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

CONTINUING CONNECTED TRANSACTIONS
SALE OF RAW MATERIALS

Reference is made to the announcements of the Company dated 17 September 2013, 18 November 2013, 30 December 2013 and 28 January 2014 in relation to certain continuing connected transactions regarding the supply of raw materials by members of the Group to the associates of Mr. Deripaska/En+.

CHANGE OF PAYMENT TERMS TO THE PREVIOUS SALE OF RAW MATERIALS CONTRACTS

The Company announces that RUSAL Achinsk OJSC, as seller, entered into the following addendums:

- (i) On 28 February 2014, RUSAL Achinsk OJSC, as seller, and Achinsk Cement LLC, as buyer, entered into an addendum (the “**Sale of Crushed Limestone Addendum**”) to change the payment terms of the sale of crushed limestone agreement dated 25 December 2013 (the “**Sale of Crushed Limestone Agreement**”) which was disclosed in the announcement of the Company dated 30 December 2013. The original payment terms as set out in the Sale of Crushed Limestone Agreement was that the payment was to be 100% pre-paid. Pursuant to the Sale of Crushed Limestone Addendum, the relevant payment terms were changed to the effect that (a) payment for volumes shipped by 30 April 2014 in the amount of USD606,061 is to be satisfied by way of drawing a loan from the seller at the interest rate of 9% per annum and is to be repaid by two installments in May and June 2014, and any shipped volume at an amount exceeding USD606,061 is to be paid within 5 banking days from date of pro forma invoice;

and (b) payment for volumes shipped from 1 May 2014 to 31 December 2014 is to be 100% prepaid. As a result of the change of payment terms, the estimated consideration payable for the year ending 31 December 2014 under the Sale of Crushed Limestone Agreement (being USD4,661,545 as disclosed in the announcement dated 30 December 2013) has to be increased by USD22,722. Other major terms in the Sale of Crushed Limestone Agreement remain unchanged;

- (ii) On 28 February 2014, RUSAL Achinsk OJSC, as seller, and Achinsk Cement LLC, as buyer, entered into an addendum (the “**Sale of Nepheline Mud Addendum**”) to change the payment terms of the sale of nepheline mud agreement dated 25 December 2013 (the “**Sale of Nepheline Mud Agreement**”) which was disclosed in the announcement of the Company dated 30 December 2013. The original payment terms as set out in the Sale of Crushed Limestone Agreement was that the payment was to be 100% pre-paid. Pursuant to the Sale of Nepheline Mud Addendum, the relevant payment terms were changed to the effect that (a) payment for volumes shipped by 30 April 2014 in the amount of USD454,545 is to be satisfied by way of drawing a loan from the seller at the interest rate of 9% per annum and is to be repaid by two installments in May and June 2014, and any shipped volume at an amount exceeding USD454,545 is to be paid within 5 banking days from date of pro forma invoice; and (b) payment for volumes shipped from 1 May 2014 to 31 December 2014 is to be 100% prepaid. As a result of the change of payment terms, the estimated consideration payable for the year ending 31 December 2014 under the Sale of Nepheline Mud Agreement (being USD3,244,821 as disclosed in the announcement dated 30 December 2013) has to be increased by USD15,265. Other major terms in the Sale of Nepheline Mud Agreement remain unchanged; and
- (iii) On 28 February 2014, RUSAL Achinsk OJSC, as seller, and Achinsk Cement LLC, as buyer, entered into an addendum (the “**Sale of Coal Addendum**”) to change the payment terms of the additional agreement for sale of coal dated 15 November 2013 (the “**Sale of Coal Agreement**”) which was disclosed in the announcement of the Company dated 18 November 2013. The original payment terms as set out in the Sale of Coal Agreement was that the payment was to be 100% pre-paid by instalments. Pursuant to the Sale of coal Addendum, the relevant payment terms were changed to the effect that (a) payment for volumes shipped by 30 April 2014 in the amount of USD1,060,606 is to be satisfied by way of drawing a loan from the seller at the interest rate of 9% per annum and is to be repaid by two installments in May and June 2014, and any shipped volume at an amount exceeding USD1,060,606 is to be paid within 5 banking days from date of pro forma invoice; and (b) payment for volumes shipped from 1 May 2014 to 31 December 2014 is to be 100% prepaid. As a result of the

change of payment terms, the estimated consideration payable for the year ending 31 December 2014 under the Sale of Coal Agreement (being USD12,646,537 as disclosed in the announcement dated 18 November 2013) has to be increased by USD36,436. Other major terms in the Sale of Coal Agreement remain unchanged.

SALE OF COAL SWEEPINGS ADDITIONAL AGREEMENT

The Company announces that on 28 February 2014, JSC Kremniy, a member of the Group, as seller, entered into an additional agreement to the sale of coal sweepings contract dated 16 September 2013 (as disclosed in the Company's announcement dated 17 September 2013) with JSC Irkutskenergo, an associate of En+, as buyer, pursuant to which JSC Kremniy agreed to supply and JSC Irkutskenergo agreed to purchase coal sweepings in the estimated volume of not more than 2,315 tons at the estimated consideration of up to approximately USD28,061 for the financial year ending 31 December 2014 (the "**Sale of Coal Sweepings Additional Agreement**"). The consideration is to be paid within 10 days after shipment, and is to be satisfied in cash via wire transfer. All other terms of the sale of coal sweepings contract dated 16 September 2013 remain the same.

THE AGGREGATION APPROACH

Pursuant to Rule 14A.25 of the Listing Rules, the continuing connected transactions under the Sale of Coal Sweepings Additional Agreement is required to be aggregated with the Previously Disclosed Raw Materials Supply Contracts, as they were entered into by the Group with the associates of the same connected persons or with parties connected or otherwise associated with one another, and the subject matter of each of the contracts relates to the supply of raw materials by the Group.

The annual aggregate transaction amount payable under the Sale of Coal Sweepings Additional Agreement and the Previously Disclosed Raw Materials Supply Contracts (taking into account of the Sale of Crushed Limestone Addendum, the Sale of Nepheline Mud Addendum and the Sale of Coal Addendum) is estimated to be approximately USD40.78 million for the year ending 31 December 2014. The bases of calculation of payments under the Sale of Crushed Limestone Agreement (as amended), the Sale of Nepheline Mud Agreement (as amended), the Sale of Coal Agreement (as amended) and the Sale of Coal Sweepings Additional Agreement are set out below:

- (i) in the case of the sale of crushed limestone, nepheline mud and coal, the consideration is calculated by multiplying the price per ton by the volume and

taking into account the interest rate of 9% per annum on the installment payments in May and June 2014. The price per ton of coal is approximately USD60.04; the price per ton of crushed limestone is approximately USD6.29; and the price per ton of nepheline mud is approximately USD5.76; and

- (ii) in the case of the sale of coal sweepings, the consideration is calculated by multiplying the unit price per ton by the volume. The price per ton of coal sweepings is approximately USD12.12.

The consideration payable under the under the Sale of Crushed Limestone Agreement (as amended), the Sale of Nepheline Mud Agreement (as amended), the Sale of Coal Agreement (as amended) and the Sale of Coal Sweepings Additional Agreement has been arrived at after arm's length negotiation by 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 annual aggregate amount is the maximum amount of consideration payable under the terms of the under the Sale of Crushed Limestone Agreement (as amended), the Sale of Nepheline Mud Agreement (as amended), the Sale of Coal Agreement (as amended), the Sale of Coal Sweepings Additional Agreement and the Previously Disclosed Raw Materials Supply Contracts based on the delivery volume for the year ending 31 December 2014 estimated by Directors and the demand from the buyers.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Directors consider that the entering into of the Sale of Crushed Limestone Addendum, the Sale of Nepheline Mud Addendum, the Sale of Coal Addendum and the Sale of Coal Sweepings Additional Agreement is for the benefit of the Company as the sale is profitable and the Group is assured of payment on a timely basis and there are less financial risks. The Directors also consider that the entering into of the Sale of Coal Sweepings Additional Agreement is for the benefit of the Company as there is lack of storage area for this kind of raw materials within the Group and the market demand for coal sweepings is low while JSC Irkutskenergo is ready to buy the coal sweepings from JSC Kremniy.

The Directors (including the independent non-executive Directors) consider that the Sale of Crushed Limestone Addendum, the Sale of Nepheline Mud Addendum, the Sale of Coal Addendum and the Sale of Coal Sweepings Additional Agreement have 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 Sale of Crushed Limestone Addendum, the Sale of Nepheline Mud Addendum, the Sale of Coal Addendum and the Sale of Coal Sweepings Additional Agreement save for:

- (a) Mr. Deripaska who is indirectly interested in more than 30% of the issued share capital of each of Achinsk Cement LLC and JSC Irkutskenergo. Accordingly, Mr. Deripaska did not vote on the Board resolutions approving the Sale of Crushed Limestone Addendum, the Sale of Nepheline Mud Addendum, the Sale of Coal Addendum and the Sale of Coal Sweepings Additional Agreement;
- (b) Mr. Deripaska, Mr. Vladislav Soloviev, Mr. Maxim Sokov, Ms. Olga Mashkovskaya and Ms. Gulzhan Moldazhanova, who are directors of En+, being the holding company of JSC Irkutskenergo. Accordingly, Mr. Deripaska, Mr. Vladislav Soloviev, Mr. Maxim Sokov, Ms. Olga Mashkovskaya and Ms. Gulzhan Moldazhanova did not vote on the Board resolutions approving the Sale of Coal Sweepings Additional Agreement; and
- (c) Mr. Deripaska and Ms. Gulzhan Moldazhanova, who are directors of Basic Element, being the holding company of Achinsk Cement LLC. Accordingly, Mr. Deripaska and Ms. Gulzhan Moldazhanova did not vote on the Board resolutions approving the Sale of Crushed Limestone Addendum, the Sale of Nepheline Mud Addendum and the Sale of Coal Addendum.

LISTING RULES IMPLICATIONS

JSC Irkutskenergo is held by En+ (a substantial shareholder of the Company) as to more than 30% of the issued share capital. En+ is in turn held by Mr. Deripaska as to more than 50% of the issued share capital. JSC Irkutskenergo is therefore an associate of Mr. Deripaska and of En+, and thus a connected person of the Company.

Achinsk Cement LLC is held by Basic Element as to more than 30% of the issued share capital. Basic Element is in turn held by Mr. Deripaska (the chief executive officer of the Company and an executive Director) as to more than 50% of the issued share capital. Achinsk Cement LLC is therefore an associate of Mr. Deripaska and is thus a connected person of the Company.

Accordingly, the transactions contemplated under the Sale of Crushed Limestone Addendum, the Sale of Nepheline Mud Addendum, the Sale of Coal Addendum and the Sale of Coal Sweepings Additional Agreement; constitute continuing connected transactions of the Company.

As the applicable percentage ratios (other than the profits ratio) for the Sale of Crushed Limestone Agreement (as amended), the Sale of Nepheline Mud Agreement (as amended), the Sale of Coal Agreement (as amended), the Sale of Coal Sweepings Additional Agreement and the Previously Disclosed Raw Materials Supply Contracts for the year ending 31 December 2014 respectively are more than 0.1% but less than 5%, pursuant to Rule 14A.34 of the Listing Rules, the transactions contemplated under these agreements 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. They are exempt from the independent shareholders' approval requirements of Chapter 14A of the Listing Rules.

Details of the Sale of Crushed Limestone Agreement (as amended), the Sale of Nepheline Mud Agreement (as amended), the Sale of Coal Agreement (as amended), the Sale of Coal Sweepings Additional Agreement 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.

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

JSC Irkutskenergo is principally engaged in the power generation. Power generation base of Irkutskenergo comprises various hydro- and thermal power plants and heat transmission networks.

DEFINITIONS

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

“associate(s)”	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 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(s)”	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, a substantial shareholder (as defined in the Listing Rules) 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 of the Company and an executive Director
“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 2014, as disclosed in the announcements of the Company dated 18 November 2013, 30 December 2013 and 28 January 2014.

“percentage ratios”	the percentage ratios under Rule 14.07 of the Listing Rules
“RUSAL Achinsk OJSC”	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
“VAT”	Value added tax

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

3 March 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.