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

CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcements of the Company dated 28 March 2011 and 6 September 2011 in relation to certain heat supply contracts.

The Company announces that during December 2011, SUAL OJSC and Timan Bauxite OJSC, each being a subsidiary of the Company, will enter into a series of heat supply contracts with TGK-9 OJSC, an associate of Mr. Vekselberg, pursuant to which TGK-9 OJSC supplies heat (including heat energy and heat power in the form of steam and hot water) to SUAL OJSC and Timan Bauxite OJSC.

Reference is made to the announcements of the Company dated 28 March 2011 and 6 September 2011 in relation to certain heat supply contracts.

THE NEW HEAT SUPPLY CONTRACTS

The Company announces that during December 2011, SUAL OJSC and Timan Bauxite OJSC, each being a subsidiary of the Company, will enter into a series of heat supply contracts with TGK-9 OJSC, an associate of Mr. Vekselberg, pursuant to which TGK-9 OJSC supplies heat (including heat energy and heat power in the form of steam and hot water) to SUAL OJSC and Timan Bauxite OJSC (the “**New Heat Supply Contracts**”). Set out below are the major terms of the New Heat Supply Contracts.

Purchaser	Estimate amount of heat supplied for the financial year ending 31 December 2012	Estimate consideration for the financial year ending 31 December 2012, USD	Estimate amount of heat supplied for the financial year ending 31 December 2013	Estimate consideration for the financial year ending 31 December 2013, USD	Estimate amount of heat supplied for the financial year ending 31 December 2014	Estimate consideration for the financial year ending 31 December 2014, USD
SUAL OJSC (UAZ-SUAL branch) (Note 1)	3,592,627 Gcal	64.4 million	3,592,627 Gcal	77.3 million	3,592,627 Gcal	92.8 million
SUAL OJSC (UAZ-SUAL branch) (Note 1)	106,790 Gcal	1.9 million	106,790 Gcal	2.2 million	106,790 Gcal	2.7 million
SUAL OJSC (BAZ-SUAL branch) (Note 1)	4,456,980 Gcal	105 million	4,456,980 Gcal	126 million	4,456,980 Gcal	152 million
SUAL OJSC (BAZ-SUAL branch) (Note 1)	137,500 Gcal	445,000	137,500 Gcal	534,000	137,500 Gcal	642,000
Timan Bauxite OJSC (Note 2)	480 Gcal	20,000	480 Gcal	22,000	480 Gcal	26,000
Total estimate consideration		171.77 million		206.06 million		248.17 million

Notes:

1. 85% of the purchase price to be paid during the month of supply, with the remaining 15% in the month following the month of supply.
2. Preliminary payment for heat supply in current month to be made during the month of supply in the amount of the monthly volume as stated in the contract with the final settlement based on actual supplied volumes of heat and actual price to be paid in the following month.

All consideration payable under the New Heat Supply Contracts is to be satisfied in cash via wire transfer.

THE AGGREGATION APPROACH AND THE ANNUAL AGGREGATE TRANSACTION AMOUNTS

Pursuant to Rule 14A.25 of the Listing Rules, the New Heat Supply Contracts are required to be aggregated together with the Previously Disclosed Heat Supply Contracts as they are each entered into by the Group with associates of Mr. Vekselberg, a director of the Company, and the subject matter of each contract relates to heat supply by associates of Mr. Vekselberg to members of the Group.

The annual aggregate transaction amounts payable by the Group to the associates of Mr. Vekselberg under the New Heat Supply Contracts and the Previously Disclosed Heat Supply Contracts for the three financial years ending 31 December 2014 are estimated to be up to approximately USD331.77 million, USD206.06 million and USD248.17 million respectively. Such annual aggregate transaction amounts are estimated by the Directors based on the need for heat by the Group, the total contract price and the historical figure for the financial years ended 31 December 2010 and 31 December 2011.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The New Heat Supply Contracts are entered into mainly for the purpose of obtaining heat for the Group's production process and for its production facilities. The Company considers that the transactions contemplated under the New Heat Supply Contracts are for the benefit of the Company as there is no alternative supplier available in the respective regions.

The consideration payable under the New Heat Supply Contracts have been determined with reference to the market price and on terms no less favourable than those prevailing in the Russian market for the supply of heat of the same type and quality as those offered by TGK-9 OJSC to independent third parties.

The Directors (including the independent non-executive Directors) consider that the New Heat Supply Contracts are on normal commercial terms which are fair and reasonable and the transactions contemplated under the New Heat Supply 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 have a material interest in the transactions contemplated by the New Heat Supply Contracts save for Mr. Vekselberg who is beneficially interested in more than 30% of the issued share capital of TGK-9 OJSC. Accordingly, Mr. Vekselberg had abstained from voting on the board resolutions for approving the New Heat Supply Contracts.

LISTING RULES IMPLICATIONS

Mr. Vekselberg, a director of the Company, indirectly holds more than 30% of issued share capital of TGK-9 OJSC. Therefore, TGK-9 OJSC is an associate of Mr. Vekselberg and a connected person of the Company under the Listing Rules. Accordingly, each of the transactions contemplated under the New Heat Supply Contracts constitutes a continuing connected transaction of the Company.

The annual aggregate transaction amount of the continuing connected transactions under the New Heat Supply Contracts and the Previously Disclosed Heat Supply Contracts for each of the financial years ending 31 December 2012, 31 December 2013 and 31 December 2014 is expected to be more than 0.1% but less than 5% under the applicable percentage ratios (other than the profits ratio).

Accordingly, pursuant to Rule 14A.34 of the Listing Rules, the transactions contemplated under the New Heat Supply Contracts and the Previously Disclosed Heat Supply 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 New Heat Supply Contracts and the Previously Disclosed Heat Supply Contracts will be included in the next annual report and accounts of the Company in accordance with Rule 14A.46 of the Listing Rules where appropriate.

PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY AND TGK-9 OJSC

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.

TGK-9 OJSC is principally engaged in generating heat and electricity.

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.
“Group”	the Company and its subsidiaries.

“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange.
“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.
“Previously Disclosed Heat Supply Contracts”	the Heat Supply Contracts as defined and disclosed in the Company’s announcement dated 6 September 2011.
“subsidiary”	has the same meaning ascribed to it under the Listing Rules.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.
“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

15 December 2011

As at the date of this announcement, our executive Directors are Mr. Oleg Deripaska, Mr. Vladislav Soloviev, 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. Dmitry Troshenkov, Mr. Dmitry Razumov, Mr. Anatoly Tikhonov, Mr. Artem Volynets and Mr. Petr Sinshinov, 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.