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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 and 3 March 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+.

#### **ADDITIONAL SALE OF CRUSHED LIMESTONE AGREEMENT**

The Company announces that on 10 September 2014, RUSAL Achinsk OJSC (“**RUSAL Achinsk**”), a member of the Group, as seller, entered into an additional agreement to the sale of crushed limestone contract dated 28 December 2011 (as disclosed on page 4 of the Company’s announcement dated 20 December 2011) with Achinsk Cement LLC, an associate of Mr. Deripaska, as buyer (the “**Additional Sale of Crushed Limestone Agreement**”). Pursuant to the Additional Sale of Crushed Limestone Agreement, RUSAL Achinsk agreed to supply and Achinsk Cement LLC agreed to purchase crushed limestone in the estimated volume of 176,608 tons at the estimated consideration of approximately USD1,011,651 for the financial year ending 31 December 2014. The scheduled termination date is on 31 December 2014. The agreement can be extended by signing an additional agreement by both parties. The consideration is to be pre-paid in 2 installments, and is to be satisfied in cash via wire transfer.

## **THE AGGREGATION APPROACH**

Pursuant to Rule 14A.81 of the Listing Rules, the continuing connected transactions under the Additional Sale of Crushed Limestone Agreement 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 Additional Sale of Crushed Limestone Agreement and the Previously Disclosed Raw Materials Supply Contracts is estimated to be approximately USD41.792 million for the year ending 31 December 2014.

The consideration payable under the Additional Sale of Crushed Limestone Agreement is calculated by multiplying the unit price per ton by the volume. The price per ton of the crushed limestone is USD 6.18, which is based on the total production cost plus 15% gross margin.

The consideration payable under the under the Additional Sale of Crushed Limestone 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 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 Additional Sale of Crushed Limestone Agreement 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 Additional Sale of Crushed Limestone Agreement 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 Additional Sale of Crushed Limestone Agreement has been negotiated on an arm's length basis and 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 Additional Sale of Crushed Limestone Agreement, save for Mr. Deripaska and Ms. Gulzhan Moldazhanova, who are directors of Basic Element, being the holding company of Achinsk Cement LLC. Mr. Deripaska is also indirectly interested in more than 30% of the issued share capital of Achinsk Cement LLC. Accordingly, Mr. Deripaska and Ms. Gulzhan Moldazhanova did not vote on the Board resolutions approving the Additional Sale of Crushed Limestone Agreement.

## **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 (the chief executive officer of the Company and 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 Additional Sale of Crushed Limestone Agreement constitute continuing connected transactions of the Company.

The annual aggregate transaction amount for the financial year ending 31 December 2014 of the continuing connected transactions under the Additional Sale of Crushed Limestone Agreement 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 Additional Sale of Crushed Limestone Agreement 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(s)”	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 and 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

“Mr. Deripaska”	Mr. Oleg Deripaska, the chief executive officer of the Company and an executive Director
“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 and 3 March 2014
“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*

11 September 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.*