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

CONTINUING CONNECTED TRANSACTIONS
HEAT SUPPLY CONTRACTS

The Company announces that, in December 2014 and on 1 January 2015, a series of heat supply contracts were entered into between members of the Group and the associates of En+, pursuant to which the associates of En+ supply heat energy to members of the Group.

Reference is made to the announcement of the Company dated 2 January 2014 in relation to certain continuing connected transactions regarding the supply of heat to members of the Group by the associates of En+.

THE 2015 HEAT SUPPLY CONTRACTS

The Company announces that, in December 2014 and on 1 January 2015, a series of heat supply contracts were entered into between members of the Group and the associates of En+, pursuant to which the associates of En+ supply heat energy to members of the Group (the “**2015 Heat Supply Contracts**”) with major terms set out below:

Date of contract	Purchaser (member of the Group)	Supplier (associate of En+)	Form of heat	Estimated amount of heat to be supplied for the relevant year (approximate)	Estimated consideration payable for the relevant year excluding VAT (USD)	Payment terms
1 January 2015 (Note 7)	Branch of RUSAL Bratsk OJSC in Shelekhov	Irkutskenergo Open Joint Stock Company (“OJSC Irkutskenergo”)	Heat in hot water	2015: 141,167 Gcal 2016: 141,167 Gcal 2017: 141,167 Gcal	2015: USD2,824,899 2016: USD3,042,416 2017: USD3,206,706 (Note 1)	Advance payment of 35% of the total price on the 18th day of each month, and 50% by the 30th day of each month with the remainder (15%) being paid up by the 10th day of the month following the billing month
1 January 2015 (Note 7)	Branch of RUSAL Bratsk OJSC in Shelekhov	OJSC Irkutskenergo	Heat in steam	2015: 78,421 Gcal 2016: 78,421 Gcal 2017: 78,421 Gcal	2015: USD1,846,246 2016: USD1,988,407 2017: USD2,095,781 (Note 2)	Advance payment of 35% of the total price on the 18th day of each month, and 50% by the 30th day of each month with the remainder (15%) being paid up by the 10th day of the month following the billing month

Date of contract	Purchaser (member of the Group)	Supplier (associate of En+)	Form of heat	Estimated amount of heat to be supplied for the relevant year (approximate)	Estimated consideration payable for the relevant year excluding VAT (USD)	Payment terms
1 January 2015 (Note 8)	RUSAL Bratsk Open Joint Stock Company	OJSC Irkutskenenergo	Heat (water, steam)	2015: Heat energy: 330 Gcal Chemically treated water (heat medium): 559 tonnes	2015: USD6,568 (Note 3)	Advance payment of 35% of the total price by the 18th day of each month, and 50% by the end of each month with the remainder (15%) being paid up by the 10th day of the month following the billing month
1 January 2015 (Note 8)	RUSAL Sayanogorsk Aluminium Smelter Open Joint Stock Company	Khakass Utility Systems Limited Liability Company ("Khakass Utility Systems LLC")	Heat energy and hot water	2015: Heat energy: 344,286 Gcal Chemically treated water (heat medium): 1,375,000 m ³	2015: Heat energy: USD6,253,388 Chemically treated water (heat medium): USD159,480 Hot water quality control: USD4,758 Total for 2015: USD6,417,626 (Note 4)	Payment within 15 days after receipt of billing documents
1 January 2015 (Note 8)	RUSAL Sayanogorsk Aluminium Smelter Open Joint Stock Company	Baikalenergo Closed Joint Stock Company ("Baikalenergo CJSC")	Heat energy and hot water to heat up sports and recreation centre	2015: Heat energy — from 1 January 2015 to 30 June 2015: 2,204.7 Gcal from 1 July 2015 to 31 December 2015: 2,157.9 Gcal Chemically treated water (heat medium): from 1 January 2015 to 30 June 2015: 25,751.4 m ³ from 1 July 2015 to 31 December 2015: 28,372.8 m ³	2015: Heat energy: USD184,246 Heat medium: USD19,852 Total for 2015: USD204,098 (Note 5)	No later than the 20th day of a month following the month of settlement
1 January 2015 (Note 8)	RUSAL Sayanogorsk Aluminium Smelter Open Joint Stock Company	Baikalenergo CJSC	Heat in hot water	2015: 575 Gcal	2015: USD24,024 (Note 6)	Payment no later than the 20th day of a month following the billing month based on the invoice received

Date of contract	Purchaser (member of the Group)	Supplier (associate of En+)	Form of heat	Estimated amount of heat to be supplied for the relevant year (approximate)	Estimated consideration payable for the relevant year excluding VAT (USD)	Payment terms
23 December 2014 (Note 7)	Limited Liability Company RUSAL Taishet Aluminium Smelter	Baikalenergo CJSC	Thermal power	2015: 846.56 Gcal 2016: 846.56 Gcal 2017: 846.56 Gcal	2015: USD30,447.75 2016: USD33,248.62 2017: USD38,915.47 (Note 9)	Advance payment of 35% of the total price on the 18th day of each month, and 50% by the 30th day of each month with the remainder (15%) being paid up by the 10th day of the month following the billing month
30 December 2014 (Note 10)	OJSC RUSAL SAYANAL	Khakass Utility Systems LLC	Heat and chemically purified water	2015: Heat-37,000 Gcal Chemically purified water-77,000 m ³	2015: USD724,172 (Note 11)	Payment no later than the 28th day of a month following the billing month based on the invoice received
Total estimated consideration payable for the year:					2015: USD12,078,080.75 2016: USD5,064,071.62 2017: USD5,341,402.47	

Notes:

1. The Tariff Authority of the Irkutsk region regulates the tariffs for the heat supply. The price is calculated by multiplying unit price by the amount of heat energy. The relevant unit price is USD20/Gcal.
2. The Tariff Authority of the Irkutsk region regulates the tariffs for the heat supply. The price is calculated by multiplying unit price by the amount of heat energy. The relevant unit price is USD23.5/Gcal.
3. The Tariff Authority of the Irkutsk region regulates the rates for the hot water. The price is calculated by multiplying unit price by the amount of heat. The unit price for chemically treated water (heat medium) is USD0.4/Gcal for the period from January to June 2015, and USD0.44/Gcal for the period from July to December 2015. The unit price for heat energy is USD19.9/Gcal for the period from January to June 2015, and USD19.6/Gcal for the period from July to December 2015.

4. The contract price is proposed by Khakass Utility Systems LLC and agreed between the parties. The heat energy rate for the first half of 2015 is USD17.2/Gcal, and for the second half of 2015 is USD19.3/Gcal. The rate for the chemically treated water for the first half of 2015 is USD0.1/m³, and for the second half of 2015 is USD0.12/m³. The tariff for water quality control for 2015 is USD396.52/month.
5. The contract price is proposed by Baikalenergo CJSC and agreed between the parties. The heat energy rate for the first half of 2015 is USD39.9/Gcal, and for the second half of 2015 is USD44.6/Gcal. The heat medium rate for the first half of 2015 is USD0.34/m³, and for the second half of 2015 is USD0.39/m³.
6. The contract price is proposed by Baikalenergo CJSC and agreed between the parties. The heat energy rate for the first half of 2015 is USD39.9/Gcal, and for the second half of 2015 is USD44.6/Gcal.
7. The scheduled termination date of the contract is 31 December 2017.
8. The scheduled termination date of the contract is 31 December 2015, without extension.
9. The contract price is proposed by Baikalenergo CJSC and agreed between the parties. The thermal power rate for the period from 1 January 2015 to 30 June 2015 is USD31.13/Gcal, for the period from 1 July 2015 to 31 December 2015 is USD35.70/Gcal, for 2016 is USD36.83/Gcal and for 2017 is USD42.35/Gcal (*current tariff*), and is determined in accordance with the thermal energy transmission tariffs and the thermal energy tariffs for Taishet district of Irkutsk region.
10. The scheduled termination date of the contract is 31 December 2015, and will be extended for one year unless any party choose to terminate one month prior to expiry.
11. The contract price is proposed by Khakass Utility Systems LLC and agreed between the parties. The heat energy rate for 2015 is USD19.3/Gcal, and the rate for the chemically treated water for 2015 is USD0.12/m³.

The consideration under the 2015 Heat Supply Contracts is to be paid in cash via wire transfer.

THE ANNUAL AGGREGATE TRANSACTION AMOUNT

Pursuant to Rule 14A.81 of the Listing Rules, the continuing connected transactions contemplated under the 2015 Heat Supply Contracts should be aggregated with the Previously Disclosed Heat Supply Contract, as they were entered into by members of the Group with the associates of En+, and the subject matter of each contract relates to the heat supply by the associates of En+ to the Group.

The annual aggregate transaction amounts that are payable by the Group to the associates of En+ under the 2015 Heat Supply Contracts and the Previously Disclosed Heat Supply Contract for the three financial years ending 31 December 2017 are estimated to be approximately USD12.120 million, USD5.112 million and USD5.341 million respectively.

The basis of calculation of payments under the 2015 Heat Supply Contracts is set out in the table (together with the notes therein) on pages 2 to 5 of this announcement. Each of OJSC Irkutskenergo and Khakass Utility Systems LLC is a monopolist generator of the relevant form of heat in the Irkutsk region and Sayanogorsk respectively, and Baikalergergo CJSC is a monopolist heat energy transporter in Sayanogorsk and in Taishet. Accordingly, the 2015 Heat Supply Contracts are entered into with such parties.

The contract price under the 2015 Heat Supply Contracts has been arrived at after arm's length negotiation with reference to the market price and on terms no less favourable than those prevailing in the Russian market for the heat of the same type and quality and those offered by the associates of En+ to independent third parties. The annual aggregate transaction amount is derived from the total contract price under the 2015 Heat Supply Contracts and the Previously Disclosed Heat Supply Contract, which was based on the need of heat by the Group for the relevant year.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The 2015 Heat Supply Contracts are entered into for the purpose of obtaining heat and chemically treated water for the Group's production process and for its production and recreational facilities. The Company considers that the transactions contemplated under the 2015 Heat Supply Contracts are for the benefit of the Company as there is no alternative supplier available in the respective regions.

The Directors (including the independent non-executive Directors) consider that the 2015 Heat Supply Contracts are on normal commercial terms which are fair and reasonable and the transactions contemplated under the 2015 Heat Supply Contracts 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 Heat Supply Contracts, save for 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 OJSC Irkutskenergo, Khakass Utility Systems LLC and Baikalergergo CJSC. Mr. Deripaska is also indirectly interested in more than 50% of the issued share capital of En+. 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 2015 Heat Supply Contracts.

LISTING RULES IMPLICATIONS

Each of OJSC Irkutskenergo, Khakass Utility Systems LLC and Baikalenergo CJSC is an indirect subsidiary of En+, and is therefore an associate of En+ which is a substantial shareholder of the Company. Accordingly, each of OJSC Irkutskenergo, Khakass Utility Systems LLC and Baikalenergo CJSC is a connected person of the Company under the Listing Rules.

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

The estimated annual aggregate transaction amount of the continuing connected transactions under the 2015 Heat Supply Contracts and the Previously Disclosed Heat Supply Contract for the financial year ending 31 December 2015 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 Heat Supply Contracts and the Previously Disclosed Heat Supply 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.

OJSC Irkutskenergo is principally engaged in generating heat and electricity.

Khakass Utility Systems LLC is principally engaged in generating heat and electricity.

Baikalenergo CJSC is principally engaged in generating heat and electricity.

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.
“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.
“En+”	En+ Group Limited, a company incorporated in Jersey, a substantial shareholder of the Company.
“Group”	the Company and its subsidiaries.
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange.
“Previously Disclosed Heat Supply Contract”	the heat supply contract entered into between OJSC “SibVAMI” and OJSC Irkutskenergo dated 26 December 2013 as disclosed in the announcement of the Company dated 2 January 2014.
“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

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.