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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 RAILCARS**

The Company is pleased to announce that on 27 December 2012, RUSAL Trans, as the buyer, and Ruzhimmash, as the supplier, entered into the Railcars Supply Agreement.

#### **THE RAILCARS SUPPLY AGREEMENT**

The Company is pleased to announce that on 27 December 2012, RUSAL Trans, as the buyer, and Ruzhimmash, as the supplier, entered into a railcars supply agreement (the “**Railcars Supply Agreement**”) pursuant to which RUSAL Trans agreed to buy and Ruzhimmash agreed to develop, manufacture and sell approximately 100 railcars in 2013 and around 200 railcars in 2014, for a total consideration of up to approximately USD12.7 million for the year ending 31 December 2013 and approximately USD15.2 million for the year ending 31 December 2014. RUSAL Trans has the right to exercise an option to order over 300 additional series-built railcars should the Company have the need therefor, at a discount of RUB 63,559 per 1 series-built railcar and should such purchase be reasonable and economically feasible for the Company at that time.

The Railcars Supply Agreement is expected to be terminated on 31 December 2014 but can be extended for one year.

Under the Railcars Supply Agreement, the consideration is to be satisfied in cash via wire transfer as follows:

Payment for development and manufacturing

40% To be paid within 15 banking days after effective date of agreement

45% To be paid at least 10 days prior to the commencement of preliminary and certification testing of the trial railcar

Balance To be paid within 10 working days after three months of operation of the railcar under a normal load from the railcar delivery date. If there are deficiencies that would require elimination or additional improvements are identified during that period, the final payment date will be postponed proportionately to the time spent of eliminating deficiencies identified during the operation of the railcar

Payment for supply of railcars:

- 70% (prepayment) of the agreed cost of monthly railcar batch will be effected 15 days prior to the beginning of the month of the approved batch delivery;
- the final settlement will be made against the invoice within 7 banking days from the date of signing the railcar acceptance

#### **THE ANNUAL AGGREGATE TRANSACTION AMOUNT**

Based on the terms of the Railcars Supply Agreement, the annual aggregate transaction amount that is payable by members of the Group to Ruzhimmash for the financial years ending 31 December 2013 and 31 December 2014 is estimated to be up to approximately USD12.7 million and USD 15.2 million respectively.

This annual aggregate transaction amount is estimated by Directors based on the amount of railcars to be supplied and their contract price.

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

The transactions contemplated under the Railcars Supply Agreement are entered into for the purposes of acquiring specialized alumina and aluminium transportation railcars. The Company considers that the transactions contemplated under the Railcars Supply Agreement are for the benefit of the Company, as Ruzhimash offered the development, manufacturing and supply of railcars to the Group at costs more favourable than the prevailing market.

The consideration payable under the Railcars 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 railcars respectively of the same type and quality as those offered by Ruzhimash to independent third parties.

The Directors (including the independent non-executive Directors) consider that the Railcars Supply Agreement has been entered into on normal commercial terms which are fair and reasonable and the transactions contemplated under the Railcars 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 Railcars Supply Agreement save for Mr. Oleg Deripaska, the chief executive officer of the Company and an executive Director, who is beneficially interested in more than 50% of the issued share capital of En+. Accordingly, Mr. Oleg Deripaska did not vote at the board meeting at which the Board resolutions for approving the Railcars Supply Agreement was considered.

## **LISTING RULES IMPLICATIONS**

Ruzhimash is held by Basic Element as to more than 30% of the issued share capital. Basic Element is in turn held by Mr. Oleg Deripaska (the chief executive officer of the Company and an executive Director) as to more than 50% of the issued share capital. Accordingly, Ruzhimash is therefore an associate of Mr. Oleg Deripaska and is thus a connected person of the Company under the Listing Rules and the transactions contemplated under the Railcars Supply Agreement constitute continuing connected transactions of the Company.

The estimated annual aggregate transaction amount for each of the financial year ending 31 December 2013 and 31 December 2014 under the Railcars Supply Agreement is expected to be 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 that agreement 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 Railcars 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 RUZHIMMASH**

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.

Ruzhimmash is principally engaged in the development, production and sales of freight rolling stock for railway transport and its repair.

## **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
“Basic Element”	Basic Element Limited, a company incorporated in Jersey
“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
“Group”	the Company and its subsidiaries
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	the percentage ratios under Rule 14.07 of the Listing Rules
“RUSAL Trans”	RUSAL Trans LLC, an indirect wholly-owned subsidiary of the Company
“Ruzhimmash”	OJSC Ruzhimmash, a company incorporated under the laws of the Russian Federation
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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.*