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## **UNITED COMPANY RUSAL PLC**

*(Incorporated under the laws of Jersey with limited liability)*

**(Stock Code: 486)**

### **CONTINUING CONNECTED TRANSACTIONS**

Reference is made to the announcements of the Company dated 28 December 2012, 16 January 2013, 25 January 2013, 28 January 2013, 8 February 2013, 3 July 2013 and 17 September 2013 in relation to certain continuing connected transactions regarding the supply of raw materials by members of the Group to the associates of Mr. Deripaska or of En+.

The Company would like to provide updated information in relation to the raw materials supply contracts.

Reference is made to the announcements of the Company dated 28 December 2012, 16 January 2013, 25 January 2013, 28 January 2013, 8 February 2013, 3 July 2013 and 17 September 2013 in relation to certain continuing connected transactions regarding the supply of raw materials by members of the Group to the associates of Mr. Deripaska or of En+ as buyers.

## THE 2013 RAW MATERIALS SUPPLY CONTRACTS

The Company announces that on 14 November 2012 and 25 December 2012, RUSAL Achinsk, an indirect wholly-owned subsidiary of the Company, as seller, agreed to renew certain raw materials supply contracts which were previously announced by the Company on 20 December 2011, and entered into a series of additional agreements to these raw materials supply contracts with the associates of Mr. Deripaska or of En+, as buyer for the year ending 31 December 2013 (the “Additional Agreements for 2013”).

Raw materials to be supplied	Buyer	Estimated consideration payable for the year ending 31 December 2013 (USD, approximately)	Estimated delivery volume for the year ending 31 December 2013	Payment terms
Nepheline mud overburden	Achinsk Cement LLC	3.24 million	603,463 tonnes	100% pre-payment
Crushed limestone	Achinsk Cement LLC	4.06 million	798,966 tonnes	100% pre-payment
Clay from overburden	Achinsk Cement LLC	0.12 million	93,516 tonnes	100% pre-payment
Pulverized coal fuel	Achinsk Cement LLC	4.70 million	60,000 tonnes	100% pre-payment
Diesel fuel	KraMZ-Auto LLC	131,704	120 tonnes	100% prepayment
Diesel fuel	Achinsk Cement LLC	6,571	6.2 tonnes	100% prepayment
Fuel oil	Achinsk Cement LLC	2,400,323	6,000 tonnes	100% prepayment
Black coal	Achinsk Cement LLC	14,480,251	227,170 tonnes	100% prepayment
Total estimated consideration payable for the year ending 31 December 2013:		29.14 million		

The Additional Agreements for 2013 are scheduled to be terminated on 31 December 2013, and are renewable upon agreement of both parties. Under each of the Additional Agreements for 2013, the consideration is to be satisfied in cash via wire transfer.

## **THE AGGREGATION APPROACH**

Pursuant to Rule 14A.25 of the Listing Rules, the consideration payable under each of the Additional Agreements for 2013 is required to be aggregated with the consideration payable under the Previously Disclosed Raw Materials Supply Contracts since these contracts were entered into by members of 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 matter of each contract relates to supply of raw materials by the Group to the associates of the same group of connected persons.

The annual aggregate transaction amount payable under the Additional Agreements for 2013 and the Previously Disclosed Raw Materials Supply Contracts is estimated to be approximately USD47.48 million for the year ending 31 December 2013. The annual aggregate amount of consideration paid/payable under the terms of the Additional Agreements for 2013 is estimated by the Company based on preliminary consumption volumes of Achinsk Cement LLC and KraMZ-Auto LLC, the maximum amount of consideration paid/payable under the terms of the Additional agreements for 2013 and expected costs of production of the relevant raw materials at Rusal Achinsk.

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

The entering into the Additional Agreements for 2013 is for profit-making by the Group. The Company believes that the entering into the Additional Agreements for 2013 with its connected persons is for the benefit of the Company as the Group is assured of payment on a timely basis and there are less financial risks.

The consideration payable under the Additional Agreement for 2013 has been arrived at with reference to market price and on terms no less favourable than those prevailing in the Russian market for raw materials of the same type and quality and those offered by members of the Group to independent third parties customers.

The Directors (including the independent non-executive Directors) consider that the Additional Agreements for 2013 has been negotiated on an arm's length basis and on normal commercial terms which are fair and reasonable and the transactions contemplated thereunder 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 Additional Agreements for 2013 save for:

- (a) Mr. Deripaska who is indirectly interested in more than 30% of the issued share capital of each of KraMZ-Auto LLC and Achinsk Cement LLC. Accordingly, Mr. Deripaska did not vote on the Board resolutions approving the Additional Agreements for 2013; and
- (b) Mr. Vladislav Soloviev and Ms. Gulzhan Moldazhanova are directors of En+, and Mr. Artem Volynets (who ceased to be a Director of the Company since 27 June 2013) was director of En+, which is the holding company of KraMZ-Auto LLC. Accordingly, Mr. Vladislav Soloviev, Mr. Artem Volynets and Ms. Gulzhan Moldazhanova did not vote on the Board resolutions approving the diesel fuel supply contract between RUSAL Achinsk and KraMZ-Auto LLC as mentioned above.

## **LISTING RULES IMPLICATIONS**

Mr. Deripaska is indirectly beneficially interested in more than 30% of Achinsk Cement LLC. Therefore, Achinsk Cement LLC is an associate of Mr. Deripaska, the chief executive officer and the executive Director of the Company, and thus a connected person of the Company.

KraMZ-Auto LLC is an indirect subsidiary of En+, a substantial shareholder of the Company. Mr. Deripaska is beneficially interested in more than 50% of the issued share capital of En+ and is therefore indirectly interested in more than 30% of the issued share capital of KraMZ-Auto LLC. Accordingly, KraMZ-Auto LLC is an associate of Mr. Deripaska and En+, and therefore a connected person of the Company.

Accordingly, the transactions contemplated in the Additional Agreements for 2013 constitute continuing connected transactions of the Company.

As the applicable percentage ratios (other than the profits ratio) for the Additional Agreements for 2013 and the Previously Disclosed Raw Materials Supply Contracts for the year ending 31 December 2013 are more than 0.1% but less than 5%, pursuant to Rule 14A.34 of the Listing Rules, the transactions contemplated under the Additional Agreements for 2013 and the Previously Disclosed Raw Materials Supply Contracts are only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47A, 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. They are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Details of the Additional Agreements for 2013 and the Previously Disclosed Raw Materials Supply Contracts 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 69,000 people.

KraMZ-Auto LLC is principally engaged in the provision of transportation services.

Achinsk Cement LLC is principally engaged in the production of cement.

## **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 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 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
“En+”	En+ Group Limited, a company incorporated in Jersey and a substantial shareholder of the Company
“Group”	the Company and its subsidiaries
“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
“Previously Disclosed Raw Materials Supply Contracts”	the raw materials supply contracts pursuant to which members of the Group were the sellers and the associates of Mr. Deripaska/En+ were the buyers in relation to the financial year ending 31 December 2013, as disclosed in the announcements of the Company dated 28 December 2012, 16 January 2013, 25 January 2013, 28 January 2013, 8 February 2013, 3 July 2013 and 17 September 2013
“RUSAL Achinsk”	RUSAL Achinsk Open Joint-Stock Company, a company incorporated in Russia, 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 of America

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

31 October 2013

*As at the date of this announcement, the executive Directors are Mr. Oleg Deripaska, Ms. Vera Kurochkina, Mr. Maxim Sokov, Mr. Vladislav Soloviev and Mr. Stalbek Mishakov, the non-executive Directors are Mr. Dmitry Afanasiev, Mr. Len Blavatnik, Mr. Ivan Glasenberg, Mr. Maksim Goldman, Ms. Gulzhan Moldazhanova, Mr. Christophe Charlier, Ms. Olga Mashkovskaya and Ms. Ekaterina Nikitina, and the independent non-executive Directors are Mr. Matthias Warnig (Chairman), Dr. Peter Nigel Kenny, Mr. Philip Lader, Ms. Elsie Leung Oi-sie and Mr. Mark Garber.*

*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.*