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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 RAW MATERIALS FOR PRODUCTION**

The Company announces that on 18 November 2015, CJSC “Kremniy”, as buyer, entered into the Purchase of Raw Materials Agreement with CJSC “EPM-NovEP”.

Reference is made to the announcements of the Company dated 30 December 2014, 3 July 2015, 8 July 2015 and 6 October 2015 in relation to certain continuing connected transactions regarding the purchase of raw materials for production between CJSC “Kremniy” and the associates of Mr. Blavatnik, pursuant to which the associates of Mr. Blavatnik agreed to supply raw materials for production to CJSC “Kremniy”.

#### **THE PURCHASE OF RAW MATERIALS AGREEMENT WITH CJSC “EPM-NovEP”**

The Company announces that on 18 November 2015, CJSC “Kremniy”, a member of the Group, as buyer, entered into a purchase of raw materials agreement with CJSC “EPM-NovEP”, an associate of Mr. Blavatnik, as seller, pursuant to which CJSC “Kremniy” agreed to purchase and CJSC “EPM-NovEP” agreed to supply a measurer for production for the year ending 31 December 2015, for a consideration of USD1,405 (the **“Purchase of Raw Materials Agreement with CJSC “EPM-NovEP”**”). The term of the contract is up to 31 December 2015.

Under the Purchase of Raw Materials Agreement with CJSC “EPM-NovEP”, the payment of the consideration is to be made within 20 days upon delivery 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 Purchase of Raw Materials Agreement with CJSC “EPM-NovEP” are required to be aggregated with the Previously Disclosed Purchase of Raw Materials Agreements, 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 purchase of raw materials by members of the Group for the purpose of the Group’s production.

## **THE ANNUAL AGGREGATE TRANSACTION AMOUNT**

Based on the terms of the Purchase of Raw Materials Agreement with CJSC “EPM-NovEP” and the Previously Disclosed Purchase of Raw Materials Agreements, the annual aggregate transaction amount that is payable by the Group to the associates of Mr. Blavatnik for the financial year ending 31 December 2015 is estimated to be up to approximately USD30.086 million.

This annual aggregate transaction amount is estimated by the Directors based on the amount of raw materials to be supplied for the purpose of the Group’s production and their contract price.

The consideration 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 the associates of Mr. Blavatnik to independent third parties. Since CJSC “EPM-NovEP”’s product can offer the suitable quality control of electrodes used for main production, the Purchase of Raw Materials Agreement with CJSC “EPM-NovEP” was entered into.

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

The Directors consider that the Purchase of Raw Materials Agreement with CJSC “EPM-NovEP” is for the benefit of the Company, as the raw materials to be supplied by CJSC “EPM-NovEP” meet the technical specification for the Group’s production.

The Directors (including the independent non-executive Directors) consider that the Purchase of Raw Materials Agreement with CJSC “EPM-NovEP” has been negotiated on an arm’s length basis and on normal commercial terms which are fair and reasonable and the transactions contemplated under the Purchase of Raw Materials Agreement with CJSC “EPM-NovEP” 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 by the Purchase of Raw Materials Agreement with CJSC “EPM-NovEP”, save for Mr. Blavatnik, a non-executive Director, who is interested in more than 30% in CJSC “EPM-NovEP”. Accordingly, Mr. Blavatnik did not vote on the Board resolutions approving the Purchase of Raw Materials Agreement with CJSC “EPM-NovEP”.

## **LISTING RULES IMPLICATIONS**

Mr. Blavatnik indirectly holds more than 30% of the issued share capital of CJSC “EPM-NovEP”. CJSC “EPM-NovEP” is therefore an associate of Mr. Blavatnik, a non-executive Director, and hence a connected person of the Company under the Listing Rules.

Accordingly, the transactions contemplated under the Purchase of Raw Materials Agreement with CJSC “EPM-NovEP” constitute continuing connected transactions of the Company.

The annual aggregate transaction amount for the financial year ending 31 December 2015 of the continuing connected transactions under the Purchase of Raw Materials Agreement with CJSC “EPM-NovEP” and the Previously Disclosed Purchase of Raw Materials Agreements 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 agreements 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 Purchase of Raw Materials Agreement with CJSC “EPM-NovEP” and the Previously Disclosed Purchase of Raw Materials Agreements 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.

CJSC “EPM-NovEP” is principally engaged in the production of graphite electrodes, carbon electrodes, cathode blocks, calcined petroleum coke and electrode paste.

## 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.
“CJSC “EPM-NovEP””	Close Joint Stock Company “ENERGOPROM — Novosibirsk Electrode Plant”.
“CJSC “Kremniy””	Close Joint Stock Company “Kremniy”, a company incorporated in the Russian Federation and an indirect wholly-owned subsidiary 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(s)”	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.
“Group”	the Company and its subsidiaries.
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
“Mr. Blavatnik”	Mr. Len Blavatnik, a non-executive Director.
“percentage ratios”	the percentage ratios under Rule 14.07 of the Listing Rules.
“Previously Disclosed Purchase of Raw Materials Agreements”	the agreements/addendums/additional agreements entered into between CJSC “Kremniy” as buyer and the associates of Mr. Blavatnik as sellers in relation to the purchase of raw materials for the year ending 31 December 2015 for the purpose of the Group’s production, as previously disclosed in the Company’s announcements dated 30 December 2014, 3 July 2015, 8 July 2015 and 6 October 2015.

“Stock Exchange”

The Stock Exchange of Hong Kong Limited.

“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*

19 November 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, 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.*