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

**RENEWAL OF ANNUAL CAPS
OF CONTINUING CONNECTED TRANSACTIONS**

Reference is made to certain continuing connected transactions relating to electricity and capacity supply and aluminium sales described in the prospectus of the Company dated 31 December 2009, the annual reports of the Company for each of the three financial years ended 31 December 2012, the announcement of the Company dated 27 September 2011 and the circular of the Company dated 12 October 2011.

Since the existing continuing connected transactions with respect to electricity and capacity supply and with respect to aluminium sales shall continue and the Company also expects that additional electricity and capacity supply and additional aluminium sales contracts may be entered into between members of the Group on one part and Mr. Deripaska's Associates, En+'s Associates or SUAL Partners' Associates on the other, the Company would like to announce the new 2014, 2015 and 2016 annual caps for all these continuing connected transactions.

As the applicable percentage ratio(s) with respect to the Proposed 2014/2015/2016 Caps for E&C Contracts with En+'s Associates are more than 5%, the transactions under these contracts will be subject to reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the applicable percentage ratio(s) with respect to the Proposed 2014/2015/2016 Caps for Aluminium Sales Contracts with SUAL Partners' Associates are more than 5%, the transactions under these contracts will be subject to reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the applicable percentage ratio(s) with respect to the Proposed 2014/2015/2016 Caps for Aluminium Sales Contracts with Mr. Deripaska's Associates are more than 5%, the transactions under these contracts will be subject to reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

1. INTRODUCTION

Reference is made to certain continuing connected transactions relating to electricity and capacity supply and aluminium sales described in the prospectus of the Company dated 31 December 2009, the annual reports of the Company for each of the three financial years ended 31 December 2012, the announcement of the Company dated 27 September 2011 and the circular of the Company dated 12 October 2011. As disclosed in these publications, certain members of the Group are parties to a number of existing continuing connected transactions with respect to electricity and capacity supply and with respect to aluminium sales. Since the existing continuing connected transactions with respect to electricity and capacity supply and with respect to aluminium sales shall continue and the Company also expects that additional electricity and capacity supply and additional aluminium sales contracts may be entered into between members of the Group on one part and Mr. Deripaska's Associates, En+'s Associates or SUAL Partners' Associates on the other, the Company would like to announce the new 2014, 2015 and 2016 annual caps for all these continuing connected transactions.

2. E&C CONTRACTS

(a) *Long-term E&C Contracts with En+'s Associates*

As previously disclosed, the Group has entered into the following long-term electricity and capacity supply contracts:

- on 1 December 2009, OJSC RUSAL Bratsk (“**BrAZ**”), a subsidiary of the Company, and Irkutsk Joint Stock Power and Electricity Company (“**Irkutskenergo**”), a power generating company controlled by En+ as to more than 30% of its issued share capital, entered into a long-term electricity and capacity supply contract pursuant to which BrAZ agreed to purchase electricity and capacity from Irkutskenergo for a period of nine years from 2010 to 2018. Fifty percent of the price under the contract must be paid before the 15th day of the month of supply and the remaining fifty percent of the price must be paid before the 25th day of the month of supply. The consideration is satisfied in cash via wire transfer. The actual monetary value of electricity and capacity purchased for the year ended 31 December 2012 and the first nine months of 2013 under this contract was USD181.1 million and USD74 million respectively;
- on 15 November 2009, OJSC SUAL, a subsidiary of the Company, and Irkutskenergo entered into a long-term electricity and capacity supply contract pursuant to which OJSC SUAL agreed to purchase electricity and capacity for Irkutsk aluminium smelter, a branch of OJSC SUAL, from Irkutskenergo for a period of nine years from 2010 to 2018. Fifty percent of the price under the contract must be paid before the 15th day of the month of supply and the remaining fifty percent of the price must be paid before the 25th day of the month of supply. The consideration is satisfied in cash via wire transfer. The actual monetary value of electricity and capacity purchased for the year ended 31 December 2012 and the first nine months of 2013 under this contract was USD106.5 million and USD55.9 million respectively; and

- on 4 December 2009, OJSC RUSAL Krasnoyarsk (“**KrAZ**”), a subsidiary of the Company, and JSC Krasnoyarskaya Hydro-Power Plant (“**Krasnoyarskaya HPP**”), a hydroelectric power station controlled by En+ as to more than 30% of its issued share capital, entered into a long-term electricity and capacity supply contract pursuant to which KrAZ has agreed to purchase electricity from Krasnoyarskaya HPP for a period of eleven years from 2010 to 2020. Fifty percent of the price under the contract must be paid before the 15th day of the month of supply and the remaining fifty percent of the price must be paid before the 25th day of the month of supply. The consideration is satisfied in cash via wire transfer. The actual monetary value of electricity and capacity purchased for the year ended 31 December 2012 and the first nine months of 2013 under this contract was USD71 million and USD32.7 million respectively.

The prices for the E&C Contracts are not regulated strictly by the Non-Commercial Partnership Market Council (“**Market Council**”), a non-profit partnership that organises an efficient system of trading on the wholesale and retail electricity and capacity market in Russia, and may be agreed between the parties (subject to the Rules of the Wholesale Electricity and Capacity Market (as approved by the Russian Federation Government Resolution No. 1172 dated 27 December 2010) which contain indirect instruments through which the influence is exerted on the formation of the total cost of a user’s consumed electricity and capacity in connection with the existence or non-existence of non-regulated contracts concluded by such a person, and the amount of capacity supplied thereunder). The costs of electricity supplied by Irkutskenergo and Krasnoyarskaya HPP are based on a fixed formula which is tied to the market prices of electricity and the prices of aluminium quoted on the LME to link electricity costs to the Group’s revenue.

It is expected that members of the Group may continue to enter into new long-term electricity and capacity supply contracts with En+’s Associates from time to time.

(b) *Short-term E&C Contracts with the En+’s Associates*

Members of the Group, including BrAZ, KrAZ, OJSC RUSAL Sayanogorsk, OJSC RUSAL Novokuznetsk and OJSC SUAL enter into, from time to time as part of their ordinary course of business, short-term E&C Contracts with duration not exceeding one year with companies controlled by En+, including Irkutskenergo, LLC “Avtozavodskaya CHP” and Krasnoyarskaya HPP.

The electricity and capacity supplied under these short-term E&C Contracts are derived from the plants operated by Irkutskenergo and Krasnoyarskaya HPP and also derived from LLC “Avtozavodskaya CHP”. The whole volume of electricity (excluding electricity supplied to residential users) is supplied at open (non-regulated) prices. There are exceptions which require the electricity to be sold at prices or tariffs approved by the government. Payment under each of these contracts is made by installments in accordance with the regulations of the Market Council. The consideration is satisfied in cash via wire transfer.

In addition, members of the Group, including OJSC “Sevuralboxitruda”, “SUAL-Silicon-Ural” LLC, OJSC RUSAL SAYANAL, OJSC “Ural Foil”, UC RUSAL Energoset LLC and OJSC “South Ural Cryolite Plant” enter into, from time to time as part of their ordinary course of business, short-term E&C Contracts not exceeding three years with CJSC MAREM+, a company controlled by En+, for the supply of electricity and capacity purchased on the wholesale energy and capacity market. The purchase of electricity and capacity on the wholesale market is effected at a price which is determined daily (for electricity) and monthly (for capacity), based on the trading results at the wholesale market, and subject to unpredictable external fluctuations (including, without limitation, weather factors, river stream flow rates, hydro-power plant output storage, transborder cross-flow planning, provision for reserves by power generation facilities, scheduled equipment repairs, fuel price fluctuations, details of fuel regime for “endpoint” power generation facilities, economic efficiency of bids submitted by producers, technological processes of power generation facilities’ equipment, and effect of state regulation on the market model). The price under these contracts is derived from the wholesale market price. Payments are effected by tentatively scheduled installments during each month, with the final payment effected in the middle of the month following the month of billing. The consideration is satisfied in cash via wire transfer.

Members of the Group also from time to time enter into short-term E&C Contracts with LLC “Irkutskaya Energosbytovaya Company” (“*Irkutskenergosbyt LLC*”), a company controlled by En+ as to more than 30%, for the supply of electricity and capacity purchased at the retail electricity market on normal commercial terms. Payment under each of these contracts is made by installments during each month of supply. The consideration is satisfied in cash via wire transfer.

The actual monetary value of electricity and capacity purchased for the year ended 31 December 2012 and the first nine months of 2013 under these contracts was USD288.3 million and USD43.1 million respectively for Irkutskenergo, LLC “Avtozavodskaya CHP” and Krasnoyarskaya HPP; USD24.7 million and USD32.9 million respectively for CJSC MAREM+; and nil and USD0.1 million respectively for Irkutskenergosbyt LLC.

It is expected that members of the Group will continue to enter into short-term E&C Contracts with associates of En+ from time to time.

(c) *Miscellaneous E&C Contracts with the En+'s Associates*

The Group has also from time to time entered into miscellaneous electricity and capacity transmission contracts with “Irkutsk Electronetwork Company” OJSC and energy supply contracts with Irkutskenergosbyt LLC to furnish the electricity supply mentioned above, each being a company controlled by En+ as to more than 30% of its issued share capital.

The consideration paid or payable under such miscellaneous electricity and capacity transmission contracts is determined by reference to the tariffs which are regulated by the Tariff Service of the Irkutsk region (an executive authority of the Irkutsk region in the sphere of government regulation of tariffs including electricity and capacity transmission tariffs) or the executive authority of the Krasnoyarsk region, and on terms which are uniform for all consumers (tariffs are differentiated depending on voltage levels).

Under the supply services contracts (miscellaneous electricity and capacity transmission contracts) with “Irkutsk Electronetwork Company” OJSC, 50% of the price under the contract must be paid before the 15th day of the month of supply and the remaining 50% of the price must be paid before the 25th day of the month of supply. The consideration is satisfied in cash via wire transfer.

Under the supply services contracts (energy supply contracts) with Irkutskenergosbyt LLC, 100% of the installed capacity and 50% of the estimated electricity shall be paid before the 15th day of the billing month and the remaining 50% of the estimated electricity shall be paid before the 25th day of the billing month. The difference between the actual cost of energy and power, determined by metering devices, and previously paid amounts shall be paid before the 10th day of the month following the billing month. The consideration is satisfied in cash via bank transfer.

The actual monetary value of electricity and capacity transmission purchased and sold for the year ended 31 December 2012 and the first nine months of 2013 under these contracts with companies controlled by En+ was USD183.1 million and USD95.4 million respectively.

It is expected that members of the Group will continue to enter into miscellaneous electricity and capacity transmission contracts with associates of En+ from time to time.

Historical transaction figures for E&C Contracts with En+'s Associates

For the three years ended 31 December 2010, 31 December 2011 and 31 December 2012 and the first nine months in 2013, the amount purchased under the E&C Contracts with En+'s Associates was USD 520 million, USD 778.1 million, USD 854.7 million and USD334.1 million respectively.

Proposed 2014/2015/2016 Caps for E&C Contracts with En+'s Associates

The Board has considered and proposes the following annual caps in respect of the transactions under the E&C Contracts entered into/to be entered into with En+'s Associates for the years ending 31 December 2014, 31 December 2015 and 31 December 2016:

Period	Annual Cap
Year ending 31 December 2014	USD 1,016 million (net of VAT and using the exchange rate at USD 1 = RUB 33 subject to possible change due to the fluctuations of the RUB/USD exchange rate)
Year ending 31 December 2015	USD 1,054 million (net of VAT and using the exchange rate at USD 1 = RUB 33 subject to possible change due to the fluctuations of the RUB/USD exchange rate)
Year ending 31 December 2016	USD 1,155 million (net of VAT and using the exchange rate at USD 1 = RUB 33 subject to possible change due to the fluctuations of the RUB/USD exchange rate)

The Proposed 2014/2015/2016 Caps for E&C Contracts with En+'s Associates were calculated on the basis of (i) the abovementioned historical figures; (ii) the estimated amounts in accordance with the rules for purchase of capacity in the wholesale electricity supply market in Russia; (iii) the expected energy demand for our aluminium smelting processes for the years of 2014, 2015 and 2016; and (iv) the increase of the transmission and electricity tariffs in Russia, using the exchange rate at USD 1 = RUB 33 subject to possible change due to the fluctuations of the RUB/USD exchange rate.

Reasons for and benefits of entering into the E&C Contracts

The Company considers that the E&C Contracts will help secure a stable source of supply of electricity and capacity for the aluminium smelters of the Group and reduce unpredictability in price movements amidst the deregulating electricity supply market in Russia. Linking the electricity cost to the price of its products also tends to reduce the effect of volatility in the market price of aluminium on the Group's margins.

The Directors consider that the Proposed 2014/2015/2016 Caps for E&C Contracts with En+'s Associates are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

3. ALUMINIUM SALES CONTRACTS

As previously disclosed, members of the Group have entered into aluminium sales contracts with SUAL Partners' Associates and Mr. Deripaska's Associates.

Aluminium Sales Contracts with SUAL Partners' Associates

Kamensk-Uralsky Metallurgical Works Joint-Stock Company ("**OJSC KUMZ**") is a company controlled by SUAL Partners as to more than 30%. OJSC KUMZ is therefore an associate of SUAL Partners. Accordingly, transactions between companies of the Group and OJSC KUMZ, discussed below, constitute continuing connected transactions of the Company under the Listing Rules.

On 4 October 2007, the Group through Open Joint Stock Company "United Company RUSAL - Trading House ("**UC RUSAL TH**")", being a wholly-owned subsidiary of the Company, entered into a long-term contract to supply aluminium to OJSC KUMZ, for a period until December 2021. The price was set on arm's length terms, which is linked to the price of aluminium on the LME. All consideration is satisfied in cash via wire transfer.

As disclosed in the Company's announcement dated 18 March 2011, during 2010, the Group through UC RUSAL TH, entered into a series of contracts with OJSC KUMZ, supplemental to the long-term aluminium sales contract with OJSC KUMZ, under which UC RUSAL TH agreed to supply aluminium produced by the Group's smelters to OJSC KUMZ, the exact products and price of which were determined on arm's length terms on a monthly basis. Similar contracts between members of the Group and OJSC KUMZ have been concluded from time to time during 2012 and 2013 and are expected to be concluded during subsequent years. The consideration under the long-term contract is required to be paid within 30 days from delivery. The contracts supplemental to the long-term contract require 100% prepayment. All consideration is satisfied in cash via wire transfer.

The total consideration for the aluminium supplied under these contracts to OJSC KUMZ during the year ended 31 December 2012 and the first nine months of 2013 amounted to USD158.5 million and USD72.9 million respectively.

It is expected that members of the Group will continue to enter into aluminium sales contracts with SUAL Partners' Associates from time to time.

Aluminium Sales Contracts with Mr. Deripaska's Associates

Mr. Deripaska, the Chief Executive Officer of the Company and an executive Director, indirectly controls more than 30% of each of (i) LLC Tradecom, (ii) Limited liability company "Krasnoyarsk Metallurgical Plant ("LLC KraMZ"), (iii) Joint Stock Company Dmitrov "Aluminium Rolling Mill" ("DOZAKL"), (iv) members of the group of Open Joint Stock Company "GAZ" (the "GAZ Group") including LLC Torgovo-Zakupochnaya Kompaniya GAZ ("LLC GAZ"), "GAZ Group Autocomponents" LLC, OJSC "UMZ", JSC AVTODIZEL, JSC "URAL Motor Vehicles Plant", (v) OJSC "Plant MOSMEK" (formerly known as Glavstroy-MOSMEK), and (vi) Joint Stock Company "Barnaultransmash," ("Barnaultransmash"). Each of these companies is therefore an associate of Mr. Deripaska. As such, the transactions between members of the Group and LLC Tradecom, LLC KraMZ, DOZAKL, members of the GAZ Group (including LLC GAZ, "GAZ Group Autocomponents" LLC, OJSC "UMZ", JSC AVTODIZEL, JSC "URAL Motor Vehicles Plant"), OJSC "Plant MOSMEK" and Barnaultransmash, discussed below, constitute continuing connected transactions of the Company under the Listing Rules.

(a) *LLC Tradecom and LLC KraMZ*

On 14 December 2006, the Group through UC RUSAL TH, entered into a long-term contract to supply aluminium to LLC Tradecom for a period until December 2021. Pursuant to the contract, the Group would supply aluminium to LLC Tradecom at arm's length prices tied to the price of aluminium on the LME. The consideration under the contract must be prepaid.

As disclosed in the Company's announcement dated 18 March 2011, a substitution agreement was signed by UC RUSAL TH, LLC Tradecom and LLC KraMZ on 17 March 2011 pursuant to which LLC KraMZ substituted LLC Tradecom as the buyer to the above long-term supply contract.

The consideration for the aluminium supplied under this contract (as supplemented) to LLC KraMZ during the year ended 31 December 2012 and the first nine months of 2013 amounted to USD237 million and USD113.5 million respectively. The consideration was satisfied in cash via wire transfer.

(b) *Members of GAZ Group*

- On 28 February 2009, the Group through UC RUSAL TH, entered into a framework agreement with LLC GAZ pursuant to which the Group agreed to supply aluminium at arm's length prices on a monthly basis until 31 December 2010. The consideration was to be partially pre-paid with the remaining amount to be settled within 30 business days from shipment. The agreement was to be automatically extended for another calendar year unless the parties declared their intention to terminate it. As at 31 December 2012, the agreement was not extended, and similar contracts with duration not exceeding three years were entered into between members of the Group and members of the GAZ Group (including the agreements each dated 1 January 2013 with each of "GAZ Group Autocomponents" LLC, OJSC "UMZ", JSC AVTODIZEL and JSC "URAL Motor Vehicles Plant").

The total consideration for the aluminium supplied under these contracts to LLC GAZ, "GAZ Group Autocomponents" LLC, OJSC "UMZ", JSC AVTODIZEL and JSC "URAL Motor Vehicles Plant" during the year ended 31 December 2012 and the first nine months of 2013 amounted to nil and USD5 million respectively. The consideration was satisfied in cash via wire transfer.

- On 27 September 2010, RUSAL RESAL Limited Liability Company (“**RUSAL RESAL**”), a wholly-owned subsidiary of the Company, entered into a short-term agreement to supply secondary aluminium to LLC GAZ for a period until 31 December 2010 at arm’s length prices determined on a monthly basis. 100% of the consideration would be paid in 60 business days upon shipment. The agreement was to be automatically extended for another calendar year unless the parties declared their intention to terminate it.

The total consideration for the aluminium supplied under this contract to LLC GAZ during the year ended 31 December 2012 amounted to USD1.4 million. The consideration was satisfied in cash via wire transfer.

- On 15 February 2012, RUSAL RESAL entered into a short-term agreement to supply secondary aluminium to “GAZ Group Autocomponents” LLC for a period until 31 December 2012 at arm’s length prices determined on a monthly basis. 100% of the consideration must be paid in 60 business days upon shipment. The agreement could be automatically extended for another calendar year unless the parties declared their intention to terminate it.

The total consideration for the aluminium supplied under this contract to LLC GAZ during the year ended 31 December 2012 amounted to USD 8.38 million. The consideration was satisfied in cash via wire transfer.

As at 31 December 2012, both of the agreements dated 27 September 2010 and 15 February 2012 were not extended, and similar contracts were entered into between RUSAL RESAL and members of GAZ Group for the year ending 31 December 2013 (including the agreements each dated 1 January 2013 with each of “GAZ Group Autocomponents” LLC, OJSC “UMZ”, JSC AVTODIZEL and JSC “URAL Motor Vehicles Plant”) and the total consideration for the aluminium supplied under these contracts during the first nine months of 2013 amounted to USD2 million. The consideration was satisfied in cash via wire transfer.

- On 30 December 2011, the Group through UC RUSAL TH, entered into the contract with “GAZ Group Autocomponents” LLC pursuant to which the Group agreed to supply aluminium at arm’s length prices on a monthly basis until 31 December 2014. The consideration was to be pre-paid. During 2012, the Group, through UC RUSAL TH, entered into addendums to this aluminium sale contract with “GAZ Group Autocomponents” LLC from time to time and the Company expects more addendums or similar contracts will be entered into with members of the GAZ Group in 2013, 2014, 2015 and 2016.

The total consideration for the aluminium supplied under this contract to “GAZ Group Autocomponents” LLC during the year ended 31 December 2012 and the first nine months of 2013 amounted to USD13.9 million and USD0.7million respectively. The consideration was satisfied in cash via wire transfer.

(c) *DOZAKL*

- On 14 December 2006, the Group through UC RUSAL TH, entered into a long-term contract to supply aluminium to DOZAKL for a period until 31 December 2021 at arm’s length prices tied to the price of aluminium on the LME. The consideration was to be paid within 30 days from delivery. Since March 2010, there have been no supplies under this contract.

The consideration for the aluminium supplied under this contract to DOZAKL during the year ended 31 December 2012 amounted to nil.

- On 1 January 2012, Rusal Foil LLC, a wholly-owned subsidiary of the Company, entered into a contract to supply aluminium tape to DOZAKL at arm’s length prices tied to the price of aluminium on the LME until 31 December 2012. The consideration was to be paid within 30 days from delivery.
- On 1 January 2013, Rusal Foil LLC, a wholly-owned subsidiary of the Company, entered into a contract to supply aluminium tape to DOZAKL at arm’s length prices tied to the price of aluminium on the LME until 31 December 2013. The consideration is paid within 30 days from the date of delivery. Similar contracts will be entered into between Rusal Foil LLC and DOZAKL in 2014, 2015 and 2016.

The consideration for the aluminium tape supplied under these contracts to DOZAKL during the year ended 31 December 2012 and the first nine months of 2013 amounted to USD7.7 million and USD2.7 million respectively. The consideration was satisfied in cash via wire transfer.

(d) *OJSC “Plant-MOSMEK”*

On 30 December 2011, the Group through UC RUSAL TH, entered into an agreement to supply aluminium products to OJSC “Plant MOSMEK” for a period until 31 December 2014. Under this contract UC RUSAL TH supplies aluminium at arm’s length prices determined on a monthly basis. Consideration is to be pre-paid.

The consideration for the aluminium supplied under this contract to OJSC “Plant MOSMEK” during the year ended 31 December 2012 and the first nine months of 2013 amounted to USD0.8 million and nil respectively. The consideration was satisfied in cash via wire transfer. During 2012, the Group, through UC RUSAL TH, entered into addendums to this aluminium sale contract with OJSC “Plant MOSMEK” from time to time and the Company expects more addendums or similar contracts will be entered into with OJSC “Plant MOSMEK” in 2013, 2014, 2015 and 2016.

(e) *Barnaultransmash*

On 28 January 2009, the Group through RUSAL TH, entered into a contract to supply aluminium to Barnaultransmash for a period until 30 August 2009. RUSAL TH and Barnaultransmash did not declare their intention to terminate the contract and therefore tacitly consented to its extension for 2010 and 2011. Under this contract, RUSAL TH supplied aluminium at arm’s length prices determined on a monthly basis. The consideration for the aluminium supplied under this contract was prepaid. This contract was terminated on 31 December 2011. Similar contracts with duration not exceeding three years were or will be concluded between members of the Group and Barnaultransmash in 2013, 2014, 2015 and 2016.

The aggregate consideration received for the aluminium supplied to each of the companies referred to above, which are Mr. Deripaska’s Associates, for the year ended 31 December 2012 and the first nine months of 2013 was approximately USD269.2 million and USD125.4 million respectively.

It is expected that members of the Group will continue to enter into aluminium sales contracts with Mr. Deripaska’s Associates from time to time.

Historical transaction figures for Aluminium Sales Contracts

A breakdown of the approximate historical transaction figures for the Aluminium Sales Contracts is as follows:

- With respect to Aluminium Sales Contracts with SUAL Partners’ Associates:

For the three years ended 31 December 2010, 31 December 2011 and 31 December 2012 and the first nine months in 2013, the aggregate consideration received by members of the Group under the Aluminium Sales Contracts with SUAL Partners’ Associates was USD176.2 million, USD198.1 million, USD 159.5 million and USD73.2 million respectively.

- With respect to Aluminium Sales Contracts with Mr. Deripaska's Associates:

For the three years ended 31 December 2010, 31 December 2011 and 31 December 2012 and the first nine months in 2013, the aggregate consideration received by members of the Group under the Aluminium Sales Contracts with Mr. Deripaska's Associates was USD302.26 million, USD319.2 million, USD269.2 million and USD125.4 million respectively.

Proposed 2014/2015/2016 Caps for Aluminium Sales Contracts

The Board has considered and proposes the following annual caps in respect of the transactions under the Aluminium Sales Contracts for the years ending 31 December 2014, 31 December 2015 and 31 December 2016.

The Proposed 2014/2015/2016 Caps for Aluminium Sales Contracts with SUAL Partners' Associates:

Period	Annual Cap
Year ending 31 December 2014	USD 567 million (net of VAT)
Year ending 31 December 2015	USD 700 million (net of VAT)
Year ending 31 December 2016	USD 749 million (net of VAT)

The Proposed 2014/2015/2016 Caps for Aluminium Sales Contracts with Mr. Deripaska's Associates:

Period	Annual Cap
Year ending 31 December 2014	USD 575 million (net of VAT)
Year ending 31 December 2015	USD 861 million (net of VAT)
Year ending 31 December 2016	USD 961 million (net of VAT)

The Proposed 2014/2015/2016 Caps for Aluminium Sales Contracts were calculated on the basis of the historical figures and anticipated changes in the quantity of aluminium supplied by the Group due to an expected increase in demand from Russian purchasers.

Reasons for and benefits of entering into the Aluminium Sales Contracts

As a part of the Group's ordinary course of business and antimonopoly requirements to supply aluminium to Russian purchasers, members of the Group have entered into long-term and short-term Aluminium Sales Contracts in Russia. It is common for industrial concerns to enter into long-term supply contracts for raw materials to ensure that production would not be interrupted. Given that the price of the aluminium supplied under these Aluminium Sales Contracts is based on the market price of aluminium, the Directors are of the view that these contracts have been entered into in the usual and ordinary course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

The Directors considers that the Proposed 2014/2015/2016 Caps for Aluminium Sales Contracts are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

4. LISTING RULES IMPLICATIONS

As at the date of this announcement:

- En+, which is controlled by Mr. Deripaska as to more than 50% of the issued share capital, is interested in approximately 48.13% of the issued share capital of the Company;
- Mr. Deripaska, an executive Director and the chief executive officer of the Company, is, directly and indirectly (including through his interest in En+), interested in approximately 48.36% of the issued share capital of the Company;
- SUAL Partners is interested in more than 15% of the issued share capital of the Company.

Accordingly, each of En+, Mr. Deripaska and SUAL Partners and their respective associates is a connected person of the Company under the Listing Rules and therefore transactions as mentioned above between each of them on one part and members of the Group on the other constitute connected transactions of the Company under the Listing Rules.

(a) *E&C Contracts*

As the applicable percentage ratio(s) with respect to the Proposed 2014/2015/2016 Caps for E&C Contracts with En+'s Associates are more than 5%, transactions under these contracts will be subject to reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(b) *Aluminium Sales Contracts*

As the applicable percentage ratio(s) with respect to the Proposed 2014/2015/2016 Caps for Aluminium Sales Contracts with SUAL Partners' Associates are more than 5%, the transactions under these contracts will be subject to reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the applicable percentage ratio(s) with respect to the Proposed 2014/2015/2016 Caps for Aluminium Sales Contracts with Mr. Deripaska's Associates are more than 5%, transactions under these contracts will be subject to reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

5. APPROVAL BY INDEPENDENT SHAREHOLDERS

The Company will seek independent Shareholders' approval in respect of (i) the Proposed 2014/2015/2016 Caps for E&C Contracts with En+'s Associates, (ii) the Proposed 2014/2015/2016 Caps for Aluminium Sales Contracts with SUAL Partners' Associates and (iii) the Proposed 2014/2015/2016 Caps for Aluminium Sales Contracts with Mr. Deripaska's Associates (together, the "**Relevant Proposals**") at an extraordinary general meeting ("**EGM**"). Any Shareholder with a material interest in the Relevant Proposals will not vote on the relevant resolutions at the EGM.

In view of the interests of Mr. Deripaska and En+ in the E&C Contracts with En+'s Associates and Aluminium Sales Contracts with Mr. Deripaska's Associates, they and their respective associates will abstain from voting in relation to the resolutions approving each of (i) the Proposed 2014/2015/2016 Caps for E&C Contracts with En+'s Associates and (ii) the Proposed 2014/2015/2016 Caps for Aluminium Sales Contracts with Mr. Deripaska's Associates.

In view of the interests of SUAL Partners in the Aluminium Sales Contracts with SUAL Partners' Associates, it and its associates will abstain from voting in relation to the resolution approving the Proposed 2014/2015/2016 Caps for Aluminium Sales Contracts with SUAL Partners' Associates.

In accordance with the Listing Rules, an independent board committee ("IBC") was established by the Company to give recommendations to the independent Shareholders in respect of the Relevant Proposals. An independent financial adviser ("IFA") has been appointed to advise the IBC and the independent Shareholders in relation to the Relevant Proposals.

A circular containing:

- (a) further details of the continuing connected transactions relating to the Relevant Proposals;
- (b) the letter from, and recommendations of, the IBC in respect of the Relevant Proposals;
- (c) the letter from the IFA to the IBC and the independent Shareholders in respect of the Relevant Proposals; and
- (d) the notice convening the EGM

will be despatched by the Company to its Shareholders within 15 business days after the publication of this announcement.

6. GENERAL

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.

Irkutskenergo is a power generating company.

Krasnoyarskaya HPP is a hydroelectric power station.

LLC “Avtozavodskaya CHP” is principally engaged in supply of electric and thermal energy.

CJSC MAREM+ is principally engaged in sales of electricity and capacity.

“Irkutsk Electronetwork Company” OJSC is principally engaged in transmission and distribution of electricity.

Irkutskenergosbyt LLC is principally engaged in sales of electricity and capacity.

OJSC KUMZ is principally engaged in metallurgy.

LLC KraMZ is principally engaged in metallurgy.

DOZAKL is principally engaged in producing different metal products.

GAZ Group is principally engaged in production of autobuses and auto components.

LLC GAZ is principally engaged in car production.

“GAZ Group Autocomponents” LLC is principally engaged in production of auto components.

OJSC “UMZ” is principally engaged in production and industrial goods sale, including automobile and boat motors, motor-pumps, engines, consumer goods, spare parts to engines and cars; implementation of installation and construction works, production of construction materials, designs and buildings, engineering implementation in construction; trade and purchasing and intermediary activity.

JSC AVTODIZEL is principally engaged in production of diesel engines of a universal purpose, couplings, transmissions, spare parts to them, and also stationary units on their base.

JSC “URAL Motor Vehicles Plant” is principally engaged in production of all-wheel drive heavy-load cars.

Barnaultransmash is principally engaged in machinery.

OJSC “Plant MOSMEK” is principally engaged in production of aluminium rolled products, the manufacturing of products and equipment used in construction.

7. DEFINITIONS

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

“Aluminium Sales Contracts”	the Aluminium Sales Contracts with Mr. Deripaska’s Associates and the Aluminium Sales Contracts with SUAL Partners’ Associates
“Aluminium Sales Contracts with Mr. Deripaska’s Associates”	the aluminium sales contracts entered into between members of the Group as sellers and Mr. Deripaska’s Associates as buyers from time to time; details of the subsisting contracts are set out in the section headed “3. <i>Aluminium Sales Contracts</i> ” in this announcement
“Aluminium Sales Contracts with SUAL Partners’ Associates”	the aluminium sales contracts entered into between members of the Group as sellers and SUAL Partners’s Associates as buyers from time to time, details of the subsisting contracts are set out in the section headed “3. <i>Aluminium Sales Contracts</i> ” in this announcement
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“Company”	United Company RUSAL Plc, a company incorporated under the laws of Jersey with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“E&C Contracts”	electricity and capacity supply contracts

“E&C Contracts with En+’s Associates”	the E&C Contracts entered into from time to time with En+’s Associates; details of the subsisting contracts are set out in the section headed “2. <i>E&C Contracts</i> ” of this announcement
“EGM”	an extraordinary general meeting
“En+”	En+ Group Limited, a company incorporated in Jersey which is the Controlling Shareholder of the Company
“En+’s Associate(s)”	associate(s) of En+
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IBC”	an independent board committee
“IFA”	an independent financial adviser
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“LME”	the London Metals Exchange
“Mr. Deripaska”	Mr. Oleg Deripaska, the Chief Executive Officer and an executive Director
“Mr. Deripaska’s Associate(s)”	associate(s) of Mr. Deripaska
“Proposed 2014/2015/2016 Caps for Aluminium Sales Contracts”	the Proposed 2014/2015/2016 Caps for Aluminium Sales Contracts with Mr. Deripaska’s Associates” and the Proposed 2014/2015/2016 Caps for Aluminium Sales Contracts with SUAL Partners’ Associates

“Proposed 2014/2015/2016 Caps for Aluminium Sales Contracts with Mr. Deripaska’s Associates”	the proposed annual caps for the Aluminium Sales Contracts with Mr. Deripaska’s Associates for the three years ending 31 December 2016
“Proposed 2014/2015/2016 Caps for Aluminium Sales Contracts with SUAL Partners’ Associates”	the proposed annual caps for the Aluminium Sales Contracts with SUAL Partners’ Associates for the three years ending 31 December 2016
“Proposed 2014/2015/2016 Caps for E&C Contracts with En+’s Associates”	the proposed annual caps for the E&C Contracts with En+’s Associates for the three years ending 31 December 2016
“Relevant Proposals”	(i) the Proposed 2014/2015/2016 Caps for E&C Contracts with En+’s Associates, (ii) the Proposed 2014/2015/2016 Caps for Aluminium Sales Contracts with SUAL Partners’ Associates and (iii) the Proposed 2014/2015/2016 Caps for Aluminium Sales Contracts with Mr. Deripaska’s Associates
“RUB”	Russian Rubles, the lawful currency of the Russian Federation
“Shareholder(s)”	holder(s) of the share(s) in the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SUAL Partners”	SUAL Partners Limited, a company incorporated under the laws of the Bahamas, which is a substantial Shareholder
“SUAL Partners’ Associate(s)”	associate(s) of SUAL Partners
“USD”	United States dollars, the lawful currency of the United States of America

“VAT” value added tax

“%” per cent

By Order of the board of directors of
United Company RUSAL Plc
Vladislav Soloviev
Director

12 November 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.