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

**CONTINUING CONNECTED TRANSACTIONS**  
**PURCHASE OF RAW MATERIALS FOR REPAIRING**

The Company is pleased to announce that on 27 December 2012, RUS-Engineering, as the buyer, and Energoprom Management, as the supplier, entered into the Cathode Blocks Supply Agreement.

**THE CATHODE BLOCKS SUPPLY AGREEMENT**

The Company is pleased to announce that on 27 December 2012, RUS-Engineering, as the buyer, and Energoprom Management, as the supplier, entered into a cathode blocks supply agreement (the “**Cathode Blocks Supply Agreement**”) pursuant to which RUS-Engineering agreed to buy and Energoprom Management agreed to sell approximately 26,360 tonnes of cathode blocks for the year ending 31 December 2013, for a total consideration of up to approximately USD40.541 million.

Under the Cathode Blocks Supply Agreement, the consideration is to be satisfied in cash via wire transfer within 20 days after the date of supply.

**THE ANNUAL AGGREGATE TRANSACTION AMOUNT**

Based on the terms of the Cathode Blocks Supply Agreement, the annual aggregate transaction amount that is payable by members of the Group to Energoprom Management for the financial year ending 31 December 2013 is estimated to be up to approximately USD40.541 million.

This annual aggregate transaction amount is estimated by the Directors based on the amount of cathode blocks to be supplied and their contract price, and also the relevant historical figures for the year ended 31 December 2012.

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

The transactions contemplated under the Cathode Blocks Supply Agreement are entered into for the purposes of repairing the pots for the aluminium smelters as part of the pot repair programme. The Company considers that the transactions contemplated under the Cathode Blocks Supply Agreement are for the benefit of the Company, as Energoprom Management offered the supply of cathode blocks to the Group at costs more favourable than the prevailing market rate based on tender.

The consideration payable under the Cathode Blocks Supply Agreement has been determined with reference to the market price and on terms no less favourable than those prevailing in the Russian market for cathode blocks respectively of the same type and quality as those offered by Energoprom Management to independent third parties.

The Directors (including the independent non-executive Directors) consider that the Cathode Blocks Supply Agreement has been entered into on normal commercial terms which are fair and reasonable and the transactions contemplated under the Cathode Blocks Supply Agreement 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 Cathode Blocks Supply Agreement save for Mr. Blavatnik who is indirectly interested in more than 30% of Energoprom Management.

Accordingly, Mr. Blavatnik did not vote on the Board resolutions to approve the Cathode Blocks Supply Agreement.

## **LISTING RULES IMPLICATIONS**

Each of Mr. Vekselberg and Mr. Blavatnik indirectly holds more than 30% of the issued share capital of Energoprom Management. Energoprom Management is therefore an associate of each of Mr. Vekselberg (who was a non-executive Director until his resignation with effect from 16 March 2012) and Mr. Blavatnik (who is a non-executive Director). On this basis, Energoprom Management is an associate of each of Mr. Vekselberg and Mr. Blavatnik and hence a connected person of the Company under the Listing Rules.

Accordingly, the transactions contemplated under the Cathode Blocks Supply Agreement constituted continuing connected transactions of the Company.

The estimated annual aggregate transaction amount for the financial year ending 31 December 2013 under the Cathode Blocks Supply Agreement 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 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 Cathode Blocks Supply Agreement 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 AND ENERGOPROM MANAGEMENT**

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.

Energoprom Management is principally engaged in manufacturing high-technology electrode and cathode products, the main consumers of which are producers of steel, aluminum, silicon and ferrous alloys.

## **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
“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
“Energoprom Management”	Energoprom Management CJSC or ZAO Energoprom Management, a company incorporated under the laws of the Russian Federation
“Group”	the Company and its subsidiaries
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Blavatnik”	Mr. Len Blavatnik, a non-executive Director
“Mr. Vekselberg”	Mr. Victor Vekselberg, whose resignation as a non-executive Director took effect on 16 March 2012
“percentage ratios”	the percentage ratios under Rule 14.07 of the Listing Rules
“RUS-Engineering”	RUS-Engineering LLC, an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the same meaning ascribed thereto under the Listing Rules
“USD”	United States dollars, the lawful currency of the United States

By Order of the Board of Directors of  
**United Company RUSAL Plc**  
**Vladislav Soloviev**  
*Director*

28 December 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.*