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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 REPAIRING

Reference is made to the announcement of the Company dated 22 December 2015 in relation to the Previously Disclosed Purchase of Raw Materials Contracts.

The Company announces that on 26 April 2016, a member of the Group, as buyer, and CJSC “EPM-NovEP”, an associate of Mr. Blavatnik, as supplier, entered into the Purchase of Raw Materials for Repairing Contract.

THE PURCHASE OF RAW MATERIALS FOR REPAIRING CONTRACT

The Company announces that, on 26 April 2016, a member of the Group, as buyer, and Closed Joint Stock Company “ENERGOPROM — Novosibirsk Electrode Plant” (“CJSC “EPM-NovEP””), an associate of Mr. Blavatnik, as supplier, entered into a contract pursuant to which a member of the Group agreed to buy and CJSC “EPM-NovEP” agreed to sell raw materials for repairing (the “**Purchase of Raw Materials for Repairing Contract**”). The key terms of the Purchase of Raw Materials for Repairing Contract are set out below:

No.	Date of contract	Buyer (member of the Group)	Seller (an associate of Mr. Blavatnik)	Raw materials to be purchased	Estimated purchase volume	Unit price (Net of VAT)	Estimated consideration payable excluding VAT for the year ending 31 December 2016(USD)	Payment terms
1.	26 April 2016	Limited Liability Company "Russian Engineering Company"	CJSC "EPM-NovEP"	Furnace blocks	Up to 45.68 tonnes	Up to USD1,150 per tonne	52,526	Within 45 calendar days after actual delivery. The purchaser will make the payment in Russian roubles, with the price of the goods for the sale and the documented invoice to be converted to Russian roubles at the US dollar exchange rate in effect on the date of shipment.
	Total estimated consideration payable for the year:						52,526	

CJSC "EPM-NovEP" will organise and pay for transportation, thereafter the transportation costs will be compensated by Limited Liability Company "Russian Engineering Company" in the amount of not more than USD 1,245 (excl. VAT).

The consideration is to be satisfied in cash via wire transfer or by setting-off against counter claims and the scheduled termination date is 31 December 2016.

THE ANNUAL AGGREGATE TRANSACTION AMOUNT

The contract price payable under the Purchase of Raw Materials for Repairing Contract has been determined with reference to the 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 Company invited several organizations to take part in the tender in relation to the relevant required purchase of raw materials and chose the contractor offering the best terms and conditions (taking into account the price offered) and then entered into contract with the chosen party. Accordingly, the Purchase of Raw Materials for Repairing Contract was entered into.

Based on the terms of the Purchase of Raw Materials for Repairing Contract and Previously Disclosed Purchase of Raw Materials Contracts, 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 approximately USD28.34 million.

The annual aggregate transaction amount is estimated by the Directors based on the amount of raw materials to be purchased and their contract price.

THE AGGREGATION APPROACH

Pursuant to Rule 14A.81 of the Listing Rules, the continuing connected transactions contemplated under the Purchase of Raw Materials for Repairing Contract and the Previously Disclosed Purchase of Raw Materials Contracts should be aggregated, as they were entered into by the Group with the associate of the same group of connected persons who are parties connected or otherwise associated with one another, and the subject matter of each of the contracts relate to the purchase of raw materials for repair by members of the Group.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Directors consider that the Purchase of Raw Materials for Repairing Contract is for the benefit of the Company, as CJSC “EPM-NovEP” the supply of raw materials to the Group at a price more favourable than the prevailing market rate based on tender. The Purchase of Raw Materials for Repairing Contract is entered into for the purposes of purchasing raw materials for repair work.

The Directors (including the independent non-executive Directors) consider that the Purchase of Raw Materials for Repairing Contract 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 for Repairing Contract 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 for Repairing Contract save for Mr. Blavatnik who is indirectly interested in more than 30% of CJSC “EPM-NovEP”. Accordingly, Mr. Blavatnik did not vote on the Board resolutions to approve the Purchase of Raw Materials for Repairing Contract.

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 a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Purchase of Raw Materials for Repairing Contract constitute continuing connected transactions of the Company.

The estimated annual aggregate transaction amount of the continuing connected transactions under the Purchase of Raw Materials for Repairing Contract and the Previously Disclosed Purchase of Raw Materials 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 Purchase of Raw Materials for Repairing Contract and the Previously Disclosed Purchase of Raw Materials 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.

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 transactions”	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.
“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 Contracts”	the purchase of raw materials contracts between members of the Group and the associates of Mr. Blavatnik, pursuant to which the associates of Mr. Blavatnik agreed to sell raw materials to members of the Group for repairing during the year 2016, as disclosed in the announcement of the Company dated 22 December 2015
“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

27 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.