

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
SALE OF RAW MATERIALS

Reference is made to the announcements of the Company dated 8 December 2011 and 7 March 2012 in relation to, among other things, certain sale of raw materials agreements between members of the Group and the associates of Mr. Vekselberg, Mr. Blavatnik and SUAL Partners.

SALE OF RAW MATERIALS

Reference is made to the announcements of the Company dated 8 December 2011 and 7 March 2012 in relation to, among other things, certain sale of raw materials agreements between members of the Group and the associates of Mr. Vekselberg, Mr. Blavatnik and SUAL Partners.

A. KUMZ Sale of Silicon Agreement

On 26 December 2012, RUSAL TH, a subsidiary of the Company, as seller entered into a sale of silicon agreement with KUMZ, as buyer, (the “**KUMZ Sale of Silicon Agreement**”), pursuant to which RUSAL TH agreed to supply and KUMZ agreed to purchase silicon of approximately 500 tonnes during the year ending 31 December 2013, at a total consideration of up to USD1.2 million. The term of the contract is up to 31 December 2013, and will be extended by an addendum for one year unless any of the parties declares its intention to terminate it.

Under the KUMZ Sale of Silicon Agreement, the consideration is to be 100% pre-paid and satisfied in cash via wire transfer.

B. Addendum to Green Petroleum Coke Sale Agreement

On 25 December 2012, RUSAL TH, a subsidiary of the Company, as seller entered into an addendum to the sale of green petroleum coke agreement dated 10 September 2010 with Energoprom Management, as buyer, (the “**Addendum to Green Petroleum Coke Sale Agreement**”), pursuant to which RUSAL TH agreed to supply and Energoprom Management agreed to purchase green petroleum coke of approximately 120,000 tonnes during the year ending 31 December 2013, at a total consideration of up to USD16.85 million. The term of the contract is up to 31 December 2013.

Under the Addendum to Green Petroleum Coke Sale Agreement, the consideration is to be paid within 25 calendar days upon receipt of pro forma invoice for shipped products and is to be satisfied in cash via wire transfer.

THE AGGREGATION APPROACH

Pursuant to Rule 14A.25 of the Listing Rules, the continuing connected transactions contemplated under the KUMZ Sale of Silicon Agreement and the Addendum to Green Petroleum Coke Sale Agreement will be aggregated, as they were entered into by the Group with the associates of the same group of connected persons who are parties connected or otherwise associated with one another, and the subject matters of each of the agreements relate to the sale of raw materials by members of the Group.

THE ANNUAL AGGREGATE TRANSACTION AMOUNT

Based on the terms of the KUMZ Sale of Silicon Agreement and the Addendum to Green Petroleum Coke Sale Agreement, the annual aggregate transaction amount that is payable by the associates of SUAL Partners, Mr. Vekselberg and Mr. Blavatnik to the Group is approximately USD18.05 million for the year ending 31 December 2013.

The annual aggregate transaction amounts were estimated by the Directors based on the amount of the raw materials to be supplied and the relevant contract price.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Directors consider that the transactions contemplated under the KUMZ Sale of Silicon Agreement are for the benefit of the Company as the silicon supplied under these agreements was the current excess raw materials unused by the Group, and that the silicon sold under the relevant agreements were required under Regulation of Federal Antimonopoly Service of the Russian Federation (FAS) to meet the demand of domestic customers.

The Directors consider that the transactions contemplated under the Addendum to Green Petroleum Coke Sale Agreement are for the benefit of the Company. The green petroleum coke to be sold by the Company under the Green Petroleum Coke Sale Agreement will be used by Energoprom Management to produce the calcined oil coke, which will be sold by Energoprom Management to the Group. Therefore, the entry into the Green Petroleum Coke Sale Agreement would enable the Group to (i) obtain the raw materials of the necessary quality for production and (ii) maintain the costs of calcined oil coke to be purchased below the prevailing market rate.

The terms of the KUMZ Sale of Silicon Agreement and the Addendum to Green Petroleum Coke Sale Agreement have been negotiated on arm's length basis between the Group and the associates of SUAL Partners, Mr. Vekselberg and Mr. Blavatnik, and are on normal commercial terms. The consideration payable under these agreements has been determined with reference to the market price and on terms no less favourable than those prevailing in the Russian market for the silicon of the same type and quality as those offered by the Group to independent third parties.

The Directors (including the independent non-executive Directors) consider that the transactions contemplated under the KUMZ Sale of Silicon Agreement and the Addendum to Green Petroleum Coke Sale Agreement were entered into on normal commercial terms which are fair and reasonable and the transactions contemplated 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 have a material interest in the transactions contemplated by the KUMZ Sale of Silicon Agreement and the Addendum to Green Petroleum Coke Sale Agreement, save for Mr. Blavatnik, being a non-executive Director who is indirectly interested in more than 30% in SUAL Partners, is indirectly interested in KUMZ and Energoprom Management. Accordingly, Mr. Blavatnik did not vote on the Board resolutions to approve the KUMZ Sale of Silicon Agreement and the Addendum to Green Petroleum Coke Sale Agreement.

LISTING RULES IMPLICATIONS

Each of Mr. Vekselberg and Mr. Blavatnik indirectly holds more than 30% of the issued share capital of Energoprom Management. SUAL Partners, being a substantial shareholder of the Company, has a controlling interest of more than 30% in KUMZ. Each of KUMZ and Energoprom Management is a connected person of the Company under the Listing Rules.

Accordingly, the transactions contemplated under the KUMZ Sale of Silicon Agreement and the Addendum to Green Petroleum Coke Sale Agreement constitute continuing connected transactions of the Company.

The annual aggregate transaction amount of the continuing connected transactions under the KUMZ Sale of Silicon Agreement and the Addendum to Green Petroleum Coke Sale Agreement for the financial year ending 31 December 2013 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 for the year ending 31 December 2013 are 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 KUMZ Sale of Silicon Agreement and the Addendum to Green Petroleum Coke Sale 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

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 5 continents, the operations and offices of the Company employ over 72,000 people.

KUMZ is principally engaged in metallurgy.

Energoprom Management is principally engaged in manufacturing high-technology electrode and cathode products, the main consumers of which are producers of steel, aluminium, 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.
“KUMZ”	Kamensk-Uralsky Metallurgical Works Joint-Stock Company, a company incorporated under the laws of the Russian Federation.
“Listing Rules”	the Rules Governing the Listing of Securities On The Stock Exchange Of Hong Kong Limited.
“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.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.
“SUAL Partners”	SUAL Partners Limited, a company incorporated under the laws of Bahamas, which is a substantial shareholder of the Company.

“substantial
shareholder”

has the same meaning ascribed thereto 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

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.