

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **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 30 December 2014, 20 January 2016, 5 April 2016 and 6 May 2016 in relation to, among other things, the purchase of raw materials agreement with Doncarb Graphite Limited Liability Company dated 28 November 2014, and an addendum to the aforementioned purchase of raw materials agreement dated 19 January 2016.

The Company announces that on 6 July 2016, a member of the Group, UC RUSAL TH, as buyer, and Doncarb Graphite Limited Liability Company, an associate of Mr. Blavatnik, as seller, entered into the Addendum to the Purchase of Graphitized Electrodes Agreement.

#### **ADDENDUM TO THE PURCHASE OF GRAPHITIZED ELECTRODES AGREEMENT**

The Company announces that on 6 July 2016, a member of the Group, UC RUSAL TH, as buyer, entered into an addendum to the above-mentioned purchase of raw materials agreement dated 28 November 2014 with Doncarb Graphite Limited Liability Company, an associate of Mr. Blavatnik, as seller, pursuant to which UC RUSAL TH agreed to purchase and Doncarb Graphite Limited Liability Company agreed to supply graphitized electrodes in the estimated amount of 48 metric tons for an estimated total consideration of approximately USD81,849 (the “**Addendum to the Purchase of Graphitized Electrodes Agreement**”). The scheduled termination date of the addendum is 31 December 2016.

Under the Addendum to the Purchase of Graphitized Electrodes Agreement, the payment of the consideration is to be made upon delivery within 20 calendar days 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 contemplated under the Addendum to the Purchase of Graphitized Electrodes Agreement and the Previously Disclosed Purchase of Raw Materials Agreements for Production should be aggregated, as they were entered into by members of the Group with the associates of Mr. Blavatnik, and the subject matter of the agreements relates to the purchase of raw materials from the associates of Mr. Blavatnik by the Group.

## **THE ANNUAL AGGREGATE TRANSACTION AMOUNT**

The annual aggregate transaction amount that is payable by the Group to the associates of Mr. Blavatnik under the Addendum to the Purchase of Graphitized Electrodes Agreement and the Previously Disclosed Purchase of Raw Materials Agreements for Production for the financial year ending 31 December 2016 is estimated to be approximately USD27.36 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 Addendum to the Purchase of Graphitized Electrodes Agreement is calculated by multiplying the price per metric ton by the volume.

Under the Addendum to the Purchase of Graphitized Electrodes Agreement, the relevant price per metric ton of the graphitized electrodes is up to approximately USD1,721.10.

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 Company invited several organizations to take part in the tender in relation to the purchase of the graphitized electrodes and chose the seller offering the best terms and conditions (taking into account the price and quality offered by the seller and whether the physical and chemical parameters met the technical specifications of the Group) and then entered into the addendum with the chosen seller. Accordingly, the Addendum to the Purchase of Graphitized Electrodes Agreement was entered into.

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

The Directors consider that the Addendum to the Purchase of Graphitized Electrodes Agreement is for the benefit of the Company, as the seller offered a competitive price and the raw materials to be supplied by the seller meets the technical specification for the Group's production.

The Directors (including the independent non-executive Directors) consider that the Addendum to the Purchase of Graphitized Electrodes Agreement 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 Addendum to the Purchase of Graphitized Electrodes Agreement 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 Addendum to the Purchase of Graphitized Electrodes Agreement, save for Mr. Blavatnik, a non-executive Director, who is interested in more than 30% in Doncarb Graphite Limited Liability Company. Accordingly, Mr. Blavatnik did not vote on the Board resolutions approving the Addendum to the Purchase of Graphitized Electrodes Agreement.

## **LISTING RULES IMPLICATIONS**

Mr. Blavatnik, a non-executive Director, indirectly holds more than 30% of the issued share capital of Doncarb Graphite Limited Liability Company. Doncarb Graphite Limited Liability Company 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 Addendum to the Purchase of Graphitized Electrodes Agreement constitute continuing connected transactions of the Company.

The estimated annual aggregate transaction amount of the continuing connected transactions under the Addendum to the Purchase of Graphitized Electrodes Agreement 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 the addendum is 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 Addendum to the Purchase of Graphitized Electrodes Agreement 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.

Doncarb Graphite Limited Liability Company is principally engaged in the production of graphite products and spare parts.

## **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 Agreements for Production”	the agreements/addendums/additional agreements between members of the Group and the associates of Mr. Blavatnik, pursuant to which the associates of Mr. Blavatnik agreed to supply raw materials to members of the Group in 2016, as disclosed in the announcements of the Company dated 20 January 2016, 5 April 2016 and 6 May 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*

7 July 2016

*As at the date of this announcement, the executive Directors are Mr. Oleg Deripaska, Mr. Vladislav Soloviev and Mr. Siegfried Wolf, 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), Mr. Philip Lader, Dr. Elsie Leung Oi-sie, Mr. Mark Garber, Mr. Dmitry Vasiliev and Mr. Bernard Zonneveld.*

*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.*