RUSAL

# UNITED COMPANY RUSAL PLC

*(Incorporated under the laws of Jersey with limited liability)*

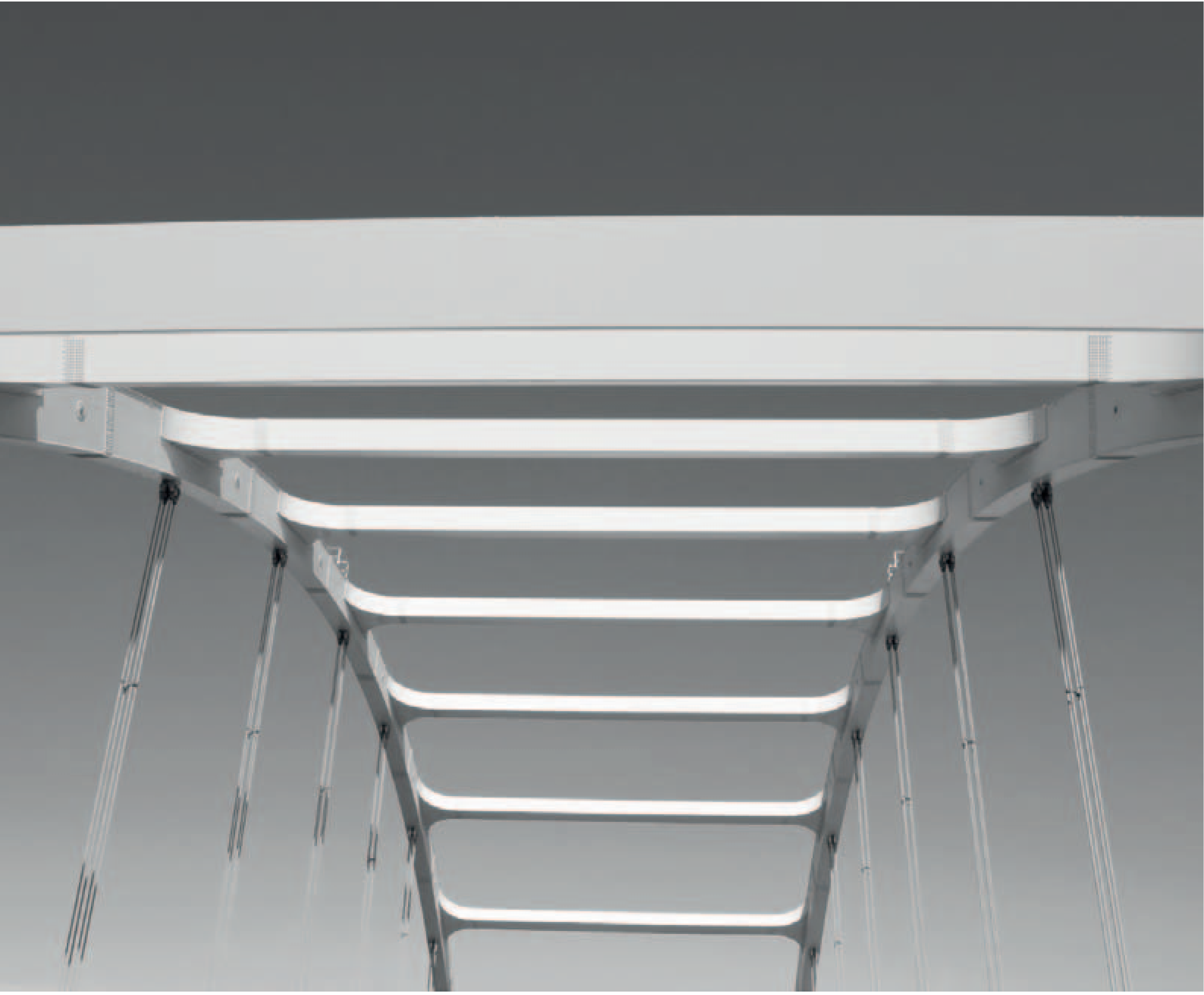
**(Stock Code: 486)**

## INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2013

The Board of Directors (the "**Board**") of United Company RUSAL Plc (the "**Company**") is pleased to announce the unaudited interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2013.

This announcement, containing the full text of the 2013 Interim Report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to information to accompany preliminary announcements of interim results.

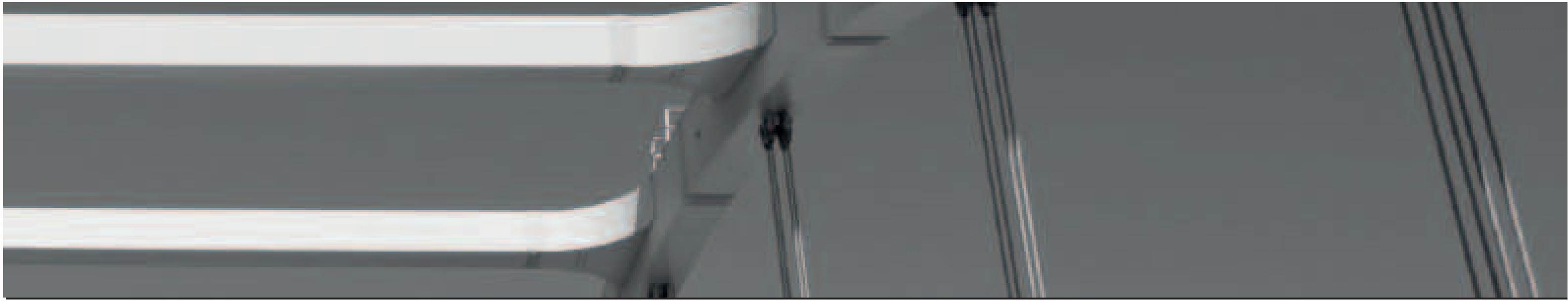
*All announcements and press releases published by the Company are available on its website under the links http://www.rusal.ru/en/investors/info.aspx and http://www.rusal.ru/en/press-center/press-releases.aspx, respectively.*



# Striking the right bALance

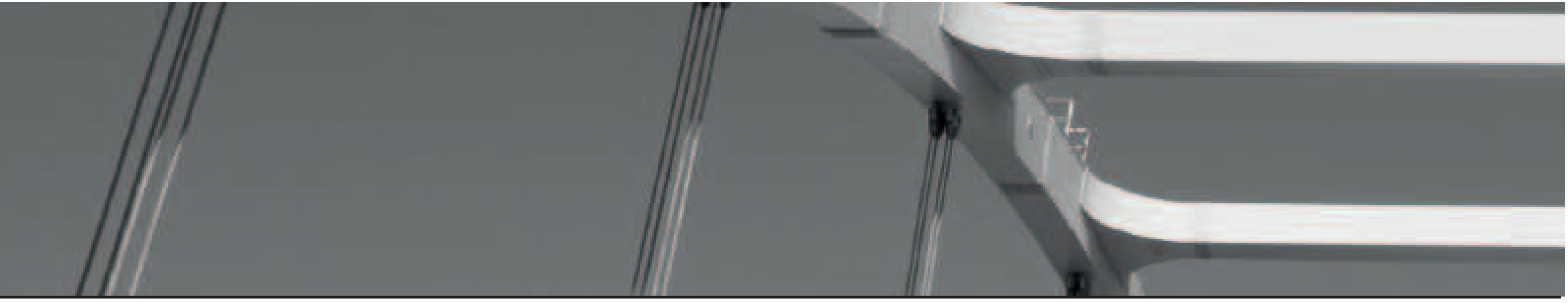
INTERIM REPORT 2013

RUSAL





# Contents

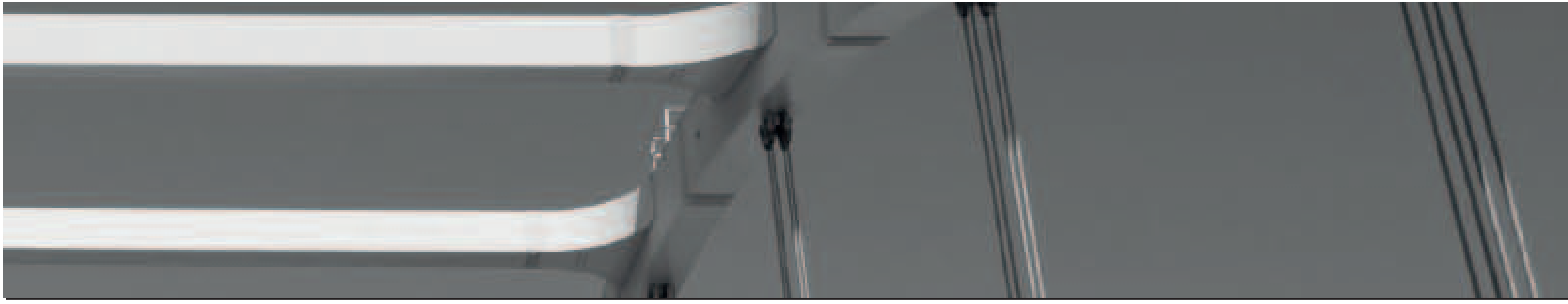




# 2013 Interim Review

## Key highlights

- Total aluminium output amounted to 1,999 thousand tonnes in the first half of 2013, representing a decrease of 4.5%, as compared to 2,093 thousand tonnes in the first half of 2012. In the second quarter of 2013, aluminium production decreased by 1.5% to 992 thousand tonnes from 1,007 thousand tonnes in the first quarter of 2013 following the ongoing capacity curtailments program at the less efficient smelters.
- The Board of the Company has approved an additional program of production reductions to improve costs and margins, beyond those previously announced. The updated program will see production halted at a number of the least efficient smelters in the Aluminium division West as well as at certain smelters in Siberia. Production is forecast to be reduced by 357 thousand tonnes (or by 9%) in 2013 vs 2012. Full effect of the program will be reflected in 2014.
- Production of value-added products continued to grow and reached a record 42.8% of total aluminium production in the second quarter of 2013.
- Alumina output totalled 3,638 thousand tonnes in the first half of 2013, representing a decrease of 7.5%, as compared to 3,932 thousand tonnes for the same period of the previous year. In the second quarter of 2013, alumina production remained almost flat and comprised 1,827 thousand tonnes from 1,811 thousand tonnes in the preceding quarter.
- Bauxite production totalled 5,750 thousand tonnes in the first half of 2013, representing a decrease of 14.3%, as compared to 6,713 thousand tonnes in the first half of 2012. In the second quarter of 2013, bauxite production increased by 4.7% to 2,941 thousand tonnes from 2,809 thousand tonnes in the first quarter of 2013.
- Revenue in the first half of 2013 decreased by 8.8% to USD5,203 million as compared to USD5,704 million in the first half of 2012 due to a 7.6% decrease in physical aluminium sales and continued pressure of the LME price down to an average of USD1,919 per tonne, a 7.8% decrease compared to the same period of 2012, partially offset by historically high premiums over LME aluminium price of USD269 per tonne for the first half of 2013.
- Aluminium segment cost per tonne decreased by 3.0% to USD1,911 in the second quarter of 2013 in comparison with 1,971 USD per tonne in the first quarter of 2013. The average power tariff has been reduced to USc.3.28/KWh in the second quarter 2013 from USc. 3.60/KWh in the previous quarter. External factors such as the depreciation of the Russian Ruble to the US dollar by 4.3% to RUB31.7 in the second quarter of 2013 from RUB30.4 in the first quarter of 2013, has also had a significant positive effect on the overall level of costs.
- Adjusted EBITDA comprised USD420 million for the first half of 2013 with a margin of 8.1% demonstrating a decrease of 25.5% as compared to the same period of 2012. Aluminium segment EBITDA margin decreased to 12.7% in the first half of 2013 as compared to 13.5% for the same period of the preceding year.
- In April 2013 the Company completed the sale of Norilsk Nickel shares according to the shareholder agreement signed in December 2012. The net proceeds in the total amount of USD620 million were applied towards the prepayment of debt owed to Sberbank. Total long-term debt repayments in the first half of 2013 comprised to USD1,135 million, Net Debt was reduced to USD9,882 million as at 30 June 2013 or by 8.7% since 31 December 2012.



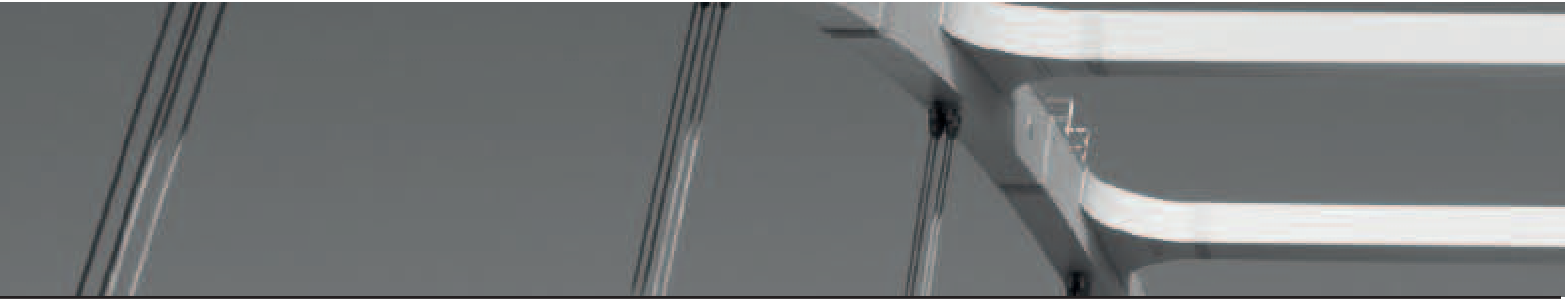


# Financial and Operating Highlights[1]

| *USD million (unless otherwise specified)* | For the six months ended 30 June | |
|---|---|---|
| | **2013** | **2012** |
| Revenue | 5,203 | 5,704 |
| Adjusted EBITDA | 420 | 564 |
| Adjusted EBITDA margin | 8.1% | 9.9% |
| Share of Profits of Associates | 92 | 366 |
| Pre-tax (Loss)/Profit | (384) | 96 |
| Net (Loss)/Profit | (439) | 1 |
| Net (Loss)/Profit margin | (8.4%) | 0.02% |
| Adjusted Net (Loss) | (238) | (112) |
| Adjusted Net (Loss) margin | (4.6%) | (2.0%) |
| Recurring Net (Loss)/Profit | (156) | 219 |
| Recurring Net (Loss)/Profit margin | (3.0%) | 3.8% |
| **(Loss)/Earnings per Share *(USD)*** | **(0.0289)** | **0.0001** |

| | **As at 30 June 2013** | **As at 31 December 2012** |
|---|---|---|
| Total assets | 22,938 | 25,210 |
| Equity attributable to shareholders of the Company | 9,517 | 10,732 |
| Net Debt | 9,882 | 10,829 |

[1] Certain information for the three and six months ended 30 June 2012 is inconsistent with the respective information set out in the Company's 2012 Interim Report dated 27 August 2012 due to the restatement made after the release of Norilsk Nickel 2012 interim financial statements in October 2012. For details, please refer to pages 69 and 71 of this Interim Report.





# Chairman's Letter

Dear Shareholders,

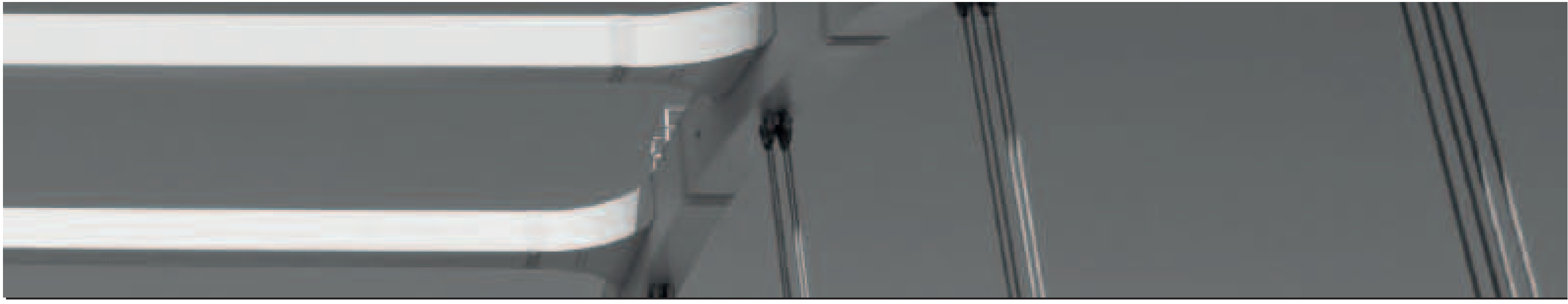
The first half of the current year has been another volatile period for the global economy, having a major impact on the aluminium industry, and, inevitably, on the Company's operations and the stock price.

Despite starting the year with a positive aluminum outlook, negative investor sentiment towards commodity markets and slower-than-expected growth of the global economy continued to move the price of aluminium on the LME downwards, causing a significant share of aluminium capacity around the world to become under water.

There is no doubt that the aluminium industry now faces a looming crisis of over-supply. Even though on the demand side the situation remains positive and the demand profile in industries such as transportation, construction and electrical segments is excellent, the amount of excess stock is overhanging the market. To understand the reasons behind this over-supply, it is necessary to look back to the height of the global economic downturn in 2008-2009. During these years, whilst aluminium consumption reduced significantly, the supply didn't shrink to the same degree. As a result, millions of tonnes of excess aluminium were accumulated and much is still stored in warehouses today. It has taken 5 years for annual supply/demand surpluses to level out, and over this year, we may be seeing more capacity closures, which have been announced by major producers, including UC RUSAL. However, the problem of the excess stock cannot be addressed immediately, and the whole industry needs time to produce unconventional solutions to overcome this structural crisis and enter into a new phase of sustainable growth.

UC RUSAL is a pure upstream aluminium producer, and is therefore particularly exposed to fluctuations in the price of the metal on LME, benefiting the most from any price growth whilst facing the strongest headwinds when the price declines sharply. The market environment during this reporting period required bold decisions and action from UC RUSAL. Significant emphasis was put on efficiency, with the aim to create value for our customers and to manage operational factors that are within our control. UC RUSAL reduced production at the least-efficient smelting facilities and will pursue this program in the mid-term. The Company further increased its share of value-added products with higher margins in the overall production volume, and worked hard to control costs.

In order to improve liquidity and to broaden our investor base, earlier this year UC RUSAL announced the decision to launch a program of direct listing of its shares on the Moscow Stock Exchange. We expect to have the shares admitted to the exchange by the end of 2013, with a



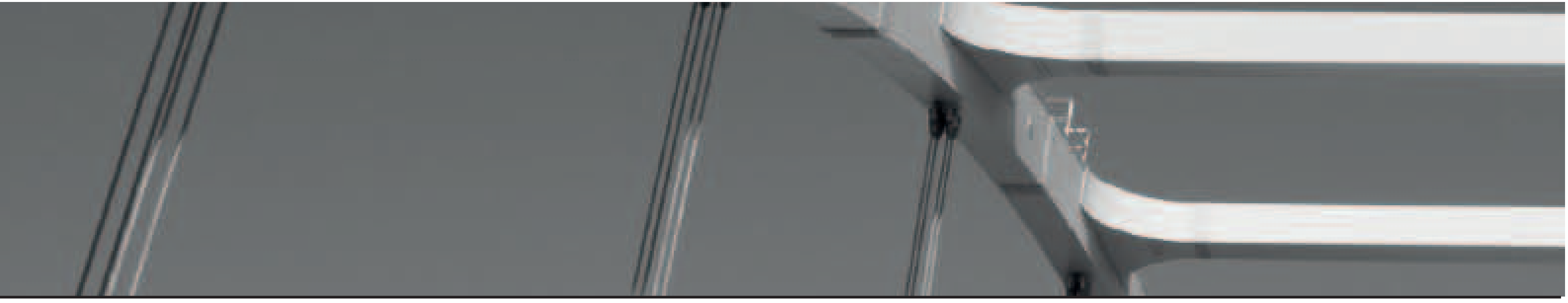


parallel closure of the Company's RDR Program, and providing increased liquidity to investors trading in Moscow who prefer to trade shares instead of depository receipts.

Even though market movements were beyond our control, in the first half of 2013 UC RUSAL proved it can face tough tests and capitalize on its core advantages. In this respect, a very special thanks goes to UC RUSAL's strong team of professionals. I am particularly pleased to highlight the one-off incentive plan proposed by the Company's CEO to recognize the contributions of certain employees in implementing the Company's production system and contributing to the future success of UC RUSAL.

I look forward to continuing to work with the Board, our investors and partners, as well as UC RUSAL's dedicated staff around the world.

**Matthias Warnig**
*Chairman of the Board*
19 August 2013





# CEO's Letter

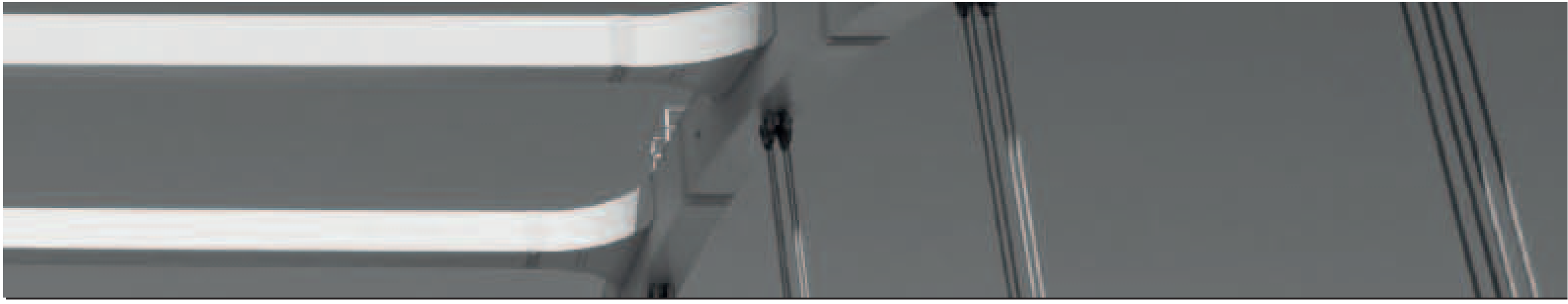
The first half of 2013 saw LME prices continue to decline, falling to as low as USD1,731 per tonne at the end of the period. This bearish price trend is largely reflective of negative investor sentiment towards our industry, which despite a healthy demand in most regions, has now possibly reached the lowest point of its cycle. The current situation requires our industry to take a more disciplined approach towards existing inventory levels and capacity utilization rate, as over a third of global aluminium production is loss-making on a cash-cost basis at the current price level.

In the reporting period, UC RUSAL continued to focus its efforts on cost control, output optimization and enhancement of margins.

In an industry-leading move, the Company reduced its aluminium output by around 100,000 tonnes (4.5%) in the first half of the year, compared to the same period in 2012. These cuts were made in line with its approved production volume reduction program at the Company's least-efficient smelting facilities. In particular, cuts were made at the Bogoslovsk, Urals and Nadvoitsy smelters in the Western part of Russia and Urals, the Novokuznetsk smelter in Western Siberia, and at ALSCON in Nigeria, following the suspension of aluminium production at the plant in the first quarter of 2013. In the second half of 2013, UC RUSAL plans to accelerate these cuts in order to achieve optimum production level.

Further progress has been made developing our product portfolio. Since 2010, the Company has focused on higher end of its upstream business, improving profitability through the expansion of our product range and developing the production of rolling slabs, billets, wire rod, and primary foundry alloys. In the first half of 2013, the share of these value-added products (VAP) reached 41.1% of total primary aluminium production, compared to a share of only 18% in 2009, prior to the program's launch. In the second quarter of this year VAP output reached a historical high of 42.8%.

During the period, UC RUSAL continued to implement its cost control program. Significant effort was put into negotiating lower prices for raw materials, along with the optimization of transportation and logistics. With regard to energy expenses, RUSAL worked hard to lower energy costs from every angle, reducing amperage and electricity consumption. The Company manages its exposure to electricity prices through long-term power contracts linked to LME-prices for aluminium with over half of the electricity currently purchased under such contracts. As a result, in the second quarter of the year, energy costs decreased by 6.4% compared to the first quarter of the year. External factors also contributed to the decrease in cost of sales, in particular the weakening of the Russian Ruble. In the second quarter of the year, aluminium segment cost per tonne was USD1,911, the





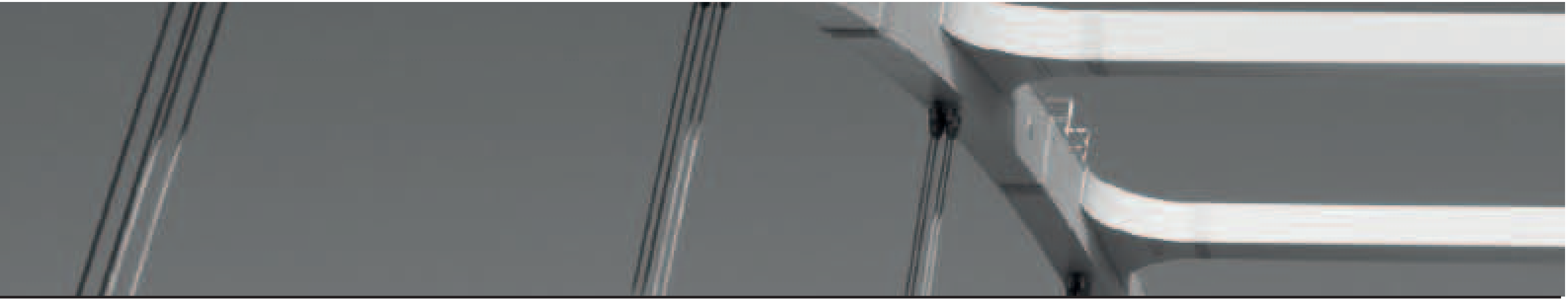
lowest level since the beginning of 2011.

Despite these measures, the impact of the low LME aluminium prices has affected the Company's operational results. Revenue decreased by 8.8% to USD5,203 million in the first half of 2013 and adjusted EBITDA for the same period was USD420 million. The Company recorded a net loss of USD439 million for the first half of the year, predominantly due to the impact of a one-off non-cash item related to the Norilsk Nickel shares sale and the decrease in UC RUSAL's share in MMC Norilsk Nickel profits as a result of both MMC's substantially weaker results, as per our estimates, and impairment on marketable securities.

It is important to highlight, that in spite of the negative one-off impact of the Norilsk Nickel deal on the Company's net profit, our investment in MMC continues to be highly beneficial for the Company. The Company used the net proceeds of the sale deal of USD620 million to fund its debt prepayment to Sberbank. The Company also received dividends from Norilsk Nickel of USD550 million on a gross basis and therefore, ended the period with a healthy cash position of USD566 million and free cash flow of USD1.2 billion. In the first half of the year, UC RUSAL's debt repayments to international and Russian lenders totalled USD1.1 billion. Net debt reduced by 8.7% since the beginning of the year to USD9.882 billion as of 30 June 2013, its lowest level since 2008.

Whilst demand remains strong for aluminium, the sustainability of our industry relies on industry players to taking a uniformed and disciplined approach towards inefficient and unprofitable production, with a focus on the customer at the forefront. This remains firmly on the agenda for UC RUSAL over the upcoming months. The Company is playing an industry leading role in taking steps to confront the current negative market environment and will continue to do more to further improve business efficiency.

**Oleg Deripaska**
*Chief Executive Officer*
19 August 2013





# Management Discussion and Analysis[2]

## Overview of trends in the aluminium industry and business environment

### Global aluminium consumption

UC RUSAL estimates that in the first half of 2013 global primary aluminium consumption reached 25 million tonnes which is a 6% increase compared to the first half of 2012. The fastest growing markets in the period were China (11%), Turkey (11%), and South East Asia (6%). North America experienced a 2% growth whereas consumption stagnated in Europe.

Negative investor sentiment towards commodity markets based on lower inflation forecasts, slower growth in China and the possibility of lower Quantitative Easing measures from the US Federal Reserve, continued to pressure the LME price down to an average of USD1,919 per tonne during the first half of 2013, an 8% decrease compared to the same period in 2012.

#### China

Despite some slowdown in economic growth in the first half of 2013, aluminum consumption remains robust. Chinese demand for aluminium has strengthened during May with higher orders reported from all aluminium intensive sectors, including construction, automotive, power, white goods and packaging. Possibly the most unexpected development is the further recovery in the Chinese housing industry, illustrated by a rise in property prices in most major cities. Property floor space started rebounding to positive territory of +14.2% in June vs. -1.5% in May. Higher prices have also led to more confidence among property developers, as investment in property markets grew by 21% year-on-year in May and 19.4% in June compared to an average of 16% during the fourth quarter of 2012. Renewed confidence in China's domestic aluminium markets has been reflected in stronger aluminium semis orders.

Recent statistics from the China Association of Automobile Manufacturers (CAAM) show that auto production has risen by 9.3% year-on-year, to 1.67 million units in June 2013, accumulating to a total of 10.75 million units in the first six months of the year. We expect the passenger car industry in China to continue evolving at a fast pace, owing to the growth in purchasing power, and a relatively low ratio of car ownership per capita, whereas the relatively low aluminium content in passenger cars creates further potential for rapid growth in the usage of aluminium in cars.

Total apparent aluminum consumption in China for the first half of 2013 grew by 11% compared to the same period last year. In the second quarter of 2013 the Chinese aluminum balance improved significantly due to slower new production growth and production curtailments.

The National Development and Reform Commission (NDRC) and the Ministry of Industry and Information Technology (MIIT) have set a deadline at the end of June this year for provincial/regional authorities to submit a report on illegal capacity and illegal projects of the industries that have a large amount of overcapacity such as iron & steel, cement, primary aluminum, flat glass, shipbuilding and so on. And NDRC and MIIT will then collect, sort and edit the information and report to the State Council. Currently, NDRC and MIIT are studying

[2] Certain information for the three and six months ended 30 June 2012 is inconsistent with the respective information set out in the Company's 2012 Interim Report dated 27 August 2012 due to the restatement made after the release of Norilsk Nickel 2012 interim financial statements in October 2012. For details, please refer to pages 69 and 71 of this Interim Report.

and outlining the policy of tackling the problem of overcapacity.

Only half of the initially planned new capacity was commissioned in China in the first half of 2013 and much slower growth for the rest of 2013 is estimated. As of 30 June 2013 around 2 million tonnes of capacity have been closed and are to be curtailed by the end of 2013.

**North America**

North American aluminium demand increased by 2% in the first half of 2013 compared to the first half of 2012.

The transport sector remained as the main driver of aluminium consumption growth in the region, as vehicle production in the US increased by 4% year on year. US light vehicle sales grew by 7% and total vehicle production is expected to grow by 8% for the whole of 2013 compared to 2012 production.

Recovery in the building and construction sector supported the demand growth for aluminium in the period with USA housing starts rising by 28% in the first half of 2013 compared to the first half of 2012.

Consumption of primary aluminium was also supported by tight scrap availability, coupled with a higher price as a result of lower secondary aluminium production.

Given the above factors, improvement in the demand for aluminium from the physical market supported the Midwest premium in the first half of 2013 as it rose from 11.0 US cents/lb in January to 11.85 US cents/lb in June.

**Europe**

High levels of unemployment, a lack of consumer and business confidence and tight restrictions on credit for households and businesses were features of the economic conditions for the region in the first half of 2013. Correspondingly, aluminium demand in Europe was weak in the first half of the year. Aluminium consumption fell in most European countries with the exception of Turkey, Germany, Austria, France and Switzerland. Turkish growth of 11.2% was the main driver of European aluminium demand in the first half of 2013. As a consequence, consumption in Europe increased by 1% in the first half of 2013 compared to the first half of 2012 level.

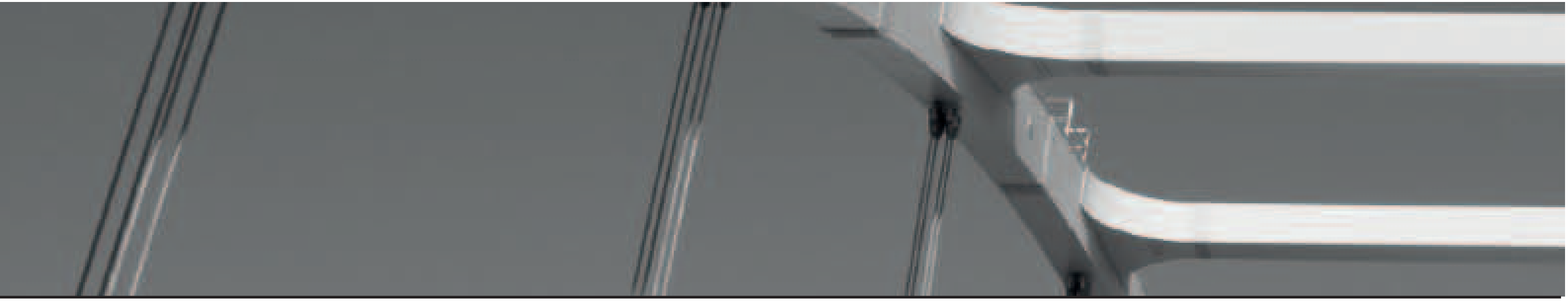
European new car sales declined by 7% in the first half of 2013 from the first half of 2012, falling to 6.2 million units reflecting the fact that economic stagnation continues to depress demand. Germany, the leader of European automotive industry, showed an 8.1% sales drop in the first half of 2013 compared to the first half of 2012, with France (-11.3%) and Italy (-10.7%) also falling. On the other hand, Turkey and UK markets grew by 12% and 10%, respectively.

Building and construction markets remained poor in the first half of 2013 and had a direct impact on the demand for flat rolled products and extrusions in the region.

As a result of weak aluminium demand and large stocks in Europe, regional duty-unpaid premium for primary aluminium ingots declined from 210 – 233 US$/t in February to 200 – 208 US$/t in April, recovering slowly to 206.5-235 US$/t at the end of June.

**Asia - Ex-China**

The performance of the economies in South East Asia improved in the first half of 2013 with strong GDP growth of 5-6% expected across the region this year. The transport sector remained strong with Thailand continuing to be a leader in automotive production in the region with 1,123,061 produced vehicles in January-May 2013 and an annual growth of 31.7%. Indonesia showed 13.4% growth in the comparable period of time. Construction activity also grew in the region led by infrastructure development and housing starts. Generally aluminium demand in South East Asian countries grew by 9% in the first half of 2013 compared to the first half of 2012.





Aggressive monetary policy in Japan is expected to have a positive medium term effect on the economy, but little impact on aluminium consumption in the short term. Housing starts in Japan rose by 7% from January to May 2013 compared to the same period in 2012 which will support future aluminium demand. Automotive production in Japan still follows a negative trend as the cumulative production for the first five months of 2013 has declined by 11.2% due to the weakness of the domestic market and export sales. Japanese manufacturers have faced increasing competition from manufacturers in South Korea, China and South East Asia. Primary aluminium consumption has dropped by 12.7% in the first half of 2013 compared to the first half of 2012.

India's demand for housing, retail and office space grew rapidly due to the increase of the urbanization ratio. However as a result of the tightening of the monetary policy implemented by the Central Bank of India, higher interest rates have affected the building and construction market. Aluminium demand from this sector is expected to grow marginally in 2013. Federal investments into infrastructure projects support demand growth in electrical and railway sectors.

As a result of encouraging investments into downstream expansion in the Middle East, more metal is absorbed in the region. Two rolling mills, one in Saudi Arabia and another in Oman, plus an extrusion plant in UAE, are due to come online this year further boosting domestic demand. Construction and transportation sectors are the main drivers of local aluminium consumption growth. Aluminum demand in Middle East countries increased by 5% in the first half of 2013 compared to the first half of 2012.

Premiums in Asia, as reflected by the CIF MJP (Cost, Insurance and Freight Major Japanese Ports) indicator, remained firm and grew through the first half of 2013 from 240-245 US$/t in January to 249 US$/t in June on the basis of regional demand growth, coupled with an expectation of curtailed supply from India and Oceania.

## Aluminium industry 2013 outlook

UC RUSAL's 2013 market outlook remains broadly unchanged with some improvement in the second half of the year due to seasonally stronger demand.

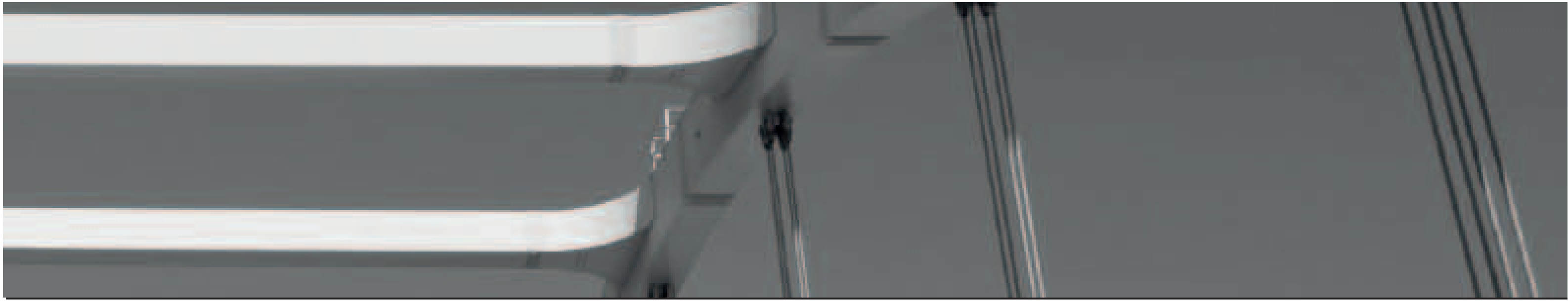
Consumption of primary aluminium globally is forecast to reach 50 million tonnes, an increase of 6%, with China remaining as the largest growing market with an expected 9.5% growth, followed by India (6% growth), Asia excluding China (6% growth) and North America (5% growth).

Overall, UC RUSAL forecasts the 2013 global aluminium market to be largely balanced.

Despite healthy growth in aluminum consumption, the global aluminum industry is suffering from overcapacity and needs further curtailments to improve the market balance and support producer margins. As of today more than 3 million tonnes of aluminum capacity could potentially be closed by the end of this year. At the same time the industry needs further restructuring and reduction in large aluminum stocks to guarantee sustainable development. UC RUSAL notes the opening of the consultation period on amended LME warehousing regulations and the LME's desire to see waiting time reduce.

## Our Business

The principal activities of the Group are alumina refining, aluminium smelting and refining, bauxite and nepheline ore mining and processing, 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 2013.



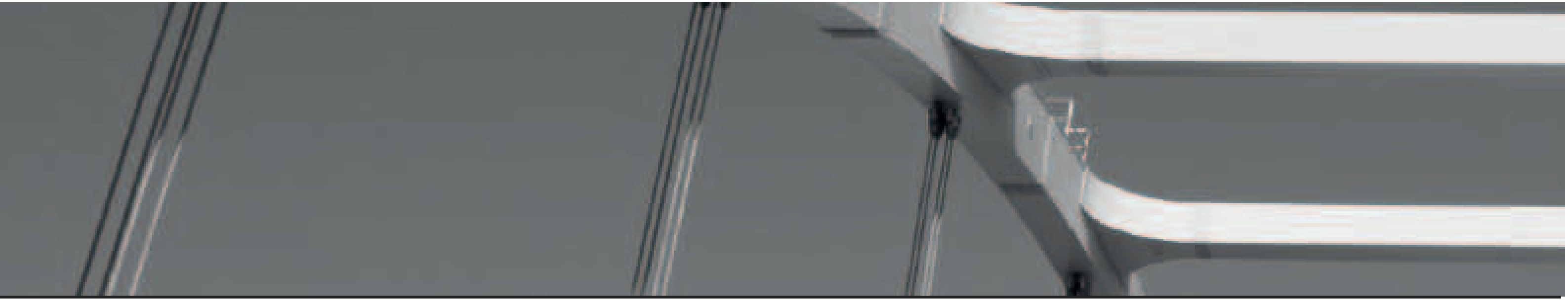


# Financial and operational performance

The tables below provide key selected financial, production and other information for the Group.

| | Three months ended 30 June | | Three months ended 31 March | Six months ended 30 June | |
|---|---|---|---|---|---|
| | **2013** | **2012** | **2013** | **2013** | **2012** |
| **Key operating data**[3] ***('000 tonnes)*** | | | | | |
| Primary aluminium | 992 | 1,044 | 1,007 | 1,999 | 2,093 |
| Alumina | 1,827 | 1,898 | 1,811 | 3,638 | 3,932 |
| Bauxite (wet) | 2,941 | 3,091 | 2,809 | 5,750 | 6,713 |
| **Key pricing and performance data** ***('000 tonnes)*** | | | | | |
| Sales of primary aluminium and alloys | 1,004 | 1,067 | 994 | 1,998 | 2,162 |
| ***(USD per tonne)*** Aluminium segment cost per tonne[4] | 1,911 | 1,947 | 1,971 | 1,942 | 1,956 |
| Aluminium price per tonne quoted on the LME[5] | 1,835 | 1,978 | 2,003 | 1,919 | 2,081 |
| Average premiums over LME price[6] | 271 | 191 | 264 | 269 | 179 |
| Alumina price per tonne[7] | 327 | 317 | 340 | 334 | 317 |

[3] Figures based on total respective attributable output.
[4] For any period, "Aluminium segment cost per tonne" is calculated as aluminium segment revenue less aluminium segment results less amortisation and depreciation divided on sales volume of the aluminium segment.
[5] Aluminium price per tonne quoted on the LME represents the average of the daily closing official London Metals Exchange ("LME") prices for each period.
[6] Average premiums over LME realized by the company based on management accounts.
[7] The average alumina price per tonne provided in this table is based on the daily closing spot prices of alumina according to Non-ferrous Metal Alumina Index FOB Australia USD per tonne.





**Key selected data from the consolidated interim condensed statement of income**

| | Three months ended 30 June | | Three months ended 31 March | Six months ended 30 June | |
|---|---|---|---|---|---|
| *(USD million)* | **2013** | **2012** | **2013** | **2013** | **2012** |
| Revenue | 2,521 | 2,822 | 2,682 | 5,203 | 5,704 |
| Cost of sales | (2,196) | (2,318) | (2,250) | (4,446) | (4,775) |
| Gross profit | 325 | 504 | 432 | 757 | 929 |
| Adjusted EBITDA | 174 | 327 | 246 | 420 | 564 |
| *margin (% of revenue)* | *6.9%* | *11.6%* | *9.2%* | *8.1%* | *9.9%* |
| Net (Loss)/Profit for the period | (458) | (55) | 19 | (439) | 1 |
| *margin (% of revenue)* | *(18.2%)* | *(1.9%)* | *0.7%* | *(8.4%)* | *0.02%* |
| Adjusted Net (Loss) for the period | (191) | (22) | (47) | (238) | (112) |
| *margin (% of revenue)* | *(7.6%)* | *(0.8%)* | *(1.8%)* | *(4.6%)* | *(2.0%)* |
| Recurring Net Profit | (208) | 125 | 52 | (156) | 219 |
| *margin (% of revenue)* | *(8.3%)* | *4.4%* | *1.9%* | *(3.0%)* | *3.8%* |

**Key selected data from the consolidated interim condensed statement of financial position**

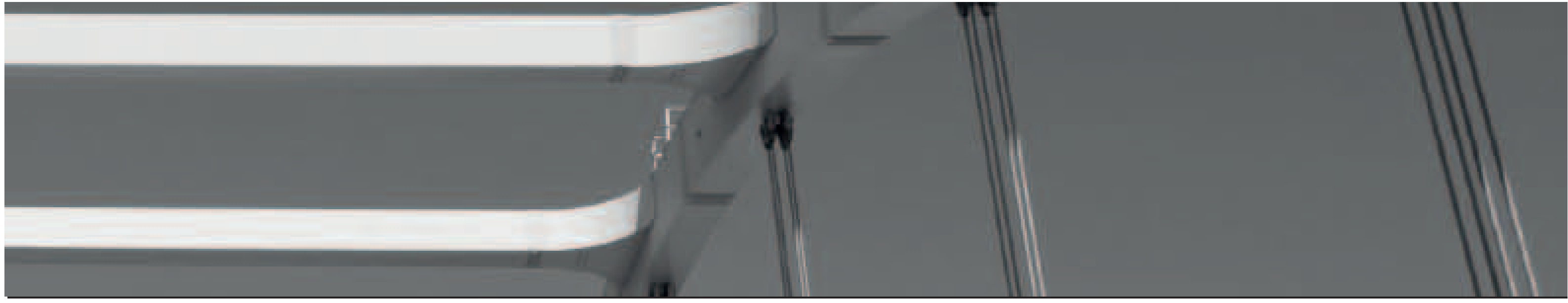
| *(USD million)* | **As at 30 June 2013** | **As at 31 December 2012** |
|---|---|---|
| Net Debt | 9,882 | 10,829 |
| Net Debt to Adjusted EBITDA ratio[8] | 11.8:1 | 9.6:1 |

## Aluminium production

UC RUSAL's total aluminium output amounted to 1,999 thousand tonnes for the six months ended 30 June 2013, as compared to 2,093 thousand tonnes for the six months ended 30 June 2012.

The decrease in the volumes of aluminium output for the six months ended 30 June 2013 amounted to 4.5% and was due to the start of the capacity curtailment program at the least efficient smelters. The main contributors to the decrease were lower production at the Bogoslovsk, Nadvoitsy, Urals and Novokuznetsk aluminium smelters in Russia

[8] For the purposes of calculating Net Debt to Adjusted EBITDA ratio as at 30 June 2013 and 31 December 2012, 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 2013. Net Debt to Adjusted EBITDA differs from Total Net Debt to Covenant EBITDA for the purposes of the Company's credit facility agreements.





and also the suspension of smelting operations at ALSCON in Nigeria.

## Alumina production

Total attributable alumina output for UC RUSAL amounted to 3,638 thousand tonnes for the six months ended 30 June 2013, as compared to 3,932 thousand tonnes for the six months ended 30 June 2012.

The decrease in the volume of alumina production for the first six months of 2013 as compared to that for the six months ended 30 June 2012 was primarily due to decreased production at the Friguia Alumina Refinery in Guinea which suspended operations in April 2012. The decrease in alumina production is partly related to the reduction of aluminium output.

## Bauxite production

UC RUSAL's aggregate attributable bauxite production was 5,750 thousand tonnes for the six months ended 30 June 2013, as compared to 6,713 thousand tonnes for the six months ended 30 June 2012.

The decrease in the volume of bauxite production for the first six months of 2013 as compared to that of the corresponding period in 2012 was mostly due to decreased production at Friguia Alumina and bauxite complex in Guinea, Windalco in Jamaica and North Urals in Russia.

## Nepheline production

The Company's nepheline syenite production was 2,342 thousand tonnes for the six months ended 30 June 2013, as compared to 2,512 thousand tonnes for the six months ended 30 June 2012. The decrease in production of nepheline syenite was due to the decrease of output at the Kiya Shaltyr mine in Russia.

## Foil and packaging production

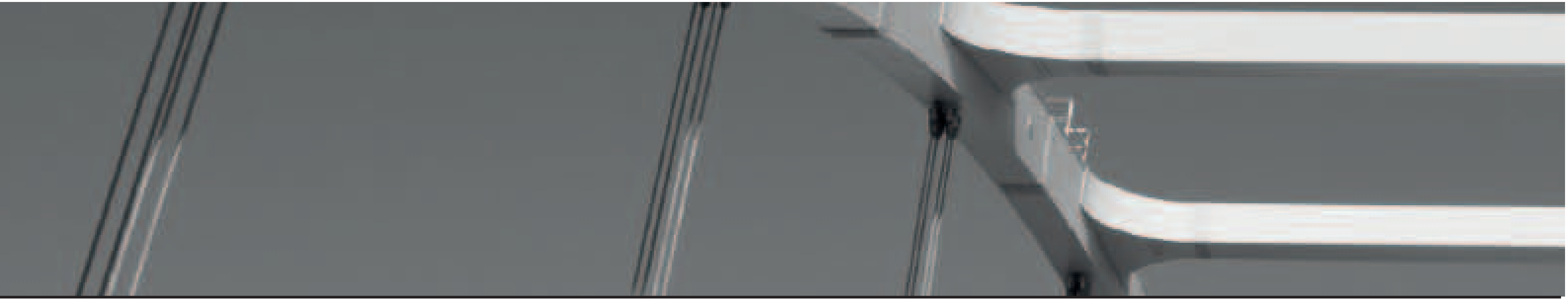
The aggregate aluminium foil and packaging material production from the Group's plants was 43,665 tonnes for the six months ended 30 June 2013, as compared to 40,714 tonnes for the six months ended 30 June 2012, representing an increase of 7.2%. The increase was primarily due to production growth at the Ural foil plant as well as at Sayanal plant in Russia and at Armenal plant in Armenia.

## Other business

UC RUSAL's output from its non-core business has demonstrated different dynamics in the first half of 2013. Production of cathodes decreased to 1,903 tonnes for the six months ended 30 June 2013 from 6,274 tonnes for the six months ended 30 June 2012 mainly due to a suspension of production of cathodes at Taigu Cathode in China.

Fluorides production decreased to 19,083 tonnes for the six months ended 30 June 2013 from 39,179 tonnes for the six months ended 30 June 2012 due to a decrease of production at Polevskoy Cryolite Plant.

Production of silicon increased to 31,103 tonnes for the six months ended 30 June 2013 from 29,414 tonnes for the six months ended 30 June 2012 while powder production decreased to 8,923 tonnes for the six months ended 30 June 2013 from 10,948 tonnes for the six months ended 30 June 2012 and secondary alloys production decreased to 11,344 tonnes for the six months ended 30 June 2013 from 11,544 tonnes for the six months ended 30 June 2012. The changes in production of the Group's other businesses were due to changes in demand structure.

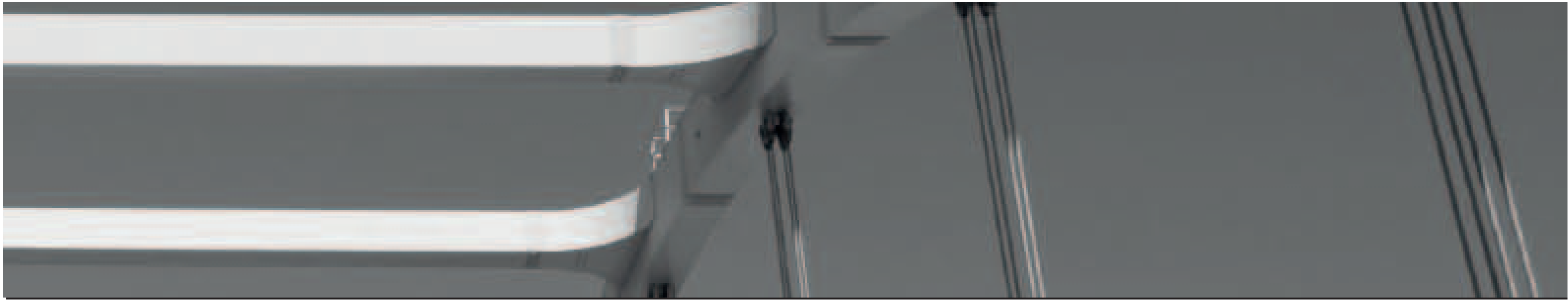




| Product | Six months ended 30 June | | Change |
|---|---|---|---|
| *(tonnes) unless otherwise indicated* | **2013** | **2012** | |
| **Secondary alloys** | 11,344 | 11,544 | (1.7%) |
| **Cathodes** | 1,903 | 6,274 | (69.7%) |
| **Silicon** | 31,103 | 29,414 | 5.7% |
| **Powder** | 8,923 | 10,948 | (18.5%) |
| **Fluorides** | 19,083 | 39,179 | (51.3%) |
| **Coal (50%) (kt)** | 9,779 | 10,410 | (6.1%) |
| **Transport (50%) (kt of transportation)** | 4,481 | 3,951 | 13.4% |

*Coal production results*
The coal production attributable to the Group's 50% share in LLP Bogatyr Komir decreased by 6.1% to 9,779 thousand tonnes in the first half of 2013, as compared to 10,410 thousand tonnes in the first half of 2012. The decrease in volume in the first six months of 2013 as compared to the corresponding period of 2012 was due to a decrease in coal shipments to Russia.

*Transportation results*
The aggregate coal, iron ore and other products transported from the Bogatyr strip mine in Kazakhstan by railway by LLP Bogatyr Trans, in which the Company has a 50% share, increased by 13.4% to 4,481 thousand tonnes in the first half of 2013, as compared to 3,951 thousand tonnes in the first half of 2012 due to an increase of the volume transported in Kazakhstan.





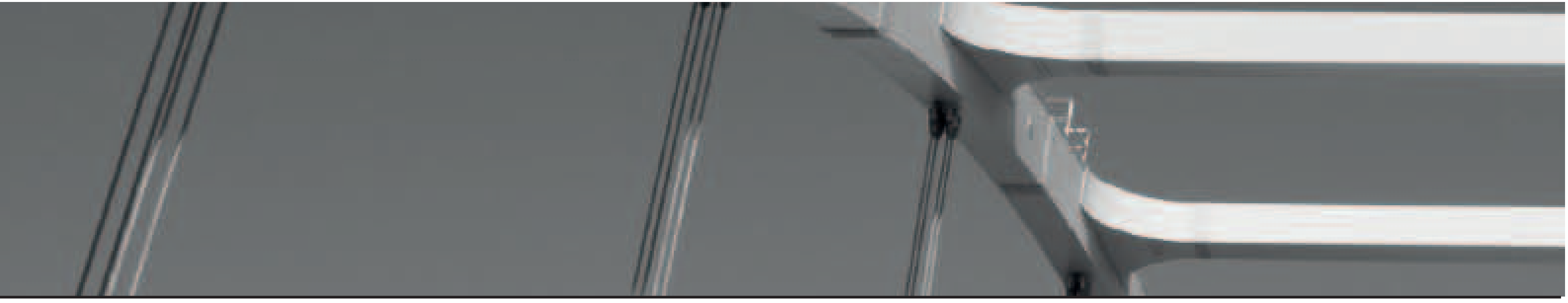
# *Financial Overview*

## Revenue

| Revenue | Six months ended 30 June 2013 | | | Six months ended 30 June 2012 | | |
|---|---|---|---|---|---|---|
| | USD million | kt | Average sales price (USD/t) | USD million | kt | Average sales price (USD/t) |
| Sales of primary aluminium and alloys | 4,452 | 1,998 | 2,228 | 4,899 | 2,162 | 2,266 |
| Sales of alumina | 226 | 682 | 331 | 282 | 870 | 324 |
| Sales of foil | 155 | 42 | 3,690 | 142 | 37 | 3,838 |
| Other revenue[9] | 370 | — | — | 381 | — | — |
| **Total revenue** | **5,203** | | | **5,704** | | |

| Revenue | Three months ended 30 June 2013 | | | Three months ended 31 March 2013 | | |
|---|---|---|---|---|---|---|
| | USD million | kt | Average sales price (USD/t) | USD million | kt | Average sales price (USD/t) |
| Sales of primary aluminium and alloys | 2,160 | 1,004 | 2,151 | 2,292 | 994 | 2,306 |
| Sales of alumina | 85 | 257 | 331 | 141 | 425 | 332 |
| Sales of foil | 77 | 21 | 3,667 | 78 | 21 | 3,714 |
| Other revenue | 199 | — | | 171 | — | — |
| **Total revenue** | **2,521** | | | **2,682** | | |

[9] Including energy and bauxite.





Revenue decreased by USD501 million, or 8.8%, to USD5,203 million in the first six months of 2013, as compared to USD5,704 million for the corresponding period of 2012. The decrease in revenue was primarily due to the decreased sales of primary aluminium and alloys, which accounted for 85.6% and 85.9% of UC RUSAL's revenue for the first six months of 2013 and 2012, respectively.

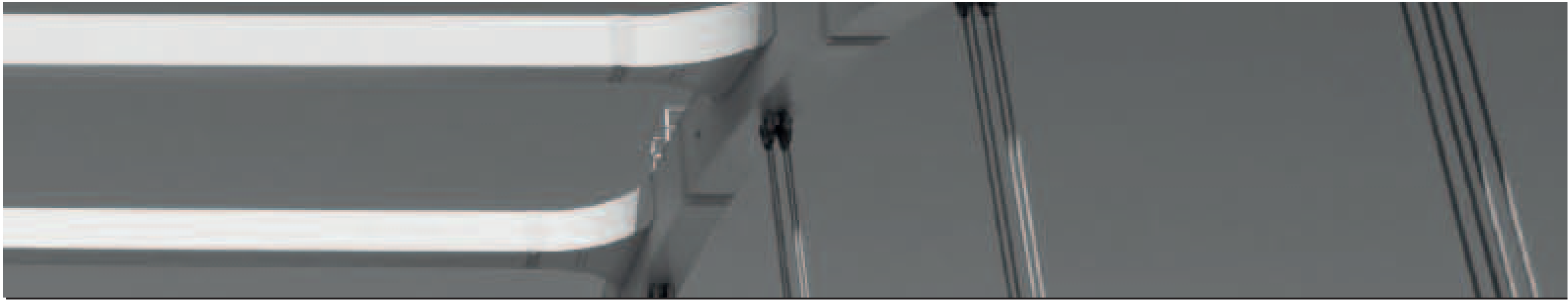
Revenue from sales of primary aluminium and alloys decreased by USD447 million, or by 9.1%, to USD4,452 million in the first six months of 2013, as compared to USD4,899 million for the corresponding period in 2012. This decrease resulted primarily from the decline in the LME aluminium price (which decreased to an average of USD1,919 per tonne from USD2,081 per tonne for the six months ended 30 June 2013 and 2012, respectively), as well as from a 7.6% decrease in volumes of the primary aluminium and alloys sold. The decrease in average LME aluminium prices was slightly offset by a 50.3% growth in premiums above the LME price in the different geographical segments (to an average of USD269 per tonne from USD179 per tonne for the six months ended 30 June 2013 and 2012, respectively).

The Company's revenue from sales of primary aluminium and alloys decreased by 5.8%, from USD2,292 million in the first quarter of 2013 to USD2,160 million in the second quarter of 2013. The decrease in revenues resulted primarily from a 6.7% decrease in weighted-average realised aluminium prices due to the weaker average LME aluminium price which was partially offset by higher levels of realised premiums above LME prices (with premiums reaching a record of USD271 per tonne for the second quarter of 2013).

Revenue from sales of alumina decreased by 19.9% to USD226 million in the first six months of 2013 as compared to USD282 million for the corresponding period of 2012, due to a 21.6% decrease in alumina sales volume which was slightly offset by a 2.2% growth in average sales price.

Revenue from sales of aluminium foil increased by 9.2% to USD155 million in the first six months of 2013, as compared to USD142 million for the corresponding period of 2012, primarily due to an increase in sales volume.

Revenue from other sales, including sales of bauxite and energy service was almost flat during the first six months of 2013 as compared to the same period of 2012.

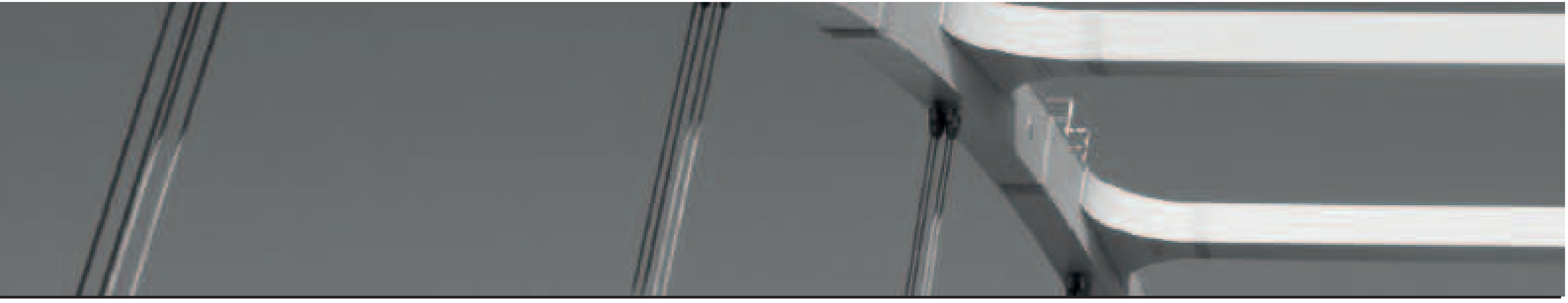




The table below sets forth a breakdown of the Group's revenues by geographic segment for the six months ended 30 June 2013 and 30 June 2012, showing the percentage of revenue attributable to each region:

| | Six months ended 30 June | | | |
|---|---|---|---|---|
| | **2013** | | **2012** | |
| | **USD million** | **% of Revenue** | **USD million** | **% of Revenue** |
| Europe | 3,038 | 59% | 2,997 | 53% |
| CIS | 1,115 | 21% | 1,225 | 21% |
| Asia | 732 | 14% | 1,006 | 18% |
| America | 315 | 6% | 467 | 8% |
| Other | 3 | — | 9 | — |
| **Total** | **5,203** | **100%** | **5,704** | **100%** |

Note: Data is based on location of customers, which may differ from the location of final consumers.

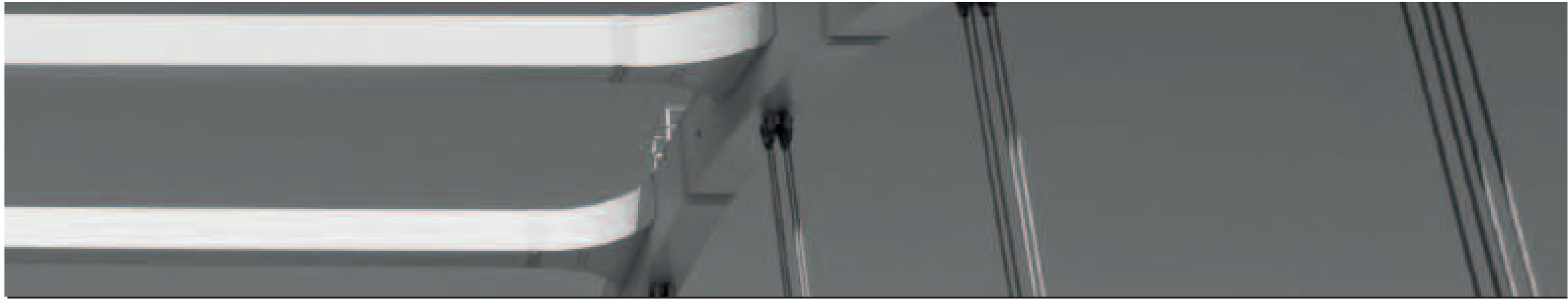




### Cost of sales

The following table shows the breakdown of UC RUSAL's cost of sales for the six months ended 30 June 2013 and 30 June 2012 and for the three months ended 30 June 2013 and 31 March 2013:

| | Six months ended 30 June | | Change half year on half year | Share of costs, % year-on-half year | Three months ended | | Change, quarter-on-quarter | Share of costs, % (Three months ended 30 June 2013) |
|---|---|---|---|---|---|---|---|---|
| *(USD million)* | 2013 | 2012 | | | 30 June 2013 | 31 March 2013 | | |
| Cost of alumina | 522 | 649 | (19.6%) | 11.7% | 233 | 289 | (19.4%) | 10.6% |
| Cost of bauxite | 316 | 305 | 3.6% | 7.1% | 178 | 138 | 29.0% | 8.1% |
| Cost of other raw materials and other costs | 1,528 | 1,727 | (11.5%) | 34.4% | 761 | 767 | (0.8%) | 34.7% |
| Energy costs | 1,303 | 1,294 | 0.7% | 29.3% | 630 | 673 | (6.4%) | 28.7% |
| Depreciation and amortisation | 251 | 261 | (3.8%) | 5.6% | 124 | 127 | (2.4%) | 5.6% |
| Personnel expenses | 469 | 458 | 2.4% | 10.6% | 235 | 234 | 0.4% | 10.7% |
| Repairs and maintenance | 43 | 70 | (38.6%) | 1.0% | 19 | 24 | (20.8%) | 0.9% |
| Change in asset retirement obligations | — | 10 | (100.0%) | 0.0% | — | — | 0.0% | 0.0% |
| Net change in provisions for inventories | 14 | 1 | 1300.0% | 0.3% | 16 | (2) | NA | 0.7% |
| **Total cost of sales** | **4,446** | **4,775** | **(6.9%)** | **100.0%** | **2,196** | **2,250** | **(2.4%)** | **100.0%** |





Total cost of sales decreased by 6.9%, to USD4,446 million for the six months ended 30 June 2013, as compared to USD4,775 million for the corresponding period of 2012. The decrease was primarily driven by the 7.6% (or 164 thousand tonnes) reduction in the aggregate volumes of aluminium sold.

Cost of alumina decreased in the reporting period (as compared to the first six months of 2012) by 19.6%, primarily as a result of a decrease in both alumina purchase volumes and average alumina purchase price.

Cost of bauxite increased by 3.6% in the first six months of 2013 as compared to the same period of prior year, due to 3% growth in purchase volume.

Costs of raw materials (other than alumina and bauxite) and other costs decreased by 11.5% due to the lower raw materials purchase prices (such as petroleum coke for 7%, fuel oil for 11%, anode blocks for 2%) and purchase volumes for the first six months of 2013 as compared to the first six months of 2012.

Energy cost remained constant in the first half of 2013 compared to the same period of 2012, as the effect of slight increase in weight-average electricity tariffs was offset by the continuing depreciation of the Russian Ruble against the US dollar.

Cost of sales decreased by 2.4%, to USD2,196 million in the second quarter of 2013, as compared to the previous quarter as a result of the continuing depreciation of the Russian Ruble against the US dollar quarter-to-quarter and a slight decrease in main raw material purchase prices, compared to that of the first quarter of 2013.

**Gross profit**

As a result of the foregoing factors, UC RUSAL reported a gross profit of USD757 million for the six months ended 30 June 2013 as compared to USD929 million for the six months ended 30 June 2012, representing a decrease in gross profit margin to 14.5% in the reporting period, down from 16.3% in the corresponding period of 2012.

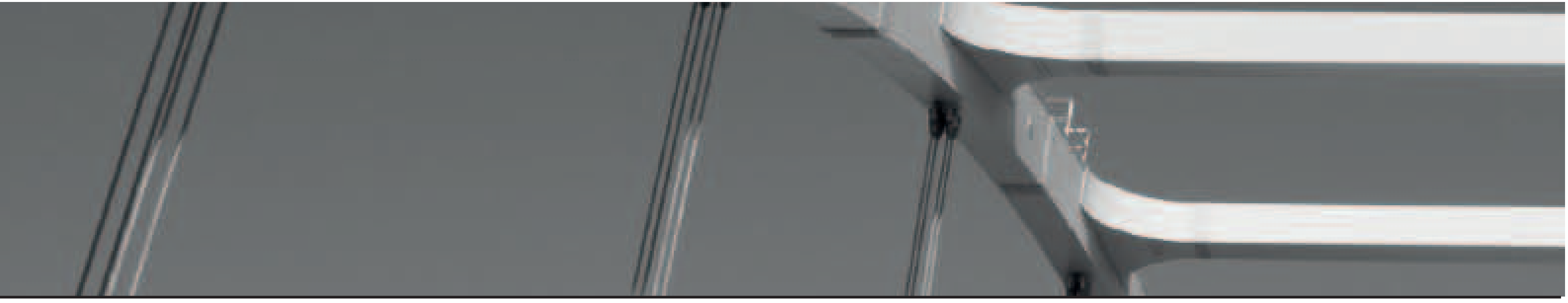
**Distribution, administrative and other expenses**

Distribution expenses remained flat in the first six months of 2013 as compared to the same period of the previous year, amounting to USD257 million and USD260 million, respectively.

Administrative expenses, which include personnel costs, decreased by 13.8% to USD305 million in the first six months of 2013, as compared to USD354 million for the corresponding period in 2012 following continuing cost cutting initiatives. Reduction of personnel cost for the six months ended 30 June 2013 was also positively influenced by the termination of certain employee incentive programs.

Impairment of non-current assets decreased by USD144 million in the first half of 2013 to USD81 million, as compared to USD225 million for the corresponding period of 2012, as a result of impairment of the alumina and bauxite plant in Guinea recognised in the second quarter of 2012.

Other operating expenses increased by 60.0% to USD40 million in the first six months of 2013, as compared to USD25 million for the corresponding period in 2012 following the impairment of certain trade and other receivables as well as the slight increase in provisions for legal claims.



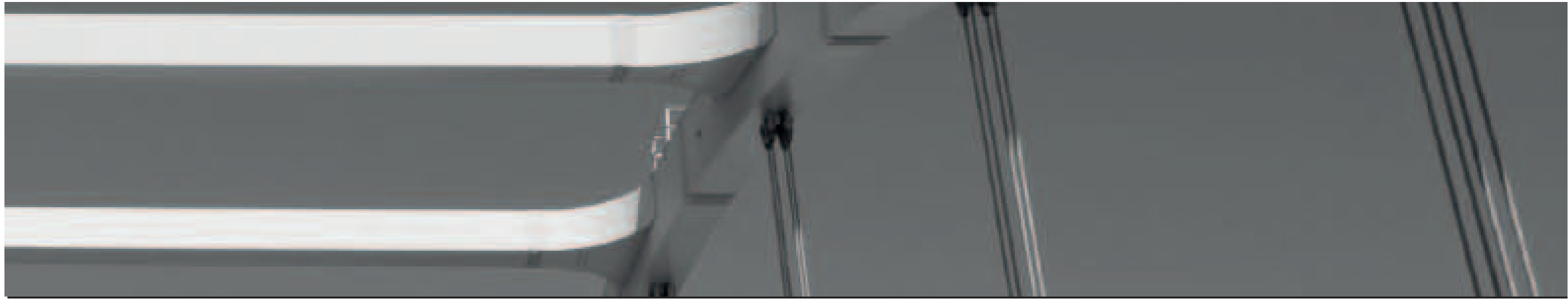


## Results from operations and Adjusted EBITDA

Results from operating activities improved by 15.5% in the first half of 2013 to USD67 million as compared to USD58 million for the respective period of the prior year primarily due to the impairment loss recognised in the second quarter of 2012 in respect of the Guinean alumina assets.

The decrease in the Adjusted EBITDA by 25.5% in the first six months of 2013 to USD420 million as compared to USD564 million for the corresponding period of 2012 reflected primarily low aluminium prices partially compensated by the increase in the realised premiums over LME price, product mix improvement and positive effect of Ruble depreciation.

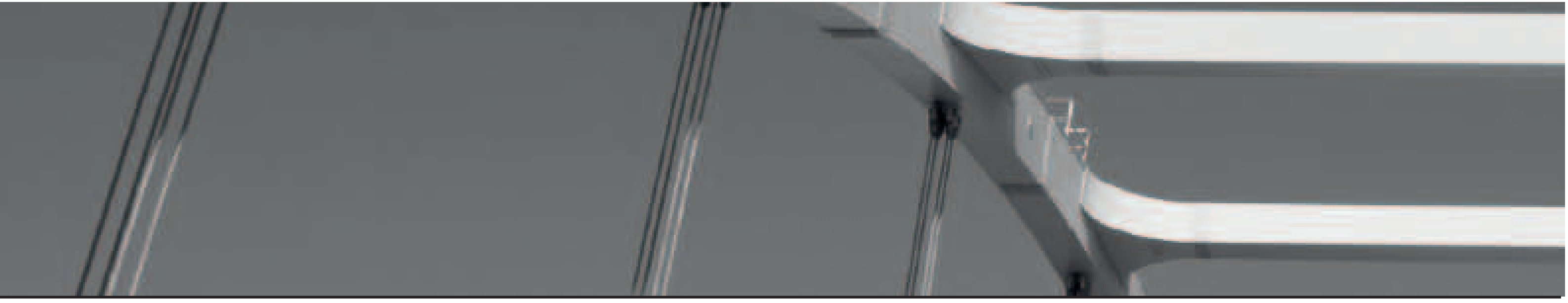
| *(USD million)* | Six months ended 30 June 2013 | 2012 | Change, half year-on-half year |
|---|---|---|---|
| **Reconciliation of Adjusted EBITDA** | | | |
| Results from operating activities | 67 | 58 | 15.5% |
| Add: | | | |
| Amortisation and depreciation | 265 | 274 | (3.3%) |
| Impairment of non-current assets | 81 | 225 | (64.0%) |
| Loss on disposal of property, plant and equipment | 7 | 7 | 0.0% |
| **Adjusted EBITDA** | **420** | **564** | **(25.5%)** |





## Finance income and expenses

| (USD million) | Six months ended 30 June 2013 | 2012 | Change half year-on-half year |
|---|---|---|---|
| **Finance income** | | | |
| Interest income on loans and deposits | 5 | 9 | (44.4%) |
| Foreign exchange gain | 52 | 45 | 15.6% |
| Change in fair value of derivative financial instruments | 6 | — | 100.0% |
| *Change in fair value of embedded derivatives* | *6* | — | *100.0%* |
| Interest income on provisions | 3 | 4 | (25.0%) |
| | **66** | **58** | **13.8%** |
| **Finance expenses** | | | |
| Interest expense on bank loans and company loans wholly repayable within five years, bonds and other bank charges, including | (385) | (331) | 16.3% |
| *Nominal interest expense* | *(330)* | *(288)* | *14.6%* |
| *Bank charges* | *(55)* | *(43)* | *27.9%* |
| Change in fair value of derivative financial instruments | — | (54) | (100.0%) |
| *Change in fair value of embedded derivatives* | — | *(39)* | *(100.0%)* |
| *Revaluation of financial instruments linked to the share price of Norilsk Nickel* | — | *(9)* | *(100.0%)* |
| *Change in other derivatives instruments* | — | *(6)* | *(100.0%)* |
| Interest expense on provisions | (21) | (21) | 0.0% |
| | **(406)** | **(406)** | **0.0%** |





Finance income increased by USD8 million to USD66 million in the first six months of 2013 as compared to USD58 million for the corresponding period in 2012, primarily due to the gain from the revaluation of financial instruments for the first half of 2013 as compared to the respective losses for the same period of the previous year.

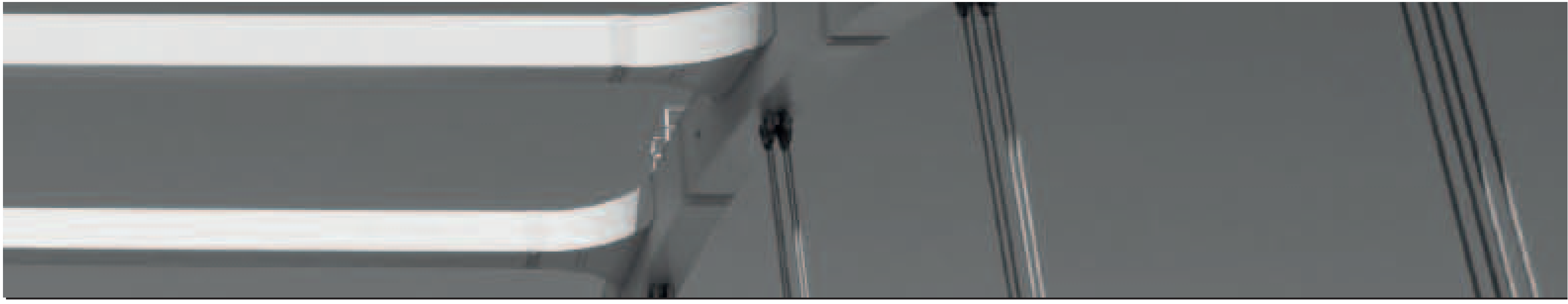
Finance expenses in the first six months of 2013 remained constant compared to the same period of 2012.

Interest expenses on bank and company loans increased by USD54 million to USD385 million for the reporting period as compared to the USD331 million for the corresponding period in 2012 primarily due to the higher interest rate margins and negative effect of interest rate swap.

Change in the fair value of derivative financial instruments comprised net gain of USD6 million for the first six months of 2013 as compared to the net loss of USD54 million for the same period of 2012 due to the positive effect of the lower LME aluminium prices in the reporting period.

## Share of profits of associates and jointly controlled entities

| | **Six months ended 30 June** | | **Change, half year-on-half year** |
|---|---|---|---|
| *(USD million)* | **2013** | **2012** | |
| Share of profits of Norilsk Nickel, with | 110 | 386 | (71.5%) |
| Effective shareholding of | 27.83% | 30.27% | |
| Share of losses of other associates | (18) | (20) | (10.0%) |
| **Share of profits of associates** | **92** | **336** | **(74.9%)** |
| **Share of profits of jointly controlled entities** | **31** | **20** | **55.0%** |





Share of profits of associates was USD92 million in the first six months of 2013 and USD366 million for the corresponding period in 2012. Share of profits of associates in both periods resulted primarily from the Company's investment in Norilsk Nickel.

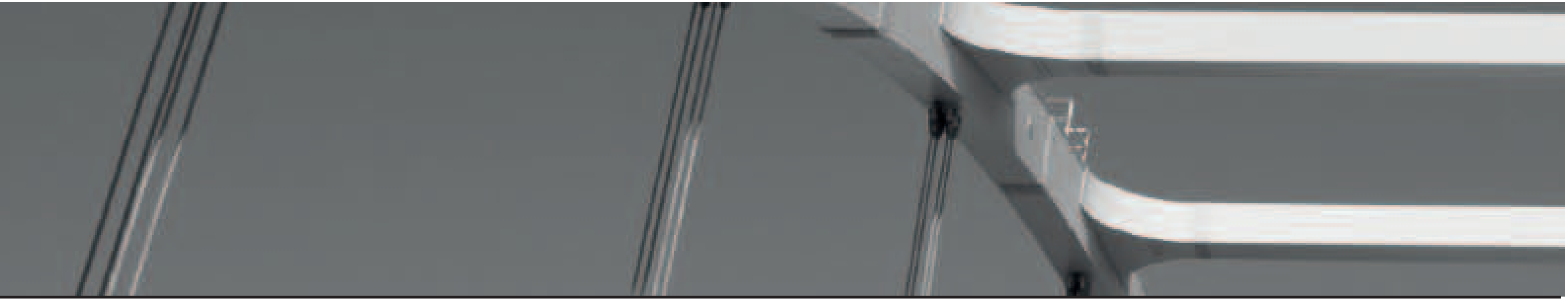
As stated in Note 12 to the consolidated interim condensed financial information for the six months period ended 30 June 2013, at the date of this consolidated interim condensed financial information, the Group was unable to obtain consolidated interim financial information of Norilsk Nickel as at and for three- and six-month periods ended 30 June 2013. Consequently the Group estimated its share in the profits and other comprehensive income of Norilsk Nickel for the period ended 30 June 2013 based on the latest publicly available information reported by Norilsk Nickel. The information used as a basis for these estimates is incomplete in many aspects. Once the consolidated interim financial information for Norilsk Nickel becomes available, it will be compared to management's estimates. If there are significant differences, adjustments may be required to restate the Group's share in profit, other comprehensive income and the carrying value of the investment in Norilsk Nickel which has been previously reported.

Share of profits of jointly controlled entities was USD31 million in the first six months of 2013 as compared to USD20 million for the same period in 2012. This represents the Company's share of results in the Company's joint ventures - BEMO, LLP Bogatyr Komir, Mega Business and Alliance (transportation business in Kazakhstan) and North United Aluminium Shenzhen Co., Ltd ("North United Aluminium").

## Restatement of previously issued consolidated interim condensed financial information

### Correction of financial information

The Group has previously issued interim condensed financial information as at and for the three- and six-month periods ended 30 June 2012 dated 24 August 2012. At that date, the Group was unable to obtain consolidated IFRS interim financial information of the Group's significant equity investee, OJSC MMC Norilsk Nickel, as at and for three- and six-month periods ended 30 June 2012. Consequently management estimated the Group's share in the profits and comprehensive income of this investee for three- and six-month periods ended 30 June 2012 based on information that was publicly available at that time. On 12 October 2012 OJSC MMC Norilsk Nickel published its unaudited financial information prepared in accordance with IFRS as at and for the six-month period ended 30 June 2012. Management has used this information to reassess the Group's share in the profits and other comprehensive income of the investee and compare these amounts to their previous estimates. As a result of this comparison, management has concluded that the Group's share of profits and other comprehensive income of associates for the three- and six-month periods ended 30 June 2012 as well as the carrying amount of the Group's interests in associates as at 30 June 2012 reported in the Group's interim condensed financial information issued on 24 August 2012 require restatement. The adjustments made to that financial information are detailed in the table below:

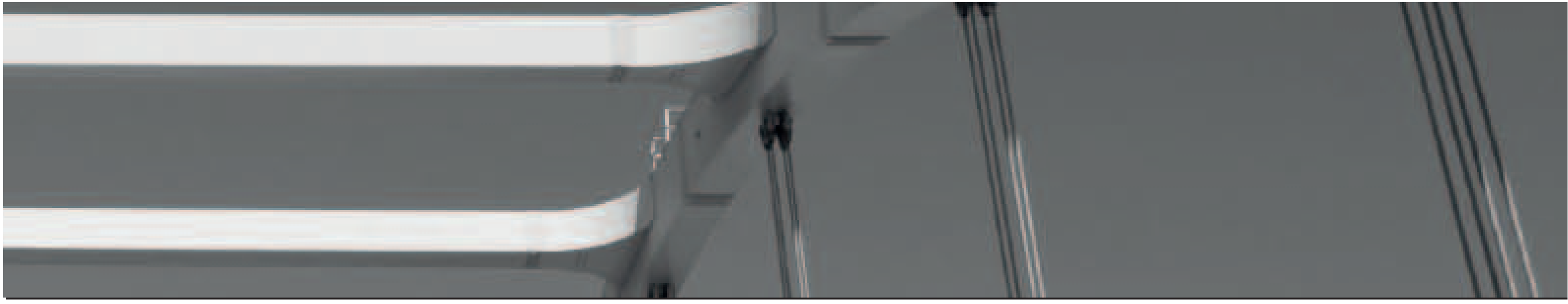




| | Three months ended 30 June 2012 | | |
|---|---|---|---|
| | **Previously reported USD million** | **Restatement USD million** | **Adjusted financial information USD million** |
| **Balance at the beginning of the period** | **11,009** | **(20)** | **10,989** |
| Group's share of profits and other gains and losses attributable to associates | 166 | (20) | 146 |
| Dividends | (285) | — | (285) |
| Group's share of other comprehensive loss | (137) | (2) | (139) |
| Foreign currency translation | (1,255) | 27 | (1,228) |
| **Balance at the end of the period** | **9,498** | **(15)** | **9,483** |

| | Six months ended 30 June 2012 | | |
|---|---|---|---|
| | **Previously reported USD million** | **Restatement USD million** | **Adjusted financial information USD million** |
| **Balance at the beginning of the period** | **9,714** | — | **9,714** |
| Group's share of profits and other gains and losses attributable to associates | 406 | (40) | 366 |
| Dividends | (285) | — | (285) |
| Group's share of other comprehensive loss | (143) | (2) | (145) |
| Foreign currency translation | (194) | 27 | (167) |
| **Balance at the end of the period** | **9,498** | **(15)** | **9,483** |

This interim condensed financial information as at and for the three- and six- month periods ended 30 June 2013 incorporates adjustments detailed above in the appropriate interim periods.





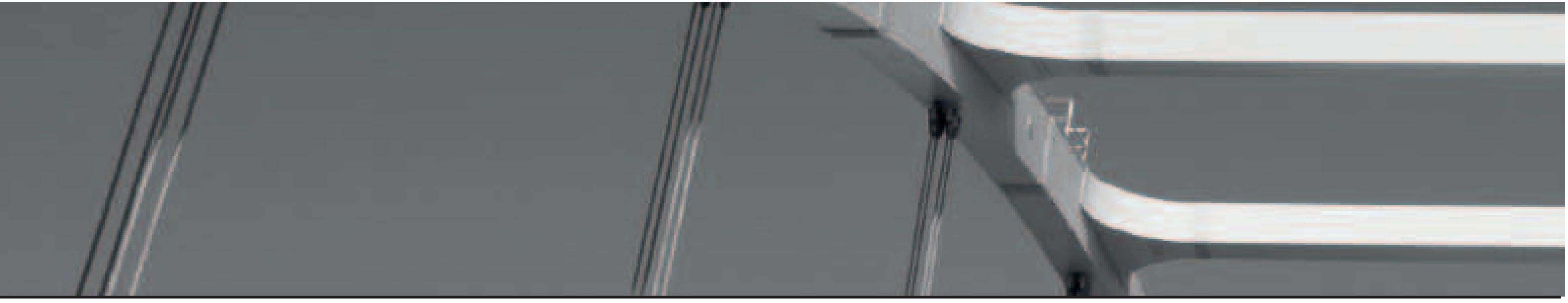
## Change in accounting policy

On 10 December 2012 the main shareholders of Norilsk Nickel, UC RUSAL Plc and Interros, concluded a shareholders agreement together with Millhouse (subsequently substituted by Crispian Investments Limited (Crispian) affiliated with Mr. Abramovich) in respect of their respective investments in Norilsk Nickel. In accordance with the shareholders agreement, UC RUSAL agreed to sell 3,873,537 shares of Norilsk Nickel to Millhouse for USD160 per share. As at 31 December 2012, the accounting policy of the Group was to treat investments in associates as a single unit of account. As a consequence, management did not separate the amount of shares expected to be sold to Millhouse ("the holding"), separately test this holding for impairment, represent the holding as non-current assets held-for-sale and then assess whether the holding is measured at the lower of its carrying amount and fair value less costs to sell as at 31 December 2012.

Effective from 1 January 2013, amendments to the revised IAS 28 "Investments in associates and joint ventures" require an entity to reclassify an investment in an associate, or portion of an investment in an associate, as held-for-sale when it meets the criteria specified in IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". As previously the Group's investments in associates were treated as a single unit of account, the amendment to IAS 28 has resulted in a change in accounting policy.

Management has reassessed the circumstances as at 31 December 2012 applying the amendments to the revised IAS 28 and concluded that the holding that is expected to be sold to Millhouse does meet the criteria in IFRS 5 and should be classified as non-current assets held-for-sale. The comparative information as at 31 December 2012 in this interim condensed financial information has been restated to reflect these adjustments which are detailed in the table below:

| | 31 December 2012 | | |
|---|---|---|---|
| | Previously reported USD million | Restatement USD million | Adjusted financial information USD million |
| Interest in associates | 10,484 | (811) | 9,673 |
| Assets reclassified as held for sale | — | 620 | 620 |
| Accumulated losses | (4,096) | (191) | (4,287) |





The reclassified portion of the investment in Norilsk Nickel of USD811 million was written down to its recoverable amount of USD620 million prior to reclassification to held-for-sale resulting in an impairment loss of USD191 million being recognised in the Group's statement of income for the year ended 31 December 2012. Management's assessment is that the adjusted carrying amount is not greather than its fair value less cost to sell and no further adjustment is required.

### Non-current assets classified as held-for-sale

On 24 April 2013 the Group completed its disposal of 3,873,537 shares in Norilsk Nickel to Crispian Investments Limited for USD620 million which was settled in cash.

On the date of disposal the Group recycled USD230 million of accumulated foreign currency translation losses and USD4 million of other losses relating to shares sold from other comprehensive income recognized in equity to the statement of income. The accumulated foreign currency translation losses of USD230 million and USD 4 million of other losses were accumulated while the shares were recognized as part of the Group's investment in an associate.

### (Loss)/Profit before taxation

As a result of the foregoing factors, the Company generated loss before taxation in the amount of USD384 million, in the first six months of 2013 as compared to profit before taxation of USD96 million for the corresponding period in 2012.

### Income tax

Income tax decreased by USD40 million, or 42.1%, to USD55 million in the first six months of 2013, as compared to USD95 million for the corresponding period in 2012.

Current tax expenses decreased by USD9 million, or 9.7%, to USD84 million for the six months ended 30 June 2013, as compared to USD93 million for the six months ended 30 June 2012 due to a decrease in the taxable profit period-on-period.

Deferred tax benefit comprised USD29 million for the six months ended 30 June 2013, as compared to deferred tax expense of USD2 million for the six months ended 30 June 2012, primarily due to the tax effect from reversal of previously recognized provisions in respect of certain deferred tax assets in the first half of 2012.

### Net (Loss)/Profit for the period

As a result of the above, UC RUSAL recorded a net loss of USD439 million for the first half of 2013, as compared to a net profit of USD1 million for the corresponding period of 2012.

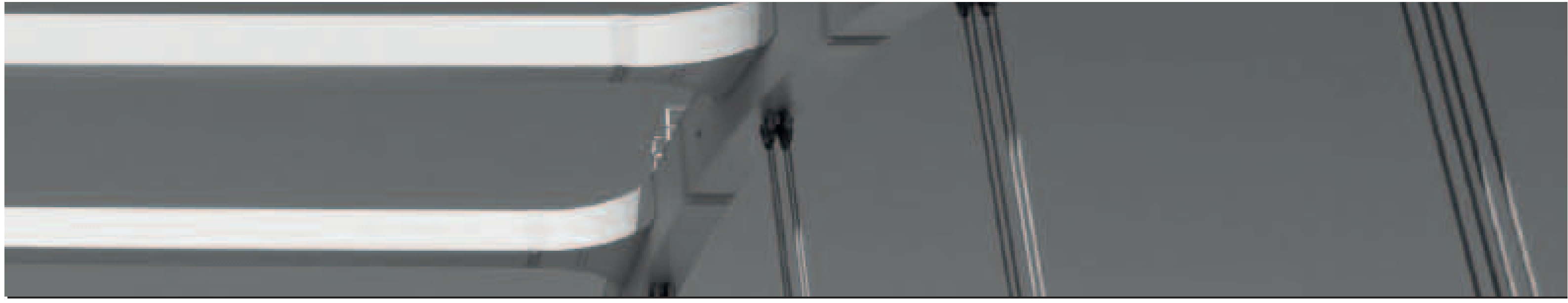
### Adjusted and Recurring Net (Loss)/Profit

Adjusted Net Loss comprised USD238 million for the first half of 2013, as compared to USD112 million for the same period of 2012.

The Company generated Recurring Net Loss in the amount of USD156 million for the first six months of 2013, as compared to Recurring Net Profit of USD219 million for the same period in 2012.

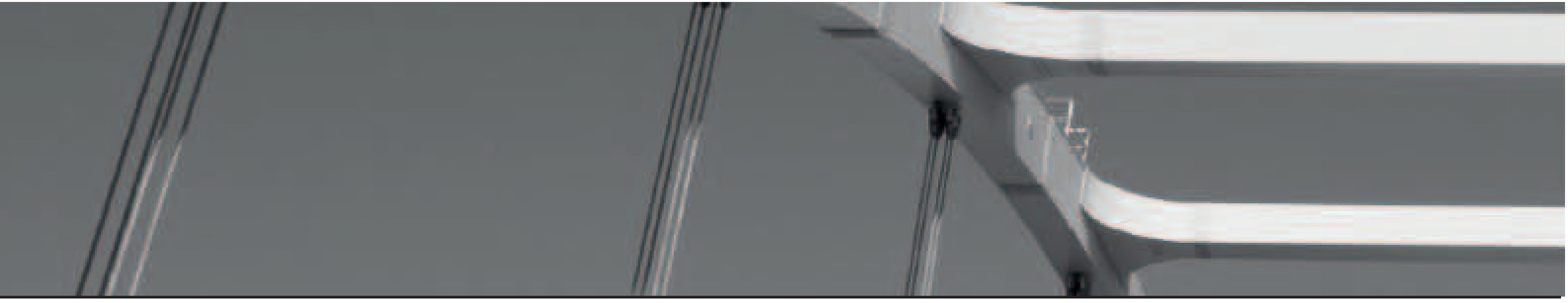
For the definitions of Adjusted Net Profit and Recurring Net Profit, please refer to pages 102 and 104 of this Interim Report.

Significant changes in Adjusted and Recurring Net (Loss)/Profit are driven by the Company's result from operating activities presented above.





| (USD million) | Six months ended 30 June 2013 | 2012 | Change half year-on-half year |
|---|---|---|---|
| **Reconciliation of Adjusted Net (Loss)/Profit** | | | |
| Net (loss)/profit for the year | (439) | 1 | NA |
| Adjusted for: | | | |
| Share of profits and other gains and losses attributable to Norilsk Nickel, net of tax effect, with | 152 | (322) | NA |
| *Share of profits, net of tax* | *(82)* | *(331)* | *(75.2%)* |
| *Revaluation of financial instruments linked to the share price of Norilsk Nickel* | — | *9* | *(100.0%)* |
| *Loss on disposal of Norilsk Nickel recycled from other comprehensive income* | *234* | — | *100.0%* |
| Change in the fair value of derivative financial liabilities, net of tax (20%) | (32) | (16) | 100.0% |
| Impairment of non-current assets, net of tax | 81 | 225 | (64.0%) |
| **Adjusted Net (Loss)** | **(238)** | **(112)** | **112.5%** |
| **Add back:** | | | |
| Share of profits of Norilsk Nickel, net of tax | 82 | 331 | (75.2%) |
| **Recurring Net (Loss)/Profit** | **(156)** | **219** | **NA** |





## Segment reporting

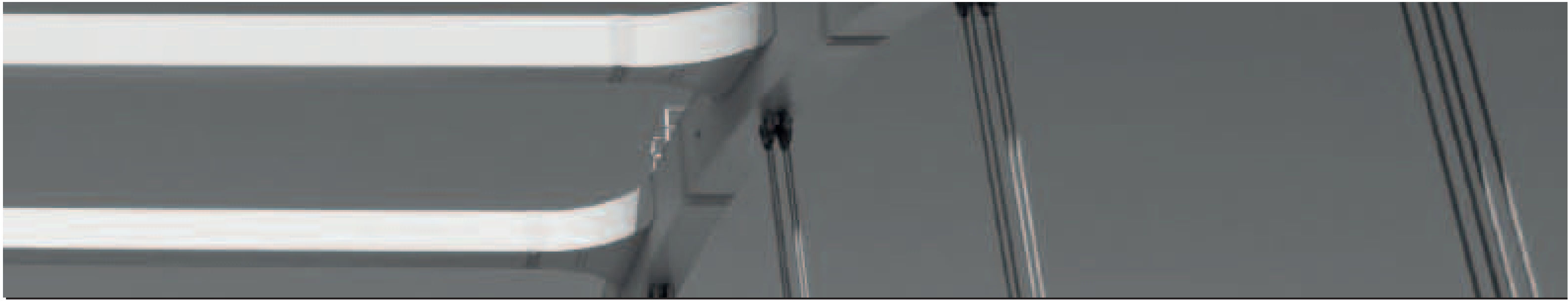
The Group has four reportable segments, as described in the Annual Report, which are the Group's strategic business units: Aluminium, Alumina, Energy, and Mining and Metals. These business units are managed separately and results of their operations are reviewed by the CEO on a regular basis.

The core segments are Aluminium and Alumina.

| | Six months ended 30 June | | | |
|---|---|---|---|---|
| | 2013 | | 2012 | |
| *(USD million)* | Aluminium | Alumina | Aluminium | Alumina |
| Segment revenue | 4,527 | 997 | 4,999 | 1,158 |
| Segment result | 365 | (127) | 459 | (114) |
| Segment EBITDA[10] | 574 | (76) | 675 | (61) |
| Segment EBITDA margin | 12.7% | (7.6%) | 13.5% | (5.3%) |
| Capital expenditure | 141 | 71 | 157 | 105 |

For the six months ended 30 June 2013 and 30 June 2012, segment result margins (calculated as a percentage of segment profit to total segment revenue per respective segment) from continuing operations were 8.1% and 9.2% for the aluminium segment and negative 12.7% and 9.8% for the alumina segment, respectively. Key drivers for the decrease in margin in the aluminium segment are disclosed in "Cost of sales" and "Results from operations and Adjusted EBITDA" above. Detailed segment reporting can be found in the consolidated interim condensed financial information included in this Interim Report.

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



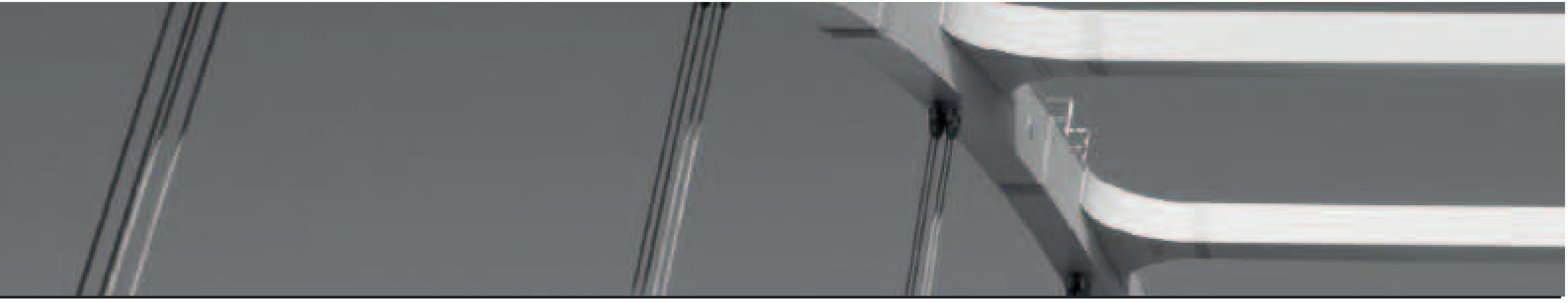


## Working capital

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 2013 | As at 31 December 2012 |
|---|---|---|
| **Current Assets** | | |
| Inventories | 2,476 | 2,624 |
| Trade and other receivables | 796 | 925 |
| Assets held for sale | — | 620 |
| Derivative financial assets | 12 | 3 |
| Cash and cash equivalents | 566 | 505 |
| **Total current assets** | **3,850** | **4,677** |
| **Current Liabilities** | | |
| Loans and borrowings | 921 | 931 |
| Bonds | 459 | — |
| Current taxation | 22 | 18 |
| Trade and other payables | 1,394 | 1,656 |
| Derivative financial liabilities | 124 | 47 |
| Provisions | 50 | 60 |
| **Total current liabilities** | **2,970** | **2,712** |
| **Net current assets** | **880** | **1,962** |
| **Working Capital** | **1,878** | **1,893** |

As at 30 June 2013, the Group had working capital of USD1,878 million, representing a slight decrease of 0.8% compared to USD1,893 million as at 31 December 2012. Inventories decreased by USD148 million, or 5.6%, from USD2,624 million as at 31 December 2012 to USD2,476 million as at 30 June 2013. This decrease was primarily due to negative raw material prices performance as compared with that at the beginning of 2012 as well as volume variance. Trade and other receivables decreased by USD129 million, or 13.9%, from USD925 million at 31 December 2012 to USD796 million at 30 June 2013 mainly due to a decrease in VAT recoverable. Trade and other payables decreased by USD262 million, or 15.8 %, from USD1,656 million at 31 December 2012 to USD1,394 million at 30 June 2013. The decrease in trade and other payables was primarily attributable to a decrease in advances received from the Group's main customers.





## Capital expenditure

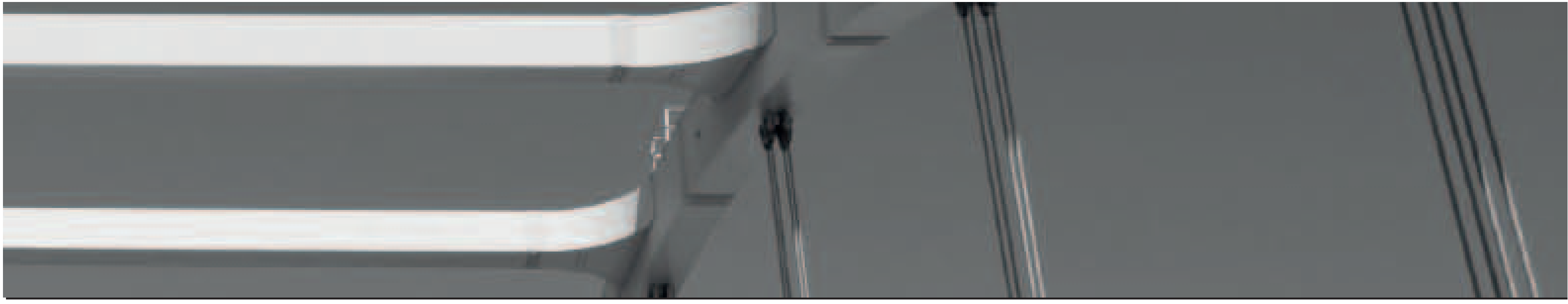
UC RUSAL recorded capital expenditures (which constitutes payments for the acquisition of property, plant and equipment and intangible assets) of USD223 million in the first half of 2013 (including pot rebuilds for USD82 million). UC RUSAL's capital expenditure for the six months ended 30 June 2013 was primarily aimed at maintaining existing production facilities and financing the construction of the Taishet aluminium smelter.

The table below shows the breakdown of UC RUSAL's capital expenditure for the six months ended 30 June 2013 and 2012:

| | Six months ended 30 June | |
|---|---|---|
| *(USD million)* | **2013** | **2012** |
| **Growth project** | | |
| Taishet aluminium smelter | 11 | 31 |
| | **11** | **31** |
| **Maintenance** | | |
| Pot rebuilds costs | 82 | 77 |
| Re-equipment | 130 | 165 |
| **Capital expenditure** | **223** | **273** |

## Loans and borrowings

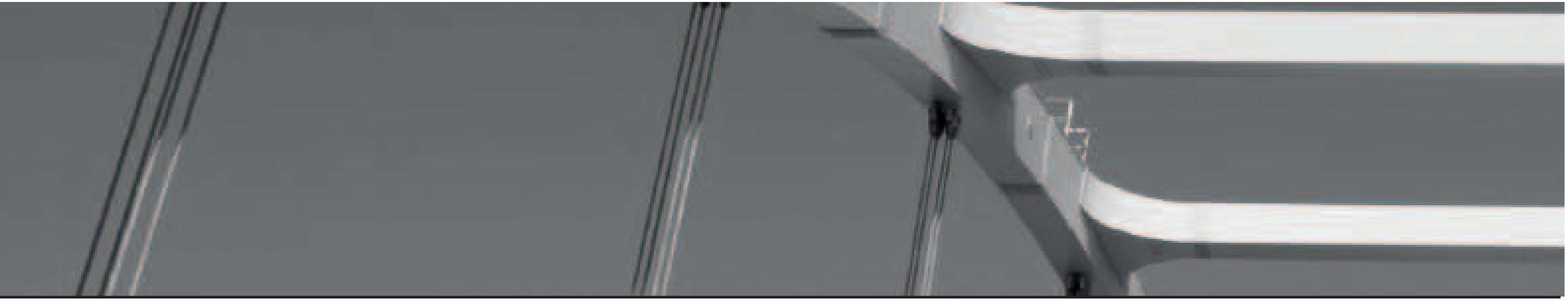
The nominal value of the Group's loans and borrowings was USD9,653 million as at 30 June 2013, not including bonds which amounted to an additional USD912 million.





Set out below is an overview of certain key terms of the Group's loan portfolio as at 30 June 2013:

| Facility/Lender* | Principal amount outstanding as at 30 June 2013 | Tenor/Repayment Schedule | Pricing |
|---|---|---|---|
| *Syndicated Facilities* | | | |
| | | Tranche A (USD2.44 billion) – 5 years; Tranche B (USD1 billion) – 7 years, until October 2016 and September 2018, respectively | Tranche A: 3 month LIBOR plus margin fluctuating depending on Total Net Debt to Covenant EBITDA ratio (as at 30 June 2013 constituting 4.25% p.a.) |
| USD4.75 billion pre-export facility | USD3.44 billion | Tranche A: USD500 million prepayment no later than 4 October 2012, then equal quarterly repayments starting from January 2013** | |
| | | Tranche B: equal quarterly repayments starting from January 2017 | Tranche B: 3 month LIBOR plus margin of 5.25% p.a. |
| USD400 million pre-export facility*** | USD100 million EUR168 million | Tranche A (USD100 million) and Tranche B (EUR168 million) – 5 years, until February 2018, equal quarterly repayments starting from November 2014 | Tranche A: 3 month LIBOR plus margin fluctuating depending on Total Net Debt to Covenant EBITDA ratio (as at 30 June 2013 constituting 4.5% p.a.) |
| | | | Tranche B: 3 month EURIBOR plus margin fluctuating depending on Total Net Debt to Covenant EBITDA ratio (as at 30 June 2013 constituting 4.5% p.a.) |
| *Bilateral loans* | | | |
| Sberbank loans | USD4.4 billion | September 2016, bullet repayment at final maturity date | 1 year LIBOR plus 4.5% p.a. (partially hedged) |
| Sberbank loan | RUB18.3 billion | November 2016, bullet repayment at final maturity date | 9.7% p.a. (partially hedged) |
| VTB loans | RUB10.1 billion | November 2013, certain annual repayments | Central Bank of Russia refinancing rate plus 1.5% p.a.**** |
| Gazprombank loans | USD425 million EUR131 million | October 2016, equal quarterly repayments starting from June 2013 | 3 month LIBOR plus 6.5% p.a. |





| Facility/Lender* | Principal amount outstanding as at 30 June 2013 | Tenor/Repayment Schedule | Pricing |
|---|---|---|---|
| RBI (trade finance line) | USD5 million<br>EUR7.0 million | September 2013, within 90 days after the drawdown | Cost of funds + 2.35% |
| *Bonds* | | | |
| Ruble bonds series 07 | RUB15 billion | March 2018, bullet repayment at final redemption date, subject to a bondholders' put option exercisable in March 2014 following coupon reset | 5.13% p.a. in USD (after giving effect to hedging transactions) |
| Ruble bonds series 08 | RUB15 billion | April 2021, bullet repayment at final redemption date, subject to a bondholders' put option exercisable in April 2015 following a coupon reset | 5.09% p.a. in USD (after giving effect to hedging transactions) |

* *As at the date of the Interim Report all loans, except Ruble bonds, are secured. Please refer to the "Security" section below for a summary description of the security provided in respect of the Group's loans.*

** *The Company has prepaid during 2012 and 2013 the scheduled amortizations of principal due for 2013 in full.*

*** *The drawdown under the facility equaled USD 328 million. Please refer to the "Key Events" section*

**** *As at the date of the Interim Report the pricing is Central Bank of Russia refinancing rate plus 0.5% p.a.*

The average maturity of the Group's debt as at 30 June 2013 was 3 years. Further, after the prepayments that were made in 2012 and in the first half of 2013, there are, as of the date of the Interim Report, only USD409 million to be repaid in 2013 under Russian facilities which are fully covered by available credit lines.

***Security***

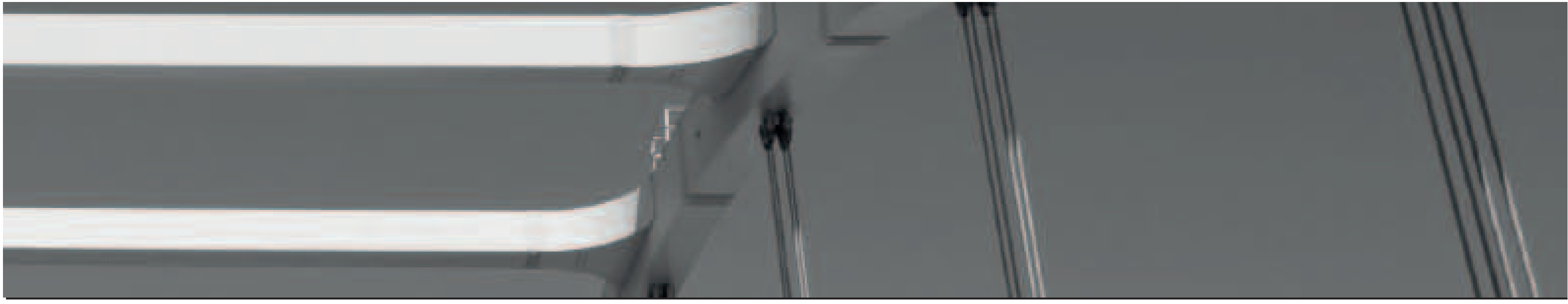
As of the date of this Interim Report, the Group's debt (excluding Ruble bonds) is secured by pledges over certain fixed assets (including assets owned by the Group's aluminium smelters), pledges of shares in certain operating and non-operating companies, the assignment of receivables under certain contracts, pledge of goods and security over relevant collection accounts. Such security includes a pledge over shares in Norilsk Nickel (representing 25% plus one share of Norilsk Nickel's issued share capital) in favour of Sberbank.

***Key Events***

- In January 2013 the Group entered into a 5-year amortizing multicurrency credit facility agreement of up to USD400 million with various international banks. The utilization under this financing was made in February 2013 with the proceeds in the amount equivalent to USD 328 million together with the Group's own funds in the amount of USD78 million used to prepay the scheduled amortizations of principal due for the third and fourth quarters of 2013 under the USD4.75 billion syndicated facility in the amount of USD406 million.

- On 7 February 2013 the Group also repaid a part of the VTB loan in the amount of RUB2 billion using its own funds.

- On 25 April 2013 the Group repaid a part of the Sberbank loan in the amount of USD620 million using the funds from the sale of Norilsk Nickel





shares to Crispian Investments Limited affiliated with Mr. Abramovich (in accordance with the mandatory prepayment provisions applying to the relevant financings of the Company).

- On 28 June 2013 the first quarterly repayments under Gazprombank loans were made in the amount of USD30 million and EUR9 million.
- On 28 June 2013 the Group drew down funds under the RBI uncommitted revolving trade finance line in the amount of USD5 million and EUR7 million. The funds were used for general operating activities of the Group.

**Dividends**

No dividends were declared and paid by the Company in the first six months of 2013, due to existing restrictions imposed by the credit facility agreements. In particular, the credit facility agreements to which the Company is a party restrict the Company's ability to pay dividends in certain cases (including during the covenant holiday period and until the ratio of the Total Net Debt to Covenant EBITDA is no higher than 3.5). While these restrictions continue to apply, no dividends will be declared and paid by the Company.

**Funding and treasury policies**

As described more fully on page 43 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.

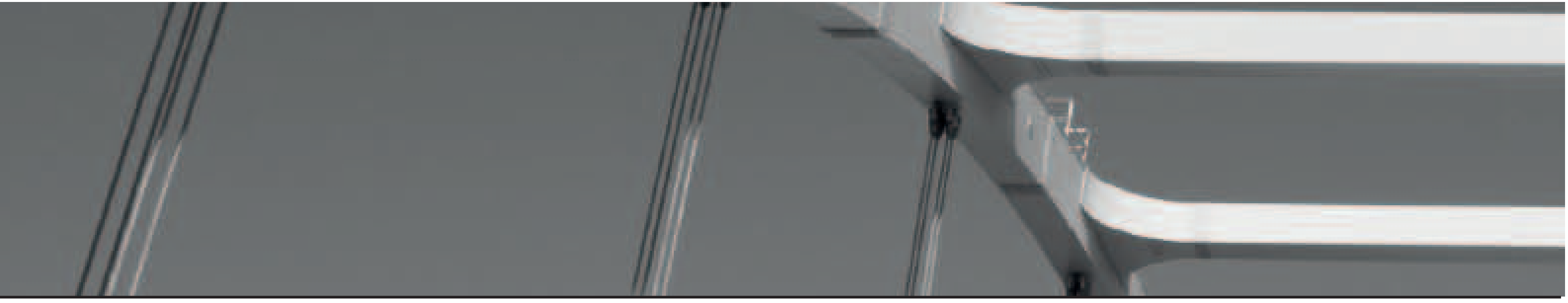
**Liquidity and Capital Resources**

***Cash flows***

In the first half of 2013, the Company used net cash generated from operating activities of USD256 million, USD519 million in dividends from associates and USD620 million from sale of Norilsk Nickel shares to service its outstanding debt and capital expenditure requirements.

The following table summarises the Company's cash flows for the six months ended 30 June 2013 and 2012:

| | Six months ended 30 June | |
|---|---|---|
| *(USD million)* | **2013** | **2012** |
| Net cash generated from operating activities | 256 | 698 |
| Net cash generated from/(used in) investing activities | 952 | (229) |
| Net cash used in financing activities | (1,127) | (488) |
| Net increase/(decrease) in cash and cash equivalents | 81 | (19) |
| Cash and cash equivalents at beginning of period | 490 | 613 |
| Effect of exchange rate fluctuations on cash and cash equivalents | (19) | (3) |
| Cash and cash equivalents at end of period | 552 | 591 |





Net cash generated from operating activities was USD256 million in the first six months of 2013, compared to USD698 million for the corresponding period in 2012. The decrease in net cash generated from operating activities in the first six months of 2013 reflected weaker six months results as compared to the corresponding period in 2012.

Net cash generated from investing activities, primarily represented by the dividends from associates and proceeds from sale of Norilsk Nickel shares partially offset by acquisition of property, plant and equipment of USD217 million in the first six months of 2013. At the same time, net cash used for financing activities significantly increased by USD639 million to USD1,127 million in the first half of 2013, as compared to USD488 million for the corresponding period in 2012, which resulted from repayments of debts.

***Cash and cash equivalents***

As at 30 June 2013 and 31 December 2012, cash and cash equivalents excluding restricted cash were USD552 million and USD490 million, respectively. Restricted cash amounted to USD14 million and USD15 million at 30 June 2013 and 31 December 2012, 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 2013 and 30 June 2012 was 45.5% and 46.5%, respectively.

***Return on Equity***

The Group's return on equity, which is the amount of Net (Loss)/Profit as a percentage of total equity, as at 30 June 2013 and 30 June 2012 was (4.6%) and 0.01%, 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 2013 and 30 June 2012 was 0.04 and 1.3, 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's policy is to monitor and measure interest rate and foreign currency risk and to undertake steps to limit their influence on the Group's performance.

## Interest Rate and Foreign Currency Risk

A description of the Group's interest rate and foreign exchange risks is set out on page 45 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 2012 remains relevant as at 30 June 2013.

## Safety

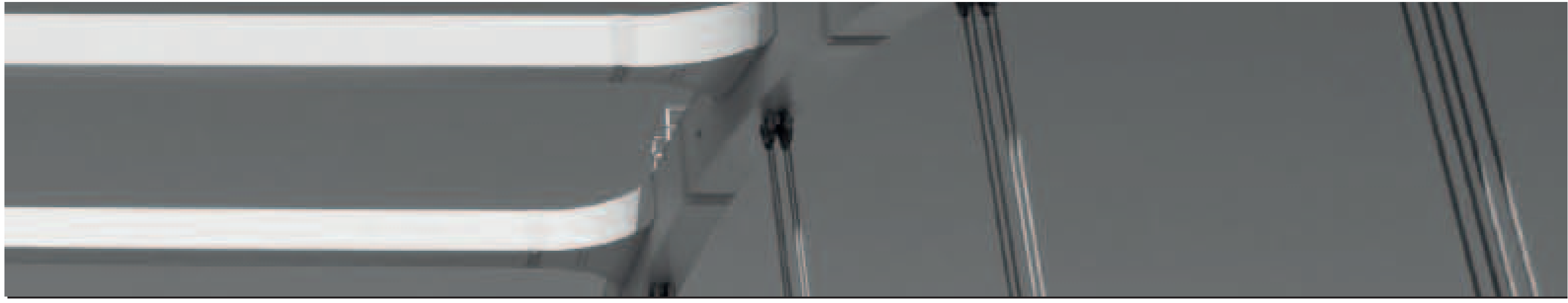
The LTAFR for the first half of 2013 for the Group is 0.22, as compared to 0.21 for the corresponding period of 2012.

In the first half of 2013, the number of work-related fatalities involving employees was zero, as compared to 2 in the corresponding period of 2012. Fatal accidents involving contractors in the first half of 2013 was one, as compared to zero for the corresponding period of 2012.

## Environmental performance

Russian environmental levies for air emissions and the discharge of liquids and other substances amounted to USD9.4 million in the first half of 2013, as compared to environmental levies of USD9.8 million for the corresponding period of 2012.

There has been no material environmental pollution incident at any of the Group's sites or facilities during the six months ended 30 June 2013.





## 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 2012 and for the periods ended on 30 June 2012 and 2013, respectively.

| Division | Six months ended 30 June | | Year ended 31 December |
|---|---|---|---|
| | 2013 | 2012 | 2012 |
| Aluminium | 24,688 | 21,147 | 20,877 |
| Alumina | 20,516 | 20,611 | 20,570 |
| Engineering and Construction | 18,031 | 19,135 | 18,836 |
| Energy | 35 | 36 | 36 |
| Packaging | 1,886 | 1,885 | 1,883 |
| Managing Company | 662 | 595 | 593 |
| Commercial Directorate | – | 4,896 | 4,857 |
| Technology and Process Directorate | 1,336 | 1,623 | 1,620 |
| Others | 1,906 | 2,111 | 2,000 |
| **Totals** | **69,060** | **72,039** | **71,272** |

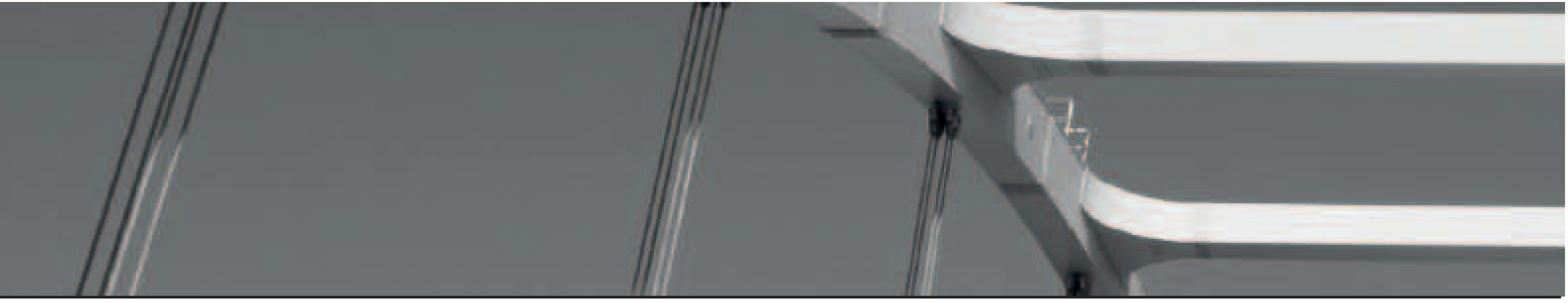
### *Training schemes*

In 2013, the Company's key focus areas in the field of personnel development and training were the following:

- professional training of operators;
- mandatory training programs for senior management and engineers;
- training programs for the Company's external candidate pool, in cooperation with educational institutions, at all education levels.

The following special programs and projects for the development of staff at the production facilities of the Company have been implemented:

- the "Successors Development Program";
- "RUSAL's Professionals", a professional skills contest concerned with the development of leadership skills;
- "Improvement of the Year", the first contest is aimed at the personnel involvement in the production system development;
- the "RUSAL's Manager Standard" program;
- training on the Company's Production System including e-learning course on Fundamentals of this System;
- training on the Quality Management System;
- training of expert engineers in respect of the Company's facilities;
- carrying out of the target program for the group of students of the Siberian Federal University (SFU) by "Non-Ferrous Metals" specialisation;
- a training program for qualified personnel in relation to the Company's foreign facilities (which so far has involved the training of 100 Guinean citizens at four Russian universities);





- the organising of social events for employees, including the implementation of a child corporate holiday program – “Expedition to Planet RUSAL” – for 394 employee children, which included various educational, developmental, fitness and recreational activities;
- the development of modular programs of mandatory training for workers;
- the development of professional standards for key positions;

The Russian-French (postgraduate) training program (with the support of the Group of Mountain Schools (Groupe des Ecoles des Mines – GEM), the Siberian Federal University (SFU) and the French Embassy in Russia) was completed in March 2013.

***Remuneration policies, bonus and share option schemes and training schemes***

In June 2013, the Board decided to extend the voluntary medical insurance program, which was launched in July 2011, for another year from July 2013 till the end of July 2014. The program covers employees working at UC RUSAL’s facilities in the Russian Federation, and allows employees to receive qualified medical care in a timely manner and without any additional costs, as well as expanding the range of medical services available to eligible employees in excess of the mandatory state insurance packages.

In June 2013, the Board decided to approve the establishment of the RUSAL Production System Incentive Plan (the “PS Plan”), an employee share award plan aimed at rewarding the Company’s employees for achievements in the production system implementation.

The PS Plan is a one-off share award plan and its objectives are:

- to increase employees’ commitment to achievement of the Group’s strategic goals in implementing the production system;
- to share the Group’s success with the employees;
- to recognize contributions made by certain employees in implementing the production system;
- to enhance alignment of the interests of the employees with those of the shareholders.

No new shares of the Company will be issued for the purposes of the PS Plan. The maximum number of shares awarded under the PS Plan does not exceed 0.05% of the total number of issued shares as at the date of the award.

The Company, in accordance with the rules of the PS Plan, selected employees for participation in the PS Plan (each, a “Selected Employee”). The Directors of the Company and other connected persons of the Company are not eligible for participation in the PS Plan.

Awarded shares under the PS Plan that are transferable to a Selected Employee will vest each year over 3 years.

The PS Plan does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules.

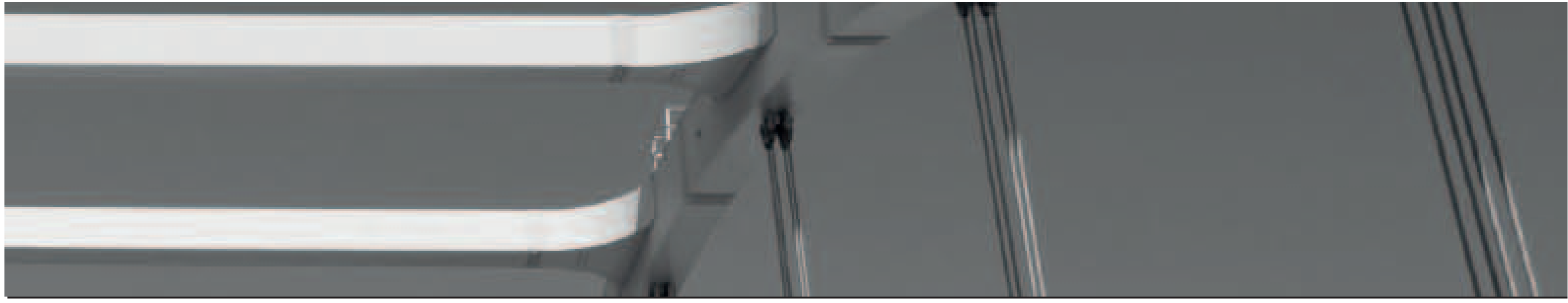
Other remuneration policies, bonus and share schemes, and training schemes of the Group are summarized on pages 46-47 of the Annual Report.

**Changes to the organisational structure of the Group**

The functions of the Commercial Directorate were split between the Aluminium Division West and the Business Support Directorate in the end of 2012 – beginning of 2013.

The structure of the Engineering and Construction Division of the Company was changed in February 2013.

The Engineering and Construction Company and Russian Engineering Company management functions (legal, HR, finance, commerce, management of investment projects) were united in the Engineering and Construction Division of the Company.





Due to the shift in control to the regions the new unit of the Engineering and Construction Division in Krasnoyarsk was created.

The targets of this restructuring were:

1) Increasing manageability production processes:
   - Efficiency in decision making,
   - Maximum proximity control center to its branches.
2) Creation of engineering centers/directorates:
   - Development of a unified technical policy for all branches of the Russian Engineering Company,
   - Organization of the introduction of advanced techniques and technologies for all branches of the Russian Engineering Company.
3) Optimization of administrative and management costs.

**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 and Ms. Elsie Leung Oi-Sie, and two non-executive Directors, Mr. Christophe Charlier and Ms. Gulzhan Moldazhanova (with effect from 16 August 2013).

The Audit Committee has held five meetings in the first half of 2013 and one other meeting as at the date of this Interim Report. At the meeting on 28 February 2013, the Audit Committee reviewed the financial statements for the year ended 31 December 2012. At the meeting on 13 May 2013, the Audit Committee reviewed the financial results of the Company for the three months ended 31 March 2013.

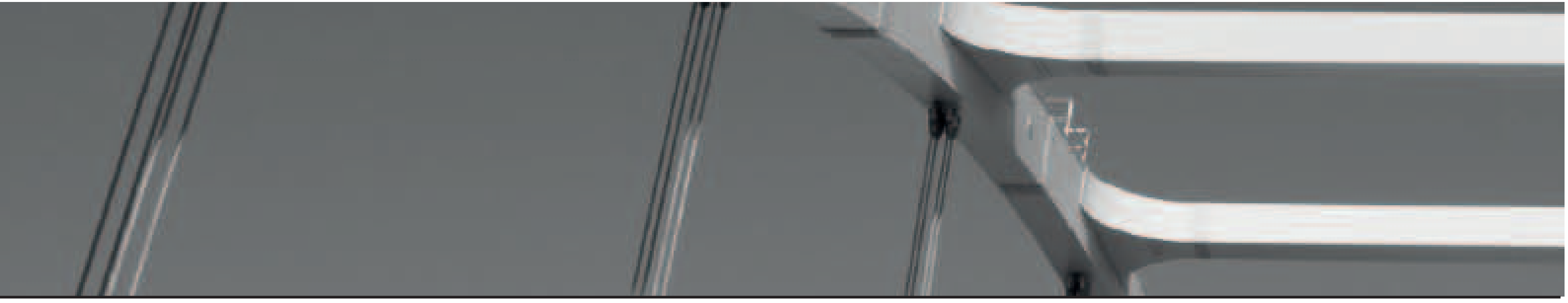
On 16 August 2013, the Audit Committee held its sixth meeting of the year. The Audit Committee along with the management of the Company have reviewed the accounting standards, principles and methods adopted by the Group, and considered matters regarding auditing, internal control and financial reporting including the consolidated interim condensed financial information for the three and six months ended 30 June 2013. The Audit Committee is of the opinion that the consolidated interim condensed financial information for the three and six months ended 30 June 2013 comply with the applicable accounting standards, the Listing Rules and 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 21 of the consolidated interim condensed financial information. For detailed information about contingent liabilities, please refer to note 21 to the consolidated interim condensed financial information. Details of the amounts of provisions are also disclosed in note 18 to the consolidated interim condensed financial information.

**Business risks**

In the Annual Report, the Company identified a number of business risks that affect its business. The Company has not identified any additional risks or uncertainties for the first six months or the remaining six months of the year 2013.





### Investments in subsidiaries

There were no other material acquisitions and disposals of subsidiaries for the six months ended 30 June 2013.

Details of the principal subsidiaries are set out in the financial statements for the year ended 31 December 2012 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 2013.

### Interests in associates and jointly controlled entities

The market value of UC RUSAL's stake in Norilsk Nickel was USD6,355 million as at 30 June 2013, compared to USD7,918 million as at 30 June 2012 and USD8,143 million as at 31 December 2012 (excluding shares classified as held-for-sale), due to volatility in market conditions.

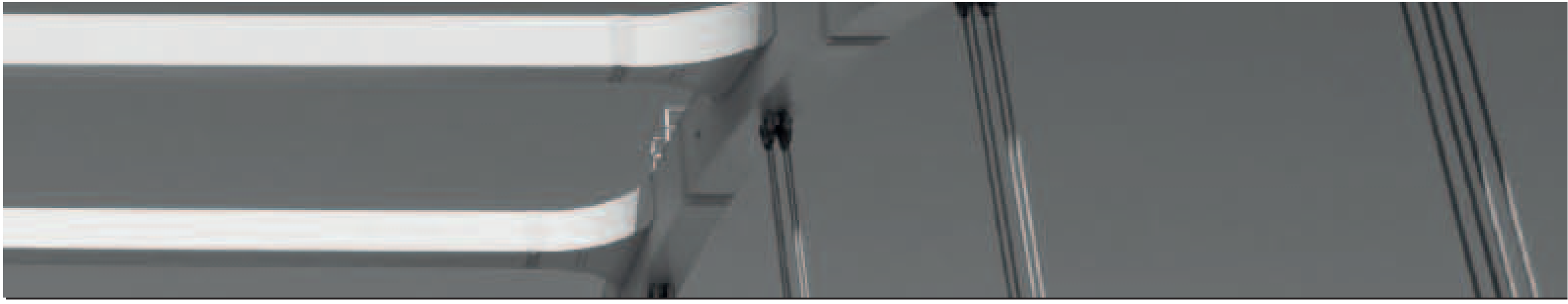
The Company notes that as at the date of this Interim Report, it was unable to obtain consolidated interim financial information of Norilsk Nickel as at and for the six months ended 30 June 2013 and accordingly has estimated its share in the profit and other comprehensive income of its associate based 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 2013. Details of the qualified conclusion and its basis are set out on pages 42 and 43 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 11, 12 and 13 to the consolidated interim condensed financial information.

### Material events in the first half of 2013 and since the end of that period

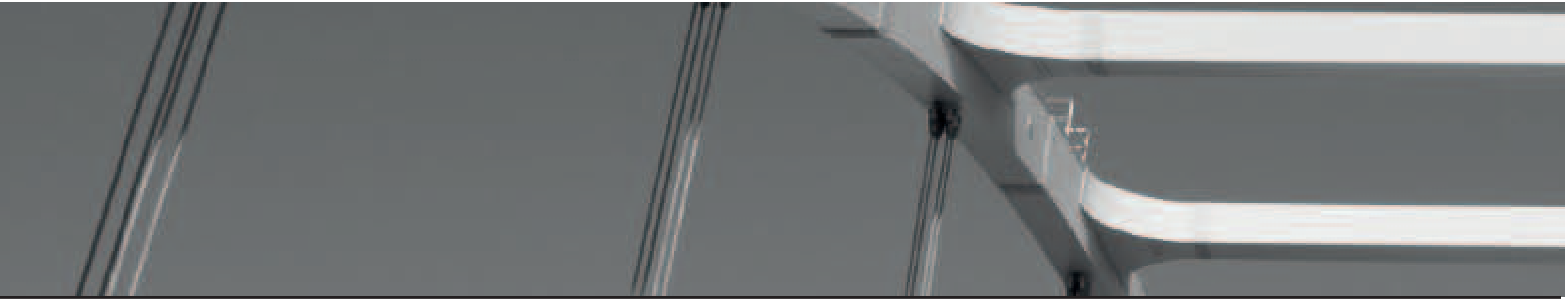
The following is a summary of the key events that have taken place in the first half of 2013 and since the end of that period. All information regarding key events that has been made public by the Company in the first half of 2013 and since the end of that period pursuant to legislative or regulatory requirements, including announcements and press releases, is available on the Company's website (www.rusal.com).

| Date | Key event |
|---|---|
| 31 January 2013 | UC RUSAL announces that the Company has entered into a syndicated credit facility agreement of up to USD400 million with various international banks aimed at the early partial debt prepayment. |
| 4 February 2013 | UC RUSAL announces the start of rig testing on the industrial smelting pot, based on the revolutionary and unique inert anode technology. |
| 8 February 2013 | UC RUSAL announces full year production results for 2012. |
| 14 February 2013 | UC RUSAL announces that a group of the Company's executives concluded a successful visit to Guinea as part of a Russian governmental delegation to meet Guinea president Alpha Conde and other officials with Russian Foreign Affairs Minister Sergey Lavrov. |



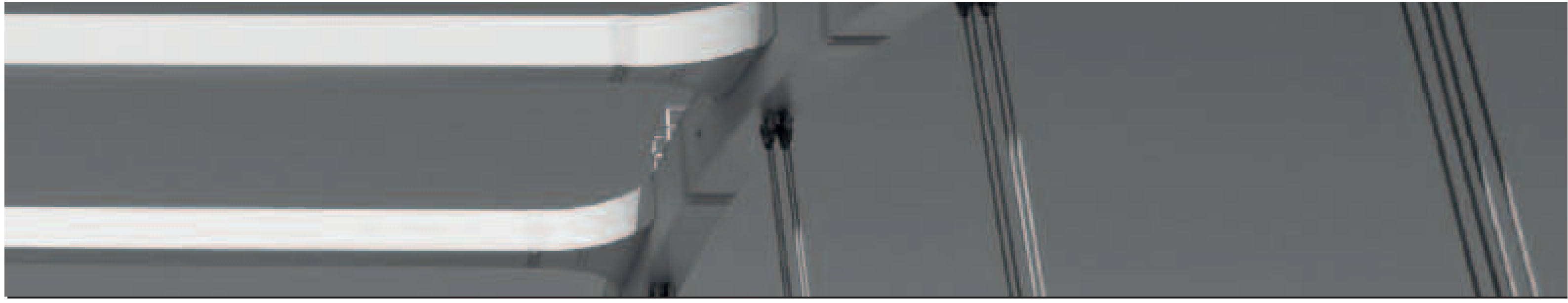


| Date | Key event |
|---|---|
| 20 February 2013 | UC RUSAL announces that on 19 February 2013, KPMG (a Hong Kong partnership and a member firm of the KPMG network) resigned from the office of joint auditors of the Company with immediate effect, and that ZAO KPMG will act as the sole auditor of the Company with effect from 19 February 2013. |
| 4 March 2013 | UC RUSAL announces full year results for 2012. |
| 4 March 2013 | UC RUSAL announces that its Board of Directors has approved the decision to reduce the primary aluminium production at the Company's smelters by 300,000 tonnes by the end of 2013. |
| 15 March 2013 | UC RUSAL announces the decision of ALSCON board of directors to temporarily suspend the smelting operations at the plant. |
| 25 March 2013 | UC RUSAL and Aluminium Corporation of China (Chalco) announce signing of a Memorandum of Understanding ("MOU") detailing the intent to cooperate in areas such as R&D of new technologies in the aluminium industry, development of bauxite resources and investments in integrated hydro powered aluminium production. The MOU was signed by the two major aluminium players on 22 March in Moscow, in the presence of Chinese President Xi Jinping and Russian President Vladimir Putin during President Xi's state visit to Russia. |
| 28 March 2013 | UC RUSAL announces the next step in Aughinish alumina refinery's modernisation program, which will include the shift of steam production from heavy oil to gas as its main energy source. The change of oil-fired boilers to gas-powered steam generators will reduce carbon emissions by 5%, particulate pollutants by 33%, nitrogen oxide by 38% and eliminate all sulfur oxide emissions. RUSAL is to invest approximately EUR 15 million in the project which is to pay off in less than a year. |
| 3 April 2013 | UC RUSAL and the oil company Rosneft announce the signing of an agreement of intent to cooperate in the supply of petroleum coke and other products to RUSAL's production facilities, as well as to develop Rosneft's capacities for the production of petroleum coke with the participation of RUSAL. |
| 11 April 2013 | UC RUSAL announces the signing of a memorandum of understanding with Israeli company Omen High Pressure Die Casting, which specializes in the production of automotive components from non-ferrous metals. Together the companies intend to create a joint venture in Russia to produce automotive components made of aluminium, to be supplied to carmakers in Russia and the CIS. |
| 22 April 2013 | UC RUSAL announces that the Company has adjusted the audited consolidated financial statements of the Company for the year ended 31 December 2012 to reflect the results of the reassessment by the Company's management. |



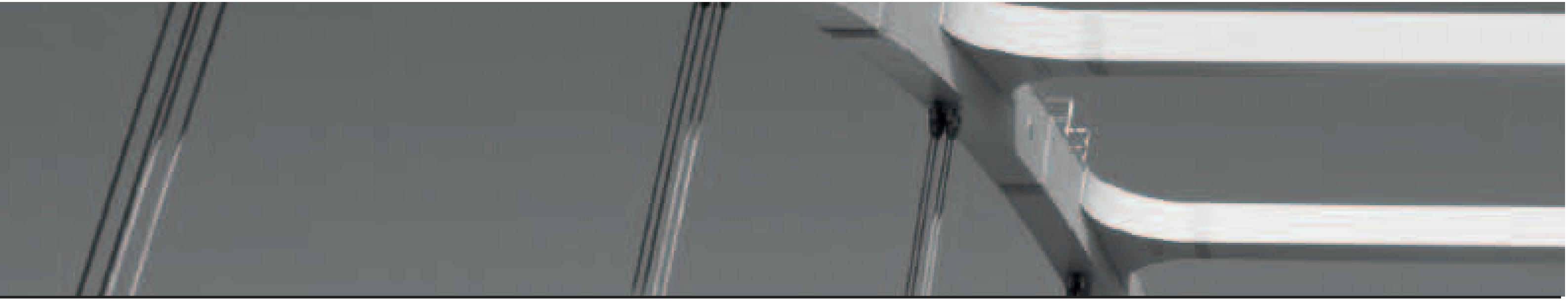


| Date | Key event |
|---|---|
| 25 April 2013 | UC RUSAL announces that, on 24 April 2013, the sale by the Company (through its subsidiary) and Interros of shares and the American depositary receipts of Norilsk Nickel to Crispian was completed, with the Company (through its subsidiary) selling in aggregate 3,873,537 shares in Norilsk Nickel to Crispian at USD160 per share in cash for the total amount of USD 619,765,920. |
| 25 April 2013 | UC RUSAL announces the start of modernisation of Alpart and Windalco (Ewarton and Kirkvine works) alumina refineries in Jamaica, which will include the full shift of steam production from fuel oil to gas as their main energy source. The Company expects that the natural gas supplies to the three plants will begin in 2016. |
| 14 May 2013 | UC RUSAL announces its results for the three months ended 31 March 2013. |
| 27 May 2013 | UC RUSAL announces that Mr. Barry Cheung Chun-yuen has, with effect from 25 May 2013, resigned as an independent non-executive director of the Company and as a member of committees of the Board (including the Corporate Governance & Nomination Committee and Remuneration Committee of the Company) for the reason that he needs to focus on personal business matters. |
| 17 June 2013 | UC RUSAL announces the results of its 2013 Annual General Meeting of shareholders held on 14 June 2013 in Hong Kong. The Company also announces Ms. Alexandra Bouriko and Ms. Ekaterina Nikitina have been appointed as non-executive Directors of the Company with effect from 14 June 2013, and that Mr. Dmitry Yudin and Mr. Vadim Geraskin resigned as Directors with effect from 14 June 2013. |
| 17 June 2013 | UC RUSAL announces that Mr. Mark Garber has been appointed as an independent non-executive director of the Company and as a member of the Remuneration Committee, the Corporate Governance and Nomination Committee, the Norilsk Nickel Investment Supervisory Committee and the Health, Safety and Environmental Committee of the Company with effect from 14 June 2013. The Company also announces the changes of the composition of the various Board committees. |
| 20 June 2013 | UC RUSAL and Israeli company Omen High Pressure Die Casting, which specializes in the production of automotive components from non-ferrous metals, announce the signing of a memorandum outlining details of the creation of a joint venture to produce automotive components. |
| 23 June 2013 | UC RUSAL announces that, in order to improve liquidity and to broaden the investor base for the Company's shares (the "Shares"), it intends launching a program on direct listing of the Shares on Closed Joint Stock Company «MICEX Stock Exchange». |





| Date | Key event |
|---|---|
| 26 June 2013 | UC RUSAL informs that the installation of modern electrolyte processing equipment, produced by Outotec, is currently underway at the BEMO smelter. The electrolyte processing line is one of the most advanced on the market and will be used for the first time in Russia. The line will fully automate the processing of electrolytes at the BEMO smelter. |
| 28 June 2013 | UC RUSAL announces updates on the Corporate Ruble Bonds of OJSC RUSAL Krasnoyarsk series 01, 02, 03, 04 and the Exchange-traded Ruble Bonds of OJSC RUSAL Bratsk series BO-01, BO-02, BO-03, BO-04. |
| 28 June 2013 | UC RUSAL announces that Mr. Artem Volynets tendered his resignation as a director and as a member of any committee of the board of directors of the Company (including the Audit Committee, the Corporate Governance & Nomination Committee, the Remuneration Committee, the Health, Safety and Environmental Committee and the Standing Committee of the Company) with effect from 27 June 2013, due to other business commitments. |
| 4 July 2013 | UC RUSAL announces the adoption of a one-off employee share award incentive plan. |
| 23 July 2013 | UC RUSAL announces that it will be part of the organizational committee of the V International Congress & Exhibition “Non-Ferrous Metals-2013”, which will be held in Krasnoyarsk, Russia, on 3-6 September 2013. |
| 6 August 2013 | The Company announces that a meeting of the Board is to be held on Friday, 16 August 2013, for the purposes of, among other matters, approving the announcement of the Company’s interim financial results for the six months ended 30 June 2013. |





# Independent Auditors' Report on Review of Consolidated Interim Condensed Financial Information

**ZAO KPMG**
10 Presnenskaya Naberezhnaya
Moscow 123317
Russia

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

## 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 2013, and the related consolidated interim condensed statements of income and comprehensive income for the three- and six-month periods then ended, changes in equity and cash flows for the six-month period then ended, and notes to the interim financial information (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 IAS 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

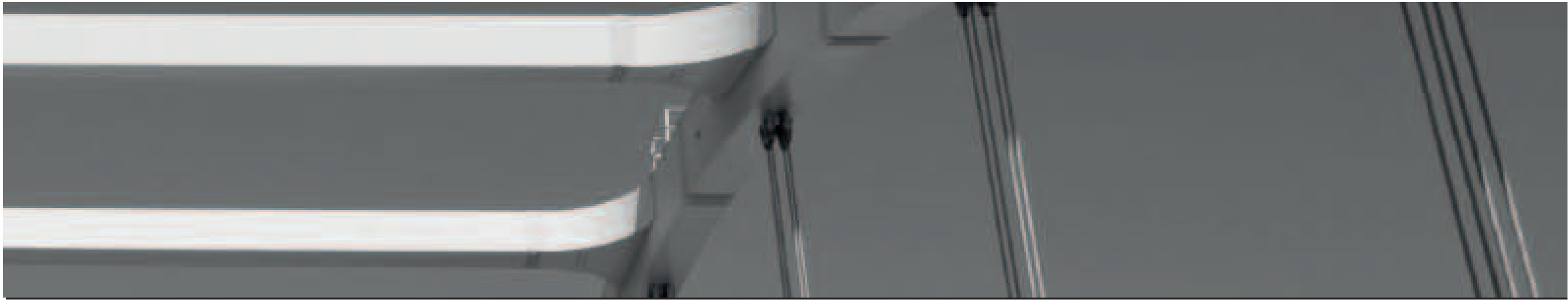
We conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of consolidated interim condensed financial information consists of making inquiries, primarily of persons 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.

Independent auditor: ZAO KPMG, a company incorporated under the Laws of the Russian Federation, a part of the KPMG Europe LLP group, and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Registered by the Moscow Registration Chamber on 25 May 1992, Registration No. 011.585.

Entered in the Unified State Register of Legal Entities on 13 August 2002 by the Moscow Inter-Regional Tax Inspectorate No.39 of the Ministry for Taxes and Duties of the Russian Federation, Registration No. 1027700125628, Certificate series 77 No. 005721432.

Member of the Non-commercial Partnership "Chamber of Auditors of Russia". The Principal Registration Number of the Entry in the State Register of Auditors and Audit Organisations: No.10301000804.





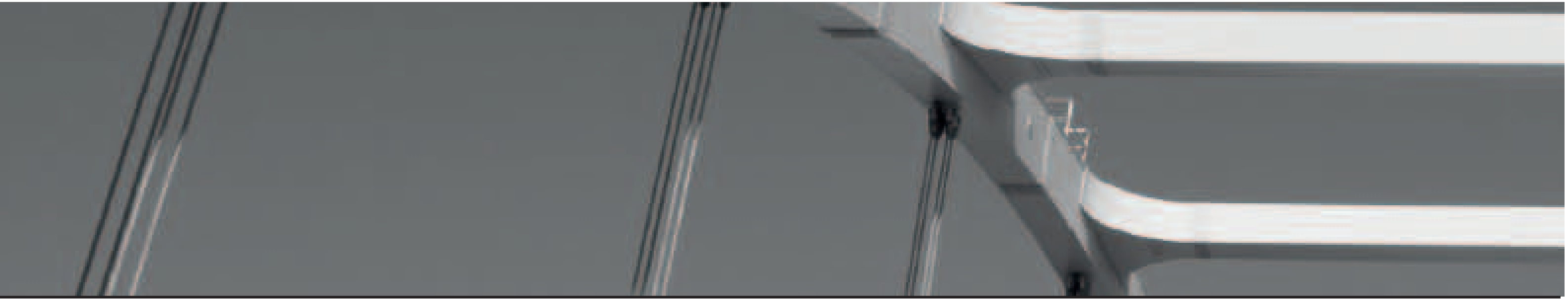
## Basis for Qualified Conclusion

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 USD11 million and USD110 million for the three- and six-month periods ended 30 June 2013, respectively, the Group's share in other comprehensive income of that investee of USD17 million loss and USD27 million loss for the three- and six-month periods ended 30 June 2013, respectively, the Group's share in foreign currency translation loss of that investee of USD412 million and USD613 million for the three- and six-month periods ended 30 June 2013, respectively, and the carrying value of the Group's investment stated at USD8,137 million as at 30 June 2013. 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 2013 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*.

**Shvetsov A.V.**
Director, (power of attorney dated 1 October 2010 No. 55/10)
ZAO KPMG
16 August 2013
Moscow, Russian Federation

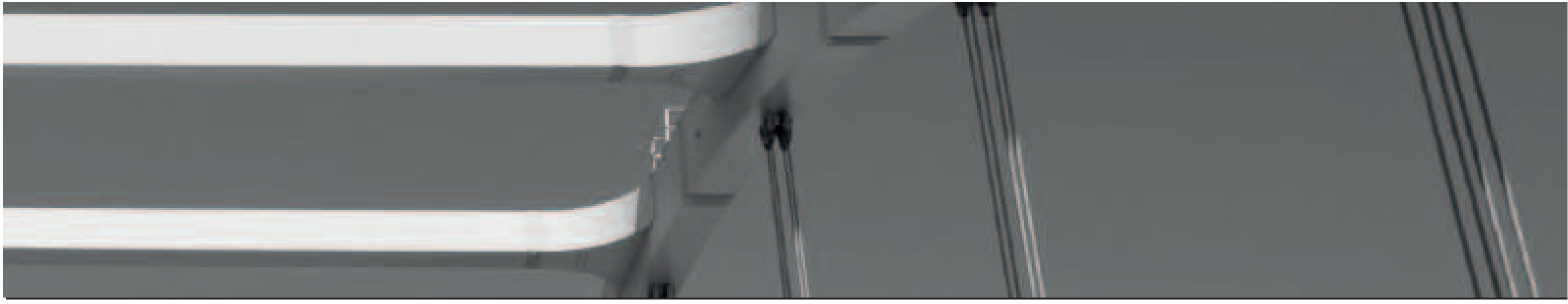




# Consolidated Interim Condensed Statement of Income

| | Note | Three months ended 30 June | | Six months ended 30 June | |
|---|---|---|---|---|---|
| | | 2013 (unaudited) USD million | 2012 (unaudited, restated) USD million | 2013 (unaudited) USD million | 2012 (unaudited, restated) USD million |
| **Revenue** | 6 | 2,521 | 2,822 | 5,203 | 5,704 |
| Cost of sales | | (2,196) | (2,318) | (4,446) | (4,775) |
| **Gross profit** | | **325** | **504** | **757** | **929** |
| Distribution expenses | | (137) | (134) | (257) | (260) |
| Administrative expenses | | (143) | (172) | (305) | (354) |
| Loss on disposal of property, plant and equipment | | (6) | (7) | (7) | (7) |
| Impairment of non-current assets | | (34) | (200) | (81) | (225) |
| Other operating expenses | | (2) | (7) | (40) | (25) |
| **Results from operating activities** | | **3** | **(16)** | **67** | **58** |
| Finance income | 7 | 24 | 90 | 66 | 58 |
| Finance expenses | 7 | (209) | (198) | (406) | (406) |
| Share of profits of associates | 12 | 3 | 146 | 92 | 366 |
| Share of profits/(losses) of jointly controlled entities | 13 | 6 | (3) | 31 | 20 |
| Loss recycled from other comprehensive income | 11 | (234) | — | (234) | — |
| **(Loss)/profit before taxation** | | **(407)** | **19** | **(384)** | **96** |
| Income tax | 8 | (51) | (74) | (55) | (95) |
| **(Loss)/profit for the period** | | **(458)** | **(55)** | **(439)** | **1** |

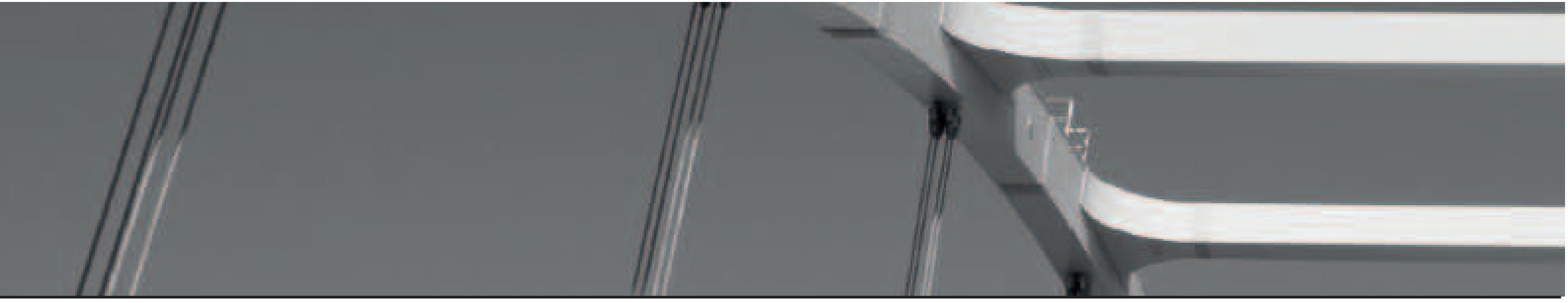
The consolidated interim condensed statement of income is to be read in conjunction with the notes to and forming part of the consolidated interim condensed financial information set out on pages 55 to 90.





| | Note | Three months ended 30 June 2013 (unaudited) USD million | Three months ended 30 June 2012 (unaudited, restated) USD million | Six months ended 30 June 2013 (unaudited) USD million | Six months ended 30 June 2012 (unaudited, restated) USD million |
|---|---|---|---|---|---|
| Attributable to: | | | | | |
| Shareholders of the Company | | (458) | (55) | (439) | 1 |
| **(Loss)/earnings per share** | | | | | |
| Basic and diluted (loss)/earnings per share (USD) | 9 | (0.0301) | (0.004) | (0.0289) | 0.0001 |

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 55 to 90.

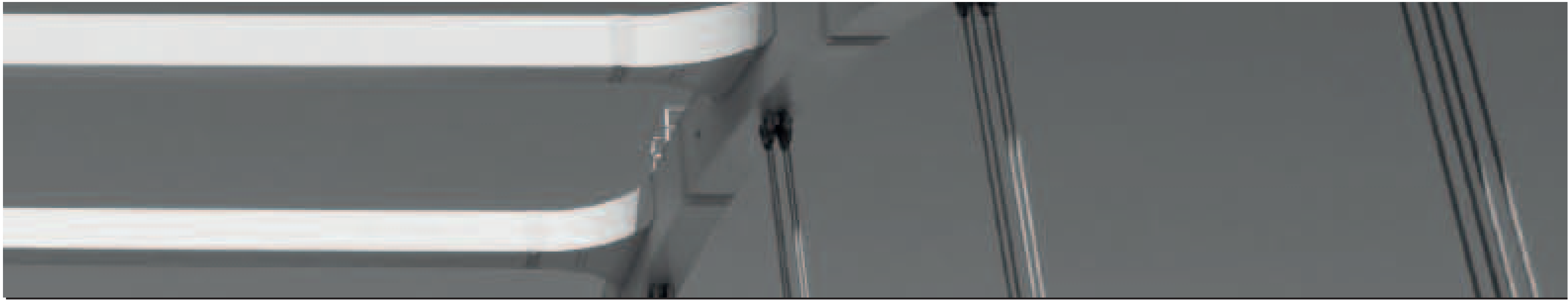




# Consolidated Interim Condensed Statement of Comprehensive Income

| | Note | Three months ended 30 June | | Six months ended 30 June | |
|---|---|---|---|---|---|
| | | 2013 (unaudited) USD million | 2012 (unaudited, restated) USD million | 2013 (unaudited) USD million | 2012 (unaudited, restated) USD million |
| **(Loss)/profit for the period** | | **(458)** | **(55)** | **(439)** | **1** |
| **Other comprehensive income** | | | | | |
| Items that will never be reclassified subsequently to profit or loss: | | | | | |
| Actuarial losses on post retirement benefit plans | 18 | (11) | (22) | (11) | (22) |
| | | (11) | (22) | (11) | (22) |
| Items that are or may be reclassified subsequently to profit or loss: | | | | | |
| Share of other comprehensive income of associate | 12 | (17) | (139) | (27) | (145) |
| Change in fair value of cash flow hedges | | 27 | (72) | 29 | (64) |
| Recycling of losses relating to the Norilsk Nickel shares sold | 11 | 234 | — | 234 | — |
| Foreign currency translation differences on foreign operations | | (196) | (429) | (290) | (86) |

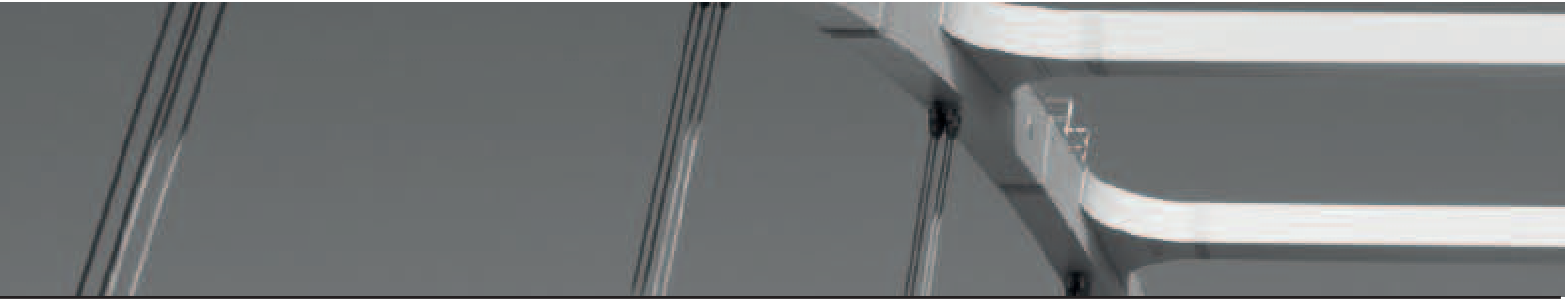
The consolidated interim condensed statement of comprehensive income is to be read in conjunction with the notes to and forming part of the consolidated interim condensed financial information set out on pages 55 to 90.





| | Note | Three months ended 30 June | | Six months ended 30 June | |
|---|---|---|---|---|---|
| | | 2013 (unaudited) USD million | 2012 (unaudited, restated) USD million | 2013 (unaudited) USD million | 2012 (unaudited, restated) USD million |
| Foreign currency translation differences for equity-accounted investees | | (496) | (1,342) | (712) | (185) |
| Income tax on items that are or may be reclassified subsequently to profit or loss | | — | 48 | — | 19 |
| | | **(448)** | **(1,934)** | **(766)** | **(461)** |
| Other comprehensive income for the period, net of tax | | **(459)** | **(1,956)** | **(777)** | **(483)** |
| **Total comprehensive income for the period** | | **(917)** | **(2,011)** | **(1,216)** | **(482)** |
| Attributable to: | | | | | |
| Shareholders of the Company | | **(917)** | **(2,011)** | **(1,216)** | **(482)** |

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 55 to 90.

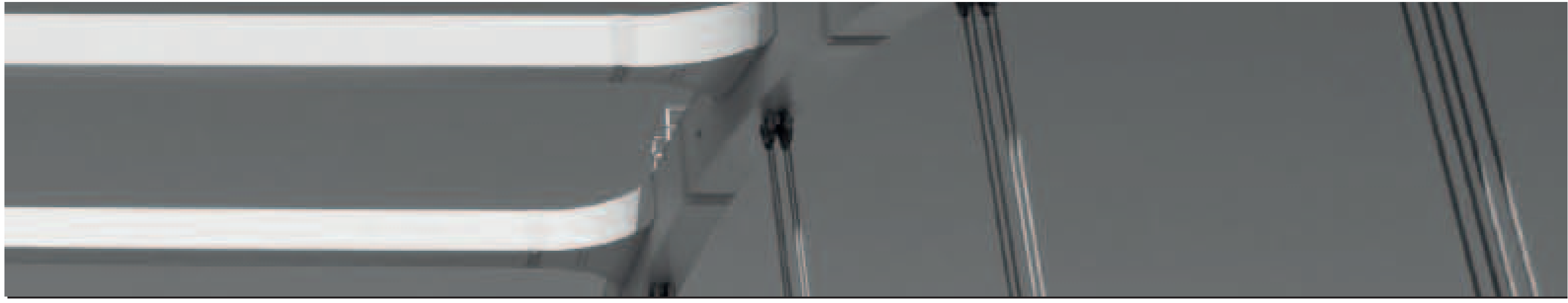




# Consolidated Interim Condensed Statement of Financial Position

| | Note | 30 June 2013 (unaudited) USD million | 31 December 2012 (restated) USD million |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | | 5,273 | 5,453 |
| Intangible assets | | 3,881 | 4,051 |
| Interests in associates | 12 | 8,529 | 9,673 |
| Interests in jointly controlled entities | 13 | 1,097 | 1,156 |
| Derivative financial assets | 19 | 21 | 12 |
| Deferred tax assets | | 127 | 99 |
| Other non-current assets | | 160 | 89 |
| **Total non-current assets** | | **19,088** | **20,533** |
| **Current assets** | | | |
| Inventories | | 2,476 | 2,624 |
| Trade and other receivables | 14 | 796 | 925 |
| Non-current assets classified as held-for-sale | 11 | — | 620 |
| Derivative financial assets | 19 | 12 | 3 |
| Cash and cash equivalents | | 566 | 505 |
| **Total current assets** | | **3,850** | **4,677** |
| **Total assets** | | **22,938** | **25,210** |

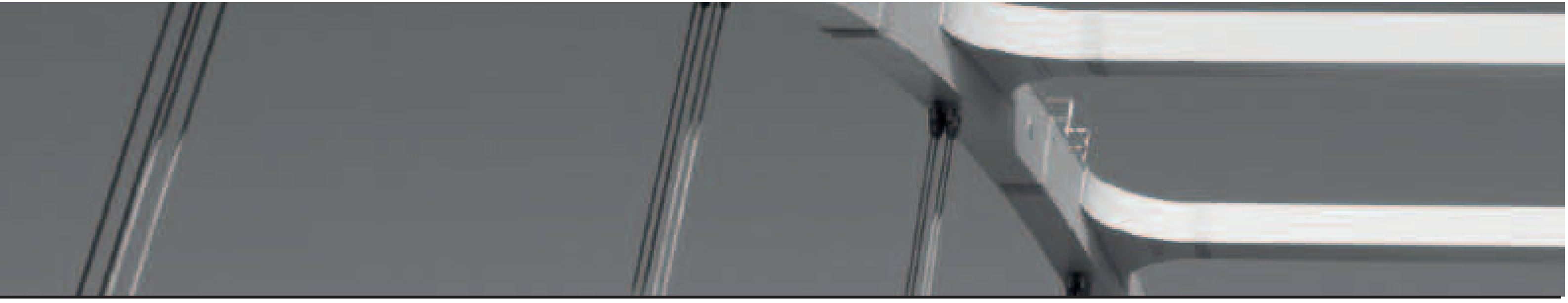
The consolidated interim condensed statement of financial position is to be read in conjunction with the notes to and forming part of the consolidated interim condensed financial information set out on pages 55 to 90.





| | Note | 30 June 2013 (unaudited) USD million | 31 December 2012 (restated) USD million |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | 15 | | |
| Share capital | | 152 | 152 |
| Shares held for vesting | | (1) | (1) |
| Share premium | | 15,788 | 15,787 |
| Other reserves | | 2,742 | 2,747 |
| Currency translation reserve | | (4,438) | (3,666) |
| Accumulated losses | | (4,726) | (4,287) |
| **Total equity** | | **9,517** | **10,732** |
| **Non-current liabilities** | | | |
| Loans and borrowings | 16 | 8,609 | 9,415 |
| Bonds | 17 | 459 | 988 |
| Provisions | 18 | 622 | 621 |
| Deferred tax liabilities | | 526 | 520 |
| Derivative financial liabilities | 19 | 163 | 179 |
| Other non-current liabilities | | 72 | 43 |
| **Total non-current liabilities** | | **10,451** | **11,766** |
| **Current liabilities** | | | |
| Loans and borrowings | 16 | 921 | 931 |
| Bonds | 17 | 459 | — |
| Current tax liabilities | | 22 | 18 |
| Trade and other payables | 20 | 1,394 | 1,656 |

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 55 to 90.





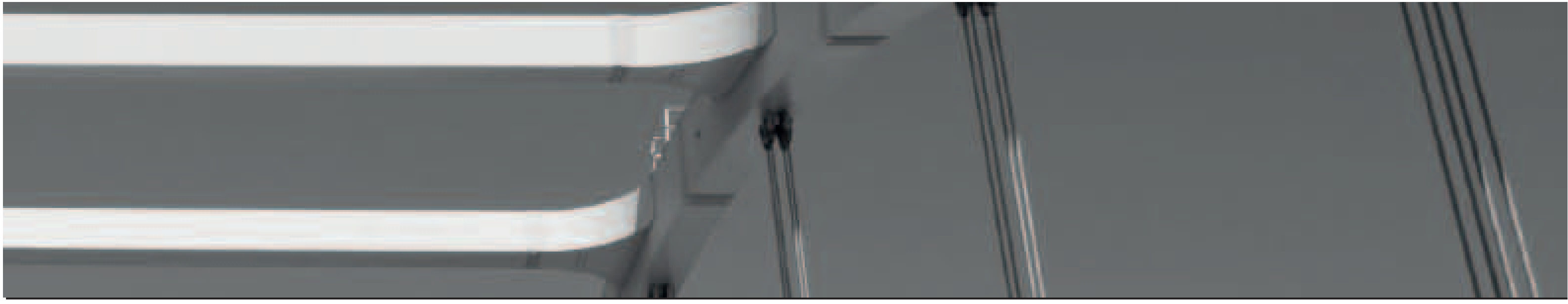
| | Note | 30 June 2013 (unaudited) USD million | 31 December 2012 (restated) USD million |
|---|---|---|---|
| Derivative financial liabilities | 19 | 124 | 47 |
| Provisions | 18 | 50 | 60 |
| **Total current liabilities** | | **2,970** | **2,712** |
| **Total liabilities** | | **13,421** | **14,478** |
| **Total equity and liabilities** | | **22,938** | **25,210** |
| **Net current assets** | | **880** | **1,965** |
| **Total assets less current liabilities** | | **19,968** | **22,498** |

Approved and authorised for issue by the board of directors on 16 August 2013.

**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 55 to 90.



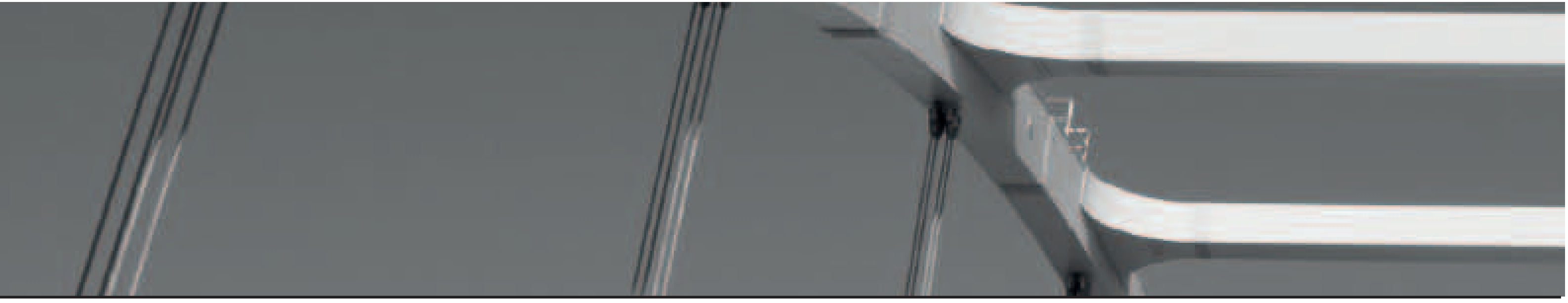


# Consolidated Interim Condensed Statement of Changes in Equity

| | Note | Share capital USD million | Shares held for vesting 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 2013** | | **152** | **(1)** | **15,787** | **2,747** | **(3,666)** | **(4,096)** | **10,923** |
| Restatement as a result of a change in standards | 10(b) | – | – | – | – | – | (191) | (191) |
| **Balance at 1 January 2013 (restated)** | | **152** | **(1)** | **15,787** | **2,747** | **(3,666)** | **(4,287)** | **10,732** |
| Loss for the period (unaudited) | | – | – | – | – | – | (439) | (439) |
| Other comprehensive income for the period (unaudited) | | – | – | – | (5) | (772) | – | (777) |
| **Total comprehensive income for the period (unaudited)** | | – | – | – | **(5)** | **(772)** | **(439)** | **(1,216)** |
| Share-based compensation (unaudited) | 15(b) | – | – | 1 | – | – | – | 1 |
| **Balance at 30 June 2013 (unaudited)** | | **152** | **(1)** | **15,788** | **2,742** | **(4,438)** | **(4,726)** | **9,517** |
| **Balance at 1 January 2012** | | **152** | – | **15,788** | **2,856** | **(4,498)** | **(3,759)** | **10,539** |
| Profit for the period (unaudited, restated) | 10(a) | – | – | – | – | – | 1 | 1 |
| Other comprehensive income for the period (unaudited, restated) | | – | – | – | (212) | (271) | – | (483) |
| **Total comprehensive income for the period (unaudited, restated)** | | – | – | – | **(212)** | **(271)** | **1** | **(482)** |
| Purchases of shares held for vesting (unaudited, restated) | 15(b) | – | (2) | – | – | – | – | (2) |
| Share-based compensation (unaudited, restated) | 15(b) | – | – | 2 | – | – | – | 2 |
| **Balance at 30 June 2012 (unaudited, restated)** | | **152** | **(2)** | **15,790** | **2,644** | **(4,769)** | **(3,758)** | **10,057** |

Included in the other reserves and currency translation reserves at 31 December 2012 are losses of USD4 million and USD230 million related to other comprehensive income and foreign currency translation reserves, respectively, relating to assets held for sale.

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 55 to 90.

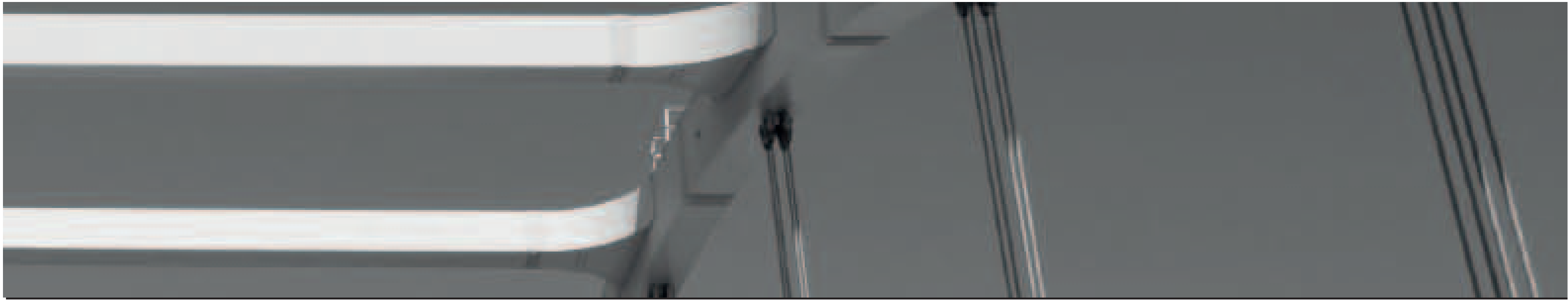




# Consolidated Interim Condensed Statement of Cash Flows

| | Six months ended 30 June | |
|---|---|---|
| | **2013 (unaudited) USD million** | **2012 (unaudited) USD million** |
| **OPERATING ACTIVITIES** | | |
| **(Loss)/ profit for the period** | **(439)** | **1** |
| *Adjustments for:* | | |
| Depreciation | 258 | 267 |
| Amortisation | 7 | 7 |
| Impairment of non-current assets | 81 | 225 |
| Change in fair value of derivative financial instruments | (6) | 54 |
| Impairment of trade and other receivables | 18 | 10 |
| Impairment of inventories | 14 | 1 |
| Provision/(reversal of provision) for legal claims | 1 | (3) |
| Pension provision | — | 4 |
| Site restoration provision | — | 10 |
| Disposal of non-current assets available for sale | 234 | — |
| Loss on disposal of property, plant and equipment | 7 | 7 |
| Share-based compensation | 1 | 2 |
| Foreign exchange gains | (61) | (18) |
| Interest expense | 406 | 352 |
| Interest income | (8) | (13) |
| Income tax expense | 55 | 95 |
| Share of profits of associates | (92) | (366) |
| Share of profits of jointly controlled entities | (31) | (20) |
| **Cash from operating activities before changes in working capital and provisions** | **445** | **615** |

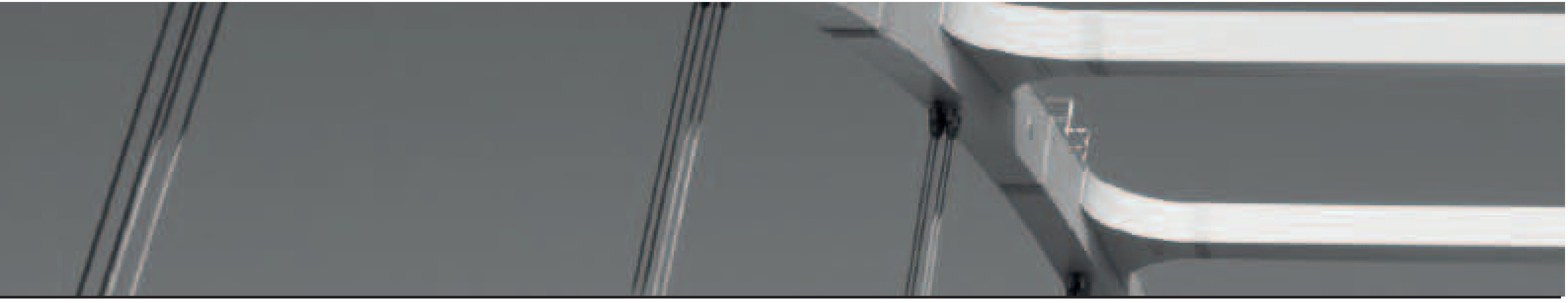
The consolidated interim condensed statement of cash flows is to be read in conjunction with the notes to and forming part of the consolidated interim condensed financial information set out on pages 55 to 90.





| | Six months ended 30 June | |
|---|---|---|
| | **2013 (unaudited) USD million** | **2012 (unaudited) USD million** |
| Decrease in inventories | 125 | 360 |
| Decrease in trade and other receivables | 18 | 38 |
| Decrease/(increase) in prepaid expenses and other assets | 4 | (30) |
| Decrease in trade and other payables | (272) | (234) |
| Decrease in provisions | (21) | (8) |
| **Cash generated from operations** | **299** | **741** |
| Income taxes paid | (43) | (43) |
| **Net cash generated from operating activities** | **256** | **698** |
| **INVESTING ACTIVITIES** | | |
| Proceeds from disposal of property, plant and equipment | 6 | 8 |
| Interest received | 4 | 9 |
| Acquisition of property, plant and equipment | (217) | (266) |
| Acquisition of intangible assets | (6) | (7) |
| Acquisition of jointly controlled entities | — | (3) |
| Acquisition of subsidiaries, net of cash acquired | — | (9) |
| Proceeds from disposal of non-current assets available for sale | 620 | — |
| Dividends from associates | 519 | — |
| Dividends from jointly controlled entities | 25 | 41 |
| Contributions to jointly controlled entities | — | (4) |
| Changes in restricted cash | 1 | 2 |
| **Net cash generated from/(used in) investing activities** | **952** | **(229)** |

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 55 to 90.

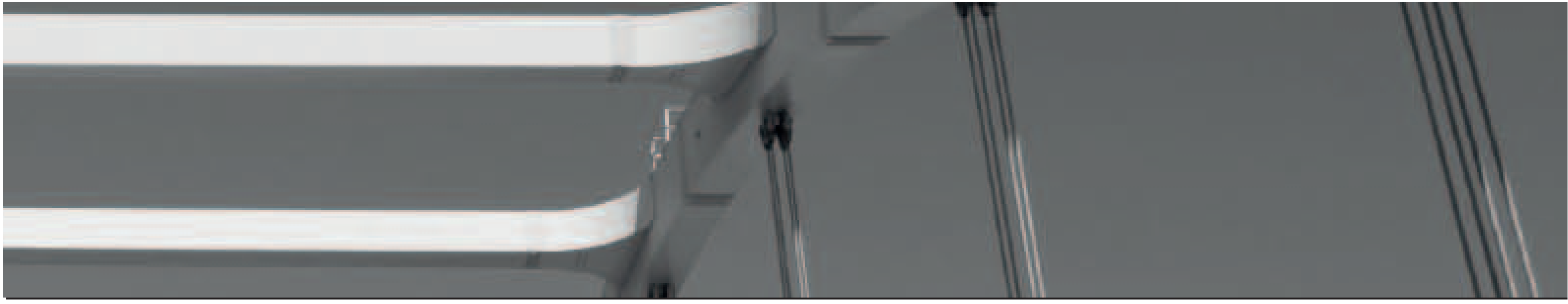




| | Six months ended 30 June | |
|---|---|---|
| | **2013 (unaudited) USD million** | **2012 (unaudited) USD million** |
| **FINANCING ACTIVITIES** | | |
| Proceeds from borrowings | 946 | 1,185 |
| Repayment of borrowings | (1,740) | (1,320) |
| Restructuring fees and other expenses | (16) | (56) |
| Interest paid | (312) | (295) |
| Purchases of shares held for vesting | — | (2) |
| Settlement of other derivatives | (5) | — |
| **Net cash used in financing activities** | **(1,127)** | **(488)** |
| **Net increase/(decrease) in cash and cash equivalents** | **81** | **(19)** |
| Cash and cash equivalents at 1 January | 490 | 613 |
| Effect of exchange rate fluctuations on cash and cash equivalents | (19) | (3) |
| **Cash and cash equivalents at the end of the period** | **552** | **591** |

Restricted cash amounted to USD14 million and USD15 million at 30 June 2013 and 31 December 2012, respectively.

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 55 to 90.





# Notes to the Consolidated Interim Condensed Financial Information

*All financial information as at and for the three- and six-month periods ended 30 June 2013 and for the three- and six-month periods ended 30 June 2012 is unaudited*

## 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 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 2013 and 31 December 2012 was as follows:

| | 30 June 2013 | 31 December 2012 |
|---|---|---|
| En+ Group Limited ("En+") | 48.13% | 48.13% |
| 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% |
| Held by Directors | 0.26% | 0.26% |
| Shares held for vesting | 0.02% | 0.01% |
| Publicly held | 10.02% | 10.03% |
| **Total** | **100%** | **100%** |

# Notes to the Consolidated Interim Condensed Financial Information

*All financial information as at and for the three- and six-month periods ended 30 June 2013 and for the three- and six-month periods ended 30 June 2012 is unaudited*

En+ is controlled by Mr. Oleg Deripaska. Onexim is controlled by Mr. Mikhail Prokhorov. SUAL Partners is controlled by Mr. Victor Vekselberg and Mr. Len Blavatnik together. Amokenga Holdings is a wholly owned subsidiary of Glencore International Plc ("Glencore").

Related party transactions are detailed in note 22.

The consolidated financial statements of the Group as at and for the year ended 31 December 2012 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 2012.

The IASB has issued a number of new and revised IFRSs. For the purpose of preparing these consolidated financial statements, the Group has adopted these new and revised IFRSs where applicable:

Amendments to IFRS 7, Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities

IFRS 10, Consolidated financial statements

IFRS 11, Joint arrangements

IFRS 12, Disclosure of Interest in Other Entities

IFRS 13, Fair value measurement

IAS 27, Separate financial statements (2011)

IAS 28, Investments in associates and joint ventures (2011)

IFRIC 20, Stripping costs in the production phase of surface mine

IAS 19, Employee benefits (2011)

Amendments to IAS 1, Presentation of financial statements

## 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 2012 with the exception of the change in accounting policy for the accounting of investments in associates as a consequence of amendments to IAS 28, Investments in associates and joint ventures (2011) (for further details please see note 10(b)). The adoption of other new standards and amendments did not have a significant impact on the Group.

## 4 Seasonality

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

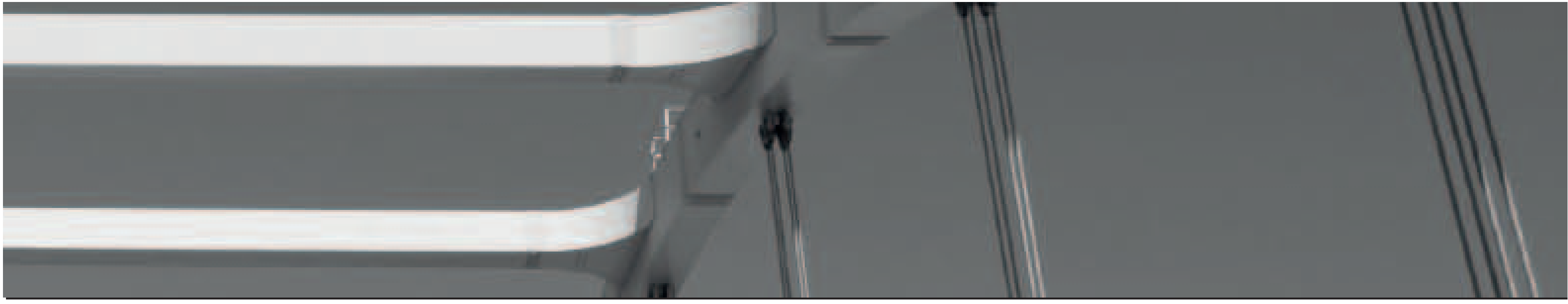
## 5 Segment reporting

### 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:

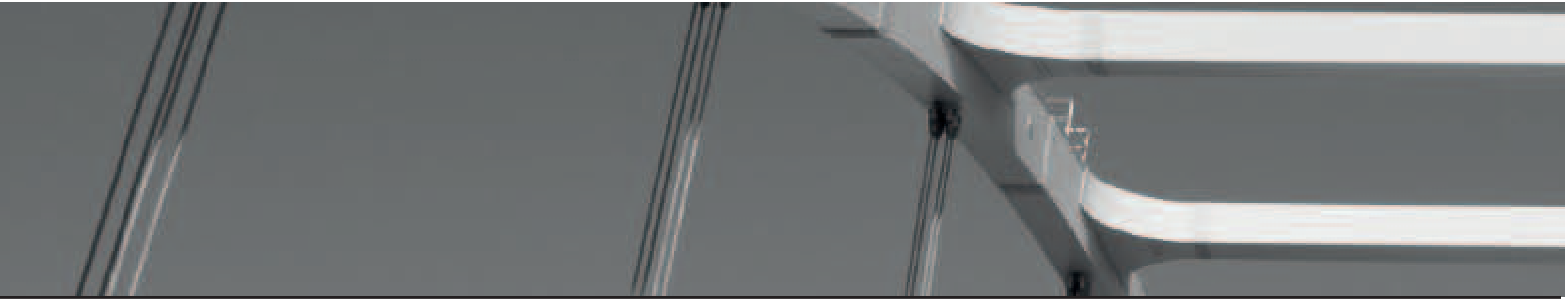
Segment assets include all tangible, intangible assets and current assets with the exception of income tax assets and corporate assets. Segment liabilities include trade and other payables attributable to the production and sales activities of the individual segments. Loans and borrowings are not allocated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

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets other than goodwill.





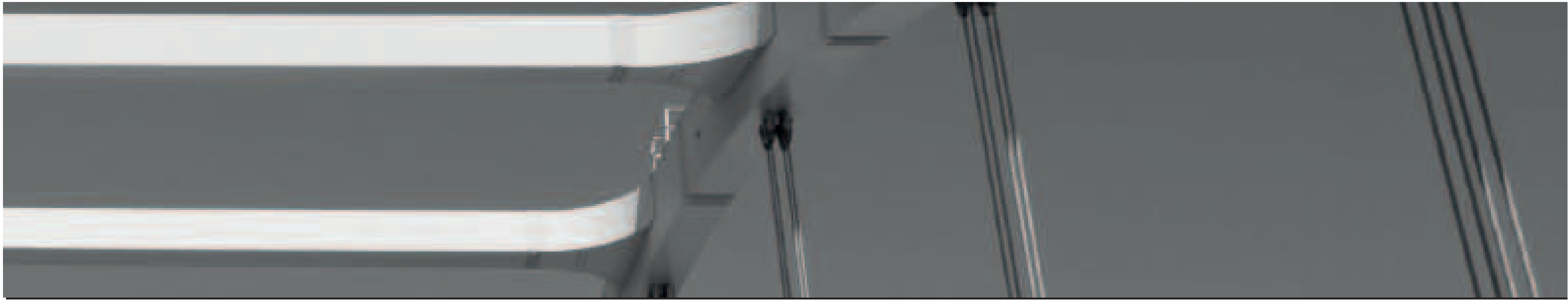
# Notes to the Consolidated Interim Condensed Financial Information

*All financial information as at and for the three- and six-month periods ended 30 June 2013 and for the three- and six-month periods ended 30 June 2012 is unaudited*

### (i) Reportable segments

**Three months ended 30 June 2013**

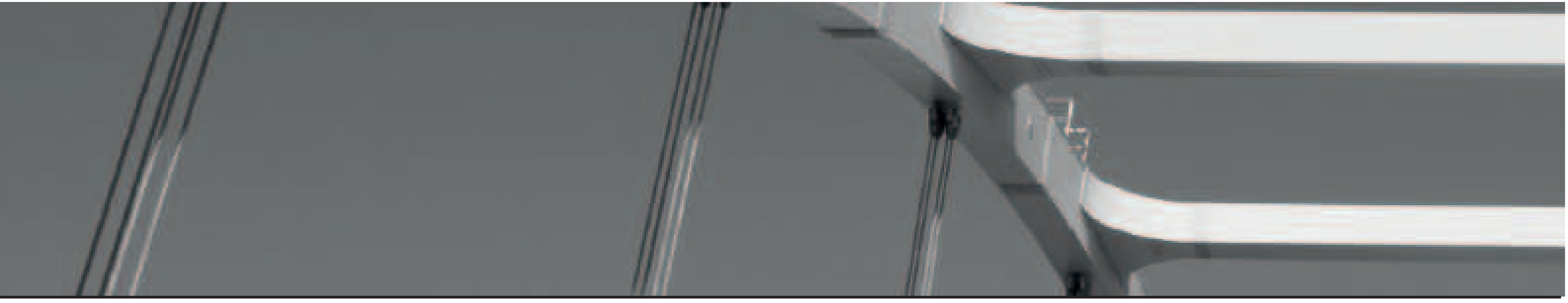
| | Aluminium USD million | Alumina USD million | Energy USD million | Mining and Metals USD million | Total USD million |
|---|---|---|---|---|---|
| Revenue from external customers | 2,160 | 105 | 2 | — | 2,267 |
| Inter-segment revenue | 43 | 377 | — | — | 420 |
| **Total segment revenue** | **2,203** | **482** | **2** | — | **2,687** |
| **Segment profit/(loss)** | **135** | **(85)** | — | — | **50** |
| Impairment of non-current assets | (6) | (28) | — | — | (34) |
| Share of (losses)/ profits of associates | — | (8) | — | 11 | 3 |
| Share of profits of jointly controlled entities | — | — | 6 | — | 6 |
| Depreciation/amortisation | (106) | (22) | — | — | (128) |
| Non-cash income/ (expense) other than depreciation | 2 | (21) | — | — | (19) |
| Additions to non-current segment assets during the period | 69 | 39 | 2 | — | 110 |
| Non-cash movements in non-current segment assets related to site restoration | — | (4) | — | — | (4) |





Three months ended 30 June 2012

| | Aluminium USD million | Alumina USD million | Energy USD million | Mining and Metals USD million | Total USD million |
|---|---|---|---|---|---|
| Revenue from external customers | 2,398 | 144 | 1 | — | **2,543** |
| Inter-segment revenue | 49 | 443 | — | — | **492** |
| **Total segment revenue** | **2,447** | **587** | **1** | — | **3,035** |
| **Segment profit/(loss)** | **215** | **(33)** | **1** | — | **183** |
| Impairment of non-current assets | (2) | (180) | — | — | **(182)** |
| Share of (losses)/profits of associates | — | (9) | — | 161 | **152** |
| Share of losses of jointly controlled entities | — | — | (3) | — | **(3)** |
| Depreciation/amortisation | (106) | (27) | — | — | **(133)** |
| Non-cash expense other than depreciation | (2) | (6) | — | — | **(8)** |
| Additions to non-current segment assets during the period | 66 | 75 | 1 | — | **142** |



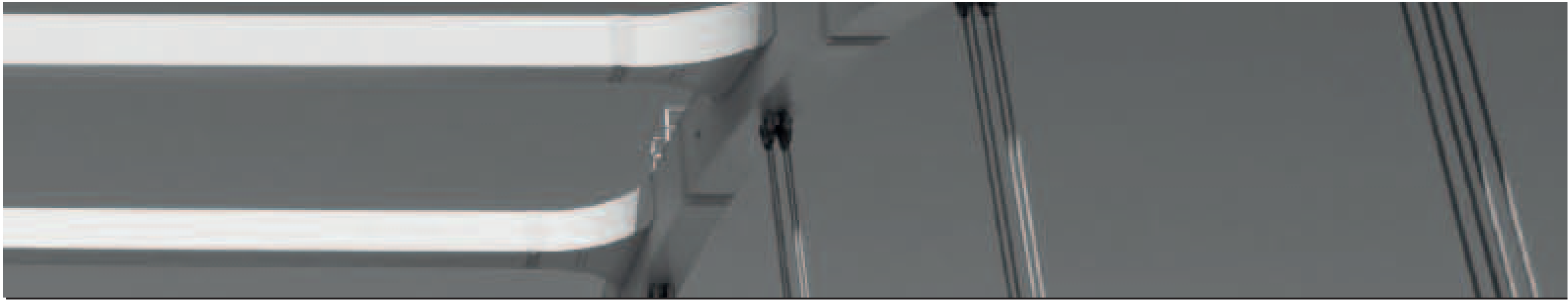


# Notes to the Consolidated Interim Condensed Financial Information

*All financial information as at and for the three- and six-month periods ended 30 June 2013 and for the three- and six-month periods ended 30 June 2012 is unaudited*

**Six months ended 30 June 2013**

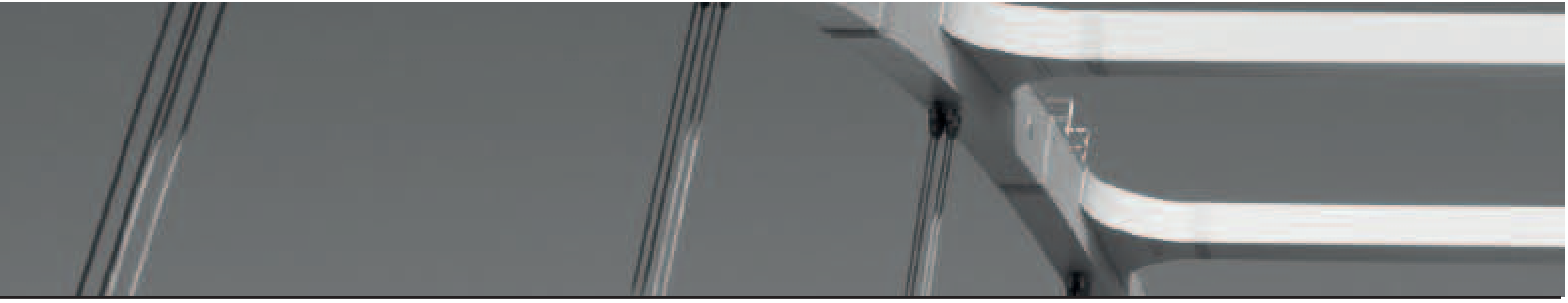
| | Aluminium USD million | Alumina USD million | Energy USD million | Mining and Metals USD million | Total USD million |
|---|---|---|---|---|---|
| Revenue from external customers | 4,452 | 255 | 3 | — | **4,710** |
| Inter-segment revenue | 75 | 742 | — | — | **817** |
| **Total segment revenue** | **4,527** | **997** | **3** | — | **5,527** |
| **Segment profit/(loss)** | **365** | **(127)** | — | — | **238** |
| Impairment of non-current assets | (29) | (52) | — | — | **(81)** |
| Share of (losses)/profits of associates | — | (18) | — | 110 | **92** |
| Share of profits of jointly controlled entities | — | — | 31 | — | **31** |
| Depreciation/amortisation | (209) | (51) | — | — | **(260)** |
| Non-cash expense other than depreciation | (3) | (30) | — | — | **(33)** |
| Additions to non-current segment assets during the period | 141 | 71 | 4 | — | **216** |
| Non-cash movements in non-current segment assets related to site restoration | — | 5 | — | — | **5** |





Six months ended 30 June 2012

| | Aluminium USD million | Alumina USD million | Energy USD million | Mining and Metals USD million | Total USD million |
|---|---|---|---|---|---|
| Revenue from external customers | 4,899 | 295 | 2 | — | 5,196 |
| Inter-segment revenue | 100 | 863 | — | — | 963 |
| **Total segment revenue** | **4,999** | **1,158** | **2** | — | **6,159** |
| **Segment profit/(loss)** | **459** | **(114)** | **1** | — | **346** |
| Impairment of non-current assets | (2) | (205) | — | — | (207) |
| Share of (losses)/profits of associates | — | (14) | — | 386 | 372 |
| Share of profits of jointly controlled entities | — | — | 20 | — | 20 |
| Depreciation/amortisation | (216) | (53) | — | — | (269) |
| Non-cash expense other than depreciation | — | (23) | — | — | (23) |
| Additions to non-current segment assets during the period | 157 | 105 | 2 | — | 264 |
| Non-cash movements in non-current segment assets related to site restoration | — | 20 | — | — | 20 |





# Notes to the Consolidated Interim Condensed Financial Information

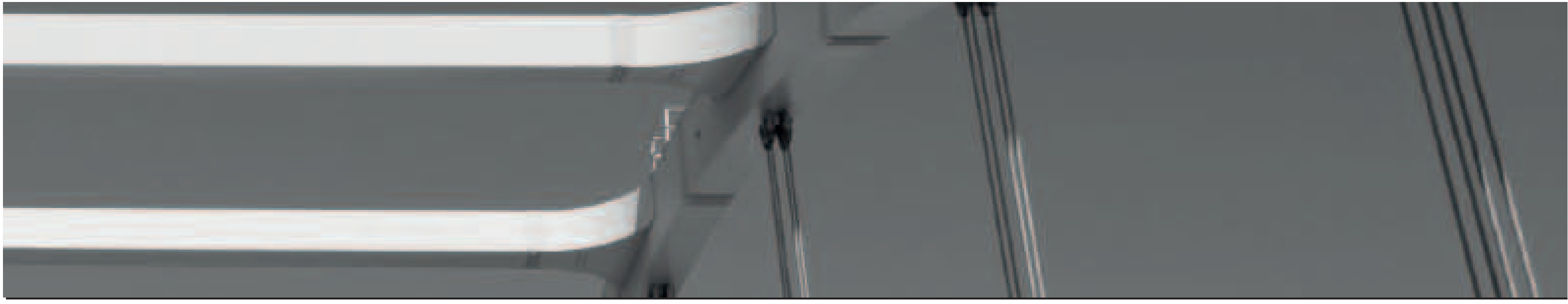
*All financial information as at and for the three- and six-month periods ended 30 June 2013 and for the three- and six-month periods ended 30 June 2012 is unaudited*

**At 30 June 2013**

| | Aluminium USD million | Alumina USD million | Energy USD million | Mining and Metals USD million | Total USD million |
|---|---|---|---|---|---|
| Segment assets | 11,004 | 2,115 | 60 | — | **13,179** |
| Interests in associates | — | 389 | — | 8,137 | **8,526** |
| Interests in jointly controlled entities | 17 | — | 1,080 | — | **1,097** |
| **Total assets** | | | | | **22,802** |
| Segment liabilities | (2,008) | (649) | (32) | — | **(2,689)** |
| **Total liabilities** | | | | | **(2,689)** |

**At 31 December 2012 (restated)**

| | Aluminium USD million | Alumina USD million | Energy USD million | Mining and Metals USD million | Total USD Million |
|---|---|---|---|---|---|
| Segment assets | 11,651 | 1,833 | 43 | 620 | **14,147** |
| Interests in associates | — | 453 | — | 9,217 | **9,670** |
| Interests in jointly controlled entities | 16 | — | 1,140 | — | **1,156** |
| **Total segment assets** | | | | | **24,973** |
| Segment liabilities | (2,002) | (724) | (33) | — | **(2,759)** |
| **Total segment liabilities** | | | | | **(2,759)** |

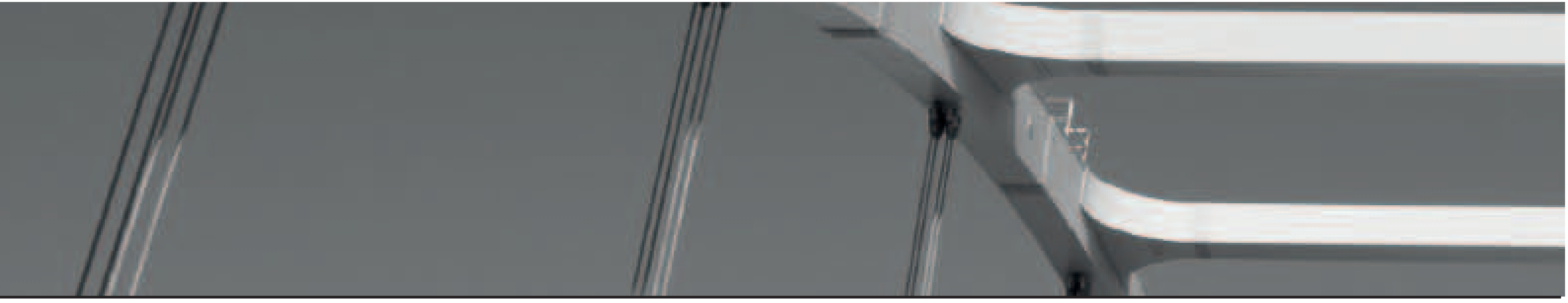




**(ii) Reconciliation of reportable segment revenue, profit or loss, assets and liabilities**

| | Three months ended 30 June | | Six months ended 30 June | |
|---|---|---|---|---|
| | **2013 USD million** | **2012 USD million** | **2013 USD million** | **2012 USD million** |
| **Revenue** | | | | |
| Reportable segment revenue | 2,687 | 3,035 | 5,527 | 6,159 |
| Elimination of inter-segment revenue | (420) | (492) | (817) | (963) |
| Unallocated revenue | 254 | 279 | 493 | 508 |
| Consolidated revenue | **2,521** | **2,822** | **5,203** | **5,704** |

| | Three months ended 30 June | | Six months ended 30 June | |
|---|---|---|---|---|
| | **2013 USD million** | **2012 USD million** | **2013 USD million** | **2012 USD million** |
| **Profit** | | | | |
| Reportable segment profit | 50 | 183 | 238 | 346 |
| Impairment of non-current assets | (34) | (200) | (81) | (225) |
| Share of profits of associates | 3 | 146 | 92 | 366 |
| Share of profits/(losses) of jointly controlled entities | 6 | (3) | 31 | 20 |
| Loss on disposal of non-current assets available for sale | (234) | — | (234) | — |
| Finance income | 24 | 90 | 66 | 58 |
| Finance expenses | (209) | (198) | (406) | (406) |
| Unallocated (expense)/income | (13) | 1 | (90) | (63) |
| Consolidated profit before taxation | **(407)** | **19** | **(384)** | **96** |

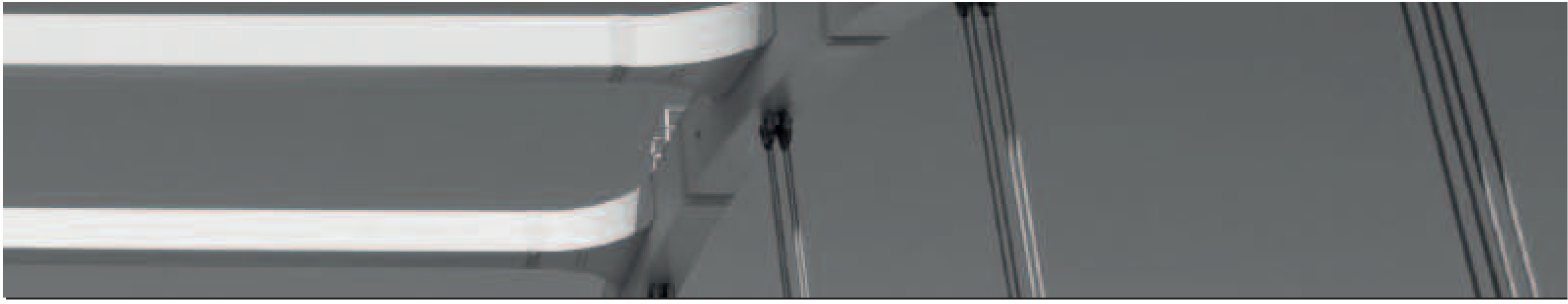




# Notes to the Consolidated Interim Condensed Financial Information

*All financial information as at and for the three- and six-month periods ended 30 June 2013 and for the three- and six-month periods ended 30 June 2012 is unaudited*

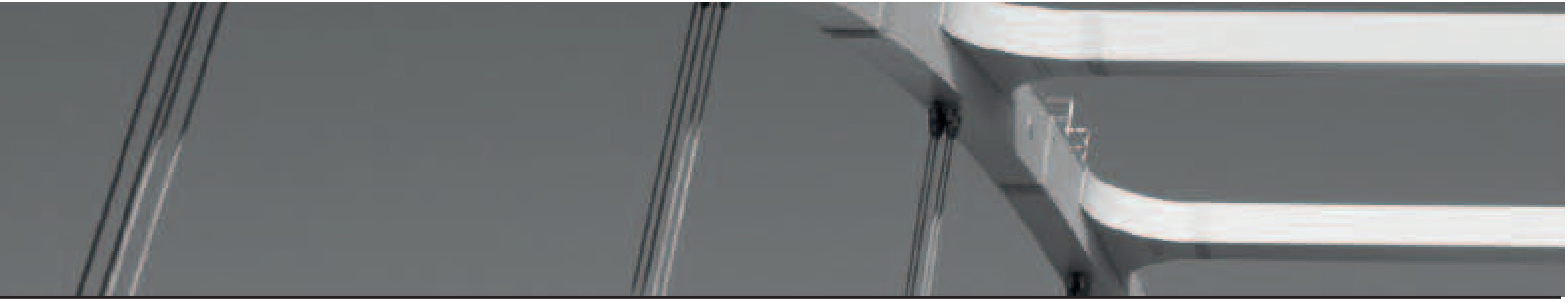
| | 30 June 2013 USD million | 31 December 2012 (restated) USD million |
|---|---|---|
| **Assets** | | |
| Reportable segment assets | 22,802 | 24,973 |
| Elimination of inter-segment receivables | (395) | (338) |
| Unallocated assets | 531 | 575 |
| Consolidated total assets | **22,938** | **25,210** |
| **Liabilities** | | |
| Reportable segment liabilities | (2,689) | (2,759) |
| Elimination of inter-segment payables | 395 | 338 |
| Unallocated liabilities | (11,127) | (12,057) |
| Consolidated total liabilities | **(13,421)** | **(14,478)** |





## 6 Revenue

| | Three months ended 30 June | | Six months ended 30 June | |
|---|---|---|---|---|
| | 2013 USD million | 2012 USD million | 2013 USD million | 2012 USD million |
| **Sales of primary aluminium and alloys** | **2,160** | **2,398** | **4,452** | **4,899** |
| *Third parties* | *1,188* | *1,491* | *2,345* | *2,934* |
| *Related parties – companies capable of exerting significant influence* | *909* | *834* | *1,985* | *1,835* |
| *Related parties – companies under common control* | *63* | *64* | *122* | *121* |
| *Related parties – associates* | — | *9* | — | *9* |
| **Sales of alumina and bauxite** | **105** | **144** | **255** | **295** |
| *Third parties* | *68* | *90* | *171* | *183* |
| *Related parties – companies capable of exerting significant influence* | *37* | *54* | *84* | *112* |
| **Sales of foil** | **77** | **79** | **155** | **142** |
| *Third parties* | *75* | *78* | *152* | *139* |
| *Related parties – companies under common control* | *2* | *1* | *3* | *3* |
| **Other revenue including energy and transportation services** | **179** | **201** | **341** | **368** |
| *Third parties* | *135* | *175* | *265* | *329* |
| *Related parties – companies capable of exerting significant influence* | *2* | *7* | *5* | *11* |
| *Related parties – companies under common control* | *9* | *9* | *15* | *16* |
| *Related parties – associates* | *33* | *10* | *56* | *12* |
| | **2,521** | **2,822** | **5,203** | **5,704** |



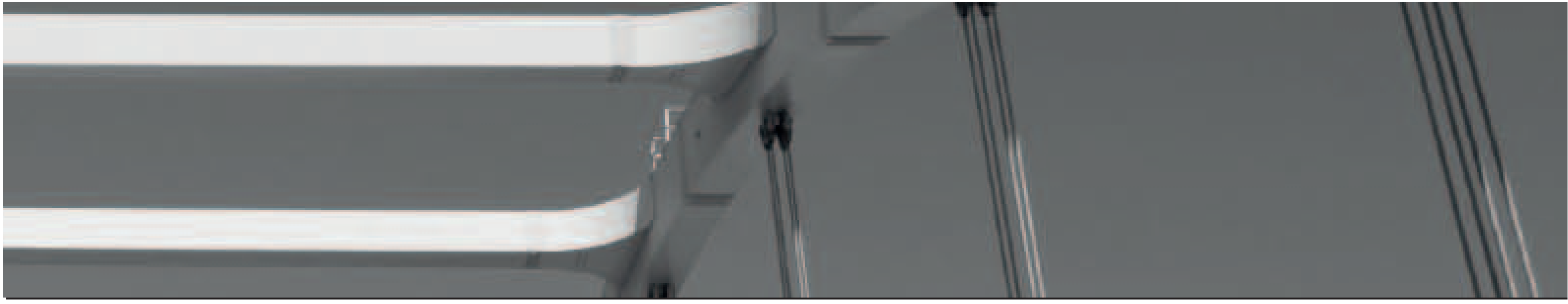


# Notes to the Consolidated Interim Condensed Financial Information

*All financial information as at and for the three- and six-month periods ended 30 June 2013 and for the three- and six-month periods ended 30 June 2012 is unaudited*

## 7 Finance income and expenses

| | Three months ended 30 June | | Six months ended 30 June | |
|---|---|---|---|---|
| | **2013 USD million** | **2012 USD million** | **2013 USD million** | **2012 USD million** |
| **Finance income** | | | | |
| Interest income on third party loans and deposits | 1 | 4 | 3 | 7 |
| Interest income on company loans to related parties – *companies under common control* | 1 | 1 | 2 | 2 |
| Foreign exchange gain | 19 | 83 | 52 | 45 |
| Change in fair value of derivative financial instruments | 1 | — | 6 | — |
| Interest income on provisions | 2 | 2 | 3 | 4 |
| | **24** | **90** | **66** | **58** |
| **Finance expenses** | | | | |
| Interest expense on bank loans wholly repayable within five years and other bank charges | (194) | (168) | (385) | (331) |
| Change in fair value of derivative financial instruments | — | (11) | — | (54) |
| Interest expense on provisions | (15) | (19) | (21) | (21) |
| | **(209)** | **(198)** | **(406)** | **(406)** |





# 8 Income tax

| | Three months ended 30 June | | Six months ended 30 June | |
|---|---|---|---|---|
| | 2013 USD million | 2012 USD million | 2013 USD million | 2012 USD million |
| ***Current tax*** | | | | |
| Current tax for the period | 60 | 64 | 84 | 93 |
| ***Deferred tax*** | | | | |
| Origination and reversal of temporary differences | (9) | 10 | (29) | 2 |
| Actual tax expense | **51** | **74** | **55** | **95** |

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 19% (for the period ended 30 June 2012 – 21%); Guinea of 0%; China of 25%; Kazakhstan of 20%; Australia of 30.0% (for the period ended 30 June 2012 – 31.3%); Jamaica of 33.3%; Ireland of 12.5%; Sweden of 26.3% and Italy of 31.4%. 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 2013 are 9.33% and 14.88% for different subsidiaries (30 June 2012: 9.39% and 15.11%). For the Group's significant trading companies, the applicable tax rate is 0%. The applicable tax rates for the period ended 30 June 2013 were the same as for the period ended 30 June 2012 and the year ended 31 December 2012 except as noted above.

# Notes to the Consolidated Interim Condensed Financial Information

*All financial information as at and for the three- and six-month periods ended 30 June 2013 and for the three- and six-month periods ended 30 June 2012 is unaudited*

## 9 (Loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the (loss)/profit attributable to ordinary equity shareholders for the three and six months ended 30 June 2013 and 30 June 2012.

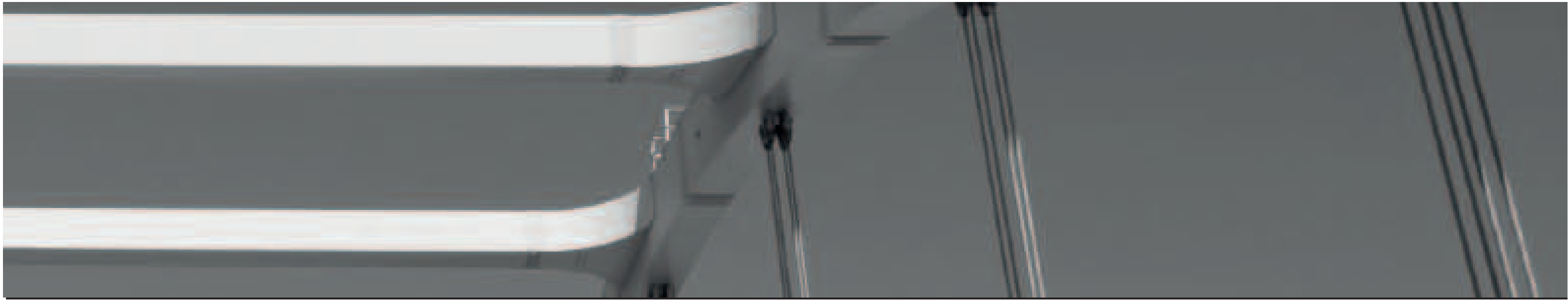
Weighted average number of shares:

| | Three months ended 30 June | |
|---|---|---|
| | 2013 | 2012 |
| Issued ordinary shares at beginning of the period | 15,193,014,862 | 15,193,014,862 |
| Effect of treasury shares | (1,363,354) | (975,137) |
| Weighted average number of shares at end of the period | **15,191,651,508** | **15,192,039,725** |
| **Loss for the period, USD million** | **(458)** | **(55)** |
| **Basic and diluted loss per share, USD** | **(0.0301)** | **(0.004)** |

| | Six months ended 30 June | |
|---|---|---|
| | 2013 | 2012 |
| Issued ordinary shares at beginning of the period | 15,193,014,862 | 15,193,014,862 |
| Effect of treasury shares | (1,100,610) | (487,569) |
| Weighted average number of shares at end of the period | **15,191,914,252** | **15,192,527,293** |
| **(Loss)/profit for the period, USD million** | **(439)** | **1** |
| **Basic and diluted (loss)/earnings per share, USD** | **(0.0289)** | **0.0001** |

There were no outstanding dilutive instruments during the periods ended 30 June 2013 and 30 June 2012.

No dividends were declared and paid during the periods presented.



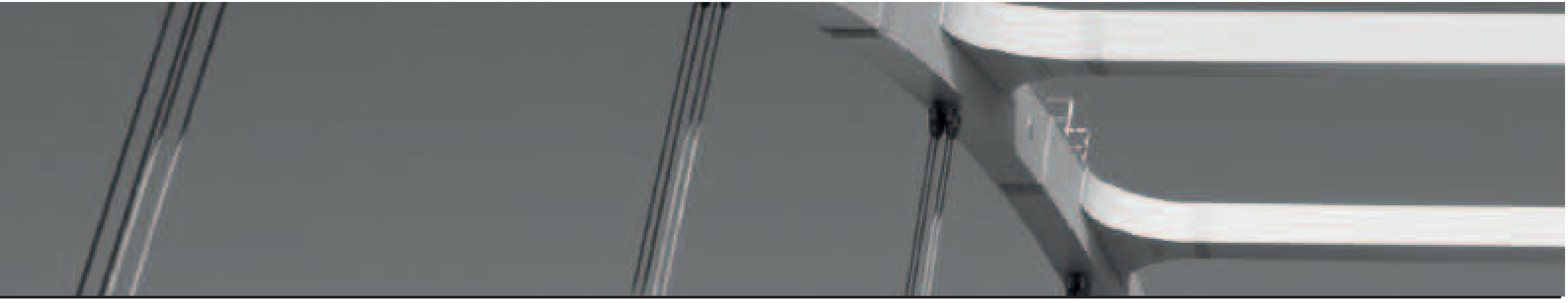


## 10 Restatement of previously issued consolidated interim condensed financial information

### (a) Correction of financial information

The Group has previously issued interim condensed financial information as at and for the three- and six-month periods ended 30 June 2012 dated 24 August 2012. At that date the Group was unable to obtain consolidated IFRS interim financial information of the Group's significant equity investee, OJSC MMC Norilsk Nickel, as at and for three- and six-month periods ended 30 June 2012. Consequently management estimated the Group's share in the profits and comprehensive income of this investee for three- and six-month periods ended 30 June 2012 based on information that was publicly available at that time. On 12 October 2012 OJSC MMC Norilsk Nickel published its unaudited financial information prepared in accordance with IFRS as at and for the six-month period ended 30 June 2012. Management has used this information to reassess the Group's share in the profits and other comprehensive income of the investee and compare these amounts to their previous estimates. As a result of this comparison, management has concluded that the Group's share of profits and other comprehensive income of associates for the three- and six-month periods ended 30 June 2012 as well as the carrying amount of the Group's interests in associates as at 30 June 2012 reported in the Group's interim condensed financial information issued on 24 August 2012 require restatement. The adjustments made to that financial information are detailed in the table below:

| | Three months ended 30 June 2012 | | |
|---|---|---|---|
| | Previously reported USD million | Restatement USD million | Adjusted financial information USD million |
| **Balance at the beginning of the period** | **11,009** | **(20)** | **10,989** |
| Group's share of profits and other gains and losses attributable to associates | 166 | (20) | 146 |
| Dividends | (285) | — | (285) |
| Group's share of other comprehensive income | (137) | (2) | (139) |
| Foreign currency translation | (1,255) | 27 | (1,228) |
| **Balance at the end of the period** | **9,498** | **(15)** | **9,483** |





# Notes to the Consolidated Interim Condensed Financial Information

*All financial information as at and for the three- and six-month periods ended 30 June 2013 and for the three- and six-month periods ended 30 June 2012 is unaudited*

| | Six months ended 30 June 2012 | | |
|---|---|---|---|
| | Previously reported USD million | Restatement USD million | Adjusted financial information USD million |
| **Balance at the beginning of the period** | **9,714** | — | **9,714** |
| Group's share of profits and other gains and losses attributable to associates | 406 | (40) | 366 |
| Dividends | (285) | — | (285) |
| Group's share of other comprehensive income | (143) | (2) | (145) |
| Foreign currency translation | (194) | 27 | (167) |
| **Balance at the end of the period** | **9,498** | **(15)** | **9,483** |

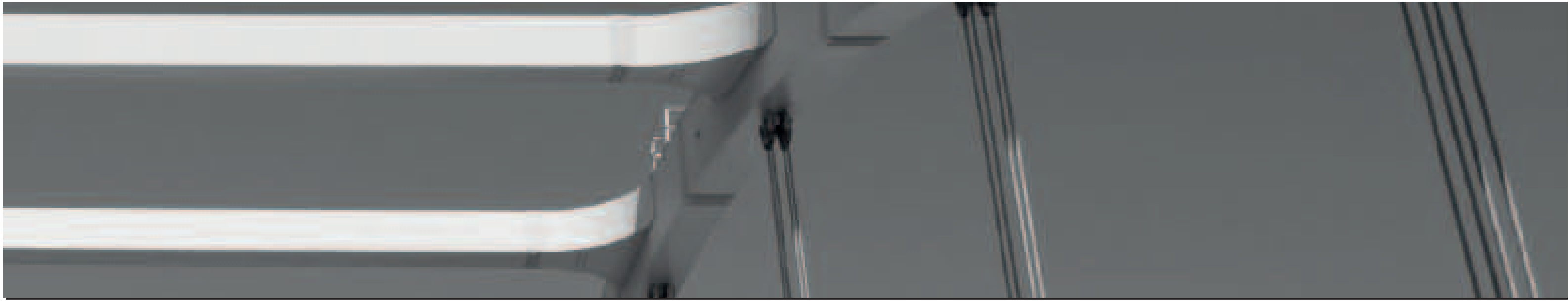
This interim condensed financial information as at and for the three- and six-month periods ended 30 June 2013 incorporates adjustments detailed above in the appropriate interim periods.

## (b) Change in accounting policy

On 10 December 2012 the main shareholders of Norilsk Nickel, UC RUSAL Plc and Interros, concluded a shareholders agreement together with Millhouse (subsequently substituted by Crispian Investments Limited affiliated with Mr. Abramovich) in respect of their respective investments in Norilsk Nickel. In accordance with the shareholders agreement, UC RUSAL agreed to sell 3,873,537 shares of Norilsk Nickel to Millhouse for USD160 per share. As at 31 December 2012, the accounting policy of the Group was to treat investments in associates as a single unit of account. As a consequence, management did not separate the amount of shares expected to be sold to Millhouse ("the holding"), separately test this holding for impairment, represent the holding as non-current assets held-for-sale and then assess whether the holding is measured at the lower of its carrying amount and fair value less costs to sell as at 31 December 2012.

Effective from 1 January 2013, amendments to the revised IAS 28 "Investments in associates and joint ventures" require an entity to reclassify an investment in an associate, or portion of an investment in an associate, as held-for-sale when it meets the criteria specified in IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". As previously the Group's investments in associates were treated as a single unit of account, the amendment to IAS 28 has resulted in a change in accounting policy.

Management has reassessed the circumstances as at 31 December 2012 applying the amendments to the revised IAS 28 and concluded that the holding that is expected to be sold to Millhouse does meet the criteria in IFRS 5 and should be classified as non-current assets held-for-sale. The comparative information as at 31 December 2012 in this interim condensed financial information has been restated to reflect these adjustments which are detailed in the table below:





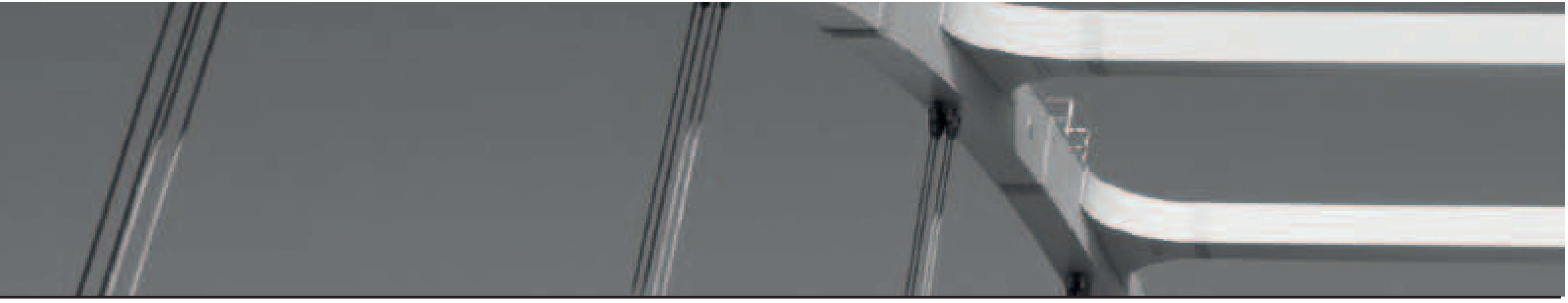
| | 31 December 2012 | | |
|---|---|---|---|
| | Previously reported USD million | Restatement USD million | Adjusted financial information USD million |
| Interest in associates | 10,484 | (811) | 9,673 |
| Assets reclassified as held for sale | — | 620 | 620 |
| Accumulated losses | (4,096) | (191) | (4,287) |

The reclassified portion of the investment in Norilsk Nickel of USD811 million was written down to its recoverable amount of USD620 million prior to reclassification to held-for-sale resulting in an impairment loss of USD191 million being recognised in the Group's statement of income for the year ended 31 December 2012. Management's assessment is that the adjusted carrying amount is not greater than its fair value less cost to sell and no further adjustment is required.

## 11 Non-current assets classified as held-for-sale

On 24 April 2013 the Group completed its disposal of 3,873,537 shares in Norilsk Nickel to Crispian Investments Limited for USD620 million which was settled in cash.

On the date of disposal the Group recycled USD230 million of accumulated foreign currency translation losses and USD4 million of other losses relating to shares sold from other comprehensive income recognized in equity to the statement of income. The accumulated foreign currency translation losses of USD230 million and USD4 million of other losses were accumulated while the shares were recognized as part of the Group's investment in an associate.





# Notes to the Consolidated Interim Condensed Financial Information

*All financial information as at and for the three- and six-month periods ended 30 June 2013 and for the three- and six-month periods ended 30 June 2012 is unaudited*

## 12 Interests in associates

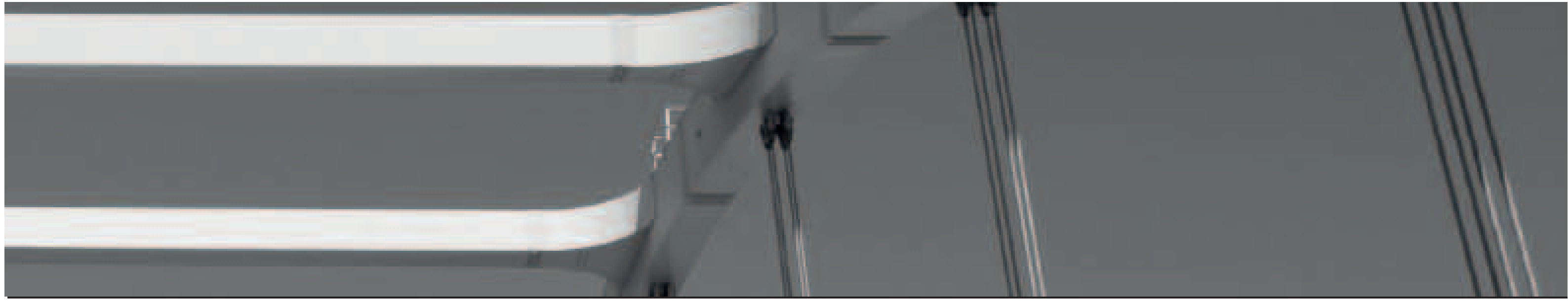
| | Three months ended 30 June | |
|---|---|---|
| | 2013<br>USD million | 2012<br>(restated)<br>USD million |
| **Balance at the beginning of the period** | **9,553** | **10,989** |
| Group's share of profits | 3 | 146 |
| Dividends | (550) | (285) |
| Group's share of other comprehensive income | (17) | (139) |
| Foreign currency translation | (460) | (1,228) |
| **Balance at the end of the period** | **8,529** | **9,483** |
| Goodwill included in interests in associates | 4,811 | 5,220 |

| | Six months ended 30 June | |
|---|---|---|
| | 2013<br>USD million | 2012<br>(restated)<br>USD million |
| **Balance at the beginning of the period** | **9,673** | **9,714** |
| Group's share of profits | 92 | 366 |
| Dividends declared | (550) | (285) |
| Group's share of other comprehensive income | (27) | (145) |
| Foreign currency translation | (659) | (167) |
| **Balance at the end of the period** | **8,529** | **9,483** |
| Goodwill included in interests in associates | 4,811 | 5,220 |

### 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 Norilsk Nickel as at and for three- and six-month periods ended 30 June 2013. Consequently the Group estimated its share in the profits and other comprehensive income of Norilsk Nickel for the period ended 30 June 2013 based on publicly available information reported by Norilsk Nickel. The information used as a basis for these estimates is incomplete in many aspects. Once the consolidated interim financial information for Norilsk Nickel becomes available, it is compared to management's estimates. If there are significant differences, adjustments may be required to restate the Group's share in profit, other comprehensive income and the carrying value of the investment in Norilsk Nickel which has been previously reported.

The market value of the investment in Norilsk Nickel at 30 June 2013 is USD6,355 million (31 December 2012: USD8,143 excluding shares classified as held-for-sale). The 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.

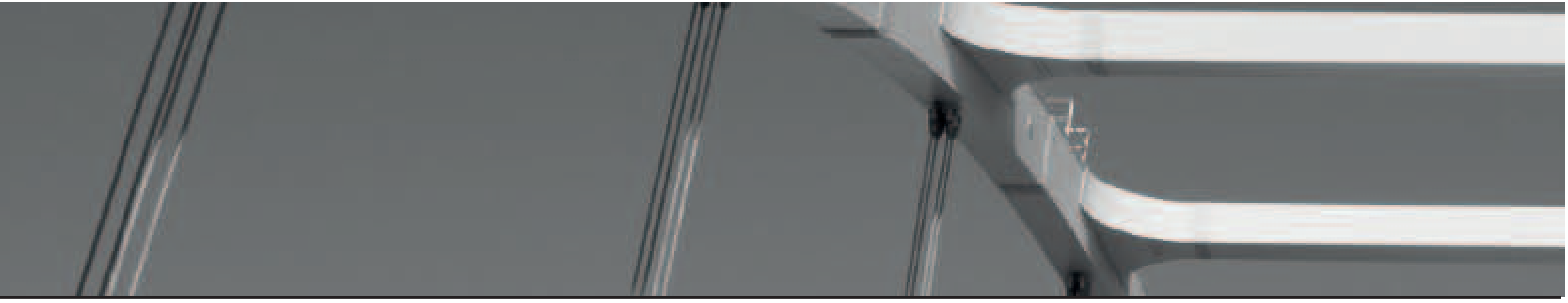




## 13 Interests in jointly controlled entities

| | Three months ended 30 June | |
|---|---|---|
| | 2013<br>USD million | 2012<br>USD million |
| **Balance at the beginning of the period** | **1,147** | **1,216** |
| Contributions to jointly controlled entities | — | 4 |
| Acquired during the period | — | 16 |
| Group's share of profits/(losses) | 6 | (3) |
| Dividends | (20) | (40) |
| Foreign currency translation | (36) | (114) |
| **Balance at the end of the period** | **1,097** | **1,079** |

| | Six months ended 30 June | |
|---|---|---|
| | 2013<br>USD million | 2012<br>USD million |
| **Balance at the beginning of the period** | **1,156** | **1,102** |
| Contributions to jointly controlled entities | — | 4 |
| Acquired during the period | — | 16 |
| Group's share of profits | 31 | 20 |
| Dividends | (37) | (45) |
| Foreign currency translation | (53) | (18) |
| **Balance at the end of the period** | **1,097** | **1,079** |



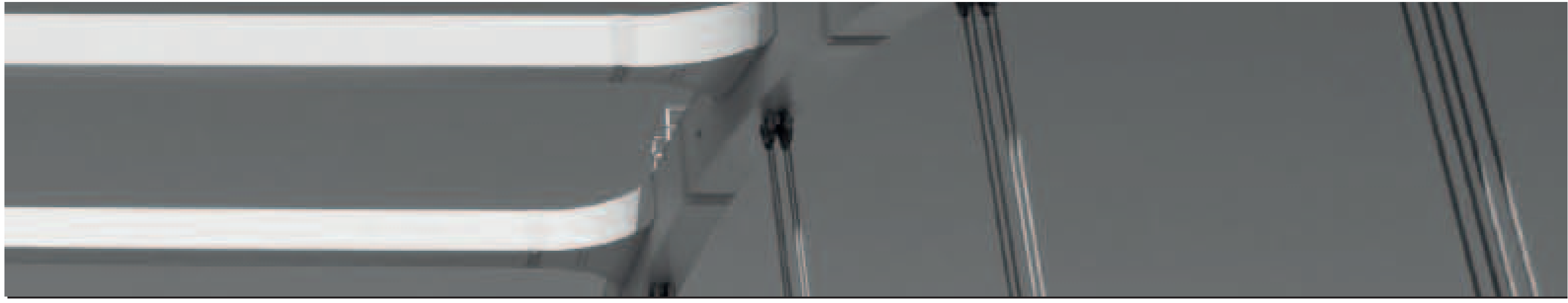


# Notes to the Consolidated Interim Condensed Financial Information

*All financial information as at and for the three- and six-month periods ended 30 June 2013 and for the three- and six-month periods ended 30 June 2012 is unaudited*

## 14 Trade and other receivables

| | 30 June 2013 USD million | 31 December 2012 USD million |
|---|---|---|
| Trade receivables from third parties | 205 | 203 |
| Impairment loss on trade receivables | (37) | (34) |
| **Net trade receivables from third parties** | **168** | **169** |
| **Trade receivables from related parties, including:** | **31** | **28** |
| *Companies capable of exerting significant influence* | *30* | *29* |
| *Impairment loss* | *(8)* | *(8)* |
| *Net trade receivables from companies capable of exerting significant influence* | *22* | *21* |
| *Companies under common control* | *6* | *4* |
| *Associates* | *3* | *3* |
| VAT recoverable | 350 | 449 |
| Impairment loss on VAT recoverable | (33) | (60) |
| **Net VAT recoverable** | **317** | **389** |
| Advances paid to third parties | 82 | 107 |
| Impairment loss on advances paid | (12) | (3) |
| **Net advances paid to third parties** | **70** | **104** |
| **Advances paid to related parties, including:** | **73** | **79** |
| *Related parties – companies capable of exerting significant influence* | — | *1* |
| *Related parties – companies under common control* | *1* | *2* |
| *Related parties – associates* | *72* | *76* |
| **Prepaid expenses** | **15** | **20** |
| **Prepaid income tax** | **6** | **20** |
| **Prepaid other taxes** | **11** | **20** |
| Other receivables from third parties | 97 | 98 |
| Impairment loss on other receivables | (27) | (26) |
| **Net other receivables from third parties** | **70** | **72** |
| **Other receivables from related parties, including:** | **35** | **24** |
| *Related parties - companies under common control* | *8* | *12* |
| *Related parties - associates* | *27* | *12* |
| | **796** | **925** |





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.

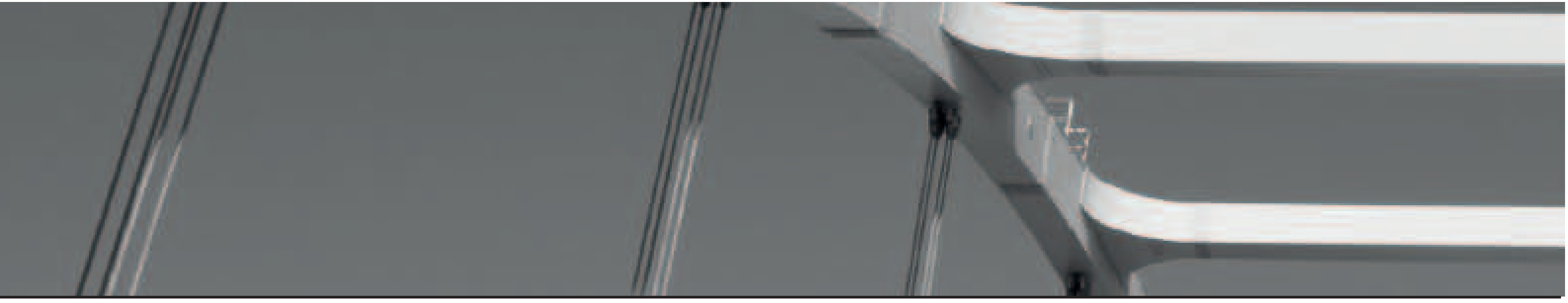
## (a) Ageing analysis

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 2013 USD million | 31 December 2012 USD million |
|---|---|---|
| Current | 157 | 161 |
| Past due 0-90 days | 27 | 23 |
| Past due 91-365 days | 12 | 10 |
| Past due over 365 days | 3 | 3 |
| Amounts past due | 42 | 36 |
| | **199** | **197** |

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

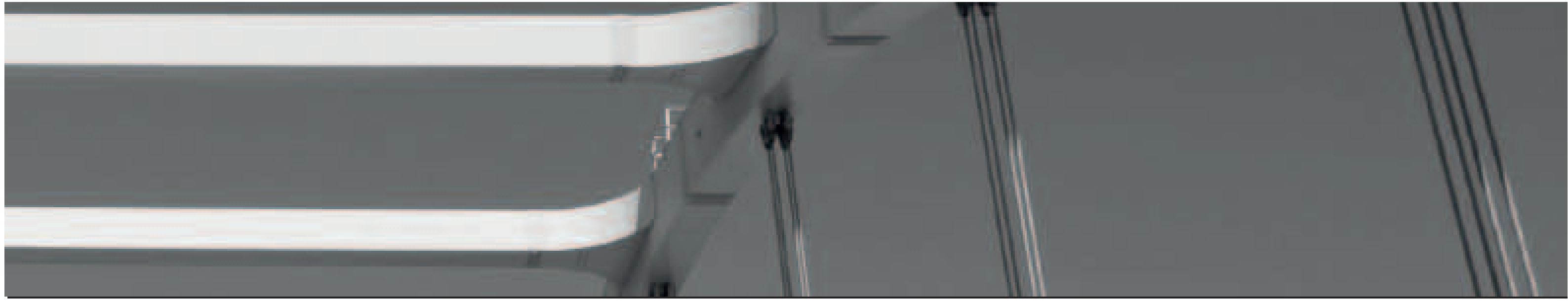
Impairment losses in respect of trade receivables are recognised unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly. The movement in the allowance for doubtful debts during the periods, including both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

| | Three months ended 30 June 2013 | Three months ended 30 June 2012 |
|---|---|---|
| | USD million | USD million |
| Balance at the beginning of the period | (50) | (49) |
| Reversal of impairment | 5 | 1 |
| Uncollectible amount written off | — | 2 |
| Balance at the end of the period | **(45)** | **(46)** |

| | Six months ended 30 June | Six months ended 30 June |
|---|---|---|
| | 2013<br>USD million | 2012<br>USD million |
| Balance at the beginning of the period | (42) | (49) |
| (Impairment loss)/reversal of impairment | (3) | 1 |
| Uncollectible amount written off | — | 2 |
| Balance at the end of the period | **(45)** | **(46)** |

As at 30 June 2013 and 31 December 2012, the Group's trade receivables of USD45 million and USD42 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.





# 15 Equity

## (a) Share capital

| | Six months ended 30 June 2013 | | Six months ended 30 June 2012 | |
|---|---|---|---|---|
| | 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 | 151,930,148 | 15,193,014,862 |
| **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 2012.

## (b) Share-based compensation

As at 30 June 2013 and 31 December 2012 the Group held 2,225,947 and 834,947 of its own shares, respectively, which were acquired on the open market under the LTIP ("Shares held for vesting"). During the six months ended 30 June 2013 the trustee acquired on the open market 1,391,000 shares (2012: 3,059,914 shares were acquired and 2,224,967 vested). For the six month periods ended 30 June 2013 and 30 June 2012, the Group recognized an additional employee expense of USD1 million and USD2 million in relation to the LTIP, respectively, with a corresponding increase in equity.

## (c) Other reserves

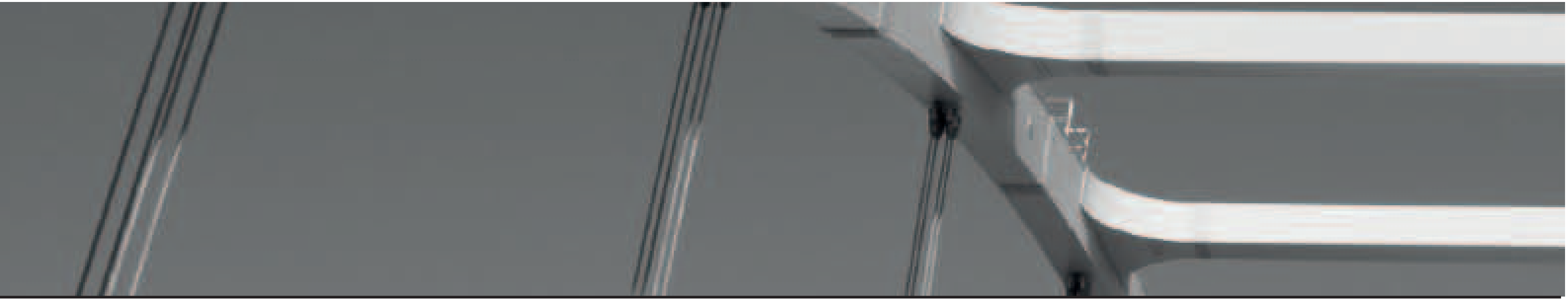
Other reserves include the cumulative unrealised actuarial gains and losses on the Group's defined post retirement benefit plans, change in fair value of cash flow hedges and cumulative unrealised gains and losses on its available-for-sale investments which have been recognised directly in equity.

## (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 credit facility 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.





# Notes to the Consolidated Interim Condensed Financial Information

*All financial information as at and for the three- and six-month periods ended 30 June 2013 and for the three- and six-month periods ended 30 June 2012 is unaudited*

## 16 Loans and borrowings

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

| | 30 June 2013 USD million | 31 December 2012 USD million |
|---|---|---|
| ***Non-current liabilities*** | | |
| Secured bank loans | 8,609 | 8,907 |
| Unsecured bank loans | — | 508 |
| | **8,609** | **9,415** |
| ***Current liabilities*** | | |
| Secured bank loans | 868 | 769 |
| Unsecured bank loans | — | 127 |
| Accrued interest | 53 | 35 |
| | **921** | **931** |

The Group's bank loans are secured by pledges of shares of the Group's subsidiaries and by pledges of shares of associate, the details of which are disclosed in the Group's consolidated financial statements as of and for the year ended 31 December 2012.

During the six months period ended 30 June 2013 an additional 25% + 1 share of Rusal Bratsk, 25% + 1 share of Rusal Krasnoyarsk and 15% shares of Rusal Novokuznetsk were pledged as collateral under the loan agreement with Gazprombank and the USD400 million multicurrency credit facility. 100% shares of Gershvin Investment Corp Limited, 100% shares of Seledar Holding Corp Limited and 100% shares of Aktivium Holding B.V. were pledged under the loan agreements with Sberbank.

The secured bank loans are also secured by the following:

– property, plant and equipment with a carrying amount of USD301 million (31 December 2012: USD327 million);

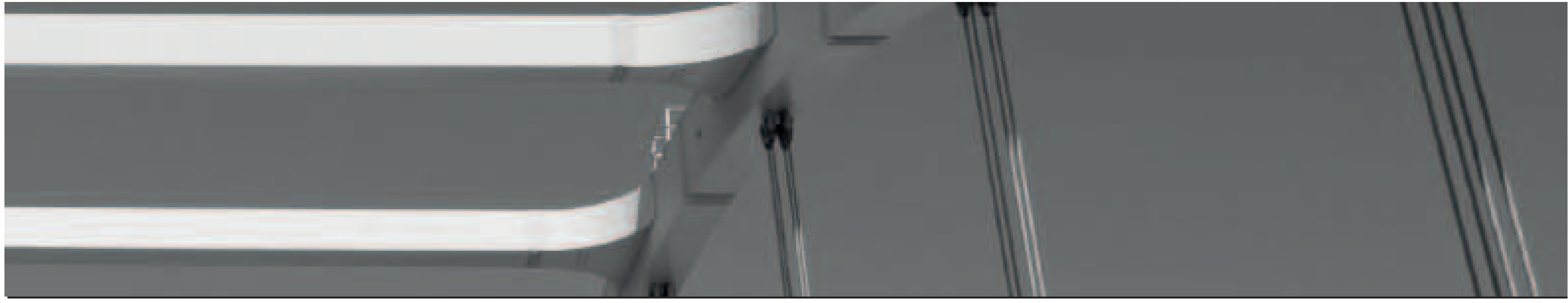
– inventory with carrying value of USD18 million. No inventories were pledged at 31 December 2012.

As at 30 June 2013 and 31 December 2012 rights, including all monies and claims arising out of certain sales contracts between the Group's trading subsidiaries and its ultimate customers, were assigned to secure the USD4.75 billion syndicated facility and the USD400 million multicurrency credit facility.

The nominal value of the Group's loans and borrowings was USD9,653 million at 30 June 2013 (31 December 2012: USD10,522 million).

In January 2013 the Group obtained a USD400 million multicurrency credit facility for a term of 5 years, and in February 2013 drew down USD328 million of the facility. The drawn down funds together with USD78 million of the Group's own funds were used for early repayment of principal amounts originally scheduled for the third and fourth quarters of 2013 under the USD4.75 billion syndicated facility.

In February 2013 the Group made a principal repayment of RUB2 billion (USD67 million) against its VTB loan utilising its own funds.





On 25 April 2013 the net proceeds received by the Company from the sale of shares in Norilsk Nickel to Crispian Investments Limited in the amount of USD620 million were applied towards the repayment of debt owing to Sberbank (in accordance with the mandatory prepayment provisions in the financing agreement).

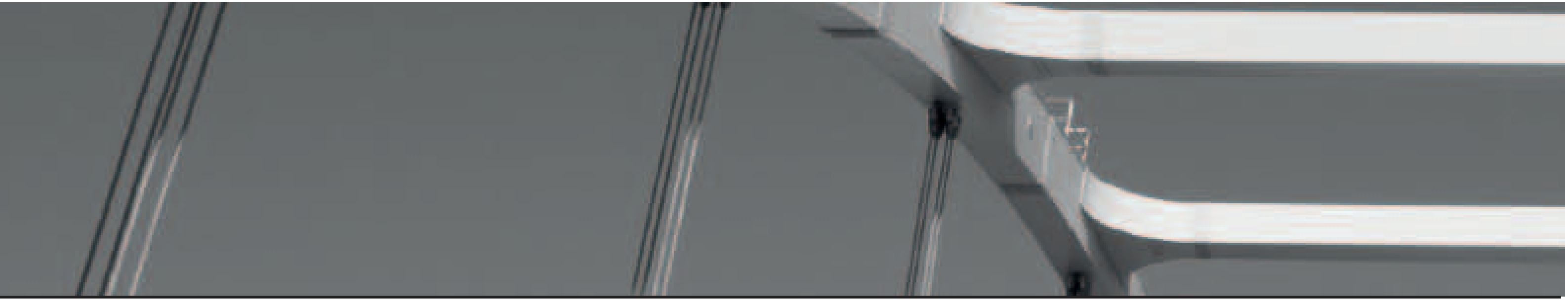
On 28 June 2013 the first quarterly repayments under Gazprombank loans were made in the amount of USD30 million and EUR9 million.

On 28 June 2013 the Group drew down funds under the Raiffeisen Bank International AG uncommitted revolving trade finance line in the amount of USD5 million and EUR7 million. The funds were used for general operating activities of the Group.

## 17 Bonds

Details of the two tranches of ruble denominated bonds and related cross-currency swaps are disclosed in the Group's consolidated financial statements as of and for the year ended 31 December 2012.

The closing market price at 30 June 2013 was RUB963 and RUB905 per bond for the first and second tranches respectively.



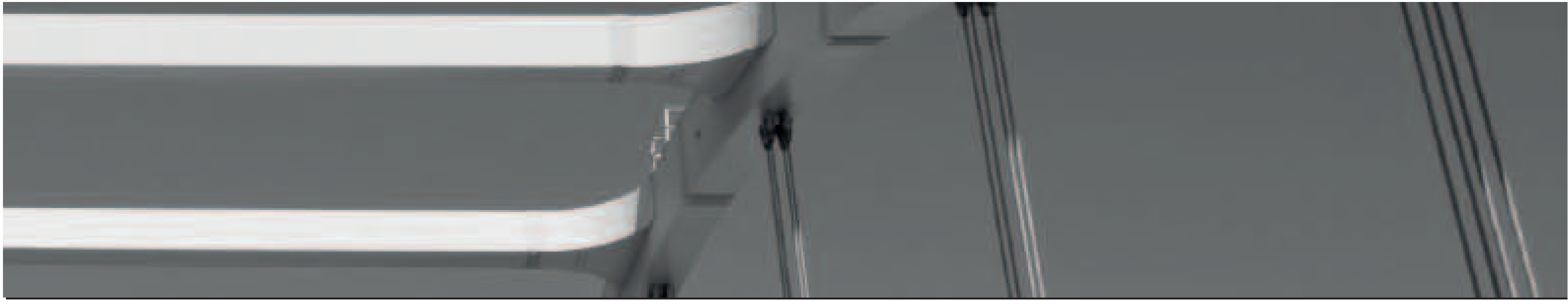


# Notes to the Consolidated Interim Condensed Financial Information

*All financial information as at and for the three- and six-month periods ended 30 June 2013 and for the three- and six-month periods ended 30 June 2012 is unaudited*

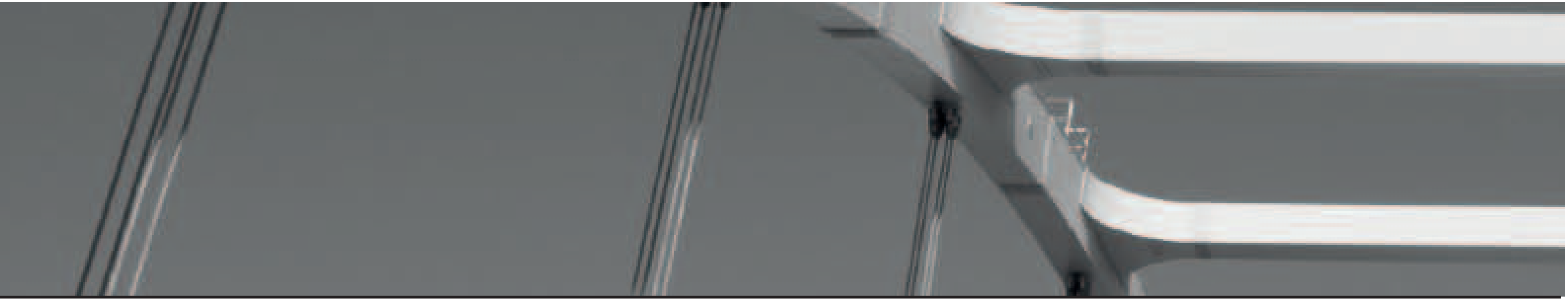
## 18 Provisions

| | 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 2013** | **148** | **495** | **23** | **3** | **669** |
| Provisions made during the period | 16 | 10 | 11 | — | 37 |
| Provisions reversed during the period | — | (16) | (10) | — | (26) |
| Actuarial loss | 11 | — | — | — | 11 |
| Provisions utilised during the period | (4) | (3) | — | — | (7) |
| Foreign currency translation | (7) | (5) | — | — | (12) |
| **Balance at 30 June 2013** | **164** | **481** | **24** | **3** | **672** |
| ***Non-current*** | *149* | *473* | — | — | *622* |
| ***Current*** | *15* | *8* | *24* | *3* | *50* |
| **Balance at 31 March 2012** | **113** | **465** | **36** | **47** | **661** |
| Provisions made during the period | 3 | 13 | — | — | 16 |
| Provisions reversed during the period | — | — | (3) | — | (3) |
| Actuarial loss | 22 | — | — | — | 22 |
| Provisions utilised during the period | (4) | — | — | — | (4) |
| Foreign currency translation | (11) | (30) | — | — | (41) |
| **Balance at 30 June 2012** | **123** | **448** | **33** | **47** | **651** |
| ***Non-current*** | *107* | *444* | — | — | *551* |
| ***Current*** | *16* | *4* | *33* | *47* | *100* |





| | 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 2013** | **151** | **494** | **23** | **13** | **681** |
| Provisions made during the period | 20 | 21 | 11 | — | 52 |
| Provisions reversed during the period | — | (16) | (10) | — | (26) |
| Actuarial loss | 11 | — | — | — | 11 |
| Provisions utilised during the period | (8) | (3) | — | (10) | (21) |
| Foreign currency translation | (10) | (15) | — | — | (25) |
| **Balance at 30 June 2013** | **164** | **481** | **24** | **3** | **672** |
| ***Non-current*** | *149* | *473* | — | — | *622* |
| ***Current*** | *15* | *8* | *24* | *3* | *50* |
| **Balance at 1 January 2012** | **105** | **401** | **36** | **47** | **589** |
| Provisions made during the period | 8 | 57 | — | — | 65 |
| Provisions reversed during the period | — | (2) | (3) | — | (5) |
| Actuarial loss | 22 | — | — | — | 22 |
| Provisions utilised during the period | (8) | — | — | — | (8) |
| Foreign currency translation | (4) | (8) | — | — | (12) |
| **Balance at 30 June 2012** | **123** | **448** | **33** | **47** | **651** |
| ***Non-current*** | *107* | *444* | — | — | *551* |
| ***Current*** | *16* | *4* | *33* | *47* | *100* |





# Notes to the Consolidated Interim Condensed Financial Information

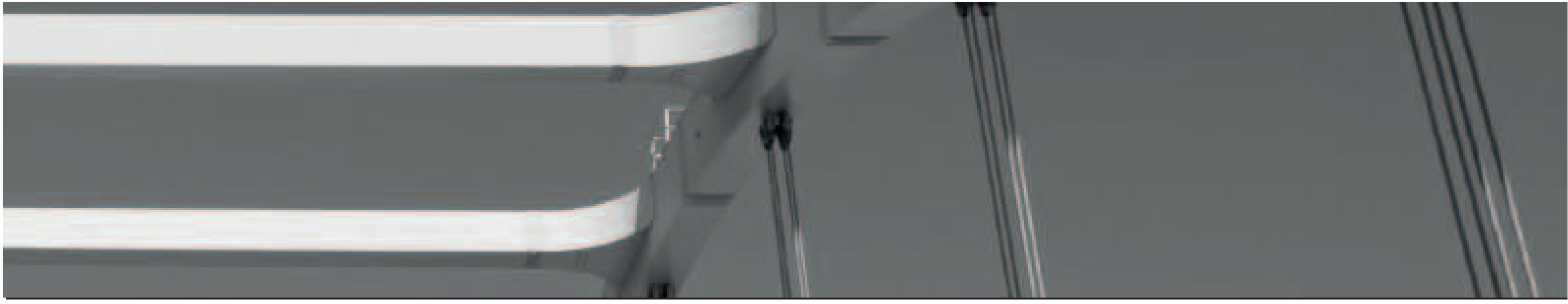
*All financial information as at and for the three- and six-month periods ended 30 June 2013 and for the three- and six-month periods ended 30 June 2012 is unaudited*

## 19 Derivative financial assets and liabilities

| | 30 June 2013 USD million | | 31 December 2012 USD million | |
|---|---|---|---|---|
| | **Derivative assets** | **Derivative liabilities** | **Derivative assets** | **Derivative liabilities** |
| Cross-currency swaps | — | 209 | — | 103 |
| Petroleum coke supply contracts and other raw materials | 32 | 21 | 15 | 40 |
| Interest rate swaps | — | 50 | — | 76 |
| Aluminium forward contracts for aluminium and other instruments | 1 | 5 | — | — |
| Electricity contracts | — | 2 | — | 7 |
| **Total** | **33** | **287** | **15** | **226** |

Derivative financial instruments are recorded at their fair value at each reporting date. Fair value is estimated in accordance with Level 3 of the fair value hierarchy based on management estimates and consensus economic forecasts of relevant future prices, net of valuation allowances to accommodate liquidity, modelling and other risks implicit in such estimates. The following significant assumptions were used in estimating derivative instruments:

| | **2013** | **2014** | **2015** | **2016** |
|---|---|---|---|---|
| LME Al Cash, USD per tonne | 1,779 | 1,859 | 1,931 | 2,020 |
| Platt's FOB Brent, USD per barrel | 101 | 98 | 95 | 92 |
| Forward exchange rate, RUB to USD | 33.43 | 34.84 | 36.76 | 38.54 |
| Forward 1Y LIBOR, % | 0.81 | 0.89 | 1.34 | 1.99 |

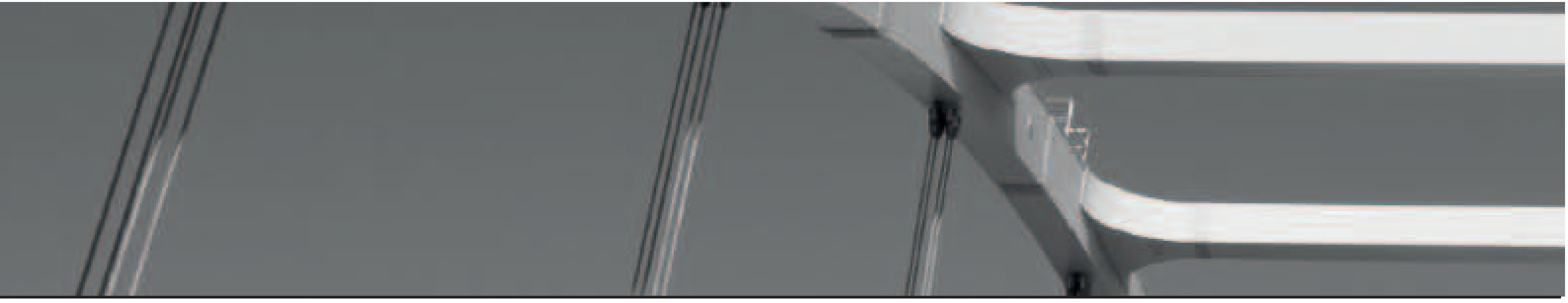




The movement in the balance of Level 3 fair value measurements of derivatives is as follows:

| | Three months ended 30 June | |
|---|---|---|
| | **2013 USD million** | **2012 USD million** |
| Balance at the beginning of the period | (225) | (78) |
| Unrealised changes in fair value recognised in other comprehensive income during the period | (47) | (239) |
| Unrealised changes in fair value recognised in statement of income (finance income/(expense)) during the period | 1 | (11) |
| Realised portion of electricity, coke and raw material contracts | 17 | 58 |
| Balance at the end of the period | **(254)** | **(270)** |

| | Six months ended 30 June | |
|---|---|---|
| | **2013 USD million** | **2012 USD million** |
| Balance at the beginning of the period | (211) | (164) |
| Unrealised changes in fair value recognised in other comprehensive income during the period | (79) | (117) |
| Unrealised changes in fair value recognised in statement of income (finance income/(expense)) during the period | 6 | (54) |
| Realised portion of electricity, coke and raw material contracts | 30 | 65 |
| Balance at the end of the period | **(254)** | **(270)** |





# Notes to the Consolidated Interim Condensed Financial Information

*All financial information as at and for the three- and six-month periods ended 30 June 2013 and for the three- and six-month periods ended 30 June 2012 is unaudited*

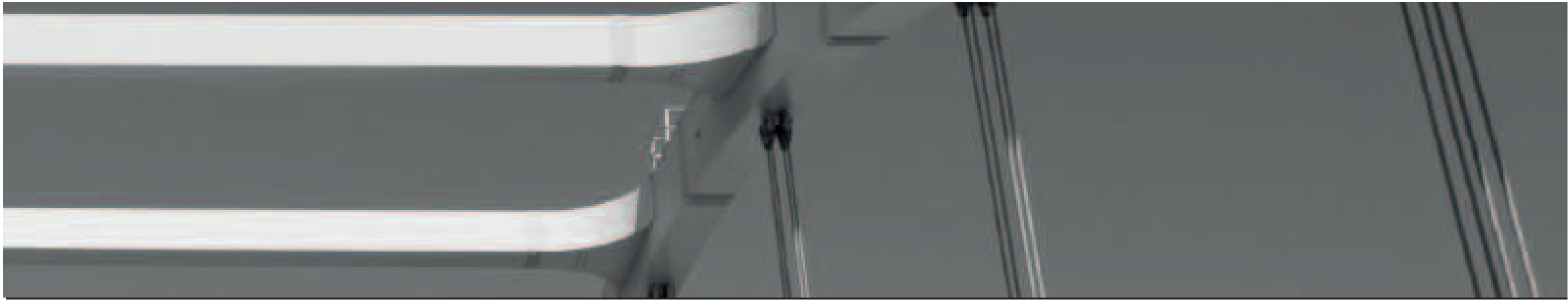
## 20 Trade and other payables

| | 30 June 2013 USD million | 31 December 2012 USD million |
|---|---|---|
| Accounts payable to third parties | 553 | 640 |
| Accounts payable to related parties, including: | 68 | 153 |
| *Companies capable of exerting significant influence* | *38* | *73* |
| *Companies under common control* | *29* | *80* |
| *Associates* | *1* | — |
| Advances received from third parties | 280 | 226 |
| Advances received from related parties, including: | 183 | 278 |
| *Companies capable of exerting significant influence* | *170* | *255* |
| *Companies under common control* | *3* | *5* |
| *Associates* | *10* | *18* |
| Other payables and accrued liabilities third parties | 175 | 218 |
| Other payable and accrued liabilities related parties, including: | 6 | 6 |
| *Associates* | *6* | *6* |
| Other taxes payable | 121 | 133 |
| Non-trade payables to third parties | 8 | 2 |
| | 1,394 | 1,656 |

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 2013 USD million | 31 December 2012 USD million |
|---|---|---|
| Due within twelve months or on demand | 621 | 793 |





## 21 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 USD1,981 million by the end of 2015 (31 December 2012: USD2,121 million). As at 30 June 2013, the outstanding commitment of the Group for construction of the aluminium plant was approximately USD351 million to be invested by the end of 2015 (31 December 2012: USD510 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 2013 and 31 December 2012 approximated USD324 million and USD371 million, respectively. These commitments are due over a number of years.

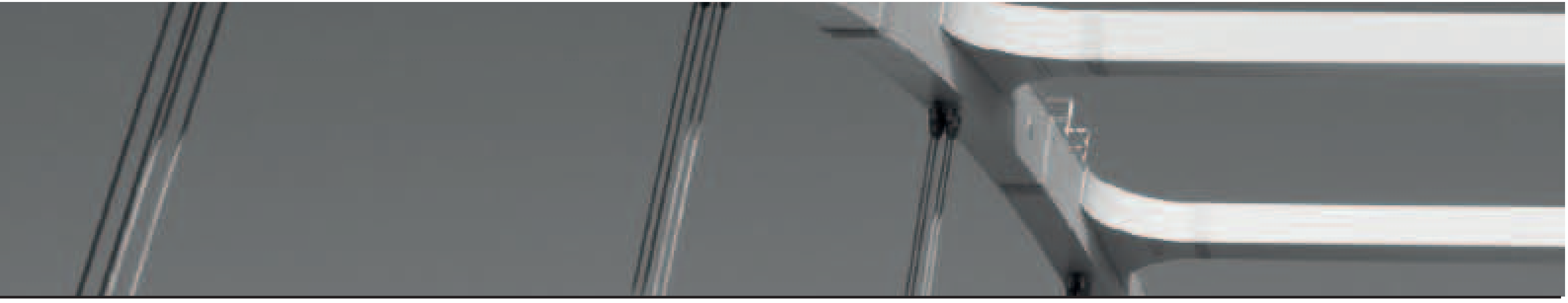
### (b) Taxation

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 2013 is USD377 million (31 December 2012: USD409 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.





# Notes to the Consolidated Interim Condensed Financial Information

*All financial information as at and for the three- and six-month periods ended 30 June 2013 and for the three- and six-month periods ended 30 June 2012 is unaudited*

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.

New transfer pricing legislation enacted in the Russian Federation starting from 1 January 2012 provides for major modifications making local transfer pricing rules closer to OECD guidelines, but creating additional uncertainty in practical application of tax legislation in certain circumstances.

The new transfer pricing rules introduce an obligation for the taxpayers to prepare transfer pricing documentation with respect to controlled transactions and prescribe new basis and mechanisms for accruing additional taxes and interest in case prices in the controlled transactions differ from the market level. The new transfer pricing rules eliminated the 20-percent price safe harbour that existed under the previous transfer pricing rules applicable to transactions on or prior to 31 December 2011.

The new transfer pricing rules primarily apply to cross-border transactions between related parties, as well as to certain cross-border transactions between independent parties, as determined under the Russian Tax Code. In addition, the rules apply to in-country transactions between related parties if the accumulated annual volume of the transactions between the same parties exceeds a particular threshold (RUB3 billion in 2012, RUB2 billion in 2013, and RUB1 billion in 2014 and thereon).

Since there is no practice of applying the new transfer pricing rules by the tax authorities and courts, it is difficult to predict the effect, if any, of the new transfer pricing rules on these consolidated financial information.

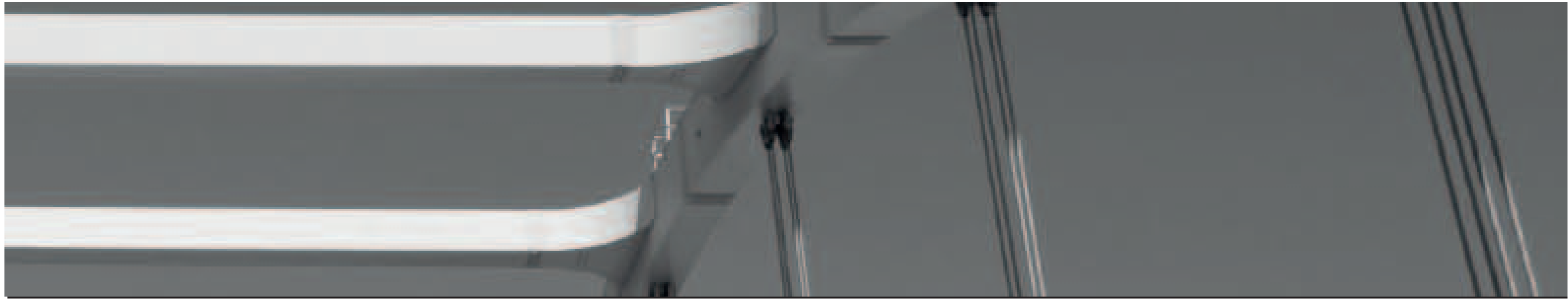
The Company believes it is compliant with the new rules as it has historically applied the OECD -based transfer pricing principles. Estimating additional tax which may become payable is inherently imprecise. It is, therefore, possible that the amount ultimately payable may exceed the Group's best estimate 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 capital projects to improve its future environmental performance and to bring it into full compliance with current legislation.

## (d) Legal contingencies

The Group's business activities expose it to a variety of lawsuits and claims which are monitored, assessed and contested on an ongoing basis. Where management believes that a lawsuit or another claim would result in the outflow of 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 18). As at 30 June 2013 the amount of claims, where management assesses outflow as possible approximates USD205



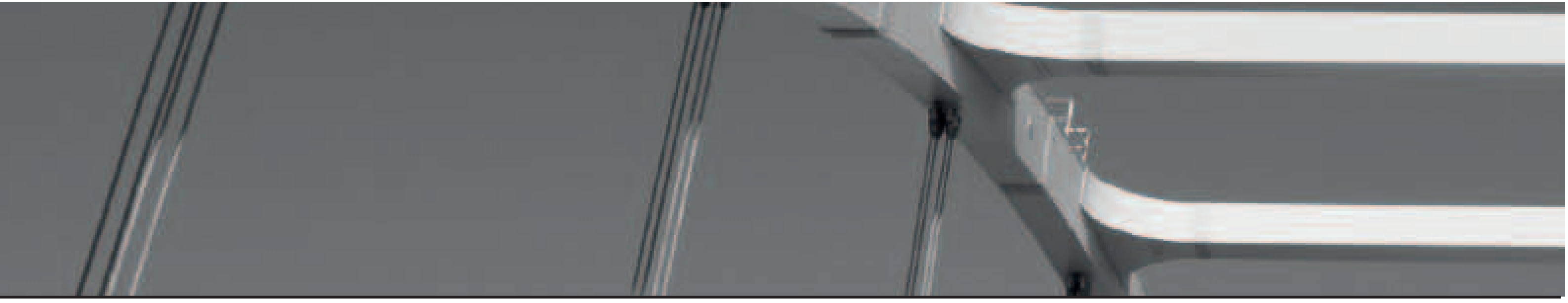


million (31 December 2012: USD213 million).

In May 2009, the Republic of Guinea filed a claim in Guinea against one of the Group's subsidiaries of USD1,000 million contesting the terms of privatisation of the Group's subsidiary in Guinea. The subsidiary appealed that decision and received a decision from the Appeal Court of Conakry overruling the previous court's decision regarding the jurisdiction of the local court to consider this claim in Guinea. In June 2011 the relevant Group subsidiary filed a request for arbitration with the International Chamber of Commerce in Paris against the Republic of Guinea for, among other things, a declaration that the privatization is valid. In May 2012 the Republic of Guinea filed an answer and counterclaim that the privatisation is invalid. Thereafter, the Republic of Guinea withdrew its counterclaim, and merely denies that the relevant Group subsidiary is entitled to the relief it seeks. The final hearing in the case is scheduled for September 2013. On the basis that the counterclaim has been withdrawn management believes the risk of a significant cash outflow in connection with the case is remote.

On 4 April and 23 July 2012, the Company received separate requests for arbitration made to the London Court of International Arbitration ("LCIA"), pursuant to the LCIA arbitration rules, for the commencement of arbitration by SUAL Partners against Glencore International AG, En+, the Company and Mr. Oleg Deripaska. The two arbitrations were subsequently joined in one arbitration proceeding. The dispute relates to certain shareholder arrangements between the parties in respect of the Company. SUAL Partners alleges, inter alia, that certain contracts between the Company and Glencore International AG and a contract between the Company and a company indirectly controlled by En+ were, or will be, in breach of those shareholder arrangements. SUAL Partners seek injunctive relief preventing the Group from performing the contracts, annulment of the contracts, an account of profits from, and damages against the defendants. Management do not expect that the arbitration will have a material adverse effect on the Group's financial position or its operation as a whole.

In January 2013, the Company received a writ of summons and statement of claim filed in the High Court of Justice of the Federal Capital Territory of Nigeria (Abuja) by plaintiff BFIG Group Divino Corporation ("BFIG") against certain subsidiaries of the Company. It is a claim for damages arising out of the defendants' alleged tortious interference in the bid process for the sale of the Nigerian government's majority stake in the Aluminium Smelter Company of Nigeria ("ALSCON") and alleged loss of BFIG's earnings resulting from its failed bid for the said stake in ALSCON. BFIG seeks compensatory damages in the amount of USD2.8 billion. The Company does not expect the case to have any material adverse effect on the Group's financial position or its operation as a whole.





# Notes to the Consolidated Interim Condensed Financial Information

*All financial information as at and for the three- and six-month periods ended 30 June 2013 and for the three- and six-month periods ended 30 June 2012 is unaudited*

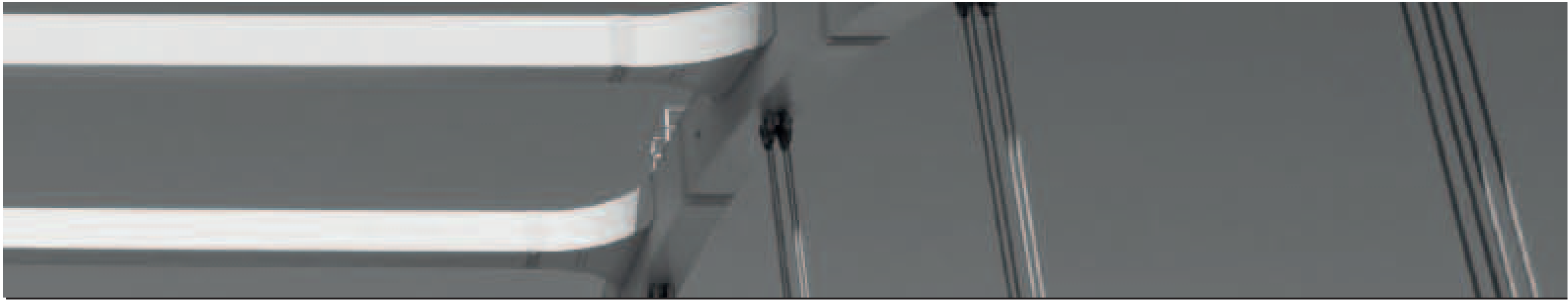
## 22 Related party transactions

### (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 | |
|---|---|---|---|---|
| | 2013 USD million | 2012 USD million | 2013 USD million | 2012 USD million |
| Salaries and bonuses | 18 | 27 | 30 | 49 |
| Share-based compensation | — | — | 1 | 2 |
| | **18** | **27** | **31** | **51** |





## (b) Transactions with other related parties

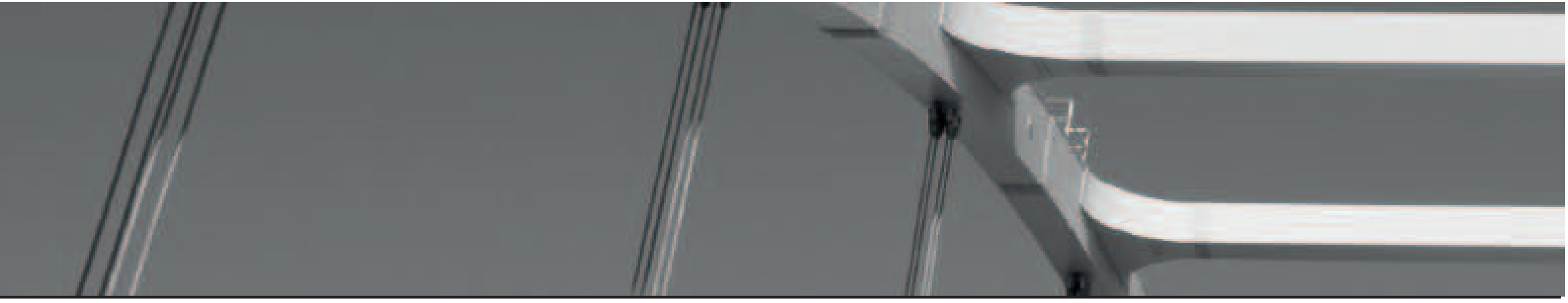
The Group transacts with other related parties, the majority of which are entities under common control with the Group or under the control of SUAL Partners or its controlling shareholders or Glencore or entities under its control or Onexim or its controlling shareholders.

Sales to related parties for the period are disclosed in note 6, finance income and expenses incurred in transactions with related parties are disclosed in note 7, trade receivables from related parties are disclosed in note 14, accounts payable to related parties are disclosed in note 20, commitments with related parties are disclosed in note 21.

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

| | Three months ended 30 June | | Six months ended 30 June | |
|---|---|---|---|---|
| | **2013 USD million** | **2012 USD million** | **2013 USD million** | **2012 USD million** |
| Purchases of alumina, bauxite and other raw materials – companies under common control | 25 | 76 | 52 | 144 |
| Purchases of alumina, bauxite and other raw materials – companies capable of exerting significant influence | 93 | 74 | 173 | 144 |
| Purchases of alumina, bauxite and other raw materials – associates | — | 7 | — | 8 |
| Energy costs – companies under common control | 168 | 167 | 338 | 338 |
| Energy costs – companies capable of exerting significant influence | 33 | 43 | 73 | 92 |
| Energy costs – associates | 2 | — | 3 | — |
| Other costs – companies under common control | 5 | 4 | 9 | 8 |
| Other costs – associates | 42 | 45 | 81 | 91 |
| Distribution expense – companies under common control | 2 | 1 | 3 | 4 |
| | **370** | **417** | **732** | **829** |

As at 30 June 2013, included in non-current assets are balances of USD33 million of companies which are related parties (31 December 2012: USD32 million).





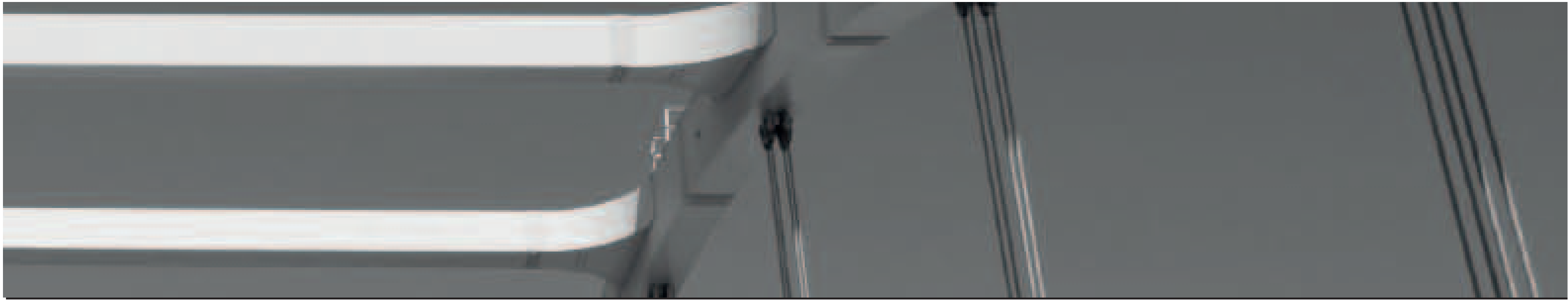
### (c) Pricing policies

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.

## 23 Events subsequent to the reporting date

On 14 June 2013 the Board approved a one off employee share award plan which may not exceed 0.05% of total shares on issue at the award date. In July 2013, in accordance with this plan the Group granted to employees 6,258,373 shares, of which 2,065,261 were vested on 18 July 2013.





# 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

Neither the Company nor any of its subsidiaries repurchased, sold or redeemed any of its listed securities during the six months ended 30 June 2013.

Pursuant to the Long Term Incentive Plan as disclosed in the Company's announcement dated 12 May 2011, Ogier Employee Benefit Trustee Limited acquired 1,391,000 Shares on the Stock Exchange for a total consideration of HKD5,387,724.50 in May 2013.

## Directors' Particulars

### Retirement and Re-appointment of Directors

In accordance with Article 24.2 of the Articles of Association, each of Ms. Vera Kurochkina (being an executive Director), Mr. Artem Volynets, Mr. Dmitry Yudin, Mr. Ivan Glasenberg, (being non-executive Directors) and Dr. Peter Nigel Kenny and Mr. Philip Lader (being independent non-executive Directors) retired from directorship at the Company's annual general meeting held on 14 June 2013 ("**Annual General Meeting**"). Each of Ms. Vera Kurochkina, Mr. Artem Volynets, Mr. Ivan Glasenberg, Dr. Peter Nigel Kenny and Mr. Philip Lader, being eligible for re-election, offered themselves for re-election at the Annual General Meeting, during which they were each re-appointed. Pursuant to Article 23.1 of the Articles of Association, Ms. Gulzhan Moldazhanova, Mr. Christophe Charlier and Mr. Vadim Geraskin (being non-executive Directors) held their respective office until the Annual General Meeting and, being eligible for re-election, only Ms. Gulzhan Moldazhanova and Mr. Christophe Charlier offered themselves for re-election at the Annual General Meeting, during which they were each re-appointed.

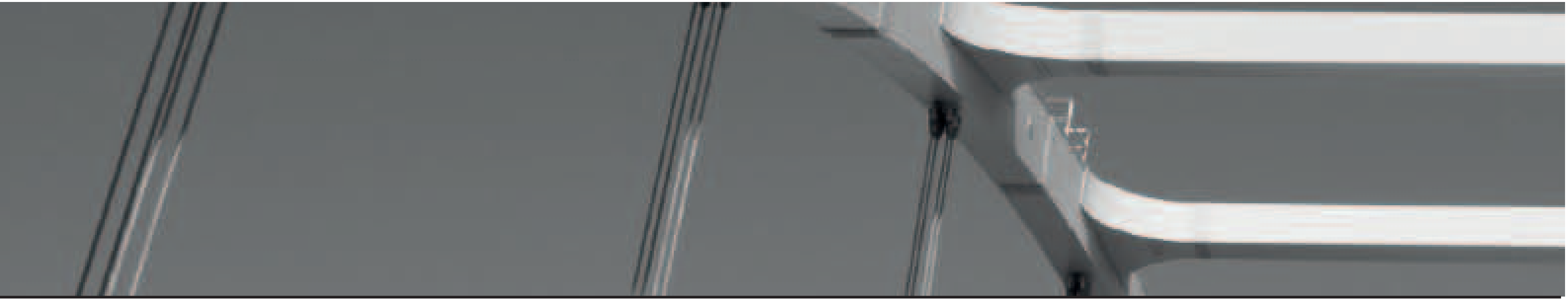
Each of Mr. Dmitry Yudin and Mr. Vadim Geraskin tendered his resignation as a Director with effect from the date of the Annual General Meeting and did not offer himself for re-election.

### Change of Directors and change to the composition of the Board Committees

Mr. Barry Cheung Chun-yuen resigned as an independent non-executive Director and as a member of committees of the Board (including the Corporate Governance and Nomination Committee and Remuneration Committee of the Company) with effect from 25 May 2013.

The appointments of Ms. Alexandra Bouriko and Ms. Ekaterina Nikitina as non-executive Directors were approved by the shareholders of the Company by ordinary resolution at the Annual General Meeting pursuant to Article 23.2.1 of the Articles of Association, and the relevant appointments took effect on 14 June 2013 accordingly.

Mr. Mark Garber has been appointed as an independent non-executive Director and as a member of the Remuneration Committee, the Corporate Governance and Nomination Committee, the Norilsk Nickel Investment Supervisory Committee and the Health, Safety and Environmental Committee of the Company with effect from 14 June 2013.





The following changes of the composition of the Board committees also took effect from 14 June 2013:

- Ms. Elsie Leung Oi-sie has been appointed as the chairman of the Remuneration Committee of the Company;
- Mr. Matthias Warnig has been appointed as the chairman of the Norilsk Nickel Investment Supervisory Committee of the Company and as the chairman of the Standing Committee of the Company;
- Mr. Artem Volynets was appointed as a member of the Audit Committee of the Company and ceased to be a member of the Norilsk Nickel Investment Supervisory Committee of the Company; and
- Mr. Maxim Sokov has been appointed as a member of the Norilsk Nickel Investment Supervisory Committee of the Company.

Mr. Artem Volynets tendered his resignation as a Director and as a member of any committee of the Board (including the Audit Committee, the Corporate Governance and Nomination Committee, the Remuneration Committee, the Health, Safety and Environmental Committee and the Standing Committee of the Company) with effect from 27 June 2013.

Mr. Stalbek Mishakov has been appointed as an executive Director and as a member of the Standing Committee of the Company with effect from 16 August 2013.

On 16 August 2013, the Board approved (i) the appointment of Mr. Maksim Goldman as a member of the Remuneration Committee of the Company with effect from 16 August 2013 in place of Mr. Len Blavatnik who ceased to be a member of the same committee with effect from 2 July 2013; (ii) the appointment of Ms. Gulzhan Moldazhanova as a member of the Audit Committee of the Company with effect from 16 August 2013; (iii) the appointment of Ms. Ekaterina Nikitina as a member of each of the Corporate Governance & Nomination Committee and the Remuneration Committee of the Company with effect from 16 August 2013; and (iv) the appointment of Mr. Vladislav Soloviev as a member of the Health, Safety & Environmental Committee of the Company with effect from 16 August 2013.

## Change of particulars of Directors

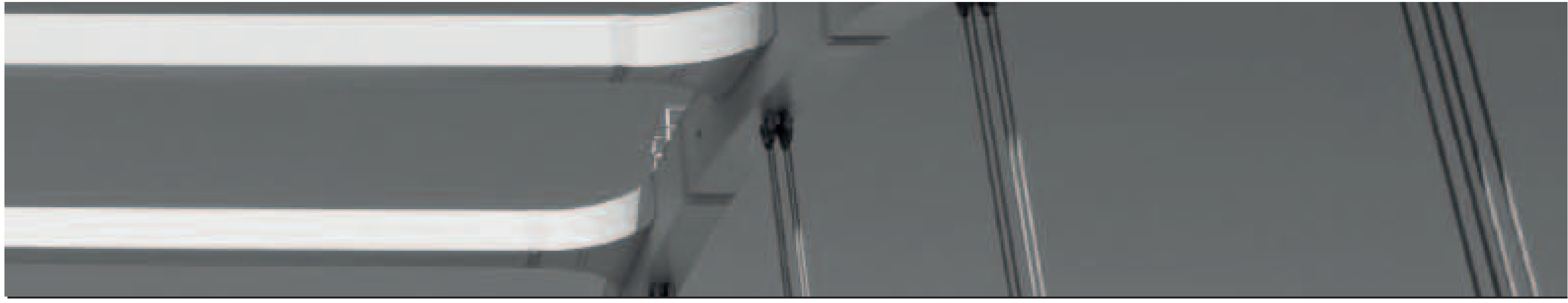
Mr. Oleg Deripaska became the CEO of En+ on 26 June 2013. He ceased to be a member of the board of OJSC Irkutskenergo on 25 May 2012.

Mr. Maxim Sokov is employed by Rusal Global Management B.V. as an advisor on the management of strategic investments with effect from 1 July 2013. He became the First Deputy CEO of En+ on 5 July 2013. He ceased to be the director for management of strategic investments of the Company and the general director of Limited Liability Company “United Company RUSAL Investment Management” with effect from 1 July 2013.

Ms. Vera Kurochkina ceased to be a member of the board of directors of Ingosstrakh on 7 November 2012.

Ms. Gulzhan Moldazhanova ceased to chair the supervisory board of “Company Bazovy Element” LLC on 23 July 2012. She became a director of Ingosstrakh with effect from 31 May 2013.

Ms. Elsie Leung Oi-sie became an independent non-executive director of Beijing Tong Ren Tang Chinese Medicine Company Limited listed on the Hong Kong Stock Exchange with effect from 7 May 2013.





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

## Directors' and Chief Executive Officer's interests

As at 30 June 2013, 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 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

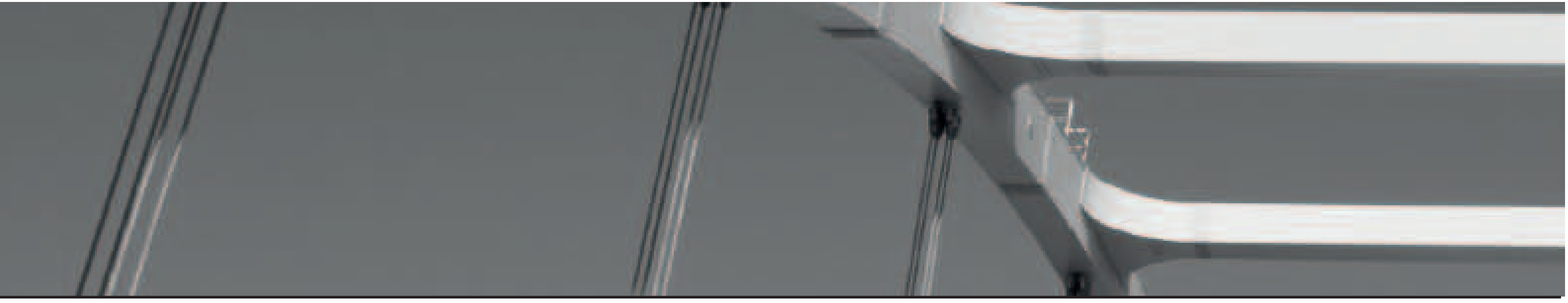
| Name of Director/Chief Executive Officer | Capacity | Number of Shares as at 30 June 2013 | Percentage of issued share capital as at 30 June 2013 |
|---|---|---|---|
| Oleg Deripaska | Beneficiary of a trust *(Note 1)* | 7,312,299,974(L) | 48.13% |
| | Beneficial owner *(Note 2)* | 34,956,798(L) | 0.23% |
| | **Total** | **7,347,256,772(L)** | **48.36%** |
| Vera Kurochkina | Beneficial owner *(Note 2)* | 357,731(L) | 0.002% |
| Vladislav Soloviev | Beneficial owner *(Note 2)* | 524,652(L) | 0.003% |
| Maxim Sokov | Beneficial owner *(Note 2)* | 333,432(L) | 0.002% |

(L) Long position

Notes – See notes on pages 96 and 97.

### Interests in the shares of associated corporations of UC RUSAL

As at 30 June 2013, 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.





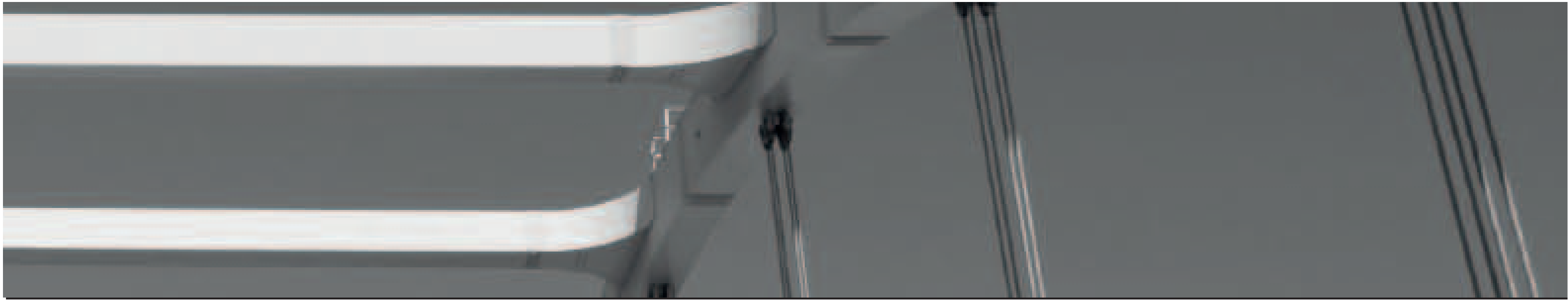
**Interests and short positions in underlying Shares and in the underlying shares of associated corporations of UC RUSAL**

| Name of Director/Chief Executive Officer | Capacity | Number of underlying Shares as at 30 June 2013 | Percentage of issued share capital as at 30 June 2013 |
|---|---|---|---|
| Oleg Deripaska | Beneficiary of a trust (Note 1) | 1,539,481,200(L) *(Note 7)* | 10.133% |
| | Beneficial owner | 834,533 (L) *(Note 8)* | 0.005% |
| | **Total** | **1,540,315,733 (L)** | **10.138%** |
| Vera Kurochkina | Beneficial owner | 212,608(L) *(Note 8)* | 0.001% |
| Vladislav Soloviev | Beneficial owner | 786,977(L) *(Note 8)* | 0.005% |
| Maxim Sokov | Beneficial owner | 240,958(L) *(Note 8)* | 0.002% |

(L) Long position

Notes – see notes on pages 96 and 97.

Other than as stated above, as at 30 June 2013, none of the Directors or the Chief Executive Officer had any interest or short position, whether beneficial or non-beneficial, in the shares, 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

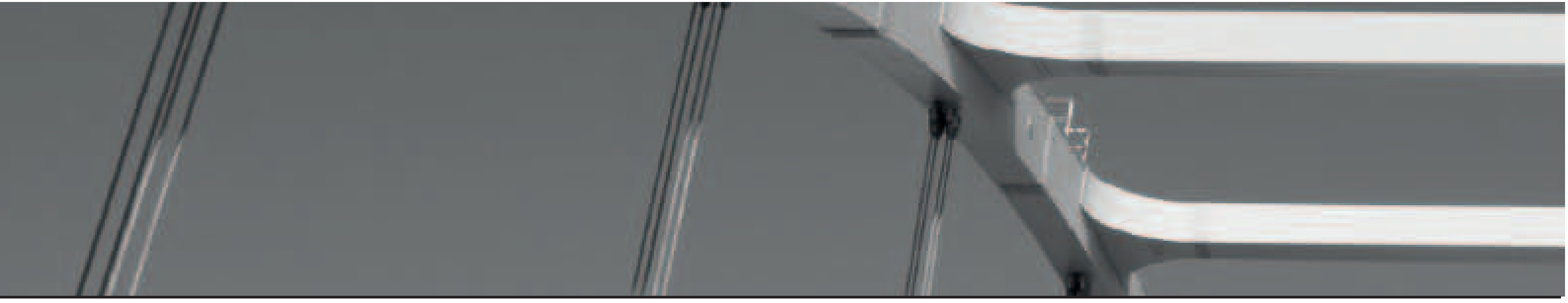
As at 30 June 2013, so far as the Directors are aware, the following persons had interests or short positions in the Shares or underlying Shares which were disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and were recorded in the register required to be kept under Section 336 of the SFO and article L.233-7 of the French commercial code:

### Interests and short positions in Shares

| Name of Shareholder | Capacity | Number of Shares held as at 30 June 2013 | Percentage of issued share capital as at 30 June 2013 |
|---|---|---|---|
| Oleg Deripaska | Beneficiary of a trust *(Note 1)* | 7,312,299,974(L) | 48.13% |
| | Beneficial owner *(Note 2)* | 34,956,798(L) | 0.23% |
| | **Total** | **7,347,256,772(L)** | **48.36%** |
| Fidelitas Investments Ltd. *(Note 1)* | Interest of controlled corporation | 7,312,299,974(L) | 48.13% |
| B-Finance Ltd. *(Note 1)* | Interest of controlled corporation | 7,312,299,974(L) | 48.13% |
| En+ *(Note 1)* | Beneficial owner | 7,312,299,974(L) | 48.13% |
| Victor Vekselberg *(Note 3)* | Beneficiary of a trust | 3,710,590,137(L) | 24.42% |
| TCO Holdings Inc. *(Note 3)* | Interest of controlled corporation | 3,710,590,137(L) | 24.42% |
| SUAL Partners *(Note 3)* | 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%** |
| Mikhail Prokhorov *(Note 4)* | Interest of controlled corporation | 2,586,499,596(L) | 17.02% |
| Onexim Group Limited *(Note 4)* | Interest of controlled corporation | 2,586,499,596(L) | 17.02% |
| Onexim *(Note 4)* | Beneficial owner | 2,586,499,596(L) | 17.02% |
| Glencore International plc *(Note 5)* | Beneficial owner | 1,328,988,048(L) | 8.75% |

(L) Long position

Notes – See notes on pages 96 and 97.





## Interests and short positions in underlying Shares

| Name of Shareholder | Capacity | Number of underlying Shares as at 30 June 2013 | Percentage of issued share capital as at 30 June 2013 |
|---|---|---|---|
| Oleg Deripaska *(Note 1)* | Beneficiary of a trust | 1,539,481,200(L) *(Note 7)* | 10.133% |
| | Beneficial owner | 834,533(L) *(Note 8)* | 0.005% |
| | **Total** | **1,540,315,733(L)** | **10.138%** |
| Fidelitas Investments Ltd. *(Note 1)* | Interest of controlled corporation | 1,539,481,200(L) *(Note 6)* | 10.133% |
| B-Finance Ltd. *(Note 1)* | Interest of controlled corporation | 1,539,481,200(L) *(Note 6)* | 10.133% |
| En+ *(Note 1)* | Beneficial owner | 1,539,481,200(L) *(Note 6)* | 10.133% |
| Glencore International plc *(Note 5)* | Beneficial owner | 41,807,668(L) *(Note 6)* | 0.28% |
| | | 1,309,620,048(S) *(Note 6)* | 8.62% |

(L) Long position

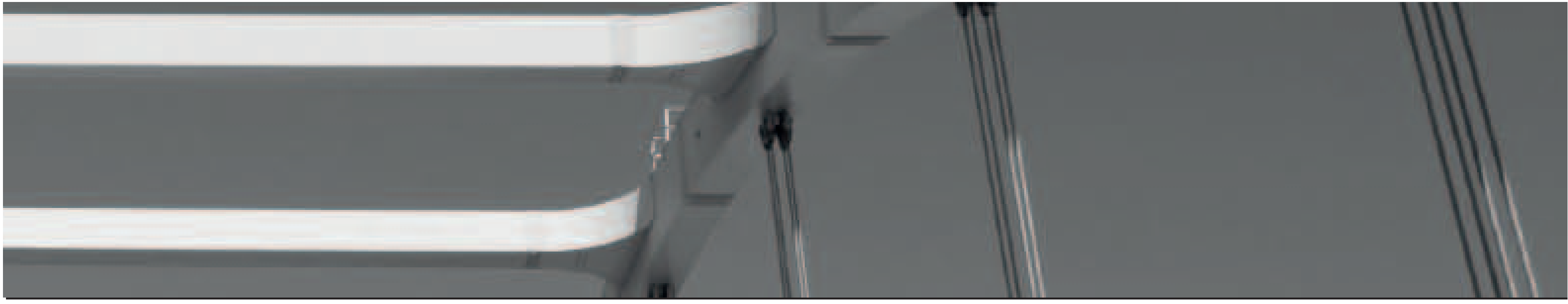
(S) Short position

(Note 1) These interests were directly or beneficially held by En+. Based on the information provided by Mr. Deripaska and the records on the electronic filing systems operated by the Stock Exchange, Mr. Deripaska was the founder, trustee and a beneficiary of a discretionary trust which, as at 30 June 2013, held 100% of the share capital of Fidelitas Investments Ltd., which, as at 30 June 2013, held 100% of the share capital of B-Finance Ltd. As at 30 June 2013, B-Finance Ltd. held 70.35% of the 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 2013.

(Note 2) All or some of these Shares represent the share awards which were granted under the long-term share incentive plan of the Company and were vested on 21 November 2011 and 21 November 2012. For details, please refer to Note 10 to the consolidated financial statements for the year ended 31 December 2012 set out in the Annual Report.

(Note 3) 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 trustee of the trust and is, in turn wholly-owned by TCO Holdings Inc. 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 held by SUAL Partners by virtue of the SFO.

(Note 4) 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 5) Amokenga Holdings Ltd. directly holds the relevant interests in the Company, and 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 International AG, which is wholly-owned by Glencore International plc. In light of the fact that Glencore International plc, Glencore International AG, 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 Ltd., in accordance with the SFO, the interests of Amokenga Holdings Ltd. are deemed to be, and have therefore been included in the interests of the Glencore Entities.

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

(Note 7) These underlying Shares represent unlisted physically settled options.

(Note 8) These underlying Shares represent the share awards which were granted but not yet vested under the long-term share incentive plan of the Company.

As at 30 June 2013, 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 agreements with the Company contain change of control provisions allowing the other parties under such agreements to cancel their commitments in full and declare (or which action would result in) all outstanding loans immediately due and payable in the relevant event:

(a) Up to USD4,750 million aluminium pre-export finance term facility agreement dated 29 September 2011 between, among others, the Company as the borrower and BNP Paribas (Swiss) SA as the facility agent - in the event that any person (or persons acting in concert) other than the core shareholder (as defined in the credit facility agreement) has or gains control of the Company. As of 30 June 2013, the outstanding nominal value of debt was USD3,438 million and the final maturity of the debt was September 2018;

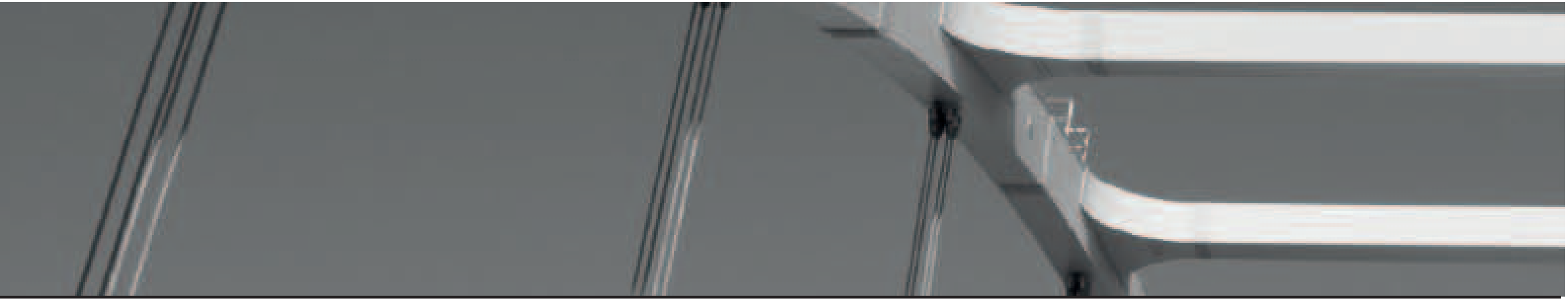
(b) Up to USD400 million multicurrency aluminium pre-export finance term facility agreement dated 30 January 2013 between, among others, the Company as the borrower and ING Bank N.V. as the facility agent - in the event that any person (or persons acting in concert) other than the core shareholder (as defined in the credit facility agreement) has or gains control of the Company. As of 30 June 2013 the outstanding nominal value of the debt was USD100 million and EUR168 million and the final maturity of the debt was February 2018; and

(c) A series of non-deliverable cross – currency swap transactions entered into between certain banks and RTI Limited under ISDA Master Agreements in 2011 and 2012 and secured by the guarantees of the Company.

## 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 in force at the time at a Board meeting on 11 November 2010. The Directors consider that the Company has complied with the code provisions in the CG Code for the first six months of 2013, 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.

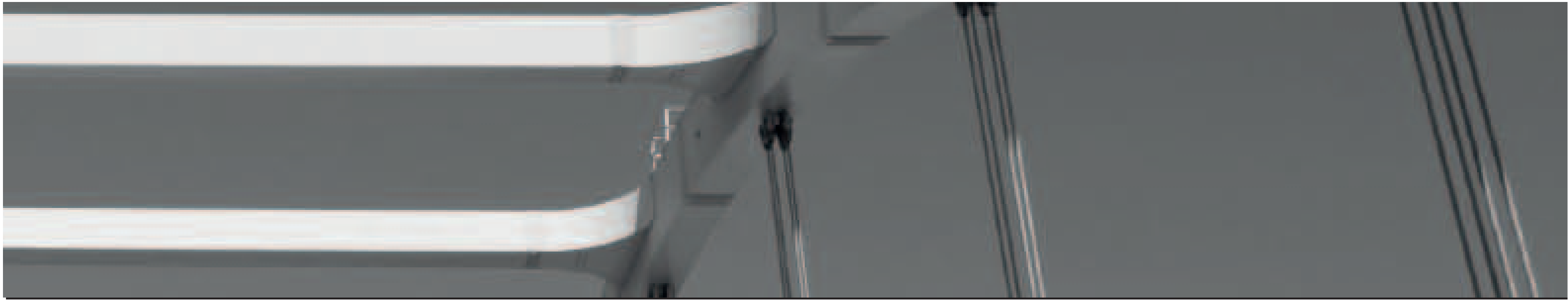
## Physical Board meetings at which Directors have material interests

A.1.7 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 be dealt with by a physical board meeting rather than a written resolution. Independent non-executive directors who, and whose associates, have no material interest in the transaction should be present at that board meeting*."

There were no instances during the six-month period ended 30 June 2013 when business was dealt with by the Board by way of written resolution where a material interest of a Director had been disclosed. Of the 6 Board meetings held in the six-month period ended 30 June 2013 where one or more Director(s) had disclosed a material interest, there was one meeting where not all the independent non-executive Directors (who had not disclosed material interests in the transaction) were present. Given the size of the Board and the amount of urgent business transacted by the Company where Directors and substantial shareholders have material interests, it is difficult to rearrange any scheduled Board meeting or postpone the discussion of such business in order to ensure all of the independent non-executive Directors are present. The Board meeting on that occasion was therefore proceeded with despite the fact that one independent non-executive Director was not able to attend but on that occasion four out of the five independent non-executive Directors (none of whom had disclosed material interests on that occasion) were present.

## 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





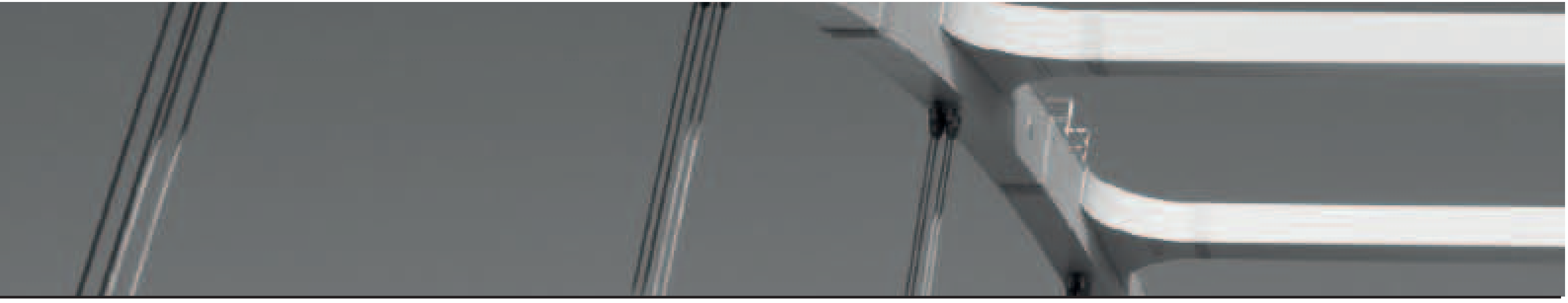
on Appendix 10 to the Listing Rules but they were made more exacting than the required standard set out in Appendix 10. They were also based on the provisions of articles L.451-2-1, L.465-2 and L.621-18-2 of the French Monetary and Financial Code, Chapters II and III of Title II of Book II of the General 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 22 “Related party transactions” of the consolidated interim condensed financial information.



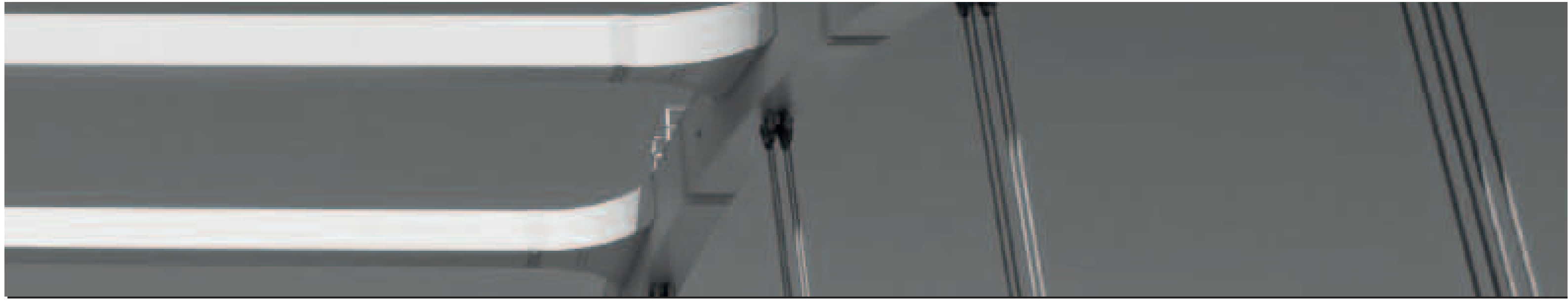


# Statement of Responsibility for this Interim Report

I, **Oleg Deripaska**, declare, to the best of my knowledge, that the consolidated interim condensed financial information contained in this Interim Report has been prepared in accordance with applicable accounting principles and gives 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 "2013 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*

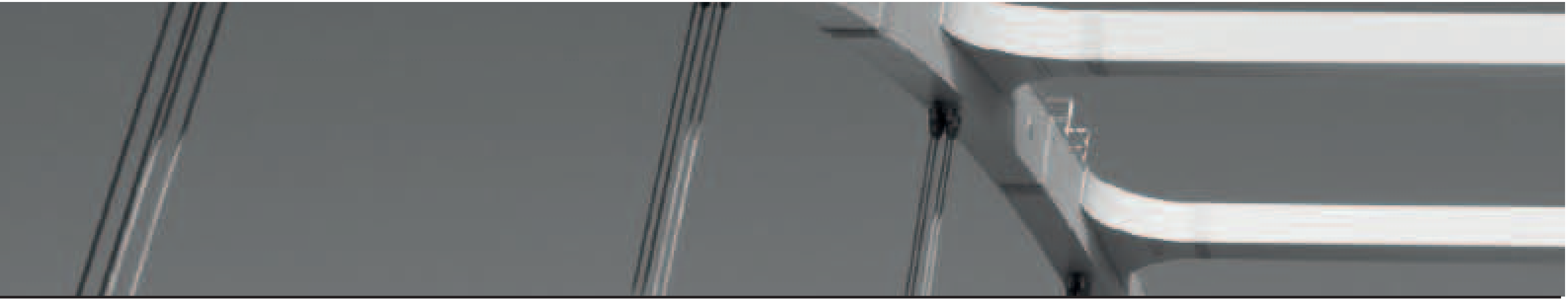
19 August 2013





# 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

**"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.

**"Alumina price per tonne"** represents the average alumina price per tonne which is based on the daily closing spot prices of alumina according to Non-ferrous Metal Alumina Index FOB Australia USD per tonne.

**"Aluminium price per tonne quoted on the LME"** or **"LME aluminium price"** represents the average daily closing official LME spot prices for each period.

**"Aluminium segment cost per tonne"** means aluminium segment revenue, less aluminium segment results, less amortisation and depreciation, divided by sales volume of aluminium segment.

**"AMF"** means the French Autorité des marchés financiers.

**"Amokenga Holdings Ltd."** 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 30 April 2013 for the year ended 31 December 2012 published by the Company.

**"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 the Boguchanskoye Energy and Metals Complex.

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

**"BEMO Project"** means the Boguchanskoye Energy & Metals Project involving the construction of the BEMO HPP and the Boguchansky aluminium smelter.

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

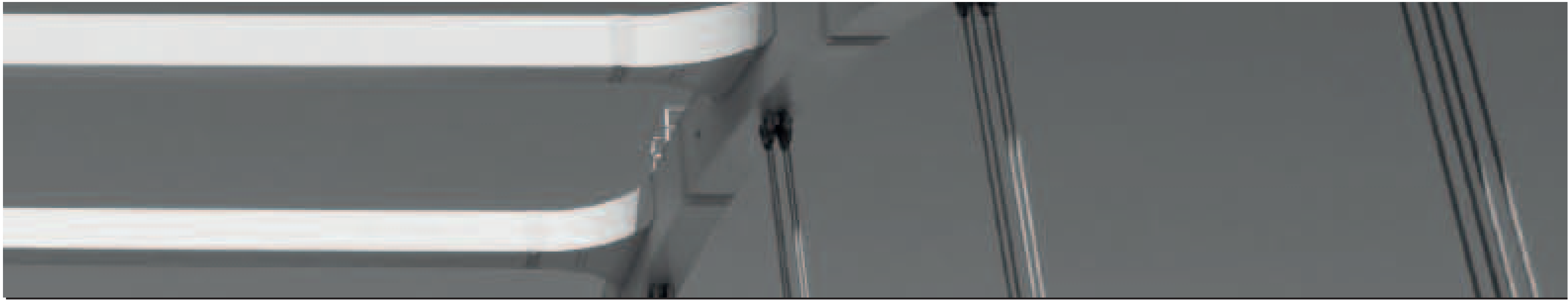
**"Boguchansky aluminium smelter"** means the aluminium smelter project involving the construction of a 588 kilotonnes per year greenfield aluminium smelter on a 230 hectare site, located approximately 8 km to the south-east of the settlement of Tayozhny in the Krasnoyarsk region, and approximately 160 km (212 km by road) from the BEMO BHPP.

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

**"CG Code"** means the Code setting out the principles of good corporate governance practices as set out in Appendix 14 to the Listing Rules (as amended from time to time).

**"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.

**"Corporate Governance and Nomination Committee"** means the corporate governance and nomination committee established by the Board in accordance with the requirements of the CG Code.

**"Covenant EBITDA"** has the meaning given to it in the PXF Facility Agreement.

**"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.

**"Euronext Paris"** means the Professional Segment of NYSE Euronext Paris.

**"FFMS"** means the Federal Financial Markets Service, the regulatory authority in respect of the Russian financial markets.

**"Glencore"** means Glencore International plc, a public company incorporated in Switzerland and listed on the London Stock Exchange, with a secondary listing on the Hong Kong Stock Exchange, which is an indirect shareholder of the Company.

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

**"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.

**"Ingosstrakh"** means Ingosstrakh Insurance Company, an open joint stock company registered under the laws of the Russian Federation, in which Mr. Deripaska is beneficially interested in more than 30% of the issued share capital.

**"Interim Report"** means this interim report dated 19 August 2013.

**"Interros"** means Interros International Investments Limited.

**"Kt"** means kilotonnes.

**"Kubal aluminium smelter"** means Kubikenborg Aluminium AB, a company incorporated in Sweden which is a wholly owned subsidiary of the Company.

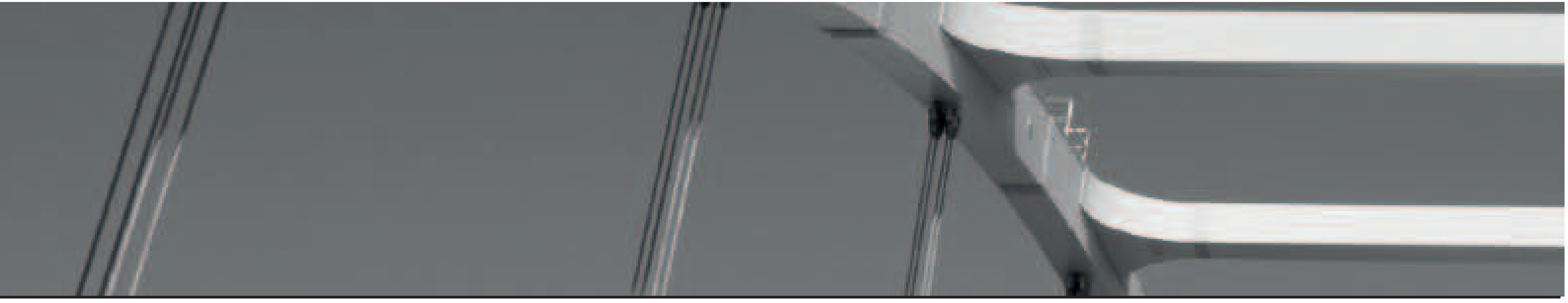
**"LIBOR"** means in relation to any loan:

(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 LLP Bogatyr Komir, a company incorporated under the laws of Kazakhstan, which is a 50/50 joint venture between the Company and Samruk-Energo located in Kazakhstan.

**"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.

**"MICEX"** means Closed Joint-Stock Company "MICEX Stock Exchange".

**"Moscow Exchange"** means Open Joint Stock Company "Moscow Exchange MICEX-RTS" (short name "Moscow Exchange").

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

**"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.

**"PRC"** means The People's Republic of China.

**"PXF Facility Agreement"** means the syndicated facility of up to USD4.75 billion under the aluminium pre-export finance term facility agreement dated 29 September 2011 entered into between, among others, the Company as the borrower and BNP Paribas (Suisse) SA as the facility agent.

**"Recurring Net Profit"** for any period means Adjusted Net Profit plus the Company's effective share of Norilsk Nickel's profits, net of tax.

**"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;

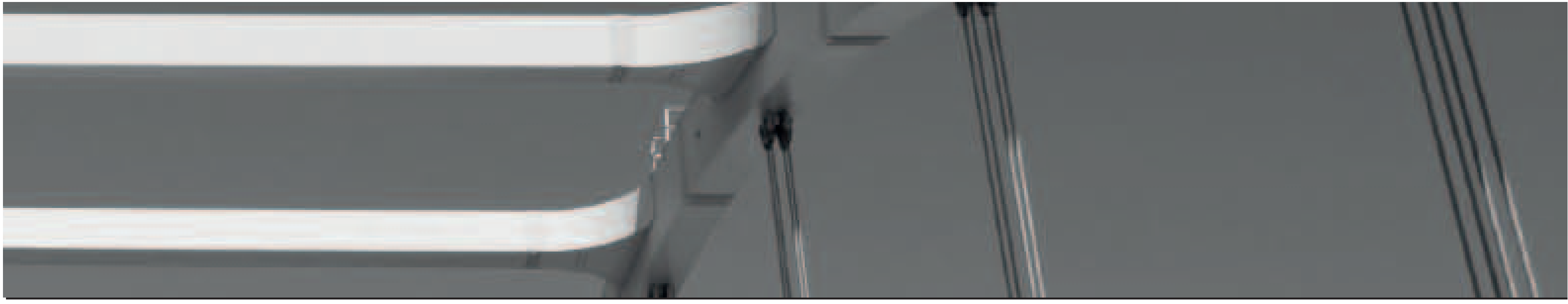
(d) a member of the key management personnel of the entity or its parent;

(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) under 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(s)"** means a transfer of resources, services or obligations between related parties, regardless of whether the price is charged.





**"Relevant Officer(s)"** means any employee of the Company or a director or employee of a subsidiary of the Company.

**"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.

**"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(s)"** 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 approximately 8 km from the centre of the town of Taishet in the Irkutsk region of the Russian Federation.

**"Total attributable alumina output"** is calculated based on pro rata share of the Group's ownership in corresponding alumina refineries.

**"Total Debt"** means the Company's loans and borrowing at the end of the period.

**"Total Net Debt"** has the meaning given to it in the PXF Facility Agreement.

**"US"** means the United States of America.

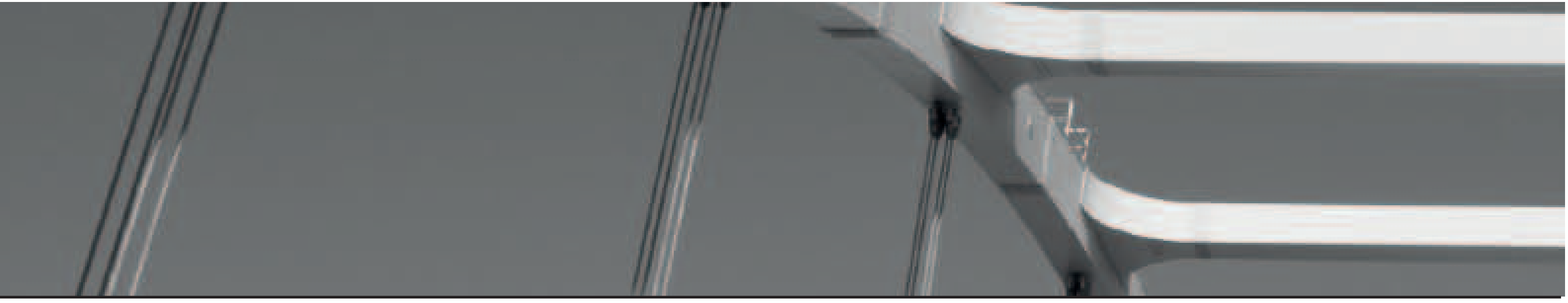
**"USD"**, **"US$"** or **"US dollar"** means United States dollars, the lawful currency of the United States of America.

**"VAT"** means value added tax.

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

**"%"** 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: 486
Euronext Paris symbols: Rusal/Rual
Moscow Exchange symbols for RDRs: RUALR/RUALRS

## BOARD OF DIRECTORS

### Executive Directors

Mr. Oleg Deripaska *(Chief Executive Officer)*
Mr. Vladislav Soloviev
Mr. Maxim Sokov
Ms. Vera Kurochkina
Mr. Stalbek Mishakov
*(appointed on 16 August 2013)*

### Non-executive Directors

Mr. Maksim Goldman
Mr. Dmitry Afanasiev
Mr. Len Blavatnik
Mr. Ivan Glasenberg
Mr. Christophe Charlier
Mr. Artem Volynets
*(resigned with effect from 27 June 2013)*
Mr. Dmitry Yudin
*(resigned with effect from 14 June 2013)*
Mr. Vadim Geraskin
*(resigned with effect from 14 June 2013)*
Ms. Gulzhan Moldazhanova
Ms. Alexandra Bouriko
*(appointed with effect from 14 June 2013)*
Ms. Ekaterina Nikitina
*(appointed with effect from 14 June 2013)*

### Independent non-executive Directors

Mr. Matthias Warnig *(Chairman)*
Mr. Barry Cheung Chun-yuen
*(resigned with effect from 25 May 2013)*
Dr. Peter Nigel Kenny
Mr. Philip Lader
Ms. Elsie Leung Oi-sie
Mr. Mark Garber
*(appointed with effect from 14 June 2013)*

## REGISTERED OFFICE IN JERSEY

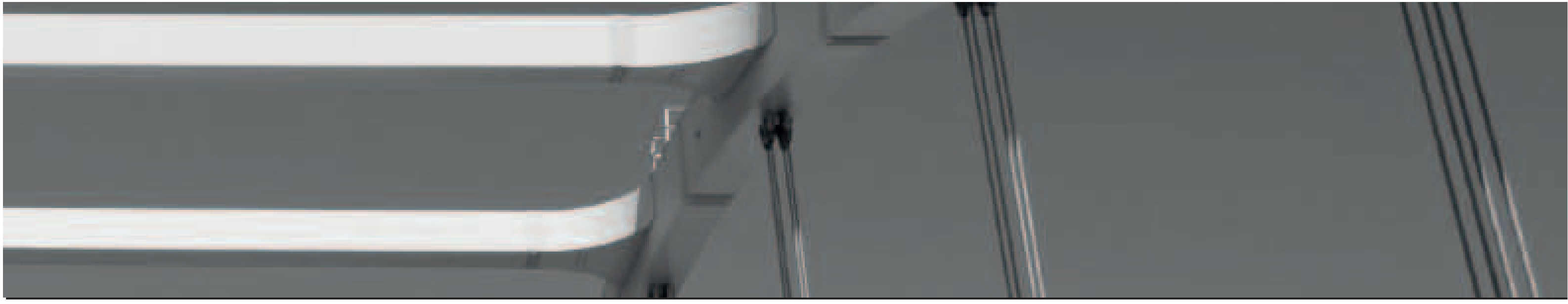
Ogier House
The Esplanade
St Helier
Jersey
JE4 9WG

## 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
Jersey
JE4 9WG

## HONG KONG COMPANY SECRETARY

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

## AUDITORS

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
Jersey
JE4 9WG

## HONG KONG BRANCH SHARE REGISTRAR

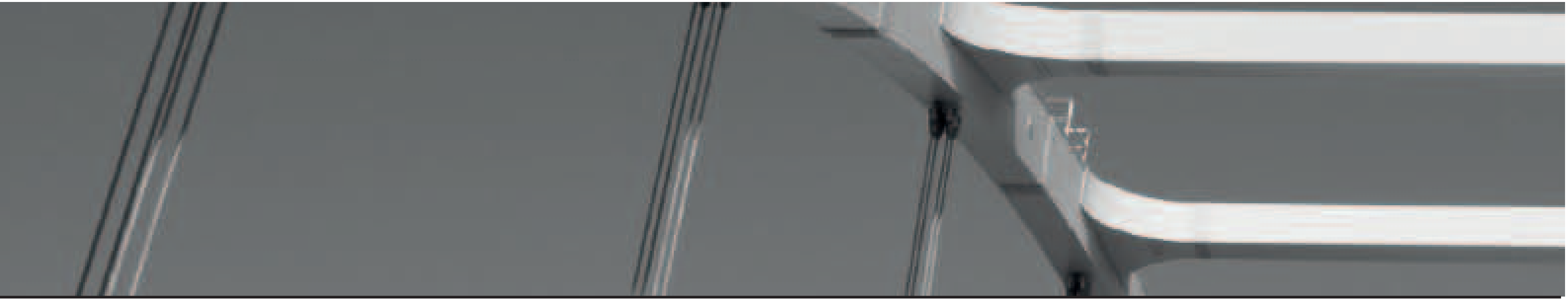
Computershare Hong Kong Investor Services Limited
46th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

## 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. Christophe Charlier
Mr. Dmitry Yudin
*(resigned with effect from 14 June 2013)*
Mr. Artem Volynets
*(appointed with effect from 14 June 2013, resigned with effect from 27 June 2013)*
Ms. Gulzhan Moldazhanova *(appointed with effect from 16 August 2013)*





## CORPORATE GOVERNANCE AND NOMINATION COMMITTEE MEMBERS

Mr. Philip Lader *(chairman)*
Dr. Peter Nigel Kenny
Mr. Ivan Glasenberg
Mr. Mark Garber
*(appointed with effect from 14 June 2013)*
Mr. Barry Cheung Chun-yuen
*(resigned with effect from 25 May 2013)*
Mr. Artem Volynets
*(resigned with effect from 27 June 2013)*
Ms. Ekaterina Nikitina *(appointed with effect from 16 August 2013)*

## REMUNERATION COMMITTEE MEMBERS

Ms. Elsie Leung Oi-sie
*(appointed as chairman with effect from 14 June 2013)*
Mr. Philip Lader
Dr. Peter Nigel Kenny
Mr. Mark Garber
*(appointed with effect from 14 June 2013)*
Mr. Len Blavatnik *(ceased to be a member with effect from 2 July 2013)*
Mr. Barry Cheung Chun-yuen
*(resigned with effect from 25 May 2013)*
Mr. Artem Volynets
*(resigned with effect from 27 June 2013)*
Mr. Maksim Goldman *(appointed with effect from 16 August 2013)*
Ms. Ekaterina Nikitina *(appointed with effect from 16 August 2013)*

## PRINCIPAL BANKERS

Sberbank
VTB Bank
BNP Paribas
Gazprombank

## CORPORATE BROKERS

Bank of America Merrill Lynch
Credit Suisse

## INVESTOR RELATIONS CONTACT

### Moscow

Albert Avetikov
13/1 Nikoloyamskaya str.
Moscow 109240
Russia
Albert.Avetikov@rusal.com

### Hong Kong

Dominic Li
Suites 5701 & 5716, 57th floor
Two International Finance Centre
8 Finance Street
Central
Hong Kong
Dominic.Li@rusal.com

## COMPANY WEBSITE

www.rusal.com

By Order of the board of directors of
**United Company RUSAL Plc**
**Vladislav Soloviev**
*Director*

19 August 2013

*As at the date of this announcement, the executive Directors are Mr. Oleg Deripaska, Ms. Vera Kurochkina, Mr. Maxim Sokov, Mr. Vladislav Soloviev and Mr. Stalbek Mishakov, the non-executive Directors are Mr. Dmitry Afanasiev, Mr. Len Blavatnik, Mr. Ivan Glasenberg, Mr. Maksim Goldman, Ms. Gulzhan Moldazhanova, Mr. Christophe Charlier, Ms. Alexandra Bouriko and Ms. Ekaterina Nikitina, and the independent non-executive Directors are Mr. Matthias Warnig (Chairman), Dr. Peter Nigel Kenny, Mr. Philip Lader, Ms. Elsie Leung Oi-sie and Mr. Mark Garber.*

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