RUSAL

United Company RUSAL Plc
Consolidated Interim Condensed Financial Information
for the three-and nine-month periods ended
30 September 2014

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Independent Auditors' Report on review of Consolidated Interim Condensed Financial Information

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 September 2014, and the related consolidated condensed statements of income and comprehensive income for the three- and nine-month periods ended 30 September 2014, changes in equity and cash flows for the nine-month period ended 30 September 2014, 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.

Basis for Qualified Conclusion

We were unable to 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 USD225 million and USD596 million for the three- and nine-month periods ended 30 September 2014, respectively, other comprehensive income of that investee of USD nil million and USD1 million for the three- and nine-month periods ended 30 September 2014, respectively, the foreign currency translation loss of USD1,391 million and USD1,172 million for the three- and nine-month periods ended 30 September 2014, respectively, and the carrying value of the Group's investment in the investee stated at USD6,694 million as at 30 September 2014. 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 September 2014 and for the three- and nine-month periods then ended is not prepared, in all material respects, in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

Shvetsov A.V.

for and on behalf of ZAO KPMG

11 November 2014

Moscow, Russian Federation

	Note	Three months ended 30 September		Nine months ended 30 September	
		2014 (unaudited)	**2013 (unaudited)**	**2014 (unaudited)**	**2013 (unaudited)**
		USD million	**USD million**	**USD million**	**USD million**
Revenue	6	2,477	2,432	6,861	7,635
Cost of sales		(1,858)	(2,127)	(5,514)	(6,573)
Gross profit		**619**	**305**	**1,347**	**1,062**
Distribution expenses		(103)	(127)	(309)	(384)
Administrative expenses		(143)	(155)	(436)	(460)
Loss on disposal of property, plant and equipment		-	(2)	(6)	(9)
Impairment of non-current assets		(11)	(33)	(67)	(114)
Other operating expenses		(17)	(27)	(85)	(67)
Results from operating activities		**345**	**(39)**	**444**	**28**
Finance income	7	10	13	22	54
Finance expenses	7	(292)	(218)	(929)	(599)
Share of profits of associates	10	217	89	578	181
Share of profits of joint ventures	11	18	2	33	33
Loss recycled from other comprehensive income		-	-	-	(234)
Profit/(loss) before taxation		**298**	**(153)**	**148**	**(537)**
Income tax	8	(78)	(19)	(137)	(74)
Profit/(loss) for the period		**220**	**(172)**	**11**	**(611)**
Attributable to:					
Shareholders of the Company		220	(172)	11	(611)
Earnings/(loss) per share					
Basic and diluted earnings/(loss) per share (USD)	9	0.015	(0.011)	0.001	(0.040)

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 11 to 37.

	Note	Three months ended 30 September		Nine months ended 30 September	
		2014 (unaudited)	**2013 (unaudited)**	**2014 (unaudited)**	**2013 (unaudited)**
		USD million	**USD million**	**USD million**	**USD million**
Profit/(loss) for the period		**220**	**(172)**	**11**	**(611)**
Other comprehensive income					
Items that will never be reclassified subsequently to profit or loss:					
Actuarial (loss)/gain on post retirement benefit plans		-	(9)	5	(20)
		-	**(9)**	**5**	**(20)**
Items that are or may be reclassified subsequently to profit or loss:					
Share of other comprehensive income of associate	10	-	31	1	4
Change in fair value of cash flow hedges		29	(31)	1	(2)
Recycling of losses relating to the Norilsk Nickel shares sold		-	-	-	234
Foreign currency translation differences on foreign operations		(228)	35	(171)	(255)
Foreign currency translation differences for equity-accounted investees		(1,205)	67	(1,440)	(645)
		(1,404)	**102**	**(1,609)**	**(664)**
Other comprehensive income for the period, net of tax		**(1,404)**	**93**	**(1,604)**	**(684)**
Total comprehensive income for the period		**(1,184)**	**(79)**	**(1,593)**	**(1,295)**
Attributable to:					
Shareholders of the Company		**(1,184)**	**(79)**	**(1,593)**	**(1,295)**

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 11 to 37.

	Note	30 September 2014 (unaudited) USD million	31 December 2013 (restated) USD million
ASSETS			
Non-current assets			
Property, plant and equipment		4,039	4,167
Intangible assets		3,123	3,497
Interests in associates	10	7,042	8,175
Interests in joint ventures	11	548	585
Derivative financial assets	17	8	13
Deferred tax assets		103	143
Other non-current assets		94	110
Total non-current assets		**14,957**	**16,690**
Current assets			
Inventories		2,032	2,248
Trade and other receivables	12	816	817
Derivative financial assets	17	16	9
Cash and cash equivalents		373	716
Total current assets		**3,237**	**3,790**
Total assets		**18,194**	**20,480**

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 11 to 37.

	Note	30 September 2014 (unaudited) USD million	31 December 2013 (restated) USD million
EQUITY AND LIABILITIES			
Equity	13		
Share capital		152	152
Shares held for vesting		(2)	(1)
Share premium		15,787	15,786
Other reserves		2,747	2,740
Currency translation reserve		(6,129)	(4,518)
Accumulated losses		(7,598)	(7,609)
Total equity		**4,957**	**6,550**
Non-current liabilities			
Loans and borrowings	14	9,572	8,691
Bonds	15	186	458
Provisions	16	613	677
Deferred tax liabilities		519	472
Derivative financial liabilities	17	250	188
Other non-current liabilities		53	49
Total non-current liabilities		**11,193**	**10,535**
Current liabilities			
Loans and borrowings	14	230	1,234
Bonds	15	302	442
Current tax liabilities		15	15
Trade and other payables	18	1,242	1,472
Derivative financial liabilities	17	158	122
Provisions	16	97	110
Total current liabilities		**2,044**	**3,395**
Total liabilities		**13,237**	**13,930**
Total equity and liabilities		**18,194**	**20,480**
Net current assets		**1,193**	**395**
Total assets less current liabilities		**16,150**	**17,085**

Approved and authorised for issue by the Board of directors on 11 November 2014.

Oleg V. Deripaska
Chief Executive Officer

Alexandra Y. Bouriko
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 11 to 37.

	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 2014		**152**	**(1)**	**15,786**	**2,740**	**(4,518)**	**(7,609)**	**6,550**
Profit for the period (unaudited)		-	-	-	-	-	11	11
Other comprehensive income for the period (unaudited)		-	-	-	7	(1,611)	-	(1,604)
Total comprehensive income for the period (unaudited)		**-**	-	**-**	**7**	**(1,611)**	**11**	**(1,593)**
Share-based compensation (unaudited)	13(b)	-	(1)	1	-	-	-	**-**
Balance at 30 September 2014 (unaudited)		**152**	**(2)**	**15,787**	**2,747**	**(6,129)**	**(7,598)**	**4,957**
Balance at 1 January 2013 (restated)		**152**	**(1)**	**15,787**	**2,747**	**(3,666)**	**(4,287)**	**10,732**
Loss for the period (unaudited)		-	-	-	-	-	(611)	(611)
Other comprehensive income for the period (unaudited)		-	-	-	(14)	(670)	-	(684)
Total comprehensive income for the period (unaudited)		**-**	-	**-**	**(14)**	**(670)**	**(611)**	**(1,295)**
Purchases of shares held for vesting (unaudited)	13(b)	-	(2)	-	-	-	-	**(2)**
Vesting (unaudited)	13(b)	-	1	(1)	-	-	-	**-**
Share-based compensation (unaudited)	13(b)	-	-	4	-	-	-	**4**
Balance at 30 September 2013 (unaudited)		**152**	**(2)**	**15,790**	**2,733**	**(4,336)**	**(4,898)**	**9,439**

Included in the other reserves and currency translation reserves at 1 January 2013 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.

	Nine months ended 30 September	
	2014 (unaudited)	**2013** (unaudited)
	USD million	**USD million**
OPERATING ACTIVITIES		
Profit/(loss) for the period	**11**	**(611)**
Adjustments for:		
Depreciation	336	387
Amortisation	10	12
Impairment of non-current assets	67	114
(Reversal of impairment)/impairment of trade and other receivables	(6)	14
Impairment of inventories	1	9
Debtors write-off	(5)	-
Provision for legal claims	-	4
Loss recycled from other comprehensive income	-	234
Share-based compensation	1	4
Pension provision	4	7
Change in fair value of derivative financial instruments	147	11
Foreign exchange loss/(gain)	113	(58)
Loss on disposal of property, plant and equipment	6	9
Interest expense	637	588
Interest income	(22)	(16)
Income tax expense	137	74
Share of profits of associates	(578)	(181)
Share of profits of joint ventures	(33)	(33)
	826	**568**
Decrease in inventories	228	279
Increase in trade and other receivables	(64)	(31)
(Increase)/decrease in prepaid expenses and other assets	(4)	5
Decrease in trade and other payables	(307)	(341)
Decrease in provisions	(17)	(27)
Cash generated from operations	**662**	**453**
Income taxes paid	(64)	(116)
Net cash generated from operating activities	**598**	**337**

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 11 to 37.

	Nine months ended 30 September	
	2014 (unaudited)	**2013** (unaudited)
	USD million	**USD million**
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	-	14
Interest received	20	9
Acquisition of property, plant and equipment	(340)	(373)
Acquisition of intangible assets	(9)	(11)
Proceeds from disposal of non-current assets available for sale	-	620
Dividends from associates	304	522
Dividends from joint ventures	29	52
Changes in restricted cash	(12)	-
Net cash (used in)/ generated from investing activities	**(8)**	**833**
FINANCING ACTIVITIES		
Proceeds from borrowings	1,439	1,171
Repayment of borrowings	(1,552)	(1,853)
Refinancing fees and other expenses	(82)	(49)
Interest paid	(524)	(472)
Purchases of shares held for vesting	(1)	(2)
Settlement of other derivatives	(195)	7
Net cash used in financing activities	**(915)**	**(1,198)**
Net decrease in cash and cash equivalents	**(325)**	**(28)**
Cash and cash equivalents at 1 January	701	490
Effect of exchange rate fluctuations on cash and cash equivalents	(30)	(14)
Cash and cash equivalents at the end of the period	**346**	**448**

Restricted cash amounted to USD27 million and USD15 million at 30 September 2014 and 31 December 2013, respectively.

1 Background

Organisation

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

The Company's registered office is 44 Esplanade, St Helier, Jersey, JE4 9WG.

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 the 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.

The shareholding structure of the Company as at 30 September 2014 and 31 December 2013 was as follows:

	30 September 2014	31 December 2013
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	0.24%	0.26%
Shares held for vesting	0.01%	0.00%*
Publicly held	10.05%	10.04%
Total	**100%**	**100%**

* As at 31 December 2013 the Group held 106,684 ordinary shares for LTIP (note 13(b)).

En+ is controlled by Mr. Oleg Deripaska. Onexim is controlled by Mr. Mikhail Prokhorov. SUAL Partners is controlled by Mr. Viktor 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 20.

The consolidated financial statements of the Group as at and for the year ended 31 December 2013 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 2013.

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 10, IFRS 12 and IAS 27: *Investment entities*

Amendments to IAS 32, Financial Instruments: *Presentation - Offsetting Financial Assets and Financial Liabilities*

Amendments to IAS 39, Financial Instruments: *Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting*

IFRIC 21, *Levies*

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 2013. 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 statement of income before income tax adjusted for impairment of non-current assets and for items not specifically attributed to individual segments, such as finance income, costs of loans and borrowings and other head office or corporate administration costs. The segment profit or loss is included in the internal management reports that are reviewed by the Group's CEO. Segment profit or loss is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

In addition to receiving segment information concerning segment results, management is provided with segment information concerning revenue (including inter-segment revenue), the carrying value of investments and share of (losses)/profits of associates and joint ventures, 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.

(i) Reportable segments

Three months ended 30 September 2014

	Aluminium	Alumina	Energy	Mining and Metals	Total
	USD million	USD million	USD million	USD million	USD million
Revenue from external customers	2,077	171	-	-	2,248
Inter-segment revenue	41	291	-	-	332
Total segment revenue	**2,118**	**462**	**-**	**-**	**2,580**
Segment profit	**402**	**10**	**-**	**-**	**412**
Impairment of non-current assets	(3)	(8)	-	-	**(11)**
Share of (losses)/profits of associates	-	(8)	-	225	**217**
Share of profits of joint ventures	-	-	18	-	**18**
Depreciation/amortisation	(90)	(22)	-	-	**(112)**
Non-cash income/(expense) other than depreciation/amortization	7	(1)	-	-	**6**
Additions to non-current segment assets during the period	63	39	1	-	**103**
Non-cash additions to non-current segment assets related to site restoration	-	4	-	-	**4**

Three months ended 30 September 2013

	Aluminium	Alumina	Energy	Mining and Metals	Total
	USD million	USD million	USD million	USD million	USD million
Revenue from external customers	2,014	164	1	-	2,179
Inter-segment revenue	33	364	-	-	397
Total segment revenue	**2,047**	**528**	**1**	**-**	**2,576**
Segment profit/(loss)	**93**	**(69)**	**1**	**-**	**25**
Impairment of non-current assets	(11)	(22)	-	-	**(33)**
Share of (losses)/profits of associates	-	(5)	-	94	**89**
Share of profits of joint ventures	1	-	1	-	**2**
Depreciation/amortisation	(107)	(24)	-	-	**(131)**
Non-cash expense other than depreciation/amortization	6	-	-	-	**6**
Additions to non-current segment assets during the period	106	51	3	-	**160**

Nine months ended 30 September 2014

	Aluminium	Alumina	Energy	Mining and Metals	Total
	USD million	USD million	USD million	USD million	USD million
Revenue from external customers	5,709	459	2	-	6,170
Inter-segment revenue	122	978	-	-	1,100
Total segment revenue	**5,831**	**1,437**	**2**	**-**	**7,270**
Segment profit/(loss)	**773**	**(93)**	**-**	**-**	**680**
Impairment of non-current assets	(12)	(55)	-	-	**(67)**
Share of (losses)/profits of associates	-	(18)	-	596	**578**
Share of profits of joint ventures	1	-	32	-	**33**
Depreciation/amortisation	(275)	(64)	-	-	**(339)**
Non-cash income other than depreciation/amortization	10	-	-	-	**10**
Additions to non-current segment assets during the period	189	142	5	-	**336**
Non-cash additions to non-current segment assets related to site restoration	-	17	-	-	**17**

Nine months ended 30 September 2013

	Aluminium	Alumina	Energy	Mining and Metals	Total
	USD million	USD million	USD million	USD million	USD million
Revenue from external customers	6,466	419	4	-	6,889
Inter-segment revenue	108	1,106	-	-	1,214
Total segment revenue	**6,574**	**1,525**	**4**	**-**	**8,103**
Segment profit/(loss)	**458**	**(196)**	**1**	**-**	**263**
Impairment of non-current assets	(40)	(74)	-	-	**(114)**
Share of (losses)/profits of associates	-	(23)	-	204	**181**
Share of profits of joint ventures	1	-	32	-	**33**
Depreciation/amortisation	(316)	(75)	-	-	**(391)**
Non-cash expense other than depreciation/amortization	3	(30)	-	-	**(27)**
Additions to non-current segment assets during the period	247	122	7	-	**376**
Non-cash additions to non-current segment assets related to site restoration	-	5	-	-	**5**

At 30 September 2014

	Aluminium	Alumina	Energy	Mining and Metals	Total
	USD million	USD million	USD million	USD million	USD million
Segment assets	8,700	1,772	33	-	**10,505**
Interests in associates	-	345	-	6,694	**7,039**
Interests in joint ventures	19	-	529	-	**548**
Total segment assets					**18,092**
Segment liabilities	(1,644)	(997)	(101)	-	**(2,742)**
Total segment liabilities					**(2,742)**

At 31 December 2013

	Aluminium	Alumina	Energy	Mining and Metals	Total
	USD million	USD million	USD million	USD million	USD Million
Segment assets	9,754	1,734	32	-	**11,520**
Interests in associates	-	371	-	7,801	**8,172**
Interests in joint ventures	18	-	567	-	**585**
Total segment assets					**20,277**
Segment liabilities	(1,744)	(957)	(2)	-	**(2,703)**
Total segment liabilities					**(2,703)**

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

	Three months ended 30 September		Nine months ended 30 September	
	2014	**2013**	**2014**	**2013**
	USD million	**USD million**	**USD million**	**USD million**
Revenue				
Reportable segment revenue	2,580	2,576	7,270	8,103
Elimination of inter-segment revenue	(332)	(397)	(1,100)	(1,214)
Unallocated revenue	229	253	691	746
Consolidated revenue	**2,477**	**2,432**	**6,861**	**7,635**

	Three months ended 30 September		Nine months ended 30 September	
	2014	**2013**	**2014**	**2013**
	USD million	**USD million**	**USD million**	**USD million**
Profit				
Reportable segment profit	412	25	680	263
Impairment of non-current assets	(11)	(33)	(67)	(114)
Share of profits of associates	217	89	578	181
Share of profits of joint ventures	18	2	33	33
Loss recycled from other comprehensive income	-	-	-	(234)
Finance income	10	13	22	54
Finance expenses	(292)	(218)	(929)	(599)
Unallocated expenses	(56)	(31)	(169)	(121)
Consolidated profit/(loss) before taxation	**298**	**(153)**	**148**	**(537)**

	30 September	31 December
	2014	**2013 (restated)**
	USD million	**USD million**
Assets		
Reportable segment assets	18,092	20,277
Elimination of inter-segment receivables	(480)	(336)
Unallocated assets	582	539
Consolidated total assets	**18,194**	**20,480**

	30 September 2014	**31 December 2013 (restated)**
	USD million	**USD million**
Liabilities		
Reportable segment liabilities	(2,742)	(2,703)
Elimination of inter-segment payables	480	336
Unallocated liabilities	(10,975)	(11,563)
Consolidated total liabilities	**13,237**	**(13,930)**

6 Revenue

	Three months ended 30 September		**Nine months ended 30 September**	
	2014	**2013**	**2014**	**2013**
	USD million	**USD million**	**USD million**	**USD million**
Sales of primary aluminium and alloys	**2,077**	**2,014**	**5,709**	**6,466**
Third parties	*1,218*	*1,165*	*3,402*	*3,510*
Related parties – companies capable of exerting significant influence	*793*	*762*	*2,115*	*2,747*
Related parties – companies under common control	*60*	*62*	*158*	*184*
Related parties – associates	*6*	*25*	*34*	*25*
Sales of alumina and bauxite	**171**	**164**	**459**	**419**
Third parties	*101*	*92*	*283*	*263*
Related parties – companies capable of exerting significant influence	*70*	*72*	*176*	*156*
Sales of foil	**74**	**77**	**223**	**232**
Third parties	*70*	*76*	*215*	*228*
Related parties – companies under common control	*4*	*1*	*8*	*4*
Other revenue including energy and transportation services	**155**	**177**	**470**	**518**
Third parties	*130*	*133*	*394*	*398*
Related parties – companies capable of exerting significant influence	*5*	*4*	*22*	*9*
Related parties – companies under common control	*9*	*10*	*23*	*25*
Related parties – associates	*11*	*30*	*31*	*86*
	2,477	**2,432**	**6,861**	**7,635**

7 Finance income and expenses

	Three months ended 30 September		Nine months ended 30 September	
	2014	**2013**	**2014**	**2013**
	USD million	**USD million**	**USD million**	**USD million**
Finance income				
Interest income on third party loans and deposits	9	6	20	9
Interest income on company loans to related parties – *companies under common control*	1	-	2	2
Foreign exchange gain	-	-	-	38
Interest income on provisions	-	7	-	5
	10	**13**	**22**	**54**
Finance expenses				
Interest expense on bank loans wholly repayable within 5 years, bonds and other bank charges	(230)	(185)	(612)	(570)
Interest expense on company loans to related parties – *companies under common control*	(6)	-	(13)	-
Foreign exchange loss	(28)	(14)	(145)	-
Change in fair value of derivative financial instruments (refer to note 17)	(23)	(17)	(147)	(11)
Interest expense on provisions	(5)	(2)	(12)	(18)
	(292)	**(218)**	**(929)**	**(599)**

8 Income tax

	Three months ended 30 September		Nine months ended 30 September	
	2014	**2013**	**2014**	**2013**
	USD million	**USD million**	**USD million**	**USD million**
Current tax				
Current tax for the period	5	66	68	150
Deferred tax				
Origination and reversal of temporary differences	73	(47)	69	(76)
Actual tax expense	**78**	**19**	**137**	**74**

The Company is a tax resident of Cyprus with an applicable corporate tax rate of 12.5%. 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 18% (for the period ended 30 September 2013 – 19%); Guinea of 0%; China of 25%; Kazakhstan of 20%; Australia of 30%; Jamaica of 25%; Ireland of 12.5%; Sweden of 22% 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 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 2014 are 9.27% and 14.60% for different subsidiaries (30 September 2013: 9.33% and 14.88%). For the Group's significant trading companies, the applicable tax rate is 0%. The applicable tax rates for the period ended 30 September 2014 were the same as for the period ended 30 September 2013 and the year ended 31 December 2013 except as noted above.

9 Earnings/(loss) per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders for the three- and nine-months ended 30 September 2014 and 30 September 2013.

Weighted average number of shares:

	Three months ended 30 September	
	2014	**2013**
Issued ordinary shares at beginning of the period	15,193,014,862	15,193,014,862
Effect of treasury shares	(5,506,872)	(1,225,161)
Weighted average number of shares at end of the period	**15,187,507,990**	**15,191,789,701**
Profit/(loss) for the period, USD million	**220**	**(172)**
Basic and diluted earnings/(loss) per share, USD	**0.015**	**(0.011)**

	Nine months ended 30 September	
	2014	**2013**
Issued ordinary shares at beginning of the period	15,193,014,862	15,193,014,862
Effect of treasury shares	(4,426,899)	(1,142,583)
Weighted average number of shares at end of the period	**15,188,587,963**	**15,191,872,279**
Profit/(loss) for the period, USD million	**11**	**(611)**
Basic and diluted earnings/(loss) per share, USD	**0.001**	**(0.040)**

There were no outstanding dilutive instruments during the periods ended 30 September 2014 and 30 September 2013.

No dividends were declared and paid during the periods presented.

10 Interests in associates

	Three months ended 30 September	
	2014	**2013**
	USD million	**USD million**
Balance at the beginning of the period	**8,024**	**8,529**
Group's share of profits and other gains and losses attributable to associates	217	89
Group's share of other comprehensive income	-	31
Foreign currency translation	(1,199)	62
Balance at the end of the period	**7,042**	**8,711**
Goodwill included in interests in associates	4,019	4,864

	Nine months ended 30 September	
	2014	**2013**
	USD million	**USD million**
Balance at the beginning of the period	**8,175**	**9,673**
Group's share of profits and other gains and losses attributable to associates	578	181
Dividends	(313)	(550)
Group's share of other comprehensive income	1	4
Foreign currency translation	(1,399)	(597)
Balance at the end of the period	**7,042**	**8,711**
Goodwill included in interests in associates	4,019	4,864

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 the three- and nine-month periods ended 30 September 2014. Consequently the Group estimated its share in the profits, other comprehensive income and foreign currency translation reserve of Norilsk Nickel for the three- and nine-month periods ended 30 September 2014 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, foreign currency translation reserve and the carrying value of the investment in Norilsk Nickel reported in this consolidated interim condensed financial information.

The market value of the investment in Norilsk Nickel at 30 September 2014 is USD8,209 million (31 December 2013: USD7,261 million). 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.

11 Interests in joint ventures

	Three months ended 30 September	
	2014	**2013**
	USD million	**USD million**
Balance at the beginning of the period	**545**	**1,097**
Group’s share of profits	18	2
Dividends	(9)	(13)
Foreign currency translation	(6)	5
Balance at the end of the period	**548**	**1,091**

	Nine months ended 30 September	
	2014	**2013**
	USD million	**USD million**
Balance at the beginning of the period	**585**	**1,156**
Group’s share of profits	33	33
Dividends	(29)	(50)
Foreign currency translation	(41)	(48)
Balance at the end of the period	**548**	**1,091**

12 Trade and other receivables

	30 September 2014	**31 December 2013**
	USD million	**USD million**
Trade receivables from third parties	211	180
Impairment loss on trade receivables	(30)	(45)
Net trade receivables from third parties	**181**	**135**
Trade receivables from related parties, including:	**59**	**44**
Companies capable of exerting significant influence	*57*	*34*
Impairment loss	*(8)*	*(8)*
Net trade receivables from companies capable of exerting significant influence	*49*	*26*
Companies under common control	*5*	*5*
Related parties – associates	*5*	*13*
VAT recoverable	298	351
Impairment loss on VAT recoverable	(30)	(35)
Net VAT recoverable	**268**	**316**
Advances paid to third parties	91	134
Impairment loss on advances paid	(3)	(3)
Net advances paid to third parties	**88**	**131**
Advances paid to related parties, including:	**84**	**68**
Related parties – companies under common control	*8*	*2*
Related parties – associates	*76*	*66*
Prepaid expenses	**21**	**20**
Prepaid income tax	**19**	**7**
Prepaid other taxes	**19**	**19**
Other receivables from third parties	77	82
Impairment loss on other receivables	(12)	(25)
Net other receivables from third parties	**65**	**57**
Other receivables from related parties, including:	**12**	**20**
Related parties – companies under common control	*5*	*8*
Related parties – associates	*7*	*12*
	816	**817**

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 September 2014	31 December 2013
	USD million	USD million
Current	214	135
Past due 0-90 days	21	37
Past due 91-365 days	4	5
Past due over 365 days	1	2
Amounts past due	26	44
	240	**179**

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

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

(b) Impairment of trade receivables

Impairment losses in respect of trade receivables are recognised unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly.

The movement in the allowance for doubtful debts during the periods, including both specific and collective loss components, is as follows:

	Three months ended 30 September	
	2014	2013
	USD million	USD million
Balance at the beginning of the period	(47)	(45)
Reversal of impairment/(impairment loss) recognised	4	(3)
Uncollectible amounts written off	5	1
Balance at the end of the period	**(38)**	**(47)**

	Nine months ended 30 September	
	2014	**2013**
	USD million	**USD million**
Balance at the beginning of the period	(53)	(42)
Impairment loss recognised	(3)	(6)
Uncollectible amounts written off	18	1
Balance at the end of the period	**(38)**	**(47)**

As at 30 September 2014 and 31 December 2013, Group trade receivables of USD38 million and USD53 million, respectively, were individually determined to be impaired. Management assessed that the receivables are not expected to be recovered. Consequently, specific allowances for doubtful debts were recognised.

The Group does not hold any collateral over these balances.

13 Equity

(a) Share capital

	Nine months ended 30 September 2014		**Nine months ended 30 September 2013**	
	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 2013.

(b) Share-based compensation

As at 30 September 2014 and 31 December 2013 the Group held 4,044,464 and 4,299,796 of its own shares, respectively, which were acquired on the open market for the share-based incentive plans (“Shares held for vesting”). During the nine months ended 30 September 2014 the trustees acquired on the open market 1,750,886 shares (2013: 6,471,000 shares) and vested to eligible employees 2,006,218 shares (2013: 2,065,261). For the nine month periods ended 30 September 2014 and 30 September 2013, the Group recognized an additional employee expense of USD1 million and USD4 million in relation to the share based plans, 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 debt restructuring agreements.

(e) Currency translation reserve

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

14 Loans and borrowings

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

	30 September 2014	31 December 2013
	USD million	USD million
Non-current liabilities		
Secured loans from related parties	235	-
Secured bank loans	9,337	8,691
	9,572	**8,691**
Current liabilities		
Secured bank loans	27	995
Unsecured bank loans	-	183
Secured loans from related parties	153	-
Accrued interest	50	56
	230	**1,234**

The Group’s bank loans are secured by pledges of shares of the Group’s subsidiaries and by pledges of the shares of an associate, the details of which are disclosed in the Group’s consolidated financial statements as of and for the year ended 31 December 2013.

During the nine month period ended 30 September 2014 an additional 100% shares of Limerick Alumina Refining Limited and 75% shares of Aughunish Alumina Limited were pledged as collateral under the agreement with Glencore AG.

The secured bank loans are also secured by the following:

- property, plant and equipment, inventory, receivables with a carrying amount of USD522 million (31 December 2013: nil);
- inventory with a carrying value of USD34 million (31 December 2013: USD16 million).

As at 30 September 2014 and 31 December 2013 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 USD9,984 million at 30 September 2014 (31 December 2013: USD10,018 million).

On 9 January 2014 the Group made a scheduled repayment of principal under the USD4.75 billion syndicated facility in the amount of USD203 million.

On 26 February 2014, the Group and Sberbank of Russia entered into an amendment agreement to the non-revolving credit facility agreement dated 1 December 2011 in order to increase the credit limit by RUB2.4 billion ("Additional Limit") from RUB18.3 billion to RUB20.7 billion in connection with the Group's fulfilment of obligations under the put option of the Ruble bonds issued by OJSC RUSAL Bratsk ("RUSAL Bratsk") (series 07), which was due on 3 March 2014.

In February 2014 the Group entered into a facility agreement with Glencore AG for a prepayment of USD400 million for the supply of alumina from one of the Group's subsidiaries to Glencore AG in 2014-2016. Interest of 3M Libor + 4.95% and principal payable under the facility agreement will, to the extent such amounts are due, be offset against amounts due by Glencore AG under its alumina supply contract at USD40 per metric tonne for the first six months and USD286 per metric tonne thereafter. The facility is to be repaid up to 31 December 2016 in accordance with an agreed amortization schedule commencing on or about 30 September 2014.

In February 2014 the Group entered into a new credit facility of RUB2 billion (USD56 million) with Moscow Credit Bank with a maturity of 1 year and an interest rate of 10.4% p.a.

In March 2014 the Group refinanced its credit facilities with Gazprombank in the amount of USD242.7 million and EUR74.7 million. The facilities bear interest at 3M LIBOR + 6.5% and mature over 5 years.

In August 2014 the PXF Amendments on the refinancing of USD4.75 billion and USD400 million PXF facilities has been signed and has become effective. Pursuant to the PXF Amendments, the two PXF facilities are combined into a single facility agreement.

Pursuant to the terms of the PXF Amendments the facility is comprised of:

- Tranche A amounting to USD2.56 billion is to be repaid in equal quarterly instalments starting from the 12 January 2016 and with a final maturity in December 2018.

Loans under tranche A bear interest at the rate of 3-month LIBOR plus margin (cash + PIK) based on Total Net Debt/EBIDTA ratio which is revised quarterly. Interest will be paid quarterly.

Leverage Ratio Cash Margin

Greater than 4.5:1	4.50 per cent. per annum
Greater than 4:1 but less than or equal to 4.5:1	4.25 per cent. per annum
Greater than 3.5:1 but less than or equal to 4:1	4.00 per cent. per annum
Greater than 3:1 but less than or equal to 3.5:1	3.60 per cent. per annum
Less than or equal to 3:1	2.80 per cent. per annum

Leverage Ratio PIK Margin

Greater than 5:1	1.25 per cent. per annum
Greater than 4.5:1 but less than or equal to 5:1	0.80 per cent. per annum
Greater than 4:1 but less than or equal to 4.5:1	0.50 per cent. per annum
Greater than 3.5:1 but less than or equal to 4:1	0.25 per cent. per annum
Less than or equal to 3.5:1	0 per cent. per annum

- A second tranche which is comprised of the refinanced tranche B under the 2011 PXF Facility Agreement amounting to USD1 billion is to be repaid in quarterly instalments commencing from 30 January 2017 with a final maturity date in December 2020. The first 8 instalments will be in the amount of USD31.25 million and the subsequent 8 instalments will be in the amount of USD93.75 million. Loans under the second tranche bear interest at a rate of 3-month LIBOR plus 5.65% per annum plus a PIK Margin determined in line with Tranche A and will be paid quarterly.

The relevant amendments to Sberbank credit facilities in line with the PXF Amendments were executed on 25 August.

15 Bonds

Details of the two tranches of ruble denominated bonds and the remaining cross-currency swap are disclosed in the Group's consolidated financial statements as of and for the year ended 31 December 2013.

On 25 February 2014 RUSAL Bratsk entered into a bond sale agreement for the purpose of selling up to 5,000,000 (five million) series 07 bonds which were expected to be bought back under a put-option on 3 March 2014. The selling price under the terms of bonds sale agreement was RUB998.356, or 99.8356% of the par value of each bond. Simultaneously United Company RUSAL Aluminium Limited entered into a put-option transaction which may be exercised for up to 5,000,000 (five million) series 07 bonds at a strike price which will be a function of the announced coupon rate, purchase price, tenor and the expected yield of the transaction, and is exercisable on 22 February 2016.

On 26 February 2014 cross-currency swap in relation to the first tranche expired.

On 28 February 2014 RUSAL Bratsk announced a coupon rate in respect to the series 07 bond issue of 12% per annum for the 7-10 semi-annual coupon periods.

On 3 March 2014 RUSAL Bratsk successfully performed its obligations under the terms of bondholders put-option. As result of the put-option being exercised RUB10,947,149 series 07 bonds (about 73% of the issue) were purchased back by the issuer.

The closing market price at 30 September 2014 was RUB985.0 and RUB962.8 per bond for the first and second tranches, respectively.

16 Provisions

	Pension liabilities	**Site restoration**	**Provisions for legal claims**	**Tax provisions**	**Provision for guarantee**	**Total**
	USD million	**USD million**	**USD million**	**USD million**	**USD million**	**USD million**
Balance at 30 June 2014	**101**	**486**	**12**	**68**	**100**	**767**
Provisions made during the period	4	7	-	-	-	11
Provisions utilised during the period	(3)	(5)	-	-	-	(8)
Foreign currency translation	(13)	(47)	-	-	-	(60)
Balance at 30 September 2014	**89**	**441**	**12**	**68**	**100**	**710**
Non-current	*79*	*428*	-	*35*	*71*	*613*
Current	*10*	*13*	*12*	*33*	*29*	*97*

Balance at 30 June 2013	**164**	**481**	**24**	**3**	**-**	**672**
Provisions made during the period	5	3	3	-	-	11
Provisions reversed during the period	(9)	-	-	-	-	(9)
Actuarial loss	9	-	-	-	-	9
Provisions utilised during the period	(4)	(2)	-	-	-	(6)
Foreign currency translation	3	7	-	-	-	10
Balance at 30 September 2013	**168**	**489**	**27**	**3**	**-**	**687**
Non-current	*153*	*481*	-	-	**-**	*634*
Current	*15*	*8*	*27*	*3*	**-**	*53*

	Pension liabilities	**Site restoration**	**Provisions for legal claims**	**Tax provisions**	**Provision for guarantee**	**Total**
	USD million	**USD million**	**USD million**	**USD million**	**USD million**	**USD million**
Balance at 1 January 2014	**116**	**491**	**12**	**68**	**100**	**787**
Provisions made during the period	10	23	-	-	-	33
Actuarial gain	(5)	-	-	-	-	(5)
Provisions utilised during the period	(9)	(8)	-	-	-	(17)
Foreign currency translation	(23)	(65)	-	-	-	(88)
Balance at 30 September 2014	**89**	**441**	**12**	**68**	**100**	**710**
Non-current	*79*	*428*	-	*35*	*71*	*613*
Current	*10*	*13*	*12*	*33*	*29*	*97*

Balance 1 January 2013	**151**	**494**	**23**	**13**	**-**	**681**
Provisions made during the period	16	8	14	-	-	38
Provisions reversed during the period	-	-	(10)	-	-	(10)
Actuarial loss	20	-	-	-	-	20
Provisions utilised during the period	(12)	(5)	-	(10)	-	(27)
Foreign currency translation	(7)	(8)	-	-	-	(15)
Balance at 30 September 2013	**168**	**489**	**27**	**3**	**-**	**687**
Non-current	*153*	*481*	-	-	**-**	*634*
Current	*15*	*8*	*27*	*3*	**-**	*53*

17 Derivative financial assets and liabilities

	30 September 2014		31 December 2013	
	USD million		USD million	
	Derivative assets	Derivative liabilities	Derivative assets	Derivative liabilities
Cross-currency swaps	-	263	-	198
Petroleum coke supply contracts and other raw materials	15	9	22	22
Interest rate swaps	-	59	-	81
Put option on loan	-	71	-	-
Forward contracts for aluminium and other instruments	9	-	-	9
Electricity contracts	-	6	-	-
Total	**24**	**408**	**22**	**310**

On 16 December 2013 the Group entered into a new credit facility up to RUB15 billion with VTB Capital Plc with a maturity of 5 years and an interest rate of 3M Mosprime + 4.0% and drew down RUB10.1 billion (USD309 million) on 17 December 2013. The credit facility includes an option which may be exercised by the bank two years from the date of entering into the credit facility to convert the credit facility to USD with a 3M LIBOR + 5.05% interest rate. On 30 September 2014 the Group's exposure under this option was USD71 million.

The secured cross-currency swaps are secured by pledges of 11% shares in OJSC SUAL and USD253 million of the Group's property, plant and equipment.

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. There were no changes in valuation techniques during three-month period ended 30 September 2014. The following significant assumptions were used in estimating derivative instruments:

	2014	2015	2016
LME Al Cash, USD per tonne	1,951	1,992	2,032
Platt's FOB Brent, USD per barrel	96	97	96
Forward exchange rate, RUB to USD	39.98	42.02	44.99
Forward 1Y LIBOR, %	0.64	0.70	1.16

The fair value of VTB Capital loan option is estimated using Black-Scholes model. As at 30 September 2014 the following assumptions were used:

Conversion rate, RUB to USD	32.83
Spot price, RUB to USD	39.6
Volatility, %	13.4
Risk free rate for RUB, %	7.9
Risk free rate for USD, %	0.2

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

	Three months ended 30 September	
	2014	**2013**
	USD million	**USD million**
Balance at the beginning of the period	(293)	(254)
Unrealised changes in fair value recognised in other comprehensive income during the period	(115)	(14)
Unrealised changes in fair value recognised in statement of income (finance expenses) during the period	(23)	(17)
Realised portion during the period	47	8
Balance at the end of the period	**(384)**	**(277)**

	Nine months ended 30 September	
	2014	**2013**
	USD million	**USD million**
Balance at the beginning of the period	(288)	(211)
Unrealised changes in fair value recognised in other comprehensive income during the period	(166)	(93)
Unrealised changes in fair value recognised in statement of income (finance expenses) during the period	(147)	(11)
Realised portion during the period	217	38
Balance at the end of the period	**(384)**	**(277)**

18 Trade and other payables

	30 September 2014 USD million	31 December 2013 USD million
Accounts payable to third parties	**558**	**623**
Accounts payable to related parties, including:	**40**	**112**
Companies capable of exerting significant influence	*19*	*37*
Companies under common control	*19*	*74*
Associates	*2*	*1*
Advances received from third parties	**219**	**300**
Advances received from related parties, including:	**155**	**164**
Companies capable of exerting significant influence	*153*	*161*
Companies under common control	-	*2*
Associates	*2*	*1*
Other payables and accrued liabilities third parties	**135**	**152**
Other payable and accrued liabilities related parties, including:	**12**	**15**
Companies capable of exerting significant influence	*5*	*9*
Associates	*7*	*6*
Other taxes payable	**121**	**104**
Non-trade payables to third parties	**2**	**2**
	1,242	**1,472**

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

	30 September 2014 USD million	31 December 2013 USD million
Due within twelve months or on demand	**598**	**735**

19 Commitments and contingencies

(a) Capital commitments

In May 2006, the Group signed a Co-operation agreement with OJSC HydroOGK and RAO UES. Under this Co-operation agreement OJSC HydroOGK and the Group have jointly committed to finance the construction and future operating of the BEMO Project including BoGES and an aluminium plant, the planned main customer of the hydropower station. The parties established two joint companies with 50:50 ownership, into which the Group is committed to invest USD1,669 million by the end of 2015 (31 December 2013: USD1,989 million). As at 30 September 2014, the outstanding commitment of the Group for construction of the aluminium plant was approximately USD69 million to be invested by the end of 2015 (31 December 2013: USD276 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 September 2014 and 31 December 2013 approximated USD255 million and USD258 million, respectively. These commitments are due over a number of years.

(b) Taxation

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

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

In addition to the amounts of income tax the Group has provided, there are certain tax positions taken by the Group where it is reasonably possible (though less than 50% likely) that additional tax may be payable upon examination by the tax authorities or in connection with ongoing disputes with tax authorities. The Group's best estimate of the aggregate maximum of additional amounts that it is reasonably possible may become payable if these tax positions were not sustained at 30 September 2014 is USD269 million (31 December 2013: USD345 million).

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

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 statements.

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 significant capital projects to improve its future environmental performance and to bring it into full compliance with current legislation.

(d) Legal contingencies

The Group’s business activities expose it to a variety of lawsuits and claims which are monitored, assessed and contested on the ongoing basis. Where management believes that a lawsuit or another claim would result in the outflow of the economic benefits for the Group, a best estimate of such outflow is included in provisions in the consolidated interim condensed financial information (refer to note 16). As at 30 September 2014 the amount of claims, where management assesses outflow as possible approximates USD139 million (31 December 2013: USD175 million).

20 Related party transactions

(a) Transactions with management and close family members

Management remuneration

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

	Three months ended 30 September		Nine months ended 30 September	
	2014	**2013**	**2014**	**2013**
	USD million	**USD million**	**USD million**	**USD million**
Salaries and bonuses	13	27	41	57
Share-based compensation	-	1	1	2
	13	**28**	**42**	**59**

(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 and 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 12, accounts payable to related parties are disclosed in note 18, capital commitments with related parties are disclosed in note 19.

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

	Three months ended 30 September		Nine months ended 30 September	
	2014	**2013**	**2014**	**2013**
	USD million	**USD million**	**USD million**	**USD million**
Purchases of raw materials – companies under common control	19	21	68	73
Purchases of raw materials – companies capable of exerting significant influence	49	75	144	248
Purchases of raw materials - associates	15	-	15	-
Energy costs – companies under common control	153	156	419	494
Energy costs – companies capable of exerting significant influence	11	24	33	97
Energy costs – associates	-	1	1	4
Other costs – companies under common control	7	5	15	14
Other costs – associates	34	35	109	116
Distribution expense – companies under common control	-	1	1	4
	288	**318**	**805**	**1,050**

As at 30 September 2014, included in non-current assets and liabilities are balances of USD36 million and USD71 million, respectively, of companies which are related parties (31 December 2013: USD34 million and USD106 million, respectively).

(c) Pricing policies

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

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

21 Events subsequent to the reporting date

There were no significant events subsequent to the reporting date.