

United Company RUSAL Plc

**Consolidated Interim Condensed Financial Information for 3 and 9 Months ended September 30,
2012**

Translation of the document made in English.

Explanations to the translation

The consolidated interim condensed financial information of United Company RUSAL Plc for 3 and 9 months ended September 30, 2012, prepared in accordance with the International Financial Reporting Standards, and the independent auditors' review report were drawn up in the English language. The attached translation of these documents is prepared for the convenience of users only. In the event of any discrepancies between the Russian and English versions, the English version will prevail.

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Independent Auditors' Report on Review of Interim Financial Information

To the Board of Directors
of United Company RUSAL Plc (Limited Liability Company incorporated under the laws of Jersey).

Introduction

We have reviewed the attached consolidated interim condensed statement of the financial position of United Company RUSAL Plc (hereinafter the "Company") and its subsidiaries (hereinafter the "Group") as of June 30, 2012, and the relevant consolidated interim condensed statements of profit and loss, other comprehensive income for three and nine months then ended, and changes in equity and cash flow for nine months then ended, as well as the summary of the accounting policy and other explanatory notes (hereinafter the "consolidated interim condensed financial information").

The Hong Kong Stock Exchange Listing Rules require that consolidated interim condensed financial information be prepared in accordance with the Listing Rules and International Accounting Standard (IAS) 34 *Interim Financial Statements*. The directors are responsible for the preparation and fair presentation of this consolidated interim condensed financial information in accordance with the requirements of International Accounting Standard (IAS) 34 *Interim Financial Statements*. Our duty is make an opinion of this consolidated interim condensed financial information based on the review procedures we have conducted, and present the report only to you as a management body subject to the contractual terms and not for any other purposes. We do not bear or assume any responsibility to any other person for the contents of this report.

Scope of Review

We have conducted the review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information by the Independent Auditor of the Entity*. The review of the consolidated interim condensed financial information involves surveying personnel, primarily the company's employees responsible for financial and accounting issues, and applying analytical and other review procedures. A review has a significantly less scope of the procedures than an audit conducted in accordance with the International Audit Standards, and, thus, it does not allow us to arrive at a necessary degree of assurance in respect of the consolidated interim condensed financial information on all material aspects that we could have discovered during an audit. Consequently, we do not provide an audit report.

Basis for Qualified Opinion

We could not obtain and inspect the consolidated interim financial information of the Group's associated company OJSC MMC Norilsk Nickel (Norilsk Nickel) confirming the Group's share in the profits of the said associated company of USD 191 million and USD 577 million for three and nine months ended September 30, 2012 respectively, the Group's share in other comprehensive income of this associated company of USD 25 million in profits and USD 120 million in losses for three and nine months ended

September 30, 2012 respectively, and the book value of the Group's investment in Norilsk Nickel of USD 9,832 million as of September 30, 2012. If we had been able to conduct the required review procedures in respect of the Group's participatory share in its associated companies, we could have discovered the facts evidencing the necessity to adjust this consolidated interim condensed financial information.

Qualified Opinion

Based on the review that we have conducted, save for possible effect of the issue described in the Basis for Qualified Opinion paragraph, we have not found any facts based on which we could draw a conclusion that, as of September 30, 2012, the Group's consolidated interim condensed financial information for three and nine months then ended was not in all material respects prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Statements*.

Essential Circumstances

Without changing the opinion on the accuracy of the Group's interim condensed financial information, we draw your attention to the fact that the Group's interim condensed financial information for three and nine months ended September 30, 2012 contains adjustments stated in Note 10. We have reviewed the adjustments described in Note 10 which were made in respect of the Group's consolidated interim condensed financial information for three and nine months ended September 30, 2012. Based on our review, we have concluded that these adjustments are correct and were made properly.

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	Note	Three months ended September 30		Nine months ended September 30	
		2012 (unaudited)	2011 (unaudited)	2012 (unaudited)	2011 (unaudited)
		USD, million	USD, million	USD, million	USD, million
Revenue	6	2 563	3 162	8 267	9 485
Prime cost		(2 266)	(2 282)	(7 041)	(6 559)
Gross profit		297	880	1 226	2 926
Selling expenses		(132)	(153)	(392)	(494)
Administrative expenses		(166)	(148)	(520)	(579)
Loss from fixed asset retirement		-	(2)	(7)	(3)
Impairment of non-current assets		(23)	(20)	(248)	(152)
Other operating expenses		(3)	(5)	(28)	(107)
(Loss) / profit from operating activities		(27)	552	31	1 591
Financial income	7	6	104	19	548
Financial expenses	7	(283)	(319)	(644)	(846)
Share in profits of associated companies	11	184	178	550	232
Share in profits / (losses) of jointly controlled companies	12	23	(4)	43	17
(Loss) / profit before tax		(97)	511	(1)	1 542
Income tax	8	(21)	(79)	(116)	(331)
(Loss) / profit for the period		(118)	432	(117)	1 211
Due to: shareholders of the Company		(118)	432	(117)	1 211
(Loss) / profit per share					
Basic and diluted (loss) / profit per share (USD)	9	(0,01)	0,03	(0,01)	0,08

	Note	Three months ended September 30		Nine months ended September 30	
		2012 (unaudited) USD, million (118)	2011 (unaudited) USD, million 432	2012 (unaudited) USD, million (117)	2011 (unaudited) USD, million 1 211
Net (loss) / profit for the period					
Other comprehensive profit / (loss)					
Actuarial losses on pension plans	17	-	-	(22)	(8)
Share of other comprehensive income / (losses) from associate companies		25	(162)	(120)	(234)
Change in the fair value of cash flow hedging instrument		(39)	(78)	(103)	(68)
Exchange differences on foreign currency translation		887	(2 024)	615	(748)
Income tax on other comprehensive income		(56)		(37)	
		817	(2 264)	334	(1 058)
Total comprehensive profit / (loss) for the period		699	(1 832)	217	153
Due to: shareholders of the Company		699	(1 832)	217	153

	Note	September 30,	December 31,
		2012	2011
		(unaudited)	
		USD, million	USD, million
ASSETS			
Non-current assets			
Fixed assets		5 548	5 746
Intangible assets		4 009	3 905
Investments in associated companies	11	10 286	9 714
Investments in jointly controlled companies	12	1 157	1 102
Financial assets from derivatives	18	15	21
Deferred tax assets		86	66
Other non-current assets		124	98
Total non-current assets		21 225	20 652
Current assets			
Inventories		2 551	3 002
Trade and other receivables	13	951	1 032
Financial assets from derivatives	18	3	13
Cash and cash equivalents		894	646
Total current assets		4 399	4 693
Total assets		25 624	25 345

	Note	September 30,	December 31,
		2012 (unaudited)	2011
		USD, million	USD, million
EQUITY AND LIABILITIES			
Equity	14		
Share capital		152	152
Shares subject to distribution		(2)	-
Share premium		15 790	15 788
Other reserves		2 622	2 856
Currency translation reserve		(3 930)	(4 498)
Accumulated loss		(3 876)	(3 759)
Total equity		10 756	10 539
Non-current liabilities			
Loans and borrowings	15	9 854	10 134
Bond loans	16	970	932
Provisions	17	589	484
Deferred tax liabilities		643	595
Financial liabilities from derivatives	18	232	159
Other non-current liabilities		47	46
Total non-current liabilities		12,335	12 350
Current liabilities			
Loans and borrowings	15	780	629
Taxes payable		15	16
Trade and other payables	19	1 604	1 667
Financial liabilities from derivatives	18	35	39
Provisions	17	99	105
Total current liabilities		2 533	2 456
Total liabilities		14 868	14 806
Total equity and liabilities		25 624	25 345
Net current assets / (liabilities)		1 866	2 237
Total assets, less current liabilities		23 091	22 889

The information is approved and authorized for issue by the Board of Directors on November 9, 2012.

O.V. Deripaska
Chief Executive Officer

E.D. Kornilov
Chief Financial Officer

		Share capital	Shares subject to distribution	Share premium	Other reserves	Currency translation reserve	Accumulated losses	Total
Note	USD, million	USD, million	USD, million	USD, million	USD, million	USD, million	USD, million	USD, million
Balance as of January 1, 2012	152	-	15 788	2 856	(4 498)	(3 759)	10 539	
Loss for the period (unaudited)	-	-	-	-	-	(117)	(117)	
Other comprehensive income for the period (unaudited)	-	-	-	(234)	568	-	334	
Total comprehensive income for the period (unaudited)	-	-	-	(234)	568	(117)	217	
Acquisition of shares subject to distribution (unaudited)	14(b)	-	(2)	-	-	-	(2)	
Compensatory payments in the form of shares (unaudited)	14(b)	-	-	2	-	-	2	
Balance as of September 30, 2012 (unaudited)	152	(2)	15 790	2 622	(3 930)	(3 876)	10 756	
Balance as of January 1, 2011	152	-	15 782	3 095	(3 577)	(3 996)	11 456	
Income for the period (unaudited)	-	-	-	-	-	1 211	1 211	
Other comprehensive loss for the period (unaudited)	-	-	-	(310)	(748)	-	(1 058)	
Total comprehensive income for the period (unaudited)	-	-	-	(310)	(748)	1 211	11 609	
Compensatory payments to the management in the form of shares (unaudited)	14(b)	-	-	10	-	-	10	
Balance as of September 30, 2011 (unaudited)	152		15 792	2 785	(4 325)	(2 785)	11 619	

	For 9 months ended September 30	
	2012 (unaudited)	2011 (unaudited)
	USD, million	USD, million
OPERATING ACTIVITIES		
(Loss) / profit for the period	(117)	1 211
<i>Adjusted for:</i>		
Depreciation of fixed assets	397	371
Depreciation of intangible assets	11	13
Impairment of non-current assets	248	152
Loss / (profit) from changes in the fair value of financial instruments	78	(484)
Provision for trade and other receivables	16	3
(Recovery of reserve) for impairment of inventories	(2)	(8)
(Recovery of reserve) / reserve for claims	(3)	10
Reserve for tax liabilities	-	17
Reserve for environmental recovery	21	12
Reserve for pension liabilities	6	8
Share-based payments	2	10
Loss from fixed asset retirement	7	3
Loss / (profit) from exchange rate differences	3	(57)
Interest expenditure	514	846
Interest income	(19)	(12)
Income tax	116	331
Share in profits of associated companies	(550)	(232)
Share in (profits) of jointly controlled companies	(43)	(17)
	685	2 177
Decrease / (increase) in inventories	443	(506)
Decrease / (increase) in trade and other receivables	41	(195)
(Increase) / decrease in prepayments and other assets	(29)	9
Reduction of trade and other payables	(146)	(49)
Reduction of reserves	(24)	(26)
Cash flow from operating activities	970	1 410
Income tax paid	(61)	(141)
Net cash flow from operating activities	909	1 269

	For 9 months ended September 30	
	2012 (unaudited)	2011 (unaudited)
	USD, million	USD, million
INVESTMENT ACTIVITIES		
Proceeds from fixed asset retirement	10	11
Interest received	14	5
Acquisition of fixed assets	(353)	(408)
Acquisition of intangible assets	(10)	(7)
Acquisition of jointly controlled companies	(3)	-
Acquisition of subsidiaries, net of cash received	(9)	-
Changes in cash from sale of subsidiaries	-	(2)
Dividends received from associated companies	267	279
Dividends received from jointly controlled companies	48	36
Contributions to the authorized capital of jointly controlled companies	(4)	-
Changes in restricted cash	16	(18)
Net cash flow from investment activities	(24)	(104)
FINANCIAL ACTIVITIES		
Proceeds from borrowings received	1 185	20
Repayment of loans and borrowings	(1 320)	(1 777)
Restructuring expenses	(56)	-
Interest paid	(434)	(436)
Purchase of shares subject to distribution	(2)	-
Proceeds from issue of ruble obligations	-	1 063
Net cash flow from financial activities	(627)	(1 130)
Net increase in cash and cash equivalents	258	35
Cash and cash equivalents as of January 1	613	486
Effect of changes in exchange rates on cash and cash equivalents	6	(4)
Cash and cash equivalents as of the end of the period	877	517

Restricted cash amounted to USD 17 million as of September 30, 2012, and to USD 33 million as of December 31, 2011.

1 General Information

Organization

United Company Rusal Plc (hereinafter the “Company” or “OK RUSAL”) was incorporated by the controlling shareholder of RUSAL Limited on October 26, 2006 and registered under the applicable laws of Jersey as a limited liability company. On January 27, 2010, the Company successfully offered its securities on the Hong Kong Stock Exchange (hereinafter the “Hong Kong Stock Exchange”) and the France Stock Exchange (hereinafter “Euronext Paris”) (hereinafter referred to as the “Global Offering”) and changed its form of incorporation from a limited liability company to a public company.

Registered address of the Company: Ogier House, The Esplanade, St.Helier, Jersey, JE4 9WG, Channel Islands.

The Company controls, both directly or through its wholly owned subsidiaries, a number of aluminum producing and selling companies and other companies hereinafter together with the Company referred to as the “Group”.

After the successful completion of the Global Offering, the Company issued 1,636,363,646 new shares in the form of shares listed on the Hong Kong Stock Exchange and in the form of global depositary shares listed on Euronext Paris, equaling 10.81% of the Company’s shares issued and floating immediately prior to the Global Offering.

As of September 30, 2012 and December 31, 2011, the Company's owners were:

	<u>September 30,</u>	<u>December 31,</u>
	<u>2012</u>	<u>2011</u>
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%
Owned by the management (including 0.22% owned by the Company’s CEO)	0,25%	0,26%
Shares subject to distribution	0,02%	-
Floating	10,75%	10,76%
Total	100%	100%

The activities of En+ are controlled by O.V. Deripaska. The activities of Onexim are controlled by M.D. Prokhorov. The activities of SUAL Partners are jointly controlled by V.F. Vekselberg and L.V. Blavatnik. Amokenga Holdings is a subsidiary of Glencore International AG (hereinafter “Glencore”) which is controlled by its management and key employees.

The information on related party transactions is provided in Note 21.

The Group's consolidated financial statements for the year ended December 31, 2011 are available on the Company's website at www.rusal.com.

2 Basic Principles for Preparation of Financial Statements

Statement of IFRS Compliance

This consolidated interim condensed financial information is prepared as required by International Accounting Standard (IAS) 34 *Interim Financial Statements* and the relevant disclosure rules established by the Hong Kong securities exchange.

This consolidated interim condensed financial information does not contain all information which is to be included in the full set of annual financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) and should, therefore, be considered collectively with the Group's consolidated financial statements for the year ended December 31, 2011.

3 Basic Principles of Accounting Policy

The accounting policy principles and professional judgments applied by the Group while preparing this consolidated interim condensed financial information are identical to those applied by the Group in preparing its consolidated financial statements for the year ended December 31, 2011.

4 Seasonal Character of Activities

The seasonal factor does not have a material effect on the Group's business activity.

5 Segment Reporting

Reporting Segments

The Group has four reporting segments (see below), being its strategic business units. The activities of the said business units are managed separately and their performance is analyzed by the CEO on a regular basis.

Aluminum Segment. The companies of this segment are engaged in production and selling of primary aluminum and associated products.

Aluminum Oxide Segment. The aluminum oxide segment companies produce and process bauxites into aluminum oxide and sell aluminum oxide.

Power Segment. This segment includes the Group's companies and projects engaged in production and selling of coal, as well as generation and transmission of electricity produced by various power generating facilities. Where power generating facilities are part of aluminum or part of aluminum oxide segments only, they are included in the respective reporting segment.

Extraction and Metallurgy Segment. This segment includes the share investment in MMC Norilsk Nickel OJSC.

Other activities include production of semi-finished items from primary aluminum for transport, packaging and construction industries, the manufacture of consumer goods and products for high-technology production, as well as the activities of the Group's administrative centers. None of the above types of other activities meets the quantitative threshold for being recognized as a reporting segment.

Aluminum and aluminum oxide segments are a vertically integrated structure in which the aluminum oxide segment supplies aluminum oxide to the aluminum segment for its further processing and production of aluminum; limited volumes of aluminum oxide are provided for sale outside the Group. The interaction between aluminum, aluminum oxide and power segments also requires single service and sale centers.

Segments' Results, Assets and Liabilities

To evaluate the segments' performance and distribute resources among them, the Group's senior management controls the results, assets and liabilities of each reporting segments proceeding from the following:

Segment assets include all tangible, intangible and current assets, save for tax income assets and corporate assets. Segment liabilities include trade and other payables referring to production and

sales activities of individual segments. Loans and borrowings do not refer to individual segments, as the headquarters manage them on a centralized basis.

Income and expenses are distributed among reporting segments based on the volumes of their sales and expenses incurred or arising out of depreciation of the assets allocated to them.

The criterion for evaluating the segments' performance is profit before tax recognized in the profit and loss statement and adjusted subject to the impairment of non-current assets and items which were not carried to any particular segments such as financial income, expenses for raising loans and borrowing, as well as the headquarters' expenses or corporate administrative costs. The segment profit or loss values are included in the internal management reports submitted to the Group's CEO for review. The segment profit or loss value is used to evaluate performance, as the management considers such information to be the most optimum for evaluating performance of individual segments since it makes it possible to compare their results with similar indicators of other companies of the same industry.

In addition to the segment information featuring the segments' performance, the management is provided with segment information containing revenue indicators (including proceeds from inter-segment operations), the book value of investments and the share in (losses) / profits of associated and jointly controlled companies, depreciation, impairment of non-current assets and receipts of non-current assets used by the segments in their operating activities. The prices for inter-segment operations are always set based on market data.

Примечания к консолидированной промежуточной сокращенной финансовой информации Вся финансовая информация за 3 и 9 месяцев, закончившихся 30 сентября 2011 г., и за 3 и 9 месяцев, закончившихся 30 сентября 2010 г., является неаудированной

(i) Reporting Segments**Three months ended September 30, 2012**

	Aluminum	Aluminum Oxide	Power	Extraction and Metallurgy	Total
	USD, million	USD, million	USD, million	USD, million	USD, million
Proceeds from external buyers and customers	2 178	151	1	-	2 330
Proceeds from inter-segment operations	42	343	-	-	385
Total segment proceeds	2 220	494	1	-	2 715
Segment profits	76	(19)	-	191	248
Impairment of non-current assets	(3)	(18)	-	-	(21)
Share in losses of associated companies	-	(7)	-	-	(7)
Share in profits of jointly controlled companies	-	-	23	-	23
Depreciation of fixed assets and intangible assets	(107)	(24)	-	-	(131)
Expenses in kind, other than depreciation	(3)	-	-	-	(3)
Receipts of non-current segment assets during the period	69	15	2	-	86
Receipts in kind of non-current assets referring to reclamation reserve	-	-	-	-	-

Three months ended September 30, 2011

	Aluminum	Aluminum Oxide	Power	Extraction and Metallurgy	Total
	USD, million	USD, million	USD, million	USD, million	USD, million
Proceeds from external buyers and customers	2 700	163	46	-	2 909
Proceeds from inter-segment operations	43	467	-	-	510
Total segment proceeds	2 743	630	46	-	3 419
Segment profits	603	(23)	48	186	814
Impairment of non-current assets	(5)	(15)	-	-	(20)
Share in losses of associated companies	-	(8)	-	-	(8)
Share in losses of jointly controlled companies	-	-	(4)	-	(4)
Depreciation of fixed assets and intangible assets	(101)	(24)	(2)	-	(127)
Income / (expenses) in kind, other than depreciation	11	(1)	(1)	-	9
Receipts of non-current segment assets during the period	125	45	-	-	170

Примечания к консолидированной промежуточной сокращенной финансовой информации Вся финансовая информация за 3 и 9 месяцев, закончившихся 30 сентября 2011 г., и за 3 и 9 месяцев, закончившихся 30 сентября 2010 г., является неаудированной

Nine months ended September 30, 2012

	Aluminum	Aluminum Oxide	Power	Extraction and Metallurgy	Total
	USD, million	USD, million	USD, million	USD, million	USD, million
Proceeds from external buyers and customers	7 077	446	4	-	7 527
Proceeds from inter-segment operations	142	1 206	-	-	1 348
Total segment proceeds	7 219	1 652	4	-	8 875
Segment profits	535	(133)	1	577	980
Impairment of non-current assets	(5)	(223)	-	-	(228)
Share in losses of associated companies	-	(21)	-	-	(21)
Share in profits of jointly controlled companies	-	-	43	-	43
Depreciation of fixed assets and intangible assets	(323)	(77)	-	-	(400)
Expenses in kind, other than depreciation	(3)	(23)	-	-	(26)
Receipts of non-current segment assets during the period	226	120	4	-	350
Proceeds in kind of non-current assets referring to reclamation reserve	-	20	-	-	20

Nine months ended September 30, 2011

	Aluminum	Aluminum Oxide	Power	Extraction and Metallurgy	Total
	USD, million	USD, million	USD, million	USD, million	USD, million
Proceeds from external buyers and customers	8 038	514	157	-	8 709
Proceeds from inter-segment operations	144	1 311	-	-	1 455
Total segment proceeds	8 182	1 825	157	-	10 164
Segment profits	1 760	(1)	83	268	2 110
Impairment of non-current assets	(11)	(141)	-	-	(152)
Share in profits of associated companies	-	(36)	-	-	(36)
Share in losses of jointly controlled companies	-	-	17	-	17
Depreciation of fixed assets and intangible assets	(297)	(72)	(5)	-	(374)
Expenses in kind, other than depreciation	(10)	(9)	-	-	(19)
Receipts of non-current segment assets during the period	291	107	1	-	399

Примечания к консолидированной промежуточной сокращенной финансовой информации Вся финансовая информация за 3 и 9 месяцев, закончившихся 30 сентября 2011 г., и за 3 и 9 месяцев, закончившихся 30 сентября 2010 г., является неаудированной

As of September 30, 2012

	Aluminum	Aluminum Oxide	Power	Extraction and Metallurgy	Total
	USD, million	USD, million	USD, million	USD, million	USD, million
Segment assets	11 926	1 858	41	9 832	23 657
Investments in associated companies	-	451	-	-	451
Investments in jointly controlled companies	16	-	1 141	-	1 157
Total assets					25 265
Segment liabilities	(1 782)	(819)	(31)	-	(2 632)
Total liabilities					(2 632)

As of December 31, 2011

	Aluminum	Aluminum Oxide	Power	Extraction and Metallurgy	Total
	USD, million	USD, million	USD, million	USD, million	USD, million
Segment assets	11 945	2 157	35	9 247	23 384
Investments in associated companies	-	458	-	-	458
Investments in jointly controlled companies	-	-	1 102	-	1 102
Total assets					24 944
Segment liabilities	(2 040)	(777)	(36)	-	(2 853)
Total liabilities					(2 853)

Примечания к консолидированной промежуточной сокращенной финансовой информации Вся финансовая информация за 3 и 9 месяцев, закончившихся 30 сентября 2011 г., и за 3 и 9 месяцев, закончившихся 30 сентября 2010 г., является неаудированной

(ii) **Reconciliation of Proceeds, Profits or Losses, Assets and Liabilities of Reporting Segments**

	Three months ended September 30		Nine months ended September 30	
	2012	2011	2012	2011
	USD, million	USD, million	USD, million	USD, million
Proceeds				
Proceeds of reporting segments	2 715	3 419	8 875	10 164
Elimination of proceeds from inter-segment operations	(385)	(510)	(1 348)	(1 455)
Proceeds undistributed among segments	233	253	740	776
Consolidated proceeds	2 563	3 162	8 267	9 485
	Three months ended September 30		Nine months ended September 30	
	2012	2011	2012	2011
	USD, million	USD, million	USD, million	USD, million
Profits				
Profits of reporting segments	248	814	980	2 110
Impairment of non-current assets	(23)	(20)	(248)	(152)
Share in losses of associated companies	(7)	(8)	(27)	(36)
Share in profits (losses) of jointly controlled companies	23	(4)	43	17
Financial income	6	104	19	548
Financial expenses	(283)	(319)	(644)	(846)
(Expenses) undistributed among segments	(61)	(56)	(124)	(99)
Consolidated (loss) before tax	(97)	511	(1)	1 542

Примечания к консолидированной промежуточной сокращенной финансовой информации Вся финансовая информация за 3 и 9 месяцев, закончившихся 30 сентября 2011 г., и за 3 и 9 месяцев, закончившихся 30 сентября 2010 г., является неаудированной

	September 30,	December 31,
	2012	2011
	USD, million	USD, million
Assets		
Assets of reporting segments	25 265	24 944
Elimination of accounts receivable among segments	(243)	(516)
Assets undistributed among segments	602	917
Total consolidated assets	25 624	25 345

	September 30,	December 31,
	2012	2011
	USD, million	USD, million
Liabilities		
Liabilities of reporting segments	(2 632)	(2 853)
Elimination of accounts payable among segments	243	516
Liabilities undistributed among segments	(12 479)	(12 469)
Total consolidated liabilities	(14 868)	(14 806)

Примечания к консолидированной промежуточной сокращенной финансовой информации Вся финансовая информация за 3 и 9 месяцев, закончившихся 30 сентября 2011 г., и за 3 и 9 месяцев, закончившихся 30 сентября 2010 г., является неаудированной

6 Proceeds

	Three months ended September 30		Nine months ended September 30	
	2012	2011	2012	2011
	USD, million	USD, million	USD, million	USD, million
Proceeds from sale of primary aluminum and alloys	2 178	2 700	7 077	8 038
<i>Third parties</i>	1 379	1 624	4 313	4 884
<i>Related parties – companies having a material influence</i>	740	993	2 575	2 910
<i>Related parties – jointly controlled companies</i>	48	83	178	244
<i>Related parties – associated companies</i>	11	-	11	-
Proceeds from sale of aluminum oxide and bauxites	151	163	446	514
<i>Third parties</i>	121	115	304	374
<i>Related parties – companies having a material influence</i>	30	48	142	136
<i>Related parties – jointly controlled companies</i>	-	-	-	4
Proceeds from sale of aluminum foil	78	76	220	229
<i>Third parties</i>	76	74	215	223
<i>Related parties – jointly controlled companies</i>	2	2	5	6
Proceeds from sale of other products and services, including electricity and transport services	156	223	524	704
<i>Third parties</i>	125	140	454	475
<i>Related parties – companies having a material influence</i>	5	4	16	12
<i>Related parties – jointly controlled companies</i>	10	13	26	27
<i>Related parties – associated companies</i>	16	66	28	190
	2 563	3 162	8 267	9 485

Примечания к консолидированной промежуточной сокращенной финансовой информации Вся финансовая информация за 3 и 9 месяцев, закончившихся 30 сентября 2011 г., и за 3 и 9 месяцев, закончившихся 30 сентября 2010 г., является неаудированной

7 Financial Income and Expenditure

	Note	Three months ended September 30		Nine months ended September 30	
		2012 USD, million	2011 USD, million	2012 USD, million	2011 USD, million
Financial income					
Interest income on loans issued to third parties and deposits		5	-	12	2
Interest income on loans issued to related parties – <i>jointly controlled companies</i>		-	1	2	3
Profits from exchange rate differences		-	100	-	52
Changes in the fair value of financial instruments	18	-	-	-	484
Interest income on reserves		1	3	5	7
		6	104	19	548
Financial expenditure					
Interest expenditure on third- party loans and bonds, and other bank expenditure		(158)	(187)	(489)	(778)
Interest expenditure on loans issued to related parties – <i>companies having a material influence</i>		-	(7)	-	(54)
Loss from exchange rate differences		(96)	-	(52)	-
Changes in the fair value of financial instruments	18	(24)	(120)	(78)	-
Interest expenditure on reserves		(5)	(5)	(25)	(14)
		(283)	(319)	(644)	(846)

Примечания к консолидированной промежуточной сокращенной финансовой информации Вся финансовая информация за 3 и 9 месяцев, закончившихся 30 сентября 2011 г., и за 3 и 9 месяцев, закончившихся 30 сентября 2010 г., является неаудированной

8 Income Tax

	Three months ended September 30		Nine months ended September 30	
	2012	2011	2012	2011
	USD, million	USD, million	USD, million	USD, million
<i>Charged current tax – foreign companies</i>				
Charged current tax for the period	27	24	120	199
Adjustments of past years	-	5	-	(49)
<i>Deferred tax</i>				
Accrual and recovery of temporary differences	(6)	50	(4)	181
Actual tax expense	21	79	116	331

The Company is a resident of Cyprus with an applicable income tax rate of 10%. Its subsidiaries pay income tax in accordance with the laws of the relevant tax jurisdictions. For subsidiaries registered in Russia the applicable income tax is 20%; Ukraine – 21%; Guinea – 0%; Kazakhstan – 20%; Australia – 31.3%; Jamaica – 33.3%; Ireland – 12.5%; Sweden – 26.3% and Italy – 37.25%. For the Group's subsidiaries that are tax residents of Switzerland, the applicable income tax rate is the rate of Zug canton, Switzerland, which may vary depending on the company's tax status. The rate consists of tax charged by the federal government and the canton and of capital tax. The capital tax is calculated based on the basic rate and the coefficient that may change from year to year. In 2011, income tax rates applied at 9.39% and 15.11% for various subsidiaries. For major trade companies of the Group, the applicable tax rate is 0%. As of September 30, 2012, the income tax rates were similar to those effective as of September 30, 2011, save for the above.

9 Profit per Share

The basic profit per share was calculated using the profit / (loss) value due to the holders of ordinary shares for three and nine months ended September 30, 2012 and 2011.

Weighted average number of shares:

	Three months ended September 30	
	2012	2011
Ordinary shares issued as of the beginning of the period	15 189 954 948	15 193 014 862
Weighted average number of shares as of the end of the period	15 189 954 948	15 193 014 862
(Loss) / profit for the period (USD, million)	(118)	432
Basic and diluted (loss) / profit per share (USD)	(0,01)	0,03

	Nine months ended September 30	
	2012	2011
Ordinary shares issued as of the beginning of the period	15 193 014 862	15 193 014 862
Purchase of shares subject to distribution	(1 351 276)	
Weighted average number of shares as of the end of the period	15 191 663 586	15 193 014 862
(Loss) / profit for the period (USD, million)	(117)	1 211
Basic and diluted (loss) / profit per share (USD)	(0,01)	0,08

During the periods ended September 30, 2012 and 2011, there were no instruments with a dilutive effect in circulation.

Within the presented periods no dividends were declared or paid.

10 Revision of Previously Issued Interim Condensed Financial Information

On August 24, 2012, the Group issued interim condensed financial information for three and six months ended June 30, 2012. At that time the Group could not obtain the consolidated interim financial information of the Group's major associated company MMC Norilsk Nickel OJSC (hereinafter "Norilsk Nickel") accounted by equity method for three and six months ended June 30, 2012. As a result, the management assessed the Group's share in the results and other comprehensive income of the said associated company for three and six months ended June 30, 2012, relying on public information then available. On October 12, 2011, Norilsk Nickel published its unaudited consolidated interim condensed financial information, prepared under IFRS, for six months ended June 30, 2012. Based on that data, the management revised the Group's share in the results and other comprehensive income of the associated company and compared the data obtained with the previous values. As a result, the management came to a conclusion that the Group's share in the results and other comprehensive income of associated companies for three and six months ended June 30, 2012 and the book value of the investments as of June 30, 2012, recognized in the Group's interim financial information published on August 24, 2012, need to be amended. The amendments made to the previously published financial information are provided below:

	Three months ended September 30, 2012		
	Previously published	Amendments	Updated information
	USD, million	USD, million	USD, million
Balance as of the beginning of the period	11 009	(20)	10 989

Примечания к консолидированной промежуточной сокращенной финансовой информации Вся финансовая информация за 3 и 9 месяцев, закончившихся 30 сентября 2011 г., и за 3 и 9 месяцев, закончившихся 30 сентября 2010 г., является неаудированной

Group's share in profits and other income and expenses referring to associated companies	166	(20)	146
Dividends receivable	(285)	-	(285)
Group's share in other comprehensive losses of associated companies	(137)	(2)	(139)
Result of foreign currency recalculation	(1 255)	27	(1 228)
Balance as of the end of the period	9 498	(15)	9 483

Six months ended September 30, 2012

	Previously published	Amendments	Updated information
	USD, million	USD, million	USD, million
Balance as of the beginning of the period	9 714	-	9 714
Group's share in profits and other income and expenses referring to associated companies	406	(40)	366
Dividends receivable	(285)	-	(285)
Group's share in other comprehensive losses of associated companies	(143)	(2)	(145)
Result of foreign currency recalculation	(194)	27	(167)
Balance as of the end of the period	9 498	(15)	9 483

This interim condensed financial information for three and nine months ended September 30, 2012 contains the above amendments for each respective period.

11 Investments in Associated Companies

	Three months ended September 30	
	2012	2011
	USD, million	USD, million
Balance as of the beginning of the period	9 483	11 717
Group's share in profits and other income and expenses referring to associated companies	184	178
Group's share in other comprehensive profits / (losses)	25	(162)
Result of foreign currency recalculation	594	(1 382)
Balance as of the end of the period	10 286	10 351
Goodwill as part of investments in associated companies	5 532	5 358

	Nine months ended September 30	
	2012	2011
	USD, million	USD, million
Balance as of the beginning of the period	9 714	11 151
Group's share in profits and other income and expenses referring to associated companies	550	232
Dividends receivable	(285)	(306)
Group's share in other comprehensive (losses)	(120)	(234)
Result of foreign currency recalculation	427	(492)
Balance as of the end of the period	10 286	10 351
Goodwill as part of investments in associated companies	5 532	5 358

Investment in Norilsk Nickel

As of the date of this consolidated interim condensed financial information, the Group could not obtain the consolidated financial information of Norilsk Nickel for three and nine months ended September 30, 2012.

Accordingly, the Group measured its share in profits and comprehensive income of Norilsk Nickel for three and nine months ended September 30, 2012, relying on publicly available information published by Norilsk Nickel. The information used for such measurement is incomplete in many aspects. When the consolidated interim financial information of Norilsk Nickel becomes available, it is compared with the measurement made by the Group's management. If any material discrepancies are revealed, amendments need to be made to the previously published financial information in respect of the Group's share in the results and other comprehensive income, and the book value of the investment in Norilsk Nickel. As of September 30, 2012, the market value of the investment in Norilsk Nickel amounted to USD 7,693 million. The market value was measured by multiplying the weighted average price per share at the Moscow Interbank Currency Exchange (MICEX) as of the reporting date by the number of shares held by the Group.

12 Investments in Jointly Controlled Companies

	Three months ended September 30	
	2012	2011
	USD, million	USD, million
Balance as of the beginning of the period	1 079	1 206
Acquisitions	-	32
Group's share in profits / (losses)	23	(4)
Dividends declared	(7)	(5)
Result of foreign currency transaction recalculation	62	(116)
Balance as of the end of the period	1 157	1 113

	Nine months ended September 30	
	2012	2011
	USD, million	USD, million
Balance as of the beginning of the period	1 102	1 136
Investments in jointly controlled companies	4	2
Acquisitions	16	32
Group's share in profits	43	17
Dividends declared	(52)	(36)
Result of foreign currency transaction recalculation	44	(38)
Balance as of the end of the period	1 157	1 113

As a result of project financing received late in 2010, BEMO project companies use the funds received to make expenses required under current construction projects and do not presently require any additional investments from project partners.

Transport Business

On September 28, 2011, the Group sold a 50% share held in several subsidiaries engaged in the transport business in Kazakhstan and Russia to a company which is not a related party for USD 47 million. This transaction brought income of USD 15 million with subsequent recognition of the investment in the jointly controlled company of USD 32 million.

Payment under the sale contract was received on October 4, 2011.

North United Aluminium

In April 2012, North United Aluminium (former Shenzhen North Investments Corporation Limited) – a joint trade company of the Group, China North Industries Corporation (NORINCO) and other partners specializing in trading of aluminum, alloys and other non-ferrous metals, started operations. The Group acquired a 33% share in the joint company. The value of the transaction amounted to USD 16 million.

13 Trade and Other Receivables

Примечания к консолидированной промежуточной сокращенной финансовой информации Вся финансовая информация за 3 и 9 месяцев, закончившихся 30 сентября 2011 г., и за 3 и 9 месяцев, закончившихся 30 сентября 2010 г., является неаудированной

	September 30, 2012	December 31, 2011
	USD, million	USD, million
Trade receivables from third- party buyers and customers	242	200
Loss from impairment of trade receivables from buyers and customers	(41)	(41)
Net trade receivables from third parties	201	159
Trade receivables from related parties, including:	33	40
<i>Companies having a material influence</i>	30	32
<i>Impairment</i>	(8)	(8)
<i>Net trade receivables of companies having a material influence</i>	22	24
<i>Jointly controlled companies</i>	9	8
<i>Associated companies</i>	2	8
VAT refundable	440	529
VAT impairment loss	(60)	(56)
Net VAT amount	380	473
Advances issued to third parties	107	102
Loss from impairment of advances	(3)	(4)
Net amount of advances issued to third parties	104	98
Advances issued to related parties, including:	91	68
<i>Companies having a material influence</i>	2	-
<i>Jointly controlled companies</i>	4	-
<i>Associated companies</i>	85	68
Advance payments	19	42
Income tax advance payments	11	37
Other tax advance payments	12	14
Other receivables from third parties	95	100
Loss from impairment of other receivables from third parties	(17)	(24)
Net other receivables from third parties	78	76
Other receivables from buyers and customers of related parties, including:	22	25
<i>Companies having a material influence</i>	-	1
<i>Jointly controlled companies</i>	9	11
<i>Associated companies</i>	13	13
	951	1 032

All amounts of trade and other receivables should be redeemed or recognized as expenditure within one year, or they are to be repaid upon first request.

(a) Interpretation of Receivables by Overdue Periods

Trade and other receivables include trade receivables (net of the reserve for doubtful debts) with the following periods of accrual as of the reporting dates as provided below:

	September 30, 2012	December 31, 2011
	USD, million	USD, million

Примечания к консолидированной промежуточной сокращенной финансовой информации Вся финансовая информация за 3 и 9 месяцев, закончившихся 30 сентября 2011 г., и за 3 и 9 месяцев, закончившихся 30 сентября 2010 г., является неаудированной

Not overdue or impaired	185	137
Debts with an overdue period of 0–90 days	-	52
Debts with an overdue period of 91–90 days	2	8
Debts with an overdue period of over 365 days	47	2
Total overdue	49	62
	234	199

On average, trade receivables are redeemable within 60 days from the date of the relevant invoices. Current short-term receivables accrued from various buyers and customers who have not been in arrears on their repayment in past reporting periods.

Trade receivables overdue but not impaired refer to buyers with a good credit history with the Group. Based on past experience, the management considers there is no need to create a reserve for these balances, as there are no material changes in the creditworthiness and the accounts receivable are considered fully redeemable. The Group has no guarantees for the balances of these trade receivables.

(b) Impairment of Trade Receivables

Losses from impairment of trade receivables are recognized by creating a reserve where the Group is certain of low probability of repayment. The amount of trade receivables is reduced by the equivalent impairment amount. The table below provides information on the changes in the reserve for doubtful debts for the periods presented in this interim condensed financial information.

	Three months ended September 30, 2012	Three months ended September 30, 2011
	USD, million	USD, million
Balance as of the beginning of the period	(46)	(78)
(Impairment) / recovery of impairment reserve	(3)	5
Balance as of the end of the period	(49)	(73)
	Nine months ended September 30, 2012	Nine months ended September 30, 2011
	USD, million	USD, million
Balance as of the beginning of the period	(49)	(73)
Recovery of impairment reserve	2	-
Written off amounts of bad debts	(2)	
Balance as of the end of the period	(49)	(73)

As of September 30, 2012 and December 31, 2011, the balances of the Group's trade receivables of USD 49 million were assessed as having a low probability of being repaid in the nearest future and thus a reserve was created for these amounts.

The Group has no collateral for the given balances.

14 Equity**(a) Share capital**

	Nine months ended September 30, 2012		Nine months ended September 30, 2011	
	USD	Number of shares	USD	Number of shares
Authorized ordinary shares as of the end of the period	200 mln	20 bln	200 mln	20 bln
Ordinary shares as of January 1	151 930 148	15 193 014 862	151 930 148	15 193 014 862
Ordinary shares as of the end of the period valued USD 0.01 each	151 930 148	15 193 014 862	151 930 148	15 193 014 862

Additional information on equity flow is disclosed in the Group's consolidated financial statements as of December 31, 2011 and for the year then ended.

(b) Compensatory Payments in the Form of Shares

As of September 30, 2012, the trustee held 3,059,914 shares under the employee incentive program ("shares subject to distribution") being the shares acquired by the trustee on the open market for the total value of USD 2 million.

Within six months ended September 30, 2012 and September 31, 2011, the Company recognized additional personnel costs under the Group's employee incentive program in the amount of USD 2 million and USD 10 million with the appropriate capital increase.

(c) Other Reserves

Other reserves include accrued unrealized actuarial profits and losses on pension plans with fixed payments to the Group's employees, changes in the fair value of the cash flow hedging instrument and accumulated unrealized profits and losses on investments available for sale that were recognized directly in the capital.

(d) Payments to Shareholders

Pursuant to the Companies (Jersey) Law 1991, the Company is entitled to distribute its profits at any time in the amount determined by the Company. Profits are distributed out of the Company's assets, save for the reserve for acquisition of treasury stock and authorized share capital, provided that under the Companies (Jersey) Law, the Company's directors make a formal statement of the Company's creditworthiness as of the date of the profit distribution announcement. Payment of dividends is restricted under the debt restructuring agreement.

(e) Reserve of Accumulated Exchange Differences

The reserve of accumulated exchange rate differences includes all exchange differences arising from conversion of data contained in the financial statements of the Group's foreign divisions.

15 Loans and Borrowings

This note contains information on the contractual terms on which the Group raises loans and borrowings.

	September 30, 2012	December 31, 2011
	USD, million	USD, million
<i>Non-current liabilities</i>		
Secured bank loans	9 307	9 505
Unsecured bank loans	547	629
	9 854	10 134
<i>Current liabilities</i>		
Secured bank loans	648	574
Unsecured bank loans	83	-
Interest charged	49	55
	780	629

The Group's bank loans are secured by a pledge of shares of the Group's subsidiaries, information on which is disclosed in the Group's consolidated financial statements for 2011.

Bank loans are also secured by the following assets:

- fixed assets with a book value of USD 319 million (as of December 31, 2011: USD 316 million);

As of September 30, 2012 and December 31, 2011, for the purposes of securing the restructured debts to international creditors, the rights were assigned, including all monetary and non-monetary claims arising subsequent to the performance of all purchase and sale agreements made between the Group's trade subsidiaries and end consumers and the performance of individual purchase and sale agreements and agreements for processing of give- and- take raw materials made between the Group's trade subsidiaries and aluminum plants.

As of September 30, 2012, the nominal value of the Group's loans and borrowings amounted to USD 10,806 million (as of December 31, 2011: USD 10,928 million).

On January 26, 2012, the Group successfully rounded off the negotiations with international and Russian banks concerning the possibility of not meeting certain covenants for twenty-four months starting from any quarter in 2012. As of March 31, 2012, the Group decided to exercise the said right starting from the first quarter of 2012.

The Group also agreed upon an accelerated payment of USD 500 million under tranche A in accordance with a new agreement for a syndicated loan, and made this payment as at January 30, 2012 using the funds under a new agreement with Sberbank for the amount of RUB 18.3 billion received in January 2012 at the rate of 9.7% for 5 years.

As at March 16, 2012, the Group repaid part of the loan to VTB in the amount of RUB 2 billion.

As of March 31, 2012, the Group repaid the loan to the Natixis bank in the full amount of USD 66 million.

16 Bond Loans

On March 3 and April 18, 2011, one of the Group's subsidiaries issued two tranches of ruble bond loans on MICEX consisting of 15 million ruble bonds each with a par value of RUB 1,000 per bond. The maturity period of the first tranche is seven years with a possibility of early redemption within three years. The maturity period of the second tranche is ten years with a possibility of early redemption within four years. Simultaneously, the Group acquired currency swaps in respect of each tranche as a result of which the first tranche expressed in rubles with semiannual coupon payments at 8.3% per annum was translated into a dollar obligation with the same maturity period of USD 530 million at 5.13% per annum, and the second tranche expressed in rubles with semiannual coupon payments at 8.5% per annum was translated into a dollar obligation with the same maturity period of USD 533 million at 5.09% per annum. The proceeds from the issue of bonds were allocated for debt payments. As of September 30, 2012, the market value of closing amounted to RUB 935.0 and 879.9 per bond for the first and second tranches, respectively.

Примечания к консолидированной промежуточной сокращенной финансовой информации Вся финансовая информация за 3 и 9 месяцев, закончившихся 30 сентября 2011 г., и за 3 и 9 месяцев, закончившихся 30 сентября 2010 г., является неаудированной

17 Reserves

	Pension obligation	Environmental recovery	Reserve for claims	Reserve for tax liabilities	Total
	USD, million	USD, million	USD, million	USD, million	USD, million
Balance as of June 30, 2012	123	448	33	47	651
Reserves accrued in the reporting period	4	21	2	9	36
Recovery of reserves in the reporting period	-	(4)	(2)	-	(6)
Reserves used in the reporting period	(4)	(2)	(10)	-	(16)
Difference from foreign currency transaction recalculation	7	16	-	-	23
Balance as of September 30, 2012	130	479	23	56	688
<i>Long-term</i>	114	475	-	-	589
<i>Short-term</i>	16	4	23	56	99
Balance as of June 30, 2011	158	465	34	47	704
Reserves accrued in the reporting period	6	2	2	-	10
Recovery of reserves	-	(1)	-	-	(1)
Reserves used in the reporting period	(4)	(1)	-	-	(5)
Difference from foreign currency transaction recalculation	(15)	(34)	-	-	(49)
Balance as of September 30, 2011	145	431	36	47	659

	Pension obligation	Environmental recovery	Reserve for claims	Reserve for tax liabilities	Total
	USD, million	USD, million	USD, million	USD, million	USD, million
Balance as of January 1, 2012	105	401	36	47	589
Reserves accrued in the reporting period	11	78	4	9	102
Recovery of reserves	-	(6)	(7)	-	(13)
Actuarial losses in the reporting period	22	-	-	-	22
Reserves used in the reporting period	(12)	(2)	(10)	-	(24)
Difference from foreign currency transaction recalculation	4	8	-	-	12
Balance as of September 30, 2012	130	479	23	56	688
<i>Long-term</i>	114	475	-	-	589
<i>Short-term</i>	16	4	23	56	99
Balance as of January 01, 2011	134	322	40	30	526
Reserves accrued in the reporting period	16	125	12	44	197
Recovery of reserves	-	(1)	(2)	(27)	(30)
Actuarial profits in the reporting period	8	-	-	-	8
Reserves used in the reporting period	(11)	(1)	(14)	-	(26)
Difference from foreign currency transaction recalculation	(2)	(14)	-	-	(16)
Balance as of September 30, 2011	145	431	36	47	659

As of June 30, 2012, the management changed the estimation of the commencement time and the scope of work for environmental recovery at SUBR OJSC and recalculated the relevant obligation for asset liquidation. The resulting increase in reserves and impairment of non-current assets of

USD 20 million was recognized in this interim condensed financial information. The amount of reserves was arrived at by discounting the expected expenses to their present value using a risk-free discounting rate from 1.88% to 5.34%.

18 Financial Liabilities for Derivatives

	September 30, 2012		December 31, 2011	
	USD, million		USD, million	
	Derivative assets	Derivative liabilities	Derivative assets	Derivative liabilities
Currency swaps	-	170	-	164
Contracts for supply of oil coke and other raw materials	18	17	25	16
Interest swaps	-	75	-	9
Structured investments	-	-	9	-
Contracts for electricity acquisition	-	5	-	9
Total	18	267	34	198

In February-May 2012, the Group made an additional currency swap contract partially to transform part of the five-year ruble credit facility of RUB 15.2 billion into an obligation expressed in US dollars of USD 504 million.

The following assumptions were used to assess derivative instruments:

	2012	2013	2014	2015	2016
Aluminum price at the London Metal Exchange, USD/ton	2,106	2,163	2,255	2,347	2,436
Brent oil price on FOB terms according to Platts, USD/barrel	111	107	102	98	94
Forward foreign exchange rate, RUB/USD	31.41	32.67	34.64	36.80	39.14
Libor forward rates, %	0.99	0.99	1.03	1.26	1.57

19 Trade and Other Payables

	September 30, 2012	December 31, 2011
	USD, million	USD, million
Payables to third parties	675	537
Payables to related parties, including:	114	87
<i>Companies having a material influence</i>	54	53
<i>Jointly controlled companies</i>	44	29
<i>Associated companies</i>	16	5
Advances received	256	262
Advances received from related parties, including:	247	453
<i>Companies having a material influence</i>	192	394
<i>Jointly controlled companies</i>	53	57
<i>Associated companies</i>	2	2
Other payables and accrued liabilities	159	168
Other payables and accrued liabilities to related parties, including:	5	5
<i>Associated companies</i>	5	5
Other taxes payable	145	153
Non-trade payables to third parties	3	2
	1 604	1 667

All trade and other accounts payable will be redeemed or recognized in income within the year or will be redeemed upon first request.

Trade and other accounts payable include trade payables with the following maturity period as at the reporting date:

	September 30, 2012	December 31, 2011
	USD, million	USD, million
Redeemable within 12 months or upon first request	789	624

20 Obligations and Contingent Obligations

(a) Investment Obligations

In May 2006, the Group signed a Cooperation Agreement with HydroOGK OJSC and RAO UES of Russia. Under the Cooperation Agreement, HydroOGK and the Group assumed an obligation for joint financing of construction and future operation of the facilities under the BEMO project, including BoGES and the aluminum plant – the expected main consumer of electricity produced by BoGES. The parties created two joint enterprises with a 50:50 ownership ratio, in which the Group committed to invest USD 2,107 million by the end of 2012 (December 31, 2011: USD 1,946 million). As of September 30, 2012, the remaining part of the Group's obligations for the aluminum plant construction by the end of 2015 will amount to USD 660 million (December 31, 2011: USD 738 million), the remaining part of obligations for BoGES construction by the end of 2013 will amount to USD 29 million (December 31, 2011: USD 12 million).

The Group made a number of agreements for various construction works and capital repairs. As of September 30, 2011 and December 31, 2011, the obligations under such agreements amounted to some USD 376 million and USD 388 million, respectively. The obligations mature within several years.

(b) Taxation

Russian tax, currency and customs laws allow for various interpretations and are subject to frequent amendments. The management's interpretation of the laws with regard to the Group's business transactions and activities may be disputed by the relevant local, regional and federal authorities. In particular, the latest events in the Russian Federation show that governmental authorities start to seek more actively in court recognition of the lawfulness of tax law interpretations (especially in terms of using certain commercial trade structures) that may apply only to certain taxpayers and differ from previous interpretations or practice. Divergent interpretation of tax laws by governmental authorities of various levels and the selective approach they use, as well as inconsistent law-enforcement practice, create additional uncertainty in the area of taxation in the Russian Federation.

Correctly completed tax declarations together with the relevant documents are subject to review by a whole range of regulating authorities, each of which has the right to impose penalties and collect fines. Tax authorities are entitled to inspect whether tax obligations are met in full within three calendar years following the accounting year (for customs authorities the period is one calendar year), although, in certain circumstances, this period may be prolonged. Moreover, in some cases new taxation rules are actually applied retroactively. Based on the results of tax inspections, additional tax amounts, fines and penalties may be charged in the Russian Federation, which may have a material effect on the financial position of taxpayers.

Besides the created income tax reserve, the Group recognized certain tax positions in respect of which there is a probability (although less than 50%) that additional tax amounts will be charged following tax inspections or subsequent to settlement of disputes with tax authorities. According to the management's estimates, if the Group cannot prove the validity of its tax positions, the total maximum amount of additionally charged amounts payable may equal USD 352 million as of September 30, 2012 (as of December 31, 2011: USD 278 million).

The Group's main trade companies are registered in jurisdictions with a low taxation level outside the Russian Federation, attributing for a significant part of profits received by the Group. The management considers that such trade companies are not subject to taxation outside the country of their registration, and the commercial terms of transactions between them and other companies of the Group are not supposed to raise claims on the part of relevant tax authorities. This consolidated interim condensed financial information is prepared based on this assumption. At the same time,

since the said companies perform a large volume of foreign trade operations, there is a risk that the tax authorities of the Russian Federation or other countries may dispute the procedure for accounting foreign trade operations and charge additional tax amounts. It is not possible to determine the exposure to the said risk in quantitative terms.

The estimated amount of additionally charged taxes that may be payable cannot by definition be accurate. In this regard, there is a possibility that the total additionally charged amount might exceed the estimated maximum obligation, though the Group's management considers it unlikely.

(c) Contingent Obligations for Environmental Activity

The Group (as well as the companies on the basis of which it was established) has been operating in the Russian Federation, Ukraine, Jamaica, Guyana, the Republic of Guinea and European Union countries for many years, which has led to certain environmental problems. Governmental authorities are constantly revising the provisions of environmental laws and measures for their fulfillment, in which regard the Group periodically assesses its environmental obligations. The obligations are recognized immediately as they arise. Currently, it is not possible to determine accurately the amount of obligations for environmental measures that may arise resulting from the adoption of introduced or future legal acts or application of tougher measures for ensuring compliance with the existing laws. In the management's opinion, under the existing laws the Group has no contingent obligations that might have a material adverse effect on its financial position or results of its operating activities. However, the Group intends to implement a number of major investment projects to enhance the efficiency of its future environmental activity and to bring it in full compliance with the existing laws.

(d) Legal Obligations

In the course of ordinary business, claims and complaints are raised against the Group which are regularly monitored, assessed and contested by the management. Where the Group considered that settlement of certain claims or complaints would entail cash outflow, the appropriate reserve was recognized in this interim condensed financial information (see Note 17). The claims, settlement of which may, in the management's opinion, entail cash outflow, amount to about USD 203 million (as of December 31, 2011: USD 164 million).

In May, the Government of the Republic of Guinea filed a claim against one of the Group's subsidiaries for USD 1,000 million, protesting against the terms of privatization of the Group's subsidiaries in Guinea. In September 2009, the court of first instance passed a judgment in favor of the Government of Guinea, but, in March 2010, the appeal court of Conakry awarded a judgment to the Group reversing the judgment of the inferior court regarding the jurisdiction of this case to the local court of Guinea and dismissed the claim in favor of the arbitration. The period for filing a cassation appeal against the judgment of the appeal court has expired, and based on the result presently there are no claims pending in the courts of Guinea. Not so long ago, however, the Company was informed that the Republic of Guinea might try to appeal against such claims either in the courts of Guinea or in the international arbitration court. In July 2011, one of the Group's major subsidiaries filed a claim to the International Court of Arbitration in Paris against the Republic of Guinea concerning the case which was previously the subject of proceedings held by the courts of Guinea in order, among other things, to preserve its rights to resolve such complaints by arbitration, rather than appeal against them in the courts of Guinea. The court proceedings are now at their early stage and so far no counter claims have been raised. The management still believes that this claim has no grounds and the probability of cash outflow for its settlement is low, so this consolidated interim condensed financial information does not contain the relevant reserve.

On November 24, 2006, a claim was raised against O.V. Deripaska, a controlling shareholder of En+, on behalf of M.S. Cherny. On September 27, 2012, Mr. Deripaska informed the Company that

the proceedings instituted by Mr. Cherny against Mr. Deripaska were closed and Mr. Cherny would not raise any claim against the Company's shares or assets held by Mr. Deripaska.

21 Related Party Operations

(a) Operations with Board Members and their Close Relatives

Remuneration Payments to Management

The remunerations received by the key managing employees for the period and recognized in the personnel costs amounted to:

	Three months ended September 30		Nine months ended September 30	
	2012	2011	2012	2011
	USD, million	USD, million	USD, million	USD, million
Salaries and bonuses	27	15	76	57
Compensatory payments in the form of shares	-	3	2	8
	27	18	78	65

(b) Operations with Other Related Parties

The Group conducts operations with other related parties, the majority of which are companies jointly controlled with the Group or controlled by SUAL Partners or its controlling shareholders, or controlled by Glencore and its controlled companies, or controlled by Onexim or its controlling shareholders.

Information on sales made to related parties for the period is disclosed in Note 6.

Purchases of raw materials and services from related parties amounted to:

	Three months ended September 30		Nine months ended September 30	
	2012	2011	2012	2011
	USD, million	USD, million	USD, million	USD, million
Purchases of raw materials – jointly controlled companies	30	26	174	105
Purchases of aluminum oxide, bauxites and other raw materials – companies having a material influence	86	64	230	162
Purchases of raw materials – associated companies	11	1	19	2
Expenses for energy resources – jointly controlled companies	192	187	530	603
Expenses for energy resources – companies having a material influence	41	45	133	141
Other expenses – jointly controlled companies	4	3	12	6
Other expenses – associated companies	51	46	142	114
Selling expenses – jointly controlled companies	1	3	5	4
	416	375	1 245	1 137

As of September 30, 2012, non-current assets included the balances on settlements with related parties of USD 31 million (December 31, 2011: USD 30 million).

The information on financial income and expenses from related parties for the period is disclosed in Note 7.

(c) Pricing policy

The prices for related party operations are determined on a case by case basis and are not necessarily market prices.

The Group's related party operations are subdivided into three categories: (i) transactions made on market terms, (ii) transactions made not on market terms, but being part of a larger transaction made as a result of negotiations held on a market basis with independent third parties, and (iii) transactions having a unique nature for the Group and its counterparty.

22 Events after the Reporting Date

In October 2012, the Company reached an agreement for extending the period, during which the financial ratios for the current loans issued by international and domestic creditors would not be reviewed, to the end of 2013. This will give the Company greater flexibility in managing its financial indicators during the instability of commodity markets. By the end of 2012, the Company plans to repay its liabilities early for the first six months of 2013 with an amount of at least USD 406 million.