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UNITED COMPANY RUSAL PLC

(Incorporated under the laws of Jersey with limited liability)

(Stock Code: 486)

CONTINUING CONNECTED TRANSACTIONS HEAT SUPPLY CONTRACT

Reference is made to the announcements of the Company dated 2 January 2014, 14 January 2015 and 29 December 2015 in relation to the Previously Disclosed Heat Supply Contracts.

The Company announces that on 5 July 2016, members of the Group entered into addendums to the heat supply contract dated 28 December 2015 (as announced by the Company on 29 December 2015) with associates of En+, pursuant to which associates of En+ agreed to supply heat energy to members of the Group.

THE ADDENDUMS TO THE HEAT SUPPLY CONTRACT

The Company announces that on 5 July 2016, members of the Group entered into addendums to the heat supply contract dated 28 December 2015 (as announced by the Company on 29 December 2015) with associates of En+, pursuant to which associates of En+ agreed to supply heat energy to members of the Group (the “**Addendums**”), details of which are set out below:

No.	Date of addendum	Purchaser (member of the Group)	Supplier (associate of En+)	Term of contract	Form of heat	Estimated amount of heat to be supplied for the year ending 31 December 2016 (approximate)	Estimated consideration payable for the year ending 31 December 2016 excluding VAT (USD)	Payment terms
1	5 July 2016	JSC "RUSAL Sayanogorsk Aluminum Plant"	Closed Joint Stock Company "Baykalenergo"	Up to 31 December 2016	Thermal energy in hot water	428 Gcal	Thermal energy: 34 (Note 1)	Payment no later than the 20th day of a month following the billing month based on the invoice received
2	5 July 2016	JSC "RUSAL Sayanogorsk Aluminum Plant"	Closed Joint Stock Company "Baykalenergo"	Up to 31 December 2016	Thermal energy in hot water	4,378.1 Gcal	Thermal energy: 424 Coolant: 170 (Note 2)	Payment no later than the 20th day of a month following the billing month based on the invoice received
	Total estimated consideration for the year:						628	

Notes:

1. The heat energy rate for the second half of 2016 is approximately USD24.97/Gcal.
2. The heat energy rate for the second half of 2016 is approximately USD24.97/Gcal. The coolant rate for the second half of 2016 is approximately USD0.22/m3.

The consideration under the Addendums will be settled by set-off of obligations.

THE ANNUAL AGGREGATE TRANSACTION AMOUNT

Pursuant to Rule 14A.81 of the Listing Rules, the continuing connected transactions contemplated under the Addendums and the Previously Disclosed Heat Supply Contracts should be aggregated, 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 heat supply 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 Addendums and the Previously disclosed Heat Supply Contracts for the financial years ending 31 December 2016 is estimated to be approximately USD9.319 million.

As Closed Joint Stock Company "Baykalenergo" is a monopolist heat energy transporter in Sayanogorsk, the Addendums were entered into.

The contract price under the Addendums 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 the heat of the same type and quality and those offered by the associates of En+ to independent third parties. The annual aggregate transaction amount is derived from the total contract price under the Addendums and the Previously Disclosed Heat Supply Contracts, which was based on the need of heat by the Group for the year.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Addendums are entered into for the purpose of obtaining heat for the Group's production process and for its facilities. The Company considers that the transactions contemplated under the Addendums are for the benefit of the Company as there is no alternative supplier available in the respective regions.

The Directors (including the independent non-executive Directors) consider that the Addendums are on normal commercial terms which are fair and reasonable and the transactions contemplated under the Addendums 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 Addendums, save for Mr. Deripaska, Mr. Maxim Sokov, Ms. Olga Mashkovskaya and Ms. Gulzhan Moldazhanova, who are directors of En+, being the holding company of Closed Joint Stock Company "Baykalenergo". 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 Addendums.

LISTING RULES IMPLICATIONS

Closed Joint Stock Company "Baykalenergo" is an indirect subsidiary of En+ and is therefore an associate of En+ which is a substantial shareholder of the Company. Accordingly, Closed Joint Stock Company "Baykalenergo" is a connected person of the Company under the Listing Rules. The transactions contemplated under the Addendums therefore constitute continuing connected transactions of the Company.

The estimated annual aggregate transaction amount of the continuing connected transactions under the Addendums and the Previously Disclosed Heat Supply Contracts for the financial year ending 31 December 2016 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 shareholders' approval requirements under Chapter 14A of the Listing Rules.

Details of the Addendums and the Previously Disclosed Heat Supply 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.

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 "Baykalenergo" is principally engaged in generating heat and electricity.

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"	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.
“Mr. Deripaska”	Mr. Oleg Deripaska, an executive Director.
“percentage ratios”	the percentage ratios under Rule 14.07 of the Listing Rules.
“Previously Disclosed Heat Supply Contracts”	the heat supply contracts entered into between members of the Group and the associates of En+, pursuant to which the associates of En+ agreed to supply heat energy to members of the Group as disclosed in the announcements of the Company dated 2 January 2014, 14 January 2015 and 29 December 2015.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.
“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

6 July 2016

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. Len Blavatnik, Mr. Ivan Glasenberg, Mr. Maksim Goldman, Ms. Gulzhan Moldazhanova, Mr. Daniel Lesin Wolfe, Ms. Olga Mashkovskaya, and Ms. Ekaterina Nikitina, 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.