soina, Mr. Alexander Livshits and Ms. Vera Kurochkina, our non-executive directors are Mr. Victor Vekselberg (Chairman), Mr. Dmitry Afanasiev, Mr. Len Blavatnik, Mr. Ivan Glasenberg, Mr. Alexander Popov, Mr. Dmitry Razumov, Mr. Anatoly Tikhonov and Mr. Artem Volynets, and our independent non-executive directors are Dr. Peter Nigel Kenny, Mr. Philip Lader, Mr. Barry Cheung Chun-Yuen and Ms. Elsie Leung Oi-sie.

All announcements and press releases published by the Company are available on its website under the links http://www.rusal.ru/en/stock_fillings.aspx and <http://www.rusal.ru/en/press-center.aspx>, respectively.