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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**

Reference is made to the announcement of the Company dated 17 June 2016 in relation to the continuing connected transactions regarding the purchase of rectifiers from an associate of En+.

The Company announces that a member of the Group, as buyer, entered into the New Purchase of Assets Contract with an associate of Mr. Deripaska, as seller.

#### **THE 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 “**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 Mr. Deripaska)</b>	<b>Subject matter</b>	<b>Estimated consideration payable for the year ending 31 December 2017, excluding VAT (USD)</b>	<b>Scheduled termination date</b>	<b>Payment terms</b>
28 November 2016	RUSAL Achinsk	“GAZ Group Commercial Vehicles” LLS	Passenger bus	12,979	31 December 2017	100% prepayment to be made within five calendar days after the receipt of the invoice from the supplier.
<b>Total estimated consideration payable for the year:</b>				12,979		

The consideration under the New 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 New Purchase of Assets Contract and the Previously Disclosed 2017/18 Purchase of Assets Contract 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 2017.

The annual aggregate transaction amounts that are payable by the Group to the associates of Mr. Deripaska and En+ under the New Purchase of Assets Contract and the Previously Disclosed 2017/18 Purchase of Assets Contract for the financial year ending 31 December 2017 is estimated to be approximately USD6.213 million.

The New Purchase of Assets Contract was entered into as the contractor offered the lowest price for the asset to be purchased.

The contract price under the 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 passenger buses of the same type and quality and those offered by the associates of Mr. Deripaska to independent third parties. The basis of calculation of payments under the New Purchase of Assets Contract is based on the quotation provided by the supplier based on costs relating to production.

The annual aggregate transaction amount is derived from the total contract price under the New 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 New Purchase of Assets Contract is entered into for the purpose of acquiring a passenger bus. The Company considers that the transactions contemplated under the New Purchase of Assets Contract are for the benefit of the Company, as "GAZ Group Commercial Vehicles" LLS offered the passenger bus to the Group at a competitive price and the quality of the passenger bus satisfies the requirement of the Group.

The Directors (including the independent non-executive Directors) consider that the New Purchase of Assets Contract is on normal commercial terms which are fair and reasonable and the transactions contemplated under the New 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 have a material interest in the transactions contemplated under the 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 “GAZ Group Commercial Vehicles” LLS. Accordingly, Mr. Deripaska, Ms. Olga Mashkovskaya and Ms. Gulzhan Moldazhanova did not vote on the Board resolutions approving the New Purchase of Assets Contract.

## **LISTING RULES IMPLICATIONS**

“GAZ Group Commercial Vehicles” LLS 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, “GAZ Group Commercial Vehicles” LLS is therefore an associate of Mr. Deripaska 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 New Purchase of Assets Contract and the Previously Disclosed 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 New Purchase of Assets Contract and the Previously Disclosed 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.

“GAZ Group Commercial Vehicles” LLS is principally engaged in the manufacturing of automobiles.

## **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.
“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 2017/18 Purchase of Assets Contract”	the agreement between a member of the Group and the associate of En+, pursuant to which the associate of En+ agreed to sell rectifiers to the member of the Group in 2017/18, as disclosed in the announcement of the Company dated 17 June 2016.
“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*

29 November 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. 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.*