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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 AND TRANSPORTATION CONTRACT

Reference is made to the announcements of the Company dated 17 June 2016, 29 November 2016 and 30 December 2016 in relation to the Previously Disclosed Purchase of Assets Contracts; and the announcements of the Company dated 14 January 2015, 29 December 2015, 20 January 2016, 5 July 2016, 30 December 2016, 16 January 2017, 28 February 2017 and 7 July 2017 in relation to the Previously Disclosed Transportation Contracts.

The Company announces that members of the Group and associates of Mr. Deripaska entered into contracts, pursuant to which the associates of Mr. Deripaska agreed to sell assets to the members of the Group.

The Company further announces that a member of the Group entered into an additional agreement with an associate of En+, pursuant to which the associate of En+ agreed to provide transportation services to the member of the Group.

PURCHASE OF ASSETS

THE NEW PURCHASE OF ASSETS CONTRACTS

Reference is made to the announcements of the Company dated 17 June 2016 and 29 November 2016 and 30 December 2016 in relation to the Previously Disclosed Purchase of Assets Contracts.

The Company announces that members of the Group entered into agreements with associates of Mr. Deripaska, pursuant to which the associates of Mr. Deripaska agreed to sell assets to the members of the Group (the “**New Purchase of Assets Contracts**”), details of which are set out below:

	Date of agreement	Buyer (member of the Group)	Seller (associate of Mr. Deripaska)	Subject matter	Estimated consideration payable for the year ending 31 December 2017 excluding VAT (USD)	Scheduled termination date	Payment terms
1	19 July 2017	COBAD S.A.	LLC “Russian Buses GAZ Group”	6 buses	226,248	31 December 2017	50% of the consideration as advance payment within 10 business days from the contract (specification) date, remaining 50% of the consideration to be paid within 45 calendar days after the date of the bill of lading
2	19 July 2017	COBAD S.A.	JSC “The Automobile Plant “URAL””	2 fire-tanker and 1 vacuum machine	189,000	31 December 2017	20% of the consideration as advance payment within 10 business days from the contract (specification) date; remaining 80% of the consideration to be paid within 10 business days after receipt of notification regarding readiness of goods for shipping
3	19 July 2017	Friguia S.A.	JSC “The Automobile Plant “URAL””	2 fire trucks, 3 workshop trucks with crane, 2 workshop trucks, 1 truck mixer and 2 hydraulic lift trucks	768,000	31 December 2017	20% of the consideration as advance payment within 10 business days from the contract date; remaining 80% of the consideration to be paid within 10 business days after receipt of notification regarding readiness of goods for shipping
4	5 December 2016	JSC “Boksit Timana”	Limited Liability Company RM-Terex	1 motor grader and 1 excavator	233,723	31 December 2017	Consideration to be paid 30 days after delivery to consignee rail station
5	21 December 2016	JSC RUSAL Achinsk	Limited Liability Company RM-Terex	1 grader	116,924	31 December 2018	Consideration to be paid 30 days after delivery to consignee rail station
	Total estimated consideration payable for the year:				1,533,895		

The consideration under the New Purchase of Assets Contracts 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 transactions contemplated under the New Purchase of Assets Contracts and the Previously Disclosed Purchase of Assets Contracts should be aggregated, as they were entered into by members of the Group with the associates of Mr. Deripaska/En+, and the subject matter of each contract relates to the purchase of assets from the associates of Mr. Deripaska/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/En+ under the New Purchase of Assets Contracts and the Previously Disclosed Purchase of Assets Contracts for the year ending 31 December 2017 is estimated to be approximately USD7.938 million.

The Company chose the contractors offering the best terms and conditions (taking into account the price, payment terms and ability to conform to technical requirements) and then entered into the contracts with the chosen sellers. Accordingly, the New Purchase of Assets Contracts were entered into.

The contract prices under the New Purchase of Assets Contracts have 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 assets of the same type and quality and those offered by the associates of Mr. Deripaska to independent third parties.

The annual aggregate transaction amount is derived from the total contract prices under the New Purchase of Assets Contracts 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 Contracts were entered into for the purpose of acquiring assets. The Company considers that the transactions contemplated under the New Purchase of Assets Contracts are for the benefit of the Company, as the sellers offered the assets to the Group at a competitive price and the quality of the assets satisfy the requirement of the Group.

The Directors (including the independent non-executive Directors) consider that the New Purchase of Assets Contracts are on normal commercial terms which are fair and reasonable and the transactions contemplated under the New Purchase of Assets 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 Purchase of Assets Contracts, 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 interested in the issued share capital of each of LLC “Russian Buses GAZ Group”, Limited Liability Company RM-Terex and JSC “The Automobile Plant “URAL”” as to more than 30%. Mr. Deripaska is also indirectly interested in more than 30% of the issued share capital of each of LLC “Russian Buses GAZ Group” and Limited Liability Company RM-Terex. Accordingly, Mr. Deripaska, Ms. Gulzhan Moldazhanova and Ms. Olga Mashkovskaya did not vote on the Board resolutions approving the New Purchase of Assets Contracts.

LISTING RULES IMPLICATIONS

Each of LLC “Russian Buses GAZ Group”, JSC “The Automobile Plant “URAL”” and Limited Liability Company RM-Terex is 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. Each of LLC “Russian Buses GAZ Group”, JSC “The Automobile Plant “URAL”” and Limited Liability Company RM-Terex is therefore an associate of Mr. Deripaska and is thus a connected person of the Company.

The estimated annual aggregate transaction amount of the continuing connected transactions under the New Purchase of Assets Contracts 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 Contracts and the Previously Disclosed Purchase of Assets 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.

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, 30 December 2016, 16 January 2017, 28 February 2017 and 7 July 2017 in relation to the Previously Disclosed Transportation Contracts.

The Company announces that a member of the Group entered into an additional agreement with 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
Additional agreement dated 19 July 2017 to the contract dated 26 December 2016	LLC “Engineering Construction Company”	KraMZ-Auto	Transportation services	7,136 (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				7,136		

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 USD1.95 to USD22.23 depending on vehicle type).

The consideration under the New Transportation Contract is to be paid in cash via wire transfer or by way of bilateral clearing.

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 year 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 USD22.125 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 available routes) 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/or 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 and is capable of meeting the Group's transportation needs.

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 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 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.

PRINCIPAL BUSINESS ACTIVITIES

The Company is principally engaged in the production and sale of aluminium, including alloys and value-added products, and alumina.

LLC "Russian Buses GAZ Group" is principally engaged in the manufacturing of buses.

JSC "The Automobile Plant "URAL"" is principally engaged in producing and selling automotive equipment.

Limited Liability Company RM-Terex is principally engaged in manufacturing and selling equipment and machines for construction.

Limited Liability Company “KraMZ-Auto” is principally engaged in the provision 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 of Hong Kong Limited.
“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 of Hong Kong Limited.
“Mr. Deripaska”	Mr. Oleg Deripaska, an executive Director.
“percentage ratios”	the percentage ratios under Rule 14.07 of the Listing Rules.

“Previously Disclosed Purchase of Assets Contracts”	the agreements between members of the Group and the associates of Mr. Deripaska/En+, pursuant to which the associates of Mr. Deripaska/En+ agreed to sell assets to members of the Group, as disclosed in the announcements of the Company dated 17 June 2016, 29 November 2016 and 30 December 2016.
“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, 30 December 2016, 16 January 2017, 28 February 2017 and 7 July 2017.
“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

20 July 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.