

*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)**

### **CONTINUING CONNECTED TRANSACTIONS**

The Board announces that, in their usual and ordinary course of business, members of the Group have entered/will enter into a variety of Insurance Contracts with Ingosstrakh and/or its subsidiaries (including INGO Ukraine and INGO Armenia) (being associates of Mr. Deripaska), pursuant to which such insurance companies provide various insurance services to the Group, including liability insurance, cargo insurance, motor hull insurance, property insurance and business interruption insurance.

#### **INSURANCE CONTRACTS**

The Board announces that, in their usual and ordinary course of business, members of the Group have entered/ will enter into a variety of Insurance Contracts with Ingosstrakh and/or its subsidiaries (including INGO Ukraine and INGO Armenia) (being associates of Mr. Deripaska), pursuant to which such insurance companies provide various insurance services to the Group, including liability insurance, cargo insurance, motor hull insurance, property insurance and business interruption insurance.

The terms of the Insurance Contracts which are subsisting in 2012 or onwards are set out in the table below. The relevant premium under the Insurance Contracts is to be satisfied in cash via wire transfer. The Board considers that all the Insurance Contracts are on normal commercial terms.

Type of Insurance	Date of Contract	Counterparty	Transaction		Duration of contract	Payment terms
			Transaction amount in 2012 (USD)	Transaction amount in 2013 (USD)		
Non-life insurance: compulsory liability insurance connected with operating the hazardous objects, compulsory professional liability insurance and general liability insurance program	April to May 2012 (Note 1)	Ingosstrakh, INGO Ukraine and INGO Armenia	886,254	297,709	One year	Under compulsory insurance — quarterly, before the beginning of the relevant quarter; under other insurance (general liability insurance) - within 30-40 days from the date of inception
Non-life insurance: cargo insurance program	11 May 2011	Ingosstrakh	1,232,725	N/A	Up to 31 October 2012	Six equal instalments, the first payment to be made within 45 days from the date of inception, adjustable on the actual sales turnover
Non-life insurance: directors and officers liability insurance program	6 December 2011	Ingosstrakh	25,084	N/A	Up to 30 October 2012	Within 2 months from the date of inception
Non-life insurance: general liability insurance program	1 June 2011	Ingosstrakh, INGO Ukraine and INGO Armenia	12,030	N/A	Up to 24 April 2012	Within 40 days from the date of inception
Non-life insurance: third party motor liability and motor hull insurance	During 2012 (Note 1)	Ingosstrakh and INGO Armenia	200,000	N/A	One year	Before the inception
Non-life insurance: property and business interruption insurance program	1 June 2011	Ingosstrakh, INGO Ukraine and INGO Armenia	2,718,924	N/A	One year	Two equal instalments, the first payment to be made within 2 months from the date of inception, the second payment be made within 9 months from date of inception.
Non-life insurance: property and business interruption insurance program	1 June 2012	Ingosstrakh, INGO Ukraine and INGO Armenia	3,794,015	2,677,085	One year	Two equal instalments, the first payment to be made within 2 months from the date of inception, the second payment to be made within 9 months from date of inception.
Non-life insurance: project cargo insurance	16 February 2012	Ingosstrakh	44,558	N/A	Up to 31 December 2012	First payment (USD 1,300) - within 15 days from the date of inception, and thereafter quarterly in accordance with the actual amount of shipments within 15 days from the end of the relevant quarter

Type of Insurance	Date of Contract	Counterparty	Transaction amount		Duration of contract	Payment terms
			Transaction amount in 2012 (USD)	Transaction amount in 2013 (USD)		
Non-life insurance: cargo insurance program	During November 2012	Ingosstrakh	239,332	1,372,771	One year	Four equal instalments, adjustable on the actual sales turnover
Non-life insurance: directors and officers liability insurance program	During November 2012	Ingosstrakh	4,415	25,241	One year	Within 2 months from the date of inception
Non-life insurance: third party motor liability and motor hull insurance	expected to be entered into in 2013	Ingosstrakh and INGO Armenia	N/A	205,308	One year	Before the inception
Non-life insurance: property in storage insurance	expected to be entered into by the end of December 2012	Ingosstrakh	9,354	71,936	One year	Quarterly payments, within 15 days from the beginning of the relevant quarter
<b>Total amount:</b>			9,166,691	4,650,050		

*Note 1: A series of insurance contracts were entered into during the period.*

Given the large number of Group companies which were contracting parties to the Insurance Contracts, the inclusion of the names of each of the relevant member of the Group in this announcement may not provide useful information to the public and would be unduly burdensome for the Company.

## **THE AGGREGATION APPROACH AND THE ANNUAL AGGREGATE TRANSACTION AMOUNTS**

Pursuant to Rule 14A.25 of the Listing Rules, the Insurance Contracts are required to be aggregated as they are entered into by members of the Group with the associates of Mr. Deripaska and the subject matter of each contract relates to the provision of insurance services by the associates of Mr. Deripaska to the Group.

The Insurance Contracts were/will be entered into from time to time. In the past, the Insurance Contracts constituted de minimis continuing connected transactions of the Company and were therefore exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. It has recently come to the Board's attention that the expected annual aggregate amount under the Insurance Contracts (taking into account the new contracts which are expected to be entered into in November and December 2012) for the financial year ending 31 December 2012 will cross 0.1% under the consideration ratio.

The annual aggregate transaction amounts payable by the Group to the relevant insurance companies under the Insurance Contracts for the financial years ending 31 December 2012 and 31 December 2013 are expected to be not exceeding approximately USD9.17 million and USD4.65 million respectively. The annual aggregate transaction amounts for the financial years ending 31 December 2012 and 31 December 2013 are estimated by the Directors based on the need for the insurance services by the Group and the total contract price under the Insurance Contracts.

## **REASONS FOR AND BENEFITS OF THE INSURANCE CONTRACTS AND TRANSACTIONS THEREUNDER**

The Insurance Contracts are entered into for the purpose of various types of non-life insurance including liability insurance, cargo insurance, motor hull insurance, property insurance and business interruption insurance. The Company considers that the transactions contemplated under the Insurance Contracts are for the benefit of the Company as they cover its risk exposures and are in line with best practices in risk management of major corporations worldwide.

The premium paid or payable under the Insurance Contracts has been determined with reference to the market price or on terms no less favourable than those prevailing in the Russian or international market for insurance services of the same type and coverage as those offered by Ingosstrakh, INGO Ukraine and INGO Armenia to independent third parties.

The Directors (including the independent non-executive Directors) consider that the Insurance Contracts are on normal commercial terms which are fair and reasonable and the transactions contemplated under the Insurance 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 Insurance Contracts save for Mr. Deripaska who is directly and indirectly beneficially interested in more than 30% of each of Ingosstrakh, INGO Ukraine and INGO Armenia, and Ms. Vera Kurochkina who is a director of Ingosstrakh. Accordingly, Mr. Deripaska and Ms. Vera Kurochkina did not vote on the Board resolutions for approving the Insurance Contracts.

## **LISTING RULES IMPLICATIONS**

Mr. Deripaska is directly and indirectly beneficially interested in more than 30% of each of Ingosstrakh, INGO Ukraine and INGO Armenia. Each of Ingosstrakh, INGO Ukraine and INGO Armenia is therefore an associate of Mr. Deripaska, the chief executive officer and an executive Director of the Company. On this basis, each of Ingosstrakh, INGO Ukraine and INGO Armenia is a connected person of the Company under the Listing Rules. Accordingly, each of the transactions contemplated under the Insurance Contracts constitutes a continuing connected transaction of the Company.

The respective annual aggregate transaction amount for the financial year ending 31 December 2012 of the continuing connected transactions under each of the Insurance Contracts is individually de-minimis, but when aggregated together with one another, 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 Insurance 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 Insurance Contracts for the financial year ending 31 December 2012 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, INGOSSTRAKH, INGO UKRAINE AND INGO ARMENIA**

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.

Each of Ingosstrakh, INGO Ukraine and INGO Armenia is principally engaged in the provision of insurance and reinsurance services.

## 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.
“INGO Armenia”	Insurance Closed Joint-Stock Company «INGO Armenia», a company incorporated under the laws of Armenia, and a subsidiary of Ingosstrakh.
“INGO Ukraine”	Private Joint-Stock Insurance Company «INGO Ukraine», a company incorporated under the laws of Ukraine, and a subsidiary of Ingosstrakh.
“Ingosstrakh”	Ingosstrakh Joint Stock Insurance Company Ltd., a company incorporated under the laws of the Russian Federation.
“Insurance Contracts”	the contracts between certain members of the Group and certain insurance companies (being associates of Mr. Deripaska) including Ingosstrakh, INGO Ukraine and INGO Armenia, pursuant to which such insurance companies provides various non-life insurance services to the Group.
“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.
“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**  
**Vladislav Soloviev**  
*Director*

12 November 2012

*As at the date of this announcement, the executive Directors are Mr. Oleg Deripaska, Ms. Vera Kurochkina, Mr. Maxim Sokov and Mr. Vladislav Soloviev, the non-executive Directors are Mr. Dmitry Afanasiev, Mr. Len Blavatnik, Mr. Ivan Glasenberg, Mr. Maksim Goldman, Ms. Gulzhan Moldazhanova, Mr. Christophe Charlier, Mr. Artem Volynets, Mr. Dmitry Yudin, Mr. Vadim Geraskin, and the independent non-executive Directors are Mr. Barry Cheung Chun-yuen, Dr. Peter Nigel Kenny, Mr. Philip Lader, Ms. Elsie Leung Oi-sie and Mr. Matthias Warnig (Chairman).*

*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.*