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## **UNITED COMPANY RUSAL PLC**

*(Incorporated under the laws of Jersey with limited liability)*

**(Stock Code: 486)**

### **CONTINUING CONNECTED TRANSACTIONS CONNECTION OF ELECTRICAL GRID CONTRACT**

The Company announces that on 3 October 2017, RUSAL Taishet, a member of the Group, entered into a contract in its usual and ordinary course of business with JSC “IENC”, an associate of En+, pursuant to which JSC “IENC” agreed to provide electrical grid connection services to RUSAL Taishet.

#### **CONNECTION OF ELECTRICAL GRID CONTRACT**

The Company announces that on 3 October 2017, “RUSAL Taishet Aluminium Smelter” Limited Liability Company (“**RUSAL Taishet**”), a member of the Group, entered into a contract in its usual and ordinary course of business with Joint Stock Company “Irkutsk electronetwork company” (“**JSC “IENC”**”), an associate of En+, pursuant to which JSC “IENC” agreed to provide electrical grid connection services to RUSAL Taishet with estimated transaction amounts (excluding VAT) for each of the three financial years ending 31 December 2017, 2018 and 2019 of approximately up to USD6,766,130, USD26,560,735 and USD36,059,577 respectively (the “**Connection of Electrical Grid Contract**”). The scheduled termination date of the contract is 3 October 2020 and may be extended for the next year if neither party declares its intention to terminate the contract in writing no later than 30 calendar days prior to its expiration. The payment of consideration will be made monthly against the invoices issued by JSC “IENC” and the subsequent work acceptance certificates based on stages. The consideration is to be satisfied in cash via wire transfer.

## **THE ANNUAL AGGREGATE TRANSACTION AMOUNT**

The annual aggregate transaction amount that is payable by RUSAL Taishet to JSC “IENC” under the Connection of Electrical Grid Contract for each of the three years ending 31 December 2017, 2018 and 2019 is approximately up to USD6,766,130, USD26,560,735 and USD36,059,577 respectively. Such annual aggregate transaction amounts are estimated by the Directors based on the need for the connection of electrical grid by the Group. The basis of calculation of payments under the Connection of Electrical Grid Contract is determined in accordance with the methodological guidelines for determining of the amount of payment for utility connection to electrical grids approved by the Order of the Federal Tariff Service No. 365-e / 5 dated 30 November 2010. The Order of The Tariff Service in Irkutsk Region No. 6-T dated 22 October 2013 prescribes the tariff for utility connection in the amount of RUB 4,087,066,000, excluding VAT (approximately USD62,877,939). Indexation for the period of utility connection was carried out in accordance with the letter of the Federal Tariff Service No. EP-10196/12 dated 17 September 2014.

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

The Connection of Electrical Grid Contract is entered into for the technological connection of electrical grids in the Taishet Aluminium Smelter, which is necessary for connecting energy receivers (devices which convert electrical or thermal energy into a different type of energy) to electric grids of a grid organisation, and includes determination of the technical feasibility of the connection, approval of specification requirements with operational dispatch management and adjoining grid organisations, and fulfilment of necessary contractual provisions.

The Directors consider that the transactions contemplated under the Connection of Electrical Grid Contract are for the benefit of the Company as there is no alternative supplier available in the respective region. The connection of power receivers of the Taishet aluminum smelters is possible only to the electric networks of JSC “IENC”.

The consideration payable under the Connection of Electrical Grid Contract has been determined with reference to the market price and on terms no less favourable than those prevailing in the Russian market for the supply of the service of connecting electrical grid of the same type and quality and those offered by the associates of En+ to independent third parties.

The Directors (including the independent non-executive Directors) consider that the Connection of Electrical Grid 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 Connection of Electrical Grid 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 Connection of Electrical Grid 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 JSC “IENC”. 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 Connection of Electrical Grid Contract.

## **LISTING RULES IMPLICATIONS**

JSC “IENC” is held by En+ as to more than 30% of the issued share capital and is therefore an associate of En+ which is a substantial shareholder of the Company and thus is a connected person of the Company under the Listing Rules.

The estimated annual aggregate transaction amount of the continuing connected transactions under the Connection of Electrical Grid Contract for each of the financial years ending 31 December 2018 and 31 December 2019 is expected to be 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 Connection of Electrical Grid Contract 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 the independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Details of the Connection of Electrical Grid Contract 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.

JSC “IENC” is principally engaged in rendering of services on electric energy transmission and technological connection of consumers to electric networks.

## 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.
“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.
“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*

4 October 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.*

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