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## **UNITED COMPANY RUSAL PLC**

*(Incorporated under the laws of Jersey with limited liability)*

**(Stock Code: 486)**

### **CONTINUING CONNECTED TRANSACTIONS TRANSPORTATION CONTRACT**

Reference is made to the announcements of the Company dated 14 January 2015, 29 December 2015, 20 January 2016, 4 March 2016 and 6 April 2016 in relation to the Previously Disclosed Transportation Contracts.

The Company announces that on 19 May 2016, a member of the Group and an associate of En+ entered into the transportation contract, pursuant to which the associate of En+ agreed to provide transportation services to the member of the Group.

#### **THE NEW TRANSPORTATION CONTRACT**

Reference is made to the announcements of the Company dated 14 January 2015, 29 December 2015, 20 January 2016, 4 March 2016 and 6 April 2016 in relation to the Previously Disclosed Transportation Contracts.

The Company announces that on 19 May 2016, a member of the Group and an associate of En+ entered into the transportation contract, pursuant to which the associate of En+ agreed to provide transportation services to the member of the Group (the “**New Transportation Contract**”) with major terms set out below:

	<b>Date of contract</b>	<b>Customer (member of the Group)</b>	<b>Service provider (associate of En+)</b>	<b>Transportation services</b>	<b>Estimated consideration payable for the year ending 31 December 2016 excluding VAT (USD)</b>	<b>Scheduled termination date</b>	<b>Payment terms</b>
1	19 May 2016	Russian Engineering Company	JSC Irkutskenergotrans	Motor transportation	1,243 (Note 1)	31 December 2016.  If 30 calendar days prior to the scheduled termination date none of the parties notifies the other party in writing of the intention to terminate the contract, the contract shall be automatically extended for 12 months.	Payment is due within 60 calendar days after services performed.
	<b>Total estimated consideration payable for the year ending 31 December 2016</b>				1,243		

*Note:*

1. The service fee is based on the schedules for transportation services indicating vehicle types engaged, quantity of vehicle-hours and vehicle-hour cost (cost of 1 hour is approximately USD41.43 depending on vehicle type).

The consideration under the New Transportation Contract is to be paid in cash via wire transfer or set-off.

## **THE ANNUAL AGGREGATE TRANSACTION AMOUNT**

Pursuant to Rule 14A.81 of the Listing Rules, the continuing connected transactions contemplated under the New Transportation Contract 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 amount that is payable by the Group to the associates of En+ under the New Transportation Contract and the Previously Disclosed Transportation Contracts for the financial year ending 31 December 2016 is estimated to be approximately USD15.554 million.

The Company invited several organizations to take part in the tender in relation to the relevant required transportation services and chose the contractor offering the best terms and conditions (taking into account the price, experience in the aluminum industry, availability of stand-by vehicles and to meet the requirements and location in relation to the production sites). Accordingly, the New Transportation Contract was entered into.

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

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

The New Transportation Contract was entered into for the purpose of motor and machinery transportation. The Company considers that the transactions contemplated under the New Transportation Contract are for the benefit of the Company, as the services provided are at a competitive price and the service provider is capable of meeting the Group's transportation needs and is conveniently located.

The Directors (including the independent non-executive Directors) consider that the New Transportation Contract is on normal commercial terms which are fair and reasonable and the transactions contemplated under the New Transportation 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 under the New Transportation Contract, save for Mr. Deripaska, Mr. Maxim Sokov, Ms. Olga Mashkovskaya and Ms. Gulzhan Moldazhanova, who are directors of En+, being the holding company of JSC Irkutskenergotrans. 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 New Transportation Contract.

## **LISTING RULES IMPLICATIONS**

JSC Irkutskenergotrans is an indirect subsidiary of En+, and is therefore an associate of En+ which is a substantial shareholder of the Company. Accordingly, JSC Irkutskenergotrans is a connected person of the Company under the Listing Rules.

Accordingly, the transactions contemplated under the New Transportation Contract constitute continuing connected transactions of the Company.

The estimated annual aggregate transaction amount of the continuing connected transactions under the New Transportation Contract and the Previously Disclosed Transportation 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 New Transportation Contract and the Previously Disclosed 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 and sale of aluminium, including alloys and value-added products, and alumina.

JSC Irkutskenergotrans 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.
“JSC Irkutskenergotrans”	Joint Stock Company Irkutskenergotrans, a company incorporated under the laws of Russian Federation, which is 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.
“percentage ratios”	the percentage ratios under Rule 14.07 of the Listing Rules.
“Previously Disclosed Transportation Contracts”	the series of transportation contracts 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 in 2016 and 2017, as disclosed in the announcements of the Company dated 14 January 2015, 29 December 2015, 20 January 2016, 4 March 2016 and 6 April 2016.

“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*

20 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.*