RUSAL

United Company RUSAL Plc

Consolidated Interim Condensed Financial Information for the three- and nine-month periods ended 30 September 2011

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Independent Auditors' Report on review of Interim Financial Information

To the Board of Directors

United Company RUSAL Plc *(Incorporated in Jersey with limited liability)*

Introduction

We have reviewed the accompanying consolidated interim condensed statement of financial position of United Company RUSAL Plc (the "Company") and its subsidiaries (the "Group") as at 30 September 2011 and the related consolidated interim condensed statements of income and comprehensive income for the three- and nine-month periods ended 30 September 2011, and the related consolidated interim condensed statements of changes in equity and cash flows for the nine-month period ended 30 September 2011 (the "consolidated interim condensed financial information"). The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of consolidated interim condensed financial information to be in compliance with the relevant provisions thereof and International Financial Reporting Standard IAS 34, *Interim Financial Reporting*. The directors are responsible for the preparation and presentation of this consolidated interim condensed financial information in accordance with International Financial Reporting Standard 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this consolidated interim condensed financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of consolidated interim condensed financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

We were unable to obtain and review consolidated interim financial information of the Group's equity investee, OJSC MMC Norilsk Nickel ("Norilsk Nickel"), supporting the Group's share in the profit of that investee of USD186 million and USD268 million for the three- and nine-month periods ended 30 September 2011, respectively, the Group's share in other comprehensive loss of that investee of USD162 million and USD234 million for the three- and nine-month periods ended 30 September 2011, respectively, and the carrying value of the Group's investment stated at USD9,922 million at 30 September 2011. Had we been able to complete our review procedures in respect of interests in associates, matters might have come to our attention indicating that adjustments might be necessary to this consolidated interim condensed financial information.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the consolidated interim condensed financial information as at 30 September 2011 and for the three- and nine-month periods then ended is not prepared, in all material respects, in accordance with International Financial Reporting Standard IAS 34, *Interim Financial Reporting*.

Emphasis of matter

Without further qualifying our conclusion, we draw attention to the fact that the figures presented for the nine-month period ended 30 September 2011 include the effects of the adjustments described in Note 10. We have reviewed the adjustments described in Note 10 that were applied to restate the consolidated condensed interim financial information as at and for the three- and six-month period ended 30 June 2011. Based on our review, such adjustments are appropriate and have been properly applied.

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11 November 2011

	Note	Three months ended 30 September 2011 (unaudited) USD million	Three months ended 30 September 2010 (unaudited) USD million	Nine months ended 30 September 2011 (unaudited) USD million	Nine months ended 30 September 2010 (unaudited) USD million
Revenue	6	3,162	2,708	9,485	8,029
Cost of sales		(2,282)	(1,961)	(6,559)	(5,456)
Gross profit		**880**	**747**	**2,926**	**2,573**
Distribution expenses		(153)	(142)	(494)	(441)
Administrative expenses		(148)	(172)	(579)	(566)
Loss on disposal of property, plant and equipment		(2)	-	(3)	-
Impairment of non-current assets		(20)	-	(152)	(45)
Other operating expenses		(5)	-	(107)	(54)
Results from operating activities		**552**	**433**	**1,591**	**1,467**
Finance income	7	104	4	548	240
Finance expenses	7	(319)	(699)	(846)	(946)
Share of profits of associates	11	178	268	232	849
Share of profits/(losses) of jointly controlled entities	12	(4)	(9)	17	(36)
Profit/(loss) before taxation		**511**	**(3)**	**1,542**	**1,574**
Income tax	8	(79)	32	(331)	(154)
Net profit for the period		**432**	**29**	**1,211**	**1,420**
Attributable to:					
Shareholders of the Company		432	29	1,211	1,420
Earnings per share					
Basic and diluted earnings per share (USD)	9	0.03	0.00	0.08	0.09

The consolidated interim condensed statement of income is to be read in conjunction with the notes to and forming part of the consolidated interim condensed financial information set out on pages 11 to 40.

	Note	Three months ended 30 September		Nine months ended 30 September	
		2011 (unaudited)	**2010 (unaudited)**	**2011 (unaudited)**	**2010 (unaudited)**
		USD million	**USD million**	**USD million**	**USD million**
Net profit for the period		**432**	**29**	**1,211**	**1,420**
Other comprehensive income					
Actuarial losses on post retirement benefit plans	17	-	-	(8)	(32)
Share of other comprehensive (loss)/income of associate		(162)	-	(234)	4
Change in fair value of cash flow hedges		(78)	-	(68)	-
Foreign currency translation differences on foreign operations		(2,024)	390	(748)	(42)
		(2,264)	**390**	**(1,058)**	**(70)**
Total comprehensive income for the period		**(1,832)**	**419**	**153**	**1,350**
Attributable to:					
Shareholders of the Company		(1,832)	419	153	1,350

There was no tax effect relating to each component of other comprehensive income.

The consolidated interim condensed statement of comprehensive income is to be read in conjunction with the notes to and forming part of the consolidated interim condensed financial information set out on pages 11 to 40.

	Note	30 September 2011 (unaudited) USD million	31 December 2010 USD million
ASSETS			
Non-current assets			
Property, plant and equipment		5,729	5,875
Intangible assets		3,925	4,085
Interests in associates	11	10,351	11,151
Interests in jointly controlled entities	12	1,113	1,136
Financial investments		77	111
Deferred tax assets		57	85
Other non-current assets		99	104
Total non-current assets		**21,351**	**22,547**
Current assets			
Inventories		2,967	2,429
Trade and other receivables	13	1,277	1,058
Cash and cash equivalents		540	491
Total current assets		**4,784**	**3,978**
Total assets		**26,135**	**26,525**

The consolidated interim condensed statement of financial position is to be read in conjunction with the notes to and forming part of the consolidated interim condensed financial information set out on pages 11 to 40.

	Note	30 September 2011 (unaudited) USD million	31 December 2010 USD million
EQUITY AND LIABILITIES			
Equity	14		
Share capital		152	152
Share premium		15,792	15,782
Other reserves		2,785	3,095
Currency translation reserve		(4,325)	(3,577)
Accumulated losses		(2,785)	(3,996)
Total equity		**11,619**	**11,456**
Non-current liabilities			
Loans and borrowings	15	8,911	10,602
Bonds	16	941	-
Provisions	17	542	402
Deferred tax liabilities		559	415
Derivative financial liabilities	18	17	660
Other non-current liabilities		207	22
Total non-current liabilities		**11,177**	**12,101**
Current liabilities			
Loans and borrowings	15	1,607	1,361
Current taxation		23	40
Trade and other payables	19	1,570	1,365
Derivative financial liabilities	18	22	78
Provisions	17	117	124
Total current liabilities		**3,339**	**2,968**
Total liabilities		**14,516**	**15,069**
Total equity and liabilities		**26,135**	**26,525**
Net current assets		**1,445**	**1,010**
Total assets less current liabilities		**22,796**	**23,557**

Approved and authorised for issue by the board of directors on 11 November 2011.

Oleg V. Deripaska
Chief Executive Officer

Evgeny D. Kornilov
Chief Financial Officer

The consolidated interim condensed statement of financial position is to be read in conjunction with the notes to and forming part of the consolidated interim condensed financial information set out on pages 11 to 40.

	Note	Share capital	Share premium	Other reserves	Currency translation reserve	Accumulated losses	Total equity
		USD million	**USD million**	**USD million**	**USD million**	**USD million**	**USD million**
Balance at 1 January 2011		**152**	**15,782**	**3,095**	**(3,577)**	**(3,996)**	**11,456**
Total comprehensive income for the period (unaudited)		-		(310)	(748)	1,211	153
Share-based compensation (unaudited)	14(b)	-	10				10
Balance at 30 September 2011 (unaudited)		**152**	**15,792**	**2,785**	**(4,325)**	**(2,785)**	**11,619**
Balance at 1 January 2010		**-**	**13,641**	**3,081**	**(3,527)**	**(6,863)**	**6,332**
Total comprehensive income for the period (unaudited)		-	-	(28)	(42)	1,420	1,350
Capitalisation issuance of shares (unaudited)		135	(135)	-	-	-	-
Shares issued upon Global Offering, net of related expenses (unaudited)		16	2,172	-	-	-	2,188
Shares issued on exercise of the fee warrants (unaudited)	14(a)	-	36	-	-	-	36
Issuance of shares in lieu of share-based compensation to management (unaudited)	14(a)	1	68	-	-	-	69
Balance at 30 September 2010 (unaudited)		**152**	**15,782**	**3,053**	**(3,569)**	**(5,443)**	**9,975**

The consolidated interim condensed statement of changes in equity is to be read in conjunction with the notes to and forming part of the consolidated interim condensed financial information set out on pages 11 to 40.

	Nine months ended 30 September	
	2011 (unaudited)	**2010** (unaudited)
	USD million	**USD million**
OPERATING ACTIVITIES		
Net profit for the period	**1,211**	**1,420**
Adjustments for:		
Depreciation	371	364
Amortisation	13	13
Impairment of non-current assets	152	45
Changes in fair value of financial instruments	(484)	(167)
Impairment/(reversal of impairment) of trade and other receivables	3	(20)
Impairment /(reversal of impairment) of inventories	(8)	2
Provision for legal claims	10	10
Tax provision/(reversal of tax provision)	17	(10)
Site restoration provision	12	4
Pension provision	8	(11)
Share based compensation	10	-
Loss on disposal of property, plant and equipment	3	-
Foreign exchange losses/(gains)	(57)	(43)
Interest expense	846	946
Interest income	(12)	(13)
Income tax expense	331	154
Share of profits of associates	(232)	(849)
Share of (profits)/losses of jointly controlled entities	(17)	36
	2,177	**1,881**
Increase in inventories	(506)	(220)
Increase in trade and other receivables	(195)	(47)
Increase/(decrease) in prepaid expenses and other assets	9	(22)
Decrease in trade and other payables	(49)	(403)
Decrease in provisions	(26)	(45)
Cash generated from operations	**1,410**	**1,144**
Income taxes paid	(141)	(133)
Net cash generated from operating activities	**1,269**	**1,011**

The consolidated interim condensed statement of cash flows is to be read in conjunction with the notes to and forming part of the consolidated interim condensed financial information set out on pages 11 to 40.

	Nine months ended 30 September	
	2011	**2010**
	(unaudited)	(unaudited)
	USD million	**USD million**
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	11	7
Interest received	5	4
Acquisition of property, plant and equipment	(408)	(241)
Acquisition of intangible assets	(7)	(3)
Effect on cash from disposal of subsidiaries	(2)	-
Dividends from associates	279	295
Dividends from jointly controlled entities	36	28
Contributions to jointly controlled entities	-	(379)
Changes in restricted cash	(18)	16
Net cash used in investing activities	**(104)**	**(273)**
FINANCING ACTIVITIES		
Proceeds from borrowings	20	4,791
Repayment of borrowings	(1,777)	(6,710)
Restructuring fees	-	(63)
Listing related expenses	-	(82)
Interest paid	(436)	(456)
Repayment of fee warrants	-	(153)
Proceeds from issuance of Rouble bounds	1,063	-
Proceeds from Global Offering	-	2,236
Net cash used in financing activities	**(1,130)**	**(437)**
Net increase in cash and cash equivalents	**35**	**301**
Cash and cash equivalents at 1 January	486	215
Effect of exchange rate fluctuations on cash and cash equivalents	(4)	(1)
Cash and cash equivalents at the end of the period	**517**	**515**

Restricted cash amounted to USD23 million and USD5 million at 30 September 2011 and 31 December 2010, respectively.

Major non-cash transactions:

(i) On 27 January 2010 fee warrants with a carrying value of USD36 million were converted into 26,070,806 ordinary shares of the Company (refer to note 14(a)).

The consolidated interim condensed statement of cash flows is to be read in conjunction with the notes to and forming part of the consolidated interim condensed financial information set out on pages 11 to 40.

1 Background

Organisation

United Company RUSAL Plc (the "Company" or "UC RUSAL") was established by the controlling shareholder of RUSAL Limited ("RUSAL") as a limited liability company under the laws of Jersey on 26 October 2006. On 27 January 2010, the Company has successfully completed a dual placing on the Main Board of The Stock Exchange of Hong Kong Limited ("Stock Exchange") and the Professional Segment of NYSE Euronext Paris ("Euronext Paris") (the "Global Offering") and changed its legal form from a limited liability to a public limited company.

The Company's registered office is Ogier House, The Esplanade, St. Helier, Jersey JE4 9WG, Channel Islands.

The Company directly or through its wholly owned subsidiaries controls a number of production and trading entities engaged in the aluminium business and other entities, which together with the Company are referred to as "the Group".

Upon the successful completion of the Global Offering, the Company issued 1,636,363,646 new shares in the form of shares listed on the Stock Exchange, and in the form of global depositary shares ("GDS") listed on Euronext Paris representing 10.81% of the Company's issued and outstanding shares, immediately prior to the Global Offering.

The shareholding structure of the Company as at 30 September 2011 and 31 December 2010 was as follows:

	30 September 2011	**31 December 2010**
En+ Group Limited ("En+")	47.41%	47.41%
Onexim Holdings Limited ("Onexim")	17.02%	17.02%
SUAL Partners Limited ("SUAL Partners")	15.80%	15.80%
Amokenga Holdings Limited ("Amokenga Holdings")	8.75%	8.75%
Management held (including 0.22% held by the CEO of the Company)	0.27%	0.27%
Publicly held	10.75%	10.75%
Total	**100 %**	**100%**

En+ is controlled by Mr. Oleg Deripaska. SUAL Partners is controlled by Mr. Viktor Vekselberg and Mr. Len Blavatnik together. Onexim is controlled by Mr. Mikhail Prokhorov. Amokenga Holdings is a wholly owned subsidiary of Glencore International AG ("Glencore") which is controlled by its management and key employees.

Related party transactions are detailed in note 21.

The consolidated financial statements of the Group as at and for the year ended 31 December 2010 are available at the Company's website www.rusal.com.

2 Basis of preparation

Statement of compliance

This consolidated interim condensed financial information has been prepared in accordance with International Accounting Standard No. 34 - *Interim Financial Reporting* and applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

This consolidated interim condensed financial information does not include all of the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards and therefore should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2010.

3 Significant accounting policies

The accounting policies and judgments applied by the Group in this consolidated interim condensed financial information are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2010, except for adoption of revised IAS 24 *Related Party Disclosures* (2010) and amendments to IFRIC 14: *IAS 19 – The limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* with effect from 1 January 2011. The adoption of the revised and amended standards did not have any impact on the Group's consolidated interim condensed financial information.

4 Seasonality

There are no material seasonal events in business activity of the Group.

5 Segment reporting

Reportable segments

The Group has four reportable segments, as described below, which are the Group's strategic business units. These business units are managed separately and the results of their operations are reviewed by the CEO on a regular basis.

Aluminium. The Aluminium segment is involved in the production and sale of primary aluminum and related products.

Alumina. The Alumina segment is involved in the mining and refining of bauxite into alumina and the sale of alumina.

Energy. The Energy segment includes the Group companies and projects engaged in the mining and sale of coal and the generation and transmission of electricity produced from various sources. Where the generating facility is solely a part of an alumina or aluminium production facility it is included in the respective reportable segment.

Mining and Metals. The Mining and Metals segment includes the equity investment in Norilsk Nickel.

Other operations include manufacturing of semi-finished products from primary aluminium for the transportation, packaging, building and construction, consumer goods and technology industries; and the activities of the Group's administrative centres. None of these segments meets any of the quantitative thresholds for determining reportable segments.

The Aluminium and Alumina segments are vertically integrated whereby the Alumina segment supplies alumina to the Aluminium segment for further refining and smelting with limited sales of alumina outside the Group. Integration between the Aluminium, Alumina and Energy segments also includes shared servicing and distribution.

Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitor the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of income tax assets and corporate assets. Segment liabilities include trade and other payables attributable to the production and sales activities of the individual segments. Loans and borrowings are not allocated to individual segments as they are centrally managed by the head office.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment results is the statement of income before income tax adjusted for impairment of non-current assets and for items not specifically attributed to individual segments, such as finance income, costs of loans and borrowings and other head office or corporate administration costs. The segment profit or loss is included in the internal management reports that are reviewed by the Group's CEO. Segment profit or loss is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

In addition to receiving segment information concerning segment results, management is provided with segment information concerning revenue (including inter-segment revenue), the carrying value of investments and share of (losses)/profits of associates and jointly controlled entities, depreciation, amortisation, impairment and additions of non-current segment assets used by the segments in their operations. Inter-segment pricing is determined on a consistent basis using market benchmarks.

(i) Reportable segments

Three months ended 30 September 2011

	Aluminium	Alumina	Energy	Mining and Metals	Total
	USD million	USD million	USD million	USD million	USD million
Revenue from external customers	2,700	163	46	-	2,909
Inter-segment revenue	43	467	-	-	510
Total segment revenue	**2,743**	**630**	**46**	**-**	**3,419**
Segment profit	**603**	**(23)**	**48**	**186**	**814**
Impairment of non-current assets	(5)	(15)	-	-	**(20)**
Share of losses of associates	-	(8)	-	-	**(8)**
Share of losses of jointly controlled entities	-	-	(4)	-	**(4)**
Depreciation/amortisation	(101)	(24)	(2)	-	**(127)**
Non-cash income/(expense) other than depreciation/amortization	11	(1)	(1)	-	**9**
Additions to non-current segment assets during the period	125	45	-	-	**170**

Three months ended 30 September 2010

	Aluminium	Alumina	Energy	Mining and Metals	Total
	USD million	USD million	USD million	USD million	USD million
Revenue from external customers	2,280	144	47	-	2,471
Inter-segment revenue	45	327	-	-	372
Total segment revenue	**2,325**	**471**	**47**	**-**	**2,843**
Segment profit	**348**	**34**	**13**	**270**	**665**
Impairment of non-current assets	(4)	4	-	-	**-**
Share of losses of associates	-	(2)	-	-	**(2)**
Share of losses of jointly controlled entities	-	-	(9)	-	**(9)**
Depreciation/amortisation	(102)	(24)	(2)	-	**(128)**
Non-cash income/(expense)other than depreciation/amortization	11	3	-	-	**14**
Additions to non-current segment assets during the period	114	34	1	-	**149**

Nine months ended 30 September 2011

	Aluminium	Alumina	Energy	Mining and Metals	Total
	USD million	USD million	USD million	USD million	USD million
Revenue from external customers	8,038	514	157	-	**8,709**
Inter-segment revenue	144	1,311	-	-	**1,455**
Total segment revenue	**8,182**	**1,825**	**157**	**-**	**10,164**
Segment profit	**1,760**	**(1)**	**83**	**268**	**2,110**
Impairment of non-current assets	(11)	(141)	-	-	**(152)**
Share of losses of associates	-	(36)	-	-	**(36)**
Share of profits of jointly controlled entities	-	-	17	-	**17**
Depreciation/amortisation	(297)	(72)	(5)	-	**(374)**
Non-cash income/(expense) other than depreciation/amortization	(10)	(9)	-	-	**(19)**
Additions to non-current segment assets during the period	291	107	1	-	**399**

Nine months ended 30 September 2010

	Aluminium	Alumina	Energy	Mining and Metals	Total
	USD million	USD million	USD million	USD million	USD million
Revenue from external customers	6,778	421	154	-	7,353
Inter-segment revenue	111	989	-	-	1,100
Total segment revenue	**6,889**	**1,410**	**154**	**-**	**8,453**
Segment profit	**1,381**	**118**	**35**	**861**	**2,395**
Impairment of non-current assets	(6)	(39)	-	-	**(45)**
Share of losses of associates	-	(12)	-	-	**(12)**
Share of losses of jointly controlled entities	-	-	(36)	-	**(36)**
Depreciation/amortisation	(296)	(67)	(5)	-	**(368)**
Non-cash income/(expense)other than depreciation/amortization	38	(14)	-	-	**24**
Additions to non-current segment assets during the period	209	69	2	-	**280**

At 30 September 2011

	Aluminium	**Alumina**	**Energy**	**Mining and Metals**	**Total**
	USD million	**USD million**	**USD million**	**USD million**	**USD Million**
Segment assets	11,898	2,370	80	9,922	24,270
Interests in associates	-	419	-	-	419
Interests in jointly controlled entities	-	-	1,113	-	1,113
Total assets					**25,802**
Segment liabilities	(2,127)	(724)	(31)	-	(2,882)
Total liabilities					**(2,882)**

At 31 December 2010

	Aluminium	**Alumina**	**Energy**	**Mining and Metals**	**Total**
	USD million	**USD million**	**USD million**	**USD million**	**USD Million**
Segment assets	11,635	2,232	110	10,671	24,648
Interests in associates	-	471	-	-	471
Interests in jointly controlled entities	-	-	1,136	-	1,136
Total assets					**26,255**
Segment liabilities	(2,462)	(363)	(18)	-	(2,843)
Total liabilities					**(2,843)**

(ii) Reconciliation of reportable segment revenue, profit or loss, assets and liabilities

	Three months ended 30 September		Nine months ended 30 September	
	2011	**2010**	**2011**	**2010**
	USD million	**USD million**	**USD million**	**USD million**
Revenue				
Reportable segment revenue	3,419	2,843	10,164	8,453
Elimination of inter-segment revenue	(510)	(372)	(1,455)	(1,100)
Unallocated revenue	253	237	776	676
Consolidated revenue	**3,162**	**2,708**	**9,485**	**8,029**

	Three months ended 30 September		Nine months ended 30 September	
	2011	**2010**	**2011**	**2010**
	USD million	**USD million**	**USD million**	**USD million**
Profit				
Reportable segment profit	814	665	2,110	2,395
Impairment of non-current assets	(20)	-	(152)	(45)
Share of losses of associates	(8)	(2)	(36)	(12)
Share of profits/(losses) of jointly controlled entities	(4)	(9)	17	(36)
Finance income	104	4	548	240
Finance expenses	(319)	(699)	(846)	(946)
Unallocated (loss)/income	(56)	38	(99)	(22)
Consolidated profit before taxation	**511**	**(3)**	**1,542**	**1,574**

	30 September 2011	**31 December 2010**
	USD million	**USD million**
Assets		
Reportable segment assets	25,802	26,255
Elimination of inter-segment receivables	(568)	(463)
Unallocated assets	901	733
Consolidated total assets	**26,135**	**26,525**

	30 September 2011	**31 December 2010**
	USD million	**USD million**
Liabilities		
Reportable segment liabilities	(2,882)	(2,843)
Elimination of inter-segment payables	568	463
Unallocated liabilities	(12,202)	(12,689)
Consolidated total liabilities	**(14,516)**	**(15,069)**

6 Revenue

	Three months ended 30 September		Nine months ended 30 September	
	2011	**2010**	**2011**	**2010**
	USD million	**USD million**	**USD million**	**USD million**
Sales of primary aluminium and alloys	**2,700**	**2,280**	**8,038**	**6,778**
Third parties	_1,624_	_1,193_	_4,884_	_3,363_
Related parties – companies capable of exerting significant influence	_993_	_1,013_	_2,910_	_3,205_
Related parties – companies under common control	_83_	_74_	_244_	_210_
Sales of alumina and bauxite	**163**	**144**	**514**	**421**
Third parties	_115_	_89_	_374_	_235_
Related parties – companies capable of exerting significant influence	_48_	_53_	_136_	_182_
Related parties – companies under common control	_-_	_2_	_4_	_4_
Sales of foil	**76**	**74**	**229**	**209**
Third parties	_74_	_71_	_223_	_203_
Related parties – companies under common control	_2_	_3_	_6_	_6_
Other revenue including energy and transportation services	**223**	**210**	**704**	**621**
Third parties	_140_	_141_	_475_	_410_
Related parties – companies capable of exerting significant influence	_4_	_4_	_12_	_10_
Related parties – companies under common control	_13_	_7_	_27_	_19_
Related parties – associates	_66_	_58_	_190_	_182_
	3,162	**2,708**	**9,485**	**8,029**

7 Finance income and expenses

		Three months ended 30 September		Nine months ended 30 September	
		2011	**2010**	**2011**	**2010**
	Note	**USD million**	**USD million**	**USD million**	**USD million**
Finance income					
Interest income on third party loans and deposits		3	3	9	10
Interest income on company loans to related parties – *companies under common control*		1	1	3	3
Foreign exchange gain		100	-	52	60
Change in fair value of derivative financial instruments	18	-	-	484	167
		104	**4**	**548**	**240**
Finance expenses					
Interest expense on third party loans and bonds and other bank charges		(187)	(277)	(778)	(834)
Interest expense on company loans from related parties - *companies capable of exerting significant influence*		(7)	(18)	(54)	(90)
Foreign exchange loss		-	(3)	-	-
Change in fair value of derivative financial instruments	18	(120)	(395)	-	-
Interest expense on provisions		(5)	(6)	(14)	(22)
		(319)	**(699)**	**(846)**	**(946)**

8 Income tax

	Three months ended 30 September		Nine months ended 30 September	
	2011	**2010**	**2011**	**2010**
	USD million	**USD million**	**USD million**	**USD million**
Current tax – overseas				
Current tax for the period	24	48	199	130
Under/(over) provision in respect of prior periods	5	4	(49)	-
Deferred tax				
Origination and reversal of temporary differences	50	(84)	181	24
Actual tax expense/(benefit)	**79**	**(32)**	**331**	**154**

Pursuant to the rules and regulations of Jersey, the Company's applicable income tax rate in Jersey is 0%. The Company is a tax resident of Cyprus with applicable corporate tax rate of 10%. Subsidiaries pay income taxes in accordance with the legislative requirements of their respective tax jurisdictions. There were no significant changes in applicable tax rates during the nine-month period ended 30 September 2011 as compared to the respective period ended 30 September 2010 and the year ended 31 December 2010.

9 Earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders for the three and nine months ended 30 September 2011 and 30 September 2010.

Weighted average number of shares:

	Three months ended 30 September	
	2011	**2010**
Issued ordinary shares at beginning of the period	15,193,014,862	15,193,014,862
Weighted average number of shares at end of the period	**15,193,014,862**	**15,193,014,862**
Net profit for the period, USD million	**432**	**29**
Basic and diluted earnings per share, USD	**0.03**	**0.00**

	Nine months ended 30 September	
	2011	**2010**
Issued ordinary shares at beginning of the period	15,193,014,862	1,237,000
Issuance of shares on the Global Offering (refer to note 14(a))	-	1,451,033,109
Issuance of shares on warrant conversion (refer to note 14(a))	-	23,492,375
Effect of capitalisation issue	-	13,498,763,000
Effect of shares issued in lieu of share-based compensation to management (refer to note 14(a))	-	51,048,349
Weighted average number of shares at end of the period	**15,193,014,862**	**15,025,573,833**
Net profit for the period, USD million	**1,211**	**1,420**
Basic and diluted earnings per share, USD	**0.08**	**0.09**

There were no outstanding dilutive instruments during the periods ended 30 September 2011 and 30 September 2010.

On 27 January 2010 the Company issued 1,610,292,840 ordinary shares upon the Global Offering and 26,070,806 ordinary shares on conversion of fee warrants (refer to note 14(a)).

The weighted average number of shares for the nine month period ended 30 September 2010 includes the effect of the share-based compensation from the date of Global Offering, 27 January 2010. Approval of the Group’s lenders and the actual issuance of shares to the Group’s management and the CEO which took place in April 2010.

No dividends were declared and paid during the periods presented.

10 Restatement of previously issued interim condensed financial information

The Group has previously issued interim condensed financial information as at and for the three- and six-month periods ended 30 June 2011 dated 26 August 2011. At that date the Group was unable to obtain consolidated IFRS interim financial information of the Group's significant equity investee, OJSC MMC Norilsk Nickel ("Norilsk Nickel"), as at and for three- and six-month periods ended 30 June 2011. Consequently management estimated the Group's share in the profits and comprehensive income of this investee for three- and six-month periods ended 30 June 2011 based on information that was publicly available at that time. On 11 November 2011 Norilsk Nickel published its unaudited financial information prepared in accordance with IFRS as at and for the six-month period ended 30 June 2011. Management has used this information to reassess the Group's share in the profits and other comprehensive income of the investee and compare these amounts to their previous estimates. As a result of this comparison, management has concluded that the Group's share of profits and other comprehensive income of associates for the three- and six-month periods ended 30 June 2011 as well as the carrying amount of the Group's interests in associates as at 30 June 2011 reported in the Group's interim condensed financial information issued on 26 August 2011 require restatement. The adjustments made to that financial information are detailed in the table below:

	Three months ended 30 June 2011		
	Previously reported	**Restatement**	**Adjusted financial information**
	USD million	**USD million**	**USD million**
Balance at the beginning of the period	**12,114**	**(473)**	**11,641**
Group's share of profits and other gains and losses attributable to associates	210	(18)	192
Dividends	(306)	-	(306)
Group's share of other comprehensive loss	(8)	(72)	(80)
Foreign currency translation	141	129	270
Balance at the end of the period	**12,151**	**(434)**	**11,717**

	Six months ended 30 June 2011		
	Previously reported	**Restatement**	**Adjusted financial information**
	USD million	**USD million**	**USD million**
Balance at the beginning of the period	**11,151**	**-**	**11,151**
Group's share of profits and other gains and losses attributable to associates	389	(335)	54
Dividends	(306)	-	(306)
Group's share of other comprehensive loss	-	(72)	(72)
Foreign currency translation	917	(27)	890
Balance at the end of the period	**12,151**	**(434)**	**11,717**

This interim condensed financial information as at and for the three- and nine- month periods ended 30 September 2011 incorporates adjustments detailed above in the appropriate interim periods.

11 Interests in associates

	Three months ended 30 September	
	2011	2010
	USD million	USD million
Balance at the beginning of the period	**11,717**	**9,284**
Group's share of profits and other gains and losses attributable to associates	178	268
Dividends	-	(295)
Group's share of other comprehensive loss	(162)	-
Foreign currency translation	(1,382)	285
Balance at the end of the period	**10,351**	**9,542**
Goodwill included in interests in associates	5,358	5,466

	Nine months ended 30 September	
	2011	2010
	USD million	USD million
Balance at the beginning of the period	**11,151**	**8,968**
Group's share of profits and other gains and losses attributable to associates	232	849
Dividends	(306)	(295)
Group's share of other comprehensive income	(234)	4
Foreign currency translation	(492)	16
Balance at the end of the period	**10,351**	**9,542**
Goodwill included in interests in associates	5,358	5,466

Investment in Norilsk Nickel

At the date of this consolidated interim condensed financial information the Group was unable to obtain consolidated interim financial information of Norilsk Nickel as at and for the three and nine-month period ended 30 September 2011. Consequently the Group estimated its share in the profits and other comprehensive income of Norilsk Nickel for the period ended 30 September 2011 based on publicly available information reported by Norilsk Nickel. The information used as a basis for these estimates is incomplete in many aspects. Once the consolidated interim financial information for Norilsk Nickel becomes available, it is compared to management's estimates. If there are significant differences, adjustments may be required to restate the Group's share in profit, other comprehensive income and the carrying value of the investment in Norilsk Nickel which has been previously reported.

The Group's share in the profits of Norilsk Nickel for the three and nine months ended 30 September 2011 were partially offset by a loss of USD109 million and USD542 million, respectively, recognised by the Company as result of a decrease in the carrying value of the Company's share of net assets of Norilsk Nickel. This decrease in carrying value was attributable to sales and purchases by Norilsk

Nickel of its own shares during this period. The market value of the investment in Norilsk Nickel at 30 September 2011 is USD10,453 million. The market value is determined by multiplying the quoted bid price per share on the Moscow Interbank Currency Exchange ("MICEX") on reporting date by the number of shares held by the Group.

12 Interests in jointly controlled entities

	Three months ended 30 September	
	2011	**2010**
	USD million	**USD million**
Balance at the beginning of the period	**1,206**	**998**
Contributions to jointly controlled entities	-	69
Acquisitions	32	-
Group's share of profit/(losses)	(4)	(9)
Dividends	(5)	-
Foreign currency translation	(116)	22
Balance at the end of the period	**1,113**	**1,080**

	Nine months ended 30 September	
	2011	**2010**
	USD million	**USD million**
Balance at the beginning of the period	**1,136**	**778**
Contributions to jointly controlled entities	2	389
Acquisitions	32	-
Group's share of profit/(losses)	17	(36)
Dividends	(36)	(28)
Foreign currency translation	(38)	(23)
Balance at the end of the period	**1,113**	**1,080**

As a result of obtaining project financing at the end of 2010, the BEMO project companies utilize the project financing proceeds to make necessary contributions to the ongoing construction projects and do not require contributions from the joint venture partners at this time.

On 28 September 2011 the Group sold a 50% interest in several wholly owned subsidiaries engaged in the transportation business in Kazakhstan and Russia to an unrelated party for USD47 million. The transaction resulted in a gain of USD15 million and the recognition of an investment in a jointly controlled entity of USD32 million.

The consideration under the sale agreement was received on 4 October 2011 in full.

13 Trade and other receivables

	30 September 2011 USD million	31 December 2010 USD million
Trade receivables from third parties	217	241
Impairment loss on trade receivables	(65)	(63)
Net trade receivables from third parties	**152**	**178**
Trade receivables from related parties, including:	**40**	**35**
Companies capable of exerting significant influence	*37*	*35*
Impairment loss	*(8)*	*(10)*
Net trade receivables from companies capable of exerting significant influence	*29*	*25*
Companies under common control	*8*	*7*
Associates	*3*	*3*
VAT recoverable	517	474
Impairment loss on VAT recoverable	(49)	(49)
Net VAT recoverable	**468**	**425**
Advances paid to third parties	192	196
Impairment loss on advances paid	(4)	(6)
Net advances paid to third parties	**188**	**190**
Advances paid to related parties, including:	**83**	**55**
Companies capable of exerting significant influence	*2*	*1*
Companies under common control	*1*	*2*
Associates	*80*	*52*
Prepaid expenses	**35**	**20**
Prepaid income tax	**52**	**20**
Prepaid other taxes	**12**	**17**
Other receivables from third parties	246	101
Impairment loss on other receivables	(24)	(19)
Net other receivables from third parties	**222**	**82**
Other receivables from related parties, including:	**25**	**36**
Companies capable of exerting significant influence	*1*	*1*
Companies under common control	*11*	*19*
Associates	*13*	*16*
	1,277	**1,058**

All of the trade and other receivables are expected to be settled or recognised as an expense within one year or are repayable on demand.

(a) Ageing analysis

Included in trade and other receivables are trade receivables (net of allowance for doubtful debts) with the following ageing analysis as of the reporting dates:

	30 September 2011	31 December 2010
	USD million	USD million
Current	156	183
Past due 0-90 days	21	22
Past due 91-365 days	13	6
Past due over 365 days	2	2
Amounts past due	36	30
	192	**213**

Trade receivables are on average due within 60 days from the date of billing. The receivables that are neither past due nor impaired (i.e. current) relate to a wide range of customers for whom there has been no recent history of default.

Receivables that were past due but not impaired relate to a number of customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

(b) Impairment of trade receivables

Impairment losses in respect of trade receivables are recognised unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly. The movement in the allowance for doubtful debts during the periods, including both specific and collective loss components, is as follows:

	Three months ended 30 September 2011	Three months ended 30 September 2010
	USD million	USD million
Balance at the beginning of the period	(78)	(52)
(Impairment loss)/reversal of impairment	5	5
Balance at the end of the period	**(73)**	**(47)**

	Nine months ended 30 September 2011	Nine months ended 30 September 2010
	USD million	USD million
Balance at the beginning of the period	(73)	(55)
(Impairment loss)/reversal of impairment	0	8
Balance at the end of the period	**(73)**	**(47)**

As at 30 September 2011 and 31 December 2010, Group trade receivables of USD73 million were individually determined to be impaired. Management assessed that the receivables are not expected to be recovered. Consequently, specific allowances for doubtful debts were recognised.

The Group does not hold any collateral over these balances.

14 Equity

(a) Share capital

	Nine months ended 30 September 2011		Nine months ended 30 September 2010	
	USD	**Number of shares**	**USD**	**Number of shares**
Ordinary shares at the end of the period, authorised	200 million	20 billion	200 million	20 billion
Ordinary shares at 1 January	151,930,148	15,193,014,862	12,370	1,237,000
Issuance of ordinary shares on the Global Offering	-	-	16,102,928	1,610,292,840
Issuance of shares on warrant conversion	-	-	260,708	26,070,806
Effect of capitalisation issue	-	-	134,987,630	13,498,763,000
Issuance of shares in lieu of share-based compensation to management	-	-	566,512	56,651,216
Ordinary shares at the end of the period USD0.01 each, issued and paid	**151,930,148**	**15,193,014,862**	**151,930,148**	**15,193,014,862**

The details of movements in the Group's share capital are disclosed in the Group's consolidated financial statements as of and for the year ended 31 December 2010.

(b) Share-based compensation

On 11 May 2011 the Board of Directors of the Company approved a share-based long-term incentive plan (hereinafter "LTIP") that regulates share-based compensation for eligible employees of the Group. On annual basis, the Board of Directors considers and approves eligible employees for participation in LTIP.

The number of awarded shares is determined by the Company and approved by the Board of Directors on the grant date. The vesting period for the currently approved eligible employees ranges from 3 years (in relation to the CEO) to 5 years (in relation to other eligible employees) starting from 11 November 2010.
On 11 May 2011, the Board of Directors approved the maximum eligible number of shares to be awarded within LTIP of 22,579,450 shares. The fair value of the share-based compensation was

recognised as an employee expense, with a corresponding increase in equity, for the period ended 30 June 2011 .The number of shares expected to vest were estimated to be 12,310,148 shares. The fair value of share-based compensation was recognized as employee expense. During the three- and nine-month periods ended 30 September 2011, the Company recognised employee expense in relation to share-based LTIP in the amount of nil and USD10 million, respectively.

(c) Other reserves

Other reserves include the cumulative unrealised actuarial gains and losses on the Group's defined post retirement benefit plans, change in fair value of cash flow hedges and cumulative unrealised gains and losses on its available-for-sale investments which have been recognised directly in equity.

(d) Distributions

In accordance with the Companies (Jersey) Law 1991 (the "Law"), the Company may make distributions at any time in such amounts as are determined by the Company out of the assets of the Company other than the capital redemption reserves and nominal capital accounts, provided that the directors of the Company make a solvency statement in accordance with that Law of Jersey at the time the distributions are proposed. Dividend pay-outs are restricted in accordance with the debt restructuring agreements.

(e) Currency translation reserve

The currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

15 Loans and borrowings

This note provides information about the contractual terms of the Group's loans and borrowings.

	30 September 2011	31 December 2010
	USD million	**USD million**
Non-current liabilities		
Secured bank loans	8,529	10,071
Unsecured company loans	382	531
	8,911	**10,602**
Current liabilities		
Secured bank loans	1,447	1,228
Unsecured company loans	131	102
Accrued interest	29	31
	1,607	**1,361**

The Group's bank loans are secured by pledges of shares of the Group's subsidiaries, the details of which are disclosed in the Group's consolidated financial statements as of and for the year ended 31 December 2010.

The secured bank loans are also secured by the following:

- property, plant and equipment with a carrying amount of USD1,522 million (31 December 2010: USD1,393 million);
- inventories with a carrying amount of USD638 million (31 December 2010: USD545 million);

As at 30 September 2011 and 31 December 2010, rights, including all monies and claims, arising out of all sales contracts between the Group's trading subsidiaries and ultimate customers and out of certain intra-group sales and tolling contracts between the Group's trading subsidiaries and smelters, were assigned to secure restructured international debt.

During the nine months ended 30 September 2011 the Group continued to reduce its debt and repaid USD1,777 million, including refinancing out of proceeds from RUR-denominated bonds.

On 23 September 2011, the Group and Sberbank of Russia signed an amendment to the USD4.58 billion loan agreement effective immediately. This amendment includes extension of the maturity of the loan until September 2016 and the cancellation of the Vnesheconombank (VEB) guarantee starting from 3 October 2011 and the relevant release from pledge of 5% of the Company's shares.

On 29 September 2011, the Group entered into a new facility agreement with Russian and international lenders up to USD4.75 billion. The facility proceeds have been used to refinance the outstanding debt under the International Override Agreement and Onexim liabilities on 5 October 2011 (see note 22).

Certain restrictions imposed by the International Override Agreement have been lifted and pledges of the Group's shares and property have been released once the international debt has been repaid.

According to the agreement the facility will be provided in two tranches:

- Tranche A amounting to USD3.75 billion to be repaid in equal quarterly installments starting from the 15th month after the first drawdown and with a final maturity falling 60 months after the first drawdown with USD500 million to be repaid during the first 12 months from the date of the first drawdown. Loans under tranche A will bear interest at the rate of 3-month LIBOR plus margin based on Total Net Debt/EBIDTA ratio to be revised quarterly.

- Tranche B amounting to USD1 billion to be repaid in equal quarterly installments starting from the 63rd month after the first drawdown with a final maturity date falling 84 months after the date of the facility documentation. Loans under tranche B will bear interest at the rate of 3-month LIBOR plus 3.85% per annum.

On 30 September 2011 in accordance with the terms of the new facility agreement, shares of the following Group subsidiaries were pledged as second-ranking security:

- 25% + 1 share of Rusal Bratsk;
- 25% + 1 share of Rusal Krasnoyarsk;
- 25% + 1 share of Rusal Sayanogorsk;
- 25% + 1 share of Novokuznetsk.
- 25% + 1 share of SUAL.

Effective 5th October 2011 these shares will be pledged as a first-ranking security when the new facility agreement will come into force.

In addition, the Group has completed the refinancing of Sberbank of Russia loans up to USD460 million with a five year maturity and 1-year LIBOR plus 4.5% interest rate and signed an agreement with Gazprombank on a new loan facility up to USD655 million with a five year maturity and 3-month LIBOR plus 4.5% interest rate.

The nominal value of the Group's loans and borrowings was USD10,862 million at 30 September 2011 (31 December 2010: USD12,566 million). During the nine-month period ended 30 September 2011 the Group recognised interest expense under the effective interest method of USD240 million in excess of nominal interest expense on restructured debt (nine-month period ended 30 September 2010 – USD171 million). The effective interest method is applied to amortise the difference between the nominal value of the Group's loans and borrowings and their fair value over their maturity. The unamortised difference between the nominal value of the Company's outstanding debt and their carrying values on the date of refinancing of USD320 million will be recognised directly in finance expenses on that date.

16 Bonds

On 3 March and 18 April 2011, one of the Group's subsidiaries issued two tranches of ruble denominated bonds, each including 15 million bonds, with a par value of 1,000 rubles each on MICEX at par. Maturity of the first tranche is seven years subject to a put option exercisable in three years. Maturity of the second tranche is ten years subject to a put option exercisable in four years. Simultaneously, the Group entered into cross-currency swaps with an unrelated financial institution in relation to each tranche whereby the first tranche with semi-annual coupon payments of 8.3% p.a. was transformed into a USD obligation with a matching maturity of USD530 million bearing interest at 5.13% per annum and the second tranche with semi-annual coupon payments of 8.5% p.a. were transformed into a USD obligation with a matching maturity of USD533 million bearing interest at 5.09% per annum. The proceeds of the bond issues were used for repayment of part of the Group's outstanding debts. The closing market price at 30 September 2011 was 952.5 rubles and 970.0 rubles per bond for the first and second tranches respectively.

17 Provisions

	Pension liabilities	Site restoration	Provisions for legal claims	Tax provisions	Total
	USD million	USD million	USD million	USD million	USD million
Balance at 30 June 2011	158	465	34	47	704
Provisions made during the period	6	2	2	-	10
Provisions reversed during the period	-	(1)	-	-	(1)
Provisions utilised during the period	(4)	(1)	-	-	(5)
Foreign currency translation	(15)	(34)	-	-	(49)
Balance at 30 September 2011	**145**	**431**	**36**	**47**	**659**
Non-current	129	413	-	-	542
Current	16	18	36	47	117
Balance at 30 June 2010	150	306	37	71	564
Provisions made during the period	6	1	2	-	9
Provisions reversed during the period	(2)	-	(1)	(5)	(8)
Provisions utilised during the period	(4)	-	(2)	-	(6)
Foreign currency translation	(4)	11	-	-	7
Balance at 30 September 2010	**146**	**318**	**36**	**66**	**566**

	Pension liabilities	**Site restoration**	**Provisions for legal claims**	**Tax provisions**	**Total**
	USD million	**USD million**	**USD million**	**USD million**	**USD million**
Balance at 1 January 2011	134	322	40	30	526
Provisions made during the period	16	125	12	44	197
Provisions reversed during the period	-	(1)	(2)	(27)	(30)
Actuarial loss	8	-	-	-	8
Provisions utilised during the period	(11)	(1)	(14)	-	(26)
Foreign currency translation	(2)	(14)	-	-	(16)
Balance at 30 September 2011	**145**	**431**	**36**	**47**	**659**
Non-current	*129*	*413*	-	-	542
Current	*16*	*18*	*36*	*47*	117
Balance at 1 January 2010	138	313	59	76	586
Provisions made during the period	17	12	12	-	41
Provisions reversed during the period	(19)	(3)	(2)	(10)	(34)
Actuarial loss	32	-	-	-	32
Provisions utilised during the period	(12)	-	(33)	-	(45)
Foreign currency translation	(10)	(4)	-	-	(14)
Balance at 30 September 2010	**146**	**318**	**36**	**66**	**566**

In the first quarter of 2011, management reassessed the timing and extent of site restoration and dismantlement activities at Eurallumina and recalculated the related asset retirement obligation. The resulting increase in provisions and impairment of non-current assets of USD112 million was recorded in this consolidated interim condensed financial information. The amount of provision is estimated by discounting the expected expenditures to their present value based on risk free discount rate of 2.87% over 10 year period.

18 Derivative financial liabilities

In November 2009, the Group entered into long-term electricity contracts for 9 to 11 years for electricity and power supply with related parties controlled by the immediate parent company of the Group. The long-term contracts set forth maximum amounts of electricity and power to be supplied each year that represent expected volumes to be consumed by certain production companies of the Group which are parties to these contracts. For details refer to the Group's consolidated financial statements of the Group for the year ended 31 December 2010.

In the beginning of 2011, the rules and regulations of the wholesale electricity and capacity market in the Russian Federation were significantly modified. In particular and amongst other changes, the regulators obligated electricity generating companies to provide electricity to the retail sector on a subsidised basis. Further, a guaranteed capacity supply concept was introduced for generating companies that do not qualify in competitive bidding whereby the customers are obligated to pay a higher tariff to compensate such generating companies. In addition to this all participants of wholesale market are now required to participate in guaranteed capacity supply through Agreements on Provision of Capacity. All these initiatives resulted in a partial replacement of capacity purchases that were previously supplied to the Company under other agreements, including long-term electricity and capacity supply contracts.

As a result of the changes in the regulatory environment in the electricity and capacity market, the Company and its related companies reassessed their approach to purchases and sales of electricity and capacity. Starting from January 2011 parties submit and register notifications for purchase and sale of electricity and capacity under the long-term electricity and capacity supply contracts with the administrator of trading system (“ATS”) on a monthly or quarterly basis. The Company believes that at this time these long-term contracts represent an intention to purchase electricity and capacity of up to a stated volume at a pre-agreed price.

As a result, during the nine months of 2011 the Company revalued the embedded derivatives based on the contractually committed volumes of electricity and capacity stated in the notices submitted to the ATS and recognised a gain of USD721 million and the related tax effect of USD144 million.

The fair value of other embedded derivatives relating to purchase of raw materials amounted to a liability of USD22 million at 30 September 2011 and a related tax effect of USD4 million.

The fair value of the derivative financial instrument linked to the share price of Norilsk Nickel at 30 September 2011 and 31 December 2010 was USD77 million and USD111 million, respectively. The change in fair value is included in “finance expense” in the consolidated statement of income.

19 Trade and other payables

	30 September 2011 USD million	31 December 2010 USD million
Accounts payable to third parties	**500**	**399**
Accounts payable to related parties, including:	**83**	**37**
Companies capable of exerting significant influence	*25*	*19*
Companies under common control	*58*	*15*
Associates	*-*	*3*
Advances received	**244**	**236**
Advances received from related parties, including:	**360**	**356**
Companies capable of exerting significant influence	*303*	*292*
Companies under common control	*56*	*55*
Associates	*1*	*9*
Other payables and accrued liabilities	**207**	**180**
Other payable and accrued liabilities related parties, including:	**9**	**23**
Companies capable of exerting significant influence	*4*	*18*
Associates	*5*	*5*
Other taxes payable	**163**	**134**
Non-trade payables to third parties	**4**	**-**
	1,570	**1,365**

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

Included in trade and other payables are trade payables with the following ageing analysis as at the reporting date.

	30 September 2011 USD million	31 December 2010 USD million
Due within twelve months or on demand	583	436

20 Commitments and contingencies

(a) Capital commitments

In May 2006, the Group signed a Co-operation agreement with OJSC HydroOGK and RAO UES. Under this Co-operation agreement OJSC HydroOGK and the Group have jointly committed to finance the construction and future operating of the BEMO Project including BoGES and an aluminium plant, the planned main customer of the hydropower station. The parties established two joint companies with 50:50 ownership, into which the Group is committed to invest USD1,972 million by the end of 2015 (31 December 2010: USD2,051 million). As at 30 September 2011, the outstanding commitment of the Group for construction of the aluminium plant was approximately USD791 million to be invested by the end of 2015 (31 December 2010: USD856 million), and the outstanding commitment for the hydropower station construction was USD73 million to be invested by the end of 2012 (31 December 2010: USD279 million).

The Group has entered into contracts that result in contractual obligations primarily relating to various construction and capital repair works. The commitments at 30 September 2011 and 31 December 2010 approximated USD400 million and USD524 million, respectively. These commitments are due over a number of years.

(b) Taxation

Russian tax, currency and customs legislation is subject to varying interpretations, and changes, which can occur frequently. Management's interpretation of such legislation as applied to the transactions and activities of the Group may be challenged by the relevant local, regional and federal authorities. Notably recent developments in the Russian environment suggest that the authorities in this country are becoming more active in seeking to enforce, through the Russian court system, interpretations of the tax legislation, in particular in relation to the use of certain commercial trading structures, which may be selective for particular tax payers and different to the authorities' previous interpretations or practices. Different and selective interpretations of tax regulations by various government authorities and inconsistent enforcement create further uncertainties in the taxation environment in the Russian Federation.

Tax declarations, together with related documentation, are subject to review and investigation by a number of authorities, each of which may impose fines, penalties and interest charges. Fiscal periods remain open to review by the authorities for three calendar years preceding the year of review (one year in the case of customs). Under certain circumstances reviews may cover longer periods. In addition, in some instances, new tax regulations effectively have been given retroactive effect. Additional taxes, penalties and interest which may be material to the financial position of the taxpayers may be assessed in the Russian Federation as a result of such reviews.

In addition to the amounts of income tax the Group has provided, there are certain tax positions taken by the Group where it is reasonably possible (though less than 50% likely) that additional tax may be payable upon examination by the tax authorities or in connection with ongoing disputes with tax authorities. The Group's best estimate of the aggregate maximum of additional amounts that it is reasonably possible may become payable if these tax positions were not sustained at 30 September 2011 is USD385 million (31 December 2010: USD403 million).

The Group's major trading companies are incorporated in low tax jurisdictions outside Russia and a significant portion of the Group's profit is realised by these companies. Management believes that these trading companies are not subject to taxes outside their countries of incorporation and that the commercial terms of transactions between them and other group companies are acceptable to the relevant tax authorities. This consolidated interim condensed financial information has been prepared on this basis. However, as these companies are involved in a significant level of cross border activities, there is a risk that Russian or other tax authorities may challenge the treatment of cross-border activities and assess additional tax charges. It is not possible to quantify the financial exposure resulting from this risk.

Estimating additional tax which may become payable is inherently imprecise. It is, therefore, possible that the amount ultimately payable may exceed the Group's best estimate of the maximum reasonably possible liability; however, the Group considers that the likelihood that this will be the case is remote.

(c) Environmental contingencies

The Group and its predecessor entities have operated in the Russian Federation, Ukraine, Jamaica, Guyana, the Republic of Guinea and the European Union for many years and certain environmental problems have developed. Governmental authorities are continually considering environmental regulations and their enforcement and the Group periodically evaluates its obligations related thereto. As obligations are determined, they are recognised immediately. The outcome of environmental liabilities under proposed or any future legislation, or as a result of stricter enforcement of existing legislation, cannot reasonably be estimated. Under current levels of enforcement of existing legislation, management believes there are no possible liabilities, which will have a material adverse effect on the financial position or the operating results of the Group. However, the Group anticipates undertaking significant capital projects to improve its future environmental performance and to bring it into full compliance with current legislation.

(d) Legal contingencies

The Group's business activities expose it to a variety of lawsuits and claims which are monitored, assessed and contested on the ongoing basis. Where management believes that a lawsuit or another claim would result in the outflow of the economic benefits for the Group, a best estimate of such outflow is included in provisions in the consolidated interim condensed financial information (refer to note 17). As at 30 September 2011 the amount of claims, where management assesses outflow as possible approximates USD154 million (31 December 2010: USD18 million).

In May 2009, the Government of the Republic of Guinea filed a claim against one of the Group's subsidiaries in the amount of USD1,000 million contesting the terms of privatisation of the Group's subsidiaries in Guinea. In September 2009, the court of first instance held in favor of Guinea, but in March 2010, the Group received a decision from an Appeal Court of Conakry overruling the lower court's decision regarding the jurisdiction of local court to consider this claim in Guinea and dismissing the case in favour of arbitration. The time for filing a cassation petition against the Court of Appeal's decision has expired, with the result that there is, at present, no claim pending before the Guinean courts. Recently, however, the Company was notified that the Republic of Guinea may try to pursue these claims either in Guinea courts or in international arbitration. In July 2011, the relevant Group subsidiary filed a claim with the International Arbitration Court in Paris against the Republic of Guinea in relation to the same subject matter that was previously litigated in the Guinea courts in order to, among other things, preserve its right to arbitrate such claims rather litigate in Guinean courts. That arbitration is currently in its earliest stages, and no counterclaim has been filed. Management continues to believe that the claim has no merit and the risk of any cash outflow in connection with this claim is low and therefore no provision has been recorded in this regard in this consolidated interim condensed financial information.

On 24 November 2006 a claim was issued on behalf of Mr. Michael Cherney ("Mr. Cherney") against Mr. Oleg Deripaska ("Mr. Deripaska"), the controlling shareholder of En+. Neither the Company nor any of its subsidiaries is a party to this dispute which is entirely between two individuals, Mr. Cherney and Mr. Deripaska. The Company has not had access to non-public information about the case and is not privy to the litigation strategy of either party or the prospects of settlement. The claim relates to the alleged breach or repudiation by Mr. Deripaska of certain alleged contractual commitments to sell for Mr. Cherney's benefit 20% of Russian Aluminium, an entity that the claim does not formally identify, but which may be Rusal Limited, now a wholly-owned direct subsidiary of the Company.

The trial of the action has not yet commenced, but is scheduled for April 2012. At present, there is considerable uncertainty as to the possible scope and the potential outcomes in the case and how, if at all, the Company and/or its subsidiaries and/or its or their respective assets might be affected by any decision against Mr. Deripaska. However since neither the Company nor any of its subsidiaries or investees, nor any direct shareholders in the Company, is currently a party in this case and Mr. Deripaska has informed the Company that he strongly denies and will vigorously resist Mr. Cherney's claim, the Company believes that the risk of outflow of any significant economic benefits or any significant adverse impact on the Group's financial position or results of its operations as a result of this claim is low.

21 Related party transactions

(a) Transactions with management and close family members

Management remuneration

Key management received the following remuneration, which is included in personnel costs:

	Three months ended 30 September		**Nine months ended 30 September**	
	2011	**2010**	**2011**	**2010**
	USD million	**USD million**	**USD million**	**USD million**
Salaries and bonuses	15	18	57	42
Share-based compensation	3	-	8	-
Share-based and cash compensation to management in connection with Global Offering	-	-	-	74
	18	**18**	**65**	**116**

(b) Transactions with other related parties

The Group transacts with other related parties, the majority of which are entities under common control with the Group or under the control of SUAL Partners or its controlling shareholders or Glencore and entities under its control or Onexim or its controlling shareholders.

Sales to related parties for the period are disclosed in note 6.

Purchases of raw materials and services from related parties were as follows:

	Three months ended 30 September		**Nine months ended 30 September**	
	2011	**2010**	**2011**	**2010**
	USD million	**USD million**	**USD million**	**USD million**
Purchases of raw materials – companies under common control	26	34	105	123
Purchases of alumina, bauxite and other raw materials – companies capable of exerting significant influence	64	42	162	94
Purchases of alumina, bauxite and other raw materials - associates	1	-	2	-
Energy costs – companies under common control	187	135	603	408
Energy costs – companies capable of exerting significant influence	45	48	141	147
Other costs – companies under common control	3	2	6	5
Other costs – associates	46	32	114	96
Distribution expense – companies under common control	3	-	4	-
	375	**293**	**1,137**	**873**

As at 30 September 2011, included in non-current assets are balances of USD29 million of companies which are related parties (31 December 2010: USD38 million).

As at 30 September 2011 and 31 December 2010, unsecured company loans including interest payable of USD nil million and USD2 million to Onexim amounted to USD513 million and USD635 million, respectively.

Finance income and expenses incurred in transactions with related parties were as follows:

	Three months ended 30 September		**Nine months ended 30 September**	
	2011	**2010**	**2011**	**2010**
	USD million	**USD million**	**USD million**	**USD million**
Finance income from related parties, including:				
Companies under common control	1	1	3	3
Finance expenses from related parties, including:				
Companies capable of exerting significant influence	(7)	(18)	(54)	(90)

(c) Pricing policies

Prices for transactions with related parties are determined on a case by case basis but are not necessarily at arm's length.

The Group has entered into three categories of related-party transactions: (i) those entered into on an arm's length basis, (ii) those entered into on non-arm's length terms but as part of a wider deal resulting from arms' length negotiations with unrelated third parties, and (iii) transactions unique to the Group and the counterparty.

22 Events subsequent to the reporting date

On 16 September 2011 UC RUSAL entered into a share purchase agreement with Norway's Norsk Hydro ASA to acquire a 35% stake in the Alumina Partners of Jamaica ("Alpart") for cash consideration of USD 46 million. Following the completion of the deal, Alpart will be a wholly owned subsidiary of the Group. Consideration was fully paid on 1 November 2011.

In October 2011 the Group refinanced in full its outstanding debt under the International Override Agreement, agreements with certain Russian lenders and Onexim liabilities (see note 15).