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UNITED COMPANY RUSAL PLC

(Incorporated under the laws of Jersey with limited liability)

(Stock Code: 486)

CONTINUING CONNECTED TRANSACTIONS TRANSPORTATION CONTRACTS

Reference is made to the announcements of the Company dated 14 November 2017 and 29 December 2017 in relation to the Previously Disclosed Transportation Contracts.

The Company announces that the member of the Group entered into contracts with the associate of En+, pursuant to which the associate of En+ agreed to provide transportation services to the member of the Group.

THE NEW TRANSPORTATION CONTRACTS

Reference is made to the announcements of the Company dated 14 November 2017 and 29 December 2017 in relation to the Previously Disclosed Transportation Contracts.

The Company announces that the member of the Group entered into contracts with the associate of En+, pursuant to which the associate of En+ agreed to provide transportation services to the member of the Group (the “**New Transportation Contracts**”) 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 2018, 31 December 2019 or 31 December 2020 excluding VAT (USD) | Scheduled termination date | Payment terms |
|---|---|--|--|--|----------------------------|---|
| 1 18 January 2018 | Limited Liability Company “Russian Engineering Company” (Sayanogorsk) | Limited Liability Company “KraMZ-Auto” | Passenger vehicles (LIAZ buses) and cargo transportation (freight transport) | 2018: 334,775 (Note 1) | 31 December 2018 | Payment to be made in two equal installations of 50% of the total amount, one before the 15th of the month following the report month, and the other before the 30th of the month following the report month after the receipt from contractor of the original copy of the invoice for the total amount of services performed and accepted by the customer, on the basis of performed works acceptance certificates signed by the parties |
| 2 18 January 2018 | Limited Liability Company “Russian Engineering Company” (Krasnoyarsk) | Limited Liability Company “KraMZ-Auto” | Passenger and freight automobiles, hoisting and road cleaning machines, loading and unloading equipment, tractors. | 2018: 523,051 2019: 529,681 2020: 534,977 (Note 2) | 31 December 2020 | Payment to be made in two equal installations of 50% of the total amount, one before the 15th of the month following the report month, and the other before the 30th of the month following the report month after the receipt from contractor of the original copy of the invoice for the total amount of services performed and accepted by the customer, on the basis of performed works acceptance certificates signed by the parties |
| Total estimated consideration payable for the year | | | | 2018: 857,826 2019: 529,681 2020: 534,977 | | |

Notes:

1. The basis of calculation is determined by the number of trips to transfer passengers along routes established in advance, and the cost of one fare. The number of trips is determined by the bus schedule (varies from 42 to 105 trips, depending on the route). The cost of one trip is approximately: 2018: from USD13.23 to USD44.11.

The basis of calculation of freight transport is the price per unit of services rendered, expressed in mash/hour depending on type and kind of equipment during the reporting period (month). The estimated volume of supplies is 2018: 42,721 mash/hours.

2. The basis of calculation is determined by the demand schedules for transportation services indicating vehicle types engaged, quantity of vehicle-hours and vehicle-hour cost (ranging from USD4 to USD42 depending on vehicle type).

The consideration under the New Transportation Contracts is to be paid in cash via bank transfer or bilateral clearing or by the offsetting of reciprocal obligations.

THE ANNUAL AGGREGATE TRANSACTION AMOUNT

Pursuant to Rule 14A.81 of the Listing Rules, the continuing connected transactions contemplated under the New Transportation Contracts and the Previously Disclosed Transportation Contract should be aggregated for the financial year ending 31 December 2018, 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 Contracts and the Previously Disclosed Transportation Contract for the financial years ending 31 December 2018, 31 December 2019 and 31 December 2020 are estimated to be approximately USD19.819 million, USD15.211 million and USD15.933 million respectively.

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 transportation services. Regarding the contracts mentioned in the table above, 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 (the service provider offered the lowest price, was able to provide all necessary inventory, the service provider is conveniently located and was able to meet the needs of the plant in full) and then entered into the contract with the chosen service provider.

The contract price under the New Transportation Contracts 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 associate of En+ to independent third parties. The annual aggregate transaction amount is derived from the total contract price under the New Transportation Contracts, 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 Contracts were 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 Contracts are for the benefit of the Company, as the services provided are required in the production process of the Group and the service provider 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 Contracts are on normal commercial terms which are fair and reasonable and the transactions contemplated under the New Transportation 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 Transportation 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 Limited Liability Company "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 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

Limited Liability Company “KraMZ-Auto” is an indirect subsidiary of En+, and is therefore an associate of En+ which is a substantial shareholder of the Company. Accordingly, Limited Liability Company “KraMZ-Auto” is a connected person of the Company under the Listing Rules.

Accordingly, the transactions contemplated under the New Transportation Contracts constitute continuing connected transactions of the Company.

The estimated annual aggregate transaction amount of the continuing connected transactions under the New Transportation Contracts and the Previously Disclosed Transportation Contract for each of the financial years ending 31 December 2018, 31 December 2019 and 31 December 2020 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 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.

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:

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| “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” | 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 Transportation Contract” | the transportation contracts between the members of the Group and the associates of En+, pursuant to which the associates of En+ agreed to provide transportation services to the members of the Group, as disclosed in the announcements of the Company dated 14 November 2017 and 29 December 2017. |

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|---------------------------|---|
| “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

19 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.