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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 announcements of the Company dated 16 November 2016, 30 December 2016, 17 January 2017 and 7 March 2017 in relation to the purchase of raw materials agreements.

The Company announces that on 11 May 2017, a member of the Group, UC RUSAL TH, as buyer, and LLC “Doncarb Graphite”, an associate of Mr. Blavatnik, as seller, entered into the Additional Purchase of Cathode Blocks Agreement.

Reference is made to the announcements of the Company dated 16 November 2016, 30 December 2016, 17 January 2017 and 7 March 2017 in relation to the purchase of raw materials agreements.

ADDITIONAL PURCHASE OF CATHODE BLOCKS AGREEMENT

The Company announces that on 11 May 2017, 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 LLC “Doncarb Graphite” agreed to supply cathode blocks for high purity aluminium (current leads) for production in the estimated amount of 165 metric tons for an estimated total consideration of approximately USD286,846 (the “**Additional Purchase of Cathode Blocks Agreement**”). 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 the Additional Purchase of Cathode Blocks Agreement 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 Additional Purchase of Cathode Blocks Agreement and the Previously Disclosed Purchase of Raw Materials Agreements for Production for the financial year ending 31 December 2017 is estimated to be approximately USD46.860 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 Additional Purchase of Cathode Blocks Agreement is calculated by multiplying the price per metric ton by the volume.

Under the Additional Purchase of Cathode Blocks Agreement, the relevant price per metric ton of the cathode blocks is approximately USD1,738.46.

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 cathode blocks and chose the seller offering the best terms and conditions (taking into account the price, quality of the products offered by the seller and the proximity of the seller) and then entered into agreement with the chosen seller.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Directors consider that the Additional Purchase of Cathode Blocks Agreement is 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 Additional Purchase of Cathode Blocks Agreement 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 Additional Purchase of Cathode Blocks Agreement 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 Additional Purchase of Cathode Blocks Agreement, save for Mr. Blavatnik, a former non-executive Director, who is interested in more than 30% in LLC "Doncarb Graphite".

LISTING RULES IMPLICATIONS

Mr. Blavatnik, a former non-executive Director, indirectly holds more than 30% of the issued share capital of LLC "Doncarb Graphite". LLC "Doncarb 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 Additional Purchase of Cathode Blocks Agreement constitute continuing connected transactions of the Company.

The estimated annual aggregate transaction amount of the continuing connected transactions under the Additional Purchase of Cathode Blocks Agreement 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 agreements 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 Additional Purchase of Cathode Blocks Agreement 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.

LLC “Doncarb 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 announcements of the Company dated 16 November 2016, 30 December 2016, 17 January 2017 and 7 March 2017.

“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

12 May 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.