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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 PRODUCTION

Reference is made to the announcement of the Company dated 16 November 2016 in relation to the purchase of raw materials agreements.

The Company announces that on 29 December 2016, a member of the Group, UC RUSAL TH, as buyer, and Closed Joint Stock Company “ENERGOPROM - Novosibirsk Electrode Plant”, an associate of Mr. Blavatnik, as seller, entered into the Purchase of Graphitized Electrodes Agreement with CJSC “EPM-NovEP”.

The Company announces that on 29 December 2016, a member of the Group, UC RUSAL TH, as buyer, and Public Joint Stock Company “ENERGOPROM - Novochoerkassk Electrode Plant”, an associate of Mr. Blavatnik, as seller, entered into the Purchase of Graphitized Electrodes Agreement with PJSC “EPM-NEP”.

The Company announces that on 29 December 2016, a member of the Group, UC RUSAL TH, as buyer, and Limited Liability Company “Donkarb Graphite”, an associate of Mr. Blavatnik, as seller, entered into the Additional Purchase of Graphitized Electrodes Agreement with LLC “Donkarb Graphite”.

Reference is made to the announcement of the Company dated 16 November 2016 in relation to the purchase of raw materials agreements.

THE PURCHASE OF GRAPHITIZED ELECTRODE AGREEMENT WITH CJSC “EPM-NOVEP”

The Company announces that on 29 December 2016, a member of the Group, UC RUSAL TH, as buyer, entered into the purchase of raw materials agreement pursuant to which UC RUSAL TH agreed to purchase and Closed Joint Stock Company “ENERGOPROM - Novosibirsk Electrode Plant” (“**CJSC “EPM-NovEP”**”) agreed to supply graphitized electrodes for production in the estimated amount of 3,805 metric tons for an estimated total consideration of approximately USD5,808,252 (the “**Purchase of Graphitized Electrodes Agreement with CJSC “EPM-NovEP”**”). The payment of the consideration is to be made upon delivery within 30 calendar days and is to be satisfied in cash via wire transfer. The scheduled termination date of the additional agreement is 31 December 2017.

THE PURCHASE OF GRAPHITIZED ELECTRODE AGREEMENT WITH PJSC “EPM-NEP”

The Company announces that on 29 December 2016, a member of the Group, UC RUSAL TH, as buyer, entered into the purchase of raw materials agreement , pursuant to which UC RUSAL TH agreed to purchase and Public Joint Stock Company “ENERGOPROM - Novocherkassk Electrode Plant” (“**PJSC “EPM-NEP”**”) agreed to supply graphitized electrodes for production in the estimated amount of 2,064 metric tons for an estimated total consideration of approximately USD3,323,520 (the “**Purchase of Graphitized Electrodes Agreement with PJSC “EPM-NEP”**”). The payment of the consideration is to be made upon delivery within 30 calendar days and is to be satisfied in cash via wire transfer. The scheduled termination date of the additional agreement is 31 December 2017.

ADDITIONAL PURCHASE OF GRAPHITIZED ELECTRODE AGREEMENT WITH LLC “DONKARB GRAPHITE”

The Company announces that on 29 December 2016, a member of the Group, UC RUSAL TH, as buyer, entered into an additional agreement to the original contract dated 28 November 2014, pursuant to which UC RUSAL TH agreed to purchase and Limited Liability Company “Donkarb Graphite” (“**LLC “Donkarb Graphite”**”) agreed to supply graphitized electrodes for production in the estimated amount of 192 metric tons for an estimated total consideration of approximately USD375,137 (the “**Additional Purchase of Graphitized Electrodes Agreement with LLC “Donkarb Graphite”**”). The payment of the consideration is to be made upon delivery within 30 calendar days and is to be satisfied in cash via wire transfer. The scheduled termination date of the additional agreement is 31 December 2017.

THE AGGREGATION APPROACH

Pursuant to Rule 14A.81 of the Listing Rules, the continuing connected transactions under (i) the Purchase of Graphitized Electrodes Agreement with CJSC “EPM-NovEP”; (ii) the Purchase of Graphitized Electrodes Agreement with PJSC “EPM-NEP”; and (iii) the Additional Purchase of Graphitized Electrodes Agreement with LLC “Donkarb Graphite” (collectively, the “**Purchase of Raw Materials Agreements for Production**”), and the Previously Disclosed Purchase of Raw Materials Agreements for Production are required to be aggregated, as they were entered into by the Group with the associates of the same connected persons or with parties connected or otherwise associated with one another, and the subject matter of each of the contracts relates to the purchase of raw materials by members of the Group for the purpose of the Group’s production.

THE ANNUAL AGGREGATE TRANSACTION AMOUNT

The annual aggregate transaction amount that is payable by the Group to the associates of Mr. Blavatnik under the Purchase of Raw Materials Agreements for Production and the Previously Disclosed Purchase of Raw Materials Agreements for Production for the financial year ending 31 December 2017 is estimated to be approximately USD 23.157 million.

The 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 Purchase of Raw Materials Agreements for Production is calculated by multiplying the price per metric ton by the volume.

Under the Purchase of Graphitized Electrodes Agreement with CJSC “EPM-NovEP”, the relevant price per metric ton of the graphitized electrodes ranges from approximately USD1,384 to USD1,734.

Under the Purchase of Graphitized Electrodes Agreement with PJSC “EPM-NEP”, the relevant price per metric ton of the graphitized electrodes ranges from approximately USD1,600 to USD1,680.

Under the Additional Purchase of Graphitized Electrodes Agreement with LLC “Donkarb Graphite”, the relevant price per metric ton of the graphitized electrodes is up to USD1,998.

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 anode blocks and chose the sellers offering the best terms and conditions (taking into account the price, quality of the products offered by those sellers and the proximity of the sellers) and then entered into agreements with the chosen sellers.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Directors consider that the Purchase of Raw Materials Agreements for Production are 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 Purchase of Raw Materials Agreements for Production have been negotiated on an arm's length basis and on normal commercial terms which are fair and reasonable and the transactions contemplated under the Purchase of Raw Materials Agreements for Production 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 by the Purchase of Raw Materials Agreements for Production, save for Mr. Blavatnik, a former non-executive Director, who is interested in more than 30% in each of CJSC "EPM-NovEP", PJSC "EPM-NEP" and LLC "Donkarb Graphite".

LISTING RULES IMPLICATIONS

Mr. Blavatnik, a former non-executive Director, indirectly holds more than 30% of the issued share capital of each of CJSC "EPM-NovEP", PJSC "EPM-NEP" and LLC "Donkarb Graphite". Each of CJSC "EPM-NovEP", PJSC "EPM-NEP" and LLC "Donkarb Graphite" 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 Purchase of Raw Materials Agreements for Production constitute continuing connected transactions of the Company.

The estimated annual aggregate transaction amount of the continuing connected transactions under the Purchase of Raw Materials Agreements for Production and the Previously Disclosed Purchase of Raw Materials Agreements for Production 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 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 Purchase of Raw Materials Agreements for Production and the Previously Disclosed Purchase of Raw Materials Agreements for Production 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.

CJSC "EPM-NovEP" is principally engaged in the production of graphite electrodes, carbon electrodes, cathode blocks, calcined petroleum coke and electrode paste.

PJSC "EPM-NEP" is principally engaged in the production of graphite electrodes, electrode and anode mass, moulded graphite products, carbon graphite structural materials and consumer goods.

LLC "Donkarb Graphite" 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 former 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 2017, as disclosed in the announcement of the Company dated 16 November 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

30 December 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, Ms. Ekaterina Nikitina and Mr. Marco Musetti, 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.