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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,
SALE OF RAW MATERIALS
AND
TRANSPORTATION CONTRACT**

Reference is made to the announcements of the Company dated 30 October 2017, 11 December 2017, 11 January 2018, 29 January 2018 and 15 February 2018 in relation to the Previously Disclosed Repair Services Contracts; to the announcements of the Company dated 29 December 2017, 29 January 2018 and 15 February 2018 in relation to the Previously Disclosed Raw Materials Supply Contracts; and to the announcements of the Company dated 14 November 2017, 29 December 2017, 19 January 2018 and 2 February 2018 in relation to the Previously Disclosed Transportation Contracts.

The Company announces that members of the Group entered into a contract and an addendum with the associates of En+, pursuant to which the associates of En+ agreed to provide repair services to the members of the Group.

The Company further announces that a member of the Group, as the seller, entered into a raw materials supply contracts with the associates of Mr. Deripaska/En+, as the buyers.

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

REPAIR SERVICES

THE NEW REPAIR SERVICES CONTRACTS

Reference is made to the announcements of the Company dated 30 October 2017, 11 December 2017, 11 January 2018, 29 January 2018 and 15 February 2018 in relation to the Previously Disclosed Repair Services Contracts.

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

	Date of the contract/addendum	Customer (member of the Group)	Contractor (associate of En+)	Term of contract	Repair services	Estimated consideration payable for the year ending 31 December 2018 excluding VAT (USD)	Payment terms
1	26 February 2018	Joint Stock Company “RUSAL Sayanogorsk Smelter”	Khakass Utility Systems LLC	Up to 31 December 2018	Providing monthly service and repair to the fuel pump station of the power shop	9,909 (Note 1)	Within 60 calendar days after receipt of the documented original invoices corresponding to the certificates of acceptance signed by both parties
2	26 February 2018 (addendum to the contract dated 27 October 2017)	JSC “RUSAL Achinsk”	SC “Bratskenergoremont”	Up to 31 December 2018	Performance of work upon overhaul of the boiler unit in 2017-2018	1,829,818 (Note 2)	A prepayment of 50% of the consideration shall be paid according to the monthly financial schedule set out in the contract until the 5th day of the current month, the remaining 50% to be paid within 10 calendar days after receipt of the invoice
	Total estimated consideration (USD)					1,839,727	

Notes:

1. The estimated consideration payable is calculated on the basis of labour cost of USD4.11 per hour (excluding VAT).
2. This is the additional consideration payable under the addendum in addition to the estimated consideration payable under the original contract dated 27 October 2017 as mentioned in the announcement dated 30 October 2017. The consideration is based on the estimated costs (including labour costs and the necessary materials costs) for the relevant repair works and is to be paid in cash via bank transfer.

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

THE ANNUAL AGGREGATE TRANSACTION AMOUNT

The contract prices payable under the New Repair Services Contracts have 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 Contracts 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 by 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, and with approval from the Company's bidding committee, chose the contractor offering the best terms and conditions (taking into account the contract price) and then entered into a contract with the chosen contractor.

Based on the terms of the New Repair Services Contracts 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 years ending 31 December 2018 is estimated to be approximately USD12.772 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 Contracts 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 Contracts are for the benefit of the Company, as each of Khakass Utility Systems LLC and JSC “Bratskenergoremont” offered a competitive price.

The Directors (including the independent non-executive Directors) consider that the New Repair Services Contracts have 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 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 Repair Services Contracts, save for Mr. Deripaska, Mr. Vladislav Soloviev, Mr. Maxim Sokov, Ms. Olga Mashkovskaya and Ms. Gulzhan Moldazhanova who are directors of En+, being the holding company of each of Khakass Utility Systems LLC and JSC “Bratskenergoremont” . Mr. Deripaska is also indirectly interested in more than 50% of the issued share capital of En+. Accordingly, Mr. Deripaska, Mr. Vladislav Soloviev, Mr. Maxim Sokov, Ms. Olga Mashkovskaya and Ms. Gulzhan Moldazhanova did not vote on the Board resolution approving the entering into of the New Repair Services Contracts.

LISTING RULES IMPLICATIONS

Each of Khakass Utility Systems LLC and JSC “Bratskenergoremont” is held by En+ as to more than 30% of its issued share capital and is therefore an associate of En+ which in turn is a substantial shareholder of the Company and thus 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 Contracts 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 Contracts 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 CONTRACTS

Reference is made to the announcements of the Company dated 29 December 2017, 29 January 2018 and 15 February 2018 in relation to the Previously Disclosed Raw Materials Supply Contracts.

The Company announces that a member of the Group, as the seller, entered into a raw materials supply contract with each of the associates of Mr. Deripaska/En+, as the buyers, with major terms set out below (the “**New Raw Materials Supply Contracts**”):

					Estimated	Estimated		
			Raw	Estimated	consideration			
	Seller	Buyer (associate of	materials	delivery volume	payable for the			
	(member of	Mr.	to be	for the year	year ending			
	the Group)	Deripaska/En+)	supplied	ending	31 December	2018 excluding	Scheduled	Payment
Date of				31 December	31 December	VAT (USD)	termination date	terms
contract				2018	2018			
1	26 February 2018	JSC “UC RUSAL TH”	LLC “Sorskiy Ferromolibdenoviy Zavod”	Aluminum powder	243 tons	675,420 (Note 1)	31 December 2018	100% payment within 30 days from the date of shipment
2	26 February 2018	JSC “UC RUSAL TH”	«KraMZ» Ltd.	Silicon	300 tons	657,000 (Note 2)	31 December 2018, may be extended automatically for next calendar year if neither party declare its intention to terminate it not less than 20 calendar days before expiry	100% advance payment
Total estimated consideration payable for the year (USD)						1,332,420		

Notes:

1. The approximate contract price is agreed between the parties and based on per unit price: USD2,779.5 /ton. The contract price per ton is linked to the price of aluminium on the London Metal Exchange (“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.
2. The approximate contract price is agreed between the parties and based on per unit price: USD2,190 ton. Prices are set based on global prices. The calculation is based on the prices existing during the contracting period for the standard silicon grade on free on board main China ports basis, plus the average price of transportation to the Russian customer, import duty, plus the adjustment based on latest market updates and discount/premium for impurity content. The price increase is limited by the regulations of the Federal Antimonopoly Service (a Russian governmental authority) which oblige the Group not to increase silicon prices by more than 20% per year, and by possibility of replacement with imported products. In addition, the requirement of the Federal Antimonopoly Service obliges the Group to meet the needs of Russian buyers and maintain prices for all customers at the same level.

The consideration under the New Raw Materials Supply Contracts is to be paid in cash via bank transfer 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 Raw Materials Supply Contracts 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 Mr. Deripaska/En+ , and the subject matter of each contract relates to the supply of raw materials by the Group to the associates of Mr. Deripaska/En+ .

The annual aggregate transaction amount that is payable by the associates of Mr. Deripaska/En+ to the Group under the New Raw Materials Supply Contracts and the Previously Disclosed Raw Materials Supply Contracts for the financial year ending 31 December 2018 is estimated to be approximately USD17.733 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 Note 1 and 2 to the table above.

The consideration payable under the New Raw Materials Supply 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 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 Contracts 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 Contracts 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 Contracts 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 fewer financial risks.

The Directors (including the independent non-executive Directors) consider that the New Raw Materials Supply Contracts are 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.

Regarding contract number 1 in the table of New Raw Materials Supply Contracts above, 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 LLC "Sorskiy Ferromolibdenoviy Zavod". Accordingly, Mr. Deripaska, Ms. Gulzhan Moldazhanova and Ms. Olga Mashkovskaya did not vote on the Board resolution approving the entering into of relevant New Raw Materials Supply Contract.

Regarding contract number 2 in the table of New Raw Materials Supply Contracts above, none of the Directors has a material interest in the transactions contemplated under contemplated under the Raw Materials Supply 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 «KraMZ» Ltd. 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 resolutions approving the relevant Raw Materials Supply 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

LLC “Sorskiy Ferromolibdenoviy Zavod” is held by Basic Element as to more than 30% of its issued share capital. Basic Element is in turn held by Mr. Deripaska (an executive Director) as to more than 50% of its issued share capital. LLC “Sorskiy Ferromolibdenoviy Zavod” is therefore an associate of Mr. Deripaska and is thus a connected person of the Company.

«KraMZ» Ltd. 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. Accordingly, «KraMZ» Ltd. is a connected person of the Company under the Listing Rules.

Accordingly, the transactions contemplated under the New Raw Materials Supply Contracts constitute continuing connected transactions of the Company.

The estimated annual aggregate transaction amount of the continuing connected transactions under the New Raw Materials Supply Contracts 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 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.

TRANSPORTATION CONTRACT

THE NEW TRANSPORTATION CONTRACT

Reference is made to the announcements of the Company dated 14 November 2017, 29 December 2017, 19 January 2018 and 2 February 2018 in relation to the Previously Disclosed Transportation Contracts for 2018.

The Company announces that a member of the Group entered into an addendum with an associate of En+, pursuant to which the associate of En+ agreed to provide transportation services to the member of the Group (the “**New Transportation Contract**”) with major terms set out below:

Date of addendum	Customer (member of the Group)	Service provider (associate of En+)	Transportation services	Estimated consideration payable excluding VAT (USD)	Scheduled termination date	Payment terms
26 February 2018 (addendum to the contract dated 18 January 2018)	Limited Liability Company “Russian Engineering Company”	Limited Liability Company “KraMZ-Auto”	Motor transportation services	2018: 27,898 (Note 1)	31 December 2018	Payment to be made in two equal installations of 50% of the consideration, 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 receipt of the invoice on the basis of performed works acceptance certificates signed by the parties
Total estimated consideration payable for the year (USD)				2018: 27,898		

Note:

1. 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 USD4.6 to USD21.1 depending on vehicle type).

The consideration under the New Transportation Contract 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 Contract and the Previously Disclosed Transportation Contract should be aggregated for each of 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 Contract and the Previously Disclosed Transportation Contract for the financial year ending 31 December 2018 are estimated to be approximately USD20.076 million.

In accordance with the Company's procurement policies and by 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. The Company's procurement managers, in line with the best-in-class experience and know-how of the Company's procurement policies, and 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, 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 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 transportation services of the same type and quality and those offered by the associate of En+ to independent third parties. The estimated annual aggregate transaction amounts were derived from the estimated total contract price under the New Transportation Contract, which was based on the need of transportation services by the Group for the relevant years.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The New Transportation Contract was 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 Contract 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 Contract is on normal commercial terms which are fair and reasonable and the transactions contemplated under the New Transportation 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 Transportation Contract, save for Mr. Deripaska, Mr. Vladislav Soloviev, Mr. Maxim Sokov, Ms. Olga Mashkovskaya and Ms. Gulzhan Moldazhanova, who are directors of En+, being the holding company of each 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. Vladislav Soloviev, Mr. Maxim Sokov, Ms. Olga Mashkovskaya and Ms. Gulzhan Moldazhanova did not vote on the Board resolution approving the entering into of the New Transportation Contract.

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 Contract constitute continuing connected transactions of the Company.

The estimated annual aggregate transaction amount of the continuing connected transactions under the New Transportation Contract and the Previously Disclosed Transportation Contract for the financial years 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 Transportation 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.

Khakass Utility Systems LLC is principally engaged in generating heat and electricity, the production, transmission and distribution of steam and hot water (thermal energy), and activities for ensuring operability of boiler rooms of thermal power plants.

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

LLC “Sorskiy Ferromolibdenoviy Zavod” is principally engaged in ferromolybdenum production.

«KraMZ» Ltd. is principally engaged in aluminium processing.

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:

“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 Plc, formerly 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, 11 January 2018, 29 January 2018 and 15 February 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 announcements of the Company dated 29 December 2017, 29 January 2018 and 15 February 2018.
“Previously Disclosed Transportation Contracts”	the transportation contracts between members of the Group and 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, 29 December 2017, 19 January 2018 and 2 February 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

27 February 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.