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## **UNITED COMPANY RUSAL PLC**

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

**(Stock Code: 486)**

### **INSIDE INFORMATION DISCLOSEABLE TRANSACTION DISPOSAL OF THE ENTIRE EQUITY INTEREST IN UC RUSAL NORWAY AS AND UC RUSAL JAMAICA HOLDINGS LIMITED**

#### **INTRODUCTION**

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

The Company announces that on 19 July 2016, the Sellers and the Buyer entered into the Agreement pursuant to which the Sellers agreed to sell and the Buyer agreed to purchase the Sale Shares, for a consideration of USD299,000,000.

#### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the Disposal is more than 5% but all of the applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the disclosure and announcement requirements under Chapter 14 of the Listing Rules.

**Shareholders and potential investors should note that pending the fulfillment of the conditions to the Agreement, the Disposal may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

## INTRODUCTION

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## THE DISPOSAL

### The Agreement

**Date:** 19 July 2016

**Parties:**

- (i) RUSAL Ltd. and RUSAL AL, each a wholly-owned subsidiary of the Company, collectively being the Sellers;
- (ii) Jiugang International Resources Singapore Pte. Ltd., a wholly owned subsidiary of Jiuquan Iron & Steel (Group) Co., Ltd., being the Buyer;
- (iii) the Company, being the Sellers' guarantor; and
- (iv) Jinquan Iron & Steel (Group) Co., Ltd., being the Buyer's guarantor.

The Buyer is a company incorporated in Singapore with limited liability. As informed by the Buyer, the principal business activity of the Buyer and its parent company is the production of steel, stainless steel, primary aluminium power generation and similar activities.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Buyer and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

## **Assets to be disposed of**

Pursuant to the Agreement, the Sellers have agreed to sell and the Buyer has agreed to purchase the Sale Shares, being the interests of the respective Seller as set out below, representing all of the Sellers' interest in RUSAL Norway and RUSAL Jamaica Holdings, free of all encumbrances:

- (i) 1220 ordinary shares without par value in the issued share capital of RUSAL Norway, representing the entire issued share capital of RUSAL Norway, owned by RUSAL AL;
- (ii) 2000 ordinary shares of USD1.00 each in the issued share capital of RUSAL Jamaica Holdings, representing 50% of the issued share capital of RUSAL Jamaica Holdings, owned by RUSAL Ltd.; and
- (iii) 2000 ordinary shares of USD1.00 each in the issued share capital of RUSAL Jamaica Holdings, representing the remaining 50% of the issued share capital of RUSAL Jamaica Holdings, owned by RUSAL AL.

RUSAL Jamaica Holdings holds all of the interests of RUSAL Jamaica. RUSAL Jamaica holds (i) 65% of the interests of Alpart and (ii) 66.6% of the interests of Alpart Farms. RUSAL Norway holds (i) 35% of the interests of Alpart and (ii) 33.4% of the interests of Alpart Farms.

RUSAL Jamaica Holdings, RUSAL Jamaica and RUSAL Norway are non-operating holding companies whose purpose is to hold the interests described above. Alpart and Alpart Farms are engaged in the business of (i) maintaining the inactive, non-operating Alpart alumina refinery plant located in Nain, St. Elizabeth, Jamaica, and the associated surrounding land, including the surrounding bauxite mines, and (ii) bauxite mining and export of bauxite.

## **Consideration**

The consideration for the Sale Shares is USD299,000,000, which will be payable by the Buyer to the Sellers on Closing by cash via bank transfer.

The consideration was determined after arm's length negotiation between the parties with reference to underlying value of the Alpart alumina refinery and associated bauxite resources.

## **Conditions precedent**

The transfer of title to the Sale Shares from the Sellers to the Buyer is subject to and conditional on a certain number of conditions being fulfilled or waived:

### **(i) *Mutual conditions***

The obligations of each party under the Agreement are subject to the satisfaction, on or prior to the Closing, of the following conditions, unless waived by each party to the Agreement:

- (a) The Buyer shall have made the necessary filings with the PRC authorities.
- (b) The Sellers shall have obtained the necessary consent from the Jamaican authorities.

### **(ii) *Conditions to obligations of the Buyer***

The obligations of the Buyer under the Agreement are subject to the satisfaction, on or prior to the Closing, of certain conditions, unless waived by the Buyer, among which include the effectiveness of representations and warranties of the Sellers, compliance by the Sellers with all agreements and conditions under the Agreement, obtaining by the Sellers of all consents, approvals and authorizations required for execution, delivery and performance of the Agreement, and some others.

### **(iii) *Conditions to obligations of the Sellers***

The obligations of the Sellers under the Agreement are subject to the satisfaction, at or prior to the Closing, of certain conditions, unless waived by the Sellers, among which include the effectiveness of representations and warranties of the Buyer, compliance by the Buyer with all agreements and conditions under the Agreement, obtaining by the Buyer of all consents, approvals and authorizations required for execution, delivery and performance of the Agreement and some others.

## **Closing**

Closing shall take place within ten Business Days after all of the conditions have been fulfilled or waived which shall be a date on or before 31 December 2016 (or such other date as the parties may agree in writing).

Upon Closing, each of RUSAL Norway and RUSAL Jamaica Holdings will cease to be a subsidiary of the Company. The financial results of each of RUSAL Norway and RUSAL Jamaica Holdings will no longer be consolidated into the Group's financial statements.

Pursuant to the Agreement, the Company will act as the Sellers' guarantor to guarantee the Sellers' obligations under the Agreement and Jinquan Iron & Steel (Group) Co., Ltd. will act as the Buyer's guarantor to guarantee the Buyer's obligations under the Agreement.

## **INFORMATION ON RUSAL NORWAY AND RUSAL JAMAICA HOLDINGS**

RUSAL Norway is a company incorporated in Norway with limited liability and is wholly-owned by RUSAL AL as at the date of this announcement. RUSAL Jamaica Holdings is a company incorporated in St Lucia with limited liability. Each of RUSAL Ltd. and RUSAL AL owns 50% of its issued share capital respectively as at the date of this announcement.

Assets which are the subject of the transaction did not generate any profits/losses for the year ended 31 December 2014 and 31 December 2015.

Carrying value attributable to RUSAL Norway's and RUSAL Jamaica Holdings' net assets comprise approximately USD3 million as at 31 December 2014 and 31 December 2015, respectively.

## **REASONS AND BENEFITS OF THE DISPOSAL**

The Directors are of the view that the transaction contemplated by the Agreement is beneficial to the Company, as it will allow it to concentrate on other assets currently in operation.

The Directors consider that the terms of the Agreement are on normal commercial terms which are fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole.

## **FINANCIAL EFFECT OF THE DISPOSAL**

It is estimated that a gain of approximately USD295 million (before taxation) will be recorded after the Disposal, which is calculated with reference to the consideration for the Disposal less the net asset value of RUSAL Norway and RUSAL Jamaica Holdings but before any selling expenses and other related expenses. The actual

amount of the gain or loss on the Disposal to be recognized in the consolidated financial statements of the Group will be based on the net assets/liabilities of RUSAL Norway and RUSAL Jamaica Holdings as at Closing and therefore may vary from the amount mentioned above.

## **USE OF PROCEEDS**

The net proceeds from the Disposal will be used for general corporate purposes of the Group.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the Disposal is more than 5% but all of the applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **INFORMATION ON THE COMPANY**

The Company is principally engaged in the production and sale of aluminium, including alloys and value-added products, and alumina.

**Shareholders and potential investors should note that pending the fulfillment of the conditions to the Agreement, the Disposal may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

In this announcement, the following expressions have the following meanings, unless the context otherwise requires:

“Agreement”	the sale and purchase agreement dated 19 July 2016 entered into between the Sellers and the Buyer regarding the Disposal.
“Alpart”	RUSAL Alpart Jamaica, a Delaware general partnership.
“Alpart Farms”	Alpart Farms (Jamaica), Ltd., a Delaware corporation.
“Board”	the board of Directors.
“Business Day”	a bank working day other than a Saturday, Sunday or a statutory holiday in the People’s Republic of China or New York City.

“Buyer”	Jiugang International Resources Singapore Pte. Ltd., a company incorporated in Singapore with limited liability, a wholly owned subsidiary of Jiuquan Iron & Steel (Group) Co., Ltd.
“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.
“Closing”	closing of the sale and purchase of the Sale Shares pursuant to the Agreement.
“Closing Date”	the date Closing occurs.
“connected person”	has the same meaning ascribed thereto under the Listing Rules.
“Director(s)”	the director(s) of the Company.
“Disposal”	the disposal of the Sale Shares by the Sellers to the Buyer pursuant to the Agreement.
“Group”	the Company and its subsidiaries.
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange.
“percentage ratios”	the percentage ratios under Rule 14.07 of the Listing Rules.
“RUSAL AL”	United Company RUSAL Alumina Limited, a company incorporated in Cyprus with limited liability.
“RUSAL Jamaica”	UC RUSAL Alumina Jamaica II Limited, a company incorporated in Jamaica with limited liability.
“RUSAL Jamaica Holdings”	UC RUSAL Jamaica Holdings Limited, a company incorporated in St. Lucia with limited liability.
“RUSAL Ltd.”	RUSAL Limited, a company incorporated in Jersey with limited liability.
“RUSAL Norway”	UC RUSAL Norway AS, a company incorporated in Norway with limited liability.

“Sale Shares”	<p>the interests of the respective Sellers as set out below, representing all of the Sellers’ interest in RUSAL Norway and RUSAL Jamaica Holdings:</p> <p>(i) 1220 ordinary shares without par value in the issued share capital of RUSAL Norway, representing the entire issued share capital of RUSAL Norway, owned by RUSAL AL;</p> <p>(ii) 2000 ordinary shares of USD1.00 each in the issued share capital of RUSAL Jamaica Holdings, representing 50% of the issued share capital of RUSAL Jamaica Holdings, owned by RUSAL Ltd.; and</p> <p>(iii) 2000 ordinary shares of USD1.00 each in the issued share capital of RUSAL Jamaica Holdings, representing the remaining 50% of the issued share capital of RUSAL Jamaica Holdings, owned by RUSAL AL.</p>
“Sellers”	collectively RUSAL Ltd. and RUSAL AL, each a wholly-owned subsidiary of the Company.
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).
“Shareholder(s)”	shareholder(s) of the Company.
“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*

19 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.*