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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 ASSETS**

The Company announces, that the members of the Group, as buyers, entered into the 2016 New Purchase of Assets Contract and the 2017/18 Purchase of Assets Contract with the associates of Mr. Deripaska/En+, as sellers.

Reference is made to the announcements of the Company dated 4 September 2015 and 23 December 2015 in relation to the continuing connected transactions regarding the purchase of railcars, buses and auto repair trucks from associates of Mr. Deripaska.

#### **THE 2016 NEW PURCHASE OF ASSETS CONTRACT**

The Company announces that the following contract was entered into between the member of the Group, as buyer, and the associate of Mr. Deripaska, as seller, pursuant to which the associate of Mr. Deripaska agreed to sell assets to the member of the Group (the “**2016 New Purchase of Assets Contract**”) with major terms set out below:

| <b>Date of contract</b>                                    | <b>Buyer (member of the Group)</b>    | <b>Seller (associate of En+)</b>       | <b>Subject matter</b> | <b>Estimated consideration payable for the years ending 31 December 2016, excluding VAT (USD)</b> | <b>Scheduled termination date</b> | <b>Payment terms</b>  |
|--|---------------------------------------|--|-----------------------|---|-----------------------------------|---|
| 16 June 2016   | Compagnie des Bauxites de Kindia S.A. | Commercial Automobiles — GAZ Group LLC | Four automobiles      | 55,237  | 31 December 2016                  | 50% of total value of the contract shall be paid within 10 business days from the date of contract on condition of receipt of the invoice for payment from the seller,<br><br>50% of total value of the contract as the balance payment shall be paid within 10 business days from the date of receiving of notification regarding readiness of goods for shipping. |
| <b>Total estimated consideration payable for the year:</b> |                                       |  |                       | 55,237  |                                   |   |

The consideration under the 2016 New Purchase of Assets Contract is to be paid in cash via wire transfer.

## **THE 2017/18 PURCHASE OF ASSETS CONTRACT**

The Company announces that the following contract was entered into between the member of the Group, as buyer, and the associate of Mr. Deripaska, as seller, pursuant to which the associate of Mr. Deripaska agreed to sell assets to the member of the Group (the “**2017/18 Purchase of Assets Contract**”) with major terms set out below:

| <b>Date of contract</b>                                    | <b>Buyer (member of the Group)</b>                        | <b>Seller (associate of En+)</b>                        | <b>Subject matter</b>   | <b>Estimated consideration payable for the years ending 31 December 2017, 31 December 2018 excluding VAT (USD)</b>          | <b>Scheduled termination date</b> | <b>Payment terms</b>  |
|--|---|---|---|---|-----------------------------------|---|
| 09 March 2016  | Open Joint Stock Company "RUSAL Bratsk Aluminium Smelter" | Limited Liability Company "EuroSibEnerg" — Engineering" | Purchase and installation of rectifier (supply of equipment, installation supervision, commissioning, training of personnel). | 2017 — supply of equipment, supervision of installation — 6,190,486<br>2018 — commissioning, training of personnel — 57,200 | 31 December 2018                  | USD1,844,660 will be paid as deposit for the equipment after the conclusion of the contract and within 10 days of the invoice date. 70% of the equipment cost to be paid within 60 days after shipment of equipment, supervision of installation, commissioning and training of personnel. 100% to be paid within 30 days after signing of the certificate of completion. |
| <b>Total estimated consideration payable for the year:</b> |   |   |   | 2017-6,190,486<br>2018-57,200   |                                   |   |

The consideration under the 2017/18 Purchase of Assets Contract is to be paid in cash via wire transfer.

## THE ANNUAL AGGREGATE TRANSACTION AMOUNT

Pursuant to Rule 14A.81 of the Listing Rules, the continuing connected transaction contemplated under the 2016 New Purchase of Assets Contract and the Previously Disclosed 2016 Purchase of Vehicles Contracts should be aggregated, as they were entered into by members of the Group with the associates of Mr. Deripaska and En+, and the subject matter of each contract relates to the purchase of assets from the associates of Mr. Deripaska and En+ by the Group for the year ending 31 December 2016.

The annual aggregate transaction amounts that are payable by the Group to the associates of Mr. Deripaska and En+ under the 2016 New Purchase of Assets Contract and the Previously Disclosed 2016 Purchase of Vehicles Contracts for the financial year ending 31 December 2016 is estimated to be approximately USD20.917 million.

The annual aggregate transaction amounts that are payable by the Group to the associates of En+ under the 2017/18 Purchase of Assets Contract for the financial year ending 31 December 2017 is estimated to be approximately USD6.2 million.

The Company invited several organizations to take part in the tender in relation to the relevant subject matters and chose the contractor offering the best terms and conditions (taking into account the price and compliance with technical requirements) and then entered into contract with the chosen seller. Accordingly, the 2016 New Purchase of Assets Contract and the 2017/18 Purchase of Assets Contract were entered into.

The contract price under the 2016 New Purchase of Assets 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 automobiles of the same type and quality and those offered by the associates of En+ to independent third parties. The basis of calculation of payments under the 2016 New Purchase of Assets Contract is as follows:

|                  |                                      |
|------------------|--------------------------------------|
| Four automobiles | USD55,237 based on terms CIF-Conakry |
|------------------|--------------------------------------|

The contract price under the 2017/18 Purchase of Assets 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 rectifiers of the same type and quality and those offered by the associates of En+ to independent third parties. The basis of calculation of payments under the 2017/18 Purchase of Assets Contract is as follows:

|  |   |
|--|---|
| Purchase and installation of rectifier | based on costs relating to production of the equipment and its delivery |
|--|---|

The annual aggregate transaction amount is derived from the total contract price under the 2016 New Purchase of Assets Contract and the total contract price under the 2017/18 Purchase of Assets Contract, which was based on the amount of assets to be supplied and its contract price.

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

The 2016 New Purchase of Assets Contract is entered into for the purpose of acquiring automobiles. The Company considers that the transactions contemplated under the 2016 New Purchase of Assets Contract are for the benefit of the Company, as Commercial Automobiles — GAZ Group LLC offered the automobiles to the Group at a competitive price and the quality of the automobiles satisfies the requirement of the Group.

The 2017/18 Purchase of Assets Contract is entered into for the purpose of acquiring the rectifier. The Company considers that the transactions contemplated under the 2017/18 Purchase of Assets Contract are for the benefit of the Company, as Limited Liability Company “EuroSibEnergо — Engineering” offered the rectifier to the Group at a competitive price and the quality of the rectifier satisfies the requirement of the Group.

The Directors (including the independent non-executive Directors) consider that the 2016 New Purchase of Assets Contract and the 2017/18 Purchase of Assets Contract are on normal commercial terms which are fair and reasonable and the transactions contemplated under the 2016 New Purchase of Assets Contract and under the 2017/18 Purchase of Assets 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 2016 New Purchase of Assets Contract, save for (i) Mr. Deripaska, who is a director of Basic Element and is interested in more than 50% of the issued share capital of Basic Element; (ii) Ms. Gulzhan Moldazhanova, who is a director of Basic Element; and (iii) Ms. Olga Mashkovskaya, who is a deputy chief executive officer for finance of Basic Element. Basic Element is the holding company of Commercial Automobiles — GAZ Group LLC. Accordingly, Mr. Deripaska, Ms. Olga Mashkovskaya and Ms. Gulzhan Moldazhanova did not vote on the Board resolutions approving the 2016 New Purchase of Assets Contract.

None of the Directors has a material interest in the transactions contemplated under the 2017/18 Purchase of Assets 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 Limited Liability Company “EuroSibEnergо — Engineering”. 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 2017/18 Purchase of Assets Contract.

## **LISTING RULES IMPLICATIONS**

Commercial Automobiles — GAZ Group LLC is directly or indirectly held by Basic Element as to more than 30% of the issued share capital. Basic Element is in turn held by Mr. Deripaska (an executive Director) as to more than 50% of the issued share capital. Accordingly, Commercial Automobiles — GAZ Group LLC is therefore an associate of Mr. Deripaska and thus is a connected person of the Company under the Listing Rules.

Limited Liability Company “EuroSibEnergo — Engineering” is held by En+ as to more than 30% of the issued share capital and is therefore an associate of En+ which is a substantial shareholder of the Company and thus is a connected person of the Company under the Listing Rules.

The estimated annual aggregate transaction amount of the continuing connected transactions under the 2016 New Purchase of Assets Contract and the Previously Disclosed 2016 Purchase of Vehicles 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 2016 New Purchase of Assets Contract and the Previously Disclosed 2016 Purchase of Vehicles 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.

The estimated annual aggregate transaction amount of the continuing connected transactions under the 2017/18 Purchase of Assets Contract for the financial year ending 31 December 2017 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 2017/18 Purchase of Assets Contract 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.

Commercial Automobiles — GAZ Group LLC is principally engaged in the manufacturing of automobiles.

Limited Liability Company “EuroSibEnergo — Engineering” is principally engaged in the engineering services market and executes power projects of any difficulty level.

## 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.  |
| “Basic Element”                     | Basic Element Limited, a company incorporated in Jersey.  |
| “Board”                             | the board of Directors.   |
| “CIF”                               | one of the Incoterms - Cost, Insurance and Freight (named port of destination), generally meaning the seller must pay the costs, insurance and freight to bring the goods to the port of destination. |
| “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.   |
| “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 2016 Purchase of Vehicles Contracts” | the agreements between members of the Group and the associates of Mr. Deripaska, pursuant to which the associates of Mr. Deripaska agreed to sell vehicles/spare parts to members of the Group in 2016, as disclosed in the announcements of the Company dated 4 September 2015 and 23 December 2015. |
| “Stock Exchange”   | The Stock Exchange of Hong Kong Limited.  |
| “substantial shareholder”                                  | has the 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*

17 June 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.*