POWER OF SUCCESS

RUSAL

interim report 2011

Contents

2011 Interim Review

Key highlights

- Revenue increased by 18.8% to USD6,323 million for the first half of 2011, as compared to USD5,321 million for the first half of 2010, mainly due to increased prices.
- Adjusted EBITDA increased by 7.5% to USD1,425 million for the first half of 2011, as compared to USD1,325 million for the first half of 2010, representing Adjusted EBITDA margin of 22.5% keeping the best position in industry.
- Adjusted Net Profit[1] increased by 24.5% to USD559 million for the first half of 2011, as compared to USD449 million for the first half of 2010.
- Net profit of USD1,085 million for the first half of 2011 decreased by 20.5% as compared to net profit of USD1,365 million for the first half of 2010, due to certain non-cash items, mainly increase in the effective interest charges on restructured debt and decrease in net share in results of Norilsk Nickel.
- Total aluminium output amounted to 2,023 thousand tonnes in the first half of 2011, representing an increase of approximately 1%, as compared to that of the first half of 2010.
- Record high share of value-added products output demonstrating 37% of total aluminium production in the first six months of 2011 in comparison with 29% for the first half of 2010.
- Weighted-average realised premiums above LME aluminium prices have increased by 64% from USD94 per tonne in the first half of 2010 to USD154 per tonne in the first half of 2011.
- Alumina output totalled 4,025 thousand tonnes in the first half of 2011, representing an increase of approximately 8%, as compared to that of the first half of 2010.
- Bauxite production totalled 6,617 thousand tonnes in the first half of 2011, representing an increase of approximately 23%, as compared to that of the first half of 2010.
- In the first six months ended 30 June 2011, the Company reduced its debt under its restructuring agreements by USD1.67 billion by way of repayment out of the proceeds from the Russian Ruble denominated bonds issue in March and April 2011 and more than USD0.6 billion out of cash flow of the Company.
- Banks mandated to arrange up to USD4.75 billion pre-export finance facility, which may potentially be increased to up to USD5 billion upon agreement with the lenders providing the facility to the Company.
- The maturity of the USD4.58 billion Sberbank facility (the debt initially owed to VEB and refinanced by Sberbank) was agreed to be extended from December 2013 to August 2016. Simultaneously, the interest rate was agreed to be reduced to one-year LIBOR+4.5% and the VEB guarantee was terminated.

[1] Adjusted Net Profit for any period is defined as the Net profit adjusted for the net effect from share in the results of Norilsk Nickel, the net effect of embedded derivative financial instruments, the difference between effective and nominal interest rate charge on restructured debt and net effect of non-current assets impairment.

Financial and Operating Highlights

USD million (unless specified otherwise)	For the six months ended 30 June 2011	For the six months ended 30 June 2010
Revenue	6,323	5,321
Adjusted EBITDA	1,425	1,325
Adjusted EBITDA margin (%)	22.5%	24.9%
Income from associates	389	555
Pre tax profit	1,366	1,551
Net profit	1,085	1,365
Net profit margin (%)	17.2%	25.6%
Adjusted Net Profit	559	449
Adjusted Net Profit margin (%)	8.8%	8.4%
Earnings per Share (in USD)	**0.07**	**0.09**

	Six months ended 30 June 2011	Year ended 31 December 2010
Total assets	28,606	26,525
Equity attributable to shareholders of the Company	13,856	11,456
Net Debt	11,426	11,472

Chairman's Letter

Dear Shareholders,

I am pleased to present the Interim Report of UC RUSAL for the half year ended 30 June 2011.

The period under review has seen the Company focusing on increasing efficiency of the business and continuing to deliver value for all stakeholders. We are very proud of the global make-up of our investor base and we work hard at ensuring we are in a constant dialogue with them at all times.

During the first half of 2011, it became clear that despite the positive trends observed in 2010, prospects for the global economy remain somewhat uncertain. The recent recession in the US was deeper than previously thought and its economy grew by only 1.3% in the second quarter of 2011, while significant concerns remain about the size of its debt burden. Many European countries are also struggling to halt the impact of the current global economic crisis with high unemployment, household and banking sector budget consolidation and concerns over fiscal sustainability commonplace. The recent tragic events in Japan and the political turmoil in the Middle East and North Africa during the first half of 2011 have also cut into domestic growth across the globe. At the same time, strong growth in a significant number of developing countries has contributed to a new set of global challenges, including higher commodity prices, rising inflation and the possible return of destabilising capital inflows as monetary policies tighten in these countries and interest rates rise.

UC RUSAL has not been immune from the impact of these macroeconomic challenges; however the Company has remained focused on driving profitability through improving the product mix available for its customers and keeping a firm focus on controlling costs. This has enabled the Group to deliver the best margins across the industry and once again to be the most efficient aluminium producer among its peers.

2011 has seen the Group continuing to focus on numerous community initiatives across the globe. The programme “Territory of RUSAL” continued its invaluable work with the modernisation of the Science Library in Krasnoyarsk, the reconstruction of youth centres in Achinsk and Boguchany and the construction of a kindergarten in Bratsk along with many other projects. In addition we have launched a new internal programme “Formula of the Future” aimed at identifying young talented individuals across the Group to give them the opportunity to further their career development with the Company.

As the first Russian company to list on the Hong Kong Stock Exchange, UC RUSAL continues to bring the best of Russia to Hong Kong and promote a mutually beneficial relationship between the two regions. Following a very well received concert from the Cossack Chorus in Hong Kong and the “Evolution of Russia” – an insightful television documentary in four parts broadcast on Hong Kong television, all supported by UC RUSAL, the Company presented “From Russia with Love”, a fascinating book introducing Russia, its history, traditions, people and culture to a wider audience.

UC RUSAL is very fortunate to have a strong and supportive shareholder base and we look forward to the future as we continue to deliver significant value to them all.

Victor Vekselberg
Chairman of the Board

29 August 2011

CEO's Letter

The first half of 2011 has been characterised by challenging market conditions across the whole metals and mining industry. The rising oil prices and weakness of the US dollar against local currencies has fuelled the rising price of raw materials and consequently driven the cost of production across the aluminium industry upwards. As a result, the global aluminium industry is suffering from lower profitability compared to other metals producers. However, thanks to UC RUSAL's focus on increasing the efficiency of the Group's business with strong cost management, the Company has become the world's most efficient aluminium producer, achieving an Adjusted EBITDA margin of 22.5%.

UC RUSAL has faced significant pressure on its production costs due to the liberalisation of the wholesale electricity market, as well as the introduction of new regulations, in Russia since 1 January 2011, which saw a sharp rise in energy tariffs in the first quarter of the year. Energy prices have stabilized in the second quarter at average levels lower than those in the first quarter. The Company has taken steps to mitigate the impact of high energy tariffs and continues to monitor the impact of relevant new regulations with a view to negotiating further amendments to the current rules in the future.

Despite the challenging conditions, the Group has delivered a solid set of operational results, with revenue increasing by 19% from USD5,321 million in the first half of 2010 to USD6,323 million in the first half of 2011. The major financial indicators are in line with this revenue growth. Adjusted EBITDA grew by 8% to USD1,425 million and it is particularly satisfying to report that Adjusted Net Profit, which indicates the profitability of the core business excluding certain non-cash items, increased by 24.5% from USD449 million in the first half of 2010 to USD559 million in the first half of 2011.

A significant driver in these positive results has been increasing aluminium premiums. Weighted average premiums above LME aluminium prices have increased to USD154 per tonne in the first half of 2011. One key factor influencing the ability of the Group to charge higher premiums was the greater proportion of value-added products in the Company's total production volume, which increased from 29% in the first half of 2010 to 37% in the first half of 2011.

The Group continues to pursue its strategy of increasing the share of value-added products within its overall production profile by modernising major production facilities at the Siberian aluminum smelters and refocusing smelters located in the European part of Russia to manufacture unique products tailored for the specific needs of its customers.

Alongside this programme, the Group has launched its first large-scale environmental modernisation projects since the global downturn in 2008 at the three Urals plants, namely, the Bogoslovsk aluminium smelter, the Urals aluminium smelter, and the Urals silicon plant as well as the Achinsk alumina refinery in Siberia. The total investment in these projects is expected to amount to RUB5.5 billion (approximately USD200 million). The Company is committed to reducing the environmental impact across all of its operations and UC RUSAL believes these projects will enable the Group to establish a base for future growth in accordance with environmental standards.

Following the resumption of construction in January 2011, significant progress has been made at the site of the Boguchansky smelter, which together with the BHPP, make up the world's largest power and metals project, the BEMO Project. At the BHPP, seven out of the nine turbines have been delivered on site, three of which have already been installed. Major construction works at the BHPP have been completed and the first turbines are on schedule to be launched in April 2012. The earthworks at the Boguchansky aluminium smelter have been completed and its first metal production is expected to commence in March 2013. Once operational, the new smelter is expected to add 600,000 tonnes per year of smelting capacity to the Group's capabilities. The Group also aims to restart the construction of the Taishet aluminium smelter, based in the Irkutsk region of the Russian Federation and with an annual production capacity of 750,000 tonnes, before the end of 2011.

In the first half of 2011, the Group has made significant progress in refinancing its debt, extending the average maturities in its loan portfolio and reducing the overall cost of debt. Successful Ruble bond issues enabled the Company to refinance its debt ahead of schedule. In June 2011, the Company announced that the Board had approved the main terms and conditions of a new finance facility of up to USD4.75 billion with a syndicate of international and Russian lenders. This new facility will primarily be used to fully repay the outstanding debt under the International Override Agreement, entered into by the Company in December 2009 and to repay Onexim liabilities. This will result in greater operational and financial flexibility for the Group and pave the way for increased capital expenditure, accelerate dividend payments and potential M&A activity. The lenders' willingness to commit to the new financing package is a testament to the high quality of UC RUSAL's credit quality and a vote of confidence in the Company.

While the volatility across the sector and in the global economy is likely to persist in the mid-term, UC RUSAL's strong fundamentals and leading position in the metals and mining industry should allow the Company to continue delivering values and growth for all stakeholders.

Oleg Deripaska
Chief Executive Officer

29 August 2011

Management Discussion and Analysis

Overview of trends in the aluminium industry and business environment

Aluminium industry in the first half of 2011

Demand for aluminium continued to improve throughout the first half of 2011, driven by the growth in global economic activity and the intensity of aluminium usage. Aluminium consumption during the first half of 2011 reached 22.1 million tonnes, representing a 10% increase from that of the same period in 2010. Worldwide production of primary aluminium in the first half of 2011 was in line with consumption levels and amounted to 22.1 million tonnes, which was 5% higher than the 21 million tonnes of production in the first half of 2010. In UC RUSAL's view, the global aluminium market remains close to balance.

Global demand for aluminium in the six months period ended 30 June 2011 was driven by China with growth of 15%, India with growth of 15% and Brazil with growth of 12%, respectively, according to Brook Hunt, whereas the lackluster performance of the North American construction sector and the residual impact of the Japanese tsunami held back further growth in demand in the same period.

During the first half of 2011, the LME aluminium price increased to an average of USD2,550 per tonne which was up by 20% compared to that of the same period of last year and up by 4% from that of the first quarter of 2011. Aluminium price fundamentals were supported by global demand factors and anticipated cost inflation feeding through into higher LME prices.

China's demand for aluminium continues to be robust as a result of strong economic growth of 9.5% in the second quarter of 2011 despite the PRC Government's measures to curb inflation and control speculative markets. Demand for aluminium in the first half of 2011 rose to 9.4 million tonnes, representing an increase of approximately 15% over that of the six months ended 30 June 2010. It is estimated that China produced 11.4 million tonnes of aluminium semis in the first half of 2011, an increase of 26.7% over that of the six months ended 30 June 2010, based on the strong demand in the domestic construction and automotive industries as well as in the export markets. Growth in consumption of 15% significantly outperformed that in production of 10% for the first half of 2011 due to power supply restrictions during the period that resulted in smelter closures and delays in the starting of new aluminium smelting capacity.

During the first half of 2011, the SHFE aluminium price rose to USD2,664 per tonne or by approximately 6.9% and SHFE aluminium stocks (on warrant) declined by approximately 52.7% to 141,281 tonnes for the period.

Investors' appetite for commodities remained firm during the first half of 2011. Weakness of the US dollar, aluminium cost inflation as well as a positive aluminium metal forward curve supported further investment inflows into commodities. Aluminium continued moving into off-warrant warehouses as part of financial deals, positively influencing the underlying price as financial deals demand also supports aluminium production and supply process.

Aluminium industry 2011 outlook

UC RUSAL continues to see strengthening demand for aluminium through increased penetration in the consumer markets as well as further price support based on cost inflation in aluminium inputs, including raw materials (alumina, pitch and tar), power (coal and oil) and labour, which are significant cost items in the aluminium production process.

Looking at the key consumer segments, automotive remains a key driver of aluminium demand growth. Despite the decline of vehicle production in the US in the second quarter of 2011, an 8% growth in North America is expected for the full year. Similarly, increasing car production in Europe is forecasted by UC RUSAL at 5% for 2011, with the highest growth expected in Germany (9.5%) and Turkey (10%), according to UC RUSAL internal projections. According to Brook Hunt, heavy trucks and trailers applications are maintaining record growth rates in North America and Europe. UC RUSAL believes that demand from other consuming segments, including aviation, electronics and packaging remains strong.

The Company expects strong demand for aluminium to continue in 2011 with a 13% growth to 46 million tonnes expected to be driven by the emerging markets of China, Brazil, India and Russia. Japanese consumption is expected to recover in the fourth quarter of 2011 and be led by the automotive and construction sectors, according to UC RUSAL internal projections. Total underlying demand in China is forecasted at 19 million tonnes in 2011 with aluminium consumption growth expected to be 15% on a y-o-y basis, according to UC RUSAL internal projections. The automotive industry remains the key growth driver with additional support from the construction sector, driven by continuing urbanisation, infrastructure development and realisation of development projects. Managing the transition of major economic activity from “investment driven” to “consumption driven” remains one of the key challenges of the PRC Government in 2011. In the long-term, Chinese aluminium production will further move towards less power-intensive value-added aluminium products, providing opportunities for aluminium imports, according to UC RUSAL internal projections. Indian primary aluminium consumption is forecasted to grow by 16% in 2011 with urbanisation and industrialisation projects driving the country’s aluminium demand. The growth in demand will be supported by spending on electricity transmission, road/rail infrastructure and irrigation schemes. At the same time, Indian automotive production is forecasted to grow at an average annual rate of 12.4% per annum from 2011 to 2013, according to UC RUSAL internal projections.

The Company expects production of primary aluminium to grow by approximately 9% to 46 million tonnes in 2011. Most of the incremental production is likely to come from China and the Middle East.

The Company expects the LME aluminium price to stay within the range of USD2,500 to USD2,600 per tonne for the rest of 2011, supported by positive supply and demand dynamic globally, continuing weakness of the US dollar, strong oil price outlook and expected constraints to further significant production growth in China. The cost pressures will continue to support prices at the higher end of this range.

Premiums

Premiums remained healthy and demonstrated a good upward trend from USD94 per tonne (free on board) local port in the first half of 2010 to USD154 per tonne in the first half of 2011. This is in line with the tight metal availability in the Western markets and positive demand factors previously mentioned. On a regional basis, premiums in Europe and Asia remained stable from the beginning of the year till the end of April and early May and reached USD190-210 per tonne in Europe and USD120-121 per tonne in Japan. In the US, premiums increased in February – March and grew sharply to USD0.09 per lb in the middle of April – early May before settling at USD0.082 per lb at the end of the first half of 2011.

Alumina market

The Pacific and Atlantic alumina markets have been weakening since the beginning of 2011 but this was partly offset by production shortfalls in Australia and Brazil during the first quarter of 2011 and exacerbated by floods and port logistical problems in these areas as well. As a result, the spot alumina price rose in April to USD417- 420 per tonne. At the same time, the drop in Chinese alumina imports and commissioning of new alumina capacity had negative market impact in the second quarter of 2011 and decreased alumina price to the range of USD380-390 per tonne, almost equal to prices at the beginning of the year. At the same time, expectation of aluminium price recovery as well as alumina cost inflation will lead to recovery in alumina price above USD400 per tonne in the second half of 2011, according to RUSAL's projection.

Our Business

The principal activities of the Group are bauxite and nepheline ore mining and processing, alumina refining, aluminium smelting and refining, as well as sales of bauxite, alumina and various primary aluminium and secondary products. There were no significant changes in the Group's principal activities for the six months ended 30 June 2011.

Financial and operational performance

The table below provides key selected financial information and other attributable production information for the Group.

	Three months ended 30 June		Three months ended 31 March	Six months ended 30 June		Year ended 31 December
Key operating data	**2011**	**2010**	**2011**	**2011**	**2010**	**2010**
('000 tonnes)						
Primary aluminium [2]	1,009	1,023	1,014	2,023	1,996	4,083
Alumina [3]	2,029	1,889	1,996	4,025	3,712	7,841
Bauxite (wet)[4]	3,478	2,778	3,139	6,617	5,391	11,798
(USD million)						
Revenue	3,330	2,990	2,993	6,323	5,321	10,979
Cost of sales	(2,273)	(1,929)	(2,004)	(4,277)	(3,495)	(7,495)
Gross profit	1,057	1,061	989	2,046	1,826	3,484
Adjusted EBITDA	743	840	682	1,425	1,325	2,597
margin (% of revenue)	*22.3%*	*28.1%*	*22.8%*	*22.5%*	*24.9%*	*23.7%*
Net profit for the period	339	1,118	746	1,085	1,365	2,867
margin (% of revenue)	*10.2%*	*37.4%*	*24.9%*	*17.2%*	*25.6%*	*26.1%*
Adjusted Net Profit for the period	243	352	316	559	449	849
margin (% of revenue)	*7.3%*	*11.8%*	*10.6%*	*8.8%*	*8.4%*	*7.7%*

	As at 30 June		As at 31 December
	2011	**2010**	**2010**
Net Debt	11,426	12,152	11,472
Net Debt to Adjusted EBITDA ratio[6]	4.0:1	4.6:1	4.4:1
Total Net Debt to Covenant EBITDA	3.7:1	4.8:1	4.1:1

2 Figures based on total attributable aluminium output.
3 Figures based on total attributable alumina output.
4 Figures based on total attributable bauxite output.
5 For the purposes of calculating Net Debt to Adjusted EBITDA ratio for the periods ended 30 June 2010 and 30 June 2011, Adjusted EBITDA was annualised by multiplying Adjusted EBITDA for the respective period by two. These ratios may not be indicative of what these ratios will be for the full fiscal year ending 31 December 2011. Net Debt to Adjusted EBITDA differs from Total Net Debt to Covenant EBITDA for the purposes of the Company's debt restructuring agreements.

Aluminium production

UC RUSAL's total aluminium output amounted to 2,023 thousand tonnes in the six months ended 30 June 2011, as compared to 1,996 thousand tonnes for the six months ended 30 June 2010.

The increase in volumes in aluminium output in the six months ended 30 June 2011 was mostly due to increased production at the Krasnoyarsk, Novokuznetsk and Irkutsk aluminium smelters in Siberia and Kubal in Sweden.

The Company has slightly adjusted its projected annual aluminium production growth for the full year of 2011 from 2% as compared to that of 2010, as previously announced in the Annual Report, to 1%.

Alumina production

Total attributable alumina output for UC RUSAL amounted to 4,025 thousand tonnes for the six months ended 30 June 2011, as compared to 3,712 thousand tonnes for the six months ended 30 June 2010.

The increase in the volume of alumina production for the first six months of 2011 as compared to that for the six months ended 30 June 2010 was due to increased production at Windalco Ewarton Plant in Jamaica.

The projected annual alumina production growth has been adjusted from a projected 8% growth in 2011 as compared to that of 2010, as previously announced in the Annual Report, to 5%.

Bauxite production

The Company's aggregate attributable bauxite production was 6,617 thousand tonnes for the six months ended 30 June 2011, as compared to 5,391 thousand tonnes for the six months ended 30 June 2010, representing an increase of 22.8%. Output in the second quarter of 2011 of 3,478 thousand tonnes increased by 10.8% as compared to that of the first quarter of 2011 and by 25.2% as compared to 2,778 thousand tonnes in the second quarter of 2010.

The increase in the volume of bauxite production for the first six months of 2011 as compared to that of the corresponding period in 2010 was mostly due to increased production at Windalco Ewarton Plant in Jamaica, BCGI in Guyana and North Urals in Russia.

Nepheline production

The Company's nepheline syenite production was 2,357 thousand tonnes for the six months ended 30 June 2011, as compared to 2,429 thousand tonnes for the six months ended 30 June 2010, representing a decrease of 3.0%. The decrease in production for nepheline syenite was due to the reduction of output at Kiya Shaltyr mine (Achinsk).

Foil and packaging production

The aggregate aluminium foil and packaging material production from the Group's plants was 40,308 thousand tonnes for the six months ended 30 June 2011, as compared to 39,717 thousand tonnes for the six months ended 30 June 2010, representing an increase of 1.5%. The increase was mostly due to production growth at Armenal plant (Armenia) after the modernisation of the foil mill and the gradual restoration of the consumer demand (mainly by the construction industry) in 2011.

Other business

The Company's aggregate output from its non-core business has also significantly increased in the first half of 2011. Powder production has increased to 10,362 tonnes for the six months ended 30 June 2011 from 8,849 tonnes for the six months ended 30 June 2010 and production of silicon has increased to 27,855 tonnes for the six months ended 30 June 2011 from 22,876 tonnes for the six months ended 30 June 2010. Secondary alloys production has increased as a result of an overhaul of the main equipment (rotor plant), which was performed in the first half of 2010. The growth in the production of silicon and powder was due to increased consumption of these products in the Russian and CIS markets. The decrease in the production of fluorides was due to the lack of raw materials. The reduction of cathodes production was connected with power supply interruptions in the first half of 2011

and changes in quality control to impose a more stringent quality of production parameters due to the purchase of new equipment for spectrum analysis of cathodes' quality.

Coal production

The aggregate coal production attributable to the Group's 50% share in LLP Bogatyr Komir increased by 2.1% to 10,021 thousand tonnes for the six months ended 30 June 2011, as compared to 9,815 thousand tonnes for the six months ended 30 June 2010. Attributable coal production was 19,444 thousand tonnes in 2010. The increase in the volume in the first half of 2011 as compared to that of the corresponding period in 2010 was due to higher demand for coal in Kazakhstan. In the current year, coal was supplied to new customers (Pavlodarenergy, CHP-2, CHP-3). In addition, an increase in the coal consumption was due to the growth of electric power output on Ekibastuz TPP-1 and TPP-2.

Transportation

The aggregate coal and iron ore transported by the Company from the Bogatyr strip mine in Kazakhstan to Russia by railway decreased by 2.9% to 9,237 thousand tonnes for the six months ended 30 June 2011, as compared to 9,520 thousand tonnes for the six months ended 30 June 2010. Transportation volume was 18,617 thousand tonnes in 2010. The decrease in the transportation volume in the first half of 2011 as compared to that of 2010 was due to the fact that the coal delivered to Russia during the period accounted for a greater share of the Company's total transportation volume than that delivered locally within Kazakhstan. The turnover of rail carriage was less as the distance between Russia and Kazakhstan is longer than the distance of internal transportation in Kazakhstan. Repairs of approach roads in April 2011 had also slightly reduced the volume of coal delivered to Russia.

	Six months ended 30 June		Year ended 31 December	
Product	**2011 (t)**	**2010 (t)**	**2010 (t)**	**Change half year-on-half year %**
Secondary alloys	13,982	10,214	25,295	37%
Cathodes	15,190	15,730	29,922	(3%)
Silicon	27,855	22,876	48,740	22%
Powder	10,362	8,849	20,418	17%
Fluorides	36,799	36,920	76,772	(0.3%)
Coal (50%) (Kt)	10,021	9,815	19,444	2%
Transport (100%) (Kt of transportation)	9,237	9,520	18,617	(3%)

Financial Overview

Revenue	Six months ended 30 June 2011 USD million	kt	Average sales price (USD/t)	Six months ended 30 June 2010 USD million	kt	Average sales price (USD/t)	Year ended 31 December 2010 USD million	kt	Average sales price (USD/t)
Sales of primary aluminium and alloys	5,338	2,000	2,670	4,498	2,030	2,216	9,208	4,085	2,254
Sales of alumina	348	931	374	269	836	322	597	1,845	324
Sales of foil	153	37	4,135	135	37	3,649	293	79	3,709
Other revenue[6]	484	—	—	419	—	—	881	—	—
Total revenue	**6,323**			**5,321**			**10,979**		

Revenue

Revenue increased by USD1,002 million, or 18.8%, to USD6,323 million in the first six months of 2011, as compared to USD5,321 million for the corresponding period in 2010. The increase in revenue was primarily due to increased sales of primary aluminium and alloys, which accounted for 84.4% and 84.5% of UC RUSAL's revenue for the first six months of 2011 and 2010, respectively.

Revenue from sales of primary aluminium and alloys increased by USD840 million, or by 18.7%, to USD5,338 million in the first six months of 2011, as compared to USD4,498 million for the corresponding period in 2010. The increase in revenue over the period resulted primarily from the rise in weighted-average realised aluminium prices, by 20.5% in the first six months of 2011, as compared to that for the corresponding period in 2010, due to an increase in the LME aluminium price (to average of USD2,550 per tonne from USD2,130 per tonne for the six months ended 30 June 2011 and 2010, respectively[7]) and premiums over LME price in the different geographical segments, as well as improved product mix.

Premiums for delivery of physical metal continued to increase during the first half of 2011. Weighted-average realised premiums above LME aluminium prices have increased by 64% from USD94 per tonne in the first half of 2010 to USD154 per tonne in the first half of 2011. One of the key factors influencing higher premiums was the increased proportion of alloy production (value-added products with the higher premiums) in the total production volume, from 29% in the first half of 2010 to 37% in the first half of 2011.

6 Including chemicals energy, and bauxite.
7 Represents the average daily closing official LME spot prices for each period.

Revenue from sales of alumina to third parties increased by USD79 million, or 29.4%, to USD348 million (excluding sales of bauxite of USD3 million) in the first six months of 2011 as compared to USD269 million (excluding sales of bauxite of USD8 million) in the same period in 2010. The increase in revenue in the first six months of 2011 was primarily the result of an increase in alumina weighted-average sales prices by 16.1%, in line with the rise in worldwide aluminium prices, as well as an increase in the volume of sales of alumina by 11.4%.

Revenue from sales of aluminium foil increased to USD153 million in the first six months of 2011, or by 13.3% as compared to USD135 million for the corresponding period in 2010, due to an increase in average realised price during the first six months of 2011 when compared to that for the corresponding period for 2010 .

Revenue from other sales, including transportation, chemicals, energy and bauxite, increased to USD484 million in the first six months of 2011, or by 15.5%, from USD419 million for the corresponding period in 2010. Sales from the Company's transportation business in Kazakhstan represented most of the Company's other revenues. The increase in 2011 was primarily due to an increase in sales 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, 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.

The table below sets forth a breakdown of the Company's revenues by geographic segment for the six months ended 30 June 2011, showing the percentage of revenue attributable to each region:

	Six months ended 30 June			
	2011		2010	
	USD million	% of Revenue	USD million	% of Revenue
Europe	3,508	56	3,137	59
CIS	1,388	22	1,225	23
America	457	7	279	5
Asia	963	15	665	13
Other	7	—	15	—
Total	**6,323**	**100**	**5,321**	**100**

Note: Data is based on location of customers, which may differ from location of end-user

Cost of sales

The following table shows the breakdown of UC RUSAL's cost of sales for the six months ended 30 June 2011 and 30 June 2010:

	Six months ended 30 June			
(USD million)	2011	2010	Change half year-on-half year (%)	Share of costs
Cost of alumina	509	497	2.4	11.9
Cost of bauxite	238	230	3.5	5.5
Cost of other raw materials and other costs	1,478	1,206	22.6	34.6
Energy costs	1,288	937	37.5	30.1
Depreciation and amortisation	239	234	2.1	5.6
Personnel expenses	453	350	29.4	10.6
Repairs and maintenance	68	45	51.1	1.6
Change in asset retirement obligations	9	3	200.0	0.2
Net change in provisions for inventories	(5)	(7)	(28.6)	(0.1)
Total cost of sales	**4,277**	**3,495**	**22.4**	**100**

Cost of sales increased by USD782 million, or 22.4%, to USD4,277 million for the six months ended 30 June 2011, as compared to USD3,495 million for the corresponding period in 2010. The increase was in line with revenue growth. The principal drivers of the increase were higher costs of energy, personnel expenses, and other raw materials and alumina.

Energy costs increased by 37.5%, from USD937 million in the first half of 2010 to USD1,288 million in the first half of 2011, primarily due to increases in electricity tariffs resulting from the further liberalisation of the electricity and capacity market in Russia and changes in market regulation. Starting from January 2011, the rules and regulations of the wholesale electricity and capacity market in Russia were significantly modified. In particular and amongst other changes:

- the regulators required electricity generating companies to provide electricity to the retail sector on a subsidised basis;
- a guaranteed capacity supply concept was introduced for electricity generating companies that do not qualify in competitive bidding, resulting in an increase of the capacity tariffs for the subsidiaries of the Group in Siberia that concluded direct contracts with suppliers that was partially offset by a reduction of the capacity tariffs for other subsidiaries of the Group;
- all participants of the wholesale market are now required to participate in guaranteed capacity supply through Agreements on Provision of Capacity (APC); and
- transmission tariffs increased under the state regulation.

The initiatives regarding capacity set forth above resulted in the partial replacement of capacity purchases under the Group's long-term electricity contracts with purchases in the market and otherwise.

Personnel expenses rose by 29.4%, to USD453 million in the first half of 2011, from USD350 million in the same period in 2010. This increase was a result of the implementation of a new incentive program and the appreciation of the Ruble against the US dollar during the six months ended 30 June 2011.

Costs of materials and other costs rose by 22.6% to USD1,478 million in the first half of 2011, from USD1,206 million in the same period of 2010. The main reason for the increase was increases in the purchase price of materials such as fuel, coke, anode blocks and others. The cost of alumina increased by 2.4% due to higher alumina prices, while volumes remained steady.

Gross profit

As a result of the foregoing factors, UC RUSAL reported a gross profit of USD2,046 million for the six months ended 30 June 2011 compared with USD1,826 million for the six months ended 30 June 2010, representing gross margins of 32.4% and 34.3%, respectively.

Distribution, administrative and other expenses

Distribution expenses increased by 14% to USD341 million in the first six months of 2011, as compared to USD299 million for the corresponding period in 2010. The increase was due to the growth in transportation tariffs.

Administrative expenses, which include personnel costs, increased by 9.4% to USD431 million in the first six months of 2011, as compared to USD394 million for the corresponding period in 2010 due to the implementation of an incentive program, including a long-term incentive plan for eligible employees.

Impairment of non-current assets increased by USD87 million in the first half of 2011 to USD132 million due to the reassessment of the timing and extent of site restoration and dismantlement activities at one of the Group's subsidiaries and accrual of a corresponding reserve.

Other operating expenses increased by 88.9% to USD102 million in the first six months of 2011, as compared to USD54 million for the corresponding period in 2010. The increase in other operating expenses in the first six months of 2011 was primarily due to increase in provisions for tax contingencies, charitable donations and impairment of specific trade and other receivables considered non-collectible.

Results from operations and Adjusted EBITDA

Results from operating activities increased in the first six months of 2011 by 0.5% to USD1,039 million, as compared to USD1,034 million for the corresponding period in 2010, representing positive operating margins of 16.4% and 19.4%, respectively. The decrease in margins was mainly due to the increase in electricity and transportation tariffs, higher purchase prices of materials and Ruble appreciation. These factors offset the positive effect of an increase in the LME aluminium price and premiums over the LME.

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 USD1,425 million in the first six months of 2011, as compared to USD1,325 million for the corresponding period in 2010. Positive operating results were the key factors influencing this increase.

(USD million)	Six months ended 30 June 2011	Six months ended 30 June 2010	Year ended 31 December 2010	Change half year-on-half year (%)
Reconciliation of Adjusted EBITDA				
Results from operating activities	1,039	1,034	2,031	0.5%
Add:				
Amortisation and depreciation	253	246	498	2.8%
Impairment of non-current assets	132	45	49	193.3%
Loss on disposal of property, plant and equipment	1	—	19	100%
Adjusted EBITDA	**1,425**	**1,325**	**2,597**	**7.5%**

Finance income

Finance income decreased by USD30 million to USD615 million in the first six months of 2011 as compared to USD645 million for the corresponding period in 2010. Finance income in both periods is primarily represented by net gain on the revaluation of derivative financial instruments (described below), which amounted to USD575 million and USD573 million for the six months ended 30 June 2011 and 2010, correspondingly. The actual LME-linked premium on long-term electricity contracts incurred during the period, which is included in the change in fair value of derivative financial instrument comprised USD113 million and USD30 million for the six months ended 30 June 2011 and 2010, respectively. As a percentage of revenue, finance income decreased to 9.7% in the first half of 2011 from 12.1% in the first half of 2010.

Following changes in the regulations of the electricity sector in Russia which came into effect in 2011, the Company assessed the impact on the embedded derivatives contained in the Group's existing long-term electricity contracts with related parties under common control. The Company believes that while these contracts continue to represent a long-term intention to purchase electricity and capacity of up to a stated volume at a pre-agreed price, but the current circumstances of the wholesale market do not allow the Company and its counterparties to contractually commit any specific volume to be delivered under the terms of the contracts on a long-term basis except for the volumes stated in the notice regularly submitted to the administrator of trading system ("ATS"). The Company and its counterparties under the long-term electricity contracts at this time submit such notices on a monthly basis. As a result,

at 30 June 2011 the Company re-valued the embedded derivatives based on the contractually-committed volumes of electricity and capacity in line with the term of such notices (for 2011 on a monthly basis). See notes 7 and 17 to the 2011 consolidated interim condensed financial information.

Finance income in the first six months of 2011 was also affected by the revaluation of other financial instruments of USD32 million, as well as by different interest income charges of USD8 million. In the first six months of 2010, finance income was represented by the net foreign exchange gain of USD63 million (see "Finance expenses") and by interest income charges of USD9 million.

Finance expenses

Finance expenses increased by 6.4% to USD698 million in the first six months of 2011 as compared to USD656 million for the corresponding period in 2010. Finance expenses in the first six months of 2011 were primarily represented by various interest charges.

Interest expenses on bank loans and loans from related parties increased by USD9 million, or 1.4%, to USD638 million in the first six months of 2011, as compared to USD629 million in the same period in 2010. Reduction in principal amounts payable to international and Russian lenders and interest margin reduction for all international banks and Onexim resulted in a decrease of nominal interest expenses from USD521 million in the first half of 2010 to USD406 million for the same period of 2011. This decrease was compensated with the increase in the effective interest charge. See the section "Loans and borrowings" below for information on the repayments made by the Company during the first half of 2011.

Finance expenses in the first half of 2011 were also affected by the foreign exchange loss of USD47 million, mainly due to Ruble appreciation against the US dollar during the first half of 2011, as compared to a foreign exchange gain of USD63 million in the six months ended 30 June 2010 (see "Finance income").

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

Share of profits of associates was USD389 million in the first six months of 2011 and USD555 million for the corresponding period in 2010. Share of profits of associates in both periods resulted primarily from the Company's investment in Norilsk Nickel. During the first six months of 2011, the Company's share of profits of Norilsk Nickel was partially offset by a loss of USD417 million recognized by the Company a result of a decrease in the carrying value of the Company's share of net assets of Norilsk Nickel. This decrease in carrying value was attributable to sales and purchases by Norilsk Nickel of its own shares during this period and in particular to the combined effect of the prices at which the transactions took place and the changes in the Company's proportionate share of Norilsk Nickel resulting from the reduction and increase in Norilsk Nickel treasury stock as a consequence of the transactions. As noted on page 36 of this Interim Report, at the date of this Interim Report, the consolidated interim financial information was not available to the Company and as a result, the Company estimated its share in the profits of its associate on the basis of the publicly available information.

Share of profits of jointly controlled entities was USD21 million in the first six months of 2011 as compared to a loss of USD27 million in the same period in 2010. This represents the Company's share of results in the Company's joint ventures - BEMO and LLP Bogatyr Komir. The increase was due to the effect of impairment in 2010 of a previously recognised deferred tax asset of LLP Bogatyr Komir.

Profit before income tax

As a result of the foregoing factors, profit before taxation decreased in the first six months of 2011 by USD185 million, or 11.9% as compared to USD1,551 million for the corresponding period in 2010.

Income tax expense

Income tax expenses increased by USD95 million, or 51.1%, to USD281 million in the first six months of 2011, as compared to USD186 million for the corresponding period in 2010.

Current tax expenses increased by USD42 million, or 53.2%, to USD121 million for the six months ended 30 June 2011, as compared to USD79 million for the six months ended 30 June 2010. The increase in current tax expenses was primarily due to increased profitability of certain Group companies and income taxes accrued on dividends of Norilsk Nickel.

Deferred tax expense was USD160 million for the six months ended 30 June 2011 compared to a USD107 million benefit for the six months ended 30 June 2010. The change was due to the recalculation of tax for property, plant and equipment and deferred tax applicable to the share in results of Norilsk Nickel.

Net profit for the period

As a result of the above, UC RUSAL recorded a net profit of USD1,085 million for the six months ended 30 June 2011, as compared to a net profit of USD1,365 million for the six months ended 30 June 2010, a decrease of USD280 million, or 20.5%.

Adjusted Net Profit

Adjusted Net Profit for any period is defined as the net profit adjusted for the net effect from the share in the results of Norilsk Nickel, the net effect of embedded derivative financial instruments, the difference between effective and nominal interest rate charge on restructured debt and the net effect of non-current assets impairment. Adjusted Net Profit is presented as a new measurement of the profitability of the Company's core business and provides the investment community with a more relevant indicator of the operational and financial performance for reported periods. Adjusted Net Profit increased to USD559 million for the first six months of 2011, as compared to USD449 million for the same period in 2010. Positive operating results were the key factors influencing this increase.

(USD million)	Six months ended 30 June 2011	2010	Change half year-on-half year (%)
Reconciliation of Adjusted Net Profit			
Net profit for the period	1,085	1,365	(20.5%)
Adjusted for:			
Share in results of Norilsk, net of tax effect (9%)	(340)	(565)	(39.8%)
Change in fair value of embedded derivative financial instruments, net of tax (20%)	(550)	(504)	9.1%
Excess of effective interest rate charge over nominal interest rate charge on restructured debt	232	108	114.8%
Impairment of non-current assets, net of tax	132	45	193.3%
Adjusted Net Profit	**559**	**449**	**24.5%**

Segment reporting

The Group has four reportable segments, as described in the Annual Report, which are the Group's strategic business units.

The core segments are Aluminium and Alumina.

	Six months ended 30 June			
	2011		2010	
(USD million)	Aluminium	Alumina	Aluminium	Alumina
Segment revenue	5,439	1,195	4,564	939
Segment result	1,123	22	1,013	84
Segment EBITDA[8]	1,319	70	1,207	127
Segment EBITDA margin	24.3%	5.9%	26.4%	13.5%

For the six months ended 30 June 2011 and 30 June 2010, segment result margins (calculated as a percentage of segment profit to total segment revenue per respective segment) from continuing operations were 20.6% and 22.2% for the aluminium segment, 1.8% and 8.9% for the alumina segment. Key drivers for the decrease in margin in the aluminium segment are disclosed in "Cost of sales" and "Results from operation" above. Detailed segment reporting can be found in the consolidated interim condensed financial statements.

[8] Segment EBITDA for any period is defined as segment result adjusted for amortisation and depreciation for the segment.

Working capital

The following table sets forth the Group's current assets, current liabilities and working capital as at the dates indicated:

(USD million)	As at 30 June 2011	As at 31 December 2010
Current Assets		
Inventories	2,856	2,429
Trade and other receivables	1,562	1,058
Cash and cash equivalents	326	491
Total current assets	**4,744**	**3,978**
Current Liabilities		
Loans and borrowings	1,593	1,361
Current taxation	24	40
Trade and other payables	1,631	1,365
Derivative financial liabilities	35	78
Provisions	135	124
Total current liabilities	**3,418**	**2,968**
Net current assets/(liabilities)	**1,326**	**1,010**
Net Working Capital [1]	**2,787**	**2,122**

[1] The Group defines working capital as trade and other receivables and inventories less trade and other payables.

As at 30 June 2011, the Group had net working capital of USD2,787 million, representing an increase of USD665 million compared to USD2,122 million as at 31 December 2010. Inventories increased by USD427 million, or 17.6%, from USD2,429 million as at 31 December 2010 to USD2,856 million as at 30 June 2011, and trade and other receivables increased by USD504 million, or 47.6%, from USD1,058 million as at 31 December 2010 to USD1,562 million as at 30 June 2011. The increase in inventories was primarily attributable to a rise in market prices for raw materials and energy, while the increase in trade and other receivables was mainly due to accrual of dividends receivable from Norilsk Nickel of USD279 million, an increase in VAT recoverable and prepaid income tax, as well as an increase in receivables from related parties in accordance with the settlement terms of certain contracts. Trade and other payables increased by USD266 million, or 19.5%, from USD1,365 million as at 31 December 2010 to USD1,631 million as at 30 June 2011. This increase was primarily attributable to the increase in accounts payable and other payables and accrued liabilities.

Capital expenditure

UC RUSAL recorded total capital expenditures of USD239 million in the first half of 2011 (including pot rebuilds for USD87 million). UC RUSAL's capital expenditure in the first half of 2011 was aimed at maintaining existing production facilities, with the exception of the BEMO Project and the Taishet aluminium smelter project.

The table below shows the breakdown of UC RUSAL's capital expenditure by business segments in the six months ended 30 June 2011 and 2010 and the year ended 31 December 2010.

	Six months ended 30 June		Year ended 31 December
(USD million)	**2011**	**2010**	**2010**
Aluminium	166	95	234
Alumina	62	35	115
Mining and metals	—	—	—
Energy	1	1	3
Other operations	10	6	15
Total capital expenditures	**239**	**137**	**367**

As a result of the approval received from the international lenders under the International Override Agreement in March 2011, UC RUSAL's capital expenditure covenants for 2011 provided in the International Override Agreement were increased to the total amount of USD692 million (excluding VAT), including certain development and maintenance capital expenditure. The expected source of funding within the International Override Agreement framework is operating cash flow from UC RUSAL's operations.

Although the debt restructuring agreements generally prohibit UC RUSAL from incurring capital expenditure in relation to any projects until the end of the Override Period, the International Override Agreement permits UC RUSAL to fund the BEMO Project and the Taishet aluminium smelter project on a project finance basis or through certain equity investments. In July 2010, VEB approved project financing for the completion of the construction of the BEMO Project in the amount of RUB50 billion (approximately USD1.7 billion). In December 2010, and during the first half of 2011, the companies of the BEMO Project have drawn down USD208 million of project financing. UC RUSAL is considering other alternatives such as non-recourse project finance to continue investing in the Taishet aluminium smelter.

Loans and borrowings

The loans and borrowings of the Group are set out in notes 14 and 15 of the consolidated interim condensed financial information. The Group initially recognises loans and borrowings at fair value and subsequently measures them at amortised cost. The nominal value of the Group's loans and borrowings including bonds outstanding as at 30 June 2011 was USD12,102 million.

Debt restructuring and developments

At the end of 2009, the Group completed negotiations with its lenders on restructuring of its debt 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 the debt restructuring, the Group entered into the International Override Agreement with its international lenders implementing the long-term restructuring of the Group's debt owed to the international lenders, 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 USD4.5 billion loan agreement with VEB (the "**VEB Loan**"), which was initially extended until 29 October 2010 only, and also signed an amendment agreement to the share purchase agreement with Onexim, a shareholder of the Company, restructuring certain deferred consideration payable to it (the "**Onexim Liabilities**").

In 2010, the Group made the final step in a comprehensive program to restructure its loan portfolio by refinancing the VEB Loan aligning maturities of all the Group's debt obligations. The Company refinanced the full amount of the VEB Loan then outstanding (including interest capitalized thereon) out of proceeds of a loan provided by Sberbank in September 2010 and maturing in December 2013 (the "**Sberbank Refinancing Facility**"). At the same time, VEB provided a guarantee with a limit of USD2.25 billion (the "VEB Guarantee") valid for the duration of the Sberbank Refinancing Facility (but expiring on 30 January 2014) to secure the Company's obligation under the Sberbank Refinancing Facility against the Company's counterindemnity in respect of any amounts requested from VEB by Sberbank under the VEB Guarantee.

During 2010, the Company and certain of its subsidiaries agreed on a number of amendments to the debt restructuring documents with their international lenders, which aimed at streamlining information undertakings under the debt restructuring documents and providing for additional flexibility under certain covenants. These amendments were implemented in January 2011.

In March 2011, the international lenders granted consents to allow the Group to incur additional capital expenditure in 2011. The additional permitted capital expenditure will enable the Group to restart a number of modernisation and upgrade projects that are essential to maintain the efficient operation of the Group's production facilities.

In March 2011, OJSC RUSAL Bratsk, one of the Company's subsidiaries, issued its series 07 (the first tranche) Ruble Bonds with a nominal value of RUB15 billion maturing in March 2018. The annual coupon rate of the first tranche is fixed at 8.3% for the period until March 2014, after which the bonds will be subject to a put option and coupon rate revision. In addition, the Group entered into a currency swap transaction to hedge its foreign exchange risks in connection with the Ruble Bonds.

Further, in April 2011, OJSC RUSAL Bratsk issued its series 08 (the second tranche) Ruble Bonds with nominal value of RUB15 billion maturing in April 2021. The annual coupon rate of the second tranche is fixed at 8.5% for the period until April 2015, after which the bonds will be subject to a put option and coupon rate revision. The Group also entered into a cross currency swap transaction to hedge its foreign exchange risks in connection with the Ruble Bonds.

In July 2011, VEB approved in principle provision of up to RUB40 billion 15 year non-recourse project financing for the purposes of developing the Taishet aluminium smelter project.

The Company intends to refinance or extend maturity and revise other economic terms of its outstanding debt owed to the international, Russian (including Sberbank under the Sberbank Refinancing Facility) and Kazakh lenders and Onexim with an aim to reduce overall debt service costs, improve its debt portfolio structure by extending maturities profile and by simplifying its security package and to obtain operational and financial flexibility by lifting certain restrictions imposed by the restructuring documents with respect to dividends, capital expenditure and acquisition opportunities.

As of the date of this Interim Report, status of the refinancing discussions is the following:

1. **New pre-export finance facility:** The Company has mandated banks to arrange up to USD4.75 billion pre-export finance facility, which may potentially be increased to up to US$5 billion upon agreement with the lenders providing the facility to the Company (subject to the execution of the relevant documentation) ("Refinancing Facility").

   As announced by the Company's Board of Directors on 26 August 2011, the key terms of the "Refinancing Facility" are the following:

   (a) The facility will consist of 2 tranches:

      (1) Tranche A: in the maximum amount of US$4,250,000,000; and

      (2) Tranche B: in the maximum amount of US$1,000,000,000

(b) The purpose of the Refinancing Facility is to:

(1) primarily repay in full the Group's indebtedness owed to the international lenders under the loan facilities regulated by the International Override Agreement (the "IOA Facilities");

(2) repay other indebtedness of the Group, including the Onexim Liabilities and indebtedness owed to the Group's Russian and Kazakh lenders.

(c) Term and Repayment

Subject to repayment of no less than US$500 million of Tranche A during the 12-month period after the first drawdown, the remaining loans under Tranche A of the Refinancing Facility shall be repaid in equal quarterly instalments starting either (depending on when the first utilisation occurs) on the first or the last business day of the 15th month after the first drawdown with a final maturity date falling 60 months after the first drawdown.

Tranche B will be repaid in equal quarterly instalments commencing either (depending on when the first utilisation occurs) on the first or the last business day of the 63rd month after the first drawdown with a final maturity date falling 84 months after the signing of the facility documentation.

(d) Interest

Interest shall accrue on the amounts outstanding under the Refinancing Facility at a rate of three-month LIBOR plus applicable margin.

(1) Tranche A: Margin for Tranche A shall constitute no more than 2.85% per annum and will be reset quarterly in accordance with a margin adjustment mechanism based upon the Group's leverage ratio as per below:

Leverage Ratio	Margin (% per annum)
Above 4.0	2.85%
At or below 4.0 and above 3.5	2.60%
At or below 3.5 and above 3.0	2.35%
At or below 3 and above 2.5	2.10%
At or below 2.5	1.75%

(2) Tranche B: Margin for Tranche B will be fixed at the level of 3.85% per annum.

(e) The Company will act as borrower under the Refinancing Facility with joint and several guarantees expected to be provided by the aluminium smelters and main trading entities of the Group.

2. **Sberbank Refinancing Facility:** in August 2011, the Credit Committee of Sberbank approved the amendments to the key terms and conditions of the Sberbank Refinancing Facility. According to the amended terms (a) the debt maturity was extended such that the debt will mature five years from the date of signing the amendments; (b) the interest rate will be reduced

to one-year LIBOR plus 4.5%; and (c) the VEB Guarantee will be terminated and consequently the security over 5% of the Company's share capital provided by the Major Shareholders to secure the counterindemnity obligations in respect of VEB Guarantee will fall away. As of the date of this Interim Report, the Company has agreed all amendment documentation with Sberbank and expects to have it executed once all the necessary corporate and third party approvals are obtained.

3. **Bilateral facilities with Russian lenders:** In August 2011, the Credit Committee of Gazprombank approved a credit limit of up to USD655 million to refinance the Group's indebtedness outstanding under bilateral loans with Gazprombank. The refinancing loans are expected to amortise in equal quarterly instalments starting from the 19th month after the date of the loan documentation, mature in December 2016 and bear interest at a rate of three-month LIBOR plus 4.5%. Also in August 2011, the Credit Committee of Sberbank approved a USD460 million credit limit to refinance the Group's indebtedness outstanding under bilateral loans with Sberbank. The refinancing loans are expected to be bullet repayment loans maturing within 60 months from the signing of the loan documentation and bear interest at a rate of one-year LIBOR plus 4.5%. The Company is also at an advanced stage of discussions with VTB Bank on refinancing indebtedness under the Group's bilateral loans with VTB Bank.

The Company expects to complete the refinancing of its outstanding debt owed to the international, Russian (including Sberbank under the Sberbank Refinancing Facility) and Kazakh lenders and Onexim by the end of the third quarter of 2011. Unless and until such a refinancing occurs, the Company will continue to operate under the terms of its current restructuring agreements, including the International Override Agreement and the Sberbank Refinancing Facility.

On 16 August 2011, the Company announced that the Federal Financial Markets Service of the Russian Federation registered the decision on issue and prospectus in relation to up to RUB30 billion interest-bearing non-convertible bearer Ruble-denominated bonds to be issued by OJSC RUSAL Bratsk. If the Company decides to issue the bonds, they will need to be placed within one year of the date of registration.

The final decision on the placement of the bonds and its key parameters will be made by the Company at a later stage subject to market conditions and remains subject to the final approval by the Board.

Key terms of existing debt
Current Pricing

During the Override Period, the restructured international debt bears interest at the applicable base rate (either LIBOR or Euribor depending on the denomination of the debt), plus a margin that varies depending on the ratio of Total Net Debt to Covenant EBITDA (each term as defined in the International Override Agreement), and includes cash and PIK components. As at the date of the Interim Report, the applicable margin under the international debt is at the level of 4% (consisting of 3% per annum of cash pay margin and 1% per annum of PIK margin), which reduced from 4.5% starting from June 2011 as the ratio of Total Net Debt to Covenant EBITDA has dropped.

Interest on the Russian and Kazakh bank debt (other than the debt owed under the Sberbank Refinancing Facility) includes, with one exception where a fixed interest rate applies, a PIK component or is calculated in a way as to give an economic equivalent of part of the interest being capitalised and either is based on the Central Bank of Russia (the "CBR") rate or accrues at a fixed rate varying annually or on the basis of the Total Net Debt to the Covenant EBITDA ratio. As at the date of this report, the interest rates applicable to the Group's main Russian facilities are as follows: debt owed to VTB – CBR rate plus 2.5-3% (including 0.5% PIK); debt owed to Gazprombank – 8.5% and debt owed to Sberbank (other than under the Sberbank Refinancing Facility) – 8%.

The Sberbank Refinancing Facility bears an interest at the rate of one-year LIBOR plus 5% per annum (payable quarterly in cash). In addition, a guarantee fee in the amount of up to 1.5% (payable quarterly in cash) per annum accrues on the outstanding amount under the VEB Guarantee.

The pricing of Ruble Bonds is as follows: Series 07 coupon rate is fixed at 8.3% per annum for a three-year period, after which the bonds will be subject to a put option and coupon rate revision. Series 08 coupon rate is fixed at 8.5% per annum for a four-year period, after which the bonds will be subject to a put option and coupon rate revision.

Repayment and Debt Maturities

No fixed amortisation schedule applies during the restructuring period, with all debt outstanding becoming due at the end of the restructuring period. During the restructuring period, the Group has to comply with certain debt repayment targets.

As at the date of the Interim Report, all of the Group's debt matures in November and December 2013 (excluding the debt owed under the Ruble Bonds).

Series 07 Ruble bond final maturity is seven years after the placement date with the first put option date three years after the placement. Series 08 Ruble bond final maturity is 10 years after the placement date with the first put option date four years after the placement.

Debt Repayment Targets, Disposal and Equity Injection Undertakings

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

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

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

At the date of this Interim Report, the Company has exceeded the cumulative repayment target of USD3,000 million to be tested on 30 September 2011.

Security

As of the date of the Interim Report, the Group's debt (excluding the Onexim deferred consideration payable and the Ruble Bonds) is secured by security over certain fixed assets (including assets owned by aluminium smelters and an alumina refinery), shares in certain operating and holding companies (including, but not limited to, certain non-Russian operating companies and the Group's interest in the BEMO Project) and receivables under certain contracts and inventory. Such security includes security over shares in Norilsk Nickel representing 25% plus one share of Norilsk Nickel's issued share capital, which is pledged in favour of Sberbank under the Sberbank Refinancing Facility and following repayment of the VEB Loan, will be required to be pledged in favour of the international lenders.

The Company's obligations under the VEB Guarantee are secured by a pledge over 5% of the Company's Shares provided by the Company's four Major Shareholders pro rata to their holdings in the Company.

Dividends

In accordance with restrictions under the debt restructuring agreements, the Company's ability to pay dividends remains restricted and therefore no dividends were declared in the first six months of 2011.

In particular, dividends may not be paid until the Group's ratio of Total Net Debt to EBITDA (each term as defined in the International Override Agreement) is no more than three to one and the Group's Total Net Debt has been reduced (from the total amount outstanding as at 7 December 2009 and excluding the Onexim Liabilities and the Sberbank Refinancing Facility) by at least USD5 billion.

Funding and treasury policies

As described more fully on page 45 of the Annual Report, the Group's largely centralised treasury management system allows liquidity risk to be minimised and cash to be allocated efficiently by the Company's treasury department.

Liquidity and Capital Resources

Cash flows

In the first half of 2011, the Company used its USD922 million of net cash generated from operating activities and USD12 million in dividends from jointly controlled entities mainly to make repayments of debt (comprising USD1,666 million repayment of borrowings less USD1,063 million in proceeds from the issuance of the Ruble Bonds), to pay interest (USD276 million) and to acquire property, plant and equipment (USD239 million).

The following table summarises the Company's cash flows for the six months ended 30 June 2011 and 2010:

	Six months ended 30 June	
	2011 (USD million)	2010 (USD million)
Net cash generated from operating activities	922	505
Net cash used in investing activities	(218)	(407)
Net cash used in financing activities	(879)	(4)
Net (decrease)/increase in cash and cash equivalents	(175)	94
Cash and cash equivalents at beginning of period	486	215
Effect of exchange rate fluctuations on cash and cash equivalents	9	(5)
Cash and cash equivalents at end of period	**320**	**304**

Net cash generated from operating activities was USD922 million in the first six months of 2011, compared to USD505 million for the corresponding period in 2010. The increase reflected an increase in sales due to higher volumes and prices of realised products.

Net cash used in investing activities decreased by USD189 million to USD218 million in the first half of 2011 compared to USD407 million in the same period in 2010. In the first half of 2010, the principal contribution to net cash used in investing activities was contributions to jointly controlled entities, at USD320 million, including the refinancing of the BEMO facility in an amount USD208 million and repayment of the BEMO Loan in an amount of USD52 million out of IPO proceeds in accordance with the terms of the Group's restructuring agreements. In addition, outflows for the acquisition of property, plant and equipment was USD137 million in the first half of 2010. In the first half of 2011, there were no contributions to jointly controlled entities, as the BEMO Project was fully funded by the joint venture. Net cash used for acquisition of property, plant and equipment rose to USD239 million.

Net cash used in financing activities was USD879 million in the first half of 2011, compared to USD4 million net cash used in financing activities for the corresponding period in 2010. In the first half of 2010, major sources of funding included USD2,236 million from proceeds from the IPO and USD208 million from proceeds from borrowings. Repayment of borrowings was USD1,818 million in the first half of 2010, while interest paid and repayment of Fee Warrants were USD332 million and USD153 million, respectively. In the first half of 2011, proceeds from the issuance of Ruble Bonds generated USD1,063 million, while repayment of borrowings and interest paid used USD1,666 million and USD276 million, respectively.

Cash and cash equivalents

As at 30 June 2011 and 31 December 2010, cash and cash equivalents excluding restricted cash were USD320 million and USD486 million, respectively. Restricted cash amounted to USD6 million and USD5 million at 30 June 2011 and 31 December 2010, respectively.

Financial ratios

Gearing

The Group's gearing ratio, which is the ratio of Total Debt (including both long-term and short-term borrowings and bonds outstanding) to total assets, as at 30 June 2011 and 30 June 2010 was 41.1% and 50.9%, respectively.

Return on Equity

The Group's return on equity, which is the amount of net profit as a percentage of total equity, as at 30 June 2011 and 30 June 2010 was 7.8% and 14.3%, respectively.

Interest Coverage Ratio

The Group's interest coverage ratio, which is the ratio of earnings before interest and taxes to net interest, for the six months ended 30 June 2011 and 30 June 2010 was 3.2 and 1.7, respectively.

Quantitative and Qualitative Disclosures about Market Risk

The Group is exposed in the ordinary course of its business to risks related to changes in interest rates and foreign exchange rates. The Group entered into cross-currency swap transactions to hedge its foreign exchange risks in connection with the Ruble Bonds in 2011. No other mechanisms to hedge these risks are applied.

Interest Rate and Foreign Currency Risk

A description of the Group's interest rate and foreign exchange risks is set out on page 47 of the Annual Report.

The information on interest rate and foreign currency rate risk disclosed in the consolidated financial statements for the year ended 31 December 2010 remains relevant at 30 June 2011. For details please refer to note 30(c) of the financial statements for the

year ended 31 December 2010, which shows the instantaneous change in the Group's profit before taxation (and retained profits/(accumulated losses)) that would have arisen if foreign exchange rates to which the Group has significant exposure at the balance sheet date had changed at that date, assuming all other risk variables remained constant.

Safety

The LTAFR was at 0.21 in the first half of 2011, as compared to 0.17 for the corresponding period in 2010.

In the first half of 2011, the number of work-related fatalities involving employees increased to eight (as compared to six in the first half of 2010). As for contractors, the number of fatalities was three, an increase as compared to that of the first half of 2010.

Environmental performance

Russian environmental levies for air emissions and the discharge of liquids and other substances amounted to USD10.0 million for the six months ended 30 June 2011, as compared to environmental levies amounting to USD9.11 million for the six months ended 30 June 2010. The slight increase is due to the inflation rate.

There has been no material environmental pollution incident at any of the Group's sites or facilities during the sixth months ended 30 June 2011. One incident took place at Nikolaev Alumina Refinery in Ukraine. Due to severe weather conditions (low temperature with strong wind), a red mud pit surface dusting took place. The refinery was fined USD6,400 by the State Environmental Inspection of the Nikolaev region.

Employees

The following table sets forth the aggregate average number of people (full-time equivalents) employed by each division of the Group during the year ended 31 December 2010 and for the periods ended on 30 June 2010 and 2011, respectively.

During the course of internal restructuring of the Group's personnel, the Commercial Directorate and the Technology and Process Directorate were formed at the start of 2010. Personnel in the Urals aluminium smelter and the Bogoslovsk aluminium smelter were moved to the Engineering and Construction Division.

	Six months ended 30 June		
Division	**2011**	**2010**	**Year ended 31 December 2010**
Aluminium	22,233	21,572	21,778
Alumina	21,246	22,274	22,110
Engineering and Construction	18,984	19,089	19,057
Energy	37	—	—
Packaging	1,931	2,002	1,984
Managing Company	590	504	532
Commercial Directorate	3,952	3,886	3,927
Technology and Process Directorate	1,200	1,058	973
Others	2,029	2,005	2,022
Totals	**72,202**	**72,390**	**72,383**

Training schemes

In the first half of 2011, the Company's key focus in personnel development and training were as follows: professional training of operators, programs on compulsory training of senior managers and engineers and programs on training of external labour reserves of the Company in cooperation with educational institutions at all education levels. In addition, programs on development of foremen of the Company's production facilities were implemented, as well as the following special projects: the "Successors Development Program", a professional skill contest entitled "RUSAL's Professionals" program on the development of leadership skills, "RUSAL's Manager Standard" and training on the Company's production system and functional academies on business areas.

Remuneration policies, bonus and share option schemes and training schemes

The remuneration policies, bonus and share option schemes and training schemes of the Group are summarised on page 48 of the Annual Report.

In addition, on 11 May 2011, the Board adopted a long term share incentive plan. In any given year, the maximum number of Shares to be issued or purchased by the trustee for the purpose of the plan may not exceed 0.3% of the total number of Shares in issue as at the beginning of such financial year. For further information on the long term share incentive plan, please refer to the announcement published by the Company on 12 May 2011.

The Company has not adopted any employee share option schemes.

Audit Committee

The primary duties of the Audit Committee are to assist the Board in providing an independent view of the effectiveness of UC RUSAL's financial reporting process, internal control and risk management systems, to oversee the audit process and to perform other duties and responsibilities as are assigned to the Audit Committee by the Board.

The Audit Committee consists of a majority of independent non-executive Directors. The members are as follows: three independent non-executive Directors, Dr. Peter Nigel Kenny (chairman), Mr. Philip Lader, Ms. Elsie Leung Oi-Sie, and two non-executive Directors, Mr. Alexander Popov and Mr. Dmitry Razumov.

The Audit Committee has held five meetings in the first half of 2011. At the meeting on 30 March 2011, the Audit Committee reviewed the financial statements for the year ended 31 December 2010. At the meeting on 11 May 2011, the Audit Committee reviewed the financial results of the Company for the three months ended 31 March 2011.

On 26 August 2011, the Audit Committee held its sixth meeting of the year. The Audit Committee along with the management of the Company have reviewed the accounting standards, principles and methods adopted by the Group, and considered matters regarding auditing, internal control and financial reporting including the consolidated interim condensed financial information for the three and six months ended 30 June 2011. The Audit Committee is of the opinion that the consolidated interim condensed financial information for the three and six months ended 30 June 2011 have complied with the applicable accounting standards, the Listing Rules, other applicable legal requirements and that adequate disclosures have been made.

Contingencies

The Directors have reviewed and considered contingent liabilities of the Company and disclosed relevant information in note 19 of the consolidated interim condensed financial information. For detailed information about contingent liabilities please refer to note 19 to the consolidated interim condensed financial information. Details of the amounts of provisions are also disclosed in note 16 to the consolidated interim condensed financial information.

Business risks

The Company identified a number of business risks which affects its business and these were set out in the Annual Report. The Company has not identified any additional risks or uncertainties for the remaining six months of the year 2011.

Investments in subsidiaries

There were no material acquisitions and disposals of subsidiaries for the six months ended 30 June 2011.

Details of the principal subsidiaries are set out in the financial statements for the year ended 31 December 2010 included in the Annual Report and save for the foregoing there were no significant changes in the course of the half year ended 30 June 2011.

Interest in associates and jointly controlled entities

The market value of UC RUSAL's stake in Norilsk Nickel was USD12,442 million at 30 June 2011, compared to USD7,186 million at 30 June 2010 and USD11,186 million as at 31 December 2010, due to a positive share price performance in the first half of 2011.

The Company notes that at the date of this Interim Report it was unable to obtain consolidated interim financial information of Norilsk Nickel as at and for the six months ended 30 June 2011 and estimated its share in the profit and other comprehensive income of its associate based on the publicly available information. As a result, the Company's auditor, ZAO KPMG, has provided a qualified conclusion in its Independent Auditors' Report on review of the consolidated interim condensed financial information of the Company as at and for the six months ended 30 June 2011. Details of the qualified conclusion and its basis are set out on pages 38-39 of this Interim Report. A further announcement may be made by the Company regarding the consolidated interim financial information of Norilsk Nickel when Norilsk Nickel publishes such financial information.

For further information on interests in associates and jointly controlled entities, please refer to notes 10 and 11 to the consolidated interim condensed financial information.

Recent developments

Material events in the first half of 2011 and since the end of that period

The following is a summary of the key events that have taken place in the first half of 2011 and since the end of that period. All information regarding key events that has been made public by the Company in the first half of 2011 and since the end of that period pursuant to legislative or regulatory requirements, including announcements and press releases, is available on the Company's website (www.rusal.com).

Date	Key Event
26 January 2011	UC RUSAL received credit funds from VEB for the construction of the first start-up complex of the Boguchansky aluminium smelter and resumed works at the construction site.
1 March 2011	UC RUSAL closed the book with respect to the Ruble bond issue Series 07 by OJSC RUSAL Bratsk in the amount of 15 billion Ruble at a coupon rate of 8.3% per annum.
11 March 2011	UC RUSAL announced that it made debt repayments in the total amount of approximately USD835 million to its international lenders, Russian lenders and Onexim under the International Override Agreement.
28 March 2011	UC RUSAL signed a Memorandum of Understanding ("MoU") with Xinshan Aluminium Industry Demonstration Park, the largest organization in China which is responsible for the development of aluminium production in China and is supported by the Chinese Government. The MoU signed provides for cooperation in joint projects on bauxite mining and production of aluminium and alumina.

Date	Key Event
14 April 2011	UC RUSAL closed the book with respect to the Series 08 Ruble bond issue by OJSC RUSAL Bratsk in the amount of 15 billion Ruble at a coupon rate of 8.5% per annum.
25 April 2011	UC RUSAL announced the making of further debt repayments in the total amount of approximately USD529 million to its international and Russian lenders under the International Override Agreement.
8 June 2011	UC RUSAL announced the launch of environmental modernisation at four of its plants. The total investment into these projects is expected to amount to RUB5.5 billion (approximately USD200 million).
10 June 2011	UC RUSAL announced the reduction in interest margin payable under the International Override Agreement from 4.5% to 4%.
23 June 2011	UC RUSAL's Board of Directors had approved the main terms and conditions of a new pre-export finance facility in the amount of up to US$4.75 billion with a syndicate of international lenders.
30 June 2011	UC RUSAL announces making further debt repayments in the total amount of USD119 million to its international and Russian lenders, including Onexim, under the International Override Agreement.
4 July 2011	UC RUSAL approves the documentation on the potential issue of the Ruble bonds.
1 August 2011	UC RUSAL issued a mandate to arrange a syndicated finance facility of up to USD4.75 billion. The facility proceeds will primarily be used to refinance the outstanding debt under the International Override Agreement.
16 August 2011	UC RUSAL and Sberbank reached an agreement to improve the key terms and conditions of the loan facility of USD4.58 billion signed on 30 September 2010.
17 August 2011	UC RUSAL announces the registration of the Prospectus on the potential issue of Ruble bonds.

Independent Auditors' Report

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To the Board of Directors
United Company RUSAL Plc (Incorporated in Jersey with limited liability)

Introduction

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

Scope of Review

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

Basis for Qualified Conclusion

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

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the consolidated interim condensed financial information as at 30 June 2011 and for the three- and six-month periods then ended is not prepared, in all material respects, in accordance with International Financial Reporting Standard IAS 34, *Interim Financial Reporting*.

ZAO KPMG
26 August 2011

Consolidated Interim Condensed Statement of Income

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

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 47 to 81.

Consolidated Interim Condensed Statement of Comprehensive Income

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

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

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 47 to 81.

Consolidated Interim Condensed Statement of Financial Position

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

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 47 to 81.

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

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

Oleg V. Deripaska
Chief Executive Officer

Evgeny D. Kornilov
Chief Financial Officer

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 47 to 81.

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

The consolidated interim condensed statement of changes in equity is to be read in conjunction with the notes to and forming part of the consolidated interim condensed financial information set out on pages 47 to 81.

Consolidated Interim Condensed Statement of Cash Flows

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

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 47 to 81.

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

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

Major non-cash transactions:

(i) On 27 January 2010 fee warrants with the carrying value of USD36 million were converted into 26,070,806 ordinary shares of the Company (refer to note 13(a)).

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 47 to 81.

Notes to the Consolidated Interim Condensed Financial Information

1. Background

Organisation

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

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

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

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

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

	30 June 2011	31 December 2010
En+ Group Limited ("En+")	47.41%	47.41%
Onexim Holdings Limited ("Onexim")	17.02%	17.02%
SUAL Partners Limited ("SUAL Partners")	15.80%	15.80%
Amokenga Holdings Limited ("Amokenga Holdings")	8.75%	8.75%
Management held (including 0.22% held by the CEO of the Company)	0.27%	0.27%
Publicly held	10.75%	10.75%
Total	**100 %**	**100%**

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

Related party transactions are detailed in note 20.

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

2. Basis of preparation

Statement of compliance

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

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

3. Significant accounting policies

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

4. Seasonality

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

5. Segment reporting

Reportable segments

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

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

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

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

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

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

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

Segment results, assets and liabilities

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

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

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

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

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

(i) Reportable segments

Three months ended 30 June 2011

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

Three months ended 30 June 2010

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

Six months ended 30 June 2011

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

Six months ended 30 June 2010

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

At 30 June 2011

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

At 31 December 2010

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

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

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

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

	30 June 2011 USD million	31 December 2010 USD million
Assets		
Reportable segment assets	28,599	26,255
Elimination of inter-segment receivables	(558)	(463)
Unallocated assets	565	733
Consolidated total assets	**28,606**	**26,525**

	30 June 2011 USD million	31 December 2010 USD million
Liabilities		
Reportable segment liabilities	(2,632)	(2,843)
Elimination of inter-segment payables	558	463
Unallocated liabilities	(12,676)	(12,689)
Consolidated total liabilities	**(14,750)**	**(15,069)**

6. Revenue

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

7. Finance income and expenses

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

8. Income tax

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

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

9. Earnings per share

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

Weighted average number of shares:

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

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

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

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

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

No dividends were declared and paid during the periods presented.

10. Interests in associates

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

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

Investment in Norilsk Nickel

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

11. Interests in jointly controlled entities

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

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

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

12. Trade and other receivables

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

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

(a)Ageing analysis

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

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

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

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

(b) Impairment of trade receivables

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

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

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

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

The Group does not hold any collateral over these balances.

13. Equity

(a) Share capital

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

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

(b) Share-based compensation

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

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

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

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

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

(c) Other reserves

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

(d) Distributions

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

(e) Currency translation reserve

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

14. Loans and borrowings

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

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

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

The secured bank loans are also secured by the following:

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

— inventories with a carrying amount of USD551 million (31 December 2010: USD545 million);

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

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

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

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

15. Bonds

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

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

16. Provisions

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

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

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

17. Derivative financial liabilities

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

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

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

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

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

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

18. Trade and other payables

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

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

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

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

19. Commitments and contingencies

(a) Capital commitments

In May 2006, the Group signed a Co-operation agreement with OJSC HydroOGK and RAO UES. Under this Co-operation agreement OJSC HydroOGK and the Group have jointly committed to finance the construction and future operating of the BEMO Project including BoGES and an aluminium plant, the planned main customer of the hydropower station. The parties established two joint companies with 50:50 ownership, into which the Group is committed to invest USD2,225 million by the end of 2015 (31 December 2010: USD2,051 million). As at 30 June 2011, the outstanding commitment of the Group for construction of the aluminium plant was approximately USD930 million to be invested by the end of 2015 (31 December 2010: USD856 million), and the outstanding commitment for the hydropower station construction was USD273 million to be invested by the end of 2012 (31 December 2010: USD279 million).

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

(b) Taxation

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

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

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

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

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

(c) Environmental contingencies

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

(d) Legal contingencies

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

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

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

The trial of the action has not yet commenced, but is scheduled for April 2012. At present, there is considerable uncertainty as to the possible scope and the potential outcomes in the case and how, if at all, the Company and/or its subsidiaries and/or its or their respective assets might be affected by any decision against Mr. Deripaska. However since neither the Company nor any of its subsidiaries or investees, nor any direct shareholders in the Company, is currently a party in this case and Mr. Deripaska has informed the Company that he strongly denies and will vigorously resist Mr. Cherney's claim, the Company believes that the risk of outflow of any significant economic benefits or any significant adverse impact on the Group's financial position or results of its operations as a result of this claim is low.

20. Related party transactions

(a) Transactions with management and close family members

Management remuneration

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

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

(b) Transactions with other related parties

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

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

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

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

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

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

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

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

(c)Pricing policies

Prices for transactions with related parties are determined on a case by case basis but are not necessarily at arm's length.

The Group has entered into three categories of related-party transactions: (i) those entered into on an arm's length basis, (ii) those entered into on non-arm's length terms but as part of a wider deal resulting from arms' length negotiations with unrelated third parties, and (iii) transactions unique to the Group and the counterparty.

21. Events subsequent to the reporting date

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

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

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

The key terms of refinancing are as follows: Tranche A (after repayment of US$500 million within 12 months after the first drawdown) in equal quarterly instalments starting after the 15th month after the first drawdown with a final maturity date falling 60 months after the first drawdown. Tranche B will be repaid in equal quarterly instalments starting after the 63rd month after the first drawdown with a final maturity date falling 84 months after the signing of the facility.

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

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

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

Information Provided in Accordance with the Listing Rules and Euronext Paris Requirements

Repurchase, sale and redemption by the Group of its securities during the period

Other than as described below, neither the Company nor any of its subsidiaries repurchased, sold or redeemed any of their securities during the six months ended 30 June 2011.

On 28 February 2011, Alu Process Holding Limited, a wholly-owned subsidiary of the Company, sold its 100% stake in OJSC "SUAL" for an equivalent of approximately USD2.9 billion. The 100% stake was purchased by OJSC "Russian Aluminium" which is a wholly-owned subsidiary of the Company.

Directors' Particulars

Re-appointment of Directors

In accordance with Article 24.2 of the Articles of Association, each of Mr. Oleg Deripaska, Mr. Vladislav Soloviev (being executive Directors), Mr. Victor Vekselberg, Mr. Alexander Popov, Mr. Dmitry Razumov (being non-executive Directors) and Mr. Philip Lader (being an independent non-executive Director) agreed to retire from directorship by rotation and, being eligible for re-election, offered themselves for re-election at the Company's annual general meeting held on 23 June 2011 during which they were each re-appointed.

Pursuant to Article 23.1 of the Articles of Association, Mr. Artem Volynets (being a non-executive Director), Mr. Alexander Livshits and Ms. Vera Kurochkina (being executive Directors) held their respective office until the Company's annual general meeting held on 23 June 2011 and, being eligible for re-election, offered themselves for re-election at the meeting during which they were each re-appointed.

Change of particulars of Directors

Mr. Vladislav Soloviev ceased to be a director of OGK-3 OJSC following the annual general meeting of OGK-3 OJSC held on 13 May 2011.

Since June 2011, Mr. Dmitry Afanasiev has been a board member of CTC Media Inc, a U.S. public company, and a member of the Russian Council for International Affairs.

Mr. Artem Volynets ceased to be a director of OJSC Irkutskenergo since 24 June 2011.

Mr. Alexander Popov resigned from his position as the group financial controller of EN+ with effect from 1 July 2011.

On 20 July 2011, Mr. Len Blavatnik became a director of Warner Music Group Corp., one of the world's leading music companies.

Appointment of Alternate Director

Mr. Alexander Popov appointed Mr. Artem Volynets as his alternate Director for the period from 29 June 2011 to 14 November 2011.

Directors' and Chief Executive Officer's and Substantial Shareholders' interests in Shares

Directors' and Chief Executive Officer's interests

As at 30 June 2011, the interests and short positions of the Directors and Chief Executive Officer in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which the Directors and Chief Executive Officer are taken or deemed to have under such provisions of the SFO, or which are required to be and are recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise required to be notified by the Directors to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies set out in Appendix 10 to the Listing Rules (as incorporated by the Company in its "Codes for Securities Transactions" – for further information, please refer to the section on "Codes for Securities Transactions" below) were as set out below:

Interests in Shares

Name of Director/ Chief Executive Officer	Capacity	Number of Shares at 30 June 2011	Percentage of issued share capital at 30 June 2011
Oleg Deripaska	Beneficiary of a trust *(Note 1)*	7,202,910,267(L)	47.41%
	Beneficial owner	33,705,000(L)	0.22%
	Total	7,236,615,267(L)	47.63%
Viktor Vekselberg	Beneficiary of a trust *(Note 2)*	3,710,590,137(L)	24.42%
Artem Volynets	Beneficial owner	2,807,917(L)	0.02%
Vera Kurochkina	Beneficial owner	215,993(L)	0.001%
Tatiana Soina	Beneficial owner	172,794(L)	0.001%

(L) Long position

Notes – See notes on page 88.

Interests in the shares of associated corporations of UC RUSAL

As at 30 June 2011, Mr. Oleg Deripaska, the Chief Executive Officer and an executive Director, had disclosed interests in the shares of a number of associated corporations (within the meaning of Part XV of the SFO) of UC RUSAL, the details of which are set out in the "Disclosure of Interests" section on the website of the Stock Exchange at www.hkexnews.hk.

Interests and short positions in underlying Shares and in the underlying shares of associated corporations of UC RUSAL

Name of Director/ Chief Executive Officer	Capacity	Number of underlying Shares at 30 June 2011 *(Note 6)*	Percentage of issued share capital at 30 June 2011
Oleg Deripaska	Beneficiary of a trust *(Note 1)*	3,066,435,341(L)	20.18%
Viktor Vekselberg	Beneficiary of a trust *(Note 2)*	354,230,862(S)	2.33%

(L) Long position

(S) Short position

Notes – see notes on page 88.

Other than as stated above, as at 30 June 2011, none of the Directors or the Chief Executive Officer had any interest or short position, whether beneficial or non-beneficial, in the Shares or underlying shares (including options) and debentures of the Company or in any of its associated corporations (within the meaning of Part XV of the SFO).

Substantial shareholders' interest and short positions in the Shares, underlying Shares and debentures of the Company

As at 30 June 2011, so far as the Directors are aware, the following persons had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under Section 336 of the SFO and of article L.233-7 of the French commercial code:

Interests and short positions in Shares

Name of shareholder	Capacity	Number of Shares held	Percentage of issued share capital at 30 June 2011
Oleg Deripaska	Beneficiary of a trust *(Note 1)*	7,202,910,267(L)	47.41%
	Beneficial owner	33,705,000(L)	0.22%
	Total	**7,236,615,267(L)**	**47.63%**
Fidelitas Investments Ltd. *(Note 1)*	Interest of controlled corporation	7,202,910,267(L)	47.41%
B-Finance Ltd. *(Note 1)*	Interest of controlled corporation	7,202,910,267(L)	47.41%
EN+ *(Note 1)*	Beneficial owner	7,202,910,267(L)	47.41%
Viktor Vekselberg *(Note 2)*	Beneficiary of a trust	3,710,590,137(L)	24.42%
TCO Holdings Inc. *(Note 2)*	Interest of controlled corporation	3,710,590,137(L)	24.42%
TZ Columbus Services Limited *(Note 2)*	Trustee (other than a bare trustee)	3,710,590,137(L)	24.42%
Renova Holding Limited *(Note 2)*	Interest of controlled corporation	3,710,590,137(L)	24.42%
Renova Metals and Mining Limited *(Note 2)*	Interest of controlled corporation	3,710,590,137(L)	24.42%
SUAL Partners *(Note 2)*	Beneficial owner	2,400,970,089(L)	15.80%
	Other	1,309,620,048(L)	8.62%
	Total	**3,710,590,137(L)**	**24.42%**

Name of shareholder	Capacity	Number of Shares held	Percentage of issued share capital at 30 June 2011
Mikhail Prokhorov *(Note 3)*	Interest of controlled corporation	2,586,499,596(L)	17.02%
Onexim Group Limited *(Note 3)*	Interest of controlled corporation	2,586,499,596(L)	17.02%
Onexim *(Note 3)*	Beneficial owner	2,586,499,596(L)	17.02%
Glencore Holding AG *(Note 4)*	Interest of a controlled corporation	1,328,988,048(L)	8.75%
Glencore *(Note 4)*	Interest of a controlled corporation	1,328,988,048(L)	8.75%
Glencore Group Funding Limited *(Note 4)*	Interest of a controlled corporation	1,328,988,048(L)	8.75%
Glencore Finance (Bermuda) Ltd *(Note 4)*	Interest of a controlled corporation	1,328,988,048(L)	8.75%
Amokenga Holdings *(Note 4)*	Beneficial owner	1,328,988,048(L)	8.75%
State Corporation "Bank for Development and Foreign Economic Affairs (Vnesheconombank)"	Person having a security interest in Shares	759,650,744(L)	5.00%
	Beneficial owner	477,090,000(L)	3.14%
	Total	**1,236,740,744(L)**	**8.14%**

(L) Long position

Notes – See notes on page 88.

Interests and short positions in underlying Shares

Name of shareholder	Capacity	Number of underlying Shares at 30 June 2011 (Note 5)	Percentage of issued share capital at 30 June 2011
Oleg Deripaska *(Note 1)*	Beneficiary of a trust	3,066,435,341(L)	20.18%
Fidelitas Investments Ltd. *(Note 1)*	Interest of controlled corporation	3,066,435,341(L)	20.18%
B-Finance Ltd. *(Note 1)*	Interest of controlled corporation	3,066,435,341(L)	20.18%
EN+ *(Note 1)*	Beneficial owner	3,066,435,341(L)	20.18%
Viktor Vekselberg *(Note 2)*	Beneficiary of a trust	354,230,862(S)	2.33%
TCO Holdings Inc. *(Note 2)*	Interest of controlled corporation	354,230,862(S)	2.33%
TZ Columbus Services Limited *(Note 2)*	Trustee (other than a bare trustee)	354,230,862(S)	2.33%
Renova Holding Limited *(Note 2)*	Interest of controlled corporation	354,230,862(S)	2.33%
Renova Metals and Mining Limited *(Note 2)*	Interest of controlled corporation	354,230,862(S)	2.33%
SUAL Partners *(Note 2)*	Beneficial owner	354,230,862(S)	2.33%
Glencore Holding AG *(Note 4)*	Interest of a controlled corporation	41,807,668(L)	0.28%
		1,309,620,048(S)	8.62%
Glencore *(Note 4)*	Interest of a controlled corporation	41,807,668(L)	0.28%
		1,309,620,048(S)	8.62%
Glencore Group Funding Limited *(Note 4)*	Interest of a controlled corporation	41,807,668(L)	0.28%
		1,309,620,048(S)	8.62%
Glencore Finance (Bermuda) Ltd *(Note 4)*	Interest of a controlled corporation	41,807,668(L)	0.28%
		1,309,620,048(S)	8.62%
Amokenga Holdings *(Note 4)*	Beneficial owner	41,807,668(L)	0.28%
		1,309,620,048(S)	8.62%

(L) Long position

(S) Short position

(Note 1) These interests were directly held by EN+. Based on the information provided by Mr. Oleg Deripaska ("Mr. Deripaska"), Mr. Deripaska was the founder, trustee and a beneficiary of a discretionary trust which, as at 30 June 2011, held 100% of the issued share capital of Fidelitas Investments Ltd., which, as at 30 June 2011, held 100% of the issued share capital of B-Finance Ltd. As at 30 June 2011, B-Finance Ltd. held 70.35% of the issued share capital of EN+. Each of B-Finance Ltd., Fidelitas Investments Ltd, and Mr. Deripaska were deemed to be interested in the Shares and underlying Shares held by EN+ by virtue of the SFO as at 30 June 2011.

(Note 2) These interests and short positions were directly held by SUAL Partners. SUAL Partners is controlled as to 35.84% by Renova Metals and Mining Limited, which is in turn wholly-owned by Renova Holding Limited. Renova Holding Limited is controlled by TZ Columbus Services Limited as to 100% under a trust and TZ Columbus Services Limited acts as a trustee of the trust and is, in turn, wholly-owned by TCO Holdings Inc. Mr. Viktor Vekselberg ("Mr. Vekselberg") is the sole beneficiary of the relevant trust. Each of Renova Metals and Mining Limited, Renova Holding Limited, TZ Columbus Services Limited, TCO Holdings Inc. and Mr. Vekselberg is deemed to be interested in the Shares and underlying Shares held by SUAL Partners by virtue of the SFO.

(Note 3) These interests were directly held by Onexim. Onexim is wholly-owned by Onexim Group Limited, which is beneficially owned by Mr. Mikhail Prokhorov. Each of Onexim Group Limited and Mr. Mikhail Prokhorov is deemed to be interested in the Shares held by Onexim.

(Note 4) Amokenga Holdings is wholly-owned by Glencore Finance (Bermuda) Ltd. which is, in turn, wholly-owned by Glencore Group Funding Limited. Glencore Group Funding Limited is wholly-owned by Glencore, which is controlled by Glencore Holding AG as to 85%. In light of the fact that Glencore Holding AG, Glencore, Glencore Group Funding Limited and Glencore Finance (Bermuda) Ltd. (together, the "Glencore Entities") directly or indirectly control one-third or more of the voting rights in the shareholders' meetings of Amokenga Holdings, in accordance with the SFO, the interest of Amokenga Holdings are deemed to be, and have therefore been included in the interests of the Glencore Entities.

(Note 5) These underlying Shares represent physically settled unlisted derivatives.

(Note 6) These underlying Shares represent unlisted physically settled options.

As at 30 June 2011, no Shareholders had notified the Company of their change in ownership of its issued share capital or voting rights in application of article L.233-7 of the French commercial code. None of the above-mentioned Shareholders have or will have different voting rights attached to the Shares they hold in the Company.

Agreements subject to change of control provisions

The following finance facilities with the Company contain change of control provisions allowing the lenders under such agreements to cancel their commitments in full and declare all outstanding loans immediately due and payable if EN+ does not control or ceases to control the Company or any person (or persons acting in concert) other than EN+ has or gains control of the Company:

1 International Override Agreement. As of 30 June 2011, the aggregate level of facilities governed by the International Override Agreement was USD4,405 million and the maturity of these facilities is December 2013;

2 amendment deed relating to the sale and purchase and share exchange agreement relating to certain shares in Norilsk Nickel dated 1 December 2009. As of 30 June 2011, the outstanding nominal value of the debt under the deed due to Onexim was USD560 million and the maturity date of the debt is the same as that under the International Override Agreement;

3 USD200,000,000 secured credit facility in favour of Alumina & Bauxite Company Ltd dated 10 November 2006 with Natixis as facility agent and security agent. As of 30 June 2011, the outstanding amount under this facility was USD83 million and the maturity date of this facility is December 2013; and

4 USD4,583,168,657 Sberbank Refinancing Facility granted by Sberbank on 30 September 2010 to refinance the Company's debt to VEB. As of 30 June 2011, the outstanding amount under this facility was USD4,583 million and the maturity date of this facility is December 2013.

Corporate Governance Practices

The Company adopts international standards of corporate governance. The Directors believe that high quality corporate governance leads to successful business development and increases the investment potential of the Company, providing more security for Shareholders, partners and customers as well as reinforcing the Company's internal control systems.

By working with international institutions such as the European Bank for Reconstruction and Development and the International Finance Corporation, the Company developed and implemented its corporate governance standards, based on the principles of transparent and responsible business operations.

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

The Directors adopted a corporate governance code which is based on the CG Code at a Board meeting on 11 November 2010. The Directors consider that the Company has complied with the code provisions of the CG Code during the review period, other than as described below.

The Directors are committed to upholding the corporate governance of the Company to ensure that formal and transparent procedures are in place to protect and maximise the interests of Shareholders.

Term of appointment of Directors

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

Compliance with and deviation from A.1.8 of the CG Code

A.1.8 of the CG Code states that "If a substantial shareholder or a director has a conflict of interest in a matter to be considered by the board which the board has determined to be material, the matter should not be dealt with by way of circulation or by a committee (except an appropriate board committee set up for that purpose pursuant to a resolution passed in a board meeting) but a board meeting should be held. Independent non-executive directors who, and whose associates, have no material interest in the transaction should be present at such board meetings."

Due to the size and nature of the Board, physical meetings are scheduled approximately every two months where significant business is discussed and decided upon and, in particular, efforts are made at each meeting to include, discuss and resolve upon connected transactions and transactions in which Directors may be interested due to their affiliation with Major Shareholders. However, the Company transacts on a regular, and usually daily, basis with affiliated entities of certain of its Major Shareholders and, accordingly, requires the Board to make decisions on certain matters before a next scheduled physical meeting of the Board. This is due, in large part, to the fact that the Group was formed out of a merger of the aluminium and alumina assets of EN+, SUAL Partners and Glencore, who remain major players in those and other connected industries and continue to transact with the Group. In order to continue its business, the Company needs to continue to regularly transact with those Major Shareholders and entities affiliated to them and, accordingly, the Directors may have corresponding interests by virtue of their directorships or beneficial ownership in those Major Shareholders. If all decisions on such transactions were dealt with by physical meetings of the Board, the Company would struggle to continue to operate which would be detrimental to the Group and the Shareholders as a whole. In the first half of 2011, there were five instances where written Board and Board committee resolutions were circulated involving business in which Directors or substantial shareholders of the Company had interests.

Where written resolutions have been passed during the first half of 2011, the Company has sought to comply with the spirit of A.1.8 of the CG Code by adopting the following procedures: Directors have declared interests by having them noted in written resolutions and either (a) pursuant to the Articles of Association, where their interests (i) have been determined by the Board, acting by the independent non-executive Directors, to be not material (in other words, not to be expected to materially conflict with the interests of the Company), or (ii) fall within the exceptions set out in articles 27.4.1 to 27.4.5 of the Articles of Association (which are equivalent to those exceptions permitted in articles of association of a company under Note 1 to Appendix 3 of the Listing Rules), those interested Directors have not been prohibited from voting on the resolution(s) and counting in the quorum in relation to the resolution(s) (and circulation of the written resolution(s) in such a situation would comply with the strict wording of A.1.8 of the CG Code); or (b) where the Board, acting by the independent non-executive Directors, has not determined that a particular interest is not material or the interest does not fall within the exceptions set out in articles 27.4.1 to 27.4.5 of the Articles of Association, the Company has sought to ensure that interested Directors do not sign the written resolution and that, if they do (by error or otherwise), their signature (if any) is not counted in the majority necessary to pass that resolution. This is possible because the Articles of Association allow the Board to pass resolutions in writing by a majority of Directors signing the resolution and therefore materially interested Directors can be excluded from the decision-making process.

The Company has therefore endeavoured to follow the spirit of A.1.8 of the CG Code, whilst having regard to not limiting the operational effectiveness of the Board, by seeking to ensure that, where written resolutions are passed by the Board, Directors who have interests which the Board considers may materially conflict with the interests of the Company are excluded from the decision-making process. The Company intends to continue to monitor its compliance with the CG Code, in this and every area, and will strive to make improvements to its corporate governance practices where it believes improvements are necessary.

Codes for Securities Transactions

The Company has adopted a Code for Securities Transactions by Directors of the Company and a Code for Securities Transactions by Relevant Officers (the "Codes for Securities Transactions"). The Codes for Securities Transactions were based on Appendix 10 to the Listing Rules but they were made more exacting than the required standard set out in Appendix 10. They were also based on the provisions of articles L.451-2-1, L.465-2 and L.621-18-2 of the French Monetary and Financial Code, Chapters II and III of Title II of Book II of the General Regulation of the AMF and Titles II and III of Book VI of the General Regulation of the AMF with respect to insider dealing and market misconduct. The Codes for Securities Transactions were adopted by the Board on 9 April 2010.

Having made specific enquiry of all Directors, all Directors confirmed that they had fully complied with the required standard set out in the Codes for Securities Transactions throughout the accounting period covered by the Interim Report.

The Company has not been notified of any transaction by the Directors or by any Relevant Officer in application of article L.621-18-2 of the French Monetary and Financial Code and articles 223-22A to 223-25 of the General Regulations of the AMF.

Related party transactions

For further information on related party transactions, please refer to note 20 "Related party transactions" of the consolidated interim condensed financial information.

Statement of Responsibility for this Interim Report

I, Oleg Deripaska, declare, to the best of my knowledge, that the consolidated interim condensed financial information contained in this Interim Report have been prepared in accordance with applicable accounting principles and give a true and fair view of the assets, financial condition and results of operations of UC RUSAL and the other entities included in the consolidation perimeter, and that the "2011 Interim Review", "Management Discussions and Analysis" and "Information Provided in accordance with the Listing Rules and Euronext Paris Requirements" sections of this Interim Report include a fair review of the material events that occurred in the first six months of this financial year, their impact on the consolidated interim condensed financial information, the principal related party transactions as well as a description of the principal risks and uncertainties for the remaining six months of this year.

Oleg Deripaska
Chief Executive Officer

29 August 2011

Forward-looking Statements

This Interim Report contains statements about future events, projections, forecasts and expectations that are forward-looking statements. Any statement in this Interim Report 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 risks and uncertainties include those discussed or identified herein and in the Annual Report. 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.

Adjusted Net Profit for any period is defined as the net profit adjusted for the net effect from share in the results of Norilsk Nickel, the net effect of embedded derivative financial instruments, the difference between effective and nominal interest rate charge on restructured debt and net effect of non-current assets impairment.

aggregate attributable bauxite production is calculated based on pro rata share of the Group's ownership in corresponding bauxite mines and mining complexes.

AMF means the French Autorité des marchés financiers.

Amokenga Holdings means Amokenga Holdings Limited, a company incorporated in Bermuda and which is a wholly-owned subsidiary of Glencore and a shareholder of the Company.

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

Annual Report means the report dated 28 April 2011 for the year ended 31 December 2010 published by the Company.

Armenal means CJSC "RUSAL Armenal", a company incorporated in Armenia, in which the Company indirectly holds 100%.

"**Articles of Association**" means the articles of association of the Company conditionally adopted on 24 November 2009 and effective on the Listing Date.

Audit Committee means the audit committee of the Company.

BEMO means the companies comprising Boguchanskoye Energy and Metals Complex.

BHPP 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 BHPP and the Boguchansky aluminium smelter as described on pages 7, 24, 25, 30, 31, 63. and 75 of the Interim Report.

Board means the board of Directors.

Bogoslovsk aluminium smelter 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 BHPP, as described on page 7 and 36 of the Interim Report.

Brook Hunt means an independent research and consulting firm specialising in the mining and metals industries.

CG Code means the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules.

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

Chairman or **Chairman of the Board** means the chairman of the Board.

Chief Financial Officer means the chief financial officer of the Company.

CIS means Commonwealth of Independent States.

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

connected transaction(s) has the meaning ascribed to such expression in the Listing Rules.

Co-operation Agreement means the agreement dated 25 November 2008 between the Company and Interros in respect of Norilsk Nickel.

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 discussed under the heading “Loans and borrowings” in the Management Discussion and Analysis section of the Interim Report.

Director(s) means the director(s) of the Company.

EN+ means EN+ Group Limited, a company incorporated in Jersey and which is a controlling shareholder (as defined in the Listing Rules) of the Company as at the date of this Interim Report.

Euribor means the Euro Interbank Offered Rate and in respect of any loans, is the daily reference rate based on the averaged interest rates at which Eurozone bank offer to other banks in the euro wholesale money market.

Euronext Paris means the Professional Segment of NYSE Euronext Paris.

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 means the alumina refinery in Jamaica owned by Windalco.

Fee Warrants means nominal strike warrants issued to the restructuring lenders under the International Override Agreement equal in aggregate on conversion to 1% of the Company's fully diluted share capital as at the date of the International Override Agreement.

Finance Income has the meaning defined on page 18 and 19 of the Interim Report.

Glencore means Glencore International AG, a company incorporated in Switzerland and which is an indirect shareholder of the Company.

Global Depositary Shares or **GDS** means global depositary shares evidenced by global depositary receipts, each of which represents 20 Shares.

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.

Hong Kong means the Hong Kong Special Administrative Region of the PRC.

IAS means International Accounting Standards.

Interim Report means this interim report dated 29 August 2011.

International Override Agreement or **IOA** means the international override agreement entered into by the Company and certain members of the Group on 7 December 2009 with certain international banks, as amended from time to time.

Interros means Interros International Investments Limited.

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.

LIBOR means in relation to any loan:

(a) the applicable screen rate (being the British Bankers' Association Interest Settlement Rate for dollars for the relevant period, displayed on the appropriate page of the Reuters screen); or

(b) (if no screen rate is available for dollars for the interest period of a particular loan), the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the agent at its request quoted by the reference banks to leading banks in the London interbank market,

as of the specified time (11:00 a.m. in most cases) on the quotation day (generally two business days before the first day of that period unless market practice differs in the Relevant Interbank Market, in which case the quotation day will be determined by the agent in accordance with market practice in the Relevant Interbank Market) for the offering of deposits in dollars and for a period comparable to the interest period for that loan.

Listing means the listing of the Shares on the Stock Exchange and on Euronext Paris.

Listing Date means the date of the Listing, being 27 January 2010.

Listing Rules means the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time).

LLP Bogatyr Komir means the joint venture described on pages 13 and 19 of the Interim Report.

LME means the London Metal Exchange.

LTAFR means the Lost Time Accident Frequency Rate which was calculated by the Group as a sum of fatalities and lost time accidents per 200,000 man-hours.

Major Shareholders means EN+, SUAL Partners, Glencore and Onexim.

Natixis means the investment bank listed on the Paris stock exchange and a party to the IOA.

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 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.

Override Period means the override period detailed in the Prospectus, in particular, under "Financial Information".

PIK means payment-in-kind.

PRC means The People's Republic of China.

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.

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.

Relevant Officer means any employee of the Company or a director or employee of a subsidiary of the Company.

RMB means Renminbi, the lawful currency of the People's Republic of China.

RUB or **Ruble** means Rubles, the lawful currency 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 Sberbank of Russia.

SFO means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

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 Shares.

SHFE means the Shanghai Futures Exchange.

Stock Exchange means The Stock Exchange of Hong Kong Limited.

SUAL Partners means SUAL Partners Limited, a company incorporated under the laws of the Bahamas, which is a shareholder of the Company.

substantial shareholder has the meaning ascribed to such expression under the Listing Rules.

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 pages 7 and 24-26 of the Interim 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 Debt means the Company's loans and borrowing at the end of the period.

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

Urals aluminium smelter means Urals aluminium smelter, a branch of OJSC SUAL.

US means the United States of America.

USD, **US$** or **US dollar** means United States dollars, the lawful currency of the United States of America.

VAT means value added tax.

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.

Working Capital means trade and other receivables and inventories less trade and other payables.

y-o-y means year-on-year.

Zaporozhye aluminium smelter means OJSC Zaporozhye Aluminium Combine, a company incorporated in the Ukraine, in which the Company indirectly holds a 97.55% interest.

% means per cent.

Certain amounts and percentage figures included in this Interim Report have been subject to rounding adjustments or have been rounded to one decimal place. Accordingly, figures shown as totals in certain tables in this Interim Report may not be an arithmetic aggregation of the figures that preceded them.

Corporate Information

UNITED COMPANY RUSAL PLC

(Incorporated under the laws of Jersey with limited liability)

HKEx stock code: 00486
Euronext Paris symbols: Rusal/Rual

BOARD OF DIRECTORS

Executive directors

Mr. Oleg Deripaska
Mr. Vladislav Soloviev
Mr. Petr Sinshinov
Ms. Tatiana Soina
Mr. Alexander Livshits
Ms. Vera Kurochkina

Non-executive directors

Mr. Victor Vekselberg *(Chairman)*
Mr. Dmitry Afanasiev
Mr. Len Blavatnik
Mr. Anatoly Tikhonov
Mr. Ivan Glasenberg
Mr. Alexander Popov
Mr. Dmitry Razumov
Mr. Artem Volynets *(alternate director to Mr. Alexander Popov from 29 June 2011 to 14 November 2011)*

Independent non-executive directors

Mr. Barry Cheung Chun-Yuen
Dr. Peter Nigel Kenny
Mr. Philip Lader
Ms. Elsie Leung Oi-Sie

REGISTERED OFFICE IN JERSEY

Ogier House
The Esplanade
St Helier JE4 9WG
Jersey

PRINCIPAL PLACE OF BUSINESS

Themistokli Dervi, 12
Palais D'Ivoire House
P.C. 1066
Nicosia
Cyprus

PLACE OF BUSINESS IN HONG KONG

11th Floor
Central Tower
28 Queen's Road Central
Central
Hong Kong

JERSEY COMPANY SECRETARY

Ogier Corporate Services (Jersey) Limited
Ogier House
The Esplanade
St Helier JE4 9WG
Jersey

HONG KONG COMPANY SECRETARY

Ms. Aby Wong Po Ying
Ogier Services (Asia) Limited
11th Floor
Central Tower
28 Queen's Road Central
Central
Hong Kong

JOINT AUDITORS

KPMG
8th Floor, Prince's Building
10 Chater Road, Central
Hong Kong

ZAO KPMG
Naberezhnaya Tower Complex, Block C
10 Presnenskaya Naberezhnaya
Moscow, 123317
Russia

AUTHORISED REPRESENTATIVES

Mr. Vladislav Soloviev
Ms. Aby Wong Po Ying
Mr. Eugene Choi

PRINCIPAL SHARE REGISTRAR

Ogier Corporate Services (Jersey) Limited
Ogier House
The Esplanade
St Helier JE4 9WG
Jersey

HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
46th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

DEPOSITORY FOR THE GLOBAL DEPOSITARY SHARES LISTED ON EURONEXT PARIS

The Bank of New York Mellon
One Wall Street,
New York, NY 10286

AUDIT COMMITTEE MEMBERS

Dr. Peter Nigel Kenny *(Chairman)*
Mr. Philip Lader
Ms. Elsie Leung Oi-Sie
Mr. Alexander Popov
Mr. Dmitry Razumov

REMUNERATION COMMITTEE MEMBERS

Mr. Philip Lader *(Chairman)*
Dr. Peter Nigel Kenny
Mr. Barry Cheung Chun-Yuen
Mr. Len Blavatnik
Mr. Artem Volynets

PRINCIPAL BANKERS

Sberbank
VTB Bank
BNP Paribas

COMPLIANCE ADVISOR

Somerley Limited
10/F, The Hong Kong Club Building
3A Chater Road, Central
Hong Kong

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