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UNITED COMPANY RUSAL PLC

(Incorporated under the laws of Jersey with limited liability)

(Stock Code: 486)

CONTINUING CONNECTED TRANSACTIONS TRANSPORTATION CONTRACTS

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THE 2016 TRANSPORTATION CONTRACTS

The Company announces that, during the end of December 2015, a series of transportation contracts were entered into between members of the Group and the associates of En+, pursuant to which the associates of En+ agreed to provide transportation services to members of the Group (the “**2016 Transportation Contracts**”) with major terms set out below:

	Date of contract	Customer (member of the Group)	Service provider (associate of En+)	Transportation services	Estimated consideration payable for the year ending 31 December 2016 excluding VAT (USD)	Scheduled termination date	Payment terms
1	On 28 December 2015	RUSAL Sayanogorsk Aluminium Smelter Open Joint Stock Company	OVE	Cargo delivery, railway transportation, shipment of goods from factory and provision of wagons	4,011,937 <i>(Note 1)</i>	31 December 2016	Payment within 10 working days after receipt of invoice

	Date of contract	Customer (member of the Group)	Service provider (associate of En+)	Transportation services	Estimated consideration payable for the year ending 31 December 2016 excluding VAT (USD)	Scheduled termination date	Payment terms
2	On 28 December 2015	OJSC "RUSAL SAYANAL"	KraMZ-Auto	Cargo transportation	202,086 <i>(Note 2)</i>	31 December 2016	Payment within 15 days after receipt of invoice
3	Expected to be on or around 30 December 2015	Limited liability Company "IT-Service"	KraMZ-Auto	Provision of vehicles and mechanisms with or without driving services	31,079 (For 2017: 33,519) <i>(Note 3)</i>	31 December 2017	Payment within 60 days of signing of service acceptance by both parties and submission of original invoices
4	On 28 December 2015	RUS-Engineering LLC	KraMZ-Auto	Motor transportation services	294,014 <i>(note 4)</i>	31 December 2016	50% of the total amount to be paid before the 15th day of the following month and the other 50% to be paid before the 30th day of the following month after the receipt of the original copy of the invoice
5	On 28 December 2015	RUS-Engineering LLC	KraMZ-Auto	Motor transportation services	65,222 <i>(note 5)</i>	31 December 2016	50% of the total amount to be paid before the 15th day of the following month and the other 50% to be paid before the 30th day of the following month after the receipt of the original copy of the invoice
	Total estimated consideration payable for the year:				2016: 4,604,338 2017: 33,519		

Notes:

1. For transportation of coal, the service fee is calculated by multiplying the tariff for transportation of coal (being USD0.018 for 1 kilometre) and the distance (being 58 kilometres). For transportation of other goods, the service fee is calculated by multiplying the tariff for transportation of other goods (being USD0.036 for 1 kilometre) and the distance (being 58 kilometres).
2. The service fee is calculated by multiplying the cost per operating hour (average USD23) by the number of operating hours (8,900).
3. This contract is the addendum to the contract dated 1 January 2015 as disclosed in the announcement of the Company dated 14 January 2015. The service fee is calculated by multiplying the hourly rate for using one vehicle or special equipment (which ranges from approximately USD2.87 to USD19.53 (depending on the type of vehicles)) by the number of hours for the usage (being approximately 2,209 hours for each of 2016 and 2017).
4. The services fee is determined by the demand schedules for transportation services indicating vehicle types engaged, quantity of vehicle-hours (from 3 to 17,522) and vehicle-hour cost (from USD1.86 to USD21.17 depending on vehicle type).
5. The services fee is determined by the number of trips to transfer passengers along routes planned in advance, and the cost of each trip (from USD10.80 to USD36.45 depending on the route).

The consideration under the 2016 Transportation 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 Transportation Contracts and the Previously Disclosed Transportation Contracts should be aggregated, 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 provision of transportation services 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 Transportation Contracts and the Previously Disclosed Transportation Contracts for the two financial years ending 31 December 2017 are estimated to be approximately USD14.893 million and USD11.356 million respectively.

For contract no. 1, as OVE owns the only railway track section which is required for the transportation services and for the other 2016 Transportation Contracts, the Company invited several organizations to take part in the tender in relation to the

relevant required transportation services and chose the contractors offering the best terms and conditions (taking into account the price and quality offered by those service providers and the business relationship with the service providers) and then the 2016 Transportation Contracts were entered into.

The contract price under the 2016 Transportation 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 transportation services 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 Transportation Contracts, which was based on the need of transportation services by the Group for the relevant year.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The 2016 Transportation Contracts are entered into for the purpose of transporting goods and cargoes of the Group. The Company considers that the transactions contemplated under the 2016 Transportation Contracts are for the benefit of the Company, as the services provided are required in the production process of the Group and KraMZ-Auto and OVE offered a competitive price which is subject to state regulation.

The Directors (including the independent non-executive Directors) consider that the 2016 Transportation Contracts are on normal commercial terms which are fair and reasonable and the transactions contemplated under the 2016 Transportation 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 Transportation 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 KraMZ-Auto and OVE. 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 Transportation Contracts.

LISTING RULES IMPLICATIONS

Each of OVE and KraMZ-Auto is an indirectly subsidiary of En+, and is therefore an associate of En+ which is a substantial shareholder of the Company. Accordingly, each of OVE and KraMZ-Auto is a connected person of the Company under the Listing Rules.

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

The estimated annual aggregate transaction amount of the continuing connected transactions under the 2016 Transportation Contracts and the Previously Disclosed Transportation Contracts for each of the two financial years ending 31 December 2017 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 Transportation 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.

OVE is principally engaged in the provision of transportation services and railway transport.

KraMZ-Auto is principally engaged in the provision of transportation services.

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.
“KraMZ-Auto”	KraMZ-Auto Limited Liability Company, an indirect subsidiary of En+.
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange.
“Mr. Deripaska”	Mr. Oleg Deripaska, an executive Director.
“OVE”	OJSC Otdeleniye Vremennoy Expluatasii, an indirect subsidiary of En+.
“percentage ratios”	the percentage ratios under Rule 14.07 of the Listing Rules.
“Previously Disclosed Transportation Contracts”	the series of transportation contracts between members of the Group and the associates of En+, pursuant to which the associates of En+ agreed to provide transportation services to members of the Group during 2016 and 2017, as disclosed in the announcement of the Company dated 14 January 2015.

“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.