RUSAL

UNITED COMPANY RUSAL PLC

(Incorporated under the laws of Jersey with limited liability)

(Stock Code: 486)

ANNUAL RESULTS ANNOUNCEMENT FOR YEAR ENDED 31 DECEMBER 2009

Key highlights

- Net profit of US$821 million for 2009 compared to net loss of US$5,984 million for 2008, 89% above the Company's forecast for the year ended December 2009
- Cost Efficiency Leader initiatives launched to reduce costs and optimise management structure, resulting in aluminium cash operating costs decreasing by 23% to US$1,471 per tonne and alumina cash operating costs decreasing by 27% to US$257 per tonne
- Revenue decreased by 48% to US$8,165 million due to lower aluminium prices and sales volumes
- Aluminium production reduced by 11% to 3.9 million tonnes by cutting production at the least efficient smelters
- Alumina production restricted to 7.3 million tonnes by temporarily suspending production at relatively high cost refineries
- Bauxite production scaled back by 41% to 11.3 million tonnes
- Investments[1] in development of existing facilities and construction of new assets amounted to US$420 million
- Adjusted EBITDA[2] decreased by 83% to US$596 million due to a decrease in operating results and a significant drop in market prices which was attributable to the adverse economic environment
- Comprehensive debt restructuring reached with more than 70 international and Russian banks rescheduling US$16.6 billion[3] of debt and other obligations
- Market value of the Group's investment in OJSC MMC Norilsk Nickel ("Norilsk Nickel") increased by 123% in 2009. The market capitalisation of the investment exceeded US$6.7 billion as of 31 December 2009[4]
- Successful listing on Hong Kong and Euronext Paris stock exchanges (the "IPO") completed on 27 January 2010

---

1 Calculated as acquisition of property, plant and equipment, acquisition of intangible assets and contributions in jointly controlled entities.

2 Adjusted EBITDA for any period is defined as results from operating activities adjusted for amortization and depreciation, impairment charges and loss on disposal of property, plant and equipment.

3 Does not include US$0.2 billion of contingent liabilities under payment instruments, including, without limitation, undrawn letters of credit.

4 Source: RTS (Russian Trading System) closing price for the last trading day of the year.

Statement from the CEO

2009 was a year of transformation for United Company RUSAL Plc ("UC RUSAL" or the "Company"). It was also one of the toughest on record for the global economy, commodity markets in general and, in particular, the aluminium industry. We took decisive action to counter the adverse effects of the downturn by significantly reducing costs and reshaping the Company to leave it better placed to benefit from the upturn. We improved our balance sheet by reaching agreement with our lenders on the terms of a comprehensive programme for debt restructuring and conversion of certain obligations to equity, amounting to the rescheduling of US$16.6 billion of debt and other obligations with more than 70 banks. We also completed the preparatory work to enable our IPO to proceed. UC RUSAL emerged from this challenging period with its market leadership position enhanced and significantly strengthened.

We are now a quoted company, listed in Hong Kong and Paris, and fully intend to benefit from improving market conditions and our proximity to the fast growing market in China and other parts of Asia by utilising our access to low cost energy and realising attractive growth opportunities from restarting idle capacity and investment in unique greenfield projects. I am confident that our competitive advantages, supported by the increasing value of the Norilsk Nickel investment and positive aluminium price momentum which is expected to continue in 2010, will drive the value of the Company forwards in the interest of all shareholders.

Oleg Deripaska
CEO
9 April 2010

Key selected data	Year ended 31 December 2009	2008	Change year-on-year (%)
Aluminium and alumina price information			
(US$ per tonne)			
Aluminium price per tonne quoted on the LME[5]	1,668	2,571	(35%)
Alumina price per tonne[6]	244	374	(35%)
Key operating data[7]			
('000 tonnes) unless otherwise indicated			
Aluminium	3,946	4,424	(11%)
Alumina	7,279	11,317	(36%)
Bauxite (million tonnes wet)	11.3	19.1	(41%)
Aluminium foil and packaging products	67.8	68.5	(1%)
Selected statement of comprehensive income data			
(US$ million) unless otherwise indicated			
Revenue	8,165	15,685	(48%)
Cost of sales	(6,710)	(11,073)	(39%)
of which energy costs	*(1,880)*	*(2,044)*	*(8%)*
Gross profit	1,455	4,612	(68%)
Distribution expenses	(566)	(798)	(29%)
Administrative expenses	(713)	(1,103)	(35%)
Impairment of non-current assets	(68)	(3,668)	(98%)
Results from operating activities	(63)	(1,228)	(95%)
(excluding the impact of impairment charges)	*5*	*2,440*	(100%)
margin (% of revenue)	*(0.1%)*	*15.6%*	—
Adjusted EBITDA	596	3,526	(83%)
margin (% of revenue)	*7.3%*	*22.5%*	—
Finance income	1,321	106	1,146%
Finance expenses	(1,987)	(1,594)	25%
Share of profits/(losses) and impairment of associates	1,417	(3,302)	—
Income tax (expense)/benefit	(18)	69	—
Net income/(loss) for the year	821	(5,984)	—

5 Represents the average of the daily closing official London Metals Exchange ("LME") prices for each period.

6 The average alumina price per tonne provided in this table is based on the daily closing spot prices of alumina FOB EU as reported by Metal Bulletin each Wednesday and Friday.

7 UC RUSAL assets also include two quartzite mines, one fluorite mine, two coal mines, one nepheline syenite mine and two limestone mines. The Company also has three aluminium powder metallurgy plants and produces cryolite, aluminium fluoride and cathodes.

Key selected data	**Year ended 31 December**		**Change year-on-year**
	2009	**2008**	**(%)**
Selected statement of financial position data			
(US$ million)			
Total assets	23,886	24,005	(0.5%)
Total working capital[8]	1,477	2,746	(46%)
Net financial debt[9]	13,633	13,263	3%
Selected cash flow statement data			
(US$ million) unless otherwise indicated			
Net cash flows generated from operating activities	321	3,043	(89%)
Net cash flows used in investing activities	(301)	(5,828)	(95%)
of which capex[10]	*(239)*	*(1,348)*	(82%)
Selected ratios			
Net debt to Adjusted EBITDA[11]	22.9:1	3.8:1	—

Market review[12]

2009 was one of the toughest years on record for the global economy and commodity markets, including the aluminium industry. According to CRU Group (an independent business analysis and consultancy group focused on the mining and metals industries), the global recession resulted in an 8.2% decrease in demand for aluminium in 2009 compared to 2008, and the average price of aluminium dropped by 35% compared to 2008. Major industry players including UC RUSAL responded to the adverse market environment by curtailing production. The global capacity utilisation rate in 2009 is estimated at 76% compared with 89% in 2008.

From the second half of 2009, global demand for aluminium and other commodities has been supported by the growing Chinese economy, which was aided by a US$685 billion stimulus programme to promote economic growth through major infrastructure projects and a range of measures to stimulate demand for industrial products, including in the automotive industry. The revival of developed economies by late 2009 initiated restocking throughout the aluminium production chain.

---

8 Total working capital is defined as inventories plus trade and other receivables minus trade and other payables.

9 For all years presented, net financial debt is calculated as loans and borrowings less any cash and cash equivalents as at the end of the year.

10 Capex is defined as payment for the acquisition of property, plant and equipment.

11 Net Debt to Adjusted EBITDA differs from total net debt to Covenant EBITDA for the purposes of the Company's debt restructuring agreements.

12 Source: CRU Group (unless otherwise stated).

Business review

The Company is the world's largest producer of aluminium, accounting for approximately 10% of total global production, and is the world's fourth largest producer of alumina.

The Company's business is focused on the upstream segment of the industry - the production and sale of primary aluminium (including alloys and value-added products, such as aluminium sheet ingots and aluminium billets). Within its upstream business, UC RUSAL's group (the "Group") is vertically integrated to a high degree, having secured supplies of bauxite and having the capacity to produce alumina in excess of its current requirements.

Strengths

- Global scale and reach

  UC RUSAL is the world's largest producer of aluminium, producing approximately 3.9 million tonnes in 2009 and accounting for approximately 10% of global output. The Company operates the world's two largest aluminium smelters - Bratsk and Krasnoyarsk, and is able to capture opportunities arising from both a global platform and local reach.

- Secure and sustainable low-cost position and power advantage

  UC RUSAL's largest aluminium smelters located in Siberia benefit from access to low-cost and clean hydro generated electricity.

- High degree of vertical integration within its upstream business

  The Company focuses on the higher margin upstream businesses that enables it to benefit from the higher margins generally available to upstream businesses (compared to downstream businesses). UC RUSAL benefits from a significant long term position in alumina capacity, which contributes to the security of alumina supply to the existing smelters and future expansion projects. The long term position in alumina capacity is supported by the Company's bauxite resource base.

- Proximity to China and other Asian markets

  With more than 85% of its total aluminium production in 2009 located in Siberia, the Company's production base is in direct proximity to China and other key Asian markets. The location of the Company's smelters and its competitive cost structure position it to become one of the main external suppliers to China, where demand for aluminium has been growing.

- Proprietary R&D and internal Engineering, Procurement, Construction and Management expertise

  With the acquisition of SUAL in March 2007, UC RUSAL consolidated over 70 years of Russian know-how and research and development in the aluminium industry. Within its Engineering and Construction Division, UC RUSAL has established research and development ("R&D") centres with focuses on aluminium (located in Krasnoyarsk), alumina (in St. Petersburg) and design (in Irkutsk). The Company is developing proprietary RA-300, RA-400 and RA-500 cell technologies.

- Attractive diversification option with Norilsk Nickel

  Acquisition of a more than 25% stake in Norilsk Nickel - one of the world's leading producers of platinum and copper.

- Attractive growth options

  Completion of advanced projects with attractive fundamentals, such as the Taishet and the Boguchansky aluminium smelters and the Boguchanskaya hydropower plant.

The following is a summary of the performance of key business units in 2009.

Aluminium

UC RUSAL responded swiftly to the global economic downturn by reducing total attributable aluminium output to 3.946 million tonnes in 2009, a decrease of 11% compared to 2008. The lower volume was, in part, caused by the cut of production at the Company's least cost-efficient smelters being the Novokuznetsk, Bogoslovsk, Volkhov, Nadvoitsy, Kandalaksha and Urals Aluminium Smelters in Russia and the Zaporozhye Aluminium Smelter in Ukraine. The Company announced the restart of mothballed capacity at some aluminium smelters in the first quarter of 2010.

Alumina

The total attributable alumina output was curtailed to 7.279 million tonnes in 2009, a decline of 36% as compared to 2008. Production was cut at relatively high cost alumina facilities, such as Aughinish (Ireland), Zaporozhye Alumina Refinery (Ukraine), Achinsk Alumina Refinery (Russia) and Boxitogorsk Alumina Refinery (Russia). Production was also suspended temporarily at Eurallumina (Italy), Windalco (Jamaica) and Alpart (Jamaica). These output reduction measures effectively balanced the Company in terms of its alumina requirements, helping to optimise its financial performance.

Bauxite

Due to weakened demand, the Company's overall bauxite production was reduced to 11.3 million tonnes in 2009, a reduction of 41% as compared to 2008.

Cost Efficiency Leader initiative

The Company's cash operating costs per tonne of aluminium is a key operating metric. In February 2009, UC RUSAL launched its "Cost Leader Efficiency" initiative targeting a reduction in costs, optimisation of production processes and reorganisation of the management structure. Ambitious targets were set for each of these elements with the aim of UC RUSAL being the most cost effective aluminium producer in the world. The results of the initiative are set out below in the "Cash operating costs per tonne" section.

Norilsk Nickel investment

According to consensus forecast,[13] Norilsk Nickel's net income in 2009 is expected to increase to US$1,693 million from a net loss of US$555 million in 2008. The market value of the Company's stake in Norilsk Nickel increased by 123% from US$3,011 million as at 31 December 2008 to US$6,707 million as at 31 December 2009 due to positive share price performance in the reported year.

Financial Overview

Revenue

Revenue decreased by 48% to US$8,165 million in 2009 compared to US$15,685 million in 2008. The decrease in revenue was primarily due to decreased sales of primary aluminium and alloys, which accounted for 83% of revenue for 2009 and 77% in 2008.

[13] Bloomberg Consensus Net Income GAAP at 26/03/2010 — GMKN RU. The actual results will be disclosed in UC RUSAL's 2009 annual report.

The decrease in revenue was primarily due to the steep decline in worldwide aluminium prices, alumina sales prices and prices of other products (foil, bauxite, silicon, soda) resulting in reduction in revenue from sales of US$5,380 million. The effect of decreased prices was coupled with the decrease in production volumes of primary aluminium and alloys at the higher cost facilities and suspending a number of higher cost alumina refineries, as a response to the downturn in the aluminium industry. As a result of decreased sales volumes, revenue fell by US$1,626 million. Other income and revenue from sales of other products reduced by US$514 million, which was caused by a decrease in demand and the general economic downturn around the world.

	Year ended 31 December 2009			**Year ended 31 December 2008**		
	US$ million	*kt*	*Average sales price (US$/tonne)*	*US$ million*	*kt*	*Average sales price (US$/tonne)*
Sales of primary aluminium and alloys	6,770	4,069	1,663	12,057	4,435	2,719
Sales of alumina	410	1,640	250	1,948	5,464	357
Sales of foil	243	70	3,471	271	60	4,517
Other revenue[14]	742	—	—	1,409	—	—
Total revenue	**8,165**			**15,685**		

Sales of primary aluminium and alloys decreased by 44% primarily due to a fall in average realised prices per tonne (by 39% year-on-year). Sales volumes decreased by 366 thousand metric tonnes or 8% to 4,069 thousand metric tonnes in 2009, from 4,435 thousand metric tonnes in 2008. The decrease in sales volumes principally resulted from the reduction in aluminium production at less cost efficient smelters.

Revenue from sales of alumina decreased by 79% to US$410 million in 2009 from US$1,948 million in 2008. The decrease in revenue was primarily attributed to a significant decrease of production volumes. In 2009, UC RUSAL continued to sell alumina to external parties only under specific long-term contracts. Average sales prices decreased by 30% in 2009 as compared to 2008. The sales volume decreased by 70% to 1,640 thousand metric tonnes in 2009.

[14] Including chemicals and energy

Revenue from sales of foil decreased immaterially from US$271 million in 2008 to US$243 million in 2009, which accounted for 2% and 3% of UC RUSAL's revenue for 2008 and 2009, respectively. Production volumes remained relatively stable with a slight decrease of approximately 1% in 2009 while sales volume grew from 60 thousand metric tonnes in 2008 to 70 thousand metric tonnes in 2009. The decrease in revenue from the sales of foil was primarily due to a decrease in the average realised price.

Revenue from other sales, including chemicals and energy, decreased to US$742 million or by 47% in 2009 from US$1,409 million in 2008. The main factors contributing to the decrease in other sales were reductions in prices and volumes of various by-products and secondary materials following the overall economic downturn and the resulting decrease in capacity of a number of the Company's production entities.

Revenue decreased in a majority of UC RUSAL's geographic segments from 2008 to 2009. The revenue decline in Europe was relatively slow and UC RUSAL focused on maximizing revenue by shifting sales to those markets with higher premiums. The Commonwealth of Independent States ("CIS") and America segments were particularly affected in the beginning of 2009 as a result of a dramatic slow-down in industries using the Company's products in these regions, including, among others, construction and car manufacturing. The share of sales in Asia was unchanged as a percentage of the total revenue mainly due to the fact that demand decreased to a lesser extent in China than in other markets. The share of sales particularly in China increased from 3% in 2008 to 6% in 2009. UC RUSAL is well positioned to continue expanding sales in China after the increase in sales to this market in 2009. Although the average premiums in 2009 were lower than in 2008 (US$55 per tonne and US$75 per tonne, respectively), dynamics show a strong momentum in the recovery process from almost US$0 per tonne at the beginning of 2009 to US$43 per tonne for the first half of 2009 and further to US$76 per tonne in December 2009 resulting in premiums of US$55 per tonne for 2009.

Cost of sales

Cost of sales decreased by 39% to US$6,710 million in 2009 compared to US$11,073 million in 2008. The decrease was in line with the overall decrease in production and sales volumes of both aluminium and alumina, as described above, with certain costs also affected by the depreciation of the Russian rouble ("RUR") against the US dollar in 2009 compared to 2008. The cost of other raw materials and other costs of sales accounted for the largest decrease in cost of sales, in absolute terms, over the period.

	Year ended 31 December		Change year-on-year
	2009	**2008**	**(%)**
(US$ million)			
Cost of alumina	982	1,478	(34%)
Cost of bauxite	374	763	(51%)
Cost of other raw materials	2,253	4,243	(47%)
Energy costs	1,880	2,044	(8%)
Depreciation and amortisation	554	990	(44%)
Personnel expenses	774	995	(22%)
Repairs and maintenance	115	222	(48%)
Change in asset retirement obligations	29	(1)	—
Net change in provisions for inventories	(251)	339	—
Total cost of sales	**6,710**	**11,073**	**(39%)**

Energy costs decreased by US$164 million, or 8%, to US$1,880 million in 2009 compared to US$2,044 million in 2008. The decrease in electricity costs over the period resulted primarily from decreased consumption, the effect of which was partially offset by increased tariffs and RUR depreciation. Consumption in 2009 decreased due to decreased production volumes. The increase in weighted-average electricity tariffs was mainly due to continued market liberalization and increased share of electricity sold through the wholesale market. Electricity tariffs are generally quoted in RUR and increased in line with the Russian consumer price index. The depreciation of the RUR against the US dollar in 2009 compared to 2008 had a corresponding effect on the electricity tariffs. As a percentage of revenue, energy costs increased from 13.0% in 2008 to 23.0% in 2009.

Gross profit

As a result of these factors, UC RUSAL reported a gross profit of US$1,455 million and US$4,612 million in 2009 and 2008 respectively, representing gross margins of 18% and 29%, respectively.

Distribution expenses

Distribution expenses decreased by 29% to US$566 million in 2009, compared to US$798 million in 2008. The decrease was mainly due to decreased sales volumes and a reduction in transportation expenses through optimising logistics schemes, expanding the transportation range, choosing new routes, selecting transport operators on a tender basis and negotiating new transportation terms.

Administrative expenses

Administrative expenses decreased by 35% to US$713 million in 2009, as compared to US$1,103 million in 2008, due to reduction of expenses for consulting services, Russian and international representative offices and cuts of management staff. Personnel costs recorded under administrative expenses decreased by 38% to US$226 million in 2009 from US$364 million in 2008. The Company saw an overall reduction in headcount by 16% or 14,000 employees, compared to 2008, to 75,800 in 2009.

Loss on disposal of property, plant and equipment

Loss on disposal of property, plant and equipment decreased from US$56 million in 2008 to US$5 million in 2009 due to disposal of certain assets in 2008. As a percentage of revenue, loss on disposal of property, plant and equipment decreased from 0.4% in 2008 to 0.1% in 2009.

Impairment of non-current assets

Based on the results of impairment testing, management has concluded that no impairment or reversal of previously recorded impairment should be recorded in 2009, except for impairment of specific items that were no longer considered recoverable at 31 December 2009 in the amount of US$68 million. As a result of the sharp decline in aluminium prices in the fourth quarter of 2008, the Company recognized an impairment loss of US$3,668 million.

Other operating expenses

Other operating expenses decreased by 23% to US$166 million in 2009 compared to US$215 million in 2008. The decrease in other operating expenses in 2009 resulted primarily from a decrease in charitable donations by US$27 million (US$31 million in 2008 and US$4 million in 2009), a decrease in impairment of trade and other receivables by US$25 million (US$117 million for 2008 and US$92 million in 2009) and the negative change in provisions for legal claims by US$55 million (US$50 million of provisions made in 2008 versus US$5 million of net provisions reversed in 2009), partially offset by an increase in other operating expenses by US$59 million (US$62 million in 2009 compared to US$3 million in 2008).

Provisions for legal claims are mostly connected with litigation with the Company's counterparties, in particular, transportation companies. The provisions for impairment loss on trade and other receivables in both periods represented provisions against receivables from municipal authorities, mainly for distribution of thermal power and water by the Company's aluminum smelters to local communities.

Charitable donations throughout the period related to UC RUSAL's donations to various charities, including orphanages, cancer treatment hospitals and nursing homes.

Results from operating activities

As a result of the foregoing factors, UC RUSAL reported a loss from operating activities of US$63 million in 2009, as compared to a loss from operating activities of US$1,228 million in 2008, representing negative operating margins of (1%) and (8%), respectively. The Cost Efficiency Leader initiative implemented by the Company offset a portion of the revenue loss resulting from lower aluminium prices.

Adjusted EBITDA

Adjusted EBITDA, being results from operating activities adjusted for amortisation and depreciation, impairment charges and loss on disposal of property, plant and equipment, decreased by 83% to US$596 million in the reporting year, as compared to US$3,526 million in 2008. The key influencing factors were operating results and a significant decrease in market prices resulting from adverse economic conditions.

	Year ended 31 December		**Change year-on-year**
	2009	**2008**	**(%)**
(US$ million)			
Reconciliation of Adjusted EBITDA			
Results from operating activities	(63)	(1,228)	(95%)
Add:			
Amortisation and depreciation	586	1,030	(43%)
Impairment of non-current assets	68	3,668	(98%)
Loss on disposal of property, plant and equipment	5	56	(91%)
Adjusted EBITDA	**596**	**3,526**	**(83%)**

Finance income

Finance income increased by US$1,215 million, or 1,146%, to US$1,321 million in 2009 as compared to US$106 million in 2008. Finance income in 2009 was primarily represented by a gain on restructuring of US$1,209 million, a gain on fair value adjustment on financial instruments of US$77 million, and interest income on third party loans and deposits of US$32 million. As a percentage of revenue, finance income increased from 1% in 2008 to 16% in 2009. Finance income in 2008 was primarily represented by interest income on third party loans and deposits and a gain from disposal of financial investments.

On 7 December 2009, the Company completed its debt restructuring negotiations and, as a result, recognized a gain in the amount of US$1,209 million consisting of US$740 million related to restructuring of deferred consideration due to Onexim Holdings Limited ("Onexim") for the acquisition of shares in Norilsk Nickel in April 2008 and US$469 million related to the extinguishment of debt and recognition of the new debt at fair value at the date of the restructuring.

In October 2009, the Company partially unwound the option arrangement in relation to the shares of Norilsk Nickel, the value of which approximated US$23 million. Management estimated the fair value of the remaining financial instrument at 31 December 2009 at US$54 million. The change in fair value of US$77 million is included in "finance income" in the consolidated statement of income for 2009.

UC RUSAL recorded a gain on the disposal of financial investments in 2008 in the amount of US$42 million, which resulted from the sale in April 2008 of 50% in LLP Bogatyr Komir, the right to which was acquired by the Company as part of the acquisition of SUAL in late March 2007, in accordance with an agreement with Samruk-Energo.

The change in fair value of financial instruments was US$23 million in 2008 and resulted from gains on transactions to hedge foreign exchange and interest rate risk related to financing activities and to reduce risk of fluctuating prices.

Finance expenses

Finance expenses increased by 25% to US$1,987 million in 2009 as compared to US$1,594 million in 2008. The increase in finance expenses in 2009 was primarily due to an increased interest expense on bank loans wholly repayable within five years and other bank charges and due to the recognition of change in fair value of derivative financial liabilities recorded in 2009.

Interest expenses on bank loans increased by US$267 million, or 35%, to US$1,033 million in 2009, compared to US$766 million in 2008. The increase in interest expenses in 2009 was primarily due to additional interest expenses incurred in connection with the VEB debt obtained in October 2008 at higher interest rates than the bridge facility that the VEB debt refinanced, as well as costs incurred in connection with the Company's debt restructuring. The bridge facility was obtained by UC RUSAL in April 2008 in connection with the Company's investment in Norilsk Nickel.

In November 2009, the Company entered into long-term electricity contracts with related parties through to 2019-2021. The contract pricing contains a fixed or a cost-based component and an LME-linked price adjustment. Management has analysed the contracts and concluded that the price adjustments represent embedded derivatives which should be separated from the host contract and accounted for at fair value through profit and loss.

The change in fair value of these derivative financial instruments between the contract date and 31 December 2009 amounted to US$570 million, which was recorded as a derivative financial liability with a corresponding loss in the statement of comprehensive income. The change in fair value was driven primarily by the change in the aluminium price.

Management concluded based on the estimates and assumptions contained in the contracts that at 31 December 2009 the contracts taken as a whole are beneficial to the Group and the embedded derivative liability is more than offset by the difference between expected market electricity tariffs and basic tariffs as defined in the contracts. However, these positive values were not recognised in these financial statements as the host contracts represent non-financial contracts out of the scope of IAS 39 as they qualify for the "own use" exemption.

Net foreign exchange loss decreased by US$128 million, or 64%, to US$73 million in 2009, compared to US$201 million in 2008. UC RUSAL recorded a net foreign exchange loss primarily as a result of the depreciation of the RUR against the US dollar.

In the second half of 2008, the Company acquired a derivative financial instrument relating to the shares of Norilsk Nickel for a total consideration of US$554 million. Under the terms of this financial instrument, the Company also had an option to acquire up to 5% of the shares of Norilsk Nickel from a third party on certain future dates at market prices prevailing on such dates. The Directors estimated that the fair value of this financial instrument at 31 December 2008 was US$nil. The change in fair value is included in "finance expenses" in the consolidated statement of comprehensive income for 2008.

In 2009, UC RUSAL recorded US$163 million of interest expenses on deferred consideration, as compared to US$99 million in 2008. Interest expenses on deferred consideration represents interest payable by the Company to Onexim on certain deferred consideration for the acquisition of shares in Norilsk Nickel acquired in April 2008.

Interest expenses on provisions of US$62 million and US$32 million in 2009 and 2008 respectively, related to interest expenses on defined benefit retirement plans and the unwinding of interest on asset retirement obligations of the Group.

Share of profits/(losses) and impairment of associates and jointly controlled entities

Share of profit and impairment of associates was positive US$1,417 million in 2009 and negative US$3,302 million in 2008. Share of profits (losses) of associates in both periods resulted primarily from the Company's investment in Norilsk Nickel.

Share of profits of jointly controlled entities was positive US$151 million in 2009 and negative US$35 million in 2008. This represents the Company's shares of results and impairment in the Company's joint ventures - BEMO HPP and LLP Bogatyr Komir.

Profit/(loss) before income tax

UC RUSAL made a profit before income tax of US$839 million for the year ended 31 December 2009, as compared to a loss before income tax of US$6,053 million for the year ended 31 December 2008. This was mainly due to the share of profits/(losses) of associates (which increased by US$4,719 million to a profit of US$1,417 million in 2009, as compared to a loss of US$3,302 million in 2008); finance income (which increased by US$1,215 million to US$1,321 million in 2009, compared to US$106 million in 2008); and results from operating activities (which increased by US$63 million to US$1,165 million in 2009, compared to a loss of US$1,228 million in 2008).

Income tax expense

Income tax expenses increased by US$87 million to US$18 million in 2009, as compared to an income tax benefit of US$69 million in 2008.

Current tax expenses decreased by US$305 million, or 77.0%, to US$91 million as at 31 December 2009, compared to US$396 million as at 31 December 2008. The decrease in current tax expenses was primarily due to a loss in operating activities in the individual companies of the Group in 2009.

Deferred tax benefit decreased by US$392 million to US$73 million in 2009 compared to US$465 million in 2008. The decrease in deferred tax benefit was due to the change in origination and reversal of temporary differences by US$281 million and there being no changes in the enacted tax rates in 2009 compared to US$101 million in 2008.

Net profit/(loss) for the year

As a result of the above, UC RUSAL recorded a net profit of US$821 million for the year ended 31 December 2009, as compared to a net loss of US$5,984 million for the year ended 31 December 2008. The net profit uplift of 89% compared to the amount forecast in December 2009 was primarily due to an increase in the share in profits of associates.

Cash operating costs per tonne

As a result of implementing the Cost Efficiency Leader initiative, aluminium cash operating costs have been reduced by 23% or US$444 per tonne (inclusive of exchange rate effects) from an average of US$1,915 per tonne for the year ended 31 December 2008 to an average of US$1,471 per tonne for the year ended 31 December 2009. The principal contributors to this reduction were decreases of US$197 per tonne or 25% in alumina costs, US$105 per tonne or 32% in raw and auxiliary materials costs due to increased efficiency and focus on supply contracts, US$35 per tonne or 9% in energy costs due to a secured electricity supply in Siberia by entering into long term electricity supply contracts, US$21 per tonne or 24% in transportation costs by focusing on optimising the use of rolling stock, US$58 per tonne in repair and pot relining costs, US$29 per tonne in overhead expenses and US$26 per tonne in salaries and social programs. Mothball and other expenses increased by $US28 per tonne.

The Company's alumina cash operating costs have also been decreased by 27% or US$92 per tonne from an average of US$349 per tonne for the year ended 31 December 2008 to an average of US$257 for the year ended 31 December 2009. The principal factors in achieving this reduction were decreases of US$40 per tonne or 32% in power consumption costs by optimising fuel sources and a decline in price for oil products, US$32 per tonne or 20% in raw materials costs due to reduced cash costs at the mines and optimised bauxite mix, US$7 per tonne in shop expenses, US$5 per tonne in changes in work-in-progress, US$4 per tonne in payroll, US$3 per tonne in plant expenses, US$1 per tonne in social programmes, US$0.5 per tonne in commercial expenses.

A substantial portion of the reductions in aluminium and alumina cash operating costs was attributable to mothballing higher cost smelters and refineries during 2009 as well as the introduction of energy-saving technologies. The weakening of the RUR against the US dollar and other currencies also contributed significantly to the reductions.

Assets and liabilities

UC RUSAL's total assets were US$23,886 million as at 31 December 2009 and US$24,005 million as at 31 December 2008. The decrease in total assets from 31 December 2008 to 31 December 2009 mainly resulted from decreases in inventories, cash and cash equivalents and property, plant and equipment. Total liabilities decreased to US$17,554 million as at 31 December 2009 from US$19,517 million as at 31 December 2008. The decrease mainly resulted from the restructuring of the deferred consideration due to Onexim.

Capital expenditure

The Company recorded total investment in development of existing facilities and construction of new assets of US$420 million in 2009. According to the limits specified in its debt restructuring agreement, UC RUSAL's capital expenditure for 2010 is expected to be US$481 million, including US$256 million on the BEMO HPP and US$225 million on maintenance.

Debt restructuring

In December 2009, the Company completed restructuring negotiations with its lenders in order to establish financial stability and to put the necessary arrangements in place to allow the Company to meet its obligations when they fall due as part of ongoing operations. The restructuring arrangements contain a number of terms and conditions, including conditions subsequent. The following summarizes the principal terms of the debt restructuring:

- The Company signed, subject to certain conditions subsequent, an international override agreement with its international lenders implementing a long-term restructuring of the Company's debt to its international lenders which became effective on 7 December 2009, with all conditions precedent having been satisfied by that date. In addition, in November 2009, the Company signed amendments to its bilateral loan agreements with its Russian and Kazakh lenders providing for the long-term restructuring of these loans on similar terms, except in the case of the loan agreement with Vnesheconombank ("VEB"), which was extended until 29 October 2010.

- In addition, on 1 December 2009, the Company entered into an amendment agreement in relation to a stock purchase agreement between the Company, Onexim and certain other parties relating to the acquisition of shares in Norilsk Nickel in order to restructure the outstanding deferred consideration in the amount of US$2,700 million plus accrued interest due to Onexim. In accordance with the amendment agreement, on the date that the international override agreement took effect, part of the Company's obligations to Onexim with nominal value of US$1,820 million were converted into ordinary shares of the Company representing 6% of the Company's share capital post conversion. The remaining US$880 million plus interest will be settled on terms similar to those agreed under the international override agreement. Accrued interest of US$226 million and a restructuring fee of US$49 million have been paid in cash as follows: US$160 million was paid on 7 December 2009 and US$115 million was paid out of the proceeds from the IPO in January 2010.

- No fixed amortisation schedule applies to the Company's loans with its international, Russian and Kazakh lenders and Onexim during the override period (four years from the override date as defined in the international override agreement), with all debt outstanding under the loans with international, Russian and Kazakh lenders and Onexim, except for the VEB loan becoming due at the end of the override period. As there is no fixed amortisation schedule for the debt, the debt repayment is based on a cash sweep mechanism, which is designed to structure the repayment of the debt based on the Company's financial performance and is subject to minimum debt reduction covenants.

- The debt restructuring agreements provide for the acceleration of debt repayment if a person other than Mr. Oleg V. Deripaska acquires effective control of the Company.

- The debt restructuring agreements contain certain targets and financial covenants which, if not met, could result in acceleration of the Company's debt repayment or require the Company to dispose of certain assets, including the compulsory disposal of shares in Norilsk Nickel.

Debt restructuring terms provide the Company with greater time and flexibility to meet debt obligations as the aluminium prices recover. The terms link debt repayment to the ability to generate excess operating cash flow, allow for payment-in-kind interest and interest rate margin decreases with an improving debt / EBITDA ratio. A substantial portion of the Onexim liability has been converted to equity.

(US$, billion)	**Pre-restructuring**[15]	**As at 31 December 2009**[16]	**Pro-forma for repayment of IPO proceeds**
International lenders	7.3	6.5	5.0
Russian lenders	2.1	2.1	1.8
Onexim	0.9	0.8	0.7
Onexim liability converted to equity	1.8	—	—
VEB	4.5	4.5	4.5
Total	**16.6**	**13.9**	**12.0**

Spending on BEMO Project and Taishet aluminium smelter[17]

UC RUSAL's proportion of capital expenditure on the BEMO Project is 50%, with total 100% capital expenditure for the BEMO HPP currently estimated at US$1,450 million, excluding VAT, of which US$921 million had been spent as of 31 December 2009. The capital expenditure for the Boguchansky Aluminium Smelter is currently estimated at approximately US$1,434 million, excluding VAT, of which approximately US$278 million, excluding VAT, had been incurred as of 31 December 2009.

15 Does not include US$0.2bn of contingent liabilities under payment instruments, including, without limitation, undrawn letters of credit. Does not include fair value adjustments - excludes BEMO project.

16 Does not include US$0.2bn of contingent liabilities under payment instruments, including, without limitation, undrawn letters of credit. Includes fair value adjustments - excludes BEMO project.

17 The Capex figures are based on the Company management accounts, and differ from the IFRS figures as they do not include VAT and the management account figures are the latest best estimate of the capital costs required to complete the project (on 100% basis).

The total capital expenditure for the Taishet smelter (excluding construction of the anode plant) is currently estimated at approximately US$1,987 million, excluding VAT, of which US$518 million, excluding VAT, had been spent as of 31 December 2009. Construction of the smelter has been temporarily suspended.

Half year results from 1 July 2009 to 31 December 2009

The Company recorded a 17% increase in revenue to US$4,408 million in the second half of 2009 compared to US$3,757 million in the first half of the year due to an increase in aluminium prices as the result of market stabilisation. The average aluminium price[18] increased from US$1,459 per tonne in the first half of 2009 to US$1,935 per tonne in the second half of 2009. Cost of sales decreased by 5% from US$3,449 million in the first half of 2009 to US$3,261 million in the second half of 2009. The Company returned to strong profitability in the second half of 2009 with US$1,147 million in gross profit, an increase of 272% from US$308 million in the first half of 2009. Adjusted EBITDA increased from negative US$144 million in the first half of 2009 to positive US$740 million in the second half of 2009.

Selected data *(US$ million)*	**IIH2009**	**IH2009**	**Change, year-on-year (%)**
Revenue	4,408	3,757	17%
Cost of sales	(3,261)	(3,449)	(5%)
Gross profit	1,147	308	272%
Adjusted EBITDA	**740**	**(144)**	**—**

Events subsequent to the end of the financial year

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.

The Company raised approximately US$2,236 million from the listings of which US$2,143 million has been used to repay principal debt owed by the Company to its international and Russian lenders (excluding VEB) as well as principal debt and accrued interest to Onexim. In addition, UC RUSAL has paid fees to its international lenders in connection with the debt restructuring.

18 Represents the average of the daily closing official LME prices for each period.

As a result of the debt repayments, UC RUSAL's total outstanding debt including debt owing to Onexim was reduced to US$12.9 billion as at 1 February 2010 (by 13% compared to 31 December 2009). These debt repayments to the Company's international and Russian lenders exceed the debt repayment target until the end of 2010. These repayments allowed the Company to make progress towards meeting its next debt repayment targets ahead of schedule, with US$3.3 billion remaining to be repaid to lenders for the Company to meet the target due by the end of 2013. The Company is ahead of its 2010 target cumulative payments of US$1.4 billion, and the event of default cumulative amounts of US$0.75 billion and is close to its event of default cumulative amounts for 2011 of US$2 billion.

The Company will explore refinancing options via a potential bond issue in the near future.

Outlook for 2010

A number of experts are forecasting that 2010 will see considerable growth of the aluminium market generated by rising demand from the construction and transport sectors, which account for about half of the global aluminium consumption. CRU Group analysts expect aluminium consumption to grow by 12.6% in 2010 as compared to 2009. Positive dynamics are expected to be driven primarily by continued economic development in China and India due to growing urbanisation. The Company expects aluminium consumption growth in Russia of 26% in 2010. Demand for aluminium is also expected to be supported by the major developed countries as the global economy revives. The Company expects aluminium prices to remain above the US$2,000 per tonne throughout 2010 supported by improving demand fundamentals.

Assuming the gradual restoration of the market in 2010, UC RUSAL plans to increase production of aluminium by 3% in 2010, compared to 2009. The increase is expected to include an increase in production at the Siberian plants, KUBAL (Sweden) and potline 5 at the Irkutsk Aluminium Smelter in Russia reaching its full production capacity. In 2010, the Company also intends to increase sales of alloys and value-added products from 46% (including 18% of alloys) in 2009 to 60% (including 35% of alloys) in 2010.

On the basis of the same assumptions, UC RUSAL expects to increase alumina output by 11% in 2010 compared to 2009, by stabilising alumina production at the Achinsk Alumina Refinery, Bogoslovsk and Urals Aluminium Smelters, as well as restoring production at the Boksitogorsk Alumina Refinery in Russia, Windalco (Ewarton) Alumina Refinery in Jamaica, the Aughinish Alumina Refinery in Ireland, the Friguia Refinery in Guinea, the Queensland Refinery in Australia and the Nikolaev Refinery in the Ukraine.

Cash operating costs remain the key factor determining competitiveness of a company in the aluminium sector. UC RUSAL will continue its Cost Efficiency Leader initiative to further improve the Company's effectiveness and optimise the cost structure to cut costs. The Company will continue focusing on efficiency improvements by optimisation of raw materials supply, power consumption, logistics, reduction in overheads and roll-out of UC RUSAL's operational systems, as well as steady deleveraging through operating cash flows.

The Company plans to increase aluminium production by around 100,000 tonnes and alumina production by around 800,000 tonnes in 2010 by restarting mothballed capacity. In 2010, the Company plans to increase production where appropriate by 1,108 Kt, while reducing production by 268 Kt at other plants, namely Alpart-147Kt, Zalk-29 Kt and Eurallumina-92Kt. The Company has made a decision to put the Windalco (Ewarton) Alumina Refinery in Jamaica on stream with total capacity of 650,000 tonnes.

Aluminium smelters	**2010F / 2009 (Kt)**	**2010F / 2009 (%)**
Kubal (Sweden)	+46	+65%
IrkAZ (Siberia, Russia)	+45	+13%
NkAZ (Siberia, Russia)	+28	+12%
KrAZ (Siberia, Russia)	+27	+3%

Alumina refineries	**2010F / 2009 (Kt)**	**2010F / 2009 (%)**
Aughinish (Ireland)	+605	+49%
Windalco (Jamaica)	+144	+94%
Friguia (Guinea)	+120	+23%
AGK (Russia)	+138	+15%
BAZ (Russia)	+56	+6%
BGZ (Russia)	+15	+12%
UAZ (Russia)	+13	+2%
QAL (Australia)	+12	+2%
NGZ (Ukraine)	+5	+0%

Source: Unaudited Company data. Plants with the largest contribution to the production growth.

In the long run, the Company expects to pursue a number of growth options, including the completion of the Taishet and Boguchansky aluminium smelters in Russia with maximum capacity of 750 kilotonnes per annum and 588 kilotonnes per annum respectively. The Company will continue implementing its core investment project - the construction of the Boguchanskaya Hydro Power Plant ("BEMO HPP") in Russia which will assist the Company to maintain an abundant hydro-power source for its smelters in Siberia. The 3GW BEMO HPP construction is on track to produce its first electricity by the end of 2010.

The remaining capital expenditure[19] required for the BEMO HPP are currently estimated at approximately US$529 million, US$1,156 million for the Boguchansky Aluminium Smelter and US$1,469 million for the Taishet Aluminium Smelter. UC RUSAL will continue to explore project finance options for the BEMO HPP and / or the Taishet smelter.

Consolidated Financial Statements

The following information was extracted from the audited consolidated financial statements of the Company for the year ended 31 December 2009 which were approved by the Directors of the Company on 9 April 2010.

Consolidated Statement of Financial Position

	As at 31 December		**Change**
	2009	**2008**	**year-on-year**
	US$ million	*US$ million*	*(%)*
Non-current assets			
Property, plant and equipment	6,088	6,602	(8%)
Intangible assets	4,112	4,187	(2%)
Interests in associates	8,968	7,536	19%
Interests in jointly controlled entities	778	506	54%
Financial investments	54	—	—
Deferred tax assets	144	59	144%
Other non-current assets	118	43	174%
Total non-current assets	**20,262**	**18,933**	**7%**
Current assets			
Inventories	2,150	2,938	(27%)
Trade and other receivables (note 5)	1,238	1,426	(13%)
Cash and cash equivalents	236	708	(67%)
Total current assets	3,624	5,072	(29%)
Total assets	**23,886**	**24,005**	**(0.5%)**

19 The Capex figures are based on the Company management accounts, and differ from the IFRS figures as they do not include VAT and the management account figures are the latest best estimate of the capital costs required to complete the project (on 100% basis).

	As at 31 December 2009 US$ million	2008 US$ million	Change year-on-year (%)
Equity and liabilities			
Equity			
Share capital	—	—	—
Share premium	13,641	12,517	9%
Other reserves	3,081	2,912	6%
Currency translation reserve	(3,527)	(3,257)	8%
Accumulated losses	(6,863)	(7,684)	(11%)
Total equity attributable to shareholders of the Company	**6,332**	**4,488**	**41%**
Non-controlling interests	—	—	—
Total equity	**6,332**	**4,488**	**41%**
Non-current liabilities			
Loans and borrowings	11,117	—	—
Provisions	385	393	(2%)
Deferred tax liabilities	512	509	1%
Derivative financial liabilities	510		—
Other non-current liabilities	62	27	130%
Total non-current liabilities	**12,586**	**929**	**1,255%**
Current liabilities			
Loans and borrowings	2,752	13,971	(80%)
Income tax payable	44	48	(8%)
Trade and other payables (note 4)	1,911	1,618	18%
Deferred consideration	—	2,782	—
Derivative financial liabilities	60		—
Provisions	201	169	19%
Total current liabilities	**4,968**	**18,588**	**(73%)**
Total liabilities	**17,554**	**19,517**	**(10%)**
Total equity and liabilities	**23,886**	**24,005**	**(0%)**
Net current liabilities	**(1,344)**	**(13,516)**	**(90%)**
Total assets less current liabilities	**18,918**	**5,417**	**249%**

Consolidated Statement of Income

	As at 31 December 2009 *US$ million*	As at 31 December 2008 *US$ million*	Change year-on-year *(%)*
Revenue (note 2)	8,165	15,685	(48%)
Cost of sales	(6,710)	(11,073)	(39%)
Gross profit	**1,455**	**4,612**	**(68%)**
Distribution expenses	(566)	(798)	(29%)
Administrative expenses	(713)	(1,103)	(35%)
Loss on disposal of property, plant and equipment	(5)	(56)	(91%)
Impairment of non-current assets	(68)	(3,668)	(98%)
Other operating expenses	(166)	(215)	(23%)
Results from operating activities	**(63)**	**(1,228)**	**(95%)**
Finance income	1,321	106	1,146%
Finance expenses	(1,987)	(1,594)	25%
Share of profits/(losses) and impairment of associates	1,417	(3,302)	—
Share of profits/(losses) and impairment of jointly controlled entities	151	(35)	—
Profit/(loss) before taxation	**839**	**(6,053)**	**—**
Income tax (note 6)	(18)	69	—
Net profit/(loss) for the year	**821**	**(5,984)**	**—**
Attributable to:			
Shareholders of the Company	821	(5,952)	—
Non-controlling interests	—	(32)	—
Net profit/(loss) for the year	**821**	**(5,984)**	**—**
Earnings/(loss) per share (note 8)			
Basic and diluted earnings/(loss) per share (US$)	**0.06**	**(0.49)**	**—**

Consolidated Statement of Comprehensive Income

	Year ended 31 December	
	2009	**2008**
	US$ million	*US$ million*
Net profit / (loss) for the year	**821**	**(5,984)**
Other comprehensive income / (loss)		
Actuarial gains/(losses) on post retirement benefit plans	29	(25)
Share of other comprehensive income of associate	130	—
Foreign currency translation differences for foreign operations	(270)	(3,623)
	(111)	**(3,648)**
Total comprehensive income / (loss) for the year	**710**	**(9,632)**
Attributable to:		
Shareholders of the Company	710	(9,600)
Non-controlling interests	—	(32)
Total comprehensive income / (loss) for the year	**710**	**(9,632)**

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

Condensed consolidated Statement of Cash Flows

	Year ended 31 December 2009 *US$ million*	2008 *US$ million*	Change year-on-year *(%)*
Cash generated from operations before interest and income taxes paid	1,333	4,010	(67%)
Net cash generated from operating activities	321	3,043	(89%)
Net cash used in investing activities	(301)	(5,828)	(95%)
Net cash (used in)/generated from financing activities	(486)	3,250	—
Cash and cash equivalents at the end of year/period	215	685	(69%)
Net financial debt[20]	13,633	13,263	3%

[20] Net financial debt is calculated as loans and borrowings less any cash and cash equivalents as at the end of the year.

NOTES TO THE FINANCIAL STATEMENTS

1 **Basis of preparation**

(a) ***Statement of compliance***

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which collective term includes all International Accounting Standards and related interpretations, promulgated by the International Accounting Standards Board ("IASB").

The IASB has issued a number of new and revised IFRSs. For the purpose of preparing the consolidated financial statements, the Group has adopted all these new and revised IFRSs, except for any new standards or interpretations that are not yet effective as at 31 December 2009. The revised and new accounting standards and interpretations issued but not yet effective for the accounting year beginning on 1 January 2010 are set out in the notes to the consolidated financial statements.

The consolidated financial statements also comply with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

(b) ***Basis of measurement***

The consolidated financial statements have been prepared in accordance with the historical cost basis except as set out in the significant accounting policies of the consolidated financial statement.

(c) ***Functional and presentation currency***

The Company's functional currency is the United States dollar ("USD") because it reflects the economic substance of the underlying events and circumstances of the Company. The functional currencies of the Group's significant subsidiaries are the currencies of the primary economic environment and key business processes of these subsidiaries and include the USD, Russian Roubles ("RUR"), Ukrainian Hryvna and Euros ("EUR"). The consolidated financial statements are presented in USD, rounded to the nearest million, except as otherwise stated herein.

(d) ***Use of judgements, estimates and assumptions***

The preparation of consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the consolidated financial statements and the reported revenue and costs during relevant period.

Management bases its judgements and estimates on historical experience and various other factors that are believed to be appropriate and reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2 Revenue

	Year ended 31 December	
	2009	**2008**
	US$ million	*US$ million*
Sales of primary aluminium and alloys	**6,770**	**12,057**
Third parties	4,104	10,118
Related parties — companies capable of exerting significant influence	*2,486*	*1,607*
Related parties — companies under common control	*180*	*332*
Sales of alumina	**410**	**1,948**
Third parties	*237*	*1,232*
Related parties — companies capable of exerting significant influence	*173*	*716*
Sales of foil	**243**	**271**
Third parties	*239*	*263*
Related parties — companies under common control	*4*	*8*
Other revenue including chemicals and energy	**742**	**1,409**
Third parties	*540*	*1,146*
Related parties — companies capable of exerting significant influence	*11*	*11*
Related parties — companies under common control	*26*	*14*
Related parties — associates	*165*	*238*
	8,165	**15,685**

3 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 aluminium 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*

Year ended 31 December 2009

US$ million	**Aluminium** *US$ million*	**Alumina** *US$ million*	**Energy** *US$ million*	**Mining and Metals** *US$ million*	**Other operations** *US$ million*	**Total** *US$ million*
Revenue from external customers	7,127	741	149	—	148	8,165
Inter-segment revenue	163	1,190	—	—	291	1,644
Total segment revenue	**7,290**	**1,931**	**149**	**—**	**439**	**9,809**
Segment profit/(loss)	**268**	**(185)**	**29**	**1,437**	**(31)**	**1,518**
Impairment of non-current assets	(20)	(46)	—	—	(2)	**(68)**
Share of losses of associates	—	(20)	—	—	—	**(20)**
Share of profits of jointly controlled entities	—	—	151	—	—	**151**
Depreciation/amortisation	(450)	(116)	(10)	—	(10)	**(586)**
Non-cash income/(expense) other than depreciation	114	39	—	(4)	8	**157**
Additions to non-current segment assets during the year	164	62	8	—	10	**244**
Segment assets	11,381	2,509	204	—	382	14,476
Interests in associates	—	401	—	8,557	10	8,968
Interests in jointly controlled entities	—	—	778	—	—	778
Total assets						**24,222**
Segment liabilities	(2,919)	(528)	(19)	—	(191)	(3,657)
Total liabilities						**(3,657)**

Year ended 31 December 2008

US$ million	**Aluminium** *US$ million*	**Alumina** *US$ million*	**Energy** *US$ million*	**Mining and Metals** *US$ million*	**Other operations** *US$ million*	**Total** *US$ million*
Revenue from external customers	12,497	2,511	372	—	305	15,685
Inter-segment revenue	325	3,804	3	—	500	4,632
Total segment revenue	**12,822**	**6,315**	**375**	**—**	**805**	**20,317**
Segment profit/(loss)	**1,068**	**1,407**	**74**	**(3,290)**	**25**	**(716)**
Impairment of non-current assets	(934)	(2,734)	—	—	—	**(3,688)**
Share of losses of associates	—	(12)	—	—	—	**(12)**
Share of losses of jointly controlled entities	—	—	(35)	—	—	**(35)**
Depreciation/amortisation	(490)	(521)	(4)	—	(15)	**(1,030)**
Non-cash expenses other than depreciation	(313)	(172)	—	—	(21)	**(506)**
Additions to non-current segment assets during the year	1,104	238	6	—	26	**1,374**
Segment assets	13,615	4,373	50	—	470	18,508
Interests in associates	—	369	—	7,158	9	7,536
Interests in jointly controlled entities	—	—	506	—	—	506
Total assets						**26,550**
Segment liabilities	(3,099)	(1,565)	(16)	—	(199)	(4,879)
Total liabilities						**(4,879)**

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

	For the year ended 31 December	
	2009	**2008**
	US$ million	*US$ million*
Revenue		
Reportable segment revenue	9,809	20,317
Elimination of inter-segment revenue	(1,644)	(4,632)
Consolidated revenue	**8,165**	**15,685**

	For the year ended 31 December	
	2009	**2008**
	US$ million	*US$ million*
Profit/(loss)		
Reportable segment profit/(loss)	1,518	(716)
Impairment of non-current assets	(68)	(3,668)
Share of losses of associates	(20)	(12)
Share of profits/(losses) of jointly controlled entities	151	(35)
Finance income	1,321	106
Finance expenses	(1,987)	(1,594)
Unallocated expenses	(76)	(134)
Consolidated profit/(loss) before taxation	**839**	**(6,053)**

	31 December 2009	**31 December 2008**
	US$ million	*US$ million*
Assets		
Reportable segment assets	24,222	26,550
Elimination of inter-segment receivables	(530)	(2,627)
Unallocated assets	194	82
Consolidated total assets	**23,886**	**24,005**

	31 December 2009	**31 December 2008**
	US$ million	*US$ million*
Liabilities		
Reportable segment liabilities	(3,657)	(4,879)
Elimination of inter-segment payables	530	2,627
Unallocated liabilities	(14,427)	(17,265)
Consolidated total liabilities	**(17,554)**	**(19,517)**

(iii) *Geographic information*

The Group's operating segments are managed on a worldwide basis, but operate in four principal geographical areas: the CIS, Europe, Africa and the Americas. In the CIS, production facilities operate in Russia and Ukraine. In Europe, production facilities are located in Italy, Ireland and Sweden. African production facilities are represented by the bauxite mines and an alumina refinery in Guinea and an aluminium plant under construction in Nigeria. In the Americas the Group operates two production facilities in Jamaica, one in Guyana and a trading subsidiary in the United States of America.

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, intangible assets and interests in associates and jointly controlled entities ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the asset. Unallocated specified non-current assets comprise mainly goodwill and interests in associates and jointly controlled entities.

	Revenue from external customers Year ended 31 December	
	2009	**2008**
	US$ million	*US$ million*
Netherlands	1,906	1,878
Russia	1,469	3,366
USA	739	1,523
China	516	397
South Korea	507	1,117
Turkey	467	1,204
Japan	413	1,275
Norway	361	854
United Kingdom	250	399
Sweden	172	334
Italy	171	242
Germany	118	271
Greece	102	297
Canada	12	242
Other countries	962	2,286
	8,165	**15,685**

	Specified non-current assets	
	At 31 December 2009	At 31 December 2008
	US$million	*US$million*
Russia	4,956	5,512
Sweden	141	131
Ireland	302	315
Ukraine	241	237
Guinea	225	238
Guyana	29	31
Unallocated	14,368	12,469
	20,262	**18,933**

4 Trade and other payables

	31 December 2009	31 December 2008
	US$ million	*US$ million*
Accounts payable to third parties	**717**	**798**
Accounts payable to related parties, including:	**203**	**201**
Related parties — companies capable of exerting significant influence	*76*	*87*
Related parties — companies under common control	*115*	*113*
Related parties — associates	*12*	*1*
Advances received	**168**	**156**
Advances received from related parties, including:	**485**	**157**
Related parties — companies capable of exerting significant influence	*429*	*55*
Related parties — companies under common control	*55*	*98*
Related parties — associates	*1*	*4*
Other payables and accrued liabilities	**189**	**158**
Other payable and accrued liabilities related parties, including:	**47**	**16**
Related parties — companies capable of exerting significant influence	*31*	
Related parties — companies under common control	*12*	
Related parties — associates	*4*	*16*
Other taxes payable	**98**	**129**
Non-trade payables to third parties	**4**	**3**
	1,911	**1,618**

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

	31 December 2009 *US$ million*	31 December 2008 *US$ million*
Due within twelve months or on demand	920	999

5 **Trade and other receivables**

	31 December 2009 *US$ million*	31 December 2008 *US$ million*
Trade receivables from third parties	203	274
Impairment loss on trade receivables	(44)	(26)
Net trade receivables from third parties	**159**	**248**
Trade receivables from related parties, including:	**67**	**113**
Companies capable of exerting significant influence	*53*	*47*
Impairment loss	*(11)*	*(9)*
Net trade receivables from companies capable of exerting significant influence	*42*	*38*
Companies under common control	*20*	*65*
Impairment loss	*(1)*	—
Net trade receivables from entities under common control	*19*	*65*
Related parties — associates	*6*	*10*
VAT recoverable	617	572
Impairment loss on VAT recoverable	(54)	(3)
Net VAT recoverable	**563**	**569**
Advances paid to third parties	**118**	**115**
Advances paid to related parties, including:	**59**	**57**
Related parties — companies capable of exerting significant influence	—	*3*
Related parties — companies under common control	*1*	—
Related parties — associates	*58*	*54*
Prepaid expenses	**48**	**43**
Prepaid income tax	**15**	**60**
Prepaid other taxes	**37**	**37**
Other receivables from third parties	117	125
Impairment loss on other receivables	(19)	—
Net other receivables from third parties	**98**	**125**
Other receivables from related parties, including:	**74**	**59**
Related parties — companies capable of exerting significant influence	*3*	—
Related parties — companies under common control	*13*	*2*
Related parties — associates	*58*	*57*
	1,238	**1,426**

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 balance sheet dates:

	31 December 2009 *US$ million*	31 December 2008 *US$ million*
Current	205	231
Past due 0-90 days	7	109
Past due 91-365 days	10	19
Past due over 365 days	4	2
Amounts past due	21	130
	226	**361**

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 was 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.

Impairment of trade receivables

Impairment losses in respect of trade receivables are recorded using an allowance account 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 year, including both specific and collective loss components, is as follows:

	Year ended 31 December 2009 *US$ million*	Year ended 31 December 2008 *US$ million*
Balance at the beginning of the year	(35)	(37)
Impairment loss recognised	(21)	(117)
Uncollectible amounts written off	—	119
Balance at the end of the year	**(56)**	**(35)**

As at 31 December 2009 and 31 December 2008, the Group's trade receivables of US$56 million and US$35 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.

6 Income tax

	Year ended 31 December	
	2009	**2008**
	US$ million	*US$ million*
Current tax - overseas		
Current tax for the year	82	410
Under/(over)-provision in respect of prior years	9	(14)
Deferred tax		
Origination and reversal of temporary differences	(73)	(364)
Changes in enacted tax rates	—	(101)
Actual tax expense/(benefit)	**18**	**(69)**

Pursuant to the rules and regulations of Jersey, the Company is not subject to any income tax in Jersey. In addition, no income tax is payable in Hong Kong as none of the Company's income arises in or is derived from Hong Kong sources. The Company's applicable tax rate is 0%. 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 the corporate income tax rates of 20% (31 December 2008 — 24%); in Ukraine of 25% (31 December 2008 — 25%); Guinea of 0% (31 December 2008 — 0%); China of 25% (31 December 2008 — 25%); Kazakhstan of 20% (31 December 2008 — 30%); Australia of 31.3% (31 December 2008 — 31.3%); Jamaica of 33.3% (31 December 2008 — 33.3%); Ireland of 10% (31 December 2008 — 10 %); Sweden of 26.3% (31 December 2008 — 28%) and Italy of 37.25% (31 December 2008 — 37.25%). For a number of the Group's holding subsidiaries domiciled in Cyprus the applicable tax rate is 10% (31 December 2008 — 10%). The same rates were used in measuring deferred taxes except for Russia, Kazakhstan and Sweden. For the Group's significant trading companies the applicable tax rate is 0% (31 December 2008 — 0%).

During the year ended 31 December 2008, the Russian, Kazakh and Swedish governments enacted a change in the national income tax rates from 24% to 20%, from 30% to 20% and from 28% to 26.3% respectively. The new tax rates are applicable for financial year starting 1 January 2009 and deferred taxes at 31 December 2008 for Russian, Kazakh and Swedish entities were measured using these rates. For subsidiaries in other jurisdictions tax rates remained the same as for years 2008 and 2009.

	Year ended 31 December			
	2009		2008	
	US$ million	%	*US$ million*	%
Profit/(loss) before taxation	839	100%	(6,053)	100%
Income tax at applicable tax rates	168	20%	(1,453)	24%
Non-deductible expenses	17	2%	92	(2%)
Effect of unrecognised deferred tax assets	141	17%	552	(9%)
(Over)/under-provision in respect of prior years	9	1%	(14)	0%
Effect from changes in enacted tax rates	—	—	(101)	2%
Effect of different income tax rates	(317)	(38%)	855	(14%)
Actual tax expense/(benefit)	**18**	**2%**	**(69)**	**1%**

7 Dividends

During the year ended 31 December 2009 and 2008, the Company declared and paid dividends in the amount of nil and US$2,099 million, respectively. Future dividends payouts are restricted in accordance with the debt restructuring agreements.

The Directors consider that the dividend payments made during 2008 are not indicative of the future dividend policy of the Company.

8 Earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit/(loss) attributable to ordinary equity shareholders of the Company and the weighted average number of shares in issue during the years ended 31 December 2009 and 2008. On 24 December 2009, the Company undertook a share split of 1:100. Immediately prior to the Global Offering the Company issued 13,498,763,000 shares to its existing shareholders as a capitalisation share issue. Accordingly, earnings/(loss) per share of all years presented have been retrospectively adjusted to give the effect of the share split and bonus share issue.

Weighted average number of ordinary shares:

	Year ended 31 December 2009	2008
Issued ordinary shares at beginning of the year	11,628	10,000
Effect of share issuance	49	1,116
Effect of share subdivision	1,156,023	1,100,484
Effect of capitalisation issue	12,743,110,100	12,130,890,800
Weighted average number of ordinary shares at the end of the year	**12,744,277,800**	**12,132,002,400**
Net profit/(loss) for the year (US$ million)	**821**	**(5,952)**
Earnings/(loss) per share (US$)	**0.06**	**(0.49)**

	Year ended 31 December 2009	2008
Effect of warrants issuance	8,966,377	—
Weighted average number of ordinary shares at the end of the year adjusted for warrants issuance	12,753,244,177	12,132,002,800
Diluted earnings / (loss) per share (US$)	**0.06**	**(0.49)**

Purchase, sale or redemption of the Company's listed securities

As shares and GDSs of the Company were listed on the Hong Kong Stock Exchange and Euronext Paris on 27 January 2010, after the financial year ended 31 December 2009, there has been no purchase, sale or redemption of the Company's listed securities during 2009 by the Company and any of its subsidiaries.

Code of Corporate Governance Practice

The Company adopted a Corporate Code of Ethics on 7 February 2005. Based on the recommendations of the European Bank for Reconstruction and Development and the International Finance Corporation, the Company further amended the Corporate Code of Ethics in July 2007. The Corporate Code of Ethics sets out the Company's values and principles for many of its areas of operations.

Although the Company has not yet formally adopted the Code on Corporate Governance Practices as set out in Appendix 14 to the Hong Kong Listing Rules ("CG Code"), the Directors consider that the Company has complied with the code provisions of the CG Code during the period commencing 27 January 2010 and ending on the date of this announcement. The Company was not listed during the year ended 31 December 2009.

Paragraph A.4.1 of the CG Code provides that non-executive Directors should be appointed for a specific term, subject to re-election. Paragraph A.4.2 of the Code provides that every Director, including those appointed for a specific term, should be subject to retirement by rotation at least every three years. Each of the non-executive Directors signed an appointment letter with the Company with no fixed term agreed. However, the Company has substantially addressed these requirements by enshrining a term in its Articles of Association. Article 24.2 of the Articles of Association provides that if any Director has at the start of the annual general meeting been in office for three years or more since his last appointment or re-appointment, he shall retire at the annual general meeting. As such, it is possible that a Director may be in office for more than three years depending upon the timing for calling the annual general meeting.

Audit committee

The Board has established an audit committee to assist the Board in providing an independent view of the effectiveness of the Company's financial reporting process, internal control and risk management systems and to oversee the audit process. The audit committee consists of a majority of independent non-executive Directors. They are as follows: three independent non-executive Directors, being Dr. Nigel Kenny (Chairman), Mr. Philip Lader, Ms. Elsie Leung and two non-executive Directors, Mr. Alexander Popov and Mr. Dimitry Razumov.

The audit committee has reviewed the financial results of the Company for the year ended 31 December 2009.

Forward-looking statements

This announcement contains statements about future events, projections, forecasts and expectations that are forward-looking statements. Any statement in this announcement that is not a statement of historical fact is a forward-looking statement that involves known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These risk and uncertainties include those discussed or identified in the prospectus for UC RUSAL. In addition, past performance of UC RUSAL cannot be relied on as a guide to future performance. UC RUSAL makes no representation on the accuracy and completeness of any of the forward-looking statements, and, except as may be required by applicable law, assumes no obligations to supplement, amend, update or revise any such statements or any opinion expressed to reflect actual results, changes in assumptions or in UC RUSAL's expectations, or changes in factors affecting these statements. Accordingly, any reliance you place on such forward-looking statements will be at your sole risk.

By Order of the board of directors of
United Company RUSAL Plc
Tatiana Soina
Director

9 April 2010

As at the date of this announcement, our executive directors are Mr. Oleg Deripaska, Mr. Vladislav Soloviev, Mr. Petr Sinshinov, and Ms. Tatiana Soina, our non-executive directors are Mr. Victor Vekselberg (Chairman), Mr. Dmitry Afanasiev, Mr. Len Blavatnik, Mr. Ivan Glasenberg, Mr. Vladimir Kiryukhin, Mr. Alexander Popov, Mr. Dmitry Razumov, Mr. Jivko Savov, Mr. Igor Ermilinv and Mr. Anatoly Tikhonov, and our independent non-executive directors are Mr. Peter Nigel Kenny, Mr. Philip Lader, Mr Barry Cheung Chun-Yuen and Ms. Elsie Leung Oi-sie.

All announcements and press releases published by United Company RUSAL Plc are available on its website under the links http://www.rusal.ru/en/stock_fillings.aspx and http://www.rusal.ru/en/press-center.aspx, respectively.