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

UPDATE ON TRANSPORTATION CONTRACTS

Reference is made to the announcements of the Company dated 28 March 2011, 17 May 2011, 27 June 2011 and 16 September 2011 in relation to certain transportation contracts. The Company would like to provide updated information in relation to the transportation contracts.

TRANSPORTATION CONTRACTS

Reference is made to the announcements of the Company dated 28 March 2011, 17 May 2011, 27 June 2011 and 16 September 2011 in relation to certain transportation contracts. It was disclosed in the announcement dated 16 September 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 USD16.65 million. 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 Achinsk Transportation Contract for the financial year ending 31 December 2012 was estimated to be up to USD141,514.17 million. The Board would like to provide updated information in relation to the transportation contracts.

ACHINSK CEMENT TRANSPORTATION CONTRACT

The Company announces that during December 2011, a transportation contract will be entered into between RUSAL Transport Achinsk OJSC, being a member of the Group, and Achinsk Cement LLC, being an associate of En+, pursuant to which Achinsk Cement LLC agrees to provide automobile transportation services to RUSAL Transport Achinsk OJSC (the “**Achinsk Cement Transportation Contract**”).

The scheduled termination date of the Achinsk Cement Transportation Contract is on 31 December 2012. The estimated transaction amount under the Achinsk Cement Transportation Contract for the financial years ending 31 December 2011 and 31 December 2012 is up to USD0.02 million and USD0.03 million respectively. The consideration is to be settled in cash via wire transfer and to be paid in advance.

KRAMZ-AUTO TRANSPORTATION CONTRACTS

The Company announces that during December 2011 and on or around 1 January 2012, additional transportation contracts will be entered into between members of the Group (namely Teploresurs Limited Liability Company, RUSAL Sayanogorsk Aluminium Smelter, Sayanogorsk Railcar Repair Plant Limited Liability Company, RUSAL Krasnoyarsk Aluminium Smelter, RUSAL Bratsk Aluminium Smelter, RUSAL Global Management B.V., RUSAL Medical Centre, RUS-Engineering Ltd. and RUSAL Transport Achinsk OJSC) and KraMZ-Auto, being an associate of En+, pursuant to which KraMZ-Auto agreed to provide transportation services to members of the Group (the “**KraMZ-Auto Transportation Contracts**”).

The KraMZ-Auto Transportation Contracts are for a term of one year. The estimated transaction amount (excluding VAT) under the KraMZ-Auto Transportation Contracts for the financial year ending 31 December 2012 is up to USD13.87 million. The consideration is to be paid in cash via wire transfer and the payment terms include settlement within a specified period (ranges from 10 business days to 60 business days) after the receipt of invoice, and settlement on the 15th day of the month following the month of provision of the transportation services.

OVE TRANSPORTATION CONTRACT

The Company also announces that on or around 1 January 2012, another transportation contract will be entered into between RUSAL Sayanogorsk Aluminium Smelter, being a wholly-owned subsidiary of the Company, and OVE, being an associate of En+, pursuant to which OVE agrees to provide railway transport services to members of the Group in relation to the delivery of cargoes (the “**OVE Transportation Contract**”).

The OVE Transportation Contract is for a term of one year. The estimated transaction amount (excluding VAT) under the OVE Transportation Contract for the financial year ending 31 December 2012 is up to USD2.83 million. The consideration is to be paid in cash via wire transfer within 10 business days after the receipt of invoice.

THE AGGREGATION APPROACH AND THE ANNUAL AGGREGATE TRANSACTION AMOUNTS

Pursuant to Rule 14A.25 of the Listing Rules, the Transportation Contracts and the New Transportation Contracts are 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 Aggregated Transportation Contracts for the financial years ending 31 December 2011 and 31 December 2012 is now estimated to be up to USD16.67 million and USD16.88 million respectively. This annual aggregate transaction amount 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 years ended 31 December 2010 and 31 December 2011 under the Aggregated Transportation Contracts.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The New Transportation Contracts are entered into for the purpose of renting vehicles and transporting the products, cargoes, commodities, equipment and employees of the Group. The Company considers that the transactions contemplated under the New Transportation Contracts are for the benefit of the Company as the services provided are required in the production programmes of the Group.

The New Transportation Contracts are on arm's length commercial terms. The consideration payable under the New 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, Achinsk Cement LLC and OVE to independent third parties.

The Directors (including the independent non-executive Directors) consider that the New Transportation Contracts are on normal commercial terms which are fair and reasonable and the transactions contemplated under the New 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 New Transportation Contracts 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 any of the New Transportation Contracts.

LISTING RULES IMPLICATIONS

Each of KraMZ-Auto, Achinsk Cement LLC and OVE is an indirect subsidiary of En+, and is therefore an associate of En+ which is a substantial shareholder of the Company. Accordingly, each of KraMZ-Auto, Achinsk Cement LLC and OVE is a connected person of the Company under the Listing Rules and the transactions contemplated under each of the New Transportation Contracts constitute continuing connected transactions of the Company.

The respective annual aggregate transaction amount for the financial years ending 31 December 2011 and 31 December 2012 of the continuing connected transactions under the Aggregated Transportation Contracts 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 Aggregated 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 Aggregated 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 where appropriate.

PRINCIPAL BUSINESS ACTIVITIES

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.

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

Achinsk Cement LLC is principally engaged in the production of cement.

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:

“Achinsk Transportation Contract”	has the same meaning as defined in the Company’s announcement dated 27 June 2011.
“Aggregated Transportation Contracts”	means the Transportation Contracts and the New Transportation Contracts.
“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 Stock Exchange.
“New Transportation Contracts”	the KraMZ-Auto Transportation Contracts, the Achinsk Cement Transportation Contract and the OVE Transportation Contract.
“OVE”	OJSC Otdeleniye Vremennoy Eksploatatsii, an indirect subsidiary of En+.

“percentage ratios”	the percentage ratios under Rule 14.07 of the Listing Rules.
“Transportation Contracts”	has the same meaning as defined in the Company’s announcement dated 16 September 2011.
“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

28 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.