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## **UNITED COMPANY RUSAL PLC**

*(Incorporated under the laws of Jersey with limited liability)*

**(Stock Code: 486)**

### **CONTINUING CONNECTED TRANSACTIONS**

The Board announces that, in their usual and ordinary course of business, certain Group companies (detailed below) have entered into, or will enter into before 31 December 2011, a variety of Transportation Contracts with KraMZ-Auto pursuant to which KraMZ-Auto provides various transportation services to transport assets and personnel for such Group companies.

KraMZ-Auto is an indirect subsidiary of EN+, a controlling shareholder of the Company. KraMZ-Auto is therefore an associate of EN+ which is a substantial shareholder of the Company and therefore KraMZ-Auto is a connected person of the Company under the Listing Rules.

Accordingly, each of the transactions contemplated under the Transportation Contracts constitutes a continuing connected transaction of the Company.

Pursuant to Rule 14A.25 of the Listing Rules, the Transportation Contracts are required to be aggregated as they are entered into by the Group companies with KraMZ-Auto and the subject matter of each contract relates to the provision of transportation services by KraMZ-Auto to the Group companies.

The annual aggregate transaction amount for the financial year ended 31 December 2010 of the continuing connected transactions under the Transportation 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%.

The annual aggregate transaction amount for the financial year ending 31 December 2011 of the continuing connected transactions under the Transportation Contracts is expected to be more than 0.1% but less than 5% under the revenue ratio while the other percentage ratios (other than the profits ratio) are expected to be less than 0.1%.

Accordingly, pursuant to Rule 14A.34 of the Listing Rules, the transactions contemplated under the Transportation Contracts 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.

## **TRANSPORTATION CONTRACTS**

The Board announces that, in their usual and ordinary course of business, certain Group companies have entered into, or will enter into before 31 December 2011, a variety of Transportation Contracts with KraMZ-Auto pursuant to which KraMZ-Auto provides various transportation services to transport assets and personnel for such Group companies. All the Transportation Contracts are, or will be, on arms-length commercial terms.

The dates of the Transportation Contracts range from 26 September 2007 to the present and others are expected to be entered into before 31 December 2011. The terms of the Transportation Contracts vary widely and ranges from one-off contracts and short-term contracts to long-term contracts and all are less than three year terms except:

- (a) one Transportation Contract entered into on 26 September 2007 between RUSAL Sayanogorsk OJSC and KraMZ-Auto LLC which was for a four year term but was terminated on 31 December 2010; and
- (b) one Transportation Contract entered into on 1 January 2008 between RUSAL Medicinskiy Centr LLC and KraMZ-Auto LLC which is automatically renewed each year; and
- (c) one Transportation Contract entered into on 1 March 2007 between RUSAL Global Management B.V. and KraMZ-Auto LLC which can be renewed each year by signing an addendum - the most recent addendum was signed on 15 October 2010 and the term of this contract has been extended until 31 December 2011.

However, each of these contracts which are for three year terms or more or may be renewed for more than three years, were each initially entered into by the Group company prior to the Company's listing on the Stock Exchange. The payments terms of the Transportation Contracts vary according to the type of transportation service provided and ranges from single payments to regular fixed payments or regular variable payments.

The Group companies that have entered into the Transportation Contracts, and their respective annual aggregate transaction amount for the financial year ended 31 December 2010 and for the financial year ending 31 December 2011 are set out below:

<b>Group company</b>	<b>Transaction amount for the financial year ended 31 December 2010, USD (excluding VAT)</b>	<b>Estimated transaction amount for the financial year ending 31 December 2011, USD (excluding VAT)</b>
RUSAL Achinsk OJSC	270,806	0.00
RUSAL Global Management B.V.	91,220	97,457.63
RUSAL ITC LLC	23,586	0.00
RUSAL SAYANAL OJSC	175,166	279,661.02
IT-Service LLC	55,402	76,271.19
RCU LLC	1,034	0.00
RUSAL Taishet LLC	0.00	432,203.39
RUS-Engineering LLC	2,876,814	4,084,745.76
OS BoAZ CJSC	234,607	169,491.52
RUSAL Energostroy LLC	0.00	29,661.02
RUSAL Bratsk OJSC	1,431,011	1,440,677.97
RUSAL Krasnoyarsk OJSC	3,900,359	3,220,338.98
RUSAL Sayanogorsk OJSC	1,476,604	2,161,016.95
Teploresurs LLC	207,120	233,050.85
RUSAL Medicinskiy Centr LLC	2,513	1,271.19
SVRZ LLC	36,366	42,372.88
RUSAL Transport Achinsk LLC	20,924	0.00
RUSAL Servis Rent LLC	3,470	0.00
<b>Group in total:</b>	<b>10,807,002</b>	<b>12,268,220.35</b>

Given the large number of Transportation Contracts and that each is individually a de minimis transaction under the Listing Rules, the inclusion of the precise terms and conditions of each of the Transportation Contracts in this announcement may not provide useful information to the public and would be unduly burdensome for the Company.

### **THE AGGREGATION APPROACH AND THE ANNUAL AGGREGATE TRANSACTION AMOUNTS**

Pursuant to Rule 14A.25 of the Listing Rules, the Transportation Contracts are required to be aggregated as they are each entered into by the Group with KraMZ-Auto and the subject matter of each contract relates to the provision of transportation services by KraMZ-Auto to the Group.

The annual aggregate transaction amount paid by the Group to KraMZ-Auto under the Transportation Contracts for the financial year ended 31 December 2010 was approximately USD10.81 million.

The annual aggregate transaction amount that is payable by the Group to KraMZ-Auto under the Transportation Contracts for the financial year ending 31 December 2011 is estimated to be up to USD12.27 million. This annual aggregate transaction amount for the financial year ending 31 December 2011 is estimated by the Directors based on the need for transportation services by the Group, the total contract price and the historical figure for the year ended 31 December 2010 under the Transportation Contracts.

### **REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

The Transportation Contracts are entered into for the purpose of transporting the Group's assets and personnel. The Company considers that the transactions contemplated under the Transportation Contracts are for the benefit of the Company as the services provided are required in the production and repairing programmes of the Group.

The consideration paid or payable under the Transportation Contracts has been determined with reference to the market price and on terms no less favourable than those prevailing in the Russian market for transportation services of the same type and quality as those offered by KraMZ-Auto to independent third parties.

The Directors (including the independent non-executive Directors) consider that the Transportation Contracts are on normal commercial terms which are fair and reasonable and the transaction contemplated under the Transportation Contracts are 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 Transportation Contracts save for Mr. Oleg Deripaska who is beneficially interested in more than 50% of the share capital of EN+. Accordingly, Mr. Oleg Deripaska has abstained from voting on the Board resolutions for approving the Transportation Contracts.

## **LISTING RULES IMPLICATIONS**

KraMZ-Auto is an indirect subsidiary of EN+, a controlling shareholder of the Company. KraMZ-Auto is therefore an associate of EN+ which is a substantial shareholder of the Company and therefore KraMZ-Auto is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Transportation Contracts constitutes a continuing connected transaction of the Company.

The respective annual aggregate transaction amount for the financial year ended 31 December 2010 and for the financial year ending 31 December 2011 of the continuing connected transactions under each of the Transportation Contracts is individually de-minimis, but when aggregated together with one another, is more than 0.1% but less than 5% under the revenue ratio while the other applicable percentage ratios are less than 0.1%. Accordingly, pursuant to Rule 14A.34 of the Listing Rules, the transactions contemplated under the Transportation Contracts 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.

Information on the Transportation 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 KRAMZ-AUTO**

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.

KraMZ-Auto is principally engaged in the provision of transportation services.

## DEFINITIONS

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

“associate”	has the same meaning ascribed to it 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 to it under the Listing Rules.
“continuing connected transaction”	has the same meaning ascribed to it under the Listing Rules.
“Director(s)”	the director(s) of the Company.
“EN+”	EN+ Group Limited, a company incorporated in Jersey, a substantial shareholder of the Company.
“Group”	the Company and its subsidiaries.
“KraMZ-Auto”	KraMZ-Auto LLC, an indirect subsidiary of EN+.
“Listing Rules”	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.
“percentage ratios”	the percentage ratios under Rule 14.07 of the Listing Rules.
“revenue ratio”	has the same meaning ascribed to it under Rule 14.07 of the Listing Rules.
”subsidiary”	has the same meaning ascribed to it under the Listing Rules.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.
“substantial shareholder”	has the same meaning ascribed to it under the Listing Rules.

“Transportation Contracts”	The contracts between certain Group companies and KraMZ-Auto, pursuant to which KraMZ-Auto provides various transportation services to transport assets and personnel for such Group companies.
“USD”	United States dollars, the lawful currency of the United States of America.

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

28 March 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](http://www.rusal.ru/en/stock_fillings.aspx) and <http://www.rusal.ru/en/press-center.aspx>, respectively.*