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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 REPAIRING

Reference is made to the announcements of the Company dated 22 December 2015, 27 April 2016, 18 May 2016, 13 July 2016 and 1 September 2016 in relation to continuing connected transactions regarding purchase of raw materials for repairing.

The Company announces that on 1 October 2016 a member of the Group, as buyer, and an associate of Mr. Blavatnik, as supplier, entered into the addendum to the Purchase of Raw Materials for Repairing Contract.

THE ADDENDUM TO THE PURCHASE OF RAW MATERIALS FOR REPAIRING CONTRACT

The Company announces that on 1 October 2016 a member of the Group, as buyer, and an associate of Mr. Blavatnik, as supplier, entered into the addendum pursuant to which the buyer agreed to buy and the supplier agreed to supply raw materials for repairing (the “**Addendum to the Purchase of Raw Materials for Repairing Contract**”).

The key terms of the Addendum to the Purchase of Raw Materials for Repairing Contract are set out below:

No.	Date of addendum	Buyer (member of the Group)	Supplier (an associate of Mr. Blavatnik)	Raw materials to be purchased	Estimated purchase volume	Unit price (Net of VAT)	Estimated consideration payable excluding VAT (USD)	Scheduled termination date	Payment terms
1	Addendum dated 1 October 2016, which is an addendum to the contract dated 30 December 2015	OJSC SUAL branch "KAZ-SUAL"	ISC ENERGOPROM-Novosibirsk Electrode Plant	Cathode blocks and carbon mass	Cathode blocks: up to 94.7 tonnes Carbon mass: up to 51.9 tonnes	Cathode blocks: up to USD1030 per tonne Carbon mass: up to USD575 per tonne	140,100 (Note 1)	31 December 2016	Within 45 calendar days after delivery
	Total estimated consideration payable for the year						140,100		

Note 1: During the sale and invoicing the price of the raw materials is to be converted to RUB in accordance with the following rules:

For 2016, USD basic exchange rate is RUB62.24 and:

If the exchange rate of USD is at the level of RUB62.24 per USD according to the Central Bank of the Russian Federation within the range of +/-20% (i.e. RUB49.792 to RUB74.688), the price in RUB is to be determined using the rate of the Central Bank of the Russian Federation at the date of shipment.

If the exchange rate of the Central Bank of the Russian Federation exceeds RUB74.688 per USD at the date of shipment, the price in RUB is to be determined as: 32.5% of the price in USD at the fixed rate of RUB74.688 per USD plus 67.5% of the price in USD at the rate of the Central Bank of the Russian Federation at the date of shipment.

If the exchange rate is less than RUB49.792 per USD at the date of shipment, the price of in RUB should be determined as: 32.5% of the price in USD at the fixed rate of RUB49.792 per USD plus 67.5% of the price in USD at the rate of the Central Bank of the Russian Federation at the date of shipment.

The consideration is to be satisfied in cash via wire transfer.

THE ANNUAL AGGREGATE TRANSACTION AMOUNT

Pursuant to Rule 14A.81 of the Listing Rules, the continuing connected transactions contemplated under the Addendum to the Purchase of Raw Materials for Repairing Contract and the Previously Disclosed Purchase of Raw Materials for Repairing Contracts should be aggregated, as they were entered into by members of the Group with the associates of Mr. Blavatnik, and the subject matter of each contract relates to the purchase of raw materials from the associates of Mr. Blavatnik by the Group.

The annual aggregate transaction amount that is payable by the Group to the associates of Mr. Blavatnik under the Addendum to the Purchase of Raw Materials for Repairing Contract and the Previously Disclosed Purchase of Raw Materials for Repairing Contracts for the financial year ending 31 December 2016 is estimated to be approximately USD28.62 million.

The contract price payable under the Addendum to the Purchase of Raw Materials for Repairing Contract has been determined with reference to the 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 relevant required purchase of raw materials and chose the contractor offering the best terms and conditions (taking into account the price offered and payment terms) and then entered into contracts with the chosen party. Accordingly, the Addendum to the Purchase of Raw Materials for Repairing Contract was entered into.

The annual aggregate transaction amount is estimated by the Directors based on the amount of raw materials to be purchased and their contract price.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Directors consider that the Addendum to the Purchase of Raw Materials for Repairing Contract is for the benefit of the Company, as the supplier can supply raw materials to the Group at a price more favourable than the prevailing market rate based on tender. The Addendum to the Purchase of Raw Materials for Repairing Contract is entered into for the purposes of purchasing raw materials for repair work.

The Directors (including the independent non-executive Directors) consider that the Addendum to the Purchase of Raw Materials for Repairing Contract 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 Raw Materials for Repairing 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 by the Addendum to the Purchase of Raw Materials for Repairing Contract save for Mr. Blavatnik who is indirectly interested in more than 30% of JSC ENERGOPROM-Novosibirsk Electrode Plant. Accordingly, Mr. Blavatnik did not vote on the Board resolutions to approve the Addendum to the Purchase of Raw Materials for Repairing Contract.

LISTING RULES IMPLICATIONS

Mr. Blavatnik, a non-executive Director, indirectly holds more than 30% of the issued share capital of JSC ENERGOPROM-Novosibirsk Electrode Plant. JSC ENERGOPROM-Novosibirsk Electrode Plant is therefore an associate of Mr. Blavatnik and a connected person of the Company under the Listing Rules.

Accordingly, the transactions contemplated under the Addendum to the Purchase of Raw Materials for Repairing Contract 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 Raw Materials for Repairing Contract 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 Addendum to the Purchase of Raw Materials for Repairing Contract 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 ENERGOPROM-Novosibirsk Electrode Plant is principally engaged in the production of graphite electrodes, carbon electrodes, cathode blocks, calcined petroleum coke and electrode paste.

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 for Repairing Contracts”	the agreements between members of the Group and 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 22 December 2015, 27 April 2016, 18 May 2016, 13 July 2016 and 1 September 2016.

“Stock Exchange”	The Stock Exchange of Hong Kong Limited.
“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

4 October 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.