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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 announcement of the Company dated 30 December 2014 in relation to the continuing connected transaction regarding the supply of raw materials by member of the Group, as seller to an associate of Mr. Blavatnik, as buyer.

### **SALE OF SILICON AGREEMENT**

On 19 January 2015, LLC SUAL Kremny Ural, as seller entered into a sale of silicon agreement (the “**Sale of Silicon Agreement**”) with Doncarb Graphite Limited Liability Company (“**Doncarb Graphite**”), as buyer, pursuant to which LLC SUAL Kremny Ural agreed to supply and Doncarb Graphite agreed to purchase silicon of approximately 48 tons during the year ending 31 December 2015, at a total consideration of approximately USD0.135 million. The term of the contract is up to 31 December 2015, and will be extended for one year unless either party declares its intention to terminate the contract.

Under the Sale of Silicon Agreement, the consideration is to be 100% pre-paid and satisfied in cash via wire transfer.

## **THE ANNUAL AGGREGATE TRANSACTION AMOUNT**

Based on the terms of the Addendum to Green Petroleum Coke Sale Agreement and Sale of Silicon Agreement, the annual aggregate transaction amount that is payable by the associates of Mr. Blavatnik to the Group is up to approximately USD16.255 million for the year ending 31 December 2015. The annual aggregate transaction amount is the maximum amount of consideration payable under the terms of Addendum to Green Petroleum Coke Sale Agreement and the Sale of Silicon Agreement based on the delivery volume for the year ending 31 December 2015 estimated by the Directors and the demand from the buyers.

The consideration payable under the Sale of Silicon Agreement is calculated by multiplying the unit price per tonne by the volume of supply. The price per tonne of the silicon is approximately USD2,700, which is based on the purchase price paid by LLC SUAL Kremny Ural and the transportation cost plus 22.6% gross margin.

The consideration payable under Sale of Silicon Agreement 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 silicon of the same type and quality and those offered by members of the Group to independent third parties.

## **REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

The Directors consider that the transactions contemplated under the Sale of Silicon Agreement are for the benefit of the Company as the silicon supplied under the agreement was the current excess raw materials unused by the Group, and that the silicon sold under the relevant agreement was required under Regulation of Federal Antimonopoly Service of the Russian Federation (FAS) to meet the demand of domestic customers.

The Directors (including the independent non-executive Directors) consider that the transactions contemplated under the Sale of Silicon Agreement were entered into on normal commercial terms which are fair and reasonable and the transactions contemplated 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 have a material interest in the transactions contemplated under the Sale of Silicon Agreement, save for Mr. Blavatnik, being a non-executive Director who is indirectly interested in more than 30% in Doncarb Graphite. Accordingly, Mr. Blavatnik did not vote on the Board resolutions approving the Sale of Silicon Agreement.

## **LISTING RULES IMPLICATIONS**

Mr. Blavatnik, a non-executive Director, indirectly holds more than 30% of the issued share capital of Doncarb Graphite. Doncarb Graphite is therefore a connected person of the Company under the Listing Rules.

Accordingly, the transactions contemplated under the Sale of Silicon Agreement constitute continuing connected transactions of the Company.

The annual aggregate transaction amount of the continuing connected transactions under the Addendum to Green Petroleum Coke Sale Agreement and the Sale of Silicon Agreement 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 agreements 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 Addendum to Green Petroleum Coke Sale Agreement and the Sale of Silicon Agreement 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.

Doncarb Graphite is principally engaged in the production of graphite products and spare parts.

## DEFINITIONS

In this announcement, the following expressions have the following meanings, unless the context otherwise requires:

“Addendum to Green Petroleum Coke Sale Agreement”	the addendum to Green Petroleum Coke Sale Agreement dated 29 December 2014 as disclosed in the Company’s announcement dated 30 December 2014.
“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”	has the same meaning ascribed thereto under the Listing Rules.
“continuing connected transaction”	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 of Hong Kong Limited.
“Mr. Blavatnik”	Mr. Len Blavatnik, a non-executive Director.
“percentage ratios”	the percentage ratios under Rule 14.07 of the Listing Rules.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.
“USD”	United States dollars, the lawful currency of the United States of America.

By Order of the Board of Directors of  
**United Company RUSAL Plc**  
**Aby Wong Po Ying**  
*Company Secretary*

20 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.*