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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, 28 December 2011 and 13 February 2012 in relation to certain transportation contracts. The Company would like to provide updated information in relation to the transportation contracts.

Reference is made to the announcements of the Company dated 28 March 2011, 17 May 2011, 27 June 2011, 28 December 2011 and 13 February 2012 in relation to certain transportation contracts. It was disclosed in the announcement dated 13 February 2012 that the annual aggregate transaction amount that is payable by the Group to the associates of En+ under the Previously Disclosed Transportation Contracts for the financial year ending 31 December 2012 was estimated to be up to USD18 million. The Board would like to provide updated information in relation to the transportation contracts.

### **TAISHET STROYSERVICE TRANSPORTATION CONTRACT**

Reference is made to the announcements of the Company dated 17 May 2011 in relation to the transportation contract dated 16 May 2011, between Rusal Taishet, a wholly-owned subsidiary of the Company and Stroyservice, being an associate of Mr. Deripaska, pursuant to which Stroyservice agreed to provide transportation services to Rusal Taishet (the “**Taishet Stroyservice Transportation Contract**”). On 6 April 2012, the Taishet Stroyservice Transportation Contract has been renewed (“**Taishet Stroyservice Transportation Contract Renewal**”).

The Taishet Stroyservice Transportation Contract Renewal is for a term of up to 31 December 2012. The Taishet Stroyservice Transportation Contract may then be automatically extended to the next calendar year upon expiry unless the parties declared their intention to terminate it one month before the expiry of such contract. The estimated transaction amount (excluding VAT) under the Taishet Stroyservice Transportation Contract for the financial year ending 31 December 2012 is up to approximately USD 450,000. The consideration is to be paid in cash via wire transfer within sixty calendar days from receipt of invoice.

#### **TAISHET KRAMZ-AUTO TRANSPORTATION CONTRACT**

Reference is made to the announcement of the Company dated 28 March 2011 in relation to certain transportation contracts entered into between members of the Group and KraMZ-Auto, being an associate of En+ and Mr. Deripaska, before 31 December 2011 pursuant to which KraMZ-Auto agreed to provide transportation services to members of the Group. On 6 April 2012, Rusal Taishet has renewed the transportation contract with KraMZ-Auto (“**Taishet KraMZ-Auto Transportation Contract**”).

The renewed Taishet KraMZ-Auto Transportation Contract is for a term of up to 31 December 2012. The renewed Taishet KraMZ-Auto Transportation Contract may be automatically extended to the next calendar year upon expiry unless the parties declared their intention to terminate it one month before the expiry of the contract. The estimated transaction amount (excluding VAT) under the renewed Taishet KraMZ-Auto Transportation Contract for the financial year ending 31 December 2012 is up to approximately USD 550,000. The consideration is to be paid in cash via wire transfer within sixty calendar 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 Taishet Stroyservice Transportation Contract and Taishet KraMZ-Auto Transportation Contract are required to be aggregated with the Previously Disclosed Transportation Contracts as they will each be entered into by the Group with the associates of the same group of connected persons who are parties connected or otherwise associated with each other, and the subject matter of each contract relates to the provision of transportation services by the same group of connected persons to the Group.

The annual aggregate transaction amount that is payable by the Group to the associates of En+ and Mr. Deripaska under the Aggregated Transportation Contracts for the financial year ending 31 December 2012 is now estimated to be up to USD19 million. 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 financial year ended 31 December 2011 under the transportation contracts between members of the Group and the associates of En+ and Mr. Deripaska.

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

The Taishet Stroysservice Transportation Contract and Taishet KraMZ-Auto Transportation Contract are entered into for the purpose of transporting the products, cargoes and personnel of the Group. The Company considers that the transactions contemplated under the the Taishet Stroysservice Transportation Contract and Taishet KraMZ-Auto Transportation Contract are for the benefit of the Company as the services provided are required in the production programmes of the Group.

The Taishet Stroysservice Transportation Contract and Taishet KraMZ-Auto Transportation Contract are on arm's length commercial terms. The consideration payable under the Taishet Stroysservice Transportation Contract and Taishet KraMZ-Auto Transportation Contract has been determined with reference to the market price and on terms no less favourable than those prevailing in the market for transportation services of the same type and quality as those offered by KraMZ-Auto and Stroysservice to independent third parties.

The Directors (including the independent non-executive Directors) consider that the Taishet Stroysservice Transportation Contract and Taishet KraMZ-Auto Transportation Contract are on normal commercial terms which are fair and reasonable and the transactions contemplated under the Taishet Stroysservice Transportation Contract and Taishet KraMZ-Auto 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 Taishet Stroysservice Transportation Contract save for Mr. Deripaska who is beneficially interested in more than 30% of the issued share capital of Stroysservice. Accordingly, Mr. Deripaska has abstained from voting on the Board resolutions for approving the Taishet Stroysservice Transportation Contract.

None of the Directors has a material interest in the transactions contemplated by the Taishet KraMZ-Auto Transportation Contract save for Mr. Deripaska, Mr. Artem Volynets and Mr. Vladislav Soloviev who declared their material interest in the transactions. Accordingly, each of them abstained from voting on the Board resolutions for approving the Taishet KraMZ-Auto Transportation Contract.

## **LISTING RULES IMPLICATIONS**

KraMZ-Auto is an indirect subsidiary of En+ (in which Mr. Deripaska is beneficially interested in more than 50% of the issued share capital), and is therefore an associate of En+ (being a substantial shareholder of the Company) and of Mr. Deripaska (being the chief executive officer and an executive Director of the Company). Mr. Deripaska is also indirectly beneficially interested in more than 30% of Stroyservice. Accordingly, each of KraMZ-Auto and Stroyservice is a connected person of the Company under the Listing Rules and the transactions contemplated under each of the Taishet Stroyservice Transportation Contract and Taishet KraMZ-Auto Transportation Contract constitute continuing connected transactions of the Company.

The annual aggregate transaction amount for the financial year ending 31 December 2012 of the continuing connected transactions contemplated 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 relevant 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 five continents, the operations and offices of the Company employ more than 72,000 people.

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

Stroyservice is principally engaged in the construction, repairing and in the provision of transportation services.

## **DEFINITIONS**

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

“Aggregated Transportation Contracts”	means the the Taishet Stroyservice Transportation Contract, the Taishet KraMZ-Auto Transportation Contract and the Previously Disclosed 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 and 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.
“Mr. Deripaska”	Mr. Oleg Deripaska, the chief executive officer and an executive Director of the Company.
“percentage ratios”	the percentage ratios under Rule 14.07 of the Listing Rules.

“Previously Disclosed Transportation Contracts”	the contracts between members of the Group and the associates of En+, pursuant to which the associates of En+ agreed to provide transportation services to the members of the Group, which were disclosed in the Company’s announcements dated 27 June 2011, 28 December 2011 and 13 February 2012.
“Rusal Taishet”	Limited Liability Company “RUSAL Taishet Aluminium Smelter”, a wholly-owned subsidiary of the Company.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.
“Stroyservice”	Limited Liability Company “Stroyservice”, a company incorporated in Russia and an associate of Mr. Deripaska.
“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**  
**Vladislav Soloviev**  
*Director*

12 April 2012

*As at the date of this announcement, the executive Directors are Mr. Oleg Deripaska, Mr. Vladislav Soloviev, Mr. Alexander Livshits, Ms. Vera Kurochkina, Mr. Maxim Sokov and Mr. Petr Sinshinov, the non-executive Directors are Mr. Maksim Goldman, Mr. Dmitry Afanasiev, Mr. Len Blavatnik, Mr. Ivan Glasenberg, Mr. Dmitry Razumov, Mr. Anatoly Tikhonov, Mr. Artem Volynets and Mr. Dmitry Troshenkov, and the independent non-executive Directors are Dr. Peter Nigel Kenny, Mr. Philip Lader, Mr. Barry Cheung Chun-Yuen (Chairman) 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.*