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UNITED COMPANY RUSAL PLC

(Incorporated under the laws of Jersey with limited liability)

(Stock Code: 486)

CONTINUING CONNECTED TRANSACTIONS — TRANSPORTATION CONTRACT AND TRANSPORT LOGISTICS SERVICES CONTRACTS

Reference is made to the announcements of the Company dated 14 January 2015, 29 December 2015, 20 January 2016, 5 July 2016 and 30 December 2016 in relation to the Previously Disclosed Transportation Contracts; and the announcement of the Company dated 30 December 2016 in relation to the Previously Disclosed Transport Logistics Services Contracts.

The Company further announces that on 13 January 2017 a transportation contract was entered into between a member of the Group and an associate of En+, pursuant to which the associate of En+ agreed to provide transportation services to the member of the Group.

The Company further announces that on 13 January 2017, members of the Group and associates of En+ entered into contracts and an addendum to the contract dated 14 November 2016 pursuant to which the associates of En+ agreed to provide transport logistics services to the members of the Group.

TRANSPORTATION CONTRACT

THE NEW TRANSPORTATION CONTRACT

Reference is made to the announcements of the Company dated 14 January 2015, 29 December 2015, 20 January 2016, 5 July 2016 and 30 December 2016 in relation to the Previously Disclosed Transportation Contracts.

The Company announces that on 13 January 2017 a transportation contract was entered into between a member of the Group and an associate of En+, pursuant to which the associate of En+ agreed to provide transportation services to the member of the Group (the “**New Transportation Contract**”) with major terms set out below:

	Date of contract	Customer (member of the Group)	Service provider (associate of En+)	Transportation services	Estimated consideration payable for the year ending 31 December 2017 excluding VAT (USD)	Scheduled termination date	Payment terms
1	13 January 2017	Limited Liability Company “Russian Engineering Company”	KraMZ-Auto	Transportation services	611,727 (Note 1)	31 December 2017	Payment to be made in two equal installations of 50% of the total amount, the first installment before the 15th of the month following the report month, and the second installment before the 30th of the month following the report month
	Total estimated consideration payable for the year				611,727		

Note:

1. The service fee is calculated by the demand for transportation services and the type of vehicle engaged, the quantity of vehicle-hours and vehicle-hour cost (which ranges from USD4 to USD91 depending on vehicle type).

The consideration under the New Transportation Contract is to be paid in cash via wire transfer or set-off of obligations between the parties.

THE ANNUAL AGGREGATE TRANSACTION AMOUNT

Pursuant to Rule 14A.81 of the Listing Rules, the continuing connected transactions contemplated under the New Transportation Contract and the Previously Disclosed Transportation Contracts should be aggregated for the financial years ending 31 December 2017, as they were entered into by members of the Group with the associates of En+, and the subject matter of each contract relates to the provision of transportation services by the associates of En+ to the Group.

The annual aggregate transaction amounts that are payable by the Group to the associates of En+ under the New Transportation Contract and the Previously Disclosed Transportation Contracts for the financial year ending 31 December 2017 are estimated to be approximately USD22.025 million.

The Company invited several organizations to take part in the tender in relation to the required transportation services and chose the contractor offering the best terms and conditions (taking into account the price and quality offered by the service provider, the ability to meet the needs of the plants, availability of extra vehicles in the vehicle pool, proximity to the production sites, the service provider's experience in the aluminum industry and the business relationship with the service provider) and then entered into the contract with the chosen service provider.

The contract price under the New Transportation 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 transportation services of the same type and quality and those offered by the associates of En+ to independent third parties. The annual aggregate transaction amount is derived from the total contract price under the New Transportation Contract, which was based on the need of transportation services by the Group for the relevant year.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The New Transportation Contract was entered into for the purpose of transporting goods, cargoes and passenger forwarding of the Group. The Company considers that the transactions contemplated under the New Transportation Contract are for the benefit of the Company, as the services provided are required in the production process of the Group and the service providers offered a competitive price, is capable of meeting the Group's transportation needs and is conveniently located.

The Directors (including the independent non-executive Directors) consider that the New Transportation Contract is on normal commercial terms which are fair and reasonable and the transactions contemplated under the New Transportation 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 under the New Transportation Contract, save for Mr. Deripaska, Mr. Maxim Sokov, Ms. Olga Mashkovskaya and Ms. Gulzhan Moldazhanova, who are directors of En+, being the holding company of KraMZ-Auto. Mr. Deripaska is also indirectly interested in more than 50% of the issued share capital of En+. Accordingly, Mr. Deripaska, Mr. Maxim Sokov, Ms. Olga Mashkovskaya and Ms. Gulzhan Moldazhanova did not vote on the Board resolution approving the New Transportation Contract.

LISTING RULES IMPLICATIONS

KraMZ-Auto is an indirect subsidiary of En+, and is therefore an associate of En+ which is a substantial shareholder of the Company. Accordingly, KraMZ-Auto is a connected person of the Company under the Listing Rules.

Accordingly, the transactions contemplated under the New Transportation Contract constitute continuing connected transactions of the Company.

The estimated annual aggregate transaction amount of the continuing connected transactions under the New Transportation Contract and the Previously Disclosed Transportation Contracts for the financial years 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 Transportation 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.

TRANSPORT LOGISTICS SERVICES CONTRACTS

THE NEW TRANSPORT LOGISTICS SERVICES CONTRACTS

Reference is made to the announcement of the Company dated 30 December 2016 in relation to the continuing connected transactions regarding the transport logistics services provided by the associates of En+.

The Company announces that, on 13 January 2017, members of the Group and associates of En+ entered into new contracts and an addendum to the transport logistics services contract dated 14 November 2016 pursuant to which the associates of En+ agreed to provide transport logistics services to the members of the Group (the “**New Transport Logistics Services Contracts**”), details of which are set out below.

No.	Date of contract/ addendum	Customer (member of the Group)	Contractor (associate of En+)	Term of contract	Estimated consideration payable for the year ending 31 December 2017 excluding VAT (USD)	Payment terms
1.	Addendum dated 13 January 2017 to the contract dated 14 November 2016	RTI Limited	Global Commodity Transport Limited	Up to 31 March 2017, with one year extension	300,468	Payment to be made within 5 banking days from the date of receipt of the bill issued by the forwarder upon the receipt by the customer from the forwarder of the copy of the bill of lading confirming the loading of containers on board of the vessel.
2.	Contract dated 13 January 2017	BAZ-SUAL branch SUAL JSC	“Russian Transport Company” LLC	31 December 2019	280,809	Payment no later than the 15th day of the month after the month the service has been rendered.
3.	Contract dated 13 January 2017	RTI Limited	Global Commodity Transport Limited	31 December 2019	1,262,250	The consideration is to be paid no later than the 3 rd day of the month of transportation.
	Total estimated consideration payable for the year				1,843,527	

The consideration under the New Transport Logistics Services Contracts is to be paid in cash via wire transfer.

THE ANNUAL AGGREGATE TRANSACTION AMOUNT

The contract price payable under the New Transport Logistics Services Contracts has been determined with reference to the market price and on terms no less favourable than those prevailing in the Russian market for transport logistics services of the same type and quality and those offered by the associates of En+ to independent third parties. The basis of calculation of payments under the addendum to the transport logistics services contract dated 14 November 2016 is the price for transportation of a maritime container multiplied by the estimated number of maritime containers required for 2017 (approximately 11,683 maritime containers for the year 2017). The Company invited several organizations to take part in the tender in relation to the relevant transport logistics services and chose the service provider offering the best terms and conditions (taking into account of the price and quality offered by the service provider) and then entered into contract with the chosen service provider.

Pursuant to Rule 14A.81 of the Listing Rules, the New Transport Logistics Services Contracts are required to be aggregated with the Previously Disclosed Transport Logistics Services Contracts as they were each entered into by the Group with the associates of En+ and the subject matter of each contract relates to the provision of transport logistics services by the associates of En+ to the Group.

The annual aggregate transaction amount that is payable by the Group to the associates of En+ under the New Transport Logistics Services Contracts and the Previously Disclosed Transport Logistics Services Contracts for the financial year ending 31 December 2017 is estimated to be up to approximately USD11.304 million. This annual aggregate transaction amount is estimated by the Directors based on the need for the transport logistics services by the Group and the total contract price.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The New Transport Logistics Services Contracts were entered into for the purpose of obtaining bundled services. As obtaining bundled logistic services is more economical than obtaining various logistic services separately from various service providers, and in certain circumstances the independent third parties are incapable of providing such bundled services or offer an uncompetitive price, the member of the Group decided to engage the service provider which offered a better price under the respective tenders and are able to provide the services required. The Company considers that the transactions contemplated under the New Transport Logistics Services Contracts are for the benefit of the Company as the services provided are required in the production process of the Group.

The Directors (including the independent non-executive Directors) consider that the New Transport Logistics Services Contracts have been negotiated on an arm's length basis and are on normal commercial terms which are fair and reasonable and the transactions contemplated under the New Transport Logistics Services Contracts 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 under the New Transport Logistics Services Contracts save for Mr. Deripaska, Mr. Maxim Sokov, Ms. Olga Mashkovskaya and Ms. Gulzhan Moldazhanova, who are directors of En+, being the holding company of each of Global Commodity Transport Limited and "Russian Transport Compnay" LLC. Mr. Deripaska is also indirectly interested in more than 50% of the issued share capital of En+. Accordingly, Mr. Deripaska, Mr. Maxim Sokov, Ms. Olga Mashkovskaya and Ms. Gulzhan Moldazhanova did not vote on the Board resolution approving the New Transport Logistics Services Contracts.

LISTING RULES IMPLICATIONS

Each of Global Commodity Transport Limited and “Russian Transport Company” LLC is an indirect subsidiary of En+, and is therefore an associate of En+ which is a substantial shareholder of the Company. Accordingly, each of Global Commodity Transport Limited and “Russian Transport Company” LLC is a connected person of the Company under the Listing Rules.

Accordingly, the transactions contemplated under the New Transport Logistics Services Contracts constitute continuing connected transactions of the Company.

The annual aggregate transaction amount for the financial year ending 31 December 2017 of the continuing connected transactions under the New Transport Logistics Services Contracts and the Previously Disclosed Transport Logistics Services Contracts 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.

Information on the New Transport Logistics Services Contracts and the Previously Disclosed Transport Logistics Services Contracts 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.

Limited Liability Company “KraMZ-Auto” is principally engaged in the provision of transportation services.

Global Commodity Transport Limited is principally engaged in the organization of different kinds of transportation services.

“Russian Transport Company” LLC is principally engaged in the organization of different kinds of transportation services.

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.
“Basic Element”	Basic Element Limited, a company incorporated in Jersey.
“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”	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 Transportation Contracts”	the series of transportation contracts between members of the Group and the associates of En+, pursuant to which the associates of En+ agreed to provide transportation services to members of the Group during the year ending 31 December 2017, as disclosed in the announcements of the Company dated 14 January 2015, 29 December 2015, 20 January 2016, 5 July 2016 and 30 December 2016.

“Previously Disclosed Transport Logistics Services Contracts”	the contracts entered into between members of the Group and the associates of En+ as disclosed in the Company’s announcement dated 30 December 2016, in relation to the receipt of transport logistics services by members of the Group.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.
“substantial shareholder”	has the same 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

16 January 2017

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.