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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

The Company announces that a member of the Group, as seller, has entered into the 2015 Raw Materials Supply Contracts with the associates of Mr. Deripaska/En+, as buyers.

2015 RAW MATERIALS SUPPLY CONTRACTS

The Company announces that RUSAL Achinsk OJSC (“**RUSAL Achinsk**”), a member of the Group, as seller, has entered into the following raw materials supply contracts with the associates of Mr. Deripaska/En+, as buyers, with particulars set out below (the “**2015 Raw Materials Supply Contracts**”):

No.	Date of contract	Seller	Buyer (an associate of Mr. Deripaska/En+)	Raw materials to be supplied	Estimated delivery volume for the year ending 31 December 2015	Estimated consideration payable for the year ending 31 December 2015, excluding VAT (USD)	Payment terms
1.	22 December 2014	RUSAL Achinsk	Achinsk Cement LLC	Limestone	925,683 tons	5,666,484	100% pre-payment
2.	22 December 2014	RUSAL Achinsk	Achinsk Cement LLC	Nepheline mud	606,150 tons	2,123,232	100% pre-payment
3.	22 December 2014	RUSAL Achinsk	Achinsk Cement LLC	Clay from overburden	93,931 tons	115,892	100% pre-payment
4.	22 December 2014	RUSAL Achinsk	Achinsk Cement LLC	Pulverized coal fuel	12,000 tons	888,919	100% pre-payment
5.	22 December 2014	RUSAL Achinsk	Achinsk Cement LLC	Coal	211,343 tons	11,783,057	100% pre-payment
6.	22 December 2014	RUSAL Achinsk	Achinsk Cement LLC	Fuel oil	3,650 tons	1,549,301	100% pre-payment
7.	22 December 2014	RUSAL Achinsk	Achinsk Cement LLC	Diesel fuel	7.2 tons	8,012	100% pre-payment
8.	22 December 2014	RUSAL Achinsk	KraMZ-Auto Limited Liability Company (“KraMZ-Auto LLC”)	Diesel fuel	120 tons	125,276	100% pre-payment
	Total estimated consideration payable for the year:					22,260,173	

For each of the contracts set out in the table above, the consideration is to be satisfied in cash via wire transfer. For each of the contracts no. 1 to no. 8 above, the scheduled termination date is 31 December 2015 and each of the contracts is renewable upon agreement of both parties.

THE AGGREGATION APPROACH

Pursuant to Rule 14A.81 of the Listing Rules, the continuing connected transactions under the 2015 Raw Materials Supply Contracts are required to be aggregated together, 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 2015 Raw Materials Supply Contracts is estimated to be approximately USD22.26 million for the year ending 31 December 2015.

The consideration payable under the 2015 Raw Materials Supply Contracts is calculated by multiplying the unit price by the volume. The unit price of the relevant raw materials are set out below (adopting the same numberings in the table which sets out the major terms of the 2015 Raw Materials Supply Contracts), which is based on the total production cost or original purchase price plus gross margin where applicable.

No.	Raw materials	Approximate unit price
1.	Limestone	Up to USD6.12 per ton (inclusive of 23.12% gross margin)
2.	Nepheline mud	Up to USD3.51 per ton (inclusive of 2.25% gross margin)
3.	Clay from overburden	Up to USD1.23 per ton
4.	Pulverized coal fuel	Up to USD74.08 per ton (inclusive of 11.67% gross margin)
5.	Coal	Up to USD55.82 per ton (inclusive of 10% gross margin)
6.	Fuel oil	Up to USD424.47 per ton (inclusive of 10% gross margin)
7.	Diesel fuel	Up to USD1,112.76 per ton (inclusive of 10% gross margin)
8.	Diesel fuel	Up to USD1,043.97 per ton (inclusive of 3.2% gross margin)

The consideration payable under the under the 2015 Raw Materials Supply Contracts 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 2015 Raw Materials Supply Contracts based on the delivery volume for the year ending 31 December 2015 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 2015 Raw Materials Supply Contracts 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. As to contract no. 3, Achinsk Cement LLC is the only buyer for the clay from overburden in the relevant region.

The Directors (including the independent non-executive Directors) consider that the 2015 Raw Materials Supply Contracts 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 under the 2015 Raw Materials Supply Contracts, save for:

- (i) (a) Mr. Deripaska, who is a director of Basic Element and is interested in more than 50% of the issued share capital of Basic Element; (b) Ms. Gulzhan Moldazhanova, who is a director of Basic Element; and (c) Ms. Olga Mashkovskaya, who is a deputy chief executive officer for finance of Basic Element. Basic Element is the holding company of Achinsk Cement LLC. Accordingly, Mr. Deripaska, Ms. Gulzhan Moldazhanova and Ms. Olga Mashkovskaya did not vote on the Board resolutions approving the raw materials supply contracts with Achinsk Cement LLC;
- (ii) 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 KraMZ-Auto LLC. Mr. Deripaska is also indirectly interested in more than 30% of the issued share capital of KraMZ-Auto LLC. 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 raw materials supply contract with KraMZ-Auto LLC.

LISTING RULES IMPLICATIONS

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 (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.

KraMZ-Auto LLC 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. KraMZ-Auto LLC is therefore an associate of Mr. Deripaska and of En+, and is thus a connected person of the Company.

Accordingly, the transactions contemplated under the 2015 Raw Materials Supply Contracts constitute continuing connected transactions of the Company.

The estimated annual aggregate transaction amount for the financial year ending 31 December 2015 of the continuing connected transactions under the 2015 Raw Materials Supply Contracts is more than 0.1% but less than 5% under the applicable percentage ratios. Accordingly, pursuant to Rule 14A.76 of the Listing Rules, the transactions contemplated under these contracts are only subject to the announcement requirements set out in Rules 14A.35 and 14A.68, the annual review requirements set out in Rules 14A.49, 14A.55 to 14A.59, 14A.71 and 14A.72 and the requirements set out in Rules 14A.34 and 14A.50 to 14A.54 of the Listing Rules. These transactions are exempt from the circular and shareholders' approval requirements under Chapter 14A of the Listing Rules.

Details of the 2015 Raw Materials Supply Contracts will be included in the next annual report and accounts of the Company in accordance with Rule 14A.71 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.

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

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

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
“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, an 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

“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
Aby Wong Po Ying
Company Secretary

23 December 2014

As at the date of this announcement, the executive Directors are Mr. Oleg Deripaska, Ms. Vera Kurochkina, Mr. Vladislav Soloviev and Mr. Stalbek Mishakov, the non-executive Directors are Mr. Maxim Sokov, Mr. Dmitry Afanasiev, Mr. Len Blavatnik, Mr. Ivan Glasenberg, Mr. Maksim Goldman, Ms. Gulzhan Moldazhanova, Mr. Daniel Lesin Wolfe, 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.