

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



UNITED COMPANY RUSAL PLC

(Incorporated under the laws of Jersey with limited liability)

(Stock Code: 486)

UPDATE ON ALUMINIUM SALES CONTRACTS

Reference is made to the announcement of the Company dated 27 September 2011 in relation to, among other things, the Aluminium Sales Contracts with Mr. Vekselberg's Associates.

The Company would like to provide updated information in relation to the Aluminium Sales Contracts with Mr. Vekselberg's Associates that, further to the contracts which were disclosed in the Announcement, two more contracts were entered into between members of the Group as sellers and the associates of Mr. Vekselberg.

Reference is made to the announcement of the Company dated 27 September 2011 in relation to, among other things, the proposed annual caps for Aluminium Sales Contracts with Mr. Vekselberg's Associates (the "**Announcement**"). Unless otherwise specified, capitalized terms in this announcement have the same meanings as those defined in the Announcement.

The Company would like to provide updated information in relation to the Aluminium Sales Contracts with Mr. Vekselberg's Associates that, further to the contracts which were disclosed in the Announcement, two more contracts were entered into between members of the Group as sellers and the associates of Mr. Vekselberg.

ALUMINIUM SALES CONTRACT WITH OJSC KUZOTSM

The Company announces that on 18 May 2012, RUSAL TH, being a subsidiary of the Company, as seller, entered into a contract with OJSC KUZOTSM, being an associate of Mr. Vekselberg, as buyer, pursuant to which RUSAL TH agreed to sell and OJSC KUZOTSM agreed to purchase aluminium products in the estimated amount of approximately (i) 2,000 tonnes for the year ending 31 December 2012, (ii) 2,800 tonnes for the year ending 31 December 2013 and (iii) 3,200 tonnes for the year ending 31 December 2014, at the estimated consideration of approximately (i) USD5 million (net of VAT), (ii) USD7 million (net of VAT), and (iii) USD8 million (net of VAT) respectively (the “**Aluminium Sales Contract with OJSC KUZOTSM**”).

Under the Aluminium Sales Contract with OJSC KUZOTSM, the consideration is to be pre-paid and is to be satisfied in cash via wire transfer. The scheduled termination date for the contract is on 31 December 2014.

ALUMINIUM SALES CONTRACT WITH OJSC IRKUTSKKABEL

The Company announces that on 20 April 2012, Rusal Foil LLC, being a subsidiary of the Company, as seller, entered into a contract with Open Joint Stock Company “Irkutskkabel” (“**OJSC Irkutskkabel**”), being an associate of Mr. Vekselberg, as buyer, pursuant to which Rusal Foil LLC agreed to sell and OJSC Irkutskkabel agreed to purchase aluminium products in the estimated amount of (i) 7 tonnes for the year ending 31 December 2012, and (ii) 3 tonnes for the three months ending 31 March 2013, at the estimated consideration of approximately (i) USD67,796 (net of VAT), and (ii) USD16,949 (net of VAT), respectively (the “**Aluminium Sales Contract with OJSC Irkutskkabel**”).

Under the Aluminium Sales Contract with OJSC Irkutskkabel, 50% of the consideration is to be paid within 5 days from the date of the seller’s notice that the aluminium products are ready for production, while the balance is to be paid within 5 days from the date of the seller’s notice that the aluminium products are ready for shipment. The consideration is to be satisfied in cash via wire transfer. The scheduled termination date for the contract is on 31 March 2013.

THE AGGREGATION APPROACH

Pursuant to Rule 14A.25 of the Listing Rules, the continuing connected transactions contemplated under the Aluminium Sales Contract with OJSC KUZOTSM and the Aluminium Sales Contract with OJSC Irkutskkabel will be aggregated with the continuing connected transactions under the Aluminium Sales Contracts with Mr.

Vekselberg's Associates as disclosed in the Announcement, as they were entered into by the Group with the associates of the same connected person, and the subject matters of each of the agreements relate to the sale of aluminium products by members of the Group.

THE ANNUAL AGGREGATE TRANSACTION AMOUNT

Based on the terms of the Aluminium Sales Contract with OJSC KUZOTSM, the Aluminium Sales Contract with OJSC Irkutskkabel and the Aluminium Sales Contracts with Mr. Vekselberg's Associates, the annual aggregate transaction amount that is payable to the Group by the associates of Mr. Vekselberg for the financial years ending 31 December 2012 and 31 December 2013 is estimated to be up to approximately USD330.07 million and USD367.02 million, respectively.

This annual aggregate transaction amount is estimated by the Directors based on the amount of aluminium products to be supplied and their contract price under the Aluminium Sales Contracts.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Directors consider that the transactions contemplated under the Aluminium Sales Contract with OJSC KUZOTSM and the Aluminium Sales Contract with OJSC Irkutskkabel are for the benefit of the Company, given the price of the aluminium products supplied under these contracts is based on the market price, and that the Aluminium Sales Contract with OJSC KUZOTSM was in fact entered into pursuant to the Regulation of Federal Antimonopoly Service of the Russian Federation (FAS). The consideration payable under the Aluminium Sales Contract with OJSC KUZOTSM and the Aluminium Sales Contract with OJSC Irkutskkabel has been determined with reference to market price and on terms no less favourable than those prevailing in the Russian market for aluminium products of the same type and quality and those offered by members of the Group to independent third parties.

The Directors (including the independent non-executive Directors) consider that the Aluminium Sales Contract with OJSC KUZOTSM and the Aluminium Sales Contract with OJSC Irkutskkabel have been negotiated on normal commercial terms which are fair and reasonable and the transactions contemplated under the Aluminium Sales Contract with OJSC KUZOTSM and the Aluminium Sales Contract with OJSC Irkutskkabel 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 Aluminium Sales Contract with OJSC KUZOTSM and the Aluminium Sales Contract with OJSC Irkutskkabel, save for Mr. Maksim Goldman, who did not vote on the board resolutions to approve the Aluminium Sales Contract with OJSC KUZOTSM and the Aluminium Sales Contract with OJSC Irkutskkabel.

LISTING RULES IMPLICATIONS

Each of OJSC KUZOTSM and OJSC Irkutskkabel is indirectly owned by Mr. Vekselberg as to more than 30%, and thus each of them is an associate of Mr. Vekselberg. Accordingly, each of OJSC KUZOTSM and OJSC Irkutskkabel is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Aluminium Sales Contract with OJSC KUZOTSM and the Aluminium Sales Contract with OJSC Irkutskkabel constitute continuing connected transactions of the Company.

Mr. Vekselberg resigned as a non-executive director of the Company with effect from 16 March 2012, and is a connected person of the Company under Rule 14A.11(2) of the Listing Rules. It is expected that, Mr. Vekselberg will cease to be a connected person after 12 months from 16 March 2012, in which case associates of Mr. Vekselberg including OJSC KUMZ, OJSC Khimprom, OJSC KUZOTSM and OJSC Irkutskkabel will also cease to be connected persons of the Company.

The estimated annual aggregate transaction amount of the continuing connected transactions under the Aluminium Sales Contract with OJSC KUZOTSM, the Aluminium Sales Contract with OJSC Irkutskkabel and the Aluminium Sales Contracts with Mr. Vekselberg's Associates for the financial years ending 31 December 2012 and 31 December 2013 is 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 these agreements 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.

Details of the Aluminium Sales Contract with OJSC KUZOTSM, the Aluminium Sales Contract with OJSC Irkutskkabel and the Aluminium Sales Contracts with Mr. Vekselberg's Associates 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.

OJSC KUZOTSM is principally engaged in the production of round mill products from copper, nickel, zinc and alloys on their basis.

OJSC Irkutskkabel is principally engaged in the production of cable materials.

DEFINITIONS

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

“associate”	has the same meaning ascribed thereto 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 thereto under the Listing Rules.
“continuing connected transaction”	has the same meaning ascribed thereto 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 of Hong Kong Limited.

“Mr. Vekselberg”	Mr. Victor Vekselberg, whose resignation as a non-executive director of the Company took effect on 16 March 2012.
“percentage ratios”	the percentage ratios under Rule 14.07 of the Listing Rules.
“RUSAL TH”	Open Joint Stock Company “United Company RUSAL Trading House”, an indirect wholly-owned subsidiary of the Company.
“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 Board of Director of
United Company RUSAL Plc
Vladislav Soloviev
Director

21 May 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 Yudin, 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.