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

MAJOR TRANSACTION
SETTLEMENT WITH INTERROS IN RELATION TO NORILSK NICKEL

The Board announces that on 3 December 2012 (Moscow time), it received an offer from Interros in relation to Norilsk Nickel to enter into an agreement to improve the existing corporate governance and transparency of the Norilsk Nickel group, to maximize profitability and shareholders value and to settle the disagreements of the Company and Interros in relation to the Norilsk Nickel group (the “**Interros Offer**”).

The Board also announces that on 3 December 2012 (Moscow time) it urgently considered the Interros Offer and resolved to accept the Interros Offer and instructed the management of the Company to enter into the agreement between the Company, Interros, Millhouse and the respective beneficial owners of Interros and Millhouse, namely Mr. Potanin and Mr. Abramovich contemplated by the Interros Offer (the “**Agreement**”) and a deed of Mr. Oleg Deripaska.

The Option under the Agreement constitutes a major transaction of the Company subject to the reporting, announcement and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

The Company will seek a written shareholders’ approval from the Allied Shareholders to approve the Option and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules, subject to acceptance by the Stock Exchange that the Company may rely on such written shareholders’ approval in lieu of holding a general meeting. A circular containing, among other things, further information in respect thereof is expected to be despatched to the Shareholders in accordance with Chapter 14 of the Listing Rules on or before 15 business days after this announcement.

Shareholders and potential investors should note that the transactions contemplated by the Agreement may require the satisfaction of certain conditions and therefore may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the securities of the Company.

INTRODUCTION

Reference is made to the interim report of the Company for the half year ended 30 June 2010 and the announcement of the Company dated 11 August 2010 in relation to the filing of a request for arbitration to the London Court of International Arbitration for the commencement of arbitration against Interros. The request for arbitration relates to a dispute concerning a cooperation agreement entered into by the Company and Interros on 25 November 2008 in respect of Norilsk Nickel, the world's largest nickel and palladium producer and one of the leading producers of platinum and copper. Norilsk Nickel is a significant strategic investment of the Company.

Norilsk Nickel is currently held as to approximately 28% by Interros and 25.13% by the Group. In addition, approximately 17% shares of Norilsk Nickel are quasi-treasury shares as they are held by subsidiaries of Norilsk Nickel.

The Board announces that on 3 December 2012 (Moscow time) it approved the entering into of the Agreement.

MAJOR TERMS OF THE AGREEMENT

The summary of the principal terms of the Agreement is set out below:-

Parties

- (1) the Company
- (2) Interros
- (3) Millhouse
- (4) Mr. Potanin (as a beneficial owner of Interros)
- (5) Mr. Abramovich (as a beneficial owner of Millhouse)

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Interros and Millhouse, and their respective ultimate beneficial owners, namely Mr. Potanin and Mr. Abramovich, are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Acquisition and Redemption of Quasi-treasury Shares in Norilsk Nickel

In accordance with the terms of the Agreement it is the intention of the Parties that Millhouse shall acquire quasi-treasury shares of Norilsk Nickel representing approximately 7.3% of Norilsk Nickel which are currently held by subsidiaries of Norilsk Nickel and all the remaining quasi-treasury shares in Norilsk Nickel shall be redeemed by Norilsk Nickel.

Right of each Norilsk Nickel Shareholder

In accordance with the terms of the Agreement it is the intention of the Parties that in the event that any of Interros, Millhouse or the Company commits certain breaches as set out in the Agreement, the non-defaulting Norilsk Nickel Shareholders may at their discretion (in an amount pro-rated according to their respective shareholdings in Norilsk Nickel) (i) buy-out the 7.5% shares in Norilsk Nickel of the defaulting party in cash at a 25% discount to the average weighted price of the shares at the Moscow stock-exchange for 30 days prior to the buy-out date; or (ii) purchase (in an amount pro-rated according to their respective shareholdings in Norilsk Nickel) 1.875% shares in Norilsk Nickel of the defaulting party in cash at a nominal consideration of USD1.

Management of Norilsk Nickel

In accordance with the terms of the Agreement it is the intention of the Parties that the board of directors of Norilsk Nickel shall be composed of thirteen (13) members, four (4) nominated by the Company, four (4) by Interros, three (3) by Millhouse, and two (2) independent directors with each of such independent directors being nominated by each of the Company and Interros. The Independent Chairman shall be nominated jointly by the Company, Interros and Millhouse. Also, Mr. Potanin shall be the General Director of Norilsk Nickel and shall be responsible for the management of the Norilsk Nickel group. The role of the General Director is vested in Mr Potanin, and Mr Potanin in his capacity as a Managing Partner will assume certain obligations seeking, among others, to address the proper governance of Norilsk Nickel.

In accordance with the terms of the Agreement it is the intention of the Parties that the Parties shall procure that the approval of reserved matters as set forth in the Agreement shall require the consent of each Party including (a) dividend policy; (b) amendment to the charter documents of Norilsk Nickel; (c) related party transactions; (d) material transactions; (e) transactions outside the ordinary course of business; (f) acquisitions and disposals outside of Russia; (g) securities transactions; (h) marketing strategy; (i) profit distributions other than dividends; (j) dividends not in compliance with the dividend policy; and (k) replacement of the General Director of Norilsk Nickel by a management company.

Dividend Policy

The Agreement provides for certain measures ensuring stability of dividends paid by Norilsk Nickel in relation to the years 2012, 2013, and 2014 respectively.

Release and Stay

The ongoing disputes and claims with regard to the Norilsk Nickel group and transactions with shares of Norilsk Nickel including the judicial, arbitration and other proceedings between the Company and the Interros group will be stayed from the date of the Agreement and, subject to compliance with the terms and conditions provided in the Agreement, such disputes and claims shall be settled in full.

Lock-up and Right of First Refusal

Pursuant to the Agreement, it is intended that each of the Company and Interros shall not sell or otherwise dispose of the shares it holds in Norilsk Nickel for a period of five (5) years and Millhouse shall not sell or otherwise dispose of the shares it holds in Norilsk Nickel for a period of three (3) years after the date of the Agreement subject to certain exceptions. Moreover, it is intended that each of the Company, Interros and Millhouse shall be entitled to the right of first refusal in respect of any contemplated sale of Norilsk Nickel shares by any other party to the Agreement.

Mr. Potanin and Mr. Abramovich

Each of Mr. Potanin and Mr. Abramovich shall undertake to procure the performance of the Agreement by Interros and Millhouse respectively.

Conditions Precedent

The transactions contemplated by the Agreement may require the satisfaction of certain conditions including, among other things, approval from the Company's shareholders as required under the Listing Rules and all applicable regulatory and contractual approvals.

REASONS FOR AND BENEFITS OF THE AGREEMENT

The reasons for and benefits of entering into the Agreement are to improve the existing corporate governance and transparency of the Norilsk Nickel group, to maximize profitability and shareholders value and to settle the disagreements of the Company and Interros in relation to the Norilsk Nickel group.

The Directors, including the independent non-executive Directors, are of the view that the Agreement is, having regard to the particular facts and circumstances, on normal commercial terms which are fair and reasonable and are in the best interests of the Company and the Shareholders as a whole.

It is intended that Mr. Deripaska also enters into a separate deed to procure the Company's performance under the Agreement.

LISTING RULES IMPLICATIONS

The right granted by the Company, in the event of the Company's breach of the Agreement, to a non-defaulting Norilsk Nickel Shareholder to buy-out the Company's 7.5% shares at a 25% discount or buy-out 1.875% shares at a nominal consideration of USD1 as described above constitutes a transaction of the Company under Chapter 14 of the Listing Rules, namely the grant of an "option" under Rule 14.74 of the Listing Rules (the "**Option**").

Since one of the applicable percentage ratios for the Option is more than 25% but all the applicable percentage ratios are less than 75%, the Option constitutes a major transaction of the Company under Chapter 14 of the Listing Rules subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, none of the Shareholders has a material interest in the Option and the transactions contemplated thereunder, and therefore no Shareholder would be required to abstain from voting if the Company is required to convene a general meeting.

As at the date of this announcement, En+, Glencore, SUAL and Onexim (together, the "**Allied Shareholders**") control an aggregate of approximately 89.70%* of the issued share capital of the Company. The Allied Shareholders are parties to a shareholders' agreement dated 22 January 2012 relating to the Company.

The Company will seek a written shareholders' approval from the Allied Shareholders to approve the Option and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules, subject to acceptance by the Stock Exchange that the Company may rely on such written shareholders' approval in lieu of holding a general meeting. The Company will make an application to the Stock Exchange pursuant to Rule 14.45 of the Listing Rules accordingly.

Information in relation to the shares of the Company controlled by each of the Allied Shareholders as at the date of this announcement is set out below:

Allied Shareholders	Percentage of issued shared capital of the Company*
En+	48.13%
Glencore	8.75%
SUAL	15.80%
Onexim	<u>17.02%</u>
 Total	 <u>89.70%</u>

* All percentage figures are approximate and rounded up

A circular containing, among other things, further information in respect thereof is expected to be despatched to the Shareholders in accordance with the Listing Rules within 15 business days after the date of this announcement.

INFORMATION OF THE COMPANY, INTERROS, MILLHOUSE, MR. POTANIN, MR. ABRAMOVICH AND NORILSK NICKEL

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.

To the best of the Directors' knowledge, information and belief: (i) Interros is a private investment company. The key areas of business are metals and mining, mass media, real estate and tourism and transport and logistics. Mr. Potanin is the beneficial owner of Interros; and (ii) Millhouse is principally engaged in investment activities. Mr Abramovich is the beneficial owner of Millhouse.

Norilsk Nickel is the world’s largest producer of nickel and palladium and one of the leading producers of platinum and copper. It also produces various by-products, such as cobalt, rhodium, silver, gold, iridium, ruthenium, selenium, tellurium and sulfur. The Norilsk Nickel group is involved in prospecting, exploration, extraction, refining and metallurgical processing of minerals, as well as in production, marketing and sale of base and precious metals. Norilsk Nickel’s production facilities are located on three continents and in five countries namely Russia, Australia, Botswana, Finland and South Africa. Based on the annual report of Norilsk Nickel: (i) the net asset value of Norilsk Nickel as of 31 December 2011 is USD18,912 million; and (ii) for the latest two calendar years, the net profits of Norilsk Nickel were as follows:

	Before taxation	After taxation
For the year ended 31 December 2010	USD6,782 million	USD3,089 million
For the year ended 31 December 2011	USD5,646 million	USD3,626 million

Shareholders and potential investors should note that the transactions contemplated by the Agreement may require the satisfaction of certain conditions and therefore may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the securities of the Company.

DEFINITIONS

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

“Board”	the board of Directors.
“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.
“Director(s)”	the director(s) of the Company.
“En+”	En+ Group Limited
“Glencore”	Glencore International AG.
“Group”	the Company and its subsidiaries.
“Interros”	Interros International Investments Limited.
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange.

“Millhouse”	Millhouse Capital UK Ltd.
“Mr. Abramovich”	Mr. Roman Abramovich, beneficial owner of Millhouse.
“Mr. Deripaska”	Mr. Oleg Deripaska, an executive Director and the chief executive officer of the Company who also controls En+, the controlling shareholder (as defined in the Listing Rules) of the Company.
“Mr. Potanin”	Mr. Vladimir Potanin, beneficial owner of Interros.
“Norilsk Nickel”	Open Joint Stock Company Mining and Metallurgical Company Norilsk Nickel.
“Norilsk Nickel Shareholders”	the Company, Interros and Millhouse.
“Onexim”	Onexim Holdings Limited.
“Parties”	the Company, Interros, Millhouse, and the respective beneficial owners of Interros and Millhouse namely Mr. Potanin and Mr. Abramovich.
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.
“SUAL”	SUAL Partners 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
Vladislav Soloviev
Director

4 December 2012 (Hong Kong time)

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.