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UNITED COMPANY RUSAL PLC

(Incorporated under the laws of Jersey with limited liability)

(Stock Code: 486)

CONTINUING CONNECTED TRANSACTIONS REPAIR SERVICES AND SALE OF RAW MATERIALS

Reference is made to the announcements of the Company dated 30 October 2017, 11 December 2017 and 11 January 2018 in relation to the Previously Disclosed Repair Services Contracts; and to the announcement of the Company dated 29 December 2017 in relation to the Previously Disclosed Raw Materials Supply Contracts .

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

The Company further announces that the member of the Group, as seller, entered into raw materials supply contract with an associate of Mr. Deripaska, as buyer.

THE NEW REPAIR SERVICES CONTRACT

Reference is made to the announcements of the Company dated 30 October 2017, 11 December 2017 and 11 January 2018 in relation to the Previously Disclosed Repair Services Contracts.

The Company announces that the member of the Group entered into the contract with the associate of En+, pursuant to which the associate of En+ agreed to provide repair services to the member of the Group (the “**New Repair Services Contract**”), details of which are set out below.

		Customer	Contractor	Term of	Repair	Estimated	
	Date of the	(member of	(associate of En+)	contract	services	consideration	
	contract	the Group)				payable for the	
						year ending	
						31 December	
						2018 excluding	
						VAT (USD)	Payment terms
1	26 January 2018	JSC “RUSAL Achinsk”	JSC “Bratskenergoremont”	Up to 31 December 2018	Technological cleaning of boiler units for storage of wet coagulant	388,489 (Note 1)	Within 15 calendar days from the date of signing the certificates of work performed
	Total					388,489	
	estimated						
	consideration						
	payable for						
	the year						
	2018						

Note:

1. The consideration is based on the contractor’s remuneration at USD388,489 excluding VAT for servicing of the plant.

The consideration under the New Repair Services Contract is to be paid in cash via bank transfer.

THE ANNUAL AGGREGATE TRANSACTION AMOUNT

The contract price payable under the New Repair Services Contract has been determined with reference to the market price and on terms no less favourable than those prevailing in the Russian market for repair services of the same type and quality and those offered by the associates of En+ to independent third parties. The basis of calculation of payments under the New Repair Services Contract is the price of contract offered by the associate of En+ which is based on the estimated costs (including labour costs and the necessary materials) for the relevant repair works. 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 repair 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 contractor offering the best terms and conditions (taking into account the price, the fact that the contractor performed similar works for the Group successfully previously and the availability of professionals with the required skill and experience) and then entered into the contract with the chosen contractor.

Based on the terms of the New Repair Services Contract and the Previously Disclosed Repair Services Contracts, the annual aggregate transaction amount that is payable by the Group to the associates of En+ for the financial year ending 31 December 2018 is estimated to be approximately USD10.309 million.

The annual aggregate transaction amount is estimated by the Directors based on the amount of repair services to be received and the contract price.

THE AGGREGATION APPROACH

Pursuant to Rule 14A.81 of the Listing Rules, the continuing connected transactions contemplated under the New Repair Services Contract and the Previously Disclosed Repair Services Contracts should be aggregated, as they were entered into by the Group with the associates of the same group of connected persons who are parties connected or otherwise associated with one another, and the subject matter of each of the contracts relates to the receipt of repair and maintenance services by members of the Group.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Directors consider that the New Repair Services Contract is for the benefit of the Company, as the contractor offered a competitive price.

The Directors (including the independent non-executive Directors) consider that the New Repair Services 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 Repair Services 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 Repair Services Contract, 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 JSC "Bratskenergoremont". 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 Repair Services Contract (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

JSC "Bratskenergoremont" is held by En+ as to more than 30% of the issued share capital and are therefore associates 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 New Repair Services Contract and the Previously Disclosed Repair Services Contracts for 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 the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Details of the New Repair Services Contract and the Previously Disclosed Repair Services 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.

SALE OF RAW MATERIALS

NEW RAW MATERIALS SUPPLY CONTRACT

The Company announces that the member of the Group, as seller, entered into raw materials supply contract with an associate of Mr. Deripaska, as buyer, with major terms set out below (the “**New Raw Materials Supply Contract**”):

Date of contract	Seller (member of the Group)	Buyer (associate of Mr. Deripaska)	Raw materials to be supplied	Estimated delivery volume for the year ending 31 December 2018	Estimated consideration payable for the year ending 31 December 2018 excluding VAT (USD)	Scheduled termination date	Payment terms
1 26 January 2019	JSC “UC RUSAL TH”	“Glavstroy-Ust-Labinsk” LLC	Aluminum powder	240 tons	1,046,640 (Note 1)	31 December 2018	100% advance payment
Total estimated consideration payable for the year					1,046,640		

Note:

1. The approximate contract price is agreed between the parties and based on per unit price: 4,361 USD/ton. The contract price per ton is linked to the price of aluminium on the LME plus a premium calculated on a monthly basis and in accordance with the average price of aluminium on the LME one month prior to the month of shipment.

The consideration under the New Raw Materials Supply Contract is to be paid in cash via bank transfer or 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 Raw Materials Supply Contract and the Previously Disclosed Raw Materials Supply Contracts should be aggregated, as they were entered into by members of the Group with the associates of En+/Mr. Deripaska, and the subject matter of each contract relates to the supply of raw materials by the Group to the associates of En+/Mr. Deripaska.

The annual aggregate transaction amount that is payable by the associates of En+/Mr. Deripaska to the Group under the New Raw Materials Supply Contract and the Previously Disclosed Raw Materials Supply Contracts for the financial year ending 31 December 2018 is estimated to be approximately USD16.224 million.

The consideration payable under the New Raw Materials Supply Contracts is calculated by multiplying the unit price by the volume. The unit price is set out in the note to the table above.

The consideration payable under the New Raw Materials Supply 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 raw materials of the same type and quality and those offered by members of the Group to independent third parties customers. The price list for the New Raw Materials Supply Contract is applicable to all buyers of similar products. The selling price is based upon the purchase price + ordering costs + 0.1% general expenses + 2% efficiency. The annual aggregate amount is the maximum amount of consideration payable under the terms of the New Raw Materials Supply Contract based on the delivery volume estimated by Directors and the demand from the buyer.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Directors consider that the entering into of the New Raw Materials Supply Contract is for the benefit of the Company as the sale is profitable and the Group is assured of payment on a timely basis and there are less financial risks.

The Directors (including the independent non-executive Directors) consider that the New Raw Materials Supply Contract is on normal commercial terms which are fair and reasonable and the transactions contemplated under the New Raw Materials Supply 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, save for (a) Mr. Deripaska, who is a director of Basic Element and is interested in more than 50% of the issued share capital of Basic Element; (b) Ms. Gulzhan Moldazhanova, who is a director of Basic Element; and (c) Ms. Olga Mashkovskaya, who is a deputy chief executive officer for finance of Basic Element. Basic Element is the holding company of "Glavstroy-Ust-Labinsk" LLC. Accordingly, Mr. Deripaska, Ms. Gulzhan Moldazhanova and Ms. Olga Mashkovskaya did not vote on the Board resolution approving the relevant New Raw Materials Supply Contract.

LISTING RULES IMPLICATIONS

“Glavstroy-Ust-Labinsk” LLC 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. “Glavstroy-Ust-Labinsk” LLC is therefore an associate of Mr. Deripaska and is thus a connected person of the Company. Accordingly, the transactions contemplated under the New Raw Materials Supply Contract constitute continuing connected transactions of the Company.

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

JSC “Bratskenergoremont” is principally engaged in activities for supporting of operability of the equipment, production of electric installation, all-construction works and others.

“Glavstroy-Ust-Labinsk” LLC is principally engaged in construction.

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(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 Repair Services Contracts”	the repair services contracts between members of the Group and associates of En+, pursuant to which the associates of En+ agreed to provide repair services to the members of the Group during the year 2018, as disclosed in the announcements of the Company dated 30 October 2017, 11 December 2017 and 11 January 2018.

“Previously Disclosed Raw Materials Supply Contracts”	the raw materials supply contracts between members of the Group, as sellers, and associates of En+/Mr. Deripaska, as buyers, as disclosed in the announcement of the Company dated 29 December 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

29 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.