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UNITED COMPANY RUSAL PLC

(Incorporated under the laws of Jersey with limited liability)

(Stock Code: 486)

CONTINUING CONNECTED TRANSACTIONS TRANSPORTATION CONTRACTS

The Company announces that, during the end of December 2014 and early January 2015, a series of transportation contracts were entered into between members of the Group and the associates of En+, pursuant to which the associates of En+ agreed to provide transportation services to members of the Group.

THE 2015 TRANSPORTATION CONTRACTS

The Company announces that, during the end of December 2014 and early January 2015, a series of transportation contracts were entered into between members of the Group and the associates of En+, pursuant to which the associates of En+ agreed to provide transportation services to members of the Group (the “**2015 Transportation Contracts**”) with major terms set out below:

Date of contract	Customer (member of the Group)	Service provider (associate of En+)	Transportation services	Estimated consideration payable for the year ending 31 December 2015 or the three years ending 31 December 2017, excluding VAT (USD)	Scheduled termination date	Payment terms
On 1 January 2015	Sayanogorsk Railcar Repair Works Limited Liability Company	KraMZ-Auto	Transportation of employees by bus	2015: USD 5,693 2016: USD 6,210 2017: USD 6,728 <i>(Note 1)</i>	31 December 2017	Payment within 10 calendar days after receipt of invoice
On 1 January 2015	RUSAL Sayanogorsk Aluminium Smelter Open Joint Stock Company	KraMZ-Auto	Transportation of employees by bus	2015: USD 345,560 2016: USD 380,116 2017: USD 418,127 <i>(Note 2)</i>	31 December 2017	Payment within 10 calendar days after receipt of invoice
On 1 January 2015	RUSAL Sayanogorsk Aluminium Smelter Open Joint Stock Company	KraMZ-Auto	Transportation of the goods by cars (cargo)	2015: USD1,664,497.73 2016: USD1,830,947.51 2017: USD2,014,042.26 <i>(Note 3)</i>	31 December 2017	Payment within 10 banking days after receipt of invoice
On 1 January 2015	RUSAL Krasnoyarsk Aluminium Smelter Open Joint Stock Company	KraMZ-Auto	Supply of specified motor vehicles for transportation of passengers	2015: USD1,061,614.66 2016: USD1,168,143.60 2017: USD1,284,661.14 <i>(Note 4)</i>	31 December 2017	Payment within 10 calendar days after receipt of invoice

Date of contract	Customer (member of the Group)	Service provider (associate of En+)	Transportation services	Estimated consideration payable for the year ending 31 December 2015 or the three years ending 31 December 2017, excluding VAT (USD)	Scheduled termination date	Payment terms
On 1 January 2015	RUSAL Krasnoyarsk Aluminium Smelter Open Joint Stock Company	KraMZ-Auto	Transportation services including: - cargo transportation by trucks, - receipt of cargo from consignor and its transfer to consignee, - cargo handling, - supply of special vehicles and mechanisms as well as operators, - supply of specified motor vehicles to transport passengers (light vehicles and vans)	2015: USD3,738,202.83 2016: USD4,075,388.38 2017: USD4,492,037.25 (Note 5)	31 December 2017	Payment within 10 calendar days after receipt of invoice
On 1 January 2015	RUSAL Sayanogorsk Aluminium Smelter Open Joint Stock Company	OVE	Cargo delivery and railway transportation	2015: USD6,678,000 (Note 6)	31 December 2015, may be extended subject to agreement between the parties	Payment within 10 working days after receipt of invoice
On 1 January 2015	RUSAL Bratsk Aluminium Smelter Open Joint Stock Company	KraMZ-Auto	Cargo transportation, cargo handling, supply of special vehicles and mechanisms with operators, transportation by light vehicles	2015: USD 2,921,083 2016: USD2,798,258 2017: USD3,075,168 (Note 7)	31 December 2017	Payment within 10 banking days after receipt of invoice
On 1 January 2015	Sayanogorsk Railcar Repair Works Limited Liability Company (SVRZ)	KraMZ-Auto	Cargo transportation	2015: USD 25,985 2016: USD 28,615 2017: USD 31,442 (Note 8)	31 December 2017	Payment within 10 calendar days after receipt of invoice

Date of contract	Customer (member of the Group)	Service provider (associate of En+)	Transportation services	Estimated consideration payable for the year ending 31 December 2015 or the three years ending 31 December 2017, excluding VAT (USD)	Scheduled termination date	Payment terms
On 1 January 2015	Limited liability Company "IT-Service"	KraMZ-Auto	Transportation services by different vehicles and special equipment	2015: USD84,032 (Note 9)	31 December 2015	Payment within 60 calendar days upon receipt of invoice
On 30 December 2014	OJSC "RUSAL SAYANAL"	KraMZ-Auto	Passenger transportation	2015: USD34,208 (Note 10)	31 December 2015	Payment within 10 calendar days after receipt of invoice
On 26 December 2014	OJSC "RUSAL SAYANAL"	KraMZ-Auto	Cargo transportation	2015: USD486,809 (Note 11)	31 December 2015	Payment within 15 calendar days after receipt of invoice
On 29 December 2014	OJSC "RUSAL SAYANAL"	OVE	Cargo transportation	2015: USD38,062 (Note 12)	31 December 2015	Payment within 10 calendar days after receipt of invoice
Total estimated consideration payable for the year:				2015: USD17,083,747.22 2016: USD10,287,678.49 2017: USD11,322,205.65		

Notes:

1. The service fee is calculated by multiplying the price for transportation of one person (which is approximately USD1.6 for 2015, USD1.76 for 2016 and USD1.9 for 2017) by the number of persons and by the number of business days (being approximately 14 persons and approximately 252 business days for each of the three years).
2. The service fee is calculated by multiplying the price for transportation of one person (which is approximately USD1.6 for 2015, USD1.76 for 2016 and USD1.9 for 2017) by the number of persons and by the number of business days (being approximately 859 persons and approximately 252 business days for each of the three years).

3. The service fee is calculated by multiplying the hourly rate for using one motor vehicle (which ranges from approximately USD12.8 to USD38.8 for 2015, from approximately USD14.1 to USD42.7 for 2016 and from approximately USD15.5 to USD47 for 2017) (depending on the type of motor vehicles)) by the number of hours for the usage (being approximately 89,969.20 hours for each of the three years).
4. The service fee is calculated by multiplying the hourly rate for using one vehicle (which ranges from approximately USD14.2 to USD26.5 for 2015, from approximately USD15.7 to USD29 for 2016 and from approximately USD17.3 to USD32 for 2017 (depending on the type of vehicles)) by the number of hours for the usage (being approximately 37,962 hours for 2015, 37,980 hours for 2016 and 37,968 hours for 2017).
5. The service fee is calculated by multiplying the hourly rate for using one vehicle (which ranges from approximately USD18.5 to USD93 for 2015, from approximately USD20.3 to USD102 for 2016 and from approximately USD22.3 to USD112 for 2017 (depending on the type of vehicles)) by the number of hours for the usage (being approximately 145,932 hours for 2015, 144,715 hours for 2016 and 145,013 hours for 2017).
6. For transportation of coal, the service fee is calculated by multiplying the tariff for transportation of coal (being USD0.03 for 1 kilometres) and the distance (being 58 kilometres). For transportation of other goods, the service fee is calculated by multiplying the tariff for transportation of other goods (being USD0.06 for 1 kilometres) and the distance (being 58 kilometres).
7. The service fee is calculated by multiplying the hourly rate for using one vehicle (which ranges from approximately USD14.5 to USD34.3 for 2015, from approximately USD13.8 to USD35.7 for 2016 and from approximately USD15.2 to USD41.4 for 2017 (depending on the type of vehicles)) by the number of hours for the usage (being approximately 120,757 hours for 2015, 110,450 hours for 2016 and 110,328 hours for 2017).
8. The service fee is calculated by multiplying the hourly rate for using one vehicle (which ranges from approximately USD17 to USD43 for 2015, from approximately USD18.7 to USD47.3 for 2016 and from approximately USD20.5 to USD52 for 2017 (depending on the type of vehicles)) by the number of hours for the usage (being approximately 1,418.55 hours for each of the three years).
9. The service fee is calculated by multiplying the hourly rate for using one vehicle or special equipment (which ranges from approximately USD4.66 to USD61.37 (depending on the type of vehicles)) by the number of hours for the usage (being approximately 6,165 hours for 2015).
10. The service fee is calculated by multiplying the price for transportation of one trip (which is approximately USD21.1 for 2015) by the number of trips (5) per day and on a 27 days per month basis.
11. The service fee is calculated by multiplying the hourly rate for using one vehicle (which ranges from approximately USD10 to USD455 for 2015 (depending on the type of vehicles)) by the number of hours for the usage (which ranges from 96 to 1488 per month).

12. The service fee is calculated by multiplying the cost per wagon (which is approximately USD148 for 2015) by the number of wagons (estimated to be 256 for 2015)

The consideration under the 2015 Transportation 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 Transportation Contracts should be aggregated, 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 provision of transportation services 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 Transportation Contracts for the three financial years ending 31 December 2017 are estimated to be approximately USD17.084 million, USD10.288 million and USD11.322 million respectively.

The basis of calculation of payments under the 2015 Transportation Contracts set out in the table on pages 2 to 6 (together with the notes therein) of this announcement is the respective service fee proposed by KraMZ-Auto and OVE respectively. The Company invited several organizations to take part in the tender in relation to the relevant required transportation services and chose the contractors offering the best terms and conditions (taking into account the price and quality offered by those service providers and the business relationship with the service providers) and then entered into contracts with the chosen service providers. As to the transportation contract between RUSAL Sayanogorsk Aluminium Smelter Open Joint Stock Company/RUSAL Sayanogorsk OJSC and OVE, OVE owns the only railway track section which is required for the transportation services. As to the transportation contract between Limited liability Company “IT-Service” and KraMZ-Auto, the Company invited proposals from the service providers openly. KraMZ-Auto is the only service provider which submitted its proposal and can provide the required service in the proximity. Accordingly, the 2015 Transportation Contracts were entered into.

The contract price under the 2015 Transportation 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 transportation services 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 Transportation Contracts, which was based on the need of transportation services by the Group for the relevant year.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The 2015 Transportation Contracts are entered into for the purpose of transporting the personnel, goods and cargoes of the Group. The Company considers that the transactions contemplated under the 2015 Transportation Contracts are for the benefit of the Company, as the services provided are required in the production process of the Group and both KraMZ-Auto and OVE offered a competitive price.

The Directors (including the independent non-executive Directors) consider that the 2015 Transportation Contracts are on normal commercial terms which are fair and reasonable and the transactions contemplated under the 2015 Transportation 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 Transportation 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 KraMZ-Auto and OVE. 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 Transportation Contracts.

LISTING RULES IMPLICATIONS

Each of KraMZ-Auto and OVE is an indirectly subsidiary of En+, and is therefore an associate of En+ which is a substantial shareholder of the Company. Accordingly, each of KraMZ-Auto and OVE is a connected person of the Company under the Listing Rules.

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

The estimated annual aggregate transaction amount of the continuing connected transactions under the 2015 Transportation Contracts 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 2015 Transportation Contracts 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.

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

OVE is principally engaged in the provision of transportation services and railway transport.

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.
“KraMZ-Auto”	KraMZ-Auto Limited Liability Company, an indirect subsidiary of En+.

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange.
“Mr. Deripaska”	Mr. Oleg Deripaska, an executive Director.
“OVE”	OJSC Otdeleniye Vremennoy Expluatasii, an indirect subsidiary of En+.
“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.