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

**UPDATE ON ALUMINIUM SALES CONTRACTS  
CONTINUING CONNECTED TRANSACTIONS**

Reference is made to certain continuing connected transactions relating to aluminium sales involving the Group set out in the Prospectus and the Annual Report. The Board is pleased to announce that the caps set out in the Prospectus in relation to aluminium sales contracts with companies associated with SUAL Partners and Mr Deripaska have not been exceeded for 2010. The Board also advises that it has been notified that LLC Tradecom has been substituted by KramZ as the buyer to the Long Term Supply Contract with LLC Tradecom.

(a) **Aluminium sale contracts with associates of SUAL Partners**

1. **Aluminium sale contracts with OJSC KUMZ**

As part of the Group's ordinary course of business and pursuant to antimonopoly requirements to supply aluminium to Russian purchasers, members of the Group have entered into a long-term aluminium sale contract with, amongst others, OJSC KUMZ, which is a company owned by certain shareholders of SUAL Partners, who in aggregate have a controlling interest in SUAL Partners which is a substantial shareholder of the Company. UCR Trade, a wholly-owned subsidiary of the Company, had entered into a series of spot contracts on 31 December 2009, 29 January 2010, 1 March 2010, 5 March 2010, 1 April 2010, 5 April 2010, 21 April 2010, 30 April 2010, 31 May 2010 and 21 July 2010 respectively, supplemental to this long-term supply contract with OJSC KUMZ, whereby UCR Trade agreed to supply aluminium produced by the Company's smelters to OJSC KUMZ with the range and list of products and price being determined on a monthly basis. The actual amount of aluminium supplied to OJSC KUMZ under these contracts for the year ended 31 December 2010 was

approximately 81,690 tonnes for the aggregate consideration of US\$176.17 million. The prices were set on arm's length terms, and were tied to the price of aluminium on the LME. Payment was required to be made within 30 days from delivery and the consideration was satisfied in cash via wire transfer.

## 2. Aluminium sale contract with Khimprom.

As disclosed in the announcement dated 18 March 2011 by UC Rusal, members of the Group entered into short-term aluminium sale contracts with Khimprom. Khimprom is 34% controlled by SUAL Partners, a substantial shareholder of the Company. Therefore, Khimprom is an associate of SUAL Partners and transactions between companies of the Group and Khimprom constitute continuing connected transactions for the Company under the Listing Rules.

On 1 December 2009, 12 January 2010, 4 February 2010, 1 March 2010, 1 April 2010, 4 May 2010, 2 June 2010, 1 July 2010, 20 October 2010 and 12 November 2010, OJSC SUAL, a wholly-owned subsidiary of the Company, entered into short-term sale contracts with Khimprom for the supply of aluminium at arm's length prices which were determined with reference to the price of aluminium on the LME. Under each of these contracts, aluminium was supplied during the same month the contract was entered into. The actual amount of aluminium supplied to Khimprom under these contracts for the year ended 31 December 2010 was approximately 87 tonnes for the aggregate consideration of US\$0.19 million. 100% of the purchase price was prepaid in cash by Khimprom via wire transfer.

### **2010 Annual Cap**

According to Rule 14A.25 of the Listing Rules, the Aluminium Sale Contracts with associates of SUAL Partners should be aggregated together with one another as they have been entered into by the Group with parties associated with SUAL Partners and the subject matter all relate to aluminium supply.

Despite the aggregation of the contracts, the amounts payable under the Aluminium Sale Contracts with associates of SUAL Partners for the year ended 31 December 2010 were within the cap of US\$300 million for 2010 as disclosed in the Prospectus.

(b) **Aluminium sale contracts with companies controlled by Mr Deripaska**

1. **Aluminium Supply Contracts with LLC Tradecom and LLC GAZ**

As set out on pages 308 and 309 of the Prospectus, as part of the Group's ordinary course of business and pursuant to antimonopoly requirements to supply aluminium to Russian purchasers, members of the Group have entered into a Long Term Supply Contract with LLC Tradecom and a Framework Agreement with LLC GAZ. Both LLC Tradecom and LLC GAZ are companies controlled by Mr. Deripaska and therefore are associates of Mr. Deripaska and connected persons of the Company.

*Long Term Supply Contract with LLC Tradecom*

As disclosed in the Prospectus, on 14 December 2006, UCR Trade, a wholly owned subsidiary of the Company, entered into a long-term supply contract with LLC Tradecom for the supply of aluminium to LLC Tradecom for a period of fifteen years until December 2021. Pursuant to this contract, the Group will supply between 147,000 tonnes per year (in 2008) and 164,132 tonnes of aluminium per year (in 2016) to LLC Tradecom at arm's length prices tied to the price of aluminium on the LME.

100% prepayment is made by LLC Tradecom and the consideration is satisfied in cash via wire transfer. The actual amount of aluminium supplied to LLC Tradecom under this contract for the year ended 31 December 2010 was approximately 128,390 tonnes for the aggregate consideration of US\$262.58 million.

The parties may, at LLC Tradecom's request, no later than two calendar months in advance of the beginning of a new year of supplies, agree in writing a new annual volume of goods to be supplied subject to the variation not exceeding 10% of the original agreed volume. From the execution of the contract until 1 January 2010, LLC Tradecom was entitled to request a reduction in the annual volume of goods to be supplied up to 80,000 tonnes of aluminium per annum. Such reduction will come into effect in a year from the date of receipt of such notification by UCR Trade. From 2 January 2010, LLC Tradecom has been entitled to request an increase in the annual volume of goods to be supplied up to the original agreed volume. Such increase will take effect in a year from the date of receipt by the supplier of such notification. The volume of goods to be supplied from 2017 to 2021 shall be further agreed between the parties.

### *Substitution of LLC Tradecom by KraMZ*

Due to an asset restructuring of KraMZ as proposed by EN+, UCR Trade, LLC Tradecom and KraMZ have entered into the Substitution Agreements on 17 March 2011 pursuant to which KraMZ substitutes LLC Tradecom as buyer to the Long-Term Supply Contract with LLC Tradecom.

LLC Tradecom transfers and KraMZ assumes LLC Tradecom's rights and obligations under the Long-Term Supply Contract with LLC Tradecom with the consent of UCR Trade. KraMZ is 94% owned by EN+ which is ultimately controlled by Mr. Deripaska. KraMZ is therefore an associate of EN+ and Mr. Deripaska and a connected person of the Company.

### *Framework Agreement with LLC GAZ*

As disclosed in the Prospectus, on 28 February 2009, UCR Trade entered into a framework agreement with LLC GAZ pursuant to which the Group agreed to supply aluminium at prices and in amounts to be agreed on arm's length terms on a monthly basis until December 2010. The actual amount of aluminium supplied to LLC GAZ under this agreement for the year ended 31 December 2010 was approximately 9,609 tonnes for the aggregate consideration of US\$22.47 million. For 2010, no less than 84% of the consideration was prepaid and the remaining 16% was paid by LLC GAZ no later than 30 business days from shipment. All consideration was satisfied in cash via wire transfer.

On 27 September 2010, RUSAL RESAL entered into a short-term agreement with LLC GAZ pursuant to which the Group supplied aluminium at prices and in amounts that were agreed on arm's length terms on a monthly basis until December 2010. The actual amount of aluminium supplied to LLC GAZ under the short-term agreement for the year ended 31 December 2010 was approximately 683 tonnes for the aggregate consideration of US\$1.64 million. Payments were made within 30 days from shipment and all consideration was satisfied in cash via wire transfer.

The agreements will be automatically extended for the year 2011 unless the parties declare their intention to terminate.

## 2. *Long-Term Aluminium Supply Contract with DOZAKL*

As disclosed in the announcement dated 18 March 2011 by UC RUSAL, on 14 February 2006 members of the Group have entered into a long-term aluminium supply contract with DOZAKL for the supply of aluminium to DOZAKL for a term of 15 years until 31 December 2021 in respect of delivery and settlement

until complete performance of obligations by the parties to such contract. The actual amount of aluminium supplied to DOZAKL under this contract for the year ended 31 December 2010 was approximately 806 tonnes for the aggregate consideration of US\$1.79 million. Payments were made within 30 days from delivery and all consideration was satisfied in cash via wire transfer.

As disclosed in the announcement by UC RUSAL dated 18 March 2011, RUSAL Foil entered into a supply contract with DOZAKL on 14 February 2009 for the supply of aluminium tape to DOZAKL until 28 February 2010. On 11 February 2010, RUSAL Foil entered into another supply contract with DOZAKL for the supply of aluminium tape to DOZAKL until 31 December 2010. The actual amount of aluminium tape supplied to DOZAKL under these contracts for the year ended 31 December 2010 was approximately 2,990 tonnes for the aggregate consideration of approximately US\$9.53 million. Payments were made within 20 days from shipment and all consideration was satisfied in cash via wire transfer.

DOZAKL is 93.18% owned by EN+ which is ultimately controlled by Mr. Deripaska. DOZAKL is therefore an associate of EN+ and Mr. Deripaska and a connected person of the Company.

3. **Aluminium Supply Contract with Glavstroy — MOSMEK**

As disclosed in the announcement by UC RUSAL dated 18 March 2011, on 6 February 2009 members of the Group have entered into a master agreement with Glavstroy-MOSMEK for the supply of aluminium products to Glavstroy-MOSMEK for a term until 31 December 2009. This agreement was automatically extended for 2010 since UCR Trade and Glavstroy-MOSMEK did not declare their intention to terminate.

The actual amount of aluminium products supplied to Glavstroy-MOSMEK under this agreement for the year ended 31 December 2010 was approximately 2,713 tonnes for the aggregate consideration of US\$3.11 million. 100% pre-payment was made by Glavstroy-MOSMEK and the consideration was satisfied in cash via wire transfer.

Glavstroy-MOSMEK is indirectly controlled by Mr Deripaska as to more than 30%. Glavstroy-MOSMEK is therefore an associate of Mr Deripaska and a connected person of the Company.

4. **Aluminium Supply Contract with Barnaultransmash**

As disclosed in the announcement dated 18 March 2011 by UC RUSAL, on 28 January 2009 members of the Group have entered into an aluminium supply

contract with Barnaultransmash for the supply of aluminium to Barnaultransmash for a term until 30 August 2009. Such agreement was automatically extended for 2010 and 2011 since UCR Trade and Barnaultransmash did not declare their intention to terminate - the contract will expire on 31 December 2011. 100% prepayment shall be made and the consideration is to be satisfied in cash via wire transfer. The actual amount of aluminium supplied to Barnaultransmash under this contract for the year ended 31 December 2010 was approximately 504 tonnes for the aggregate consideration of US\$1.14 million.

Barnaultransmash is a subsidiary of Basic Element which is ultimately controlled by Mr Deripaska. Barnaultransmash is therefore an associate of Mr Deripaska and a connected person of the Company.

### **2010 Annual Cap**

According to Rule 14A.25 of the Listing Rules, the Aluminium Sale Contracts with companies controlled by Mr. Deripaska should be aggregated together with one another as they have been entered into by the Group with parties associated with Mr. Deripaska and the subject matter are all in respect of aluminium supply.

Despite the additional disclosure of the above contracts, the aggregated amounts payable under the Aluminium Sale Contracts with companies controlled by Mr. Deripaska for the year ended 31 December 2010 were within the cap of US\$340 million for 2010 as disclosed in the Prospectus.

The failure by UC Rusal to identify these contracts was a result of inadvertent error in properly identifying companies associated with Mr Deripaska. UC Rusal is continuing to strengthen its monitoring and control on connected transactions and is continually reviewing its procedures to ensure timely reporting. UC Rusal will review the cap amounts for the year ending 31 December 2011 and is prepared to seek the approval of any exceeded amounts by independent shareholders of UC Rusal, if required. UC Rusal will make further announcements and/or send shareholders' circulars (as appropriate) in this regard pursuant to the Listing Rules as and when appropriate.

### **Reasons for entering into and benefits of the Aluminium Sale Contracts**

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. Spread across 19 countries in 5 continents, the operations and offices of the Company employ over 75 000 people.

Since sale of aluminium is one of the principal activities of the Group and that the transactions contemplated under the Aluminium Sale Contracts will bring in revenue, the Board considers that it is beneficial for the Group to enter into the Aluminium Sale Contracts.

The Board considers that it is common for industrial concerns to enter into long-term supply contracts for raw materials to ensure that production will not be interrupted. Given the Company's obligation to supply aluminium pursuant to antimonopoly requirements and that the price of the aluminium supplied under the Aluminium Sale Contracts are based on market price of aluminium, the Directors (including the independent non-executive Directors) are of the view that the Aluminium Sale Contracts are fair and reasonable, conducted under normal commercial terms, have been entered into in the usual and ordinary course of business of the Group and are in the interest of the Company and its Shareholders as a whole.

The Directors (including the independent non-executive Directors) confirm that they are also of the view that the annual caps for the year ending 31 December 2010 and 2011 in respect of the Aluminium Sale Contracts are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

### **Terms of the Aluminium Sale Contracts**

The Directors consider that the duration of these contracts is justified and necessary and that it is normal business practice for contracts of this type to be of such duration for the following reasons:

- it is common for industrial concerns to enter into long-term supply contracts for raw materials to ensure that production would not be interrupted; and
- the Aluminium Sale Contracts with a duration of more than three years were entered into on 4 October 2007, 14 December 2006 and 15 December 2006 and it will be difficult for the Company to re-negotiate and amend the terms of such contracts.

None of the Directors have a material interest in the Continuing Connected Transactions save for:-

- (a) Mr. Vekselberg and Mr. Blavatnik who are indirectly interested in approximately 35.84% and 30.56% respectively in SUAL Partners as at the date of this announcement and are therefore indirectly interested in (i) OJSC KUMZ and (ii) Khimprom; and

- (b) Mr. Deripaska who is the ultimate beneficial owner of over 50% of EN+ and of Basic Element as at the date of this announcement and is therefore interested in (i) LLC Tradecom, (ii) LLC GAZ, (iii) KraMZ, (iv) DOZAKL, (v) Glavstroy-MOSMEK and (vi) Barnaultransmash.

Accordingly, Mr. Vekselberg, Mr. Blavatnik and Mr. Deripaska have abstained from voting on the board resolutions approving the relevant Continuing Connected Transactions.

### **Listing Rules Implications**

SUAL Partners is interested in approximately 15.80% of the issued share capital of the Company as at the date of this announcement.

As SUAL Partners is a substantial shareholder of the Company, transactions between its associates, including OJSC KUMZ and Khimprom and companies of the Group, constitute continuing connected transactions for the Company under the Listing Rules.

As at the date of this announcement, Mr Deripaska, through his interest in EN+, was interested in approximately 47.41% of the issued share capital of the Company.

As Mr. Deripaska is a chief executive officer, an executive Director and the ultimate beneficial owner of more than 50% of the controlling shareholder of the Group, EN+, the transactions between the companies controlled by him and the Group constitute continuing connected transactions for the Company under the Listing Rules. The companies controlled by Mr. Deripaska includes (i) LLC Tradecom, (ii) LLC GAZ, (iii) KraMZ, (iv) DOZAKL, (v) Glavstroy-MOSMEK and (vi) Barnaultransmash.

### **General**

OJSC KUMZ is principally engaged in metallurgy.

LLC Tradecom is principally engaged in providing agent services.

LLC GAZ is principally engaged in car production.

KraMZ is principally engaged in metallurgy.

DOZAKL is principally engaged in producing different metal products.

Glavstroy-MOSMEK is principally engaged in construction.

Barnaultransmash is principal engaged in machinery.

Khimprom is principally engaged in producing chemicals.

## Definitions

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

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|---|--|
| “Aluminium Sale Contracts”  | <ul style="list-style-type: none"><li>(i) Aluminium Sale Contracts with associates of SUAL Partners; and</li><li>(ii) Aluminium Sale Contracts with companies controlled by Mr. Deripaska.</li></ul>   |
| “Aluminium Sale Contracts with associates of SUAL Partners”           | <ul style="list-style-type: none"><li>(i) the long-term aluminium sale contract dated 4 October 2007 entered into between UCR Trade and OJSC KUMZ;</li><li>(ii) the series of spot contracts dated 31 December 2009, 29 January 2010, 1 March 2010, 5 March 2010, 1 April 2010, 5 April 2010, 21 April 2010, 30 April 2010, 31 May 2010 and 21 July 2010 respectively supplemental to the long-term aluminium sale contract mentioned in (i) above entered into between the same parties; and</li><li>(iii) the short-term aluminium sale contracts dated 1 December 2009, 12 January 2010, 4 February 2010, 1 March 2010, 1 April 2010, 4 May 2010, 2 June 2010, 1 July 2010, 20 October 2010 and 12 November 2010 entered into between OJSC SUAL and Khimprom.</li></ul> |
| “Aluminium Sale Contracts with companies controlled by Mr. Deripaska” | <ul style="list-style-type: none"><li>(i) Long-Term Supply Contract with LLC Tradecom and the Substitution Agreements;</li><li>(ii) the Framework Agreement with LLC GAZ;</li><li>(iii) the short-term aluminium supply contract dated 27 September 2010 entered into between RUSAL RESAL and LLC GAZ;</li></ul>   |

- (iv) the long-term aluminium supply contract dated 14 December 2006 entered into between UCR Trade and DOZAKL and the aluminium tape supply contracts dated 14 February 2009 and 11 February 2010 entered into between RUSAL Foil and DOZAKL;
- (v) the master agreement dated 6 February 2009 entered into between UCR Trade and Glavstroy-MOSMEK; and
- (vi) the aluminium supply contract dated 28 January 2009 entered into between UCR Trade and Barnaultransmash.

“Announcement”	the announcement of the Company dated 23 April 2010 in relation to exceeding of annual cap for the year ended 31 December 2009 in relation to the continuing connected transactions under the Long Term Supply Contract with LLC Tradecom and the Framework Agreement with LLC GAZ
“Annual Report”	The annual report of the Company for the year ended 31 December 2009
“Associates”	has the meaning ascribed thereto in the Listing Rules
“Barnaultransmash”	Open Joint Stock Company “Holding Company Barnaultransmash”, a subsidiary of Basic Element
“Basic Element”	Basic Element Limited, a company ultimately controlled by Mr. Deripaska
“Board”	the board of Directors of the Company
“Company” or “UC Rusal”	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 persons”	has the meaning ascribed thereto in the Listing Rules
“Continuing Connected Transactions”	the continuing connected transactions contemplated under the Aluminium Sale Contracts
“Director(s)”	the director(s) of the Company

“DOZAKL”	Joint Stock Company “Dmitrov Aluminium Rolling Mill”, a company owned as to 93.18% by EN+
“EN+”	EN+ Group Limited, a company incorporated in Jersey, which is the controlling shareholder of the Company
“Framework Agreement with LLC GAZ”	a framework agreement entered into between the Company and LLC GAZ dated 28 February 2009 in relation to the supply of aluminium until December 2010
“Group”	UC Rusal and its subsidiaries
“Glavstroy-MOSMEK”	Open Joint Stock Company “Glavstroy-MOSMEK”, a company indirectly controlled by Mr. Deripaska as to more than 30%
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“KraMZ”	LLC KraMZ, an indirect wholly-owned subsidiary of EN+
“LME”	“London Metal Exchange”
“Khimprom”	Khimprom OJSC, a company 34%-controlled by SUAL Partners
“OJSC KUMZ”	Kamensk-Uralsky Metallurgical Works Joint-Stock Company, a company owned by certain shareholders of SUAL Partners who in aggregate have a controlling interest in Sual Partners
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“LLC GAZ”	LLC Torgovo-Zakupochnaya Kompaniya GAZ, a wholly-owned subsidiary of Basic Element and a company controlled by Mr. Deripaska
“LLC Tradecom”	LLC Tradecom, a wholly-owned subsidiary of EN+ and a company controlled by Mr. Deripaska

“Long Term Supply Contract with LLC Tradecom”	a long-term supply contract dated 14 December 2006 entered into between UCR Trade and LLC Tradecom for the supply of aluminium to LLC Tradecom for a period of fifteen years until December 2021
“Mr. Blavatnik”	Mr. Len Blavatnik, a non-executive Director of the Company
“Mr. Deripaska”	Mr. Oleg Deripaska, an executive Director and the chief executive officer of the Company and the ultimate beneficial owner of more than 50% of EN+ and of Basic Element
“Mr. Vekselberg”	Mr. Victor Vekselberg, a non-executive Director of the Company
“Prospectus”	the prospectus of the Company dated 31 December 2009
“RUSAL Foil”	RUSAL Foil Limited Liability Company, a wholly-owned subsidiary of the Company
“RUSAL RESAL”	RUSAL RESAL Limited Liability Company, a wholly-owned subsidiary of the Company
“Shareholder(s)”	holder(s) of Shares
“Share(s)”	ordinary share(s) with nominal value of US\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SUAL Partners”	SUAL Partners Limited, a substantial shareholder of the Company
“substantial shareholder”	has the meaning ascribed thereto in the Listing Rules
“Substitution Agreements”	agreements entered into between UCR Trade, LLC Tradecom and KramZ dated 17 March 2011 in relation to the substitution of LLC Tradecom by KramZ as the buyer to the Long-Term Supply Contract with LLC Tradecom

“UCR Trade”                      Open Joint Stock Company United Company  
RUSAL-Trading House, a wholly-owned subsidiary of  
the Company

“US\$”                                US dollars, the lawful currency of the United States

By Order of the board of directors of  
**United Company RUSAL Plc**  
**Tatiana Soina**  
Director

18 March 2011

*As at the date of this announcement, the executive Directors are Mr. Oleg Deripaska, Mr. Vladislav Soloviev, Mr. Petr Sinshinov, Ms. Tatiana Soina, Mr. Alexander Livshits and Ms. Vera Kurochkina, the non-executive Directors are Mr. Victor Vekselberg (Chairman), Mr. Dmitry Afanasiev, Mr. Len Blavatnik, Mr. Ivan Glasenberg, Mr. Alexander Popov, Mr. Dmitry Razumov, Mr. Anatoly Tikhonov and Mr. Artem Volynets and the independent non-executive Directors are Dr. Peter Nigel Kenny, Mr. Philip Lader, Mr. Barry Cheung Chun-Yuen and Ms. Elsie Leung Oi-sie.*

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