

*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**  
**SHORT-TERM CAPACITY CONTRACT**

The Company announces that it is expected that OJSC SUAL will be required to entered into a short-term capacity contract with JSC “Quadra — Power Generation”, being an associate of Onexim, as supplier, pursuant to which OJSC SUAL agrees to buy and JSC “Quadra — Power Generation” agrees to supply capacity.

**THE SHORT-TERM CAPACITY CONTRACT**

The Company announces that OJSC SUAL, being a member of the Group, as buyer of capacity, submitted a request to TSA and CFS for purchasing capacity on the wholesale electricity and capacity market. TSA will match the capacity suppliers and buyers in the wholesale market based on the bids/tenders, and will determine the price and volume for each of the contracts between such suppliers and buyers. As at the date of this announcement, TSA is still in the course of determining the volume and price under each of the relevant contracts. CFS will arrange the signing of contracts and settlements in the wholesale electricity and capacity market.. It is expected that JSC “Quadra — Power Generation”, being an associate of Onexim, will be one of the capacity suppliers in the wholesale market, and there is a chance that TSA will match OJSC SUAL, as buyer, with JSC “Quadra — Power Generation”, as supplier. In the circumstance, it is expected that OJSC SUAL will be required to enter into a short-term capacity contract with JSC “Quadra — Power Generation”, pursuant to which OJSC SUAL agrees to buy and JSC “Quadra — Power Generation” agrees to supply capacity of 534.43 MWt (Megawatts) for the year ending 31 December 2014, at the total estimated consideration of approximately USD5.29 million (net of VAT) (the “**Short-term Capacity Contract**”), and such contract will be required to be dated on or about 1 January 2014 according to the Rules of the Wholesale Electricity

and Capacity Market. The scheduled termination date of the contract is expected to be 31 December 2014. The consideration is to be paid in advance by monthly installments, with the final settlement for the actual supply be paid by the 21st day of the following month. Payment is to be made in cash via bank transfer.

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

Based on the expected terms of the Short-term Capacity Contract, the annual aggregate transaction amount that is payable by the Group to JSC “Quadra — Power Generation” for the financial year ending 31 December 2014 is estimated to be up to approximately USD5.29 million (net of VAT).

The annual aggregate transaction amount is estimated by the Directors based on the capacity estimated to be purchased and the contract price.

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

The Short-term Capacity Contract is an obligatory contract in the wholesale electricity and capacity market. Under the Rules of the Wholesale Electricity and Capacity Market, the Company is strictly required to enter into contracts with certain suppliers as determined by the TSA, including JSC “Quadra — Power Generation”, in order to have an access to the wholesale power and capacity market. Capacity supply is essential to the production process of the Group. The consideration payable under the Short-term Capacity Contract has been determined with reference to the market price and on terms no less favourable than those prevailing in the Russian capacity market and those offered by JSC “Quadra — Power Generation” to independent third parties. The relevant pricing mechanism is regulated by the Rules of the Wholesale Electricity and Capacity Market.

The Directors (including the independent non-executive Directors) consider that the Short-term Capacity Contract has been negotiated on an arm’s length basis and on normal commercial terms which are fair and reasonable and the transactions contemplated under the Short-term Capacity Contract 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 under the Short-term Capacity Contract, save for Mr. Christophe Charlier, who is a deputy chief executive officer of Onexim Group Limited, a company which is ultimately beneficially owned by Mr. Mikhail Prokhorov, the beneficial owner of Onexim, which in turn holds more than 30% of the issued share capital of JSC “Quadra — Power Generation”. Accordingly, Mr. Christophe Charlier did not vote on the Board resolutions for approving the Short-term Capacity Contract.

## **LISTING RULES IMPLICATIONS**

Onexim is beneficially interested in more than 30% of the issued share capital of JSC “Quadra — Power Generation”. JSC “Quadra — Power Generation” is therefore an associate of Onexim, a substantial shareholder of the Company. JSC “Quadra — Power Generation” is thus a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Short-term Capacity Contract constitute continuing connected transactions of the Company under the Listing Rules.

The estimated annual aggregate transaction amount of the continuing connected transactions under the Short-term Capacity Contract for the financial year ending 31 December 2014 is more than 0.1% but less than 5% under the applicable percentage ratios (other than the profits ratio). Accordingly, pursuant to Rule 14A.34 of the Listing Rules, the transactions contemplated under this contract 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 Short-term Capacity Contract will be included in the relevant 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.

JSC “Quadra — Power Generation” is principally engaged in the production of electricity and capacity, and the transmission of heat energy.

## 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.
“CFS”	the open joint-stock company “Center of financial settlements”, a company incorporated in Russian Federation, is principally engaged in the organization of financial settlements in the wholesale electricity and capacity market.
“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(s)”	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.
“Market Council”	a non-profit partnership that organises an efficient system of trading on the wholesale and retail electricity and capacity market in Russia.
“Onexim”	Onexim Holdings Limited, a substantial shareholder of the Company.
“OJSC SUAL”	OJSC ‘Siberian-Urals Aluminium Company’, an indirect wholly-owned subsidiary of the Company.
“percentage ratios”	the percentage ratios under Rule 14.07 of the Listing Rules.

“Rules of the Wholesale Electricity and Capacity Market”	Russian government resolution No. 1172 “On Approval of the Rules for the Wholesale Market of Electric Power and Capacity and on Amending Certain Acts of the Government” dated 27 December 2010, which provides the rules and procedures for the functioning of the wholesale power and capacity market.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.
“substantial shareholder”	has the same meaning ascribed thereto under the Listing Rules.
“TSA”	the joint-stock company “Trading System Administrator of Wholesale Electricity Market Transactions”, a governmental authority established by the Market Council which is responsible for the organisation and functioning of the wholesale electricity and capacity market.
“USD”	United States dollars, the lawful currency of the United States of America.
“VAT”	value added tax.

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

2 January 2014

*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.*