

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

The Company announces that, in December 2013 members of the Group, as sellers, entered into certain sale of raw materials agreements with the associates of Mr. Blavatnik, as buyers.

SALE OF RAW MATERIALS

The Company announces that, in December 2013 members of the Group, as sellers, entered into certain sale of raw materials agreements with the associates of Mr. Blavatnik, as buyers, details of which are set out below.

Sale of Silicon Agreements

On 20 December 2013, UC RUSAL TH, as seller entered into a sale of silicon agreement (the “**Sale of Silicon Agreement**”) with Doncarb Graphite Limited Liability Company (“**Doncarb Graphite**”), as buyer, pursuant to which UC RUSAL TH agreed to supply and Doncarb Graphite agreed to purchase silicon of approximately 48 tons during the year ending 31 December 2014, at a total consideration of approximately USD0.129 million. The term of the contract is up to 31 December 2014, and will be extended for one year unless any of the parties declares its intention to terminate it.

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

Addendum to Green Petroleum Coke Sale Agreement

Reference is made to the announcement of the Company dated 28 February 2013 in relation to, among other things, the green petroleum coke sale agreement with CJSC “ENERGOPROM — Novosibirsk Electrode Plant” (“**CJSC “EPM-NovEP”**”) dated 26 February 2013.

On 19 December 2013, UC RUSAL TH, as seller, entered into an addendum to the above-mentioned green petroleum coke sale agreement with CJSC “EPM-NovEP” , as buyer (the “**Addendum to Green Petroleum Coke Sale Agreement**”), pursuant to which UC RUSAL TH agreed to supply and CJSC “EPM-NovEP” agreed to purchase green petroleum coke of approximately 156,000 tons during the year ending 31 December 2014, at a total consideration of approximately USD21.352 million. The term of the contract is up to 31 December 2014.

Under the Addendum to Green Petroleum Coke Sale Agreement, the consideration is to be paid within 25 calendar days upon receipt of 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 Sale of Silicon Agreement and the Addendum to Green Petroleum Coke Sale Agreement are required to 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 matter 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 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 Mr. Blavatnik to the Group is approximately USD21.481 million for the year ending 31 December 2014.

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 Sale of Silicon Agreement are for the benefit of the Company as the silicon supplied under the agreement was the current excess raw materials unused by the Group, and that the silicon sold under the relevant agreement was 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 Addendum to Green Petroleum Coke Sale Agreement will be used by CJSC “EPM-NovEP” to produce the calcined oil coke, which will be sold by CJSC “EPM-NovEP” to the Group. Therefore, the entering into the Addendum to Green Petroleum Coke Sale Agreement would enable the Group to (i) obtain raw materials of the necessary quality for production and (ii) maintain the costs of calcined oil coke to be purchased below prevailing market rate.

The terms of the 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 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 raw materials of the same type and quality and those offered by the Group to independent third parties.

The Directors (including the independent non-executive Directors) consider that the transactions contemplated under the 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 under the 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 each of Doncarb Graphite and CJSC “EPM-NovEP”. Accordingly, Mr. Blavatnik did not vote on the Board resolutions approving the Sale of Silicon Agreement and the Addendum to Green Petroleum Coke Sale Agreement.

LISTING RULES IMPLICATIONS

Mr. Blavatnik, a non-executive Director, indirectly holds more than 30% of the issued share capital of each of Doncarb Graphite and CJSC “EPM-NovEP”. Each of Doncarb Graphite and CJSC “EPM-NovEP” is therefore a connected person of the Company under the Listing Rules.

Accordingly, the transactions contemplated under the 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 Sale of Silicon Agreement and the Addendum to Green Petroleum Coke Sale Agreement for the financial year ending 31 December 2014 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 continuing connected transactions contemplated under the Sale of Silicon Agreement and the Addendum to Green Petroleum Coke Sale Agreement for the year ending 31 December 2014 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 continuing connected transactions contemplated under the 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 69,000 people.

Doncarb Graphite is principally engaged in the production of graphite products and spare parts.

CJSC “EPM-NovEP” is principally engaged in the production of graphite electrodes, carbon electrodes, cathode blocks, calcined petroleum coke and electrode paste.

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.
“Group”	the Company and its subsidiaries.
“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.
“percentage ratios”	the percentage ratios under Rule 14.07 of the Listing Rules.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.
“substantial shareholder”	has the same meaning ascribed thereto under the Listing Rules.
“UC RUSAL TH”	Open Joint Stock Company “United Company RUSAL -Trading House”, a company incorporated in the Russian Federation and an indirect wholly-owned subsidiary of the Company

“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

24 December 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.