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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**

Reference is made to the announcement of the Company dated 20 January 2016 in relation to the Previously Disclosed 2016 Purchase of Raw Materials Agreements for Production.

The Company announces that on 1 April 2016, UC RUSAL TH, as buyer, entered into the Purchase of Calcined Petroleum Coke Agreement with CJSC “EPM-NovEP”.

#### **PURCHASE OF CALCINED PETROLEUM COKE AGREEMENT WITH CJSC “EPM-NOVEP”**

The Company announces that on 1 April 2016, UC RUSAL TH, as buyer, entered into an agreement with Close Joint Stock Company “ENERGOPROM — Novosibirsk Electrode Plant” (“**CJSC “EPM-NovEP”**”), an associate of Mr. Blavatnik, as seller, for the purchase of calcined petroleum coke in the estimated amount of 40,500 tonnes for an estimated total consideration of approximately USD4,845,660 for a term of up to 31 December 2016 (the “**Purchase of Calcined Petroleum Coke Agreement with CJSC “EPM-NovEP”**”). The term of the Purchase of Calcined Petroleum Coke Agreement with CJSC “EPM-NovEP” can be extended by the parties by way of an addendum.

Under the Purchase of Calcined Petroleum Coke Agreement with CJSC “EPM-NovEP”, the payment of the consideration is to be made upon delivery within 3 calendar days from the date of receipt 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 Purchase of Calcined Petroleum Coke Agreement with CJSC “EPM-NovEP” and the Previously Disclosed 2016 Purchase of Raw Materials Agreements for Production are required to 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 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 Calcined Petroleum Coke Agreement with CJSC “EPM-NovEP” and the Previously Disclosed 2016 Purchase of Raw Materials Agreements for Production, the annual aggregate transaction amount that is payable by the Group to the associates of Mr. Blavatnik for the financial year ending 31 December 2016 is estimated to be up to approximately USD11.96 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 payable under the Purchase of Calcined Petroleum Coke Agreement with CJSC “EPM-NovEP” is calculated by multiplying the price per tonnes by the volume.

Under the Purchase of Calcined Petroleum Coke Agreement with CJSC “EPM-NovEP”, the relevant price per tonnes of the calcined petroleum coke ranges from approximately USD88 to approximately USD121.

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. The only company in the Russian Federation which has free capacity for calcination and whose calcined petroleum coke is satisfactory in terms of quality and quantity, competitive price, transport component, closeness and convenience of delivery is a plant of Energoprom-NovEP CJSC. Therefore, the Purchase of Calcined Petroleum Coke Agreement with CJSC “EPM-NovEP” was entered into.

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

The Directors consider that the transactions under the Purchase of Calcined Petroleum Coke Agreement with CJSC “EPM-NovEP” are for the benefit of the Company, as the seller offered a competitive price and the raw materials to be supplied by the seller meet the technical specification for the Group’s production.

The Directors (including the independent non-executive Directors) consider that the Purchase of Calcined Petroleum Coke 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 Calcined Petroleum Coke 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 Calcined Petroleum Coke 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 Calcined Petroleum Coke Agreement with CJSC “EPM-NovEP”.

## **LISTING RULES IMPLICATIONS**

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

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

The annual aggregate transaction amount for the financial year ending 31 December 2016 of the continuing connected transactions under the Purchase of Calcined Petroleum Coke Agreement with CJSC “EPM-NovEP” and the Previously Disclosed 2016 Purchase of Raw Materials Agreements for Production 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 Calcined Petroleum Coke Agreement with CJSC “EPM-NovEP” and the Previously Disclosed 2016 Purchase of Raw Materials Agreements for Production 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.
“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 2016 Purchase of Raw Materials Agreements for Production”	the agreements/addendums/additional agreements entered into between UC RUSAL TH as buyer and the associates of Mr. Blavatnik as sellers in relation to the purchase of raw materials for the year ending 31 December 2016 for the purpose of the Group’s production, as previously disclosed in the Company’s announcement dated 20 January 2016.
“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*

5 April 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, Dr. 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.*