

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 SALE OF RAW MATERIALS

Reference is made to the announcements of the Company dated 18 December 2015, 30 December 2015 and 27 January 2016 in relation to the Previously Disclosed Raw Materials Supply Contracts.

The Company announces that a member of the Group, as seller, has entered into the New 2016 Raw Materials Supply Contracts with the associates of Mr. Deripaska, as buyers.

NEW 2016 RAW MATERIALS SUPPLY CONTRACTS

The Company announces that a member of the Group, as seller, has entered into the following raw materials supply contracts with the associates of Mr. Deripaska, as buyers, with particulars set out below (the “**New 2016 Raw Materials Supply Contracts**”):

	Date of contract	Seller	Buyer (an associate of Mr. Deripaska)	Raw materials to be supplied	Estimated delivery volume for the year ending 31 December 2016	Estimated consideration payable for the year ending 31 December 2016, excluding VAT (USD)	Payment terms
1	4 February 2016 (<i>Note 1</i>)	Open joint stock company “United Company RUSAL-Trading House” (“RUSAL TH”)	LLC “Autocomponent - Group GAZ”	Silicon	60 tons	102,000 (<i>Note 2</i>)	100% Prepayment

			Buyer (an associate of Mr. Deripaska)	Raw materials to be supplied	Estimated delivery volume for the year ending 31 December 2016	Estimated consideration payable for the year ending 31 December 2016, excluding VAT (USD)	Payment terms
2	4 February 2016 (<i>Note 3</i>)	RUSAL TH	“Glavstroï Ust-Labinsk” Ltd.	Granules of high purity aluminum	324 tons	1,344,600 (<i>Note 4</i>)	100% Prepayment
	Total estimated consideration payable for the year:					1,446,600	

Notes:

1. The contract is an addendum to the contract dated 8 April 2015 as disclosed in the Company’s announcement dated 9 April 2015.
2. The contract price is agreed between the parties and based on per unit price of USD1,700/ton.
3. The contract is an addendum to the contract dated 6 February 2015 as disclosed in the Company’s announcement dated 9 February 2015.
4. The contract price is linked to the price of aluminium on the LME plus a premium (USD2,100) calculated on a monthly basis and in accordance with the rules prescribed by the Federal Antimonopoly Service (a Russian governmental authority) which are applicable to the sale and purchase of the relevant kinds of raw materials regardless of whether the counterparties are independent third parties or connected persons in comparable circumstances. The price of aluminium on the LME is the average aluminum price quoted at the LME within a one-month period preceding the month of shipment.

For each of the contracts set out in the table above, the consideration is to be satisfied in cash via wire transfer and the scheduled termination date is 31 December 2016. The New 2016 Raw Materials Supply Contracts no. 1 of the New 2016 Raw Materials Supply Contracts in the table above may be extended for next calendar year if neither party declares its intention to terminate the contract in writing prior to the expiry of the contract.

THE AGGREGATION APPROACH

Pursuant to Rule 14A.81 of the Listing Rules, the continuing connected transactions under the New 2016 Raw Materials Supply Contracts and the Previously Disclosed Raw Materials Supply Contracts should be aggregated, 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 supply of raw materials by the Group.

The annual aggregate transaction amount payable under the New 2016 Raw Materials Supply Contracts and the Previously Disclosed Raw Materials Supply Contracts is estimated to be approximately USD15.340 million for the year ending 31 December 2016.

The consideration payable under the New 2016 Raw Materials Supply Contracts is calculated by multiplying the unit price by the volume. The unit price of the relevant raw materials are set out in the note to the table above.

The consideration payable under the under the New 2016 Raw Materials Supply Contracts 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 members of the Group to independent third parties customers. The annual aggregate amount is the maximum amount of consideration payable under the terms of the New 2016 Raw Materials Supply Contracts based on the delivery volume for the year ending 31 December 2016 estimated by the Directors and the demand from the buyers.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Directors consider that the entering into of the New 2016 Raw Materials Supply Contracts is for the benefit of the Company as the sale is profitable and the Group is assured of payment on a timely basis and there are less financial risks. As to contract no. 1, the Directors consider that the entering into of the contract is for the benefit of the Company and in order to comply with the requirements of the Federal Antimonopoly Service because the Group is required by the Federal Antimonopoly Service to supply certain raw materials to local consumers.

The Directors (including the independent non-executive Directors) consider that the New 2016 Raw Materials Supply Contracts have been negotiated on an arm's length basis and on normal commercial terms which are fair and reasonable and the transactions contemplated thereunder 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 2016 Raw Materials Supply Contracts, save for: (a) Mr. Deripaska, who is a director of Basic Element and is interested in more than 50% of the issued share capital of Basic Element; (b) Ms. Gulzhan Moldazhanova, who is a director of Basic Element; and (c) Ms. Olga Mashkovskaya, who is a deputy chief executive officer for finance of Basic Element. Basic Element is the holding company of “Glavstroi Ust-Labinsk” Ltd and LLC “Autocomponent - Group GAZ”. Accordingly, Mr. Deripaska, Ms. Gulzhan Moldazhanova and Ms. Olga Mashkovskaya did not vote on the Board resolutions approving the New 2016 Raw Materials Supply Contracts with “Glavstroi Ust-Labinsk” Ltd. and LLC “Autocomponent - Group GAZ”.

LISTING RULES IMPLICATIONS

Each of “Glavstroi Ust-Labinsk” Ltd. and LLC “Autocomponent - Group GAZ” is held by Basic Element as to more than 30% of the issued share capital. Basic Element is in turn held by Mr. Deripaska as to more than 50% of the issued share capital. Each of “Glavstroi Ust-Labinsk” Ltd. and LLC “Autocomponent - Group GAZ” is therefore an associate of Mr. Deripaska and is thus a connected person of the Company.

Accordingly, the transactions contemplated under the New 2016 Raw Materials Supply Contracts constitute continuing connected transactions of the Company.

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

LLC "Autocomponent - Group GAZ" is principally engaged in production and sales of auto components.

"Glavstroi Ust-Labinsk" Ltd. is principally engaged in construction.

DEFINITIONS

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

"associate"	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 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"	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
"En+"	En+ Group Limited, a company incorporated in Jersey, a substantial shareholder (as defined in the Listing Rules) of the Company
"Group"	the Company and its subsidiaries

“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“LME”	London Metal Exchange
“Mr. Deripaska”	Mr. Oleg Deripaska, an executive Director
“percentage ratios”	the percentage ratios under Rule 14.07 of the Listing Rules
“Previously Disclosed Raw Materials Supply Contracts”	the raw materials supply contracts pursuant to which members of the Group were the sellers and the associates of Mr. Deripaska/En+ were the buyers in relation to the financial year ending 31 December 2016, as disclosed in the announcements of the Company dated 18 December 2015, 30 December 2015 and 27 January 2016
“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

5 February 2016

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.