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## **UNITED COMPANY RUSAL PLC**

*(Incorporated under the laws of Jersey with limited liability)*

**(Stock Code: 486)**

### **CONTINUING CONNECTED TRANSACTIONS PURCHASE OF VEHICLES**

The Company announces that on 2 September 2015, members of the Group, as buyers, entered into the New 2015 Purchase of Vehicles Contracts with associates of Mr. Deripaska.

Reference is made to the announcements of the Company dated 26 November 2014, 19 March 2015 and 9 July 2015 in relation to the continuing connected transactions regarding the purchase of railcars, vehicle and spare parts from an associate of Mr. Deripaska.

#### **THE NEW 2015 PURCHASE OF VEHICLES CONTRACTS**

The Company announces that, on 2 September 2015, the following contracts were entered into between members of the Group, as buyers, and associates of Mr. Deripaska, as sellers, pursuant to which associates of Mr. Deripaska agreed to sell vehicles to members of the Group for the year ending 31 December 2015 (the “**New 2015 Purchase of Vehicles Contracts**”) with major terms set out below:

<b>Date of contract</b>	<b>Buyer (member of the Group)</b>	<b>Seller (associate of Mr. Deripaska)</b>	<b>Subject matter</b>	<b>Estimated consideration payable for the year ending 31 December 2015, excluding VAT (USD)</b>	<b>Scheduled termination date</b>	<b>Payment terms</b>
2 September 2015	RUSAL Trans LLC	OJSC Ruzhim mash	Develop, construct and deliver railcars 2015-40 railcars; 2016-60 railcars	4,157,674 (2016: 6,236,512) Cost of research and development: 496,540	31 December 2016 (subject to extension of one year upon both parties' consent)	100% pre-paid in 2015
2 September 2015	RUSAL Trans LLC	OJSC Ruzhim mash	2015-60 railcars; 2016-140 railcars	6,236,500 (2016: 14,551,835)	31 December 2016 (subject to extension of one year upon both parties' consent)	100% pre-paid
2 September 2015	«Compagnie des Bauxites de Kindia» S.A. (“Compagnie des Bauxites de Kindia”)	“Russian Buses — GAZ Group” LLC (“GAZ”)	6 buses	240,000	31 December 2015	50% of total value of the agreement as advance payment shall be paid within 15 days from the date of invoice, and the balance payment shall be paid within 15 days from the date of receiving of notification regarding the readiness of goods for shipping.

<b>Date of contract</b>	<b>Buyer (member of the Group)</b>	<b>Seller (associate of Mr. Deripaska)</b>	<b>Subject matter</b>	<b>Estimated consideration payable for the year ending 31 December 2015, excluding VAT (USD)</b>	<b>Scheduled termination date</b>	<b>Payment terms</b>
2 September 2015	Compagnie de Bauxite et d'Alumine de Dian-Dian S.A.	GAZ	5 buses	200,000	31 December 2015	50% of total value of the agreement as advance payment shall be paid within 15 days from the date of invoice, and the balance payment shall be paid within 15 days from the date of receiving of notification regarding the readiness of goods for shipping.
<b>Total estimated consideration payable for the year:</b>				11,330,714 (2016:20,788,347)		

The consideration under each of the New 2015 Purchase of Vehicles Contracts is to be paid in cash via wire transfer.

### **THE ANNUAL AGGREGATE TRANSACTION AMOUNT**

Pursuant to Rule 14A.81 of the Listing Rules, the continuing connected transactions contemplated under the New 2015 Purchase of Vehicles Contracts and the Previously Disclosed 2015 Purchase of Vehicles Contracts should be aggregated, as they were entered into by members of the Group with the associates of Mr. Deripaska, and the subject matter of each contract relates to the purchase of vehicles/spare parts from the associates of Mr. Deripaska by the Group for the year ending 31 December 2015.

The annual aggregate transaction amounts that are payable by the Group to the associates of Mr. Deripaska under the New 2015 Purchase of Vehicles Contracts and the Previously Disclosed 2015 Purchase of Vehicles Contracts for the financial year ending 31 December 2015 is estimated to be approximately USD36.67 million and for the financial year ending 31 December 2016 is estimated to be approximately USD20.79 million.

The Company invited several organizations to take part in the tender in relation to the relevant subject matters and chose the contractor offering the best terms and conditions (taking into account the price and quality offered by those participants of the tender) and then entered into contracts with the chosen sellers. Accordingly, the New 2015 Purchase of Vehicles Contracts were entered into.

The contract price under each of the New 2015 Purchase of Vehicles Contracts has been arrived at after arm's length negotiation with reference to the market price and on terms no less favourable than those prevailing in the Russian market for railcars/buses of the same type and quality and those offered by the associates of Mr. Deripaska to independent third parties. The basis of calculation of payments under the New 2015 Purchase of Vehicles Contracts is as follows:

Railcar	approximately USD103,941 per railcar; cost of research and development of railcars: approximately USD496,540
Bus	USD40,000 per bus based on terms CIF- Conakry

The annual aggregate transaction amount is derived from the total contract price under the New 2015 Purchase of Vehicles Contracts, which was based on the amount of vehicles to be supplied and their contract price.

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

The New 2015 Purchase of Vehicles Contracts are entered into for the purpose of acquiring buses for the transportation of employees and acquiring railcars for liquid coal tar transportation. The Company considers that the transactions contemplated under the New 2015 Purchase of Vehicles Contracts are for the benefit of the Company, as each of GAZ and OJSC Ruzhimmash offered the buses/railcars to the Group at a competitive price and the quality of the buses/railcars satisfies the requirement of the Group.

The Directors (including the independent non-executive Directors) consider that the New 2015 Purchase of Vehicles Contracts are on normal commercial terms which are fair and reasonable and the transactions contemplated under the New 2015 Purchase of Vehicles 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 New 2015 Purchase of Vehicles Contracts, save for (i) Mr. Deripaska, who is a director of Basic Element and is interested in more than 50% of the issued share capital of Basic Element; (ii) Ms. Gulzhan Moldazhanova, who is a director of Basic Element; and (iii) Ms. Olga Mashkovskaya, who is a deputy chief executive officer for finance of Basic Element. Basic Element is the holding company of GAZ and OJSC Ruzhimmash. Accordingly, Mr. Deripaska, Ms. Gulzhan Moldazhanova and Ms. Olga Mashkovskaya did not vote on the Board resolutions approving the New 2015 Purchase of Vehicles Contracts.

## **LISTING RULES IMPLICATIONS**

Each of GAZ and OJSC Ruzhimmash is held by Basic Element as to more than 30% of the issued share capital. Basic Element is in turn held by Mr. Deripaska (an executive Director) as to more than 50% of the issued share capital. Accordingly, each of GAZ and OJSC Ruzhimmash is an associate of Mr. Deripaska and is thus a connected person of the Company under the Listing Rules and the transactions contemplated under the New 2015 Purchase of Vehicles Contracts constitute continuing connected transactions of the Company.

The estimated annual aggregate transaction amount of the continuing connected transactions under the New 2015 Purchase of Vehicles Contracts and the Previously Disclosed 2015 Purchase of Vehicles 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 New 2015 Purchase of Vehicles Contracts and the Previously Disclosed 2015 Purchase of Vehicles 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.

GAZ is principally engaged in selling automotive equipment and spare parts.

OJSC Ruzhimash is principally engaged in the development, production and sales of freight rolling stock for railway transport and its repair.

## **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.
“CIF”	one of the Incoterms - Cost, Insurance and Freight (named port of destination), generally meaning the seller must pay the costs, insurance and freight to bring the goods to the port of destination.
“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.
“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.
“Previously Disclosed 2015 Purchase of Vehicles Contracts”	the agreements between members of the Group and the associates of Mr. Deripaska, pursuant to which the associates of Mr. Deripaska agreed to sell vehicles/spare parts to members of the Group in 2015, as disclosed in the announcements of the Company dated 26 November 2014, 19 March 2015 and 9 July 2015.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.
“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*

4 September 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.*