



United Company RUSAL Plc

**Consolidated Interim Condensed Financial Information
for the three-and six-month periods ended
30 June 2011**



ZAO KPMG
10 Presnenskaya Naberezhnaya
Moscow 123317
Russia

Telephone +7 (495) 937 4477
Fax +7 (495) 937 4400/99
Internet www.kpmg.ru

Independent Auditors' Report

To the Board of Directors

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

Introduction

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

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of 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.

Basis for Qualified Conclusion

We were unable to obtain and review consolidated interim financial information of the Group's equity investee, OJSC MMC Norilsk Nickel ("Norilsk Nickel"), supporting the Group's share in the profit of that investee of USD225 million and USD417 million for the three- and six-month periods ended 30 June 2011, respectively, the Group's share in other comprehensive loss of that investee of USD8 million and nil for the three- and six-month periods ended 30 June 2011, respectively, and the carrying value of the Group's investment stated at USD11,673 million at 30 June 2011. Had we been able to complete our review procedures in respect of interests in associates, matters might have come to our attention indicating that adjustments might be necessary to this consolidated interim condensed financial information.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the consolidated interim condensed financial information as at 30 June 2011 and for the three- and six-month periods 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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26 August 2011

United Company RUSAL Plc
Consolidated Interim Condensed Statement of Income

	Note	Three months ended 30 June		Six months ended 30 June	
		2011	2010	2011	2010
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
		USD million	USD million	USD million	USD million
Revenue	6	3,330	2,990	6,323	5,321
Cost of sales		(2,273)	(1,929)	(4,277)	(3,495)
Gross profit		1,057	1,061	2,046	1,826
Distribution expenses		(170)	(165)	(341)	(299)
Administrative expenses		(245)	(154)	(431)	(394)
Loss on disposal of property, plant and equipment		(1)	-	(1)	-
Impairment of non-current assets		(12)	(40)	(132)	(45)
Other operating expenses		(32)	(34)	(102)	(54)
Results from operating activities		597	668	1,039	1,034
Finance income	7	14	716	615	645
Finance expenses	7	(395)	(360)	(698)	(656)
Share of profits of associates	10	210	292	389	555
Share of profits/(losses) of jointly controlled entities	11	1	(34)	21	(27)
Profit before taxation		427	1,282	1,366	1,551
Income tax	8	(88)	(164)	(281)	(186)
Net profit for the period		339	1,118	1,085	1,365
Attributable to:					
Shareholders of the Company		339	1,118	1,085	1,365
Earnings per share					
Basic and diluted earnings per share (USD)	9	0.02	0.07	0.07	0.09

United Company RUSAL Plc
Consolidated Interim Condensed Statement of Comprehensive Income

	Note	Three months ended 30 June		Six months ended 30 June	
		2011 (unaudited)	2010 (unaudited)	2011 (unaudited)	2010 (unaudited)
		USD million	USD million	USD million	USD million
Net profit for the period		339	1,118	1,085	1,365
Other comprehensive income					
Actuarial losses on post retirement benefit plans		(8)	(60)	(8)	(32)
Share of other comprehensive (loss)/income of associate	10	(8)	(68)	-	4
Change in fair value of cash flow hedges		10	-	10	-
Foreign currency translation differences on foreign operations		201	(840)	1,303	(432)
		195	(968)	1,305	(460)
Total comprehensive income for the period		534	150	2,390	905
Attributable to:					
Shareholders of the Company		534	150	2,390	905

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


United Company RUSAL Plc
Consolidated Interim Condensed Statement of Financial Position

		30 June	31 December
		2011	2010
		(unaudited)	2010
	Note	USD million	USD million
ASSETS			
Non-current assets			
Property, plant and equipment		5,900	5,875
Intangible assets		4,281	4,085
Interests in associates	10	12,151	11,151
Interests in jointly controlled entities	11	1,206	1,136
Financial investments		138	111
Deferred tax assets		69	85
Other non-current assets		117	104
Total non-current assets		23,862	22,547
Current assets			
Inventories		2,856	2,429
Trade and other receivables	12	1,562	1,058
Cash and cash equivalents		326	491
Total current assets		4,744	3,978
Total assets		28,606	26,525

United Company RUSAL Plc
Consolidated Interim Condensed Statement of Financial Position

		<u>30 June</u>	<u>31 December</u>
		<u>2011</u>	<u>2010</u>
		<u>(unaudited)</u>	
	<u>Note</u>	<u>USD million</u>	<u>USD million</u>
EQUITY AND LIABILITIES			
Equity	13		
Share capital		152	152
Share premium		15,792	15,782
Other reserves		3,097	3,095
Currency translation reserve		(2,274)	(3,577)
Accumulated losses		(2,911)	(3,996)
Total equity		<u>13,856</u>	<u>11,456</u>
Non-current liabilities			
Loans and borrowings	14	9,090	10,602
Bonds	15	1,069	-
Provisions	16	569	402
Deferred tax liabilities		562	415
Derivative financial liabilities	17	16	660
Other non-current liabilities		26	22
Total non-current liabilities		<u>11,332</u>	<u>12,101</u>
Current liabilities			
Loans and borrowings	14	1,593	1,361
Current taxation		24	40
Trade and other payables	18	1,631	1,365
Derivative financial liabilities	17	35	78
Provisions	16	135	124
Total current liabilities		<u>3,418</u>	<u>2,968</u>
Total liabilities		<u>14,750</u>	<u>15,069</u>
Total equity and liabilities		<u>28,606</u>	<u>26,525</u>
Net current assets		<u>1,326</u>	<u>1,010</u>
Total assets less current liabilities		<u>25,188</u>	<u>23,557</u>

Approved and authorised for issue by the board of directors on 26 August 2011.


Oleg V. Deripaska
 Chief Executive Officer


Evgeny D. Kornilov
 Chief Financial Officer

United Company RUSAL Plc
Consolidated Interim Condensed Statement of Changes in Equity

	Share capital	Share premium	Other reserves	Currency translation reserve	Accumulated losses	Total equity
Note	USD million	USD million	USD million	USD million	USD million	USD million
Balance at 1 January 2011	152	15,782	3,095	(3,577)	(3,996)	11,456
Total comprehensive income for the period (unaudited)	-	-	2	1,303	1,085	2,390
Share-based compensation (unaudited)	-	10	-	-	-	10
Balance at 30 June 2011 (unaudited)	152	15,792	3,097	(2,274)	(2,911)	13,856
Balance at 1 January 2010	-	13,641	3,081	(3,527)	(6,863)	6,332
Total comprehensive income for the period (unaudited)	-	-	(28)	(432)	1,365	905
Capitalisation issuance of shares (unaudited)	135	(135)	-	-	-	-
Shares issued upon Global Offering, net of related expenses (unaudited)	16	2,172	-	-	-	2,188
Shares issued on exercise of the fee warrants (unaudited)	-	36	-	-	-	36
Issuance of shares in lieu of share-based compensation to management (unaudited)	1	68	-	-	-	69
Balance at 30 June 2010 (unaudited)	152	15,782	3,053	(3,959)	(5,498)	9,530

The consolidated interim condensed statement of changes in equity is to be read in conjunction with the notes to and forming part of the consolidated interim condensed financial information set out on pages 11 to 38.

	Six months ended 30 June	
	2011	2010
	(unaudited)	(unaudited)
	USD million	USD million
OPERATING ACTIVITIES		
Net profit for the period	1,085	1,365
<i>Adjustments for:</i>		
Depreciation	244	237
Amortisation	9	9
Impairment of non-current assets	132	45
Changes in fair value of financial instruments	(572)	(573)
Revaluation of financial investments	(32)	11
Impairment/(reversal of impairment) of trade and other receivables	10	(2)
Reversal of impairment of inventories	(5)	(7)
Provision for legal claims	8	8
Tax provision/(reversal of tax provision)	17	(5)
Loss on disposal of property, plant and equipment	1	-
Share-based compensation	10	-
Foreign exchange losses/(gains)	80	(78)
Interest expense	648	645
Interest income	(8)	(9)
Income tax expense	281	186
Share of profits of associates	(389)	(555)
Share of (profits)/losses of jointly controlled entities	(21)	27
	1,498	1,304
Increase in inventories	(401)	(151)
Increase in trade and other receivables	(162)	(182)
Increase/(decrease) in trade and other payables	125	(341)
Decrease in provisions	(6)	(48)
Cash generated from operations	1,054	582
Income taxes paid	(132)	(77)
Net cash generated from operating activities	922	505

	Six months ended 30 June	
	2011	2010
	(unaudited)	(unaudited)
	<u>USD million</u>	<u>USD million</u>
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	6	5
Interest received	4	3
Acquisition of property, plant and equipment	(234)	(136)
Acquisition of intangible assets	(5)	(1)
Dividends from jointly controlled entities	12	25
Contributions to jointly controlled entities	-	(320)
Changes in restricted cash	(1)	17
Net cash used in investing activities	(218)	(407)
FINANCING ACTIVITIES		
Proceeds from issuance of bonds	1,063	-
Proceeds from borrowings	-	208
Repayment of borrowings	(1,666)	(1,818)
Restructuring fees	-	(63)
Listing related expenses	-	(82)
Interest paid	(276)	(332)
Repayment of fee warrants	-	(153)
Proceeds from Global Offering	-	2,236
Net cash used in from financing activities	(879)	(4)
Net (decrease)/increase in cash and cash equivalents	(175)	94
Cash and cash equivalents at 1 January	486	215
Effect of exchange rate fluctuations on cash and cash equivalents	9	(5)
Cash and cash equivalents at the end of the period	320	304

Restricted cash amounted to USD6 million and USD5 million at 30 June 2011 and 31 December 2010, respectively.

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 13(a)).

1 Background

Organisation

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

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

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

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

Shareholding structure of the Company as at 30 June 2011 and 31 December 2010 was as follows:

	<u>30 June</u>	<u>31 December</u>
	<u>2011</u>	<u>2010</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%
Management held (including 0.22% held by the CEO of the Company)	0.27%	0.27%
Publicly held	10.75%	10.75%
Total	<u>100 %</u>	<u>100%</u>

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

Related party transactions are detailed in note 20.

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

2 Basis of preparation

Statement of compliance

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

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

3 Significant accounting policies

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

4 Seasonality

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

5 Segment reporting

Reportable segments

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

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

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

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

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

Other operations include manufacturing of semi-finished products from primary aluminium for the transportation, packaging, building and construction, consumer goods and technology industries; and

the activities of the Group's administrative centres. None of these segments meets any of the quantitative thresholds for determining reportable segments.

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

Segment results, assets and liabilities

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

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

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

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

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

(i) **Reportable segments**

Three months ended 30 June 2011

	Aluminium	Alumina	Energy	Mining and Metals	Total
	USD million	USD million	USD million	USD million	USD million
Revenue from external customers	2,830	184	49	-	3,063
Inter-segment revenue	53	444	-	-	497
Total segment revenue	2,883	628	49	-	3,560
Segment profit	602	3	14	225	844
Impairment of non-current assets	(3)	(9)	-	-	(12)
Share of losses of associates	-	(15)	-	-	(15)
Share of profits of jointly controlled entities	-	-	1	-	1
Depreciation/amortisation	(103)	(25)	(2)	-	(130)
Non-cash income/(expense) other than depreciation	(15)	2	1	-	(12)
Additions to non-current segment assets during the period	93	30	1	-	124

Three months ended 30 June 2010

	Aluminium	Alumina	Energy	Mining and Metals	Total
	USD million	USD million	USD million	USD million	USD million
Revenue from external customers	2,555	143	52	-	2,750
Inter-segment revenue	42	364	-	-	406
Total segment revenue	2,597	507	52	-	3,156
Segment profit	618	67	8	299	992
Impairment of non-current assets	(2)	(38)	-	-	(40)
Share of losses of associates	-	(7)	-	-	(7)
Share of profits of jointly controlled entities	-	-	(34)	-	(34)
Depreciation/amortisation	(104)	(23)	(2)	-	(129)
Non-cash income/(expense) other than depreciation	13	(7)	-	-	6
Additions to non-current segment assets during the period	51	22	1	-	74

Six months ended 30 June 2011

	Aluminium	Alumina	Energy	Mining and Metals	Total
	USD million	USD million	USD million	USD million	USD million
Revenue from external customers	5,338	351	111	-	5,800
Inter-segment revenue	101	844	-	-	945
Total segment revenue	5,439	1,195	111	-	6,745
Segment profit	1,123	22	35	417	1,597
Impairment of non-current assets	(6)	(126)	-	-	(132)
Share of losses of associates	-	(28)	-	-	(28)
Share of profits of jointly controlled entities	-	-	21	-	21
Depreciation/amortisation	(196)	(48)	(3)	-	(247)
Non-cash income/(expense) other than depreciation	(21)	(8)	1	-	(28)
Additions to non-current segment assets during the period	166	62	1	-	229

Six months ended 30 June 2010

	Aluminium	Alumina	Energy	Mining and Metals	Total
	USD million	USD million	USD million	USD million	USD million
Revenue from external customers	4,498	277	107	-	4,882
Inter-segment revenue	66	662	-	-	728
Total segment revenue	4,564	939	107	-	5,610
Segment profit	1,013	84	22	565	1,684
Impairment of non-current assets	(2)	(43)	-	-	(45)
Share of losses of associates	-	(10)	-	-	(10)
Share of profits of jointly controlled entities	-	-	(27)	-	(27)
Depreciation/amortisation	(194)	(43)	(3)	-	(240)
Non-cash income/(expense) other than depreciation	27	(17)	-	-	10
Additions to non-current segment assets during the period	95	35	1	-	131

At 30 June 2011

	Aluminium	Alumina	Energy	Mining and Metals	Total
	USD million	USD million	USD million	USD million	USD million
Segment assets	12,700	2,425	127	11,673	26,925
Interests in associates	-	468	-	-	468
Interests in jointly controlled entities	-	-	1,206	-	1,206
Total assets					28,599
Segment liabilities	(1,879)	(745)	(8)	-	(2,632)
Total liabilities					(2,632)

At 31 December 2010

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

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

	Three months ended 30 June		Six months ended 30 June	
	2011	2010	2011	2010
	USD million	USD million	USD million	USD million
Revenue				
Reportable segment revenue	3,560	3,156	6,745	5,610
Elimination of inter-segment revenue	(497)	(406)	(945)	(728)
Unallocated revenue	267	240	523	439
Consolidated revenue	3,330	2,990	6,323	5,321

	Three months ended 30 June		Six months ended 30 June	
	2011	2010	2011	2010
	USD million	USD million	USD million	USD million
Profit				
Reportable segment profit	844	992	1,597	1,684
Impairment of non-current assets	(12)	(40)	(132)	(45)
Share of losses of associates	(15)	(7)	(28)	(10)
Share of profits/(losses) of jointly controlled entities	1	(34)	21	(27)
Finance income	14	716	615	645
Finance expenses	(395)	(360)	(698)	(656)
Unallocated (loss)/income	(10)	15	(9)	(40)
Consolidated profit before taxation	427	1,282	1,366	1,551

United Company RUSAL Plc
*Notes to the Consolidated Interim Condensed Financial Information,
All financial information as at and for the three- and six-month periods ended 30 June 2011
and for the three- and six- month periods ended 30 June 2010 is unaudited*

	30 June	31 December
	2011	2010
	USD million	USD million
Assets		
Reportable segment assets	28,599	26,255
Elimination of inter-segment receivables	(558)	(463)
Unallocated assets	565	733
Consolidated total assets	28,606	26,525
	30 June	31 December
	2011	2010
	USD million	USD million
Liabilities		
Reportable segment liabilities	(2,632)	(2,843)
Elimination of inter-segment payables	558	463
Unallocated liabilities	(12,676)	(12,689)
Consolidated total liabilities	(14,750)	(15,069)

6 Revenue

	Three months ended 30 June		Six months ended 30 June	
	2011	2010	2011	2010
	USD million	USD million	USD million	USD million
Sales of primary aluminium and alloys	2,830	2,557	5,338	4,498
<i>Third parties</i>	1,755	1,258	3,260	2,170
<i>Related parties – companies capable of exerting significant influence</i>	988	1,219	1,917	2,192
<i>Related parties – companies under common control</i>	87	80	161	136
Sales of alumina and bauxite	184	143	351	277
<i>Third parties</i>	137	73	259	146
<i>Related parties – companies capable of exerting significant influence</i>	47	68	88	129
<i>Related parties – companies under common control</i>	-	2	4	2
Sales of foil	80	76	153	135
<i>Third parties</i>	78	74	149	132
<i>Related parties – companies under common control</i>	2	2	4	3
Other revenue including energy and transportation services	236	214	481	411
<i>Third parties</i>	170	139	335	269
<i>Related parties – companies capable of exerting significant influence</i>	3	3	8	6
<i>Related parties – companies under common control</i>	9	7	14	12
<i>Related parties – associates</i>	54	65	124	124
	3,330	2,990	6,323	5,321

7 Finance income and expenses

	Note	Three months ended 30 June		Six months ended 30 June	
		2011	2010	2011	2010
		USD million	USD million	USD million	USD million
Finance income					
Interest income on third party loans and deposits		3	2	6	7
Interest income on company loans to related parties – <i>companies under common control</i>		1	1	2	2
Foreign exchange gain		-	126	-	63
Revaluation of financial instruments		5	-	32	-
Change in fair value of derivative financial instruments	17	5	587	575	573
		14	716	615	645
Finance expenses					
Interest expense on bank loans wholly repayable within five years and other bank charges		(243)	(251)	(591)	(557)
Interest expense on company loans from related parties - <i>companies capable of exerting significant influence</i>		(15)	(58)	(47)	(72)
Foreign exchange loss		(14)	-	(47)	-
Change in fair value of derivative financial instruments		(97)	-	(3)	-
Revaluation of financial instruments		-	(42)	-	(11)
Interest expense on provisions		(26)	(9)	(10)	(16)
		(395)	(360)	(698)	(656)

8 Income tax

	Three months ended 30 June		Six months ended 30 June	
	2011	2010	2011	2010
	USD million	USD million	USD million	USD million
<i>Current tax - overseas</i>				
Current tax for the period	101	43	175	83
Under/(over) provision in respect of prior periods	3	(4)	(54)	(4)
<i>Deferred tax</i>				
Origination and reversal of temporary differences	(16)	125	160	107
Actual tax expense	88	164	281	186

Pursuant to the rules and regulations of Jersey, the Company is not subject to income tax in Jersey at an applicable tax rate 0%. The Company is a tax resident of Cyprus with applicable corporate tax rate of 10%. Subsidiaries pay income taxes in accordance with the legislative requirements of their respective tax jurisdictions. For subsidiaries domiciled in Russia, the applicable tax rate is 20%; in Ukraine of 23% (30 June 2010 - 25%); Guinea of 0%; China of 25%; Kazakhstan of 20%; Australia of 31.3%; Jamaica of 33.3%; Ireland of 12.5% (30 June 2010 – 10 %); Sweden of 26.3% and Italy of 37.25%. For the Group's subsidiaries domiciled in Switzerland the applicable tax rate for the period is the corporate income tax rate in the Canton of Zug, Switzerland, which may vary depending on the subsidiary's tax status. The rate consists of a federal income tax and a cantonal/communal income and capital taxes. The latter includes a base rate and a multiplier, which may change from year to year. Applicable income tax rates for 2011 are 9.84% and 15.38% for different subsidiaries (2010: 10.1% and 16.5%). For the Group's significant trading companies, the applicable tax rate is 0%. The applicable tax rates for the period ended 30 June 2010 were the same as for the period ended 30 June 2011 except as noted above.

9 Earnings per share

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

Weighted average number of shares:

	Three months ended 30 June	
	2011	2010
Issued ordinary shares at beginning of the period	15,193,014,862	15,136,363,646
Effect of shares issued in lieu of share-based compensation to management (refer to note 13(a))	-	56,651,216
Weighted average number of shares at end of the period	15,193,014,862	15,193,014,862
Net profit for the period, USD million	339	1,118
Basic and diluted earnings per share, USD	0.02	0.07

United Company RUSAL Plc
*Notes to the Consolidated Interim Condensed Financial Information,
All financial information as at and for the three- and six-month periods ended 30 June 2011
and for the three- and six- month periods ended 30 June 2010 is unaudited*

	Six months ended 30 June	
	2011	2010
Issued ordinary shares at beginning of the period	15,193,014,862	1,237,000
Issuance of shares on the Global Offering (refer to note 13(a))	-	1,370,083,411
Issuance of shares on warrant conversion (refer to note 13(a))	-	22,181,791
Effect of capitalisation issue	-	13,498,763,000
Effect of shares issued in lieu of share-based compensation to management (refer to note 13(a))	-	48,200,482
Weighted average number of shares at end of the period	15,193,014,862	14,940,465,684
Net profit for the period, USD million	1,085	1,365
Basic and diluted earnings per share, USD	0.07	0.09

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

On 27 January 2010 the Company issued 1,610,292,840 ordinary shares upon the Global Offering and 26,070,806 ordinary shares on conversion of fee warrants (refer to note 13(a)).

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

No dividends were declared and paid during the periods presented.

10 Interests in associates

	Three months ended 30 June	
	2011	2010
	USD million	USD million
Balance at the beginning of the period	12,114	9,603
Group's share of profits	210	292
Dividends	(306)	-
Group's share of other comprehensive loss	(8)	(68)
Foreign currency translation	141	(568)
Balance at the end of the period	12,151	9,259
Goodwill included in interests in associates	6,074	5,440

	Six months ended 30 June	
	2011	2010
	USD million	USD million
Balance at the beginning of the period	11,151	8,968
Group's share of profits	389	555
Dividends declared	(306)	-
Group's share of other comprehensive income	-	4
Foreign currency translation	917	(268)
Balance at the end of the period	12,151	9,259
Goodwill included in interests in associates	6,074	5,440

Investment in Norilsk Nickel

At the date of this consolidated interim condensed financial information the Group was unable to obtain consolidated interim financial information of OJSC MMC Norilsk Nickel ("Norilsk Nickel") as at and for the six-month period ended 30 June 2011. Consequently the Group estimated its share in the profits of Norilsk Nickel for the period ended 30 June 2011 based on publicly available information reported by Norilsk Nickel. Market value of the investment in Norilsk Nickel at 30 June 2011 is USD12,442 million. Market value is determined by multiplying the quoted bid price per share on the Moscow Interbank Currency Exchange ("MICEX") on reporting date by the number of shares held by the Group.

11 Interests in jointly controlled entities

	Three months ended 30 June	
	2011	2010
	USD million	USD million
Balance at the beginning of the period	1,212	1,073
Contributions to jointly controlled entities	2	41
Group's share of profit/(losses)	1	(34)
Dividends	(21)	(17)
Foreign currency translation	12	(65)
Balance at the end of the period	1,206	998

	Six months ended 30 June	
	2011	2010
	USD million	USD million
Balance at the beginning of the period	1,136	778
Contributions to jointly controlled entities	2	320
Group's share of profit/(losses)	21	(27)
Dividends	(31)	(28)
Foreign currency translation	78	(45)
Balance at the end of the period	1,206	998

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

12 Trade and other receivables

	30 June	31 December
	2011	2010
	USD million	USD million
Trade receivables from third parties	290	241
Impairment loss on trade receivables	(70)	(63)
Net trade receivables from third parties	220	178
Trade receivables from related parties, including:	49	35
<i>Companies capable of exerting significant influence</i>	36	35
<i>Impairment loss</i>	(8)	(10)
<i>Net trade receivables from companies capable of exerting significant influence</i>	28	25
<i>Companies under common control</i>	8	7
<i>Associates</i>	13	3
VAT recoverable	571	474
Impairment loss on VAT recoverable	(50)	(49)
Net VAT recoverable	521	425
Advances paid to third parties	200	196
Impairment loss on advances paid	(5)	(6)
Net advances paid to third parties	195	190
Advances paid to related parties, including:	74	55
<i>Companies capable of exerting significant influence</i>	1	1
<i>Companies under common control</i>	1	2
<i>Associates</i>	72	52
Prepaid expenses	30	20
Prepaid income tax	40	20
Prepaid other taxes	13	17
Other receivables from third parties	117	101
Impairment loss on other receivables	(24)	(19)
Net other receivables from third parties	93	82
Other receivables from related parties, including:	327	36
<i>Companies capable of exerting significant influence</i>	1	1
<i>Companies under common control</i>	14	19
<i>Associates</i>	312	16
	1,562	1,058

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

(a) Ageing analysis

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

	30 June	31 December
	2011	2010
	USD million	USD million
Current	209	183
Past due 0-90 days	49	22
Past due 91-365 days	8	6
Past due over 365 days	3	2
Amounts past due	60	30
	269	213

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

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

(b) Impairment of trade receivables

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

	Three months ended	Three months ended
	30 June 2011	30 June 2010
	USD million	USD million
Balance at the beginning of the period	(75)	(56)
(Impairment loss)/reversal of impairment	(3)	4
Balance at the end of the period	(78)	(52)
	Six months ended	Six months ended
	30 June	30 June
	2011	2010
	USD million	USD million
Balance at the beginning of the period	(73)	(56)
(Impairment loss)/reversal of impairment	(5)	4
Balance at the end of the period	(78)	(52)

As at 30 June 2011 and 31 December 2010, the Group's trade receivables of USD78 million and USD73 million, respectively, were individually determined to be impaired. Management assessed that the receivables are not expected to be recovered. Consequently, specific allowances for doubtful debts were recognised.

The Group does not hold any collateral over these balances.

13 Equity

(a) Share capital

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

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

(b) Share-based compensation

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

The number of awarded shares is determined by the Company and approved by the Board of Directors on the grant date. The vesting period for the currently approved eligible employees ranges from 3 years (in relation to the CEO) to 5 years (in relation to other eligible employees) starting from 11 November 2010.

On 11 May 2011, the Board of Directors approved the number of shares to be awarded within LTIP of 22,579,450 shares.

The fair value of share-based compensation is recognised as an employee expense, with a corresponding increase in equity, over the vesting period.

During the three-month period ended 30 June 2011 the Company recognised employee expense in relation to share-based LTIP in the amount of USD10 million.

(c) Other reserves

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

(d) Distributions

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

(e) Currency translation reserve

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

14 Loans and borrowings

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

	30 June 2011	31 December 2010
	USD million	USD million
<i>Non-current liabilities</i>		
Secured bank loans	8,699	10,071
Unsecured company loans	391	531
	9,090	10,602
<i>Current liabilities</i>		
Secured bank loans	1,424	1,228
Unsecured company loans	130	102
Accrued interest	39	31
	1,593	1,361

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

The secured bank loans are also secured by the following:

- property, plant and equipment with a carrying amount of USD1,601 million (31 December 2010: USD1,393 million);
- inventories with a carrying amount of USD551 million (31 December 2010: USD545 million);

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

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

During the six months ended 30 June 2011 the Group continued to reduce its debt and repaid USD1,666 million.

The nominal value of the Group's loans and borrowings was USD11,033 million at 30 June 2011 (31 December 2010: USD12,566 million). During the six-month period ended 30 June 2011 the Group recognised interest expense under the effective interest method of USD232 million in excess of nominal interest expense on restructured debt (six-month period ended 30 June 2010 – USD108 million). The effective interest method is applied to amortise the difference between the nominal value of the Group's loans and borrowings and their fair value over their maturity.

15 Bonds

On 3 March 2011, one of the Group's subsidiaries issued 15 million ruble-denominated bonds with a par value of 1,000 rubles each on MICEX. Maturity of the bonds is seven years subject to a put option exercisable in three years. Simultaneously, the Group entered into a cross-currency swap with an unrelated financial institution whereby the ruble-denominated bonds with semi-annual coupon payments of 8.3% p.a. were transformed into a USD obligation with a matching maturity of USD530 million bearing interest at 5.13% per annum. The proceeds of the bond issue were used for repayment of part of the Group's outstanding debts. The closing market price was 1,004.5 rubles per bond at 30 June 2011.

On 18 April 2011, one of the Group's subsidiaries issued the second tranche of ruble-denominated bonds with a par value of 1,000 rubles each for 15 billion rubles at par. The bonds are traded on MICEX. Maturity of the bonds is ten years subject to a put option exercisable in four years. Simultaneously, the Group entered into a cross-currency swap with an unrelated financial institution whereby the ruble-denominated bonds with semi-annual coupon payments of 8.5% p.a. were transformed into a USD obligation with a matching maturity of USD533 million bearing interest at 5.09% per annum. The proceeds of the bond issue were used for repayment of part of the Group's outstanding debts. The closing market price was 1,000.0 rubles per bond at 30 June 2011.

16 Provisions

	Pension liabilities	Site restoration	Provisions for legal claims	Tax provisions	Total
	USD million	USD million	USD million	USD million	USD million
Balance at 31 March 2011	143	428	50	35	656
Provisions made during the period	5	32	-	44	81
Provisions reversed during the period	-	-	(2)	(32)	(34)
Actuarial loss	8	-	-	-	8
Provisions utilised during the period	(3)	-	(14)	-	(17)
Foreign currency translation	5	5	-	-	10
Balance at 30 June 2011	158	465	34	47	704
<i>Non-current</i>	142	427	-	-	569
<i>Current</i>	16	38	34	47	135
Balance at 31 March 2010	115	316	36	81	548
Provisions made during the period	4	11	10	-	25
Provisions reversed during the period	(17)	(3)	(2)	(10)	(32)
Actuarial loss	60	-	-	-	60
Provisions utilised during the period	(4)	-	(7)	-	(11)
Foreign currency translation	(8)	(18)	-	-	(26)
Balance at 30 June 2010	150	306	37	71	564

	Pension liabilities	Site restoration	Provisions for legal claims	Tax provisions	Total
	USD million	USD million	USD million	USD million	USD million
Balance at 1 January 2011	134	322	40	30	526
Provisions made during the period	10	123	10	44	187
Provisions reversed during the period	-	-	(2)	(27)	(29)
Actuarial loss	8	-	-	-	8
Provisions utilised during the period	(7)	-	(14)	-	(21)
Foreign currency translation	13	20	-	-	33
Balance at 30 June 2011	158	465	34	47	704
<i>Non-current</i>	<i>142</i>	<i>427</i>	<i>-</i>	<i>-</i>	<i>569</i>
<i>Current</i>	<i>16</i>	<i>38</i>	<i>34</i>	<i>47</i>	<i>135</i>
Balance at 1 January 2010	138	313	59	76	586
Provisions made during the period	11	11	10	-	32
Provisions reversed during the period	(17)	(3)	(2)	(5)	(27)
Actuarial loss	32	-	-	-	32
Provisions utilised during the period	(8)	-	(30)	-	(38)
Foreign currency translation	(6)	(15)	-	-	(21)
Balance at 30 June 2010	150	306	37	71	564

As at 30 June 2011, management reassessed the timing and extent of site restoration and dismantlement activities at Eurallumina and recalculated the related asset retirement obligation. The resulting increase in provisions and impairment of non-current assets of USD112 million was recorded in this consolidated interim condensed financial information. The amount of provision is estimated by discounting the expected expenditures to their present value based on risk free discount rate of 2.87% over 10 year period.

17 Derivative financial liabilities

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

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

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

As a result, during the first half of 2011 the Company revalued the embedded derivatives based on the contractually committed volumes of electricity and capacity stated in the notices submitted to the ATS and recognised a gain of USD710 million and the related tax effect of USD142 million.

In May 2011 the Group entered into long-term petroleum coke supply contracts where the price of coke is determined with reference to LME aluminium price and Brent oil price. The embedded derivatives were separated and valued based on aluminium and oil futures prices. The strike price for aluminium and oil is set at 2,403.45 USD/tonne and 61.10 USD/barrel, respectively.

The fair value of the embedded derivatives amounted to a liability of USD22 million at 30 June 2011 and a related tax effect of USD4 million.

18 Trade and other payables

	30 June	31 December
	2011	2010
	USD million	USD million
Accounts payable to third parties	512	399
Accounts payable to related parties, including:	101	37
<i>Companies capable of exerting significant influence</i>	32	19
<i>Companies under common control</i>	68	15
<i>Associates</i>	1	3
Advances received	258	236
Advances received from related parties, including:	346	356
<i>Companies capable of exerting significant influence</i>	281	292
<i>Companies under common control</i>	64	55
<i>Associates</i>	1	9
Other payables and accrued liabilities	214	180
Other payable and accrued liabilities related parties, including:	20	23
<i>Companies capable of exerting significant influence</i>	15	18
<i>Associates</i>	5	5
Other taxes payable	174	134
Non-trade payables to third parties	6	-
	1,631	1,365

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

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

	30 June	31 December
	2011	2010
	USD million	USD million
Due within twelve months or on demand	613	436

19 Commitments and contingencies

(a) Capital commitments

In May 2006, the Group signed a Co-operation agreement with OJSC HydroOGK and RAO UES. Under this Co-operation agreement OJSC HydroOGK and the Group have jointly committed to finance the construction and future operating of the BEMO Project including BoGES and an aluminium plant,

the planned main customer of the hydropower station. The parties established two joint companies with 50:50 ownership, into which the Group is committed to invest USD2,225 million by the end of 2015 (31 December 2010: USD2,051 million). As at 30 June 2011, the outstanding commitment of the Group for construction of the aluminium plant was approximately USD930 million to be invested by the end of 2015 (31 December 2010: USD856 million), and the outstanding commitment for the hydropower station construction was USD273 million to be invested by the end of 2012 (31 December 2010: USD279 million).

The Group has entered into contracts that result in contractual obligations primarily relating to various construction and capital repair works. The commitments at 30 June 2011 and 31 December 2010 approximated USD531 million and USD524 million, respectively. These commitments are due over a number of years.

(b) Taxation

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

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

In addition to the amounts of income tax the Group has provided, there are certain tax positions taken by the Group where it is reasonably possible (though less than 50% likely) that additional tax may be payable upon examination by the tax authorities or in connection with ongoing disputes with tax authorities. The Group's best estimate of the aggregate maximum of additional amounts that it is reasonably possible may become payable if these tax positions were not sustained at 30 June 2011 is USD425 million (31 December 2010: USD403 million).

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

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

(c) Environmental contingencies

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

(d) Legal contingencies

The Group's business activities expose it to a variety of lawsuits and claims which are monitored, assessed and contested on the ongoing basis. Where management believes that a lawsuit or another claim would result in the outflow of the economic benefits for the Group, a best estimate of such outflow is included in provisions in the consolidated interim condensed financial information (refer to note 16). As at 30 June 2011 the amount of claims, where management assesses outflow as possible approximates USD156 million (31 December 2010: USD18 million).

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

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

The trial of the action has not yet commenced, but is scheduled for April 2012. At present, there is considerable uncertainty as to the possible scope and the potential outcomes in the case and how, if at all, the Company and/or its subsidiaries and/or its or their respective assets might be affected by any decision against Mr. Deripaska. However since neither the Company nor any of its subsidiaries or

investees, nor any direct shareholders in the Company, is currently a party in this case and Mr. Deripaska has informed the Company that he strongly denies and will vigorously resist Mr. Cherney's claim, the Company believes that the risk of outflow of any significant economic benefits or any significant adverse impact on the Group's financial position or results of its operations as a result of this claim is low.

20 Related party transactions

(a) Transactions with management and close family members

Management remuneration

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

	Three months ended 30 June		Six months ended 30 June	
	2011	2010	2011	2010
	USD million	USD million	USD million	USD million
Salaries and bonuses	20	17	42	24
Share-based compensation	5	-	5	-
Share-based and cash compensation to management in connection with Global Offering	-	-	-	74
	25	17	47	98

(b) Transactions with other related parties

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

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

United Company RUSAL Plc
*Notes to the Consolidated Interim Condensed Financial Information,
All financial information as at and for the three- and six-month periods ended 30 June 2011
and for the three- and six- month periods ended 30 June 2010 is unaudited*

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

	Three months ended 30 June		Six months ended 30 June	
	2011	2010	2011	2010
	USD million	USD million	USD million	USD million
Purchases of raw materials – companies under common control	41	47	79	89
Purchases of alumina, bauxite and other raw materials – companies capable of exerting significant influence	55	33	98	52
Purchases of alumina, bauxite and other raw materials - associates	1	-	1	-
Energy costs – companies under common control	222	139	416	273
Energy costs – companies capable of exerting significant influence	48	48	96	99
Other costs – companies under common control	2	2	3	3
Other costs – associates	36	33	68	64
Distribution expense – companies under common control	17	-	17	-
	422	302	778	580

As at 30 June 2011, included in non-current assets are balances of USD30 million of companies which are related parties (31 December 2010: USD38 million).

As at 30 June 2011 and 31 December 2010, unsecured company loans including interest payable of USD1 million and USD2 million to Onexim amounted to USD522 million and USD635 million, respectively.

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

	Three months ended 30 June		Six months ended 30 June	
	2011	2010	2011	2010
	USD million	USD million	USD million	USD million
Finance income from related parties, including:				
<i>Companies under common control</i>	1	1	2	2
Finance expenses from related parties, including:				
<i>Companies capable of exerting significant influence</i>	(15)	(58)	(47)	(72)

(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.

21 Events subsequent to the reporting date

In July 2011, the Board of Directors of the Company approved issuance of interest bearing ruble-denominated bonds by one of the Group's subsidiaries in the amount up to 30 billion rubles and the related prospectus, which is subject to further registration by Federal Financial Markets Service. The final decision on the placement is subject to market conditions.

In August 2011, the Company reached an agreement with the Savings Bank of the Russian Federation ("Sberbank") over key terms and conditions related to refinancing of the existing loan facility of USD4.58 billion, which was originally signed on 30 September 2010. Under the new agreement the debt maturity will be extended to 2016 and existing guarantee covering USD2.25 billion will be terminated. The amendments have been approved by the credit committee of Sberbank and are subject to approval by the Company's Board of Directors. The signing of the relevant documentation and the agreement is expected in the near future.

As at the date of approval of this consolidated interim condensed financial information, the Board of Directors of the Company approved amended key terms and conditions of a refinancing facility in the amount of up to USD5 billion consisting of two tranches (Tranche A: in the maximum amount of USD4,250,000,000; and Tranche B: in the maximum amount of USD1,000,000,000 in aggregate) to be provided to the Group by a number of the international and Russian lenders.

The key terms of refinancing are as follows: Tranche A (after repayment of USD500 million within 12 months after the first drawdown) in equal quarterly instalments starting after the 15th month after the first drawdown with a final maturity date falling 60 months after the first drawdown. Tranche B will be repaid in equal quarterly instalments starting after the 63rd month after the first drawdown with a final maturity date falling 84 months after the signing of the facility.

The refinanced debt shall bear an interest rate of 3-month LIBOR plus a variable margin, which would be set on a quarterly basis based on the Group's leverage ratio for Tranche A and fixed for Tranche B.

The facility proceeds will be used to repay in full the outstanding debt under the International Override Agreement and other outstanding debt of the Group. The deal is expected to be closed by the end of September 2011.

The Board of Directors of the Company received a letter dated 24 August 2011 from Norilsk Nickel setting out a proposal to acquire 28,594,162 ordinary shares of Norilsk Nickel held by one of the Company's wholly-owned subsidiaries, which constitutes approximately 15% of the total outstanding ordinary shares of Norilsk Nickel, at a price of USD306 per share for a total consideration of approximately USD8,750 million. The Company will consider this proposal in accordance with its corporate governance procedures. At the date of this consolidated interim condensed financial information no decision has been made in respect of the proposal.