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UNITED COMPANY RUSAL PLC
(Incorporated under the laws of Jersey with limited liability)
(Stock Code: 486)

UPDATE ON TRANSPORTATION CONTRACTS

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TRANSPORTATION CONTRACTS

Reference is made to the announcements of the Company dated 28 March 2011, 17 May 2011 and 27 June 2011 in relation to the Transportation Contracts. It was disclosed in the announcement dated 27 June 2011 that the annual aggregate transaction amount that is payable by the Group to the associates of En+ under the Transportation Contracts for the financial year ending 31 December 2011 was estimated to be up to USD12.51 million. The Board would like to provide update information in relation to the Transportation Contracts.

As stated in the announcement of the Company dated 28 March 2011, 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 such transportation contracts are, or will be, on arm's length commercial terms. It was disclosed in the announcement of the Company dated 28 March 2011 that the annual aggregate transaction amount under the transportation contracts with KraMZ-Auto for the financial year ending 31 December 2011 was estimated to be up to USD12.27 million. It is now estimated that such figure should be adjusted upward by approximately USD2.35 million ("**Adjustments**") based on the total contract price and increase in the volume of transportation services to be provided by KraMZ-Auto to the Group.

The Board also announces that additional Transportation Contract has been entered into. On 1 April 2011, OJSC Rusal Sayanogorsk, in its ordinary and usual course of business, entered into a transportation contract with OVE, pursuant to which OVE provides transportation services, including the provision of rail transport, delivery of products from Kamyshta Station of OAO RZhD to Aluminievaya Station, dispatching cargos from smelters and provision of railcars (the “**OVE Transportation Contract**”).

The OVE Transportation Contract is for a term less than one year. As at 30 June 2011, the transaction amount under the OVE Transportation Contract is approximately USD162,000. The estimated transaction amount (excluding VAT) under the OVE Transportation Contract for the financial year ending 31 December 2011 is up to USD1.80 million. The consideration is to be paid in cash via wire transfer within 10 working days after the receipt of invoice.

THE AGGREGATION APPROACH AND THE ANNUAL AGGREGATE TRANSACTION AMOUNTS

Pursuant to Rule 14A.25 of the Listing Rules, all the Transportation Contracts (including the OVE Transportation Contract) is required to be aggregated as they are each entered into by the Group with the associates of En+ and the subject matter of each contract relates to the provision of transportation services by the associates of En+ to the Group.

The annual aggregate transaction amount that is payable by the Group to the associates of En+ under the Transportation Contracts (including the OVE Transportation Contract) for the financial year ending 31 December 2011 is now estimated to be up to USD16.65 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 OVE Transportation Contract is entered into for the purpose of transporting the products of the Group. The Company considers that the transactions contemplated under the OVE Transportation Contract are for the benefit of the Company as the services provided are required in the production programmes of the Group.

The OVE Transportation Contract is on arm's length commercial terms. The consideration payable under the OVE Transportation Contract 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 OVE to independent third parties.

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

LISTING RULES IMPLICATIONS

En+, a controlling shareholder of the Company, holds more than 30% in the issued share capital of OVE. OVE is therefore an associate of En+ which is a substantial shareholder of the Company and therefore OVE is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the OVE Transportation Contract constitutes a continuing connected transaction of the Company and should be aggregated with the remaining Transportation Contracts.

The respective annual aggregate transaction amount for the financial year ending 31 December 2011 of the continuing connected transactions under each of the Transportation Contracts (including the OVE Transportation Contract) is individually de minimis, but when aggregated together, is more than 0.1% but less than 5% under the applicable percentage ratios. Accordingly, pursuant to Rule 14A.34 of the Listing Rules, the transactions contemplated under the Transportation Contracts (including the OVE Transportation Contract) 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 (including the OVE Transportation Contract) 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 OVE

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 72,000 people.

OVE is principally engaged in the provision of transportation services and railway transport.

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.
“OVE”	OJSC Otdeleniye Vremennoy Expluatatsii, in which En+ holds more than 30% in the issued share capital.
“percentage ratios”	the percentage ratios under Rule 14.07 of the Listing Rules.
“Transportation Contracts”	the transportation contracts between the Group and the associates of En+, pursuant to which the associates of En+ provide various transportation services to the Group, including (i) 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, details of which have been disclosed in the announcement of the Company dated 28 March 2011; (ii) the contract dated 16 May 2011 between RUSAL Taishet Aluminium Smelter and Limited Liability Company “Stroyservice” pursuant to which Limited Liability Company “Stroyservice” provides transportation services to RUSAL Taishet Aluminium Smelter, details of which have been disclosed in the announcement of the Company dated 17 May 2011; (iii) the contract dated 24 June 2011 entered into between RUSAL Achinsk OJSC and KraMZ-Auto pursuant to which KraMZ-Auto provides transportation services to transport personnel for RUSAL Achinsk OJSC for a term from 1 July 2011 to 31 December 2013 details of which have been disclosed in the announcement of the Company dated 27 June 2011; and the OVE Transportation Contract as defined in this announcement.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.
“subsidiary”	has the same meaning ascribed to it under the Listing Rules.

“substantial
shareholder”

has the same meaning ascribed to it under the Listing
Rules.

“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

16 September 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/investors/info.aspx> and <http://www.rusal.ru/en/press-center/press-releases.aspx>, respectively.