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RUSAL

UNITED COMPANY RUSAL PLC

(Incorporated under the laws of Jersey with limited liability)
(Stock Code: 486)

RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010

This announcement is made by United Company RUSAL Plc ("UC RUSAL" or the "Company") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and applicable French laws and regulations.

Key highlights

- Net profit of USD1,420 million for the nine months ended 30 September 2010 compared to net loss of USD826 million for the nine months ended 30 September 2009.
- Revenue increased by 36.6% to USD8,029 million for the nine months ended 30 September 2010 as compared to USD5,876 million for the nine months ended 30 September 2009 due to higher aluminium prices.
- Gain from operating activities of USD1,467 million in the nine months ended 30 September 2010, as compared to a loss from operating activities of USD161 million in the nine months ended 30 September 2009, representing operating margins of 18.3% and negative 2.7%, respectively.
- Total aluminium output amounted to 3,034 thousand tonnes for the nine months ended 30 September 2010, an increase of 3% as compared to the nine months ended 30 September 2009.
- Alumina output totaled 5,758 thousand tonnes for the nine months ended 30 September 2010, an increase of 7% as compared to the nine months ended 30 September 2009.

- Bauxite production totaled 8.7 million tonnes for the nine months ended 30 September 2010 and decreased by 1% as compared to the nine months ended 30 September 2009.

- Aluminium foil and packaging production volume increased by 22% to 60.2 thousand tonnes for the nine months ended 30 September 2010 compared to 49.3 thousand tonnes for the nine months ended 30 September 2009.

- Investments[1] in development of existing facilities and construction of new assets amounted to USD623 million.

- Adjusted EBITDA increased to USD1,889 million for the nine months ended 30 September 2010 compared to USD328 million for the same period in 2009.

- The refinancing of VEB debt with a new USD4.58 billion credit facility from Sberbank - the final step in the restructuring of the loan portfolio. The new loan, which has an interest rate of LIBOR +5%, matures on 7 December 2013 and may be renewed for a further one and a half years.

- With effect from 10 September 2010, the interest margin payable by the Company on its debt owed to international lenders has decreased from 5.5% to 4.5% as the Total Net Debt to Covenant EBITDA ratio has dropped. The interest margin has reduced by 36% as compared to the December 2009 margin of 7%.

- In the third quarter of 2010, the Company has made debt repayments in the amount of USD309 million to its lenders (other than VEB) using dividends received by the Company from Norilsk Nickel.

- In compliance with its obligations under the International Override Agreement, as at 30 September 2010 the Company had reduced the Total Net Debt (excluding VEB and Onexim) by USD2.4 billion. As a result, the Company is ahead of its 2010 debt reduction targets by 73%. In addition, the Company´s debt reduction targets for 2011 have already been met by 81%.

- The Supervisory Board of VEB has approved the offering to the Company of a financing package amounting to RUR50 billion (about USD1.7 billion) for UC RUSAL and RusHydro to complete the construction of the Boguchanskoye Energy and Metals Complex.

- Market value of the Company’s investment in Norilsk Nickel as at end of September 2010 increased by 21.1% as compared to the value of that investment at the end of 2009. As of 30 September 2010, the market capitalisation of the investment exceeded USD8.1 billion[2].

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

[2] Source: RTS (Russian Trading System) closing price for the last trading day of the period.

STATEMENT FROM THE CEO

We have consolidated our success in reducing costs and improving production efficiency, which has allowed us, in spite of the rising costs of raw materials and energy, to achieve one of the most competitive production costs within the aluminium industry. This enabled us to meet the growing demand for aluminium by continuing to increase production volumes at existing facilities, as well as at the modernized Irkutsk aluminium smelter, where new modern highly efficient equipment was launched. Our aluminium production output grew by more than 78,000 tonnes over the period.

These much improved results show that UC RUSAL has entered a new growth phase. UC RUSAL's strong financial position creates a solid platform for the Company's further development. EBITDA substantially increased over the first nine months of 2010, which in June and then in September led to a reduction in the interest rates on international loans from 7% to 4.5%. The group is well ahead of its debt repayment targets and has successfully completed its comprehensive programme to restructure its loan portfolio. The final step in this process was the refinancing of the USD4.58 billion VEB loan with a new credit facility from Sberbank, which matures in December 2013. The original loan was drawn in 2008 for the acquisition of a 25% stake in Norilsk Nickel, which remains a strategic investment for UC RUSAL. The market value of our investment in Norilsk Nickel remains significantly undervalued. We believe that the market capitalisation of Norilsk Nickel can easily double and, as one of the key shareholders of Norilsk Nickel, we will continue to advance the positive agenda for change that will enhance value for all shareholders.

Several factors point to encouraging prospects for the aluminium market: the revival of the domestic market, increased economic activity in Germany, South America and Asia, spot premiums reaching an all-time high, partly due to China becoming a net importer of aluminium, as well as the projected reduction in inventories by less than 4-5% by the end of the year. Our action plan aimed at supporting Russian manufacturers of aluminium-consuming products has enabled us to increase sales in Russia by almost 50%. The letter of intent we have signed with China North Industries Corporation (NORINCO) to create a joint sales subsidiary in China and the offering of project finance approved by the Supervisory Board of VEB for the completion of the Boguchanskoye Energy and Metals Complex, a key growth project for the Company, further strengthen UC RUSAL's leading position in improving market conditions.

Oleg Deripaska
CEO

12 November 2010

Key selected data	Nine months ended 30 September (unaudited) 2010	2009	Change year-on-year (%)
Aluminium and alumina price information			
(USD per tonne)			
Aluminium price per tonne quoted on the LME[3]	2,116	1,552	36.0%
Alumina price per tonne[4]	326	224	45.5%
Key operating data[5]			
('000 tonnes) unless otherwise indicated			
Aluminium	3,034	2,956	2.6%
Alumina	5,758	5,395	6.7%
Bauxite (million tonnes wet)	8.7	8.8	(1.1%)
Aluminium foil and packaging products	60.2	49.3	22.1%
Selected data from consolidated interim condensed statement of income			
(USD million) unless otherwise indicated			
Revenue	8,029	5,876	36.6%
Cost of sales	(5,456)	(4,925)	10.8%
of which energy costs	(1,453)	(1,392)	4.4%
Gross profit	2,573	951	170.6%
Distribution expenses	(441)	(403)	9.4%
Administrative expenses	(566)	(449)	26.0%
Impairment of non-current assets	(45)	(44)	2.3%
Results from operating activities	1,467	(161)	—
(excluding the impact of impairment charges)	1,512	(117)	—
margin (% of revenue)	18.3%	(2.7%)	—
Adjusted EBITDA	1,889	328	476.0%
margin (% of revenue)	23.5%	5.6%	319.6%
Finance income	258	53	386.8%
Finance expenses	(964)	(938)	2.8%
Share of profits and impairment of associates	849	342	148.2%
Share of profits and impairment of jointly controlled entities	(36)	2	—
Income tax expense	(154)	(124)	24.2%
Net income/(loss) for the period	1,420	(826)	—

[3] Represents the average of the daily closing official LME prices for each period.

[4] The average alumina price per tonne provided in this table is based on the daily closing spot prices of alumina FOB EU ("Free On Board European Union") as reported by Metal Bulletin each Wednesday and Friday.

[5] 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	**As of 30 September 2010** *(unaudited)*	**31 December 2009**	**Change year-on-year** *(%)*
Selected data from consolidated interim condensed statement of financial position			
(USD million)			
Total assets	25,019	23,886	4.7%
Total working capital[6]	2,151	1,477	45.6%
Net Debt	11,750	13,633	(13.8%)

	Nine months ended 30 September 2010	**2009**	**Change year-on-year** *(%)*
Selected data from consolidated interim condensed statement of cash flows			
(USD million)			
Net cash flows generated from operating activities	555	105	428.6%
Net cash flows used in investing activities	(273)	(160)	70.6%
of which capex[7]	(244)	(143)	70.6%
of which contribution to BEMO[8]	(379)	(105)	261.0%

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

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

8 Including refinancing of BEMO facility in amount of USD208 million and repayment of BEMO loan in amount of USD52 million out of IPO proceeds in accordance with the terms of International Override Agreement.

Market review

Aluminium industry in the third quarter of 2010

Worldwide production of primary aluminium in the third quarter of 2010 was 10.7% higher than in the third quarter of 2009 and for the first nine months of 2010 was up by 15% compared to the corresponding period of 2009. Aluminium consumption in the third quarter was 8.6% higher compared to the corresponding period of 2009 and for nine months of 2010 was up by 18% compared to the corresponding period of 2009.

Demand for aluminium has continued to improve throughout 2010 driven by strong economic activity in Germany, South America and Asia. Demand in the USA and Japan stabilized in the third quarter following a run up in consumption driven by the automotive and engineered products sectors. Underlying demand for consumer products, including packaging and beverage cans, has continued to support the rolled products segment.

Further evidence of physical demand improvement could be found in the regional premiums where the market has been supported by tight metal availability and minimal seasonal reductions in output. LME warehouse stocks, another indicator of regional demand, have been drawn down by 313.5kt since the start of 2010. Premiums continue to be at well above historical averages with the European Premium quoted at USD85 — 125 per tonne for the third quarter of 2010 and the US Premium trading at USD137 — 145 per tonne for the same period. Product premiums for aluminium alloys have been similarly supported in Europe and the USA based on supply disruptions, smelter outages and restocking inventories. In Japan and Korea, premiums have fallen to USD114 — 117 per tonne due to pessimism about the future direction of Japanese manufacturing considering the strong Yen.

Aluminium prices continued their recovery during the third quarter of 2010. The average 3-month LME price was higher by 0.2% in the third quarter of 2010 at USD2,126.5 per tonne from an average of USD2,122.3 per tonne in the second quarter of 2010. In comparison with the nine months ending 30 September 2009, aluminium prices increased by 15% in the nine months ending 30 September 2010.

UC RUSAL's industry view and outlook

Based on robust demand for aluminium from China and the recovery of physical demand in the USA, Europe and Japan, demand for aluminium this year has surged by around 25% from 2009 levels. Importantly, growth excluding China has been very strong, indicating that Western markets have rebounded positively from the financial crisis.

UC RUSAL has benefited in all regions through the resurgence of the automotive and transportation segments, which have been particularly supportive of aluminium extrusion and cast product output. Flat rolled products in Europe have been supportive of the Company's expansion of alloys in this segment and medium term demand is forecast to remain strong.

Other than in China where there is significant year-on-year growth in floor space under construction and a strong outlook based on continuing trends in urbanization, the construction industry, however, has yet to stage a recovery.

More generally, aluminium production in China in 2010 is forecast to grow by 30% and reach 16.9 million tonnes, with consumption growing by 17% to 16 mt. China became a net importer of aluminium, importing 38 thousand tonnes since January 2010.

Furthermore, UC RUSAL forecasts that China will increase its imports of primary aluminium in 2011, to reach 3-4 mt by 2015. It is estimated that more than 15% of China's domestic producers are unprofitable at the current aluminium price due to the increase in domestic electricity tariffs, higher raw material costs and wage inflation. Curtailment expectations have been further fuelled by Chinese government restrictions on outdated facilities and a strengthening currency. UC RUSAL anticipates that this will lead to a reduction in production of 1-1.5 mt in 2010 and cuts in 2011.

Looking forward to the fourth quarter, UC RUSAL expects aluminium prices to sustain the level of USD2,300 per tonne through to the end of this year supported by positive underlying demand, whilst the continuing weakness in the US dollar supports the investment into physical assets from investors.

Despite the current volatility in the forward aluminium price curve, UC RUSAL expects physical aluminium stocks tightness to remain for the foreseeable future, with evidence of financing transactions occurring for metal placed on warrant. Premiums are therefore expected to be supported at current levels, assuming the same level of regional economic activity. UC RUSAL believes that producers and consumers alike will continue to exercise strong control over inventories and capital tied up in stocks. This will define the structure of new contracts in the immediate future.

Russian aluminium consumption

UC RUSAL expects its Russian and CIS market sales to grow by about 22% next year owing to a strong rebound, while export sales should drop by around 100,000-150,000 tonnes. The Company expects Russian and CIS aluminium consumption to increase by approximately 57% in 2010 to 760 thousand tonnes, as compared to 485 thousand tonnes in 2009. We expect Russian aluminium consumption to grow by another 22% to 928 thousand tonnes in 2011, mainly driven by the machinery, construction and packaging industries. The Company expects Russia's cumulative annual compound growth rate for aluminium consumption to be 8% between 2011 and 2015.

Aluminium stocks

Aluminium stocks are forecast to decline by less than 4-5% by the end of 2010 as financing transactions are still allowing investments in aluminium. Currently, most LME stocks are covered by financing transactions and will not be available until mid 2011.

Alumina market

The Company has seen strong growth in alumina prices in the third quarter of 2010 and through the second half of this year as more third party alumina sales are tracking spot market prices as global producers try to de-link the alumina price from aluminium. The Company has started selling its free alumina at prices formed by a basket of indices including MetalBulletin, CRU and Platt in August. UC RUSAL believes that alumina contract prices and the LME aluminium price should be de-linked as they do not fully reflect growing production costs and capital expenditure. De-linking the alumina price from the aluminium price should promote fair pricing for this raw material and create new investment opportunities.

Aluminium Exchange Traded Fund (ETF)

UC RUSAL, along with a number of other aluminium market players and financial institutions, recognises the potential demand created by the establishment of a physically-backed aluminium ETF to enable investors to take advantage of future growth in aluminium prices. Such funds may have the effect of stimulating demand for aluminium and balancing supply.

UC RUSAL remains committed to supporting the creation of an ETF for aluminium through the supply of metal to such a fund, subject to investor interest.

Business review

Aluminium production results

UC RUSAL's total attributable aluminium output amounted to 3,034 thousand tonnes for the first nine months of 2010, as compared to 2,956 thousand tonnes for the first nine months of 2009. Output in the third quarter of 2010 increased by 1.5% to 1,038 thousand tonnes, as compared to 1,023 thousand tonnes in the second quarter of 2010, and by 6% as compared to 976 thousand tonnes in the third quarter of 2009, showing an overall upward trend in production during those periods. The table below shows the contribution from each facility.

The increases in volumes during each of the periods discussed above were mostly due to the restart of many of the Group's operations which had been previously idled in 2009. In addition, by the end of June 2010, potline 5 at the Irkutsk aluminium smelter (which was commissioned in April 2010) reached full capacity and throughout the third quarter has operated at full capacity.

Asset	Interest	Nine months ended		
		30 September 2010	30 September 2009	Change year-on-year (%)
(kt)				
Russia (Siberia)				
Bratsk aluminium smelter	100%	730	736	(1%)
Krasnoyarsk aluminium smelter	100%	728	710	2%
Sayanogorsk aluminium smelter	100%	402	394	2%
Novokuznetsk aluminium smelter	100%	199	178	11%
Irkutsk aluminium smelter	100%	292	258	13%
Alukom-Taishet aluminium smelter	100%	—	2	—
Khakas aluminium smelter	100%	222	222	—
Russia — Other				
Bogoslovsk aluminium smelter	100%	85	89	(5%)
Volgograd aluminium smelter	100%	114	109	4%
Urals aluminium smelter	100%	53	64	(17%)
Nadvoitsy aluminium smelter	100%	52	41	27%
Kandalaksha aluminium smelter	100%	48	41	18%
Volkhov aluminium smelter	100%	14	9	65%
Ukraine				
Zaporozhye aluminium smelter	97.6%	19	43	(56%)
Sweden				
Kubikenborg Aluminium	100%	64	51	26%
Nigeria				
ALSCON	85.0%	13	8	65%
Total production		**3,034**	**2,956**	**3%**

Alumina production results

UC RUSAL's total attributable alumina output amounted to 5,758 thousand tonnes for the nine months ending 30 September 2010, as compared to 5,395 thousand tonnes for the first nine months of 2009 (an increase of 7%).

Output in the third quarter of 2010 increased by 8% to 2,046 thousand tonnes, as compared to 1,889 thousand tonnes in the second quarter of 2010, and by 23% as compared to 1,657 thousand tonnes in the third quarter of 2009, showing an overall upward trend in production during these periods. The table below shows the contribution from each facility.

The increase in the volume of alumina production for the first nine months of 2010 as compared to the first nine months of 2009 was due to the substantial restoration of operations at Aughinish alumina refinery in Ireland. The increase of alumina production in the third quarter of 2010 is explained by the restart of the Windalco-Ewarton alumina works in Jamaica in June 2010.

Asset *(kt)*	**Interest**	**Nine months ended** **30 September 2010**	 **30 September 2009**	**Change year-on-year (%)**
Ireland				
Aughinish Alumina	100%	1,374	800	72%
Jamaica				
Alpart	65.0%	—	147	—
Windalco (Ewarton and Kirkvine Works)	93.0%	110	153	(28%)
Ukraine				
Nikolaev Alumina Refinery	100%	1,130	1,112	2%
Zaporozhye Alumina Refinery	97.6%	—	29	—
Italy				
Eurallumina	100%	—	92	—
Russia				
Bogoslovsk Alumina Refinery	100%	727	780	(7%)
Achinsk Alumina Refinery	100%	750	691	9%
Urals Alumina Refinery	100%	542	533	2%
Boxitogorsk Alumina Refinery	100%	102	93	10%
Guinea				
Friguia Alumina Refinery	100%	444	374	19%
Australia (JV)				
Queensland Alumina Ltd.[9]	20.0%	579	590	(2%)
Total production		**5,758**	**5,395**	**7%**

9 Pro-rata share of production attributable to UC RUSAL.

Bauxite production results

UC RUSAL's total attributable bauxite output was 8.7 million tonnes for the first nine months of 2010, as compared to 8.8 million tonnes for the first nine months of 2009.

Output in the third quarter of 2010 increased to 3.3 million tonnes or by 19% as compared to the second quarter of 2010 or by 15% as compared to the third quarter of 2009, showing an overall upward trend in production in 2010. The table below shows the contribution from each facility.

Bauxite mines	**Interest**	**Nine months ended**		
(mt wet)		**30 September 2010**	**30 September 2009**	**Change year-on-year (%)**
Jamaica				
Alpart	65.0%	—	0.3	—
Windalco (Ewarton and Kirkvine)	93.0%	0.4	0.1	209%
Russia				
North Urals	100.0%	2.2	2.5	(10%)
Timan	80.0%	1.6	1.6	3%
Guinea				
Friguia	100.0%	1.6	1.2	27%
Kindia	100.0%	2.2	2.1	5%
Guyana				
Bauxite Company of Guyana Inc.	90.0%	0.7	1.0	(32%)
Total production		**8.7**	**8.8**	**(1%)**

Foil and packaging production results

The aggregate aluminium foil and packaging material production from the Group's plants was 60.2 thousand tonnes for the nine months ended 30 September 2010, as compared to 49.3 thousand tonnes for the nine months ended 30 September 2009.

Output in the third quarter of 2010 of 20.5 thousand tonnes was in line with the second quarter of 2010, and increased by 6% as compared to 19.3 thousand tonnes in the third quarter of 2009, showing an overall upward trend in production during those periods. The table below shows the contribution from each facility.

The increase in volumes in each of the periods was mostly due to an increase in preliminary production orders in the first nine months of 2010 due to demand restoration.

Asset *(kt)*	**Interest**	**Nine months ended 30 September 2010**	**30 September 2009**	**Change year-on-year (%)**
Russia				
Sayanal	100%	28.4	23.4	21%
Ural Foil	100%	12.2	9.0	36%
Sayana Foil	100%	1.6	1.4	16%
Armenia				
Armenal	100%	18.0	15.5	16%
Total production		**60.2**	**49.3**	**22%**

Other business

The Company's aggregate output from its non-core business has also significantly increased. Cathodes have increased to 22,703 tonnes for the nine months ended 30 September 2010 from 17,474 tonnes for the nine months ended 30 September 2009 and silicon has increased to 34,566 tonnes for the nine months ended 30 September 2010 from 13,571 tonnes for the nine months ended 30 September 2009. The increase in production for secondary alloys, cathodes, silicon, powder and fluorides was due to a growth in demand for products as the economy's recovery continues.

Product *(t)*	**Nine months ended 30 September 2010**	**30 September 2009**	**Change year-on- year (%)**
Secondary alloys	17,901	15,065	19%
Cathodes	22,703	17,474	30%
Silicon	34,566	13,571	155%
Powder	14,619	11,073	32%
Fluorides	55,168	51,000	8%
Coal (50%) (kt)	13,861	11,655	19%
Transport (100%) (kt of transportation)	14,030	11,645	20%

Coal production results

The aggregate coal production attributable to the Group's 50% share in LLP Bogatyr Komir increased by 19% to 13.9 mt for the nine months ended 30 September 2010, as compared to 11.7 mt for the nine months ended 30 September 2009. The increase in volume in the first nine months of 2010 as compared to the first nine months of 2009 was due to a general increase in electricity consumption in the South Urals of Russia.

Transportation results

The aggregate coal and iron ore transported by the Company by railway increased by 20% to 14.0 mt for the nine months ended 30 September 2010, as compared to 11.6 mt for the nine months ended 30 September 2009. The increase in volume in the nine months period of 2010 was in line with the increase in coal consumption and production discussed above.

NORILSK NICKEL INVESTMENT

The market value of the Company's stake in Norilsk Nickel increased by 21.1% from USD6,707 million as at 31 December 2009 to USD8,120 million as at 30 September 2010 due to positive share price performance in the reported period.

FINANCIAL OVERVIEW

Revenue

Revenue increased by 36.6% to USD8,029 million in the nine months ended 30 September 2010, as compared to USD5,876 million for the same period in 2009. The increase in revenue was primarily due to increase in sales prices for primary aluminium and alloys which accounted for 85.0% and 83.7% of UC RUSAL's revenue for the nine months ended 30 September 2010 and 2009, respectively.

Quarterly financial information								
	Quarter ended 31 March		**Quarter ended 30 June**		**Quarter ended 30 September**		**Nine months ended 30 September**	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Sales of primary aluminium and alloys								
USD million	1,953	1,438	2,571	1,723	2,299	1,758	6,823	4,918
kt	877	958	1,162	1,159	1,064	1,021	3,103	3,137
Average sales price (USD/t)	2,227	1,501	2,213	1,487	2,161	1,722	2,199	1,568
Sales of alumina								
USD million	129	142	140	27	140	99	409	268
kt	408	644	428	102	457	382	1,293	1,128
Average sales price (USD/t)	316	220	327	266	306	259	316	238
Sales of foil *(USD million)*	59	41	76	63	74	65	209	169
Other revenue (USD million)	190	157	203	168	195	197	588	521
Total revenue *(USD million)*	**2,331**	**1,777**	**2,990**	**1,980**	**2,708**	**2,119**	**8,029**	**5,876**

Revenue from sales of primary aluminium and alloys increased by USD1,905 million, or by 38.7%, to USD6,823 million in the nine months ended 30 September 2010, as compared to USD4,918 million in the same period in 2009. The increase in revenue over the period resulted primarily from the rise in weighted-average realised aluminium prices, by approximately 40.2% in the nine months ended 30 September 2010, as compared to the same period in 2009, due to the increase in the LME aluminium price and premiums over LME price in the different geographical segments.

Weighted-average realised premiums above LME aluminium price increased by 37.3% from USD83 per tonne in the first quarter of 2010 to USD114 per tonne in the third quarter of 2010. Premiums for delivery of physical metal continued to increase during 2009 and in the nine months ended 30 September 2010 despite volatility of the LME aluminium price. One of the key factors influencing higher premiums was the increased share of alloys (value-added products with the highest premiums) in the total production volume from 18% in 2009 to 34% in the third quarter of 2010 (the increased share of alloys for the nine months ended 30 September 2010 was 31%).

Revenue from sales of alumina increased by USD141 million, or 52.6%, to USD409 million in the nine months ended 30 September 2010, as compared to USD268 million in the same period in 2009. The increase in revenue in the nine months ended 30 September 2010 was primarily the result of an increase in alumina weighted-average sales prices by 33.1%, in line with the rise in worldwide aluminium prices, as well as an increase in the volume of sales of alumina by 14.6%.

Revenue from sales of foil increased to USD209 million in the nine months ended 30 September 2010, or by 23.7%, as compared to USD169 million in the same period in 2009, due to an increase in the volume of sales of foil and an increase in average realised price during the nine months ended 30 September 2010 when compared to the corresponding period for 2009.

Revenue from other sales, including transportation and energy, increased to USD588 million in the nine months ended 30 September 2010, or by 12.9%, from USD521 million in the same period in 2009. The increase in 2010 was primarily due to an increase in volumes and the corresponding tariffs earned from the Group's transportation business in Kazakhstan due to an increase in coal consumption. Other factors contributing to the increase in other sales were increases in prices and volumes of various by-products and secondary materials, including silicon, hydrate, soda, aluminium powders and electricity following the overall recovery in the global economy and the resulting increase in capacity of a number of the Group's production entities.

Cost of sales

The following table shows the breakdown of UC RUSAL's cost of sales for the nine months ended 30 September 2010 and 30 September 2009 respectively.

	Nine months ended			
(USD million)	**30 September 2010**	**30 September 2009**	**Change year-on-year (%)**	**Share of costs**
Cost of alumina	793	696	13.9%	14.5%
Cost of bauxite	321	266	20.7%	5.9%
Cost of other raw materials and other costs	1,904	1,739	9.5%	34.9%
Energy costs	1,453	1,392	4.4%	26.6%
Depreciation and amortisation	358	407	(12.0%)	6.6%
Personnel expenses	536	587	(8.7%)	9.8%
Repairs and maintenance	85	81	4.9%	1.6%
Change in asset retirement obligations	4	23	(82.6%)	0.1%
Net change in provisions for inventories	2	(266)	NA	0.0%
Total cost of sales	5,456	4,925	10.8%	100.0%

Cost of sales increased by 10.8% to USD5,456 million in the nine months ended 30 September 2010 as compared to USD4,925 million in the same period in 2009, which was primarily due to an increase in cost of alumina, bauxite and other raw materials, energy costs and a decrease in the net change in provision for inventories. As a percentage of revenue, however, cost of sales decreased from 83.8% in the nine months ended 30 September 2009 to 68.0% in the same period in 2010.

Cost of alumina increased by USD97 million or 13.9% to USD793 million mostly due to increased average purchase prices. Cost of bauxite increased by USD55 million or 20.7% to USD321 million mostly due to increased purchase volumes. Cost of other raw materials increased by USD165 million or 9.5% to USD1,904 million in the nine months ended 30 September 2010 as compared to the same period in 2009 due to increased prices.

Energy costs also increased by USD61 million, or 4.4%, to USD1,453 million in the nine months ended 30 September 2010, as compared to USD1,392 million in the same period in 2009. The increase in energy costs over the period resulted primarily from the liberalisation of the electricity market in the Russian Federation. As a percentage of revenue, energy costs decreased from 23.7% in the nine months ended 30 September 2009 to 18.1% in the same period in 2010.

Gross profit

As a result of the foregoing factors, UC RUSAL reported a gross profit of USD2,573 million and USD951 million in the nine months ended 30 September 2010 and 2009 respectively, representing gross margins of 32.0% and 16.2%, respectively.

Distribution, administrative and other expenses

Distribution expenses increased by 9.4% to USD441 million in the nine months ended 30 September 2010, as compared to USD403 million in the same period in 2009 mainly due to growth in average transportation tariffs.

Administrative expenses, which include personnel costs, increased by 26.1% to USD566 million in the nine months ended 30 September 2010, as compared to USD449 million in the same period in 2009. This was due to an increase in personnel costs, which was primarily comprised of share-based compensation paid to the CEO and certain members of the senior management following the successful completion of the Global Offering in January 2010.

Other operating expenses decreased by 73.5% to USD54 million in the nine months ended 30 September 2010, as compared to USD204 million in the same period in 2009. The decrease in other operating expenses in the nine months ended 30 September 2010 was primarily due to the reversal of certain provisions for trade and other receivables, and legal claims, and also a decrease in other operating expenses.

Provisions for legal claims are mostly connected with litigation with the Company's counterparties, in particular, transportation companies. 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 aluminium smelters to local communities.

Results from operating activities

UC RUSAL reported a profit from operating activities of USD1,467 million for the nine months ending 30 September 2010, as compared to a loss from operating activities of USD161 million in the same period in 2009, representing operating margins of 18.3% and negative 2.7%, respectively.

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, increased to USD1,889 million in the reporting period, as compared to USD328 million in the nine months ended 30 September 2009 mainly due to positive operating results in 2010.

	Nine months ended 30 September		**Change year-on-year**
(USD million)	**2010**	**2009**	**(%)**
Reconciliation of Adjusted EBITDA			
Results from operating activities	1,467	(161)	—
Add:			
Amortisation and depreciation	377	433	(12.9%)
Impairment of non-current assets	45	44	2.3%
Loss on disposal of property, plant and equipment	—	12	(100.0%)
Adjusted EBITDA	1,889	328	476.0%

Finance income

Finance income increased by USD205 million to USD258 million in the nine months ended 30 September 2010 as compared to USD53 million in the same period in 2009. Finance income in the nine months ended 30 September 2010 was primarily represented by changes in the fair value of derivative financial instruments and net foreign exchange gain.

In November 2009, the Company entered into long-term electricity contracts with related parties through 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 were valued at USD570 million as at the end of 2009. Estimates of the fair value of the embedded derivatives are particularly sensitive to changes in the LME aluminium price. A change in the LME aluminium price between 31 December 2009 and 30 September 2010 resulted in a gain from revaluation of embedded derivatives amounting to USD181 million.

UC RUSAL recorded a net foreign exchange gain of USD60 million in the nine months ended 30 September 2010, as compared to a net foreign exchange loss of USD65 million in the same period in 2009. This was primarily as a result of the continuing depreciation of the Ruble against the US dollar over that period.

Finance expenses

Finance expenses increased by 2.8% to USD964 million in the nine months ended 30 September 2010 as compared to USD938 million in the same period in 2009. The increase in finance expenses in the nine months ended 30 September 2010 was primarily due to increases in interest expenses partially offset by net foreign exchange loss recognised in the nine months ended 30 September 2009.

Interest expenses on bank loans increased by USD214 million, or 30.1%, to USD924 million in the nine months ended 30 September 2010, compared to USD710 million in the same period in 2009. This increase was due to amortisation of the gain that was recognised on the completion of the debt restructuring.

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

Share of profits of associates was USD849 million for the nine months ended 30 September 2010 and USD342 million in the same period in 2009 (including partial reversal of impairment). Share of profits of associates in both periods resulted primarily from the Company’s investment in Norilsk Nickel.

Share of losses of jointly controlled entities was USD36 million for the nine months ended 30 September 2010 mainly due to write-off of non-recoverable deferred tax asset at LLP Bogatyr Komir. There was profit of USD2 million in the same period in 2009. This represents the Company’s share of results in the Company’s joint ventures - BEMO and LLP Bogatyr Komir.

Profit/(loss) before income tax

UC RUSAL reported a profit before income tax of USD1,574 million for the nine months ended 30 September 2010, as compared to a loss before income tax of USD702 million for the same period in 2009. This was mainly due to results from operating activities (which increased by USD1,628 million) and the share of profits of associates (which increased by USD507 million).

Income tax expense

Income tax expenses increased by USD30 million to USD154 million in the nine months ended 30 September 2010, as compared to USD124 million in the same period in 2009 due to a current tax increase by USD69 million partly offset by a deferred tax decrease by USD39 million.

Net profit/(loss) for the period

As a result of the above, UC RUSAL reported a net profit of USD1,420 million for the nine months ended 30 September 2010, as compared to a net loss of USD826 million for the same period in 2009.

Cash operating costs

Aluminium Cash Operating Costs increased by 2.6% or USD43 per tonne (inclusive of exchange rate effects) from an average of USD1,684 per tonne in the first half of 2010 to an average of USD1,727 per tonne in the third quarter of 2010. However, aluminium Cash Operating Costs were USD1,700 per tonne (inclusive of exchange rate effects) for the first nine months of 2010.

Key factors contributing to the increase in Aluminium Cash Operating Costs in the third quarter of 2010 were increases of USD22 per tonne in power, USD34 per tonne in raw materials and USD10 per tonne in other expenses, which were partially set-off by decreases of USD18 per tonne in exchange rate effects due to the appreciation of the Ruble and USD6 per tonne in alumina expenses.

Alumina Cash Operating Costs decreased by 0.1% or USD0.3 per tonne (inclusive of exchange rate effects) from an average of USD271.8 per tonne in the first half of 2010 to an average of USD271.5 per tonne in the third quarter of 2010. Alumina Cash Operating Costs was USD271.8 per tonne (inclusive of exchange rate effects) for the first nine months of 2010. The principal factors in the decrease in the Group's alumina Cash Operating Costs from in the third quarter of 2010 were decreases in other expenses and exchange rate effect, which were partially offset by the increases in power and raw materials due to the increase of the market prices of utilities (including fuel-oil and gas), plant and shop expenses and payroll.

Assets and liabilities

UC RUSAL's total assets increased by USD1,133 million to USD25,019 million as at 30 September 2010 as compared to USD23,886 million as at 31 December 2009. The increase in total assets mainly resulted from the increase in interests in associates and jointly controlled entities, inventories and other current assets, as partly offset by a decrease in property, plant and equipment.

Total liabilities decreased by USD2,510 million to USD15,044 million as at 30 September 2010 as compared to USD17,554 million as at 31 December 2009. The decrease was mainly due to the partial repayment of USD2,143 million of the outstanding debt of the Group out of the IPO proceeds (Net cash proceeds of USD2,143 million less a fee of USD152 million to the international lenders and less the USD115 million payment to Onexim). Total Debt has been reduced to USD12.3 billion in the nine months ended 30 September 2010. The Company is now significantly ahead of debt reduction targets and, as a result, with effect from 10 September 2010, the interest margin payable by the Company on its debt owed to international lenders has decreased from 5.5% to 4.5% as the Total Net Debt to Covenant EBITDA ratio has dropped. The interest margin has reduced by 36% as compared to the December 2009 margin of 7%.

Capital expenditure

UC RUSAL recorded total investment in the development of existing facilities and construction of new assets of USD623 million for the nine months ended 30 September 2010.

Material events over the third quarter period between 1 July and 30 September 2010

Date	***Key event***
22 July 2010	The restart of operations at Ewarton Works in Jamaica
29 July 2010	Long-term project finance in the amount of RUR50 billion (approximately USD1.7 billion) for BEMO HPP and the first phase of the Boguchansky aluminium smelter approved by the Supervisory board of VEB
31 August 2010	Announcement of appointment of Mr Evgeny Kornilov as Chief Financial Officer of UC RUSAL and appointment of Ms Tatyana Soina as the head of the Company's Department of Control, Internal Audit and Coordination of Business

Events subsequent to the end of the third quarter period between 1 July and 30 September 2010

Date	*Key event*
October	The Company made further debt repayments of USD105.8 million (including USD55.8 million through a cash sweep and USD50 million through voluntary repayments)
4 October 2010	On 30 September 2010, the Company entered into arrangements with Sberbank for the refinancing of the VEB USD4.5 billion loan, maturing in December 2013. The refinancing facility was fully drawn by the Company on 30 September 2010 and the VEB USD4.5 billion loan was fully repaid on 1 October 2010
4 October 2010	The board lot size of the shares for trading on the Stock Exchange changed from 24,000 shares to 6,000 shares

Consolidated Interim Condensed Financial Information

The following is the unaudited consolidated interim condensed financial information of the Company for the three- and nine- months ended 30 September 2010 which was approved by the Directors on 11 November 2010 and reviewed by the Company's Audit Committee and the Company's external auditors, ZAO KPMG. The unaudited consolidated interim condensed financial information is also available on the Company's website (www.rusal.ru/en).

United Company RUSAL Plc
(formerly United Company RUSAL Limited)

Consolidated Interim Condensed Financial Information for the three- and nine- months ended 30 September 2010

ZAO KPMG
10 Presnenskaya Naberezhnaya
Moscow, Russia 123317

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

Introduction

We have reviewed the accompanying consolidated interim condensed statement of financial position of United Company RUSAL Plc (the "Company") and its subsidiaries (the "Group") as at 30 September 2010 and the related consolidated interim condensed statements of income and comprehensive income for the three- and nine-month periods ended 30 September 2010, and the related consolidated interim condensed statements of changes in equity and cash flows for the nine-month period ended 30 September 2010, and selected explanatory notes (the "consolidated interim condensed financial information"). Management is responsible for the preparation and presentation of the consolidated interim condensed financial information in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this consolidated interim condensed financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim condensed financial information as at 30 September 2010 and for the three- and nine-month periods then ended is not prepared, in all material respects, in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

Emphasis of Matter

Without modifying our conclusion, we draw attention to the fact that during the three-month period ended 30 September 2010 the Group changed its accounting policy for its principal equity investment. The reason for and the effects of the change are described in Note 10 to this consolidated interim condensed financial information. We have reviewed the adjustments described in Note 10 and nothing came to our attention that causes us to believe that such adjustments are not appropriate and have not been properly applied.

ZAO KPMG
11 November 2010

Consolidated Interim Condensed Statement of Income

	Note	Three months ended 30 September 2010 (unaudited) *USD million*	Three months ended 30 September 2009 (unaudited) *USD million*	Nine months ended 30 September 2010 (unaudited) *USD million*	Nine months ended 30 September 2009 (unaudited) *USD million*
Revenue	6	2,708	2,119	8,029	5,876
Cost of sales		(1,961)	(1,476)	(5,456)	(4,925)
Gross profit		**747**	**643**	**2,573**	**951**
Distribution expenses		(142)	(119)	(441)	(403)
Administrative expenses		(172)	(138)	(566)	(449)
Loss on disposal of property, plant and equipment		—	(5)	—	(12)
Impairment of non-current assets		—	(7)	(45)	(44)
Other operating expenses		—	(48)	(54)	(204)
Results from operating activities		**433**	**326**	**1,467**	**(161)**
Finance income	7	4	48	258	53
Finance expenses	7	(699)	(276)	(964)	(938)
Share of profits and reversal of impairment of associates	10	268	16	849	342
Share of profits/(losses) of jointly controlled entities	11	(9)	10	(36)	2
Profit/(loss) before taxation		**(3)**	**124**	**1,574**	**(702)**
Income tax	8	32	(60)	(154)	(124)
Net profit/(loss) for the period		**29**	**64**	**1,420**	**(826)**
Attributable to:					
Shareholders of the Company		29	64	1,420	(826)
Earnings/(loss) per share					
Basic and diluted earnings/(loss) per share (USD)	9	0.00	0.01	0.09	(0.07)

The consolidated interim condensed statement of income is to be read in conjunction with the notes to and forming part of the consolidated interim condensed financial information set out on pages 32 to 62.

	Note	Three months ended 30 September 2010 (unaudited) *USD million*	Three months ended 30 September 2009 (unaudited) *USD million*	Nine months ended 30 September 2010 (unaudited) *USD million*	Nine months ended 30 September 2009 (unaudited) *USD million*
Net profit / (loss) for the period		**29**	**64**	**1,420**	**(826)**
Other comprehensive income/(loss)					
Actuarial (losses)/gains on post retirement benefit plans		—	(2)	(32)	19
Share of other comprehensive (loss)/income of associate	10	—	29	4	100
Foreign currency translation differences for foreign operations		390	409	(42)	(236)
		390	**436**	**(70)**	**(117)**
Total comprehensive income/(loss) for the period		**419**	**500**	**1,350**	**(943)**
Attributable to:					
Shareholders of the Company		419	500	1,350	(943)

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

The consolidated interim condensed statement of comprehensive income is to be read in conjunction with the notes to and forming part of the consolidated interim condensed financial information set out on pages 32 to 62.

Consolidated Interim Condensed Statement of Financial Position

	Note	**30 September 2010 (unaudited)** *USD million*	**31 December 2009** *USD million*
ASSETS			
Non-current assets			
Property, plant and equipment		5,976	6,088
Intangible assets		4,090	4,112
Interests in associates	10	9,542	8,968
Interests in jointly controlled entities	11	1,080	778
Financial investments		36	54
Deferred tax assets		67	144
Other non-current assets		158	118
Total non-current assets		**20,949**	**20,262**
Current assets			
Inventories		2,387	2,150
Available-for-sale investments	12	87	—
Trade and other receivables	13	1,076	1,238
Cash and cash equivalents		520	236
Total current assets		**4,070**	**3,624**
Total assets		**25,019**	**23,886**

The consolidated interim condensed statement of financial position is to be read in conjunction with the notes to and forming part of the consolidated interim condensed financial information set out on pages 32 to 62.

	Note	30 September 2010 (unaudited) *USD million*	31 December 2009 *USD million*
EQUITY AND LIABILITIES			
Equity	14		
Share capital		152	—
Share premium		15,782	13,641
Other reserves		3,053	3,081
Currency translation reserve		(3,569)	(3,527)
Accumulated losses		(5,443)	(6,863)
Total equity		**9,975**	**6,332**
Non-current liabilities			
Loans and borrowings	15	11,000	11,117
Provisions	16	434	385
Deferred tax liabilities		455	512
Derivative financial liabilities	17	232	510
Other non-current liabilities		65	62
Total non-current liabilities		**12,186**	**12,586**
Current liabilities			
Loans and borrowings	15	1,270	2,752
Current taxation		35	44
Trade and other payables	18	1,312	1,911
Derivative financial liabilities	17	109	60
Provisions	16	132	201
Total current liabilities		**2,858**	**4,968**
Total liabilities		**15,044**	**17,554**
Total equity and liabilities		**25,019**	**23,886**
Net current assets/(liabilities)		**1,212**	**(1,344)**
Total assets less current liabilities		**22,161**	**18,918**

Approved and authorised for issue by the board of directors on 11 November 2010.

Oleg V. Deripaska	**Evgeny D. Kornilov**
Chief Executive Officer	*Chief Financial Officer*

The consolidated interim condensed statement of financial position is to be read in conjunction with the notes to and forming part of the consolidated interim condensed financial information set out on pages 32 to 62.

Consolidated Interim Condensed Statement of Changes in Equity

	Note	**Share capital** *USD million*	**Share premium** *USD million*	**Other reserves** *USD million*	**Currency translation reserve** *USD million*	**Retained profits/ (accumulated losses)** *USD million*	**Total** *USD million*
Balance at 1 January 2009		**—**	**12,517**	**2,912**	**(3,257)**	**(7,684)**	**4,488**
Total comprehensive (loss) for the period (unaudited)		—	—	119	(236)	(826)	(943)
Other changes resulting from transactions with entities under common control (unaudited)		—	—	10	—	—	10
Balance at 30 September 2009 (unaudited)		**—**	**12,517**	**3,041**	**(3,493)**	**(8,510)**	**3,555**
Balance at 1 January 2010,		**—**	**13,641**	**3,081**	**(3,527)**	**(6,863)**	**6,332**
Total comprehensive income for the period (unaudited)		—	—	(28)	(42)	1,420	1,350
Capitalisation issuance of shares (unaudited)		135	(135)	—	—	—	—
Shares issued upon Global Offering, net of related expenses (unaudited)		16	2,172	—	—	—	2,188
Shares issued on exercise of the Fee Warrants (unaudited)	14(a)	—	36	—	—	—	36
Issuance of shares in lieu of share-based compensation to management (unaudited)	14(a)	1	68	—	—	—	69
Balance at 30 September 2010 (unaudited)		**152**	**15,782**	**3,053**	**(3,569)**	**(5,443)**	**9,975**

The consolidated interim condensed statement of changes in equity is to be read in conjunction with the notes to and forming part of the consolidated interim condensed financial information set out on pages 32 to 62.

Consolidated Interim Condensed Statement of Cash Flows

	Nine months ended 30 September 2010 (unaudited) *USD million*	Nine months ended 30 September 2009 (unaudited) *USD million*
OPERATING ACTIVITIES		
Net profit/(loss) for the period	**1,420**	**(826)**
Adjustments for:		
Depreciation	364	421
Amortisation	13	12
Impairment of non-current assets	45	44
Changes in fair value of financial instruments	(167)	(25)
Impairment/(reversal of impairment) of trade and other receivables	(20)	55
Impairment /(reversal of impairment) of inventories	2	(266)
Provision for legal claims	10	27
Provision/(reversal) of provision for tax	(10)	40
Foreign exchange (gain)/ losses	(43)	40
Loss on disposal of property, plant and equipment	—	12
Loss on disposal of intangible assets	—	11
Interest expense	946	873
Interest income	(13)	(28)
Income tax expense	154	124
Share of profits and reversal of impairment of associates	(849)	(342)
Share of losses/(profits) of jointly controlled entities	36	(2)
	1,888	**170**
(Increase)/decrease in inventories	(220)	1,015
Increase in trade and other receivables	(47)	(124)
Increase in prepaid expenses and other assets	(22)	(9)
Decrease in trade and other payables	(403)	(340)
Decrease in provisions	(52)	(6)
Cash generated from operations	**1,144**	**706**
Income taxes paid	(133)	(6)
Interest paid	(456)	(595)
Net cash generated from operating activities	**555**	**105**

The consolidated interim condensed statement of cash flows is to be read in conjunction with the notes to and forming part of the consolidated interim condensed financial information set out on pages 32 to 62.

	Nine months ended 30 September	
	2010	**2009**
	(unaudited)	**(unaudited)**
	USD million	*USD million*
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	7	41
Interest received	4	4
Acquisition of property, plant and equipment	(241)	(143)
Acquisition of intangible assets	(3)	—
Cash inflow on disposal of subsidiaries	—	25
Dividends from associates	295	—
Dividends from jointly controlled entities	28	—
Contributions to jointly controlled entities	(379)	(105)
Changes in restricted cash	16	18
Net cash used in investing activities	**(273)**	**(160)**
FINANCING ACTIVITIES		
Proceeds from borrowings	4,791	909
Repayment of borrowings	(6,710)	(1,151)
Restructuring fees	(63)	(91)
Listing related expenses	(82)	—
Repayment of Fee Warrants	(153)	—
Proceeds from Global Offering	2,236	—
Net cash generated from/(used in) financing activities	**19**	**(333)**
Net increase/(decrease) in cash and cash equivalents	**301**	**(388)**
Cash and cash equivalents at 1 January	215	685
Effect of exchange rate fluctuations on cash and cash equivalents	(1)	(4)
Cash and cash equivalents at the end of the period	**515**	**293**

Restricted cash amounted to USD5 million and USD21 million at 30 September 2010 and 31 December 2009, respectively.

Major non-cash transactions:

(i) On 27 January 2010 fee warrants (“Fee Warrants”) with the carrying value of USD 36 million were converted into 26,070,806 ordinary shares of the Company (refer to note 14(a)).

The consolidated interim condensed statement of cash flows is to be read in conjunction with the notes to and forming part of the consolidated interim condensed financial information set out on pages 32 to 62.

Notes to the Consolidated Interim Condensed Financial Information. All financial information as at and for the three- and nine-month periods ended 30 September 2010 and for the three-and nine-month periods ended 30 September 2009 is unaudited.

1 Background

Organization

United Company RUSAL Plc (the "Company" or "UC RUSAL"), formerly United Company RUSAL Limited, was established by the controlling shareholder of RUSAL Limited ("RUSAL") as a limited liability company under the laws of Jersey on 26 October 2006. Subsequent to 31 December 2009, the Company has successfully completed a dual placing on the 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 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".

On 27 January 2010, the Company successfully completed the Global Offering. Upon placing, 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 ("Global Depositary Shares" or "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 September 2010 and 31 December 2009 was as follows:

	30 September 2010	**31 December 2009**
En+ Group Limited ("EN+")	47.41%	53.35%
Onexim Holdings Limited ("Onexim")	17.02%	19.16%
SUAL Partners Limited ("SUAL Partners")	15.80%	17.79%
Amokenga Holdings Limited ("Amokenga Holdings")	8.75%	9.70%
Management held (including 0.22% held by CEO of the Company)	0.27%	—
Publicly held	10.75%	—
Total	**100%**	**100%**

En+ is controlled by Mr. Oleg Deripaska. SUAL Partners is controlled by Mr. Victor 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 2009 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*. 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 ("IFRSs") and therefore should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2009.

3 Significant accounting policies

The accounting policies and judgments applied by the Group in this consolidated interim condensed financial information are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2009, except for adoption of revised IFRS 3 *Business Combinations* (2008) and amended IAS 27 (2008) *Consolidated and Separate Financial Statements* with effect from 1 January 2010 and the change in accounting for a certain equity investment. The adoption of the revised and amended standards did not have any impact on the Group's consolidated interim condensed financial information. The impact of the change in accounting for the equity investment is described in note 10.

4 Seasonality

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

5 Segment reporting

Reportable segments

The Group has four reportable segments, as described below, which are the Group's strategic business units. These business units are managed separately and results of their operations are reviewed by the Chief Executive Officer ("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 OJSC MMC Norilsk Nickel ("Norilsk Nickel").

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

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

Segment results, assets and liabilities

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

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

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

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

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

(i) ***Reportable segments***

Three months ended 30 September 2010

	Aluminium *USD million*	**Alumina** *USD million*	**Energy** *USD million*	**Mining and Metals** *USD million*	**Other operations** *USD million*	**Total** *USD million*
Revenue from external customers	2,363	212	47	—	86	2,708
Inter-segment revenue	57	354	—	—	53	464
Total segment revenue	**2,420**	**566**	**47**	**—**	**139**	**3,172**
Segment profit/(loss)	**636**	**(171)**	**13**	**270**	**(27)**	**721**
(Impairment)/reversal of impairment of non-current assets	(4)	4	—	—	—	—
Share of losses of associates, excluding segment profit included in Mining and Metals segment	—	(2)	—	—	—	**(2)**
Share of losses of jointly controlled entities	—	—	(9)	—	—	**(9)**
Depreciation/amortisation	(102)	(24)	(2)	—	(3)	**(131)**
Non-cash income/(expense) other than depreciation	11	3	—	—	(2)	**12**
Additions to non-current segment assets during the period	114	34	1	—	4	**153**

Three months ended 30 September 2009

	Aluminium *USD million*	Alumina *USD million*	Energy *USD million*	Mining and Metals *USD million*	Other operations *USD million*	Total *USD million*
Revenue from external customers	1,804	192	41	—	82	2,119
Inter-segment revenue	44	180	—	—	41	265
Total segment revenue	**1,848**	**372**	**41**	**—**	**123**	**2,384**
Segment profit/(loss)	**367**	**(14)**	**12**	**21**	**11**	**397**
Impairment of non-current assets	(1)	(7)	—	—	1	**(7)**
Share of losses of associates, excluding segment profit included in Mining and Metals segment	—	(5)	—	—	—	**(5)**
Share of profits of jointly controlled entities	—	—	10	—	—	**10**
Depreciation/amortisation	(108)	(15)	(1)	—	(10)	**(134)**
Non-cash income other than depreciation	53	11	—	—	13	**77**
Additions to non-current segment assets during the period	40	30	—	—	4	**74**

Nine months ended 30 September 2010

	Aluminium *USD million*	**Alumina** *USD million*	**Energy** *USD million*	**Mining and Metals** *USD million*	**Other operations** *USD million*	**Total** *USD million*
Revenue from external customers	6,972	657	154	—	246	8,029
Inter-segment revenue	164	1,140	—	—	152	1,456
Total segment revenue	**7,136**	**1,797**	**154**	**—**	**398**	**9,485**
Segment profit/(loss)	**2,009**	**(349)**	**35**	**861**	**(52)**	**2,504**
Impairment of non-current assets	(6)	(39)	—	—	—	**(45)**
Share of losses of associates, excluding segment profit included in Mining and Metals segment	—	(12)	—	—	—	**(12)**
Share of losses of jointly controlled entities	—	—	(36)	—	—	**(36)**
Depreciation/amortisation	(296)	(67)	(5)	—	(9)	**(377)**
Non-cash income/(expense) other than depreciation	38	(14)	—	—	(5)	**19**
Additions to non-current segment assets during the period	209	69	2	—	10	**290**

Nine months ended 30 September 2009

	Aluminium *USD million*	Alumina *USD million*	Energy *USD million*	Mining and Metals *USD million*	Other operations *USD million*	Total *USD million*
Revenue from external customers	5,062	507	101	—	206	5,876
Inter-segment revenue	112	924	—	—	129	1,165
Total segment revenue	**5,174**	**1,431**	**101**	**—**	**335**	**7,041**
Segment profit/(loss)	**40**	**(80)**	**21**	**349**	**(36)**	**294**
Impairment of non-current assets	(20)	(22)	—	—	(2)	**(44)**
Share of losses of associates, excluding segment profit included in Mining and Metals segment	—	(7)	—	—	—	**(7)**
Share of profits of jointly controlled entities	—	—	2	—	—	**2**
Depreciation/amortisation	(330)	(78)	(8)	—	(17)	**(433)**
Non-cash income/(expense) other than depreciation	149	47	—	—	10	**206**
Additions to non-current segment assets during the period	89	48	4	—	7	**148**

At 30 September 2010

	Aluminium *USD million*	Alumina *USD million*	Energy *USD million*	Mining and Metals *USD million*	Other operations *USD million*	Total *USD million*
Segment assets	11,595	2,386	130	9,081	633	23,825
Interests in associates	—	451	—	—	10	461
Interests in jointly controlled entities	—	—	1,080	—	—	1,080
Total assets						**25,366**
Segment liabilities	(2,025)	(647)	(12)	—	(139)	(2,823)
Total liabilities						**(2,823)**

At 31 December 2009

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

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

	Three months ended 30 September		Nine months ended 30 September	
	2010 *USD million*	**2009** *USD million*	**2010** *USD million*	**2009** *USD million*
Revenue				
Reportable segment revenue	3,172	2,384	9,485	7,041
Elimination of inter-segment revenue	(464)	(265)	(1,456)	(1,165)
Consolidated revenue	**2,708**	**2,119**	**8,029**	**5,876**

	Three months ended 30 September		Nine months ended 30 September	
	2010 *USD million*	**2009** *USD million*	**2010** *USD million*	**2009** *USD million*
Profit/(loss)				
Reportable segment profit	721	397	2,504	294
Impairment of non-current assets	—	(7)	(45)	(44)
Share of losses of associates, excluding segment profit included in Mining and Metals segment	(2)	(5)	(12)	(7)
Share of (losses)/profits of jointly controlled entities	(9)	10	(36)	2
Finance income	4	48	258	53
Finance expenses	(699)	(276)	(964)	(938)
Unallocated expenses	(18)	(43)	(131)	(62)
Consolidated profit/(loss) before taxation	**(3)**	**124**	**1,574**	**(702)**

	30 September 2010	31 December 2009
	USD million	*USD million*
Assets		
Reportable segment assets	25,366	24,222
Elimination of inter-segment receivables	(551)	(530)
Unallocated assets	204	194
Consolidated total assets	**25,019**	**23,886**

	30 September 2010	31 December 2009
	USD million	*USD million*
Liabilities		
Reportable segment liabilities	(2,823)	(3,657)
Elimination of inter-segment payables	551	530
Unallocated liabilities	(12,772)	(14,427)
Consolidated total liabilities	**(15,044)**	**(17,554)**

6 **Revenue**

	Three months ended 30 September		Nine months ended 30 September	
	2010	**2009**	**2010**	**2009**
	USD million	*USD million*	*USD million*	*USD million*
Sales of primary aluminium and alloys	**2,299**	**1,758**	**6,823**	**4,918**
Third parties	*1,191*	*687*	*3,351*	*3,099*
Related parties — companies capable of exerting significant influence	*1,034*	*1,017*	*3,262*	*1,700*
Related parties — companies under common control	*74*	*54*	*210*	*119*
Sales of alumina	**140**	**99**	**409**	**268**
Third parties	*85*	*65*	*223*	*176*
Related parties — companies capable of exerting significant influence	*53*	*34*	*182*	*92*
Related parties — companies under common control	*2*	*—*	*4*	*—*
Sales of foil	**74**	**65**	**209**	**169**
Third parties	*71*	*65*	*203*	*167*
Related parties — companies under common control	*3*	*—*	*6*	*2*
Other revenue including energy and transportation services	**195**	**197**	**588**	**521**
Third parties	*126*	*136*	*377*	*382*
Related parties — companies capable of exerting significant influence	*4*	*3*	*10*	*7*
Related parties — companies under common control	*7*	*10*	*19*	*15*
Related parties — associates	*58*	*48*	*182*	*117*
	2,708	**2,119**	**8,029**	**5,876**

7 **Finance income and expenses**

	Note	Three months ended 30 September 2010 USD million	Three months ended 30 September 2009 USD million	Nine months ended 30 September 2010 USD million	Nine months ended 30 September 2009 USD million
Finance income					
Interest income on third party loans and deposits		3	8	10	26
Interest income on company loans to related parties — *companies under common control*		1	1	3	2
Foreign exchange gain		—	14	60	—
Revaluation of financial instruments		—	23	—	23
Change in fair value of derivative financial instruments	17	—	2	185	2
		4	**48**	**258**	**53**
Finance expenses					
Interest expense on bank loans wholly repayable within five years and other bank charges		(284)	(213)	(886)	(710)
Interest expense on company loans from related parties - *companies capable of exerting significant influence (note a)*		(11)	—	(38)	—
Interest expense on deferred consideration - *companies capable of exerting significant influence (note a)*		—	(48)	—	(133)
Foreign exchange loss		(3)	—	—	(65)
Change in fair value of derivative financial instruments	17	(388)	(4)	—	—
Revaluation of financial instruments		(7)		(18)	—
Interest expense on provisions		(6)	(11)	(22)	(30)
		(699)	**(276)**	**(964)**	**(938)**

Note (a):

Upon completion of the debt restructuring in December 2009 (refer to note 15), deferred consideration payable to Onexim was partially converted into shares of the Company (refer to note 14(a)), while the remaining part of the deferred consideration payable was classified as loans and borrowings in accordance with the terms of the debt restructuring. As a result, the Company has changed the presentation of interest expenses related to deferred consideration from “interest expense on deferred consideration — *companies capable of exerting significant influence*” line to “interest expense on company loans from related parties — *companies capable of exerting significant influence*”.

8 **Income tax**

	Three months ended 30 September		Nine months ended 30 September	
	2010	**2009**	**2010**	**2009**
	USD million	*USD million*	*USD million*	*USD million*
Current tax - overseas				
Current tax for the period	48	27	130	56
Under/(over) provision in respect of prior periods	4	2	—	5
Deferred tax				
Origination and reversal of temporary differences	(84)	31	24	63
Actual tax expense/(benefit)	**(32)**	**60**	**154**	**124**

Pursuant to the rules and regulations of Jersey, the Company is not subject to any income tax in Jersey. 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 rate of 20%; in Ukraine of 25%; Cyprus of 10%; Guinea of 0%; China of 25%; Kazakhstan of 20%; Australia of 31.3%; Jamaica of 33.3% ; Ireland of 10%; Sweden of 26.3% and Italy of 37.25%. For the Group's significant trading companies, the applicable tax rate is 0%. These tax rates remain unchanged from the prior year. 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 2010 and 2009 were 10.1% and 16.5%, for different subsidiaries. The same rates were used in measuring deferred taxes.

9 **Earnings/(loss) per share**

The calculation of basic earnings per share is based on the profit/(loss) attributable to ordinary equity shareholders for the three and nine months ended 30 September 2010 and 30 September 2009.

Weighted average number of shares:

	Three months ended 30 September 2010	2009
Issued ordinary shares at beginning of the period	15,193,014,862	11,628
Effect of share subdivision (refer to note 14(a))	—	1,151,172
Effect of capitalisation issue	—	12,689,636,400
Weighted average number of shares at end of the period	**15,193,014,862**	**12,690,799,200**
Net profit/(loss) for the period, USD million	**29**	**64**
Basic and diluted earnings/(loss) per share, USD	**0.00**	**0.01**

	Nine months ended 30 September 2010	2009
Issued ordinary shares at beginning of the period	1,237,000	11,628
Issuance of shares on the Global Offering (refer to note 14(a))	1,451,033,109	—
Issuance of shares on warrant conversion (refer to note 14(a))	23,492,375	—
Effect of share subdivision (refer to note 14(a))	—	1,151,172
Effect of capitalisation issue	13,498,763,000	12,689,636,400
Effect of shares issued in lieu of share-based compensation to management (14(a))	51,048,349	—
Weighted average number of shares at end of the period	**15,025,573,833**	**12,690,799,200**
Net profit/(loss) for the period, USD million	**1,420**	**(826)**
Basic and diluted earnings/(loss) per share, USD	**0.09**	**(0.07)**

There were no outstanding dilutive instruments during the periods ended 30 September 2010 and 30 September 2009.

On 24 December 2009, the Company undertook a share split of 1:100 as further described in note 14(a). Immediately prior to the Global Offering, the Company issued 13,498,763,000 shares to its existing shareholders as a capitalisation share issue. These transactions have been given retroactive effect for the purposes of calculating earnings per share.

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

The weighted average number of shares for the nine month period ended 30 September 2010 includes the effect of the share-based compensation (refer to note 14(a)) from the date of Global Offering, 27 January 2010.

No dividends were declared and paid during the periods presented.

10 **Interests in associates**

	Three months ended 30 September	
	2010	**2009**
Balance at the beginning of the period	**9,284**	**7,545**
Group’s share of post acquisition profits including reversal of impairment	268	16
Group’s share of other comprehensive (loss)/income	—	29
Group’s share of dividends paid	(295)	—
Foreign currency translation	285	282
Balance at the end of the period	**9,542**	**7,872**
Goodwill included in interests in associates	5,466	5,405

	Nine months ended 30 September	
	2010	**2009**
Balance at the beginning of the period	**8,968**	**7,536**
Group’s share of post acquisition profits including reversal of impairment	849	342
Group’s share of other comprehensive income	4	100
Group’s share of dividends paid	(295)	
Foreign currency translation	16	(106)
Balance at the end of the period	**9,542**	**7,872**
Goodwill included in interests in associates	5,466	5,405

Investment in Norilsk Nickel

Norilsk Nickel uses the calendar year for the reporting purposes. However, Norilsk Nickel prepares and publishes its financial information significantly later than the Group. Consequently, the Group has adopted an approach for the purposes of equity accounting whereby the Group utilizes the financial results of Norilsk Nickel for the period ending 3 month prior to the Group’s reporting period-end. The financial results of Norilsk Nickel are adjusted for any known material events that took place up to the date of the Group’s reporting period-end.

The approach described above has been applied retrospectively. As a result there has been no change to the carrying value of the Group’s investment in Norilsk Nickel and the equity of the Group at 31 December 2008 and 2009 because of an impairment and a reversal of impairment which have been recognized at each of those dates, respectively, notwithstanding the method used to account for the Group’s share in post-acquisition profits of Norilsk Nickel. The Group’s share in post-acquisition profits of Norilsk Nickel for nine-month period ended 30 September 2009 have been decreased by USD141 million.

11 **Interests in jointly controlled entities**

	Three months ended 30 September 2010	2009
Balance at the beginning of the period	**998**	**502**
Contributions to jointly controlled entities	69	50
Group’s share of post acquisition (losses)/profits	(9)	10
Foreign currency translation	22	28
Balance at the end of the period	**1,080**	**590**

	Nine months ended 30 September	
	2010	**2009**
Balance at the beginning of the period	**778**	**506**
Contributions to jointly controlled entities	389	105
Group's share of post acquisition (losses)/profits	(36)	2
Dividends	(28)	—
Foreign currency translation	(23)	(23)
Balance at the end of the period	**1,080**	**590**

12 **Available for sale investments**

In September 2010 USD105 million of VAT recoverable of the Group's subsidiaries domiciled in Ukraine was converted at nominal value into 5-year Ukrainian government bonds with bond-equivalent yield 5.5%. These bonds were recognized at their estimated fair value of USD87 million as at 30 September 2010 and classified as available-for-sale investments within current assets.

13 **Trade and other receivables**

	30 September 2010 *USD million*	31 December 2009 *USD million*
Trade receivables from third parties	221	203
Impairment loss on trade receivables	(36)	(44)
Net trade receivables from third parties	**185**	**159**
Trade receivables from related parties, including:	**56**	**67**
Companies capable of exerting significant influence	*47*	*53*
Impairment loss	*(11)*	*(11)*
Net trade receivables from companies capable of exerting significant influence	*36*	*42*
Companies under common control	*10*	*20*
Impairment loss	—	*(1)*
Net trade receivables from entities under common control	*10*	*19*
Related parties — associates	*10*	*6*
VAT recoverable	389	617
Impairment loss on VAT recoverable	(48)	(54)
Net VAT recoverable	**341**	**563**
Advances paid to third parties	207	**118**
Impairment loss on advances paid	(6)	—
Net advances paid to third parties	**201**	**118**
Advances paid to related parties, including:	**83**	**59**
Related parties — companies capable of exerting significant influence	*1*	—
Related parties — companies under common control	*3*	*1*
Related parties — associates	*79*	*58*
Prepaid expenses	**25**	**48**
Prepaid income tax	**8**	**15**
Prepaid other taxes	**13**	**37**
Other receivables from third parties	126	117
Impairment loss on other receivables	(8)	(19)
Net other receivables from third parties	**118**	**98**
Other receivables from related parties, including:	**46**	**74**
Related parties — companies capable of exerting significant influence	*1*	*3*
Related parties — companies under common control	*19*	*13*
Related parties — associates	*26*	*58*
	1,076	**1,238**

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

As at 30 September 2010, USD38 million of VAT recoverable of the Group subsidiary domiciled in the Ukraine was reclassified from current to non-current assets as the Group did not expect to recover these amounts within the next 12 months. The estimated discount to the related carrying value of the outstanding VAT recoverable of USD9 million was included in the impairment loss on non-current assets in the consolidated interim condensed statement of income.

(a) **Ageing analysis**

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

	30 September 2010 *USD million*	31 December 2009 *USD million*
Current	205	205
Past due 0-90 days	21	7
Past due 91-365 days	8	10
Past due over 365 days	7	4
Amounts past due	36	21
	241	**226**

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

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

(b) Impairment of trade receivables

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

	Three months ended 30 September 2010 *USD million*	Three months ended 30 September 2009 *USD million*
Balance at the beginning of the period	(52)	(39)
Reversal of impairment/ (impairment loss) recognised	5	—
Balance at the end of the period	**(47)**	**(39)**

	Nine months ended 30 September 2010 *USD million*	Nine months ended 30 September 2009 *USD million*
Balance at the beginning of the period	(55)	(35)
Reversal of impairment/(impairment) recognised	8	(4)
Balance at the end of the period	**(47)**	**(39)**

As at 30 September 2010 and 31 December 2009, the Group's trade receivables of USD47 million and USD55 million, respectively, were individually determined to be impaired. Management assessed that the receivables are not expected to be recovered.

The Group does not hold any collateral over these balances.

14 Equity

(a) Share capital

	Nine months ended 30 September 2010		Nine months ended 30 September 2009	
	USD	**Number of shares**	**USD**	**Number of shares**
Ordinary shares at the end of the period, authorised	200 million	20 billion	11,628	11,628
Ordinary shares at 1 January	12,370	1,237,000	11,628	11,628
Issuance of ordinary shares on the Global Offering	16,102,928	1,610,292,840	—	—
Issuance of shares on warrant conversion	260,708	26,070,806	—	—
Effect of 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 USD 1 each	**—**	**—**	**11,628**	**11,628**
Ordinary shares at the end of the period post share split of USD 0.01 each, issued and paid	**151,930,148**	**15,193,014,862**	**11,628**	**11,628**

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

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

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

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

Pursuant to the written resolutions of the Company's shareholders on 26 December 2009, the authorised share capital of the Company was increased from USD 13,500, comprising 1,350,000 ordinary shares of USD0.01 each, to USD200,000,000, comprising 20,000,000,000 ordinary shares of USD0.01 each, in conjunction with the Global Offering.

On 27 January 2010, the Company successfully completed the Global Offering (refer to note 1). The Company raised approximately USD2,188 million, net of related expenses of USD48 million, from the Global Offering of which USD2,143 million has been used to repay principal debt owed by the Company to its international and Russian lenders (excluding State Corporation Bank for Development and Foreign Economic Affairs, referred further as "VEB") and Onexim. In addition to USD48 million directly related to the placement of the newly issued shares and recorded in equity, listing expenses of USD34 million were charged directly to the statement of income as these expenses related to the admission of the Company's entire share capital to trading on the Stock Exchange and Euronext Paris rather than placement of the new shares which resulted in additional equity. UC RUSAL also has paid fees to its international lenders and to Onexim in connection with the debt restructuring.

On 27 January 2010, 26,070,806 Fee Warrants with a carrying value of USD36 million were converted into the Company's ordinary shares and 110,292,840 Fee Warrants with a carrying value of USD153 million were settled by cash.

On 6 April 2010 the Company received consent from its international lenders in respect of the issuance of share-based compensation to its management and the CEO in connection with the Global Offering which took place in January 2010. The issue of shares was ratified by the Board on 13 April 2010. The Company issued 56,651,216 shares, representing 0.4% of its issued and outstanding share capital as compensation to its management and the CEO. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(b) **Other reserves**

Other reserves include the cumulative unrealised actuarial gains and losses on the Group´s defined post retirement benefit plans and cumulative unrealised gains and losses on its available-for-sale investments which have been recognised directly in equity. Dividend payouts are restricted in accordance with the debt restructuring agreements (refer to note 15).

(c) **Distributions**

In accordance with the Jersey Companies 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.

(d) **Currency translation reserve**

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

15 **Loans and borrowings**

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

	30 September 2010 *USD million*	**31 December 2009** *USD million*
Non-current liabilities		
Secured bank loans	10,414	9,677
Unsecured bank loans	—	856
Unsecured company loans	586	584
	11,000	**11,117**
Current liabilities		
Secured bank loans	1,111	2,091
Unsecured bank loans	—	293
Unsecured company loans	104	216
Accrued interest	55	152
	1,270	**2,752**

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 2009. During the nine month period ended 30 September 2010, the Group also pledged 100% shares of Rusal Armenal and a 90% stake in Bauxite Company of Guyana Inc. to secure loans and borrowings in accordance with the International Override Agreement "IOA". In addition, 1 share of Rusal Bratsk and 1 share of Rusal Krasnoyarsk previously pledged as second-ranking security are pledged as first-ranking security in accordance with the IOA. During the nine month period ended 30 September 2010 the Group released 14% less two shares of each of Rusal Achinsk, Rusal Novokuznetsk and SUAL and 2.15% less one share of Rusal Sayanogorsk from the pledge under the International Override Agreement following a partial repayment of loans and borrowings, and pledged an additional 11% of the shares of SUAL, Rusal Achinsk and Rusal Novokuznetsk under the bi-lateral loan agreements with the Russian lenders.

The secured bank loans are also secured by the following:

- property, plant and equipment with a carrying amount of USD1,193 million (31 December 2009: USD866 million);

- inventories with a carrying amount of USD475 million (31 December 2009: USD489 million);

As at 30 September 2010 and 31 December 2009, 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 September 2010 and 31 December 2009, 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 nine months ended 30 September 2010 the Group continued to reduce its debt and repaid USD309 million in addition to those repaid out of the IPO proceeds (refer to 14 (a)).

The nominal value of the Group's loans and borrowings was USD12,934 million at 30 September 2010 (31 December 2009: USD14,543 million).

Refinancing of VEB Loan

On 30 September 2010 Savings Bank of the Russian Federation ("Sberbank") and the Company signed a new loan agreement to refinance the VEB loan of USD4,583 million (including interest capitalised on the principal amount) extending the maturity date to 7 December 2013. The maturity date may be extended by 18 months if the Company provides evidence that maturity of the debt owed by the Group to international lenders has been extended by an additional 3 years or refinanced for the same period.

The new loan bears interest rate of LIBOR 1Y plus 5% per annum, payable on a quarterly basis. Sberbank is entitled to increase the interest rate to up to LIBOR 1Y plus 7% per annum upon occurrence of certain events. The Group will also pay a one-time commission of 2% of the principal amount less USD45.4 million already paid.

In accordance with the terms of the new agreement following shares of the Group's subsidiaries and the Company were released/pledged:

- released 25% of Rusal BRAZ and Rusal KRAZ and 100% of Gershvin Investments Corp. Limited previously pledged;

- pledged 25% plus 1 share in Norilsk Nickel split equally between Sberbank and VEB;

- pledged 5% of the Company's shares by the Company's four major shareholders pro rata to their shareholdings in the Company.

The new loan is guaranteed by VEB in the amount of USD2,250 million with the guarantee expiring on 30 January 2014. Under the guarantee, the Group will pay a commission of 1.5% per annum on the amount outstanding under the guarantee on a quarterly basis.

In connection with the refinancing of the VEB loan and as a condition to the international lenders of the Group granting the consents required under the IOA, the Company agreed to make certain amendments to the IOA. According to the amendments the Company will be obliged to ensure that:

a) an amount equal to USD120 million will be prepaid to the international lenders out of the net proceeds of disposals, equity and quasi equity fundraisings by no later than 30 June 2012. Such prepayments shall not count towards the USD2.4 billion equity/quasi equity raising and asset disposal requirement currently set out in the IOA. The USD120 million downpayment above relates to the amount of net proceeds required to be paid to the international lenders only (and so it is expected that the Company may need to raise more than this amount in order to satisfy its obligations to the Russian and Kazakh lenders and Onexim); and

b) an amount equal to USD148 million less the amount of the consent fee paid to the international lenders shall be prepaid to the international lenders by way of voluntary prepayments to be made in equal amounts on a quarterly basis during the remainder of 2010, 2011, 2012 and 2013. The Company may need to at the same time voluntarily prepay the same proportion to the Onexim, Russian and Kazakh facilities.

Further, in the event the Company is notified by Sberbank or otherwise becomes aware in accordance with the terms of new loan that the margin applicable to the new loan will exceed 5 per cent per annum, the Company will propose amendments to the IOA in order to ensure, to the extent possible, that such an increase in the margin applicable to the new loan does not adversely affect the interests of the international lenders. In the event such amendments are not approved by the relevant majority of the international lenders by the date on which the margin applicable to the Sberbank loan increases, an event of default will occur under the IOA.

Significant terms of debt restructuring

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

The details of significant terms of debt restructuring are disclosed in the Group's consolidated financial statements as of and for the year ended 31 December 2009. During the nine month period ended 30 September 2010 there were no significant changes to the key terms and conditions of restructured debt apart as described above.

16 **Provisions**

	Pension liabilities *USD million*	Site restoration *USD million*	Provisions for legal claims *USD million*	Tax provisions *USD million*	Total *USD million*
Balance at 30 June 2010	150	306	37	71	564
Provisions made during the period	6	1	2	—	9
Provisions reversed during the period	(2)	—	(1)	(5)	(8)
Provisions utilised during the period	(4)	—	(2)	—	(6)
Foreign currency translation	(4)	11	—	—	7
Balance at 30 September 2010	**146**	**318**	**36**	**66**	**566**
Non-current	*130*	*304*	—	—	*434*
Current	*16*	*14*	*36*	*66*	*132*
Balance at 30 June 2009	145	273	94	63	575
Provisions made during the period	8	—	1	40	49
Provisions reversed during the period	—	(2)	—	—	(2)
Actuarial loss	2	—	—	—	2
Provisions utilised during the period	(4)	(1)	(4)	—	(9)
Foreign currency translation	1	12	—	—	13
Balance at 30 September 2009	152	282	91	103	628

	Pension liabilities USD million	Site restoration USD million	Provisions for legal claims USD million	Tax provisions USD million	Total USD million
Balance at 1 January 2010	138	313	59	76	586
Provisions made during the period	17	12	12	—	41
Provisions reversed during the period	(19)	(3)	(2)	(10)	(34)
Actuarial loss	32	—	—	—	32
Provisions utilised during the period	(12)	—	(33)	—	(45)
Foreign currency translation	(10)	(4)	—	—	(14)
Balance at 30 September 2010	**146**	**318**	**36**	**66**	**566**
Non-current	*130*	*304*	—	—	***434***
Current	*16*	*14*	*36*	*66*	***132***
Balance at 1 January 2009	184	251	64	63	562
Provisions made during the period	23	31	35	56	145
Provisions reversed during the period	(20)	—	—	—	(20)
Actuarial gains	(19)				(19)
Provisions utilised during the period	(14)	(8)	(8)	(16)	(46)
Foreign currency translation	(2)	8	—	—	6
Balance at 30 September 2009	**152**	**282**	**91**	**103**	**628**

17 Derivative financial assets/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.

The fair value of the embedded derivatives at inception of the contracts was measured at Nil. Subsequent changes in fair value of the embedded derivatives were derived based on the following significant assumptions which were based on the observable market data and management estimates:

	30 September 2010	**31 December 2009**
LME aluminium price at inception of the contracts	USD1,908/tonne	USD1,908/tonne
LME aluminium price at the reporting date	USD2,162/tonne	USD2,170/tonne
Historical aluminium price annual volatility	17.3% to 30.8%	19.4% to 33.4%
Annual growth rate for aluminium price forward contracts	2.0%	3.4%
Electricity tariff at inception of the contracts	45.24 kopeks/kWh	45.24 kopeks/kWh
Electricity tariff price at the reporting date	44.00 kopeks/kWh	49.05 kopeks/kWh
Estimated electricity price annual volatility	60%	60%
Annual growth rate for electricity tariffs	9.5%	9.5%
Risk-free rate, adjusted for country risk premium of 1.74% at 30 September 2010 (31 December 2009: 1.84%)	1.9% to 4.7%	2.1% to 5.2%

The estimates of the fair value of the embedded derivatives are particularly sensitive to changes in the London Metal Exchange ("LME") aluminium prices. The revaluation of the embedded derivatives resulted in a gain of USD181 million and loss of USD388 million for the nine and three month periods ended 30 September 2010 respectively and is included in the finance income/expense. The loss recognised during the three-month period ended 30 September 2010 is primarily related to an increase in the LME price by approximately 20% between 30 September 2010 and 30 June 2010. The gain recognised during the nine-month period ended 30 September 2010 is related primarily to a slight decrease in the LME price, decrease in the aluminium growth rate and in the risk-free rate combined between 30 September 2010 and 31 December 2009 as well as the passage of time.

18 **Trade and other payables**

	30 September 2010 *USD million*	31 December 2009 *USD million*
Accounts payable to third parties	**431**	**710**
Accounts payable to related parties, including:	**92**	**210**
Related parties — companies capable of exerting significant influence	*27*	*83*
Related parties — companies under common control	*56*	*115*
Related parties — associates	*9*	*12*
Advances received	**169**	**168**
Advances received from related parties, including:	**304**	**485**
Related parties — companies capable of exerting significant influence	*249*	*429*
Related parties — companies under common control	*54*	*55*
Related parties — associates	*1*	*1*
Other payables and accrued liabilities	**191**	**189**
Other payable and accrued liabilities related parties, including:	**16**	**47**
Related parties — companies capable of exerting significant influence	*12*	*31*
Related parties — companies under common control	—	*12*
Related parties — associates	*4*	*4*
Other taxes payable	**107**	**98**
Non-trade payables to third parties	**2**	**4**
	1,312	**1,911**

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

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

	30 September 2010 *USD million*	31 December 2009 *USD million*
Due within twelve months or on demand	523	920

19 **Commitments and contingencies**

(a) **Capital commitments**

In May 2006, the Group signed a co-operation agreement with OJSC RusHydro (formerly OJSC HydroOGK) and RAO UES. Under this co-operation agreement, OJSC RusHydro and the Group have jointly committed to finance the construction and future operating of the BEMO Project including BoGES and an aluminium plant, the planned main customer of the hydropower station. The parties established two joint companies with 50:50 ownership, into which the Group is committed to invest USD1,768 million by the end of 2012. As at 30 September 2010, the outstanding commitment of the Group for construction of the aluminium plant was approximately USD692 million to be committed by the end of 2014, and the outstanding commitment for the hydropower station construction was USD226 million to be committed by the end of 2012.

In July 2010, the Group announced that the Supervisory Board of VEB had approved financing of RUR50 billion (approximately USD1.7 billion) for the completion of the construction of the BEMO Project. Under the terms of financing, VEB will provide loans directly to the hydropower station and the aluminium plant. The approved credit facilities will be available after all the loan documentation is signed and the necessary corporate approvals and the approval of the Group's creditors are received.

The Group has entered into contracts that result in contractual obligations primarily relating to various construction and capital repair works. The commitments at 30 September 2010 and 31 December 2009 approximated USD556 million and USD599 million, respectively. These commitments are due over a number of years.

(b) **Taxation**

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

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

In addition to the amounts of income tax the Group has provided, there are certain tax positions taken by the Group where it is reasonably possible (though less than 50% likely) that additional tax may be payable upon examination by the tax authorities or in connection with ongoing disputes with tax authorities. The Group´s best estimate of the aggregate maximum of additional amounts that it is reasonably possible may become payable if these tax positions were not sustained at 30 September 2010 is USD360 million (31 December 2009: USD439 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 that there are currently 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 an ongoing basis. Where management believes that a lawsuit or another claim would result in the outflow of 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). The amount of claims where management assesses outflow as possible approximates USD22 million (31 December 2009: USD32 million).

In May 2009, the Government of the Republic of Guinea filed a claim against one of the Group's subsidiaries in the amount of USD1,000 million contesting the terms of privatisation of the Group's subsidiaries in Guinea. In March 2010, the Group received a decision from the Appeal Court of Conakry overruling the previous court's decision regarding the jurisdiction of a local court to consider this claim in Guinea. Management continues to believe that the claim has no merit and the risk of any cash outflow in connection with this claim is low and therefore no provision has been recorded in this regard in these consolidated financial statements.

On 24 November 2006, a claim was issued on behalf of Mr. Cherney against 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 High Court of Justice, Queen's Bench Division, Commercial Court, London, determined on 3 July 2008 that it had jurisdiction to hear the claim, and the Court of Appeal upheld this determination. On 9 December 2009 the United Kingdom Supreme Court refused Mr. Deripaska's application for permission to appeal the decision of the Court of Appeal. On 14 December 2009 Mr. Deripaska was served with Mr. Cherney's claim. Mr. Deripaska served his defence to Mr. Cherney's claim on 22 March 2010, and Mr. Cherney in turn served his reply on 9 June 2010. Disclosure of information by the parties is currently underway, witness and expert statements are expected to be exchanged in the course of 2011 and the trial date is expected to be determined in the near future for March 2012 or thereafter. At present, there is considerable uncertainty as to the possible scope and the potential outcomes of 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 are currently parties to the case and as 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 September		**Nine months ended 30 September**	
	2010	**2009**	**2010**	**2009**
	USD million	*USD million*	*USD million*	*USD million*
Salaries and bonuses	18	4	42	13
Share-based and cash compensation to management in connection with Global Offering	—	—	74	—
	18	**4**	**116**	**13**

(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, trade receivables from related parties are disclosed in note 13, accounts payable to related parties are disclosed in note 18, and finance income and expenses incurred in transactions with related parties are disclosed in note 7.

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

	Three months ended 30 September		**Nine months ended 30 September**	
	2010	**2009**	**2010**	**2009**
	USD million	*USD million*	*USD million*	*USD million*
Purchases of raw materials — companies under common control	34	40	123	68
Purchases of alumina, bauxite and other raw materials — companies capable of exerting significant influence	42	22	94	126
Energy costs — companies under common control	135	95	408	252
Energy costs — companies capable of exerting significant influence	48	51	147	153
Other costs - companies under common control	2		5	—
Other costs — associates	32	29	96	87
	293	**237**	**873**	**686**

At 30 September 2010, included in non-current assets are balances of USD37 million of companies which are related parties (31 December 2009: USD41 million).

At 30 September 2010 and 31 December 2009, the amount of unsecured company loans including interest payable of USD2 million and USD70 million to a related party amounted to USD691 million and USD870 million, respectively (refer to note 15).

(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.

Audit committee

The Directors have established an audit committee to assist them 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. The members of the audit committee are as follows: three independent non-executive Directors, being Dr. Peter Nigel Kenny (Chairman), Mr Philip Lader and Ms. Elsie Leung and two non-executive Directors, Mr. Alexander Popov, and Mr. Dmitry Razumov.

The audit committee has reviewed the financial results of the Company for the three- and nine- months ended 30 September 2010.

Compliance

Pursuant to Article L.451-1-2 IV of the French Code monétaire et financier, the Company is required to publish quarterly financial information for the first and third quarters of the financial year.

The Directors confirm that the information contained in this announcement does not contain any false statements, misleading representations or material omissions, and all of them jointly and severally accept responsibility as to the truthfulness, accuracy and completeness of the content of this announcement.

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.

GLOSSARY

"**Achinsk alumina refinery**" means OJSC RUSAL Achinsk, a company incorporated under the laws of the Russian Federation, which is a wholly owned subsidiary of the Company.

"**Adjusted EBITDA**" for any period means the results from operating activities adjusted for amortisation and depreciation, impairment charges and loss on disposal of property, plant and equipment.

"**Alpart**" means Alumina Partners of Jamaica, in which the Company indirectly holds a 65% interest.

"**Announcement**" means an announcement made on either the Stock Exchange or Euronext Paris.

"**Annual Report**" means the report for the year ended 31 December 2009 dated 29 April 2010 published by the Company.

"**Audit Committee**" means the audit committee of the Company.

"**Aughinish alumina refinery**" means Aughinish Alumina Limited, a company incorporated in Ireland, which is a wholly owned subsidiary of the Company.

"**BEMO**" means the companies comprising Boguchanskoye Energy and Metals Complex.

"**BEMO HPP**" means the Boguchanskaya hydro power plant.

"**BEMO Loan**" means the USD520 million facility agreement dated 15 March 2007 (as amended on 17 August 2007) and made between, among others, Boguchansk as the company and Barclays Bank PLC as facility agent.

"**BEMO Project**" means the Boguchanskoye Energy & Metals project involving the construction of the BEMO HPP and the Boguchansky aluminium smelter as described in pages 23 and 180 of the Annual Report.

"**Board**" means the board of Directors of the Company.

"**Bogoslovsk aluminium smelter**" or "**Bogoslovsk alumina refinery**" means Bogoslovsk aluminium smelter, a branch of OJSC SUAL.

“**Boguchansky aluminium smelter**” means the aluminium smelter project involving the construction of a 588 kilotonnes per year greenfield aluminium smelter on a 230 hectare site, located approximately 8 km to the south-east of the settlement of Tayozhny in the Krasnoyarsk region, and approximately 160 km (212 km by road) from the BEMO HPP, as described in pages 23 and 180 of the Annual Report.

“**Bratsk aluminium smelter**” means OJSC RUSAL Bratsk, a company incorporated under the laws of the Russian Federation, which is a wholly owned subsidiary of the Company.

“**Cash Operating Cost**” is a key operating metric of the Group. The following specific parameters are used in the Group’s management accounting:

(a) “Aluminium Cash Operating Costs” represent the average weighted costs of aluminium production (including maintenance costs, pot rebuild costs, capacity expansion or capacity closure costs, changes in work in progress/inventory and warehouse costs of commodity aluminium) and sales costs (including transport, security and handling), as well as general administrative costs of the Group’s management company.

(b) “Alumina Cash Operating Costs” represent the average weighted costs of calcined alumina production (including changes in inventory, work in progress and warehouse costs of commodity alumina) and sales costs (including transport, security and handling).

”**CEO**” or “**Chief Executive Officer**” means the chief executive officer of the Company.

“**Chief Financial Officer**” means the chief financial officer of the Company.

“**CIS**” means the Commonwealth of Independent States.

“**Company**” or “**UC RUSAL**” means United Company RUSAL Plc.

“**Covenant EBITDA**” has the meaning given in the International Override Agreement.

“**debt restructuring agreements**” and “**debt restructuring**” means the debt restructuring agreements and the debt restructuring detailed in the Prospectus, in particular, under “Summary - Debt Restructuring - Overview of the Debt Restructuring” at pages 9 to 10 of the Prospectus and under ”Financial Information - Management’s Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources - Debt Restructuring” at pages 222 to 244 of the Prospectus.

“**Directors**” means the directors of the Company.

“**EN+**” means EN + Group Limited, a company incorporated in Jersey and which is a shareholder of the Company.

“**ETF**” means exchange traded fund.

“**Euronext Paris**” means the Professional Segment of NYSE Euronext Paris.

“**European Premium**” means the aluminium cash premium paid per tonne in Western Europe.

“**Eurallumina**” means an alumina refinery located in Portoscuso, on the southwest coast of Sardinia, Italy and which is wholly owned by the Group.

“**Ewarton plant**” or “**Ewarton Works**” means the alumina refinery in Jamaica owned by Windalco.

“**Friguia**” means Friguia SA, a company incorporated in Guinea, which is a wholly owned subsidiary of the Company.

“**Global Offering**” has the meaning given in the Prospectus.

“**Group**” means UC RUSAL and its subsidiaries from time to time, including a number of production, trading and other entities controlled by the Company directly or through its wholly owned subsidiaries.

“**IAS**” means International Accounting Standards.

“**International Override Agreement**” means the international override agreement entered into by the Company and certain members of the Group on 7 December 2009 with certain international banks.

“**IPO**” means the initial public offering of UC RUSAL on the Stock Exchange and Euronext Paris.

“**Irkutsk aluminium smelter**” means Irkutsk aluminium smelter, a branch of OJSC SUAL.

“**Khakas aluminium smelter**” means Khakas Aluminium Smelter Limited, a company incorporated under the laws of the Russian Federation, which is a wholly owned subsidiary of the Company.

"**Krasnoyarsk aluminium smelter**" means OJSC RUSAL Krasnoyarsk, a company incorporated under the laws of the Russian Federation, which is a wholly owned subsidiary of the company.

"**kt**" means kilotonnes.

"**Listing**" means the listing of the Shares on the Stock Exchange.

"**LLP Bogatyr Komir**" means the joint venture described on pages 25 and 180 of the Annual Report.

"**LME**" means the London Metal Exchange.

"**mt**" means million tonnes.

"**na**" means not applicable.

"**Net Debt**" is calculated as Total Debt less cash and cash equivalents as at the end of the period.

"**Nikolaev alumina refinery**" means Mykolayiv Alumina Refinery Company Limited, a company incorporated under the laws of the Ukraine, which is a wholly owned subsidiary of the Company.

"**Norilsk Nickel**" means OJSC MMC Norilsk Nickel.

"**Novokuznetsk aluminium smelter**" or "**NkAZ**" means OJSC RUSAL Novokuznetsk, a company incorporated under the laws of the Russian Federation, which is a wholly owned subsidiary of the Company.

"**Onexim**" means Onexim Holdings Limited, a company incorporated in Cyprus and which is a shareholder of the Company.

"**Prospectus**" means the Company's prospectus for the Listing dated 31 December 2009. The Prospectus is available on the Company's website under the link http://www.rusal.ru/investors/EWP101.pdf.

"**Queensland Alumina Ltd.**" means Queensland Alumina Limited, a company incorporated in Queensland, Australia, in which the Company indirectly holds a 20% equity interest.

"**related party**" of an entity means a party who is:

(a) directly, or indirectly through one or more intermediates, a party which:

  (i) controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);

(ii) has an interest in the entity that gives it significant influence over the entity; or

(iii) has joint control over the entity;

(b) an associate of the entity;

(c) a joint venture in which the entity is a venturer;

(d) a member of the key management personnel of the entity or its parent;

(e) a close member of the family of any individual referred to in (a) or (b) above;

(f) an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e) above;

(g) a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

”**related party transaction**” means a transfer of resources, services or obligations between related parties, regardless of whether the price is charged.

“**RUR**” or “**Ruble**” means Rubles, the lawful currency of the Russian Federation.

“**RusHydro**” means JSC Rushydro (Federal Hydrogeneration Company), a company organised under the laws of the Russian Federation.

“**Sayanogorsk aluminium smelter**” means OJSC RUSAL Sayanogorsk, a company incorporated under the laws of the Russian Federation, which is a wholly owned subsidiary of the Company.

“**Sberbank**” means the Savings Bank of the Russian Federation.

“**Share(s)**” means ordinary share(s) with nominal value of US$0.01 each in the share capital of the Company.

“**Shareholder(s)**” means holder(s) of the Share(s).

“**South Urals**” means East European Russia and North West Kazakhstan, forming, together with the Ural River, the traditional boundary between Europe and Asia and separating the Russian plain from the West Siberian lowlands.

“**Stock Exchange**” means the Main Board of the Stock Exchange of Hong Kong Limited.

“**Taishet**” or “**Taishet aluminium smelter**” means the new aluminium smelter which is an active project currently being implemented around 8 km from the centre of the town of Taishet in the Irkutsk region of the Russian Federation, as described on page 23 of the Annual Report.

“**total attributable alumina output**” is calculated based on pro rata share of the Group’s ownership in corresponding alumina refineries.

“**total attributable aluminium output**” is calculated based on pro rata shares of the Group’s ownership in corresponding aluminium smelters.

“**total attributable bauxite output**” is calculated based on pro rata share of the Group’s ownership in corresponding bauxite mines and mining complexes.

“**Total Debt**” means the Company’s loans and borrowings at the end of the period.

“**Total Net Debt**” has the meaning given in the International Override Agreement.

“**Urals aluminium smelter**” or “**Urals alumina refinery**” means Urals aluminium smelter, a branch of OJSC SUAL.

“**USD**” or “**US dollars**” means United States dollars, the lawful currency of the United States of America.

“**US Premium**” means the aluminium cash premium paid per tonne in the United States of America.

“**VEB**” means State Corporation “The Bank for Development and Foreign Economic Affairs (Vnesheconombank)”.

“**Windalco**” means West Indies Alumina Company, a company incorporated in Jamaica, in which the Company indirectly holds a 93% interest.

“**Zaporozhye aluminium smelter**” or “**Zaporozhye alumina refinery**” means OJSC Zaporozhye Aluminium Combine, a company incorporated in the Ukraine, in which the Company indirectly holds a 97.6% interest.

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

12 November 2010

As at the date of this announcement, our executive Directors are Mr. Oleg Deripaska, Mr. Vladislav Soloviev, Mr. Petr Sinshinov, Mr Alexander Livshits, Ms Vera Kurochkina and Ms. Tatiana Soina, our non-executive Directors are Mr. Victor Vekselberg (Chairman), Mr. Dmitry Afanasiev, Mr. Len Blavatnik, Mr. Ivan Glasenberg, Mr. Alexander Popov, Mr. Dmitry Razumov, Mr. Anatoly Tikhonov and Mr. Artem Volynets and our independent non-executive Directors are Dr. 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.