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

CONTINUING CONNECTED TRANSACTIONS
PURCHASE OF ALUMINA AND HYDRATE

The Company announces that on 31 December 2014, RUSAL-TH, as the buyer, and BCP, as the supplier, entered into the Purchase of Alumina and Hydrate Contract pursuant to which RUSAL-TH agreed to buy and BCP agreed to sell alumina and hydrate.

THE PURCHASE OF ALUMINA AND HYDRATE CONTRACT

The Company announces that, on 31 December 2014, RUSAL-TH, as the buyer, and BCP, as the supplier, entered into a contract pursuant to which RUSAL-TH agreed to buy and BCP agreed to sell alumina and hydrate (the “**Purchase of Alumina and Hydrate Contract**”). The key terms of the Purchase of Alumina and Hydrate Contract are set out below:

Contracting parties:	RUSAL-TH, as the buyer BCP, as the supplier
Scheduled termination date:	31 December 2017
Estimated amount of alumina to be supplied for the three years ending 31 December 2017:	2015: 226,667 tonnes 2016: 226,667 tonnes 2017: 226,667 tonnes
Estimated amount of consideration for the alumina for the three years ending 31 December 2017:	2015: USD76,500,000 2016: USD76,500,000 2017: USD76,500,000

Estimated amount of hydrate to be supplied for the three years ending 31 December 2017:	2015: 33,333 tonnes of aluminium oxide in the hydrate 2016: 33,333 tonnes of aluminium oxide in the hydrate 2017: 33,333 tonnes of aluminium oxide in the hydrate
Estimated amount of consideration for the hydrate for the three years ending 31 December 2017:	2015: USD10,806,558 2016: USD10,806,558 2017: USD10,806,558
Terms of payment:	Consideration will be settled in cash via wire transfer, and prepayment for the supplies will be made on the 5th, the 15th, the 25th day of the supplying month, and the final settlement will be made on the 5th day of the following month.

THE ANNUAL AGGREGATE TRANSACTION AMOUNT

The contract price payable under the Purchase of Alumina and Hydrate Contract has been determined with reference to the 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 the associates of Mr. Deripaska to independent third parties. The basis of calculation of payments under the Purchase of Alumina and Hydrate Contract is the unit price of the raw materials (alumina: USD318.39 per tonne (for 2015); hydrate: USD305.84 per tonne of aluminium oxide in the hydrate multiplied by the volume to be supplied (for 2015)). The price per tonne of the alumina and hydrate is based on the industrial products producers' price index. The unit prices of the raw materials for 2016 and 2017 may be changed according to the industrial products producers' price index.

Based on the terms of the Purchase of Alumina and Hydrate Contract, the annual aggregate transaction amount that is payable by the Group to the associates of Mr. Deripaska for each of the three financial years ending 31 December 2017 is estimated to be approximately USD87.30 million.

The annual aggregate transaction amount is estimated by the Directors based on the amount of raw materials to be purchased and their contract price.

THE AGGREGATION APPROACH

Pursuant to Rule 14A.81 of the Listing Rules, the continuing connected transactions contemplated under the Purchase of Alumina and Hydrate Contract should 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 contracts relate to the purchase of alumina and hydrate for production by members of the Group.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Directors consider that the Purchase of Alumina and Hydrate Contract is for the benefit of the Company, as BCP offered a competitive price. The Purchase of Alumina and Hydrate is entered into mainly for the purposes of purchasing raw materials for the Company's aluminium production by its aluminium smelters.

The Directors (including the independent non-executive Directors) consider that the Purchase of Alumina and Hydrate 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 Purchase of Alumina and Hydrate 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 Purchase of Alumina and Hydrate Contract, 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 BCP. Accordingly, Mr. Deripaska, Ms. Gulzhan Moldazhanova and Ms. Olga Mashkovskaya did not vote on the Board resolutions approving the Purchase of Alumina and Hydrate Contract.

LISTING RULES IMPLICATIONS

BCP is directly held by Basic Element as to more than 30% of the issued share capital. Basic Element is in turn indirectly 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. BCP is therefore an associate of Mr. Deripaska and is thus a connected person of the Company.

The estimated annual aggregate transaction amount of the continuing connected transactions under the Purchase of Alumina and Hydrate Contract for each of the three financial years ending 31 December 2017 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 Purchase of Alumina and Hydrate Contract will be included in the relevant 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.

BCP is principally engaged in the production of alumina.

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.
“BCP”	CJSC “BaselCement-Pikalevo”.
“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(s)”	has the same meaning ascribed thereto under the Listing Rules.

“continuing connected transactions”	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.
“Mr. Deripaska”	Mr. Oleg Deripaska, the chief executive officer of the Company and an executive Director.
“percentage ratios”	the percentage ratios under Rule 14.07 of the Listing Rules.
“RUSAL-TH”	Open Joint Stock Company “United Company RUSAL-Trading House”, a 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
Aby Wong Po Ying
Company Secretary

14 January 2015

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.