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UNITED COMPANY RUSAL PLC

(Incorporated under the laws of Jersey with limited liability)

(Stock Code: 486)

CONTINUING CONNECTED TRANSACTIONS PURCHASE OF RAW MATERIALS FOR REPAIRING AND SALE OF RAW MATERIALS

Reference is made to the announcement of the Company dated 22 December 2015 in relation to continuing connected transactions regarding the purchase of raw materials for repairing and the announcement of the Company dated 16 November 2016 in relation to the Previously Disclosed Raw Materials Supply Contracts.

The Company announces that on 27 February 2017, members of the Group, as buyer, and associates of Mr. Blavatnik, as supplier, entered into the New Purchase of Raw Materials for Repairing Contracts.

The Company further announces that on 27 February 2017, a member of the Group, as seller, entered into a raw materials supply contract with an associate of Mr. Blavatnik, as buyer.

PURCHASE OF RAW MATERIALS FOR REPAIRING

THE NEW PURCHASE OF RAW MATERIALS FOR REPAIRING CONTRACTS

Reference is made to the announcement of the Company dated 22 December 2015 in relation to continuing connected transactions regarding the purchase of raw materials for repairing.

The Company announces that, on 27 February 2017, members of the Group, as buyer, and associates of Mr. Blavatnik, as supplier, entered into contracts/addendums pursuant to which the buyer agreed to buy and the supplier agreed to sell raw materials for repairing (the “**New Purchase of Raw Materials for Repairing Contracts**”). The key terms of the New Purchase of Raw Materials for Repairing Contracts are set out below:

	Date of contract/addendum	Buyer (member of the Group)	Seller (an associate of Mr. Blavatnik)	Raw materials to be purchased	Estimated purchase volume	Unit price (Net of VAT)	Estimated consideration payable excluding VAT (USD)	Scheduled termination date	Payment terms
1	Contract dated 27 February 2017	Open Joint Stock Company “RUSAL Bratsk Aluminium Smelter”	Closed Joint-Stock Company “ENERGOPROM-Novosibirsk Electrode Plant”	Mass electrode (briquetted) for local repair of the lining side	For year ending 31 December 2017: 448.5 tons	USD553 per ton	248,021	31 December 2017	Payment is due within 30 calendar days from the date of delivery of the goods in Russian rubles at the official rate of the Bank of Russia on the date of delivery
2	Addendum dated 27 February 2017 to the original contract dated 17 May 2016	Limited Liability Company “Russian Engineering Company”	Open Joint Stock Company ENERGOPROM-Novocherkassk Electrode Plant	Graphitized electrodes for repairing	For year ending 31 December 2017: 34.1 tons	Up to USD 1,564 per ton	53,301	31 December 2017. Automatic extension up to 3 years.	Payment is due within 30 calendar days after delivery
3	Contract dated 27 February 2017	JSC SUAL	Closed Joint-Stock Company “ENERGOPROM-Novosibirsk Electrode Plant”	Carbon graphite products for repair	For year ending 31 December 2017: 1,090 tons	Between USD530 and USD1,100 per ton	903,471	31 December 2017	Payment is due within 45 calendar days from the date of shipment
	Total estimated consideration payable for the year ending 31 December 2017						1,204,793		

The consideration is to be satisfied in cash via wire transfer or set-off of counter obligations.

THE ANNUAL AGGREGATE TRANSACTION AMOUNT

Pursuant to Rule 14A.81 of the Listing Rules, the continuing connected transactions contemplated under the New Purchase of Raw Materials for Repairing Contracts and the Previously Disclosed Purchase of Raw Materials for Repairing Contract should be aggregated, as they were entered into by members of the Group with the associates of Mr. Blavatnik, and the subject matter of each contract relates to the purchase of raw materials from the associates of Mr. Blavatnik by the Group.

The annual aggregate transaction amount that is payable by the Group to the associates of Mr. Blavatnik under the New Purchase of Raw Materials for Repairing Contracts and the Previously Disclosed Purchase of Raw Materials for Repairing Contract for the financial year ending 31 December 2017 is estimated to be approximately USD29.495 million.

The contract price payable under the New Purchase of Raw Materials for Repairing Contracts has been determined 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 the associates of Mr. Blavatnik to independent third parties.

The Company invited several organizations to take part in the tender in relation to the relevant required purchase of raw materials and chose the contractor offering the best terms and conditions (taking into account the quality offered and the price) and then entered into the contracts with the chosen parties. Accordingly, the New Purchase of Raw Materials for Repairing Contracts were entered into.

The annual aggregate transaction amount is estimated by the Directors based on the amount of raw materials to be purchased and their contract price.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Directors consider that the New Purchase of Raw Materials for Repairing Contracts are for the benefit of the Company, as the chosen contractors can supply raw materials to the Group at a satisfactory quality and at a competitive price. The New Purchase of Raw Materials for Repairing Contracts were entered into for the purposes of purchasing raw materials for repair work.

The Directors (including the independent non-executive Directors) consider that the New Purchase of Raw Materials for Repairing 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 Purchase of Raw Materials for Repairing 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 by the New Purchase of Raw Materials for Repairing Contracts save for Mr. Blavatnik who is indirectly interested in more than 30% of each of Closed Joint-Stock Company "ENERGOPROM-Novosibirsk Electrode Plant" and Open Joint Stock Company ENERGOPROM-Novocherkassk Electrode Plant. Accordingly, Mr. Blavatnik did not vote on the Board resolution to approve the New Purchase of Raw Materials for Repairing Contracts.

LISTING RULES IMPLICATIONS

Mr. Blavatnik, a former non-executive Director, indirectly holds more than 30% of the issued share capital of each of Closed Joint-Stock Company ENERGOPROM-Novosibirsk Electrode Plant and Open Joint Stock Company ENERGOPROM-Novocherkassk Electrode Plant. Each of Closed Joint-Stock Company ENERGOPROM-Novosibirsk Electrode Plant and Open Joint Stock Company ENERGOPROM-Novocherkassk Electrode Plant is therefore an associate of Mr. Blavatnik and a connected person of the Company under the Listing Rules.

Accordingly, the transactions contemplated under the New Purchase of Raw Materials for Repairing Contracts and the Previously Disclosed Purchase of Raw Materials for Repairing Contract constitute continuing connected transactions of the Company.

The estimated annual aggregate transaction amount of the continuing connected transactions under the New Purchase of Raw Materials for Repairing Contracts and the Previously Disclosed Purchase of Raw Materials for Repairing Contract for the financial year ending 31 December 2017 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 Purchase of Raw Materials for Repairing Contracts and the Previously Disclosed Purchase of Raw Materials for Repairing 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.

SALE OF RAW MATERIALS

THE NEW RAW MATERIALS SUPPLY CONTRACT

Reference is made to the announcement of the Company dated 16 November 2016 in relation to the Previously Disclosed Raw Materials Supply Contracts.

The Company announces that on 27 February 2017, a member of the Group, as seller, entered into a raw materials supply contract with an associate of Mr. Blavatnik, 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. Blavatnik)	Raw materials to be supplied	Estimated delivery volume for the year	Estimated consideration payable for the year excluding VAT (USD)	Scheduled termination date	Payment terms
27 February 2017	SU-Silicon LLC	Limited Liability Company “Donkarb Graphite”	Silicon	35 metric tons	73,500 (Note 1)	31 December 2017, the contract shall be extended automatically	100% advanced payment
Total estimated consideration payable for the year					73,500		

Note:

1. The contract price is agreed between the parties and based on per unit price of USD2,100/metric ton.

The consideration under the New Raw Materials Supply Contract is to be paid in cash via bank transfer.

THE ANNUAL AGGREGATE TRANSACTION AMOUNT

Pursuant to Rule 14A.81 of the Listing Rules, the continuing connected transactions under the New Raw Materials Supply Contract are required to be aggregated together with the Previously Disclosed Raw Materials Supply Contracts, as they were entered into by the Group with the associates of the same connected persons or with parties connected or otherwise associated with one another, and the subject matter of each of the contracts relates to the supply of raw materials by the Group.

The annual aggregate transaction amount payable under the New Raw Materials Supply Contract and the Previously Disclosed Raw Materials Supply Contracts is estimated to be approximately USD10.761 million for the year ending 31 December 2017.

The consideration payable under the New Raw Materials Supply Contract is calculated by multiplying the unit price by the volume. The unit price is based on the total production cost or original purchase price plus gross margin where applicable.

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 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 for the year ending 31 December 2017 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 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 have a material interest in the transactions contemplated under the New Raw Materials Supply Contract, save for Mr. Blavatnik, a former non-executive Director who is indirectly interested in more than 30% in Closed Joint Stock Company Limited Liability Company "Donkarb Graphite".

LISTING RULES IMPLICATIONS

Mr. Blavatnik, a former non-executive Director, indirectly holds more than 30% of the issued share capital of Closed Joint Stock Company Limited Liability Company “Donkarb Graphite”. Closed Joint Stock Company Limited Liability Company “Donkarb Graphite” is therefore a connected person of the Company under the Listing Rules.

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 2017 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 and the Previously Disclosed 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.

PRINCIPAL BUSINESS ACTIVITIES

The Company is principally engaged in the production and sale of aluminium, including alloys and value-added products, and alumina.

Closed Joint-Stock Company “ENERGOPROM-Novosibirsk Electrode Plant” is principally engaged in the production of graphite electrodes, carbon electrodes, cathode blocks, calcined petroleum coke and electrode paste.

Open Joint Stock Company ENERGOPROM-Novocherkassk Electrode Plant is principally engaged in the production of graphite electrodes.

Closed Joint Stock Company Limited Liability Company “Donkarb Graphite” is principally engaged in the production of graphite products and spare parts.

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.
“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.
“Group”	the Company and its subsidiaries.
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange.
“Mr. Blavatnik”	Mr. Len Blavatnik, a former non-executive Director.
“percentage ratios”	the percentage ratios under Rule 14.07 of the Listing Rules.
“Previously Disclosed Purchase of Raw Materials for Repairing Contract”	the agreement between members of the Group and the associates of Mr. Blavatnik, pursuant to which the associates of Mr. Blavatnik agreed to supply raw materials to members of the Group in 2017, as disclosed in the announcement of the Company dated 22 December 2015.
“Previously Disclosed Raw Materials Supply Contracts”	the raw materials supply contracts entered into between members of the Group and associates of Mr. Blavatnik, pursuant to which members of the Group will supply raw materials to the associates of Mr. Blavatnik as disclosed in the announcement of the Company dated 16 November 2016.

“Stock Exchange”	The Stock Exchange of Hong Kong Limited.
“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

28 February 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 Glaserberg, 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.