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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 REPAIRING**

Reference is made to the announcements of the Company dated 22 December 2015, 28 February 2017, 22 June 2017, 4 July 2017 and 30 August 2017 in relation to continuing connected transactions regarding the purchase of raw materials for repairing.

The Company announces that on 15 September 2017, a member of the Group, as buyer, and an associate of Mr. Blavatnik, as supplier, entered into the New Purchase of Raw Materials for Repairing Contract.

#### **THE NEW PURCHASE OF RAW MATERIALS FOR REPAIRING CONTRACT**

Reference is made to the announcements of the Company dated 22 December 2015, 28 February 2017, 22 June 2017, 4 July 2017 and 30 August 2017 in relation to continuing connected transactions regarding the purchase of raw materials for repairing.

The Company announces that, on 15 September 2017, a member of the Group, as buyer, and an associate of Mr. Blavatnik, as supplier, entered into the additional agreement pursuant to which the buyer agreed to buy and the supplier agreed to sell raw materials for repairing (the “**New Purchase of Raw Materials for Repairing Contract**”). The key terms of the New Purchase of Raw Materials for Repairing Contract are set out below:

<b>Date of contract</b>	<b>Buyer (member of the Group)</b>	<b>Seller (an associate of Mr. Blavatnik)</b>	<b>Raw materials to be purchased</b>	<b>Estimated purchase volume</b>	<b>Unit price (Net of VAT)</b>	<b>Estimated consideration payable excluding VAT (USD)</b>	<b>Scheduled termination date</b>	<b>Payment terms</b>
15 September 2017, which is an additional agreement to the original contract dated 21 December 2015	Limited Liability Company “Russian Engineering Company”	Closed Joint Stock Company “ENERGOPROM-Novosibirsk Electrode Plant”	Cathode blocks	2,008 tons (including 10% additional optional volume)	up to 1,512 tons (+10/-5%) at a price up to USD1,540 per 1 ton net of VAT  up to 222 tons (+10/-5%) for the price up to USD1,011 per 1 ton net of VAT  up to 91 tons (+10/-5%) for the price up to USD1,001 per 1 ton net of VAT	2,908,414 (including consideration for the 10% additional optional volume) (Note 1)	31 December 2017	Payment is due within 45 calendar days upon dispatch
<b>Total estimated consideration payable for the year ending 31 December 2017</b>						2,908,414		

Note:

1. The consideration is to be satisfied using promissory notes of the Company or through offset of counter-claims. The price is fixed in US dollars. When issuing and processing invoices, the price will be recalculated in Russian roubles according to the following rules:

<ul style="list-style-type: none"><li>• If the US dollar exchange rate as reported by the Central Bank of the Russian Federation (“CB RF”) on the date of shipment is within the average quarterly rate of CB RF for the 4th quarter 2016 (hereinafter referred to as AQR-CB) per one US dollar +/- 20%, the price in roubles is determined at the rate of CB RF on the date of shipment</li></ul>	<ul style="list-style-type: none"><li>• If the exchange rate of CB RF is <math>&gt; (AQR-CB \text{ plus } 20\%)</math> per one US dollar on the date of shipment, the price of the goods in roubles is calculated as: 32.5% of the price in US dollars at a fixed exchange rate (AQR-CB plus 20%) per one US dollar, plus 67.5% of the price in US dollars at the exchange rate of the CB RF on the date of shipment</li></ul>	<ul style="list-style-type: none"><li>• If the exchange rate of CB RF is <math>&lt; (AQR-CB \text{ minus } 20\%)</math> per one US dollar on the date of shipment, the price in roubles is calculated as: 32.5% of the price in US dollars at a fixed exchange rate (AQR-CB minus 20%) per one US dollar, plus 67.5% of the price in US dollars at the exchange rate of CB RF on the date of shipment</li></ul>
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## THE ANNUAL AGGREGATE TRANSACTION AMOUNT

Pursuant to Rule 14A.81 of the Listing Rules, the continuing connected transactions contemplated under the New Purchase of Raw Materials for Repairing Contract and the Previously Disclosed Purchase of Raw Materials for Repairing Contracts should be aggregated, as they were entered into by members of the Group with the associates of Mr. Blavatnik, and the subject matter of each contract relates to the purchase of raw materials from the associates of Mr. Blavatnik by the Group.

The annual aggregate transaction amount that is payable by the Group to the associates of Mr. Blavatnik under the New Purchase of Raw Materials for Repairing Contract and the Previously Disclosed Purchase of Raw Materials for Repairing Contracts for the financial year ending 31 December 2017 is estimated to be approximately USD35.07 million.

The contract price payable under the New Purchase of Raw Materials for Repairing Contract has been determined with reference to the 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 associate of Mr. Blavatnik to independent third parties.

In accordance with the Company’s procurement policies and using tools such as the Company’s procurement portal, the Company invited several organizations to take part in the tender in relation to the relevant required purchase of raw materials. The Company’s procurement managers, in line with the best-in-class experience and know-how of the Company’s procurement policies, with approval from the

Company's bidding committee, chose the contractor offering the best terms and conditions (taking into account the quality offered, payment terms and the price) and then entered into the contract with the chosen party. Accordingly, the New Purchase of Raw Materials for Repairing Contract was entered into.

The annual aggregate transaction amount is estimated by the Directors based on the amount of raw materials to be purchased and their contract price.

## **REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

The Directors consider that the New Purchase of Raw Materials for Repairing Contract is for the benefit of the Company, as the chosen contractor can supply raw materials to the Group at a satisfactory quality and at a competitive price. The New Purchase of Raw Materials for Repairing Contract was entered into for the purposes of purchasing raw materials for repair work.

The Directors (including the independent non-executive Directors) consider that the New Purchase of Raw Materials for Repairing Contract 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 New Purchase of Raw Materials for Repairing 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 by the New Purchase of Raw Materials for Repairing Contract save for Mr. Blavatnik, a former non-executive Director, who is indirectly interested in more than 30% of Closed Joint Stock Company "ENERGOPROM-Novosibirsk Electrode Plant".

## **LISTING RULES IMPLICATIONS**

Mr. Blavatnik, a former non-executive Director, indirectly holds more than 30% of the issued share capital of Closed Joint Stock Company "ENERGOPROM-Novosibirsk Electrode Plant". Closed Joint Stock Company "ENERGOPROM-Novosibirsk Electrode Plant" is therefore an associate of Mr. Blavatnik and a connected person of the Company under the Listing Rules.

Accordingly, the transactions contemplated under the New Purchase of Raw Materials for Repairing Contract and the Previously Disclosed Purchase of Raw Materials for Repairing Contracts constitute continuing connected transactions of the Company.

The estimated annual aggregate transaction amount of the continuing connected transactions under the New Purchase of Raw Materials for Repairing Contract and the Previously Disclosed Purchase of Raw Materials for Repairing 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 Raw Materials for Repairing Contract and the Previously Disclosed Purchase of Raw Materials for Repairing Contracts 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.

Closed Joint Stock Company "ENERGOPROM-Novosibirsk Electrode Plant" is principally engaged in the production of graphite electrodes, carbon electrodes, cathode blocks, calcined petroleum coke and electrode paste.

## **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 of Hong Kong Limited.
"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 of Hong Kong Limited.
“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 for Repairing Contracts”	the 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 22 December 2015, 28 February 2017, 22 June 2017, 4 July 2017 and 30 August 2017.
“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*

18 September 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.*