

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



UNITED COMPANY RUSAL PLC

(Incorporated under the laws of Jersey with limited liability)

(Stock Code: 486)

CONTINUING CONNECTED TRANSACTIONS TRANSPORT LOGISTICS SERVICES CONTRACTS

Reference is made to the announcements of the Company dated 30 December 2016, 16 January 2017, 2 March 2017, 8 March 2017, 12 April 2017, 1 June 2017, 21 June 2017 and 4 July 2017, 13 November 2017 and 29 December 2017 in relation to the Previously Disclosed Transport Logistics Services Contracts.

The Company announces that members of the Group and associates of En+ entered into contracts/addendums 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

Reference is made to the announcements of the Company dated 30 December 2016, 16 January 2017, 2 March 2017, 8 March 2017, 12 April 2017, 1 June 2017, 21 June 2017 and 4 July 2017, 13 November 2017 and 29 December 2017 in relation to the Previously Disclosed Transport Logistics Services Contracts.

The Company announces that members of the Group and associates of En+ entered into contracts/addendums 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**”) with major terms set out below:

No.	Date of contract/ addendum	Customer (member of the Group)	Service provider (associate of En+)	Services	Estimated consideration payable for the year ended 31 December 2017 and the year ending 31 December 2018, excluding VAT (USD)	Scheduled termination date	Payment terms
1	2 Addendums dated 11 January 2018, which are the addendums to the original contract dated 13 January 2017 (the term of the addendums commenced on 1 January 2018)	RUSAL Krasnoturyinsk branch of RUSAL Ural JSC	«Russian Transport Company» LLC	Organization of transportation of raw materials	2018: 70,513 (Note 1)	31 December 2019	Payment before the 22nd of the month following the month of transportation
2	Addendum dated 11 January 2018, which is an addendum to the original contract dated 29 December 2016 (the term of the addendum commenced on 1 January 2018)	RUSALTRANS LLC	«Russian Transport Company» LLC	Organization of transportation of goods railway transport	2018:1,551,587 (Note 2)	31 December 2019	Payment before the 22nd of the month following the month of transportation
3	11 January 2018 (the term of the contract commenced on 1 October 2017)	RUSAL TH	«Russian Transport Company» LLC	Forwarding services	2017: 361,376 2018: 361,376	31 March 2018	Payment to be made within 5 days from the date of drawing of the account
	Total estimated consideration payable for the year				2017:361,376 2018:1,983,476		

Notes:

1. The basis of calculation is the price for transportation of a wagon multiplied by the estimated number of wagons required for the year ending 31 December 2018 (approximately 723 wagons).
2. The basis of calculation is the price for transportation of a wagon multiplied by the estimated number of wagons required for the year ending 31 December 2018 (approximately 11,494 wagons).

The consideration under the New Transport Logistics Services Contracts is to be paid in cash via bank 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. For the addendums numbers 1 and 2 in the table above, 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 required transport logistics services. 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 service provider offering the best terms and conditions (the chosen service provider offered competitive rates with rolling stock guarantee and was able to provide the services required). The basis of calculation of payment under the contract no. 3 is the price for transportation of a container multiplied by the estimated number of containers required for each of the year ended 31 December 2017 and the year ending 31 December 2018 (i.e. approximately 138 containers (for each of the year 2017 and 2018 respectively)).

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 ended 31 December 2017 is estimated to be up to approximately USD24.352 million and for the financial year ending 31 December 2018 is estimated to be up to approximately USD23.378 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 contract price.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The New Transport Logistics Services Contracts were entered into for the purpose of obtaining logistics services. 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 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, Ms. Gulzhan Moldazhanova and Mr. Vladislav Soloviev (since 1 January 2018 when his appointment as director of En+ was effective), who are directors of En+, being the holding company of «Russian Transport Company» 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 (except Mr. Vladislav Soloviev as Mr. Vladislav Soloviev's appointment as director of En+ had not been effective at the time of the Board resolution).

LISTING RULES IMPLICATIONS

«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. Therefore «Russian Transport Company» LLC is a connected person of the Company under the Listing Rules.

The estimated annual aggregate transaction amount of the continuing connected transactions under the New Transport Logistic Services Contracts and the Previously Disclosed Transport Logistics Services Contracts for the each of the financial year ended 31 December 2017 and the financial year ending 31 December 2018 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 Transport Logistic Services 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.

«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.
“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.
“Previously Disclosed Transport Logistics Services Contracts”	the contracts entered into between the members of the Group and the associates of En+ as disclosed in the Company’s announcements dated 30 December 2016, 16 January 2017, 2 March 2017, 8 March 2017, 12 April 2017, 1 June 2017, 21 June 2017 and 4 July 2017, 13 November 2017 and 29 December 2017 in relation to the receipt of transport logistics services by the member of the Group for the years ended 31 December 2017 and ending 31 December 2018.

“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

12 January 2018

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.