

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

CONTINUING CONNECTED TRANSACTION

The Board is pleased to announce that certain members of the Group (each being an indirect wholly-owned subsidiary of the Company) entered into the Purchase of Raw Materials Agreements with associates of SUAL Partners for the purposes of the Group's repair programme.

Based on the terms of the Purchase of Raw Materials Agreements and the Previously Disclosed 2011 Purchase Agreements, the annual aggregate transaction amount that is payable by the Group to the associates of SUAL Partners for the financial year ending 31 December 2011 is estimated to be US\$17,751,152.

LISTING RULE IMPLICATIONS

SUAL Partners has a controlling interest of more than 30% in Doncarb Graphite. Each of Mr. Vekselberg and Mr. Blavatnik indirectly holds more than 30% of the share capital in Energoprom Management. Certain shareholders of SUAL Partners have a controlling interest of more than 30% in KUMZ, who in aggregate have a controlling interest in SUAL Partners. Therefore, each of Doncarb Graphite and KUMZ is an associate of SUAL Partners which is a substantial shareholder of the Company. Energoprom Management is an associate of each of Mr. Vekselberg and Mr. Blavatnik, each being a Director of the Company. Accordingly, each of Doncarb Graphite, Energoprom Management and KUMZ is a connected person of the Company under the Listing Rules.

Accordingly, each of the transactions contemplated under the Purchase of Raw Materials Agreements constitutes a continuing connected transaction of the Company.

Pursuant to Rule 14A.25 of the Listing Rules, the Purchase of Raw Materials Agreements and the Previously Disclosed 2011 Purchase Agreements will be aggregated as they have been entered into by the Group with associates of the same connected persons who are associated with one another and the subject matter of each of the agreements relates to the purchase of materials by the Group for the purposes of the Group's repair programme.

The estimated annual aggregate transaction amount of the continuing connected transactions under the Purchase of Raw Materials Agreements and the Previously Disclosed 2011 Purchase Agreements for the financial year ending 31 December 2011 is more than 0.1% but less than 5% under the revenue ratio while the other percentage ratios (other than the profits ratio) are less than 0.1%. Accordingly, pursuant to Rule 14A.34 of the Listing Rules, the transactions contemplated under these agreements are only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47, the annual review requirements set out in Rules 14A.37 to 14A.40 and the requirements set out in Rules 14A.35(1) and 14A.35(2) of the Listing Rules. These transactions are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

PURCHASE OF RAW MATERIALS AGREEMENTS FOR REPAIRING

The Board is pleased to announce that certain members of the Group (each being an indirect wholly-owned subsidiary of the Company) entered into the following Purchase of Raw Materials Agreements with associates of SUAL Partners for the purposes of the Group's repair programme:

- a) a purchase of graphite electrodes agreement dated 16 May 2011 pursuant to which RUS-Engineering agreed to purchase and Doncarb Graphite agreed to supply graphite electrodes during the year ending 31 December 2011, for a total consideration of approximately US\$45,000;
- b) a purchase of graphite electrodes agreement dated 16 May 2011 pursuant to which Glinozemservice agreed to purchase and Energoprom Management agreed to supply graphite electrodes during July 2011, for a total consideration of approximately US\$12,000;
- c) a purchase of aluminium bus agreement dated 16 May 2011 pursuant to which RusalArmenal agreed to purchase and KUMZ agreed to supply aluminium bus during the period from May to December 2011, for a total consideration of approximately US\$15,000;

- d) a series of purchase orders expected to be made during the year ending 31 December 2011, pursuant to which SU-Silicon will agree to purchase and Doncarb Graphite will agree to supply carbon products during the year ending 31 December 2011, for a total consideration of approximately US\$105,000.

For each of the Purchase of Raw Materials Agreements, the terms of delivery are either FCA Consignor's Station or CPT and the consideration is to be satisfied in cash via wire transfer within 15 days from the delivery of products, save for the purchase orders mentioned in sub-paragraph d) above for which 100% prepayment is to be made.

THE AGGREGATION APPROACH

Pursuant to Rule 14A.25 of the Listing Rules, the continuing connected transactions contemplated under the Purchase of Raw Materials Agreements will be aggregated with the continuing connected transactions under the Previously Disclosed 2011 Purchase Agreements as disclosed in the Company's announcement dated 31 March 2011, as they are entered into by the Group with the associates of the same connected persons who are associated with one another and the subject matters of each of the agreements relate to the purchase of raw materials by members of the Group for the purposes of the Group's repair programme.

THE ANNUAL AGGREGATE TRANSACTION AMOUNT

Based on the terms of the Purchase of Raw Materials Agreements and the Previously Disclosed 2011 Purchase Agreements, the annual aggregate transaction amount that is payable by the Group to associates of SUAL Partners for the financial year ending 31 December 2011 is estimated to be US\$17,751,152.

This annual aggregate transaction amount is estimated by the Directors based on the amount of graphitized carbon products and other raw materials to be supplied and their contract price for the purpose of the Group's repairing programme.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The transactions contemplated under the Purchase of Raw Materials Agreements are entered into for the purposes of repairing the Company's aluminium smelters as part of the Group's repair programme. The Directors consider that the transactions contemplated under the Purchase of Raw Materials Agreements are for the benefit of the Company as the Group is able to purchase various products and other raw materials from the associates of SUAL Partners at costs lower than the prevailing market rate.

The consideration payable under the Purchase of Raw Materials Agreements has been determined with reference to the market price and on terms no less favourable than those prevailing in the Russian market for products and raw materials of the same type and quality as those offered by the associates of SUAL Partners to independent third parties.

The Directors (including the independent non-executive Directors) consider that the Purchase of Raw Materials Agreements are 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 by the Purchase of Raw Materials Agreements, save for Mr. Victor Vekselberg and Mr. Len Blavatnik, each being a non-executive director of the Company who are each indirectly interested in more than 30% in Energoprom Management, and approximately 35.84% and 30.56% respectively in SUAL Partners, and thus are indirectly interested in each of Doncarb Graphite, Energoprom Management and KUMZ. Accordingly, each of Mr. Vekselberg and Mr. Blavatnik had abstained from voting on the board resolutions to approve the Purchase of Raw Materials Agreements.

LISTING RULES IMPLICATIONS

SUAL Partners has a controlling interest of more than 30% in Doncarb Graphite. Each of Mr. Vekselberg and Mr. Blavatnik indirectly holds more than 30% of the share capital in Energoprom Management. Certain shareholders of SUAL Partners have a controlling interest of more than 30% in KUMZ, who in aggregate have a controlling interest in SUAL Partners. Therefore, each of Doncarb Graphite and KUMZ is an associate of SUAL Partners which is a substantial shareholder of the Company. Energoprom Management is an associate of each of Mr. Vekselberg and Mr. Blavatnik, each being a Director of the Company. Accordingly, each of Doncarb Graphite, Energoprom Management and KUMZ is a connected person of the Company under the Listing Rules.

Accordingly, each of the transactions contemplated under the Purchase of Raw Materials Agreements constitutes a continuing connected transaction of the Company.

Pursuant to Rule 14A.25 of the Listing Rules, the Purchase of Raw Materials Agreements and the Previously Disclosed 2011 Purchase Agreements will be

aggregated as they have been entered into by the Group with associates of the same connected persons who are associated with one another and the subject matter of each of the Purchase of Raw Materials Agreements relates to the purchase of materials by the Group for the purposes of the Group's repair programme.

The estimated annual aggregate transaction amount of the continuing connected transactions under the Purchase of Raw Materials Agreements and the Previously Disclosed 2011 Purchase Agreements for the financial year ending 31 December 2011 is more than 0.1% but less than 5% under the revenue ratio while the other percentage ratios (other than the profits ratio) are less than 0.1%. Accordingly, pursuant to Rule 14A.34 of the Listing Rules, the transactions contemplated under these agreements are only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47, the annual review requirements set out in Rules 14A.37 to 14A.40 and the requirements set out in Rules 14A.35(1) and 14A.35(2) of the Listing Rules. These transactions are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Details of the Purchase of Raw Materials Agreements and the Previously Disclosed 2011 Purchase Agreements will be included in the next annual report and accounts of the Company in accordance with Rule 14A.46 of the Listing Rules.

PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY, DONCARB GRAPHITE, ENERGOPROM MANAGEMENT AND KUMZ

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 72,000 people.

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

Energoprom Management is principally engaged in manufacturing high-technology electrode and cathode products, the main consumers of which are producers of steel, aluminum, silicon and ferrous alloys.

KUMZ is principally engaged in metallurgy.

DEFINITIONS

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

“associate”	has the same meaning ascribed thereto under the Listing Rules.
“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”	has the same meaning ascribed thereto under the Listing Rules.
“Director(s)”	the director(s) of the Company.
“Doncarb Graphite”	Doncarb Graphite Limited Liability Company, a company incorporated under the laws of the Russian Federation.
“Glinozemservice”	Glinozemservice Limited Liability Company, a company incorporated under the laws of the Russian Federation and an indirect wholly-owned subsidiary of the Company.
“Group”	the Company and its subsidiaries.
“KUMZ”	Kamensk-Uralsky Metallurgical Works Joint-Stock Company, a company incorporated under the laws of the Russian Federation.
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange.
“Mr. Blavatnik”	Mr. Len Blavatnik, a non-executive director of the Company.
“Mr. Vekselberg”	Mr. Victor Vekselberg, the chairman and a non-executive director of the Company.

“Previously Disclosed 2011 Purchase Agreement”	(i) the 2011 New Purchase of Raw Materials Agreements, (ii) the Other Purchase Agreements and (iii) the 2011 Purchase Contracts as defined in the Company’s announcement dated 31 March 2011.
“percentage ratios”	the percentage ratios under Rule 14.07 of the Listing Rules.
“profits ratio”	has the same meaning ascribed thereto under Rule 14.07 of the Listing Rules.
“Purchase of Raw Materials Agreements”	all agreements the details of which are described on page 2 of this Announcement.
“revenue ratio”	has the same meaning ascribed thereto under Rule 14.07 of the Listing Rules.
“RUS-Engineering”	RUS-Engineering Limited Liability Company, a company incorporated under the laws of the Russian Federation and an indirect wholly-owned subsidiary of the Company.
“RusalArmenal”	RusalArmenal Closed Joint Stock Company, a company incorporated under the laws of Armenia and an indirect wholly-owned subsidiary of the Company.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.
“SU-Silicon”	SU-Silicon Limited Liability Company, a company incorporated under the laws of the Russian Federation and an indirect wholly-owned subsidiary of the Company.
“SUAL Partners”	SUAL Partners Limited, a company incorporated under the laws of Bahamas, which is a substantial shareholder of the Company.

“substantial
shareholder”

has the same meaning ascribed thereto under the Listing
Rules.

“US\$”

United States dollars, the lawful currency of the United
States of America.

By Order of the Board of Directors of
United Company RUSAL Plc
Tatiana Soina
Director

17 May 2011

As at the date of this announcement, our executive directors are Mr. Oleg Deripaska, Mr. Vladislav Soloviev, Mr. Petr Sinshinov, Ms. Tatiana Soina, Mr. Alexander Livshits and Ms. Vera Kurochkina, our 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 our independent non-executive directors are Dr. Peter Nigel Kenny, Mr. Philip Lader, Mr. Barry Cheung Chun-Yuen and Ms. Elsie Leung Oi-sie.

All announcements and press releases published by the Company are available on its website under the links http://www.rusal.ru/en/stock_fillings.aspx and <http://www.rusal.ru/en/press-center.aspx>, respectively.