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UNITED COMPANY RUSAL PLC

(Incorporated under the laws of Jersey with limited liability)

(Stock Code: 486)

CONTINUING CONNECTED TRANSACTIONS HEAT SUPPLY CONTRACTS

The Company announces that, in December 2015, a series of heat supply contracts were entered into between members of the Group and the associates of En+, pursuant to which the associates of En+ supply heat energy to members of the Group.

Reference is made to the announcements of the Company dated 2 January 2014 and 14 January 2015 in relation to certain continuing connected transactions regarding the supply of heat to members of the Group by the associates of En+.

THE 2016 HEAT SUPPLY CONTRACTS

The Company announces that, in December 2015, a series of heat supply contracts were entered into between members of the Group and the associates of En+, pursuant to which the associates of En+ supply heat energy to members of the Group (the “**2016 Heat Supply Contracts**”) with major terms set out below:

| Date of contract | Purchaser (member of the Group) | Supplier (associate of En+) | Form of heat | Estimated amount of heat to be supplied for the year ending 31 December 2016 (approximate) | Estimated consideration payable for the year ending 31 December 2016 excluding VAT (USD) | Payment terms |
|---|--|---|---------------------|---|---|--|
| Expected to be on or around 28 December 2015 <i>(Note 5)</i> | RUSAL Bratsk OJSC | Irkutskenergo Open Joint Stock Company/public company (“Irkutskenergo”) | Heat (water, steam) | Heat energy: 330 Gcal Coolant: 559 tons | Heat energy: 3,716 Coolant: 131 <i>(Note 1)</i> | Advance payment of 35% of the total price on the 18th day of each month, and 50% by the 30th day of each month with the remainder (15%) being paid up by the 10th day of the month following the billing month |

| Date of contract | Purchaser (member of the Group) | Supplier (associate of En+) | Form of heat | Estimated amount of heat to be supplied for the year ending 31 December 2016 (approximate) | Estimated consideration payable for the year ending 31 December 2016 excluding VAT (USD) | Payment terms |
|---|--|---|--|--|--|--|
| Expected to be on or around 28 December 2015 (Note 6) | RUSAL Sayanogorsk Aluminium Smelter Open Joint Stock Company/JSC "RUSAL Sayanogorsk Aluminium Plant" | Khakass Utility Systems Limited Liability Company ("Khakass Utility Systems LLC") | Thermal energy in hot water | Thermal energy: 330,752 Gcal Demineralized water (coolant): 1,230,000m ³ | Thermal energy: 3,614,237 Demineralized water (coolant): 81,861 (Note 2) | The first payment period not later than 18th day of the billing month, on the basis of the invoice, JSC "RUSAL Sayanogorsk" pays 35% of the total cost of thermal energy approved by the parties in Appendix No.2 to the contract; - Second payment period not later than the last day of the billing month, on the basis of the invoice, JSC "RUSAL Sayanogorsk" pays 50% of the total value of the amount of heat energy, agreed by the parties; - The third payment period not later than the 10th day of the month following the billing month, JSC "RUSAL Sayanogorsk" pays the difference between the cost of the actual received amount of heat, defined on the basis of meter readings or by calculation in the case of lack of metering, and the amount paid by JSC "RUSAL Sayanogorsk" previously. |
| 28 December 2015 (Note 6) | RUSAL Sayanogorsk Aluminium Smelter Open Joint Stock Company/JSC "RUSAL Sayanogorsk Aluminium Plant" | Baikalenergo Closed Joint Stock Company ("Baikalenergo CJSC") | Thermal energy in hot water for a garage | Thermal energy 428 Gcal | Thermal energy: 10,789 (Note 3) | No later than the 20th day of a month following the month of settlement |

| Date of contract | Purchaser (member of the Group) | Supplier (associate of En+) | Form of heat | Estimated amount of heat to be supplied for the year ending 31 December 2016 (approximate) | Estimated consideration payable for the year ending 31 December 2016 excluding VAT (USD) | Payment terms |
|--|--|-----------------------------|------------------------------------|--|--|---|
| 28 December 2015 (Note 6) | RUSAL Sayanogorsk Aluminium Smelter Open Joint Stock Company/JSC "RUSAL Sayanogorsk Aluminium Plant" | Baikalenergo CJSC | Thermal energy in hot water | 4,378.1 Gcal | Thermal energy: 111,428 Coolant: 11,984 (Note 4) | Payment no later than the 20th day of a month following the billing month based on the invoice received |
| Expected to be on or around 28 December 2015 (Note 6) | RUSAL SAYANAL OJSC | Khakass Utility Systems LLC | Heat and chemically purified water | Heat: 34,000 Gcal Chemically purified water: 77,000m ³ | Heat: 366,482 Chemically purified water: 4,985 (Note 7) | Payment for supplied in the current billing month of heat and chemically purified water is made not later than on the 20th day of the following billing month |
| Total estimated consideration payable for the year: | | | | | 4,205,613 | |

Notes:

1. The Tariff Authority of the Irkutsk region regulates the tariffs for the heat supply. The price is calculated by multiplying unit price by the amount of heat energy. The relevant unit price is USD11.26/Gcal for heat energy and USD0.23/m³.
2. The contract price is proposed by Khakass Utility Systems LLC and agreed between the parties. The heat energy rate for the first half of 2016 is USD10.46/Gcal, and for the second half of 2016 is USD11.51Gcal. The rate for the water (coolant) for the first half of 2016 is USD0.06/m³, and for the second half of 2016 is USD0.07/m³.
3. The contract price is proposed by Baikalenergo CJSC and agreed between the parties. The heat energy rate for the first half of 2016 is USD24.26/Gcal, and for the second half of 2016 is USD26.68/Gcal.
4. The contract price is proposed by Baikalenergo CJSC and agreed between the parties. The heat energy rate for the first half of 2016 is USD24.26/Gcal, and for the second half of 2016 is USD26.68/Gcal. The coolant rate for the first half of 2016 is USD0.21/m³ and for the second half of 2016 is USD0.23/m³.
5. The scheduled termination date of the contract is 31 December 2016, and will be extended for one year unless any party chooses to terminate one month prior to expiry.
6. The scheduled termination date of the contract is 31 December 2016, without extension.

7. The contract price is proposed by Khakass Utility Systems LLC and agreed between the parties. The heat energy rate is USD10.9/Gcal. The rate for chemically purified water is USD0.02/m³.

The consideration under the 2016 Heat Supply 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 2016 Heat Supply Contracts should be aggregated with the Previously Disclosed Heat Supply Contracts, as they were entered into by members of the Group with the associates of En+, and the subject matter of each contract relates to the heat supply by the associates of En+ to the Group.

The annual aggregate transaction amounts that are payable by the Group to the associates of En+ under the 2016 Heat Supply Contracts and the Previously Disclosed Heat Supply Contracts for the financial years ending 31 December 2016 and 31 December 2017 are estimated to be approximately USD9.318 million and USD5.341 million, respectively.

The basis of calculation of payments under the 2016 Heat Supply Contracts is set out in the table (together with the notes therein) in this announcement. Each of Irkutskenergo and Khakass Utility Systems LLC is a monopolist generator of the relevant form of heat in the Irkutsk region and Sayanogorsk, respectively, and Baikalenergo CJSC is a monopolist heat energy transporter in Sayanogorsk. Accordingly, the 2016 Heat Supply Contracts are entered into with such parties.

The contract price under the 2016 Heat Supply 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 the heat of the same type and quality and those offered by the associates of En+ to independent third parties. The annual aggregate transaction amount is derived from the total contract price under the 2016 Heat Supply Contracts and the Previously Disclosed Heat Supply Contracts, which was based on the need of heat by the Group for the relevant year.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The 2016 Heat Supply Contracts are entered into for the purpose of obtaining heat and water (coolant) for the Group's production process and for its facilities. The Company considers that the transactions contemplated under the 2016 Heat Supply Contracts are for the benefit of the Company as there is no alternative supplier available in the respective regions.

The Directors (including the independent non-executive Directors) consider that the 2016 Heat Supply Contracts are on normal commercial terms which are fair and reasonable and the transactions contemplated under the 2016 Heat Supply 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 2016 Heat Supply Contracts, save for Mr. Deripaska, Mr. Maxim Sokov, Ms. Olga Mashkovskaya and Ms. Gulzhan Moldazhanova, who are directors of En+, being the holding company of Irkutskenergo, Khakass Utility Systems LLC and Baikalenergo CJSC. Mr. Deripaska is also indirectly interested in more than 50% of the issued share capital of En+. Accordingly, Mr. Deripaska, Mr. Maxim Sokov, Ms. Olga Mashkovskaya and Ms. Gulzhan Moldazhanova did not vote on the Board resolutions approving the 2016 Heat Supply Contracts.

LISTING RULES IMPLICATIONS

Each of Irkutskenergo, Khakass Utility Systems LLC and Baikalenergo CJSC is an indirect subsidiary of En+, and is therefore an associate of En+ which is a substantial shareholder of the Company. Accordingly, each of Irkutskenergo, Khakass Utility Systems LLC and Baikalenergo CJSC is a connected person of the Company under the Listing Rules.

Accordingly, the transactions contemplated under the 2016 Heat Supply Contracts constitute continuing connected transactions of the Company.

The estimated annual aggregate transaction amount of the continuing connected transactions under the 2016 Heat Supply Contracts and the Previously Disclosed Heat Supply Contracts for the financial year ending 31 December 2016 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 2016 Heat Supply Contracts and the Previously Disclosed Heat Supply 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.

Irkutskenergo is principally engaged in generating heat and electricity.

Khakass Utility Systems LLC is principally engaged in generating heat and electricity.

Baikalenergo CJSC is principally engaged in generating heat and electricity.

DEFINITIONS

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

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| “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. |

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| “Previously Disclosed Heat Supply Contracts” | the heat supply contracts entered into between members of the Group and the associates of En+, pursuant to which the associates of En+ agreed to supply heat energy to members of the Group as disclosed in the announcements of the Company dated 2 January 2014 and 14 January 2015. |
| “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. |
| “VAT” | value added tax. |

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

29 December 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.