



**United Company RUSAL Plc
(formerly United Company RUSAL Limited)**

**Consolidated Interim Condensed Financial
Information for the three months ended
31 March 2010**



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Independent Auditors' Report

To the Board of Directors of United Company RUSAL Plc

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 31 March 2010, and the related consolidated interim condensed statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended and a summary of selected explanatory notes (the "consolidated interim condensed financial information"). Management is responsible for the preparation and presentation of this consolidated interim condensed financial information in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this consolidated interim condensed financial information based on our review.

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 the 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim condensed financial information as at 31 March 2010 and for the three-month period then ended is not prepared, in all material respects, in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

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13 May 2010

United Company RUSAL Plc
Consolidated Interim Condensed Statement of Income

		Three months ended 31 March	
		2010	2009
		(unaudited)	(unaudited)
Notes		USD million	USD million
	Revenue	2,331	1,777
	Cost of sales	(1,566)	(1,609)
	Gross profit	765	168
	Distribution expenses	(134)	(166)
	Administrative expenses	(240)	(155)
	Impairment of non-current assets	(5)	(25)
	Other operating expenses	(20)	(69)
	Results from operating activities	366	(247)
	Finance income	37	21
	Finance expenses	(404)	(371)
	Share of profits and impairment of associates	263	20
	Share of profits and impairment of jointly controlled entities	7	10
	Profit/(loss) before taxation	269	(567)
	Income tax	(22)	(71)
	Net profit/(loss) for the period	247	(638)
	Attributable to:		
	Shareholders of the Company	247	(638)
	Non-controlling interests	-	-
	Net profit/(loss) for the period	247	(638)
	Earnings/(loss) per share		
	Basic and diluted earnings/(loss) per share (USD)	0.02	(0.05)

United Company RUSAL Plc
Consolidated Interim Condensed Statement of Comprehensive Income

	Three months ended 31 March	
	2010	2009
	(unaudited)	(unaudited)
	USD	USD
	million	million
Net profit / (loss) for the period	247	(638)
Other comprehensive income / (loss)		
Actuarial gains on post retirement benefit plans	28	13
Share of other comprehensive income of associate	72	(6)
Foreign currency translation differences for foreign operations	408	(1,504)
	508	(1,497)
Total comprehensive income / (loss) for the period	755	(2,135)
Attributable to:		
Shareholders of the Company	755	(2,135)
Non-controlling interests	-	-
Total comprehensive income / (loss) for the period	755	(2,135)

There was no tax effect relating to each component of other comprehensive income/(loss).

United Company RUSAL Plc
Consolidated Interim Condensed Statement of Financial Position

		<u>31 March</u>	<u>31 December</u>
		2010	2009
		(unaudited)	2009
	Notes	USD million	USD million
ASSETS			
Non-current assets			
Property, plant and equipment		6,033	6,088
Intangible assets		4,179	4,112
Interests in associates	7	9,603	8,968
Interests in jointly controlled entities	8	1,073	778
Financial investments		85	54
Deferred tax assets		152	144
Other non-current assets		112	118
Total non-current assets		<u>21,237</u>	<u>20,262</u>
Current assets			
Inventories		2,388	2,150
Trade and other receivables		1,363	1,238
Cash and cash equivalents		261	236
Total current assets		<u>4,012</u>	<u>3,624</u>
Total assets		<u><u>25,249</u></u>	<u><u>23,886</u></u>


United Company RUSAL Plc
Consolidated Interim Condensed Statement of Financial Position

		<u>31 March</u>	<u>31 December</u>
		2010	2009
		(unaudited)	
	Notes	<u>USD million</u>	<u>USD million</u>
EQUITY AND LIABILITIES			
Equity	9		
Share capital		151	-
Share premium		15,714	13,641
Other reserves		3,181	3,081
Currency translation reserve		(3,119)	(3,527)
Accumulated losses		(6,616)	(6,863)
Total equity attributable to shareholders of the Company		9,311	6,332
Non-controlling interests		-	-
Total equity		9,311	6,332
Non-current liabilities			
Loans and borrowings	10	11,497	11,117
Provisions	11	364	385
Deferred tax liabilities		504	512
Derivative financial liabilities		580	510
Other non-current liabilities		62	62
Total non-current liabilities		13,007	12,586
Current liabilities			
Loans and borrowings	10	848	2,752
Current taxation		43	44
Trade and other payables		1,791	1,911
Derivative financial liabilities		65	60
Provisions	11	184	201
Total current liabilities		2,931	4,968
Total liabilities		15,938	17,554
Total equity and liabilities		25,249	23,886
Net current assets/(liabilities)		1,081	(1,344)
Total assets less current liabilities		22,318	18,918

Approved and authorised for issue by the board of directors on 13 May 2010.



Oleg V. Deripaska
Chief Executive Officer



Tatiana V. Soina
Chief Financial Officer

		Attributable to the shareholders of the Company						
Note	Share capital	Share premium	Other reserves	Currency translation reserve	Retained profits/ (accumulated losses)	Total	Non-controlling interests	Total equity
	USD million	USD million	USD million	USD million	USD million	USD million	USD million	USD million
Balance at 1 January 2009	-	12,517	2,912	(3,257)	(7,684)	4,488	-	4,488
Total comprehensive income/(loss) for the period (unaudited)	-	-	7	(1,504)	(638)	(2,135)	-	(2,135)
Balance at 31 March 2009 (unaudited)	-	12,517	2,919	(4,761)	(8,322)	2,353	-	2,353
Balance at 1 January 2010	-	13,641	3,081	(3,527)	(6,863)	6,332	-	6,332
Total comprehensive income for the period (unaudited)	-	-	100	408	247	755	-	755
Capitalisation issuance of shares	135	(135)	-	-	-	-	-	-
Shares issued upon Global Offering, net of related expenses	16	2,172	-	-	-	2,188	-	2,188
Shares issued on exercise of the fee warrants	-	36	-	-	-	36	-	36
Balance at 31 March 2010 (unaudited)	151	15,714	3,181	(3,119)	(6,616)	9,311	-	9,311

Notes	Three months ended 31 March	
	2010	2009
	(unaudited) <u>USD million</u>	(unaudited) <u>USD million</u>
OPERATING ACTIVITIES		
Net profit/(loss) for the period	247	(638)
<i>Adjustments for:</i>		
Depreciation	110	138
Amortisation	4	4
Impairment of non-current assets	5	25
Changes in fair value of financial instruments	(17)	(13)
(Reversal of impairment)/impairment of trade and other receivables	(3)	47
Reversal of impairment of inventories	-	(201)
Reversal of provision for legal claims	-	4
Tax provision	5	-
Foreign exchange losses	50	57
Loss on disposal of property, plant and equipment	-	2
Loss on disposal of intangible assets	-	9
Interest expense	327	279
Interest income	(6)	(8)
Income tax expense/(benefit)	22	71
Share of profits and impairment of associates	(263)	(20)
Share of profits and impairment of jointly controlled entities	(7)	(10)
	<u>474</u>	<u>(254)</u>
(Increase)/decrease in inventories	(219)	500
Increase in trade and other receivables	(119)	(314)
Decrease/(increase) in prepaid expenses and other assets	1	(31)
Increase in trade and other payables	146	212
(Decrease)/increase/ in provisions	(23)	4
Cash generated from operations	260	117
Income taxes paid	(31)	-
Interest paid	(218)	(198)
Net cash generated from/(used in) operating activities	11	(81)

Notes	Three months ended 31 March	
	2010	2009
	(unaudited) USD million	(unaudited) USD million
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	4	5
Interest received	2	4
Acquisition of property, plant and equipment	(59)	(16)
Dividends from jointly controlled entities	6	-
Contributions to jointly controlled entities	(279)	-
Changes in restricted cash	16	2
Net cash used in investing activities	(310)	(5)
FINANCING ACTIVITIES		
Proceeds from borrowings	208	231
Repayment of borrowings	(1,810)	(350)
Restructuring fees	(63)	(18)
Listing related expenses	(82)	-
Repayment of fee warrants	9(a) (153)	-
Proceeds from Global Offering	2,236	-
Net cash generated/(used in) from financing activities	336	(137)
Net increase/(decrease) in cash and cash equivalents	37	(223)
Cash and cash equivalents at 1 January	215	685
Effect of exchange rate fluctuations on cash and cash equivalents	4	(35)
Cash and cash equivalents at the end at 31 March	256	427

Major non-cash transactions:

- (i) On 27 January 2010 fee warrants with the carrying value of USD36 million were converted into 26,070,806 ordinary shares of the Company (refer to note 9(a)).

1 Background

Organization

United Company RUSAL Plc (the “Company” or “UC RUSAL”), formerly United Company RUSAL Limited, was established by the controlling shareholder of RUSAL Limited (“RUSAL”) as a limited liability company under the laws of Jersey on 26 October 2006. Subsequent to 31 December 2009, the Company has successfully completed a dual placing on the Hong Kong Stock Exchange Limited and Euronext Paris (“Global Offering”) and changed its legal form from a limited liability to a public company.

The Company’s registered office is Whiteley Chambers, Don Street, 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”.

On 27 January 2010, the Company successfully completed a dual placing on the Main Board of the Hong Kong Stock Exchange and Euronext Paris. Upon placing, 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 (“GDS”) listed on Euronext Paris representing 10.81% of the Company’s issued and outstanding shares, immediately prior to the Global Offering.

Shareholding structure of the Company as at 31 March 2010 and 31 December 2009 was as follows:

	<u>31 March</u>	<u>31 December</u>
	<u>2010</u>	<u>2009</u>
EN+ Group Limited	47.59%	53.35%
Onexim Holdings Limited	17.09%,	19.16%
SUAL Partners Limited	15.86%	17.79%
Amokenga Holdings Limited	8.65%	9.70%
Publicly held	10.81%	-
Total	100 %	100%

EN+ Group Limited is controlled by Mr. Oleg V. Deripaska. SUAL Partners Limited (“SUAL”) is controlled by Mr. Victor Vekselberg and Mr. Len Blavatnik together. Onexim Holdings Limited (“Onexim”) is controlled by Mr. Mikhail Prokhorov. Amokenga Holdings Limited is a wholly owned subsidiary of Glencore International AG which is controlled by its management and key employees.

Related party transactions are detailed in note 13.

The consolidated financial statements of the Group as at and for the year ended 31 December 2009 are available at the Company’s website www.rusal.com.

2 Basis of preparation

(a) Statement of compliance

This consolidated interim condensed financial information has been prepared in accordance with International Accounting Standard No. 34 - *Interim Financial Reporting*. 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 2009.

(b) Going concern

In the second half of 2008, the ongoing global liquidity crisis resulted in, among other things, a lower level of capital markets funding, lower liquidity levels across the international and Russian banking sectors, higher interbank lending rates and the significant contractions in many sectors of the real economy. In the fourth quarter of 2008, aluminium prices suffered a sharp decline due to a significant decrease in the demand for aluminium which forced the Group to decrease production at a number of its production sites. During the year ended 31 December 2009, the Group reduced production levels by 10% for aluminium, by 36% for alumina and by 40% for bauxite compared to the same period of the prior year.

These factors had a significant adverse impact on the revenue and profitability of the Group. As a result, at 31 December 2008 the Group was in breach of a number of covenants relating to its debt agreements and subsequently suspended servicing certain loans and borrowings.

In December 2009, the Group completed restructuring negotiations with its lenders in order to establish financial stability and to put the necessary arrangements in place to allow the Group to meet its obligations when they fall due as part of ongoing operations, for details of restructuring refer to note 10.

The Directors believe that the restructuring terms agreed on 7 December 2009 allow the Group to successfully continue its operations and repay its debts as and when they fall due and, therefore, the Directors have prepared the consolidated interim condensed financial information on a going concern basis.

On 27 January 2010, the Company successfully completed a Global Offering (refer to note 1). The Company raised approximately USD2,188 million, net of related expenses of USD48 million, from the Global Offering of which USD2,143 million was used to repay debt owed by the Group to its international and Russian lenders (excluding VEB) and Onexim, fees to its international and Russian lenders and fees and accrued interest to Onexim in connection with the debt restructuring (refer to note 9(a)), fee warrants where the lenders have elected the cash settlement option (refer to note 9(a)), contribute USD52 million to the Group's jointly controlled entity BEMO for the purposes of debt repayment and settle additional listing expenses of USD34 million which were charged directly to the statement of income during the year ended 31 December 2009 as these expenses related to the admission of the Company's entire share capital to trading on the stock exchanges rather than placement of the new shares which resulted in additional equity. As a result the Group satisfied the repayment target stipulated by the International Override Agreement and bi-lateral agreements applicable for the period until 31 December 2010. The measurement date for the next repayment target is 30 September 2011.

On 9 April 2010 the Board of Directors of the Company approved the issuance of Russian rouble denominated bonds ("rouble bonds") of OJSC RUSAL Bratsk with nominal amount of approximately USD1,021 million. Net proceeds from this rouble bonds issuance will be used to further repay the Group's outstanding debt on the pro rata basis as promulgated by the International Override Agreement (refer to note 14(b)). The Group has registered the prospectus for the issuance of the rouble bonds with the Russian regulatory authority, Federal Service on Financial Markets, on 7 May 2010 and expects to proceed with the placement in May 2010.

The consolidated interim condensed financial information does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amount and classification of liabilities that may be necessary if the Group was unable to comply with the terms of its debt restructuring agreements and/or if the Group was unable to continue as a going concern.

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 2009, except for adoption of revised IFRS 3 *Business Combinations* (2008) and amended IAS 27 (2008) *Consolidated and Separate Financial Statements* with effect from 1 January 2010. The revisions address, among other things, accounting for step acquisitions, require acquisition-related costs to be recognised as expenses and remove the exception for changes in contingent consideration to be accounted by adjusting goodwill. The revisions also address how non-controlling interests in subsidiaries should be measured upon acquisition and require the effects of transactions with non-controlling interests to be recognised directly in equity. Adoption of 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 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 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 31 March 2010

USD million	<u>Aluminium</u>	<u>Alumina</u>	<u>Energy</u>	<u>Mining and Metals</u>	<u>Other operations</u>	<u>Total</u>
	<u>USD million</u>	<u>USD million</u>	<u>USD million</u>	<u>USD million</u>	<u>USD million</u>	<u>USD million</u>
Revenue from external customers	2,028	212	54	-	37	2,331
Inter-segment revenue	43	363	-	-	79	485
Total segment revenue	2,071	575	54	-	116	2,816
Segment profit/(loss)	588	(130)	14	266	(10)	728
Impairment of non-current assets	-	(5)	-	-	-	(5)
Share of losses of associates	-	(3)	-	-	-	(3)
Share of profits of jointly controlled entities	-	-	7	-	-	7
Depreciation/amortisation	(89)	(20)	(2)	-	(3)	(114)
Non-cash income/(expense) other than depreciation	15	(11)	-	-	(4)	-
Additions to non-current segment assets during the period	44	13	1	-	1	59
Segment assets	12,104	2,304	160	9,157	381	24,106
Interests in associates	-	436	-	-	10	446
Interests in jointly controlled entities	-	-	1,073	-	-	1,073
Total assets						25,625
Segment liabilities	(2,654)	(720)	(18)	-	(254)	(3,646)
Total liabilities						(3,646)

Three months ended 31 March 2009

USD million	Aluminium	Alumina	Energy	Mining and Metals	Other operations	Total
	USD million	USD million	USD million	USD million	USD million	USD million
Revenue from external customers	1,460	251	38	-	28	1,777
Inter-segment revenue	21	312	-	-	64	397
Total segment revenue	1,481	563	38	-	92	2,174
Segment profit/(loss)	(109)	(100)	9	21	(17)	(196)
Impairment of non-current assets	(17)	(5)	-	-	(3)	(25)
Share of losses of associates	-	(1)	-	-	-	(1)
Share of profits of jointly controlled entities	-	-	10	-	-	10
Depreciation/amortisation	(111)	(25)	(1)	-	(5)	(142)
Non-cash income/(expense) other than depreciation	78	68	-	-	(1)	145
Additions to non-current segment assets during the period	7	8	1	-	-	16

At 31 December 2009

USD million	Aluminium	Alumina	Energy	Mining and Metals	Other operations	Total
	USD million	USD million	USD million	USD million	USD million	USD million
Segment assets	11,381	2,509	204	8,557	382	23,033
Interests in associates	-	401	-	-	10	411
Interests in jointly controlled entities	-	-	778	-	-	778
Total assets						24,222
Segment liabilities	(2,919)	(528)	(19)	-	(191)	(3,657)
Total liabilities						(3,657)

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

	Three months ended 31 March	
	2010	2009
	USD million	USD million
Revenue		
Reportable segment revenue	2,816	2,174
Elimination of inter-segment revenue	(485)	(397)
Consolidated revenue	2,331	1,777

	Three months ended 31 March	
	2010	2009
	USD million	USD million
Profit/(loss)		
Reportable segment profit/(loss)	728	(196)
Impairment of non-current assets	(5)	(25)
Share of losses of associates, excluding segment profit included in Mining and Metals segment	(3)	(1)
Share of profits of jointly controlled entities	7	10
Finance income	37	21
Finance expenses	(404)	(371)
Unallocated expenses	(91)	(5)
Consolidated profit/(loss) before taxation	269	(567)

United Company RUSAL Plc
Notes to the Consolidated Interim Condensed Financial Information

	31 March	31 December
	2010	2009
	USD million	USD million
Assets		
Reportable segment assets	25,625	24,222
Elimination of inter-segment receivables	(579)	(530)
Unallocated assets	203	194
Consolidated total assets	25,249	23,886
	31 March	31 December
	2010	2009
	USD million	USD million
Liabilities		
Reportable segment liabilities	(3,646)	(3,657)
Elimination of inter-segment payables	579	530
Unallocated liabilities	(12,871)	(14,427)
Consolidated total liabilities	(15,938)	(17,554)

6 Earnings/(loss) per share

The calculation of basic earnings per share is based on the profit/(loss) attributable to ordinary equity shareholders for the periods ended 31 March 2010 and 2009.

On 24 December 2009, the Company undertook a share split of 1:100 as further described in note 9(a). Immediately prior to the Global Offering the Company issued 13,498,763,000 shares to its existing shareholders as a capitalisation share issue. These transactions have been given retroactive effect for the purposes of calculating earnings per share.

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 9(a)).

No dividends were declared and paid during the periods presented.

Weighted average number of shares:

	Three months ended 31 March	
	2010	2009
Issued ordinary shares at beginning of the period	1,237,000	11,628
Issuance of shares on the Global Offering (refer to note 9(a))	1,127,204,988	-
Issuance of shares on warrant conversion (refer to note 9(a))	18,249,564	-
Effect of share subdivision (refer to note 9(a))	-	1,151,172
Effect of capitalization issue	13,498,763,000	12,689,636,400
Effect of share-based compensation to management (14(a))	39,655,856	-
Weighted average number of shares at end of the period	14,685,110,408	12,690,799,200
Net profit/(loss) for the period	247	(638)
Basic and diluted earnings/(loss) per share	0.02	(0.05)

During the periods ended 31 March 2010 and 2009 there were no outstanding dilutive instruments.

Share-based compensation to the Group's management and the CEO was approved in principle by the Company's Remuneration Committee and the Board of Directors in November 2009 and was contingent on successful Global Offering and subject to approval of the lenders of the Group. Weighted average number of shares 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 took place subsequent to the reporting date (refer to note 14(a)).

7 Interests in associates

The Group has the following movements in investments in associates during the periods ended 31 March 2010 and 2009:

	USD million
Balance at 1 January 2009	7,536
Group's share of post acquisition profits	20
Group's share of other comprehensive income	(6)
Foreign currency translation	(996)
Balance at 31 March 2009	6,554
Goodwill included in interests in associates	4,967
Balance at 1 January 2010	8,968
Group's share of post acquisition profits	263
Group's share of other comprehensive income	72
Foreign currency translation	300
Balance at 31 March 2010	9,603
Goodwill included in interests in associates	5,782

8 Interests in jointly controlled entities

The Group has the following movements in investments in jointly controlled entities during the periods ended 31 March 2010 and 2009:

	USD million
Balance at 1 January 2009	506
Group's share of post acquisition profits	10
Foreign currency translation	(75)
Balance at 31 March 2009	441
Balance at 1 January 2010	778
Contributions to jointly controlled entities	279
Group's share of post acquisition profits	7
Dividends	(11)
Foreign currency translation	20
Balance at 31 March 2010	1,073

9 Equity

(a) Share capital

	Three months ended 31 March 2010		Three months ended 31 March 2009	
	USD	Number of shares	USD	Number of shares
Ordinary shares at the end of the period, authorised	200 million	20 billion	11,628	11,628
Ordinary shares at 1 January	12,370	1,237,000	11,628	11,628
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 capitalization issue	134,987,630	13,498,763,000	-	-
Ordinary shares at the end of the period USD1 each	-	-	11,628	11,628
Ordinary shares at the end of the period post share split of USD0.01 each, issued and paid	151,363,636	15,136,363,646	11,628	11,628

The Company was incorporated on 26 October 2006 with an authorised share capital of USD10,000 divided into 10,000 ordinary shares of USD1 each, of which one subscriber share was issued to each of two subscribers on incorporation. On 27 October 2006, these two shares were transferred to EN+ Group Limited. In March 2007, 6,598 ordinary shares were issued to EN+ Group Limited, 2,200 ordinary shares were issued to SUAL Partners Limited and 1,200 ordinary shares were issued to a wholly owned subsidiary of Glencore International AG in partial consideration for the transfer to the Company of RUSAL Limited, SUAL International Limited and the Glencore Businesses respectively.

On 24 April 2008, the authorised share capital of the Company was increased to USD11,628 divided into 11,628 ordinary shares of USD1 each. In April 2008, 1,628 ordinary shares were issued to Onexim Holdings Limited in partial consideration for the acquisition of 25%+1 share of Norilsk Nickel.

On 1 December 2009, the authorised share capital was increased from 11,628 to 13,500 ordinary shares of USD1.00 each and on 7 December 2009, 742 new ordinary shares were issued to Onexim Holdings Limited upon restructuring of the deferred consideration.

On 24 December 2009, the Company undertook a share split of 1:100 thereby increasing the number of authorised ordinary shares from 13,500 to 1,350,000 and the number of issued ordinary shares from 12,370 to 1,237,000.

Pursuant to the written resolutions of the Company's shareholders on 26 December 2009, the authorised share capital of the Company was increased from USD13,500, comprising 1,350,000 ordinary shares of USD0.01 each, to USD200,000,000, comprising 20,000,000,000 ordinary shares of USD0.01 each, in conjunction with the Global Offering.

On 27 January 2010, the Company successfully completed a Global Offering (refer to note 1). The Company raised approximately USD2,188 million, net of related expenses of USD48 million, from the Global Offering of which USD2,143 million has been used to repay principal debt owed by the Company to its international and Russian lenders (excluding VEB) and Onexim. In addition to USD48 million directly related to the placement of the newly issued shares and recorded in equity, listing

expenses of USD34 million were charged directly to the statement of income as these expenses related to the admission of the Company's entire share capital to trading on the stock exchanges rather than placement of the new shares which resulted in additional equity. UC RUSAL also has paid fees to its international and Russian lenders and Onexim in connection with the debt restructuring.

On 27 January 2010 26,070,806 of fee warrants with carrying value of USD36 million were converted in the Company's ordinary shares and 110,292,840 fee warrants with carrying value of USD 153 million were settled by cash.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(b) Other reserves

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

(c) Currency translation reserve

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

10 Loans and borrowings

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

	31 March 2010	31 December 2009
	USD million	USD million
<i>Non-current liabilities</i>		
Secured bank loans	10,409	9,677
Unsecured bank loans	492	856
Unsecured company loans	596	584
	11,497	11,117
<i>Current liabilities</i>		
Secured bank loans	644	2,091
Unsecured bank loans	75	293
Unsecured company loans	52	216
Accrued interest	77	152
	848	2,752

The secured bank loans are secured by pledges of shares of the following Group companies:

- 25%+1 share of OJSC MMC Norilsk Nickel;
- 100% shares of Gershvin Investments Corp Limited;
- 25% of RUSAL Bratsk;
- 25% of RUSAL Krasnoyarsk;
- 100% of the shares of Albaco;
- 100% of Khakas Aluminium Smelter;
- 100% of Tameko;
- 100% of Noirieux.

In accordance with the international override agreement the loans are secured by pledges of shares of the following Group companies:

- 100% Bauxite & Alumina Mining Ventures Limited
- 100% Limerick Alumina Refining Limited
- 100% Auginish Alumina Limited
- 100% Eurallumina SpA
- 100% UC Rusal Jamaica Limited
- 100% UC Rusal Jamaica II Limited
- 100% UC RUSAL Energy Limited
- 100% UC RUSAL BOAZ Limited
- 100% Kubal

- 100% RUSAL Armenal
- 90% Bauxite Company of Guyana Inc
- 25% + 1 share of Rusal Achinsk
- 25% + 1 share of Rusal Novokuznetsk
- 25% + 1 share of SUAL
- 25% + 1 share of Rusal Sayanogorsk
- 25% Rusal Bratsk pledged as first-ranking security
- 1 share of Rusal Bratsk pledged as second-ranking security
- 25% Rusal Krasnoyarsk pledged as first-ranking security
- 1 share of Rusal Krasnoyarsk pledged as second-ranking security

In accordance with the restructuring agreements with Russian banks the loans are secured by pledges of shares of the following Group companies:

- 7.85% - Rusal Sayanogorsk
- 11% - SUAL

The secured bank loans are also secured by the following:

- Properties, plant and equipment with a carrying amount of USD1,048 million (31 December 2009: USD 866 million);
- Inventories with a carrying amount of USD 640 million (31 December 2009: USD 489 million);

As at 31 March 2010 and 31 December 2009 rights, including all moneys and claims, arising out of all sales contracts between the Group's trading subsidiaries and ultimate customers, were assigned to secure restructured international debt.

As at 31 March 2010 and 31 December 2009 rights, including all moneys and claims, arising out of certain intra-group sales and tolling contracts between the Group's trading subsidiaries and smelters, are to be assigned to secure restructured international debt in case of occurrence of an event of default.

The nominal value of the Group's loans and borrowings was USD13,051 million at 31 March 2010 (31 December 2009: USD14,543 million).

Significant terms of debt restructuring

On 7 December 2009 the the Group completed restructuring negotiations with its lenders, in order to establish financial stability and to put the necessary arrangements in place to allow the Group to meet its obligations when they fall due as part of ongoing operations. The restructuring arrangements contain a number of terms and conditions. As part of the debt restructuring, the Group entered into an international override agreement with its international lenders implementing the long-term restructuring of the Group's debt to the international lenders and signed amendments to the bilateral loan agreements with its Russian and Kazakh lenders providing for long-term restructuring of these loans on similar terms, except in the case of the loan agreement with VEB, which was extended until 29 October 2010.

The Group's main purpose of the debt restructuring was to match its principal repayment and interest payment obligations with its cash generating capacity in an appropriate way. The debt restructuring has the following principal consequences for the Group:

- it extends the maturity of the restructured debt to December 2013; except for the debt to VEB which was extended to 29 October 2010;
- it provides for interest (consisting of cash and payment-in-kind components) to be payable generally on a floating base rate plus a variable margin that is dependent upon leverage;
- it contains an obligation to use excess cash flow and net proceeds raised from asset disposals, equity and subordinated and other debt fund raisings to repay outstanding indebtedness (and to sell shares in Norilsk Nickel in certain circumstances to repay the loan to VEB);
- it significantly limits the Group's ability to incur additional indebtedness;
- it provides for the granting of additional security interests over assets of the Group's main production entities; and
- it restricts dividends and capital expenditure.

Margin

During the override period, the restructured debt bears interest at the currently applicable base rate (either LIBOR or Euribor depending on the denomination of the debt), plus a margin that varies depending on the ratio of total net debt to Covenant EBITDA (as defined in the international override agreement), and includes cash and payment-in-kind ("PIK") components, as follows:

Ratio of total net debt to Covenant EBITDA	Total margin	Cash pay margin	PIK margin
More than 15	7.00% p.a.	1.75% p.a.	5.25% p.a.
7.5 to 15	5.50% p.a.	1.75% p.a.	3.75% p.a.
4.0 to 7.5	4.50% p.a.	2.25% p.a.	2.25% p.a.
3.0 to 4.0	4.00% p.a.	3.00% p.a.	1.00% p.a.
Less than 3.0	3.50% p.a.	3.50% p.a.	N/A

Until the first interest period commencing after receipt of audited consolidated financial statements of the Group for the year ended 31 December 2009 the applicable total margin is set at 7.00% per annum, including a 1.75% per annum cash pay margin and a 5.25% per annum PIK margin. If a material event of default (breach of conditions subsequent, payment default or failure to meet event of default cumulative amount targets (as defined in the international override agreement)) has occurred, the applicable PIK margin will increase by 2% per annum, but so that the total margin does not exceed 7%.

Repayment

No fixed amortisation schedule applies during the override period, with all debt outstanding becoming due at the end of the override period as referred to above. Following the override period, subject to certain conditions being met, the existing international lenders have agreed to provide new debt facilities on certain agreed terms. The Company has the option to refinance any indebtedness outstanding as at the end of the override period out of any other sources.

However, the net proceeds raised from asset disposals and equity, subordinated and other debt fund raisings (including the proceeds of the Global Offering) and excess cashflow (subject to the Group being allowed to retain a USD400 million cash buffer) must be applied to repay the Group's outstanding indebtedness on a pro rata basis.

Disposal and Equity Injection Undertakings, Debt Repayment Targets

The Company is obliged to dispose of assets and/or raise equity or subordinated debt by the end of the override period sufficient to generate net proceeds of at least USD2.4 billion. Compliance with this obligation is tested only once, at the end of the override period. The Company is also obliged to ensure that debt of the Group (other than debt from VEB and Onexim) is repaid during the override period in the following amounts:

Test dates	Target cumulative amount	Event of default cumulative amount	Percentage of share capital (a)
	USD million		%
31 December 2010	1,400	750	0.75
30 September 2011	3,000	2,000	0.75
30 September 2012	4,000	3,000	1.25
End of override period	5,000	4,000	1.50

Note (a): percentage of share capital of the Company for which equity compensation warrants shall be issued is calculated on the relevant issue date without taking into account any warrants then in issue.

If the target cumulative amounts (as defined in the international override agreement) are not met and/or on the third and fourth test dates certain leverage ratios are not met, the Company will be obliged to issue zero strike warrants (“equity compensation warrants”) to the international lenders representing equity in specified percentages. The issuance of such warrants would have an immediate dilutive effect on shareholders. Failure to meet the event of default cumulative amount targets will result in an event of default.

In certain circumstances, the Group may be obliged to dispose of a number of shares in Norilsk Nickel sufficient to enable it to repay amounts outstanding under the USD4,500 million loan dated 30 October 2008 between the Company and VEB,

Additional Security

In addition to the security provided under its existing loan facilities, the Group has provided or agreed to provide additional security to the international lenders over the following:

- 25% of the shares in the Bratsk and Krasnoyarsk aluminium smelters plus, on a secondary ranking basis, one share in each of them (following the release of security over the debt to VEB, security over one share shall be provided on a primary ranking basis);
- 39% less one share in each of the Novokuznetsk aluminium smelters, SUAL and Achinsk Alumina Refinery and 27.15% in Sayanogorsk aluminium smelter, provided that the percentage of shares subject to pledge in each of those entities will be reduced to 25% plus one share once the Group repays indebtedness outstanding to its international lenders in an amount at least equal to USD1.4 billion using cashflow, proceeds from any new equity raising (including proceeds of the Global Offering) and proceeds from disposal of non-core assets (including shares in Norilsk Nickel);
- receivables under certain offtake, export and tolling contracts and certain intra-group loans subject to certain exceptions;
- 100% of the shares or interest in certain non-Russian operating companies or their holding companies;
- security over fixed assets of the Russian aluminium smelters and Achinsk Alumina Refinery split between international lenders and Russian lenders according to pre-agreed percentages, where the international lenders’ share in the aluminium smelters’ assets does not exceed 10% of the assets of

the relevant entity and fixed assets of Bratsk and Krasnoyarsk aluminium smelters are subject to security in favour of the international lenders only; and

- security over aluminium owned by the Russian aluminium smelters and group trading companies.

Following the repayment of the loan to VEB, the Company will be obliged to provide security over any shares in Norilsk Nickel that the Group then continues to hold in favour of the international lenders (the Company is also obliged to provide security over certain assets it controls following the unwinding of the derivative financial instrument relating to the shares in Norilsk Nickel). In addition, as a condition of the restructuring of the guarantee of the BEMO project loan, the Company has provided security over shares in its intermediary holding companies controlling the Group's interest in the Boguchansk project and has agreed to provide, subject to RusHydro's consent, security over its interest in the BEMO project (including at the operating companies' level).

Dividends

The debt restructuring agreements restrict the Company's ability to pay dividends. In particular, dividends may not be paid until the Group's ratio of net debt to EBITDA is no more than 3 to 1 and its debts (excluding debt owed to VEB and Onexim) have been repaid by at least USD5 billion. Further, there should be no outstanding default under the international override agreement and the Group should be able to demonstrate that it has sufficient cash to pay the proposed dividends. If and when dividends become payable, they are limited to no more than 50% of the Group's annual net profit (excluding earnings, but including dividends, of Norilsk Nickel) in any one year.

Events of Default

The events of default include non-payment and non-compliance with financial covenants, repayment targets and conditions subsequent (see below). In addition the events of default include customary conditions such as government intervention, insolvency/insolvency proceedings, the agreement/compliance with the agreement becoming unlawful, change of business, change of control, misrepresentation, amendments of charter, cross-default and material adverse change. The events of default also include situations when there is an adverse outcome in litigation involving any member of the Group, except certain currently pending litigation or alleged claims, in excess of USD50 million in aggregate for that member of the Group.

The occurrence of an event of default may lead to acceleration and realisation by the lenders of the security provided, if the required majority of lenders so elects.

11 Provisions

USD million	Pension liabilities	Site restoration	Provisions for legal claims	Tax provisions	Total
Balance at 1 January 2009	184	251	64	63	562
(Reversal of provisions)/provisions made during the period	(3)	14	4	-	15
Actuarial gains	(13)	-	-	-	(13)
Provisions utilised during the period	(4)	-	-	-	(4)
Foreign currency translation	(13)	(12)	-	-	(25)
Balance at 31 March 2009	151	253	68	63	535
Balance at 1 January 2010	138	313	59	76	586
Provisions made during the period	7	-	-	5	12
Actuarial gains	(28)	-	-	-	(28)
Provisions utilised during the period	(4)	-	(23)	-	(27)
Foreign currency translation	2	3	-	-	5
Balance at 31 March 2010	115	316	36	81	548
<i>Non-current</i>	97	267	-	-	364
<i>Current</i>	18	49	36	81	184
	115	316	36	81	548

12 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 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 USD1,809 million by the end of 2012. As at 31 March 2010 the outstanding commitment of the Group for construction of the aluminium plant was approximately USD705 million to be committed by the end of 2014 and the outstanding commitment for the hydropower station construction was USD377 million to be committed by the end of 2012.

At the end of 2008 due to economic downturn, the parties had postponed the completion date of aluminium plant from the end of 2011 to the end of 2014.

The Group has entered into contracts that result in contractual obligations primarily relating to various construction and capital repair works. The commitments at 31 March 2010 and 31 December 2009 approximated USD 575 million and USD 599 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 31 March 2010 is USD 519 million (31 December 2009: USD 439 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 recognized 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 11). The amount of claims, where management assesses outflow as possible approximates USD32 million (31 December 2009: USD32 million).

In May 2009, the Government of the Republic of Guinea filed a claim against one of the Group's subsidiaries of USD1,000 million contesting the terms of privatisation of the Group's subsidiaries in Guinea. In March 2010, the Group received a decision from an Appeal Court of Conakry overruling the previous court's decision regarding the jurisdiction of local court to consider this claim in Guinea. 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 these consolidated financial statements.

On 24 November 2006 a claim was issued on behalf of Mr. Michael Cherney ("Mr. Cherney") against Mr. Oleg V. Deripaska ("Mr. Deripaska"), the controlling shareholder of En+ Group Limited. 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 ("RA"), an entity that the claim does not formally identify, but which may be Rusal Limited, now a wholly-owned direct subsidiary of the Company.

Proceedings with respect to the merits of the claim have not yet commenced. 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. Oleg V. 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. Oleg V. 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.

13 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 31 March	
	2010	2009
	USD million	USD million
Salaries and bonuses	7	5
Share-based and cash compensation to management in connection with Global Offering	74	-
Contributions to State pension fund	-	-
	81	5

(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 Limited or its controlling shareholders or Glencore International AG or entities under its control or Onexim Holdings Limited or its controlling shareholders.

Sales to related parties were as follows:

	Three months ended 31 March	
	2010	2009
	USD million	USD million
Sales of primary aluminium and alloys - companies capable of exerting significant influence	989	212
Sales of primary aluminium and alloys - companies under common control	56	25
Sales of alumina - companies capable of exerting significant influence	61	58
Sales of semi-finished products and foil - companies under common control	1	1
Other revenue including chemicals and energy - companies capable of exerting significant influence	3	1
Other revenue including chemicals and energy - companies under common control	5	1
Other revenue including chemicals and energy - associates	59	42
	1,174	340

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

	Three months ended 31 March	
	2010	2009
	USD million	USD million
	<u> </u>	<u> </u>
Purchases of raw materials – companies under common control	(42)	(12)
Purchases of alumina, bauxite and other raw materials – companies capable of exerting significant influence	(19)	(59)
Energy costs – companies under common control	(134)	(39)
Energy costs – companies capable of exerting significant influence	(38)	(7)
Other costs – companies under common control	(1)	-
Other costs – associates	(31)	(29)
	<u>(265)</u>	<u>(146)</u>

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

	Three months ended 31 March	
	2010	2009
	USD million	USD million
	<u> </u>	<u> </u>
Finance income from related parties, including:	11	1
<i>Related parties – companies under common control</i>	11	1
Finance expenses from related parties, including:	(14)	(42)
<i>Related parties – companies capable of exerting significant influence</i>	(14)	(42)

Accounts receivables from related parties were as follows:

	As at 31 March 2010	As at 31 December 2009
	USD million	USD million
Trade receivables from related parties, including:	51	67
<i>Related parties – companies capable of exerting significant influence</i>	35	42
<i>Related parties – companies under common control</i>	13	19
<i>Related parties – associates</i>	3	6
Advances paid to related parties, including:	64	59
<i>Related parties – companies capable of exerting significant influence</i>	1	-
<i>Related parties – companies under common control</i>	8	1
<i>Related parties – associates</i>	55	58
Other receivables from related parties, including:	80	74
<i>Related parties – companies capable of exerting significant influence</i>		3
<i>Related parties – companies under common control</i>	16	13
<i>Related parties – associates</i>	64	58
	195	200

At 31 March 2010 included in non-current assets are balances of USD 40 million of companies which are related parties (31 December 2009: USD 41 million).

Accounts payable to related parties were as follows:

	As at 31 March 2010	As at 31 December 2009
	USD million	USD million
Accounts payable to related parties, including:	126	203
<i>Related parties – companies capable of exerting significant influence</i>	<i>14</i>	<i>76</i>
<i>Related parties – companies under common control</i>	<i>101</i>	<i>115</i>
<i>Related parties – associates</i>	<i>11</i>	<i>12</i>
Advances received from related parties, including:	615	485
<i>Related parties – companies capable of exerting significant influence</i>	<i>556</i>	<i>429</i>
<i>Related parties – companies under common control</i>	<i>56</i>	<i>55</i>
<i>Related parties – associates</i>	<i>3</i>	<i>1</i>
Other payable and accrued liabilities related parties, including:	91	47
<i>Related parties – companies capable of exerting significant influence</i>	<i>3</i>	<i>31</i>
<i>Related parties – companies under common control</i>	<i>84</i>	<i>12</i>
<i>Related parties – associates</i>	<i>4</i>	<i>4</i>
Derivative financial liabilities, including:	645	570
<i>Short-term derivative financial liabilities</i>	<i>65</i>	<i>60</i>
<i>Long-term derivative financial liabilities</i>	<i>580</i>	<i>510</i>
	1,477	1,305

At 31 March 2010 and 31 December 2009, amount of unsecured company loans including interest payable to a related party (Onexim Holdings Limited) amounted to USD651 million and USD870 million, respectively (refer to note 10).

(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.

14 Events subsequent to the balance sheet date

(a) Issuance of share-based compensation to management

On 6 April 2010 the Company received consent from its international lenders in respect of the issuance of share-based compensation to its management and the CEO in connection with the Global Offering which took place in January 2010. The issue of shares was ratified by the Board of Directors on 13 April 2010. The Company issued 56,651,216 shares, representing 0.4% of its issued and outstanding share capital as a compensation to its management and the CEO.

(b) Issuance of rouble bonds

On 9 April 2010 the Board of Directors of the Company approved the issuance of Russian rouble denominated bonds (“rouble bonds”) of OJSC RUSAL Bratsk consisting of two tranches, each 15 million bonds with nominal value of 1,000 roubles of each bond, maturing within 7 and 10 years, respectively. Nominal value of rouble bonds issuance as at 31 March 2010 approximates USD1,021 million. Net proceeds from this rouble bonds issuance will be used to further repay the Group’s outstanding debt on the pro rata basis as promulgated by the International Override Agreement. The Group has registered the prospectus for the issuance of the rouble bonds with the Russian regulatory authority, Federal Service on Financial Markets, on 7 May 2010 and expects to proceed with the placement in May 2010.