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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 announcements of the Company dated 20 January 2016 and 5 April 2016 in relation to the Previously Disclosed 2016 Purchase of Raw Materials Agreements for Production.

The Company announces that on 5 May 2016, UC RUSAL TH, as buyer, entered into the Purchase of Anode Blocks Agreement with OJSC “EPM-CheEP” with the associate of Mr. Blavatnik.

THE PURCHASE OF ANODE BLOCKS AGREEMENT WITH OJSC “EPM-CHeEP”

The Company announces that on 5 May 2016, UC RUSAL TH, as buyer, entered into a purchase of raw materials agreement with Open Joint Stock Company “ENERGOPROM — Chelyabinsk Electrode Plant” (“**OJSC “EPM-CheEP”**”), an associate of Mr. Blavatnik, as seller, pursuant to which UC RUSAL TH agreed to purchase and OJSC “EPM-CheEP” agreed to supply anode blocks in the estimated amount of 36,000 tons for the year ending 31 December 2016, for an estimated total consideration of approximately USD15,323,143 (the “**Purchase of Anode Blocks Agreement with OJSC “EPM-CheEP”**”). The term of the contract is up to 31 December 2016.

Under the Purchase of Anode Blocks Agreement with OJSC “EPM-CheEP”, the payment of the consideration is to be made within 30 calendar days upon delivery 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 the Purchase of Anode Blocks Agreement with OJSC “EPM-CheEP” 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 Anode Blocks Agreement with OJSC “EPM-CheEP” 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 USD27.28 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 Anode Blocks Agreement with OJSC “EPM-CheEP” is calculated by multiplying the unit price by the volume.

Under the Purchase of Anode Blocks Agreement with OJSC “EPM-CheEP”, the relevant price per ton of the anode blocks is approximately USD426.

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. For the Purchase of Anode Blocks Agreement with OJSC “EPM-CheEP”, the Company invited several organizations to take part in the tender in relation to the purchase of the anode blocks and chose the seller offering the best terms and conditions (taking into account the price and quality offered by the seller and the proximity of the seller) and then entered into an agreement with the chosen seller. Accordingly, the Purchase of Anode Blocks Agreement with OJSC “EPM-CheEP” was entered into.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

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

The Directors (including the independent non-executive Directors) consider that the Purchase of Anode Blocks Agreement with OJSC “EPM-CheEP” 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 Anode Blocks Agreement with OJSC “EPM-CheEP” 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 have a material interest in the transactions contemplated by the Purchase of Anode Blocks Agreement with OJSC “EPM-CheEP”, save for Mr. Blavatnik, a non-executive Director, who is interested in more than 30% in OJSC “EPM-CheEP”. Accordingly, Mr. Blavatnik did not vote on the Board resolutions approving the Purchase of Anode Blocks Agreement with OJSC “EPM-CheEP”.

LISTING RULES IMPLICATIONS

Mr. Blavatnik, a non-executive Director, indirectly holds more than 30% of the issued share capital of OJSC “EPM-CheEP. OJSC “EPM-CheEP” 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 Anode Blocks Agreement with OJSC “EPM-CheEP” 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 Anode Blocks Agreement with OJSC “EPM-CheEP” 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 Anode Blocks Agreement with OJSC “EPM-CheEP” 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 and sale of aluminium, including alloys and value-added products, and alumina.

OJSC “EPM-CheEP” is principally engaged in the production and sale of graphite electrodes, anode blocks, carbon materials, structural graphite, carbon fiber materials, products made from the above materials and carbon mass by-products.

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 announcements dated 20 January 2016 and 5 April 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

6 May 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.