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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 18 November 2013, 30 December 2013, 28 January 2014, 3 March 2014, 11 September 2014 and 2 December 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+.

**THE ADDENDUM**

The Company announces that on 26 December 2014, RUSAL Achinsk OJSC (“**RUSAL Achinsk**”), a member of the Group, as seller, entered into an addendum to the sale of clay from open pit overburden contract dated 25 December 2013 (the “**Original Contract**”) (as disclosed on page 2 of the Company’s announcement dated 30 December 2013) with Achinsk Cement LLC, an associate of Mr. Deripaska, as buyer (the “**Addendum**”). Pursuant to the Addendum, RUSAL Achinsk and Achinsk Cement LLC agreed to further increase the estimated volume of clay from open pit overburden to be supplied under the Original Contract for the financial year ending 31 December 2014 from 93,913 tons (increased from 86,718 tons pursuant to an addendum dated 1 December 2014 as disclosed in the announcement dated 2 December 2014 and together with the Addendum referred to as the “**Addendums**”) to 107,870 tons, and the estimated consideration will be increased to approximately USD134,445. Other terms under the Original Contract remain unchanged.

## **THE AGGREGATION APPROACH**

Pursuant to Rule 14A.81 of the Listing Rules, the continuing connected transactions under the Original Contract as amended by the Addendums 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 Original Contract as amended by the Addendums and the Previously Disclosed Raw Materials Supply Contracts is estimated to be approximately USD41.807 million for the year ending 31 December 2014.

The consideration payable under the Original Contract as amended by the Addendums is calculated by multiplying the unit price per ton by the volume. The price per ton of the clay from open pit overburden is approximately USD1.25 (subject to fluctuations of the RUB/USD exchange rate), based on the total production cost plus 0.1% gross margin.

The consideration payable under the under the Original Contract as amended by the Addendums 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 Original Contract as amended by the Addendums 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 Original Contract as amended by the Addendums 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 (including the independent non-executive Directors) consider that the Original Contract as amended by the Addendums has been negotiated on an arm's length basis and are 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 Original Contract as amended by the Addendums, save for (i) Mr. Deripaska, who is a director of Basic Element and is interested in more than 50% of the issued share capital of Basic Element; (ii) Ms. Gulzhan Moldazhanova, who is a director of Basic Element; and (iii) 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 Original Contract as amended by the Addendums.

## **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.

Accordingly, the transactions contemplated under the Original Contract as amended by the Addendums constitute continuing connected transactions of the Company.

The estimated annual aggregate transaction amount for the financial year ending 31 December 2014 of the continuing connected transactions under the Original Contract as amended by the Addendums and the Previously Disclosed 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 Original Contract as amended by the Addendums 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.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.

## **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, the controlling 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
“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, 28 January 2014, 3 March 2014, 11 September 2014 and 2 December 2014
“RUB”	Russian Rubles, the lawful currency of the Russian Federation
“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*

29 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.*