

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 TRANSACTIONS OPERATION OF ONDSKAYA HYDRO POWER STATION

The Company announces that on 28 August 2014 and on 28 July 2015, JSC SUAL, a member of the Group, as the lessee, and EuroSibEnergо — Thermal Energy, an associate of En+, as the lessor, entered into the 2014 Lease and the 2015 Lease respectively.

The Company also announces that, on 4 December 2014 and on 28 July 2015, JSC SUAL, as the customer, and EuroSibEnergо — Thermal Energy, as the contractor, entered into the 2014 Operation and Maintenance Contract and the 2015 Operation and Maintenance Contract respectively.

THE LEASES

The Company announces that, on 28 August 2014, JSC “Siberian and Urals Aluminium Company” (“**JSC SUAL**”), a member of the Group, as the lessee, and “EuroSibEnergо — Thermal Energy” Ltd (“**EuroSibEnergо — Thermal Energy**”), an associate of En+, as the lessor, entered into a lease pursuant to which the movable and immovable property of Ondskaya Hydro Power Station is to be leased to JSC SUAL for 11 months from the commencement of the operation and maintenance services as referred to in the 2014 Operation and Maintenance Contract (as defined below) (the “**2014 Lease**”).

The Company announces that, on 28 July 2015, JSC SUAL, as the lessee, and EuroSibEnergо — Thermal Energy, as the lessor, entered into a lease to extend the term of the 2014 Lease pursuant to which the movable and immovable property of Ondskaya Hydro Power Station is to be leased to JSC SUAL for a term up to 31 December 2015 (the “**2015 Lease**”).

The key terms of the 2014 Lease and the 2015 Lease (collectively, the “**Leases**”) are set out below:

	2014 Lease	2015 Lease
Contracting parties:	JSC SUAL, as the lessee EuroSibEnergо — Thermal Energy, as the lessor	JSC SUAL, as the lessee EuroSibEnergо — Thermal Energy, as the lessor
Subject matter of the lease:	Movable and immovable property of Ondskaya Hydro Power Station	Movable and immovable property of Ondskaya Hydro Power Station
Term:	11 months, with extension up to 3 years subject to agreement between both parties and receipt of all necessary approvals and authorisations	Up to 31 December 2015
Rent:	For the financial year ended 31 December 2014: USD2,936,943 For the financial year ending 31 December 2015: USD4,268,069	For the financial year ending 31 December 2015: USD3,792,000
Terms of payment:	The rent is to be paid monthly and is to be settled in cash via wire transfer	The rent is to be paid monthly and is to be settled in cash via wire transfer

THE OPERATION AND MAINTENANCE CONTRACTS

The Company announces that, on 4 December 2014, JSC SUAL, as the customer, and EuroSibEnergо — Thermal Energy, as the contractor, entered into a contract pursuant to which EuroSibEnergо — Thermal Energy agreed to provide operation and maintenance services to JSC SUAL in relation to the movable and immovable property of Ondskaya Hydro Power Station (being the subject matter under the 2014 Lease) for a term up to 21 September 2015 (the “**2014 Operation and Maintenance Contract**”) for the estimated consideration of approximately USD399,245 for the year ended 31 December 2014, and approximately USD2,066,498 for the year ending 31 December 2015. The term of the 2014 Operation and Maintenance Contract may

be extended up to three years subject to the agreement between both parties and receipt of all necessary approvals and authorisations. Under the 2014 Operation and Maintenance Contract, the consideration is to be paid monthly in cash via wire transfer.

The Company announces that, on 28 July 2015, JSC SUAL, as the customer, and EuroSibEnergо — Thermal Energy, as the contractor, entered into a contract pursuant to which EuroSibEnergо — Thermal Energy agreed to provide operation and maintenance services to JSC SUAL in relation to the movable and immovable property of Ondskaya Hydro Power Station (being the subject matter under the 2015 Lease) for a term up to 31 December 2015 (the “**2015 Operation and Maintenance Contract**”) for the estimated consideration of approximately USD1,040,000 for the year ending 31 December 2015. Under the 2015 Operation and Maintenance Contract, the consideration is to be paid monthly in cash via wire transfer.

The 2014 Operation and Maintenance Contract and the 2015 Operation and Maintenance Contract are collectively referred to as the “**Operation and Maintenance Contracts**”.

THE ANNUAL AGGREGATE TRANSACTION AMOUNT

The rent payable under the Leases and the consideration payable under the Operation and Maintenance Contracts has been determined with reference to the market price and on terms no less favourable than those prevailing in the Russian market for the property and services of the same type and quality and those offered by the associates of En+ to independent third parties. The basis of calculation of payments under the Leases is the rent offered by EuroSibEnergо — Thermal Energy, which is based on the property taxes, cost of depreciation and cost of financing spent by the lessor to acquire the property of Ondskaya Hydro Power Station. The basis of calculation of payments under the Operation and Maintenance Contracts is the contract price offered by EuroSibEnergо — Thermal Energy, which is based on the cost of operating Ondskaya Hydro Power Station in terms of the salaries, maintenance and repair of equipment, service scheduling, subcontractors and other general expenses.

Based on the terms of the Leases and the Operation and Maintenance Contracts, the annual aggregate transaction amount that was paid by the Group to EuroSibEnergо — Thermal Energy for the financial year ended 31 December 2014 was approximately USD3.34 million, and the annual aggregate transaction amount that is payable by the Group to EuroSibEnergо — Thermal Energy for the financial year ending 31 December 2015 is estimated to be approximately USD11.17 million.

The annual aggregate transaction amount is estimated by the Directors based on the contract price under the Leases and the Operation and Maintenance Contracts.

THE AGGREGATION APPROACH

Pursuant to Rule 14A.81 of the Listing Rules, the continuing connected transactions contemplated under the Leases and the Operation and Maintenance Contracts should be aggregated, as they were entered into between the same parties, and the subject matter of each of the contracts relates to each other.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Directors consider that the Leases and the Operation and Maintenance Contracts are for the benefit of the Company, as (i) a branch of JSC SUAL (namely Nadvoitsy Aluminium Smelter) is supplied with electricity from Ondskaya Hydro Power Station which is owned by EuroSibEnergo — Thermal Energy and the Leases will allow the electricity cost to be reduced; and (ii) EuroSibEnergo — Thermal Energy possesses the necessary experience and expertise for the operation and maintenance of hydro installations and power generating equipment in Russia. Other alternative service provider would require the Company to hire additional personnel and incur costs on obtaining additional licences and permits which are not currently available.

The Directors (including the independent non-executive Directors) consider that the Leases and the Operation and Maintenance Contracts have been negotiated on an arm's length basis and on normal commercial terms which are fair and reasonable and the transactions contemplated under the Leases and the Operation and Maintenance 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 Leases and the Operation and Maintenance 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 EuroSibEnergo — Thermal Energy. 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 resolution approving the Leases and the Operation and Maintenance Contracts.

LISTING RULES IMPLICATIONS

EuroSibEnergо — Thermal Energy is directly or indirectly held by En+ as to more than 30% of the issued share capital and is therefore an associate of En+ which is a substantial shareholder of the Company and thus is a connected person of the Company under the Listing Rules.

The estimated annual aggregate transaction amount of the continuing connected transactions under the Leases and the Operation and Maintenance Contracts 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 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 Leases and the Operation and Maintenance 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.

EuroSibEnergо — Thermal Energy is principally engaged in the owning and operating power generating assets.

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.
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange.
“Mr. Deripaska”	Mr. Oleg Deripaska, an executive Director.
“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.

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

29 July 2015

As at the date of this announcement, the executive Directors are Mr. Oleg Deripaska, 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 and Mr. Dmitry Vasiliev.

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>, <http://rusal.ru/investors/info/moex/> and <http://www.rusal.ru/en/press-center/press-releases.aspx>, respectively.