EN+ GROUP IPJSC
(formerly EN+ GROUP PLC)

Consolidated Interim Condensed Financial Information for the three and six months ended 30 June 2019

Contents

Statement of Management's Responsibilities for the Preparation and Approval of the Consolidated Interim Condensed Financial Information for the three and six months ended 30 June 2019

The following statement, which should be read in conjunction with the auditors' responsibilities stated in the auditors' report on the review of the consolidated interim condensed financial information set out on pages 4-5, is made with a view to distinguishing the respective responsibilities of management and those of the auditors in relation to the consolidated interim condensed financial information of EN+ GROUP IPJSC and its subsidiaries.

Management is responsible for the preparation of the consolidated interim condensed financial information for the three and six months ended 30 June 2019 in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34").

In preparing the consolidated interim condensed financial information, management is responsible for:

- selecting suitable accounting principles and applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- stating whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the consolidated interim condensed financial information; and
- preparing the consolidated interim condensed financial information on a going concern basis, unless it is inappropriate to presume that the Group will continue in the business for the foreseeable future.

Management, within its competencies, is also responsible for:

- designing, implementing and maintaining an effective system of internal controls throughout the Group;
- maintaining statutory accounting records in compliance with local legislation and accounting standards in the respective jurisdictions in which the Group operates;
- taking steps to safeguard the assets of the Group; and
- detecting and preventing fraud and other irregularities.

This consolidated interim condensed financial information was approved by the Board of Directors on 23 August 2019 and was signed on its behalf by:

General Director of
EN+ GROUP IPJSC

Vladimir Kiriukhin

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Independent Auditors’ Report on Review of Consolidated Interim Condensed Financial Information

To the Shareholders and Board of Directors

EN+ GROUP IPJSC (formerly EN+ GROUP PLC)

Introduction

We have reviewed the accompanying consolidated interim condensed statement of financial position of EN+ GROUP IPJSC (formerly EN+ GROUP PLC) (the “Company”) and its subsidiaries (the “Group”) as at 30 June 2019, and the related consolidated interim condensed statements of profit or loss and other comprehensive income for the three- and six-month periods ended 30 June 2019 and the related consolidated interim condensed statements of changes in equity and cash flows for the six-month period ended 30 June 2019 and notes to the consolidated interim condensed financial information (the “consolidated interim condensed financial information”). Management is responsible for the preparation and presentation of this consolidated interim condensed financial information in accordance with IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this consolidated interim condensed financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim condensed financial information as at 30 June 2019 and for the three- and six-month periods ended 30 June 2019 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

Other Matter

In our report dated 15 August 2019, we expressed a conclusion on the Group's consolidated interim condensed financial information as at 30 June 2019 and for the three- and six-month periods ended 30 June 2019 that was qualified for the possible effects of such adjustments, if any, that might have been determined to be necessary had we been able to obtain and review consolidated interim condensed financial information of the Group's equity investee, PJSC MMC Norilsk Nickel ("Norilsk Nickel"), supporting the Group's estimate of the share of profit, other comprehensive income, the foreign currency translation gain for the three- and six-month periods ended 30 June 2019 and the carrying value of the Group's investment in the investee as at 30 June 2019.

Since that date as described in Note 10 to the consolidated interim condensed financial information, the Board has obtained the required information and has adjusted the Group's accounting for the Norilsk Nickel investment. We have reviewed the adjustments described in Note 10 to the consolidated interim condensed financial information and nothing has come to our attention that causes us to believe that such adjustments are not appropriate and have not been properly applied.

Yerkozha Akylbek

JSC "KPMG"

Moscow, Russia

23 August 2019

		Three months ended 30 June		Six months ended 30 June	
		2019 (unaudited)	2018 (unaudited)	2019 (unaudited)	2018 (unaudited)
	Note	USD million	USD million	USD million	USD million
Revenue	5	3,022	2,698	5,803	6,136
Cost of sales		(2,250)	(1,776)	(4,294)	(4,066)
Gross profit		**772**	**922**	**1,509**	**2,070**
Distribution expenses		(167)	(139)	(294)	(316)
General and administrative expenses		(160)	(199)	(346)	(413)
Impairment of non-current assets		(28)	(93)	(55)	(148)
Other operating (expenses)/income, net	6	(48)	3	(85)	(24)
Results from operating activities		**369**	**494**	**729**	**1,169**
Share of profits of associates and joint ventures	10	407	243	834	481
Finance income	7	30	44	46	122
Finance costs	7	(257)	(358)	(550)	(597)
Profit before tax		**549**	**423**	**1,059**	**1,175**
Income tax expense	8	(95)	(53)	(196)	(138)
Profit for the period		**454**	**370**	**863**	**1,037**
Attributable to:					
Shareholders of the Parent Company		296	155	576	533
Non-controlling interests	12(f)	158	215	287	504
Profit for the period		**454**	**370**	**863**	**1,037**
Earnings per share					
Basic and diluted earnings per share (USD)	9	**0.463**	**0.271**	**0.915**	**0.933**

The consolidated interim condensed statement of profit or loss and other 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 13 to 40.

		Three months ended 30 June		**Six months ended 30 June**	
		2019 (unaudited)	**2018 (unaudited)**	**2019 (unaudited)**	**2018 (unaudited)**
	Note	**USD million**	**USD million**	**USD million**	**USD million**
Profit for the period		**454**	**370**	**863**	**1,037**
Other comprehensive income					
Items that will never be reclassified subsequently to profit or loss:					
Actuarial (loss)/gain on post retirement benefit plans		(1)	3	(1)	3
		(1)	3	(1)	3
Items that are or may be reclassified subsequently to profit or loss:					
Disposal of subsidiary		-	-	4	-
Foreign currency translation differences on foreign operations		52	(118)	140	(115)
Foreign currency translation differences for equity-accounted investees	10	79	(440)	373	(406)
Change in fair value of cash flow hedge	14	(5)	-	(5)	-
Change in fair value of financial assets		-	1	(1)	2
		126	(557)	511	(519)
Total comprehensive income for the period		**579**	**(184)**	**1,373**	**521**
Attributable to:					
Shareholders of the Parent Company		375	(113)	855	288
Non-controlling interests		204	(71)	518	233
Total comprehensive income for the period		**579**	**(184)**	**1,373**	**521**

The consolidated interim condensed statement of profit or loss and other 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 13 to 40.

	Note	30 June 2019 (unaudited) USD million	31 December 2018 USD million
ASSETS			
Non-current assets			
Property, plant and equipment		9,796	9,322
Goodwill and intangible assets		2,340	2,195
Interests in associates and joint ventures	10	4,354	3,701
Deferred tax assets		129	125
Derivative financial assets	14	37	33
Other non-current assets		74	77
Total non-current assets		**16,730**	**15,453**
Current assets			
Inventories		2,884	3,037
Trade and other receivables	11(a)	2,087	1,389
Short-term investments		229	211
Derivative financial assets	14	20	9
Cash and cash equivalents		1,479	1,183
Total current assets		**6,699**	**5,829**
Total assets		**23,429**	**21,282**

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 13 to 40.

	Note	30 June 2019 (unaudited) USD million	31 December 2018 USD million
EQUITY AND LIABILITIES			
Equity	12		
Share capital		-	-
Share premium		1,516	973
Additional paid-in capital		9,193	9,193
Revaluation reserve		2,722	2,718
Other reserves		187	(62)
Foreign currency translation reserve		(5,579)	(5,024)
Accumulated losses		(4,090)	(5,143)
Total equity attributable to shareholders of the Parent Company		**3,949**	**2,655**
Non-controlling interests	12(f)	2,821	2,747
Total equity		**6,770**	**5,402**
Non-current liabilities			
Loans and borrowings	13	10,555	10,007
Deferred tax liabilities		1,274	1,219
Provisions – non-current portion		491	459
Derivative financial liabilities	14	30	24
Other non-current liabilities		114	208
Total non-current liabilities		**12,464**	**11,917**
Current liabilities			
Loans and borrowings	13	2,262	2,270
Provisions – current portion		67	71
Trade and other payables	11(b)	1,857	1,615
Derivative financial liabilities	14	9	7
Total current liabilities		**4,195**	**3,963**
Total equity and liabilities		**23,429**	**21,282**

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 13 to 40.

	Note	Six months ended 30 June 2019 (unaudited) USD million	2018 (unaudited) USD million
OPERATING ACTIVITIES			
Profit for the period		**863**	**1,037**
Adjustments for:			
Depreciation and amortization		396	371
Impairment of non-current assets		55	148
Foreign exchange loss	7	39	137
Loss on disposal of property, plant and equipment	6	5	4
Share of profits of associates and joint ventures	10	(834)	(481)
Interest expense	7	498	460
Interest income	7	(39)	(16)
Change in fair value of derivative financial instruments	7	(7)	(106)
Income tax expense	8	196	138
Reversal of impairment of inventory		(5)	(10)
Impairment of accounts receivable	6	12	12
Provision for legal claims	6	13	-
Operating profit before changes in working capital and pension provisions		**1,192**	**1,694**
Decrease/(increase) in inventories		181	(381)
Increase in trade and other receivables		(158)	(79)
Increase/(decrease) in trade and other payables and provisions		354	(361)
Cash flows generated from operations before income taxes paid		**1,569**	**873**
Income taxes paid		(334)	(122)
Cash flows generated from operating activities		**1,235**	**751**
INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		21	8
Acquisition of property, plant and equipment		(462)	(450)
Acquisition of intangible assets		(16)	(13)
Cash received from/ (paid for) other investments		11	(93)
Interest received		33	13
Dividends from associates and joint ventures		11	4
Dividends from financial assets		1	3
Proceeds from disposal of subsidiary		14	-
Acquisition of a subsidiary		(25)	-
Change in restricted cash		-	(3)
Cash flows used in investing activities		**(412)**	**(531)**
FINANCING ACTIVITIES			
Proceeds from borrowings		1,791	3,604
Repayment of borrowings		(1,882)	(3,426)
Restructuring fees and other payments related to issuance of shares		(9)	(19)
Acquisition of non-controlling interests	12	(5)	(105)
Interest paid		(472)	(437)

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 13 to 40.

		Six months ended 30 June	
		2019 (unaudited)	**2018 (unaudited)**
	Note	**USD million**	**USD million**
Settlement of derivative financial instruments		(9)	96
Dividends to shareholders		-	(68)
Cash flows used in financing activities		**(586)**	**(355)**
Net change in cash and cash equivalents		**237**	**(135)**
Cash and cash equivalents at beginning of period, excluding restricted cash		1,140	957
Effect of exchange rate fluctuations on cash and cash equivalents		59	(14)
Cash and cash equivalents at end of the period, excluding restricted cash		**1,436**	**808**

Restricted cash amounted to USD 43 million, USD 43 million and USD 20 million at 30 June 2019, 31 December 2018 and 30 June 2018, 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 13 to 40.

USD million	Attributable to shareholders of the Parent Company								
	Share premium	Additional paid-in capital	Revaluation reserve	Other reserves	Foreign currency translation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
Balance at 1 January 2018	**973**	**9,193**	**2,471**	**(72)**	**(4,544)**	**(6,030)**	**1,991**	**2,394**	**4,385**
Total comprehensive income									
Profit for the period (unaudited)	-	-	-	-	-	533	533	504	1,037
Other comprehensive income for the period (unaudited)	-	-	-	4	(249)	-	(245)	(271)	(516)
Total comprehensive income for the period (unaudited)	**-**	**-**	**-**	**4**	**(249)**	**533**	**288**	**233**	**521**
Transactions with owners									
Dividends to shareholders (unaudited)	-	-	-	-	-	(68)	(68)	-	(68)
Total transactions with owners (unaudited)	**-**	**-**	**-**	**-**	**-**	**(68)**	**(68)**	**-**	**(68)**
Balance at 30 June 2018 (unaudited)	**973**	**9,193**	**2,471**	**(68)**	**(4,793)**	**(5,565)**	**2,211**	**2,627**	**4,838**
Balance at 1 January 2019	**973**	**9,193**	**2,718**	**(62)**	**(5,024)**	**(5,143)**	**2,655**	**2,747**	**5,402**
Total comprehensive income									
Profit for the period (unaudited)	-	-	-	-	-	576	576	287	863
Other comprehensive income for the period (unaudited)	-	-	-	(2)	281	-	279	231	510
Total comprehensive income for the period (unaudited)	**-**	**-**	**-**	**(2)**	**281**	**576**	**855**	**518**	**1,373**
Transactions with owners									
Change in effective interest in subsidiaries (note 12(a))	543	-	4	251	(836)	477	439	(444)	(5)
Total transactions with owners (unaudited)	**543**	**-**	**4**	**251**	**(836)**	**477**	**439**	**(444)**	**(5)**
Balance at 30 June 2019 (unaudited)	**1,516**	**9,193**	**2,722**	**187**	**(5,579)**	**(4,090)**	**3,949**	**2,821**	**6,770**

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 13 to 40.

1 Background

(a) Organisation

EN+ GROUP IPJSC (the "Parent Company") was established as a limited liability company according to the legislation of the British Virgin Islands on 30 April 2002 under the name of Baufinanz Limited. On 18 March 2004 the Parent Company registered a change of its legal name to Eagle Capital Group Limited. On 25 August 2005 the Parent Company changed its domicile to Jersey and was renamed to En+ Group Limited. On 1 June 2017 the Parent Company changed its status to a public company and was renamed to EN+ GROUP PLC. On 9 July 2019 the Parent Company changed its domicile to the Russian Federation with a registration as EN+ GROUP International public joint-stock company (EN+GROUP IPJSC). As at the date of this consolidated interim condensed financial information the Parent Company's registered office is Oktyabrskaya st. 8, office 34, Kaliningrad, Kaliningrad Region, 236006, Russian Federation.

On 8 November 2017 the Parent Company successfully completed an initial public offering of global depositary receipts on the London Stock Exchange and the Moscow Exchange.

EN+ GROUP IPJSC is the parent company for a vertically integrated aluminium and power group, engaged in aluminium production and energy generation (together with the Parent Company referred to as "the Group").

The shareholding structure of the Parent Company and voting rights of the Parent Company's shareholders as at 30 June 2019 were as follows:

	Shareholding	**Voting rights**
B-Finance Limited	44.95%	35.00%
VTB	21.68%	7.35%
Citi (Nominees), including	15.25%	15.25%
Glencore Group Funding Limited	*10.55%*	*10.55%*
Other shareholders	18.12%	4.72%
Independent trustees	-	37.68%
Total	**100.00%**	**100.00%**

Glencore Group Funding Limited is a subsidiary of Glencore Plc.

As at 30 June 2019 the immediate largest shareholder of the Group is B-Finance Limited, which is incorporated in British Virgin Islands, and beneficially controlled by Mr. Oleg Deripaska.

Based on the information at the Group's disposal at the reporting date, there is no individual that has an indirect prevailing ownership interest in the Parent Company exceeding 50%, who could exercise voting rights in respect of more than 35% of the Parent Company's issued share capital or has an opportunity to exercise control over the Parent Company.

Related party transactions are detailed in note 17.

The consolidated financial statements of the Group as at and for the year ended 31 December 2018 are available at the Parent Company's website https://www.enplusgroup.com.

(b) Operations

The Group is a leading vertically integrated aluminium and power producer, which combines the assets and results of its Metals and Power (formerly “Energy”) segments.

The Metals segment operates in the aluminium industry primarily in the Russian Federation, Ukraine, Guinea, Jamaica, Ireland, Italy, Nigeria and Sweden and is principally engaged in the mining and refining of bauxite and nepheline ore into alumina, the smelting of primary aluminium from alumina and the fabrication of aluminium and aluminium alloys into semi-fabricated and finished products.

The Power segment engages in all aspects of the power industry, including electric power generation, power trading and supply. It also includes supporting operations engaged in the supply of logistics services and coal resources to the Group. The Group’s principal power plants are located in East Siberia, Russian Federation.

(c) Seasonality

Demand for heat and electricity is subject to seasonal fluctuations and depends on weather conditions. The highest revenues from heat sales are generated in the period from October to March. Electricity sales are also subject to seasonality, though to a lesser extent, with the highest revenue period also being from October to March. The seasonality factor affects fuel consumption and energy purchases.

Furthermore, equipment repair and maintenance costs tend to grow in the period from April to September. The seasonality of these operations does not have an impact on the accounting treatment of operating income and expenses in accordance with the Group accounting policies.

(d) OFAC sanctions

On 6 April 2018, the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”) designated, amongst others, the Parent Company, JSC Eurosibenergo (“Eurosibenergo”) and UC RUSAL Plc (“UC RUSAL”) as Specially Designated Nationals (“SDN”) (the “OFAC Sanctions”).

As a result, all property or interests in property of the Parent Company and its subsidiaries located in the United States or in the possession of U.S. Persons were blocked, frozen, and could not have been transferred, paid, exported, withdrawn, or otherwise dealt in. Several general licenses were issued at the time of the designation and subsequently certain transactions were authorised with the Parent Company, Eurosibenergo and UC RUSAL, and with their respective debt and equity.

On 27 January 2019, OFAC announced the removal of the Parent Company and its subsidiaries, including UC RUSAL and Eurosibenergo, from OFAC’s SDN list and Blocked Persons with immediate effect. The removal was subject to and conditional upon the satisfaction of a number of conditions including, but not limited to:

- ending Mr Oleg Deripaska’s control of the Group, through the reduction of his direct and indirect ownership interest in the Group to below 50%;
- establishing independent voting arrangements for the Parent Company’s shares held by certain shareholders;
- making changes in corporate governance framework, including, inter alia, overhauling the composition of the EN+ Board to ensure that independent directors constitute the majority of the Board, and

- ongoing transparency through auditing, reporting and certifications by the Parent Company and UC RUSAL to OFAC concerning compliance with the conditions for sanctions' removal.

2 Basis of preparation

(a) Statement of compliance

This consolidated interim condensed financial information has been prepared in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. This consolidated interim condensed financial information does not include all of the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards and therefore should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2018.

The Group has no updates to information provided in the last annual financial statements about the standards issued but not yet effective that may have a significant impact on the Group's consolidated financial statements.

(b) Consolidation of UC RUSAL

As at the reporting date the Parent Company's effective shareholding in UC RUSAL is 56.88% (nominal shareholding is 50.10%), which enables the Parent Company to consolidate it (note 12(a)(i)).

(c) Consolidation of OJSC Irkutsk Electric Grid Company ("Irkutsk GridCo")

In December 2009, the Group sold to third parties under share purchase contracts all the shares in two Cyprus companies of the Group controlling 34.16% of the shares in Irkutsk GridCo; subsequently the Group purchased back 19.9% in Irkutsk GridCo. The arrangements attached to the share purchase contracts enable the Group to retain certain rights with respect to the disposed shares and the sale did not result in deconsolidation. As at 30 June 2019 the effective interest in Irkutsk GridCo held by the Group is 52.4% (31 December 2018: 52.3%).

As laws and regulations in the electricity sector in the Russian Federation are in the developing stage, there is an uncertainty with respect to the legal interpretation of the existing arrangements which enable the Group to control Irkutsk GridCo and may be interpreted by the Russian regulatory authorities as noncompliant with applicable legislation upon enforcement. Management believes that such arrangements are compliant with the legislation and therefore the Group has the ability to control Irkutsk GridCo as described above. Should the arrangements be found non-compliant upon their enforcement, the Group may be required to unwind the arrangements subsequent to their enforcement and sell Irkutsk GridCo to a third party at that time.

3 Significant accounting policies

Except as described below, the accounting policies applied in this consolidated interim condensed financial information are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2018. The changes in accounting policies described below are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2019.

The Group has initially adopted IFRS 16 Leases from 1 January 2019. A number of other new standards or amendments to existing standards are effective from 1 January 2019 but they do not have a material effect on the Group's financial statements.

IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies. Amended accounting policies, method and effects of transition to IFRS 16 are disclosed in consolidated interim condensed financial information for the three months ended 31 March 2019.

Impacts for the period

As a result of initially applying IFRS 16, in relation to the leases that were previously classified as operating leases, the Group recognised USD 44 million of right-of-use assets and USD 50 million of lease liabilities as at 30 June 2019. USD 37 million of lease liabilities are long-term and included in other non-current liabilities, USD 13 million of lease liabilities are short-term and included in other payables.

Also in relation to these leases under IFRS 16, the Group has recognised USD 5 million of depreciation charges, USD 2 million of interest costs from these leases and USD 4 million foreign currency translation gain for the reporting period. USD 5 million of right-of-use assets have been impaired during six months ended 30 June 2019. The Group's total cash outflow for leases was in amount of USD 7 million.

The expense relating to short-term leases in the amount of USD 15 million and included in cost of sales or administrative expenses depending on type of underlying asset. Future cash outflows to which the Group is potentially exposed that are not recognised in right-to-use assets and are not reflected in the measurement of lease liabilities and which arise from variable lease payments not linked to index or rate are in the amount of USD 141 million.

Acquisition of non-controlling interests

The acquisition of an additional non-controlling interest in an existing subsidiary after control has been obtained is accounted for as an equity transaction with any difference between the cost of the additional investment and the carrying amount of the net assets acquired at the date of exchange recognised directly in equity.

The issue of a put option (a mandatory offer) to acquire a non-controlling interest in subsidiary, after control has been obtained and accounted for by the Group as an equity transaction, results in the recognition of a liability for the present value of the expected exercise price and the derecognition of non-controlling interests within consolidated equity. Subsequent to initial recognition, changes in the carrying amount of the put liability are recognised within equity. If the put option expires unexercised then the put liability is derecognised and non-controlling interests are recognised.

For a written put or forward option with the non-controlling shareholders in an existing subsidiary on their equity interest in that subsidiary, if the non-controlling shareholders do not have present access to the returns associated with the underlying ownership interest, the contract is accounted for as an anticipated acquisition of the underlying non-controlling interests, as if the put option had been exercised already or the forward had been satisfied by the non-controlling shareholders.

4 Segment reporting

(a) Reportable segments

Based on the current management structure and internal reporting the Group has identified two operating segments:

a) *Metals.* The Metals segment comprises UC RUSAL with disclosures being based on the public financial statements of UC RUSAL. All adjustments made to UC RUSAL financial statements, including any adjustments arising from different timing of IFRS first time adoption, are included in "Adjustments" column.
The Power assets of UC RUSAL are included within the Metals segment.

b) *Power.* The Power segment mainly comprises the power assets, as described in note 1(b).

These business units are managed separately and the results of their operations are reviewed by the key executive management personnel and Board of Directors on a regular basis.

The Board of Directors has commissioned a full review of strategic options with respect to the Irkutsk-region coal and coal-fired power assets as part of the Group's commitment to minimizing its carbon footprint.

(b) 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 and cash flows attributable to each reportable segment on the following bases:

- Total segment assets include all tangible, intangible assets and current assets.
- Total segment liabilities include all current and non-current liabilities.
- 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 net profit and Adjusted EBITDA (key non-IFRS financial measure used by the Group as reference for assessing operating effectiveness). Segment profit or loss and Adjusted EBITDA are 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.
- Adjusted EBITDA for any period represents the results from operating activities adjusted for amortisation and depreciation, impairment charges and loss on disposal of property, plant and equipment for the relevant period.

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 profits/(losses) of associates and joint ventures, depreciation, amortisation, interest income and expenses, other finance income and costs, income tax, loss on disposal of property, plant and equipment, impairment of non-current assets and additions of non-current segment assets used by the segments in their operations. Inter-segment pricing is determined primarily on a consistent basis using market benchmarks.

USD million	Metals	Power	Adjustments	Total
Six months ended 30 June 2019				
Statement of profit or loss and other comprehensive income				
Revenue from external customers	*4,674*	*1,129*	-	*5,803*
Primary aluminium and alloys	3,817	-	-	3,817
Alumina and bauxite	341	-	-	341
Semi-finished products and foil	204	83	-	287
Electricity	37	647	-	684
Heat	24	229	-	253
Other	251	170	-	421
Inter-segment revenue	*62*	*468*	*(530)*	-
Total segment revenue	**4,736**	**1,597**	**(530)**	**5,803**
Operating expenses (excluding depreciation and loss on disposal of PPE)	(4,208)	(937)	527	(4,618)
Adjusted EBITDA	**528**	**660**	**(3)**	**1,185**
Depreciation and amortisation	(272)	(124)	-	(396)
Loss on disposal of PPE	(6)	1	-	(5)
Impairment of non-current assets	(49)	(6)	-	(55)
Results from operating activities	**201**	**531**	**(3)**	**729**
Share of profits of associates and joint ventures	834	-	-	834
Interest expense, net	(276)	(183)	-	(459)
Other finance costs, net	(44)	(1)	-	(45)
Profit before tax	**715**	**347**	**(3)**	**1,059**
Income tax expense	(90)	(106)	-	(196)
Profit for the period	**625**	**241**	**(3)**	**863**
Additions to non-current segment assets during the period	(345)	(158)	7	(496)

USD million	Metals	Power	Adjustments	Total
Three months ended 30 June 2019				
Statement of profit or loss and other comprehensive income				
Revenue from external customers	*2,534*	*488*	*-*	*3,022*
Primary aluminium and alloys	2,100	-	-	2,100
Alumina and bauxite	169	-	-	169
Semi-finished products and foil	113	45	-	158
Electricity	16	279	-	295
Heat	8	82	-	90
Other	128	82	-	210
Inter-segment revenue	*32*	*235*	*(267)*	*-*
Total segment revenue	**2,566**	**723**	**(267)**	**3,022**
Operating expenses (excluding depreciation and loss on disposal of PPE)	(2,264)	(432)	280	(2,416)
Adjusted EBITDA	**302**	**291**	**13**	**606**
Depreciation and amortisation	(147)	(60)	-	(207)
Loss on disposal of PPE	(3)	1	-	(2)
Impairment of non-current assets	(24)	(4)	-	(28)
Results from operating activities	**128**	**228**	**13**	**369**
Share of profits of associates and joint ventures	407	-	-	407
Interest expense, net	(128)	(90)	-	(218)
Other finance costs, net	(8)	(1)	-	(9)
Profit before tax	**399**	**137**	**13**	**549**
Income tax expense	(47)	(47)	(1)	(95)
Profit for the period	**352**	**90**	**12**	**454**
Additions to non-current segment assets during the period	(213)	(109)	7	(315)

USD million	Metals	Power	Adjustments	Total
30 June 2019				
Statement of financial position				
Segment assets, excluding cash and cash equivalents and interests in associates and joint ventures	12,035	6,274	(713)	17,596
Investment in Metals segment	-	4,596	(4,596)	-
Cash and cash equivalents	969	510	-	1,479
Interests in associates and joint ventures	4,350	4	-	4,354
Total segment assets	**17,354**	**11,384**	**(5,309)**	**23,429**
Segment liabilities, excluding loans and borrowings and bonds payable	2,594	1,403	(155)	3,842
Loans and borrowings	8,489	4,328	-	12,817
Total segment liabilities	**11,083**	**5,731**	**(155)**	**16,659**
Total segment equity	6,271	5,653	(5,154)	6,770
Total segment equity and liabilities	**17,354**	**11,384**	**(5,309)**	**23,429**

USD million	**Metals**	**Power**	**Adjustments**	**Total**
Six months ended 30 June 2019				
Statement of cash flows				
Cash flows from operating activities	**741**	**501**	**(7)**	**1,235**
Cash flows used in investing activities	**(329)**	**(90)**	**7**	**(412)**
Acquisition of property, plant and equipment, intangible assets	(353)	(132)	7	(478)
Cash received from other investments	3	8	-	11
Dividends from associates and joint ventures	11	-	-	11
Interest received	16	17	-	33
Other investing activities	(6)	17	-	11
Cash flows used in financing activities	**(309)**	**(277)**	**-**	**(586)**
Interest paid	(274)	(198)	-	(472)
Restructuring fees and other payments related to issuance of shares	-	(9)	-	(9)
Settlements of derivative financial instruments	(9)	-	-	(9)
Other financing activities	(26)	(70)	-	(96)
Net change in cash and cash equivalents	**103**	**134**	**-**	**237**

USD million	**Metals**	**Power**	**Adjustments**	**Total**
Six months ended 30 June 2018				
Statement of profit or loss and other comprehensive income				
Revenue from external customers	*4,910*	*1,226*	-	*6,136*
Primary aluminium and alloys	3,974	-	-	3,974
Alumina and bauxite	452	-	-	452
Semi-finished products and foil	148	112	-	260
Electricity	42	668	-	710
Heat	26	242	-	268
Other	268	204	-	472
Inter-segment revenue	*87*	*485*	*(572)*	-
Total segment revenue	**4,997**	**1,711**	**(572)**	**6,136**
Operating expenses (excluding depreciation and loss on disposal of PPE)	(3,873)	(1,084)	513	(4,444)
Adjusted EBITDA	**1,124**	**627**	**(59)**	**1,692**
Depreciation and amortisation	(244)	(127)	-	(371)
Loss on disposal of PPE	(3)	(1)	-	(4)
Impairment of non-current assets	(123)	(25)	-	(148)
Results from operating activities	**754**	**474**	**(59)**	**1,169**
Share of profits and impairment of associates and joint ventures	493	(12)	-	481
Interest expense, net	(232)	(215)	-	(447)
Other finance income, net	2	(30)	-	(28)
Profit before tax	**1,017**	**217**	**(59)**	**1,175**
Income tax expense	(65)	(78)	5	(138)
Profit for the period	**952**	**139**	**(54)**	**1,037**
Additions to non-current segment assets during the period	(408)	(105)	11	(502)

USD million	Metals	Power	Adjustments	Total
Three months ended 30 June 2018				
Statement of profit or loss and other comprehensive income				
Revenue from external customers	*2,214*	*484*	-	*2,698*
Primary aluminium and alloys	1,779	-	-	1,779
Alumina and bauxite	210	-	-	210
Semi-finished products and foil	70	51	-	121
Electricity	19	270	-	289
Heat	9	78	-	87
Other	127	85	-	212
Inter-segment revenue	*39*	*229*	*(268)*	-
Total segment revenue	**2,253**	**713**	**(268)**	**2,698**
Operating expenses (excluding depreciation and loss on disposal of PPE)	(1,701)	(454)	220	(1,935)
Adjusted EBITDA	**552**	**259**	**(48)**	**763**
Depreciation and amortisation	(116)	(59)	-	(175)
Loss on disposal of PPE	(1)	-	-	(1)
Impairment of non-current assets	(74)	(19)	-	(93)
Results from operating activities	**361**	**181**	**(48)**	**494**
Share of profits of associates and joint ventures	255	(12)	-	243
Interest expense, net	(114)	(107)	-	(221)
Other finance income, net	(60)	(33)	-	(93)
Profit before tax	**442**	**29**	**(48)**	**423**
Income tax expense	(34)	(23)	4	(53)
Profit for the period	**408**	**6**	**(44)**	**370**
Additions to non-current segment assets during the period	(191)	(54)	11	(234)

USD million	Metals	Power	Adjustments	Total
31 December 2018				
Statement of financial position				
Segment assets, excluding cash and cash equivalents and interests in associates and joint ventures	11,235	5,842	(679)	16,398
Investment in Metals segment	-	4,053	(4,053)	-
Cash and cash equivalents	844	339	-	1,183
Interests in associates and joint ventures	3,698	3	-	3,701
Total segment assets	**15,777**	**10,237**	**(4,732)**	**21,282**
Segment liabilities, excluding loans and borrowings and bonds payable	2,282	1,445	(124)	3,603
Loans and borrowings	8,286	3,991	-	12,277
Total segment liabilities	**10,568**	**5,436**	**(124)**	**15,880**
Total segment equity	5,209	4,801	(4,608)	5,402
Total segment equity and liabilities	**15,777**	**10,237**	**(4,732)**	**21,282**

Six months ended 30 June 2018

USD million	Metals	Power	Adjustments	Total
Statement of cash flows				
Cash flows from operating activities	**400**	**362**	**(11)**	**751**
Cash flows used in investing activities	**(469)**	**(73)**	**11**	**(531)**
Acquisition of property, plant and equipment, intangible assets	(417)	(57)	11	(463)
Cash (paid for)/received from other investments	(70)	(23)	-	(93)
Dividends from associates and joint ventures	4	-	-	4
Interest received	9	4	-	13
Other investing activities	5	3	-	8
Cash flows used in financing activities	**(120)**	**(235)**	**-**	**(355)**
Interest paid	(237)	(200)	-	(437)
Restructuring fees and other payments related to issuance of shares	(6)	(13)	-	(19)
Settlements of derivative financial instruments	96	-	-	96
Acquistion of non-controlling interest	-	(105)	-	(105)
Dividends to shareholders	-	(68)	-	(68)
Other financing activities	27	151	-	178
Net change in cash and cash equivalents	**(189)**	**54**	**-**	**(135)**

5 Revenue

(a) Revenue by types

	Three months ended 30 June		Six months ended 30 June	
	2019	**2018**	**2019**	**2018**
	USD million	**USD million**	**USD million**	**USD million**
Sales of primary aluminium and alloys	**2,100**	**1,779**	**3,817**	**3,974**
Third parties	1,337	1,114	2,275	2,539
Related parties – companies capable of exerting significant influence	760	660	1,536	1,427
Related parties – other	3	4	6	7
Related parties – associates	-	1	-	1
Sales of alumina and bauxite	**169**	**210**	**341**	**452**
Third parties	77	135	158	284
Related parties – companies capable of exerting significant influence	40	34	91	94
Related parties – associates	52	41	92	74
Sales of semi-finished products and foil	**158**	**121**	**287**	**260**
Third parties	158	120	287	259
Related parties – other	-	1	-	1
Sales of electricity	**295**	**289**	**684**	**710**
Third parties	287	275	662	677
Related parties – other	-	7	5	16
Related parties – associates	8	7	17	17
Sales of heat	**90**	**87**	**253**	**268**
Third parties	89	84	240	251
Related parties – companies capable of exerting significant influence	-	-	1	-
Related parties – other	1	3	12	17
Other revenue	**210**	**212**	**421**	**472**
Third parties	175	173	342	379
Related parties – companies capable of exerting significant influence	3	3	5	6
Related parties – other	7	7	11	15
Related parties – associates	25	29	63	72
	3,022	**2,698**	**5,803**	**6,136**

(b) Revenue by primary regions

	Three months ended 30 June		Six months ended 30 June	
	2019	**2018**	**2019**	**2018**
	USD million	**USD million**	**USD million**	**USD million**
CIS	1,098	1,146	2,270	2,507
Europe	1,173	1,087	2,269	2,260
Asia	398	240	768	681
America	336	221	467	677
Other	17	4	29	11
	3,022	**2,698**	**5,803**	**6,136**

All revenue of the Group relates to revenue from contracts with customers.

6 Net other operating income and expenses

	Three months ended 30 June		Six months ended 30 June	
	2019	**2018**	**2019**	**2018**
	USD million	**USD million**	**USD million**	**USD million**
Impairment of accounts receivable	(7)	(5)	(12)	(12)
Charitable donations	(10)	(1)	(23)	(16)
Loss on disposal of property, plant and equipment	(2)	(1)	(5)	(4)
Provision for legal claims	(13)	-	(13)	-
Other operating (expenses)/ income, net	(16)	10	(32)	8
	(48)	**3**	**(85)**	**(24)**

7 Finance income and costs

	Three months ended 30 June		Six months ended 30 June	
	2019	**2018**	**2019**	**2018**
	USD million	**USD million**	**USD million**	**USD million**
Finance income				
Change in fair value of derivative financial instruments (note 14)	11	37	7	106
Interest income	19	7	39	16
	30	**44**	**46**	**122**
Finance costs				
Interest expense	(236)	(226)	(496)	(459)
Interest expense on loans from related parties – *companies exerting significant influence*	(1)	-	(2)	(1)
Foreign exchange loss	(16)	(132)	(39)	(137)
Other finance costs	(4)	-	(13)	-
	(257)	**(358)**	**(550)**	**(597)**

8 Income tax

	Three months ended 30 June		Six months ended 30 June	
	2019	2018	2019	2018
	USD million	USD million	USD million	USD million
Current tax expense				
Current tax for the period	(111)	(75)	(213)	(164)
Deferred tax expense				
Origination and reversal of temporary differences	16	22	17	26
	(95)	**(53)**	**(196)**	**(138)**

As at 30 June 2019 the Parent Company was a tax resident of Cyprus with an applicable corporate tax rate of 12.5%. As at the date of these financial statements the Parent Company is subject to all applicable tax regulations of the Russian Federation with an income tax rate of 20%.

Subsidiaries pay income taxes in accordance with the legislative requirements of their respective tax jurisdictions. For subsidiaries domiciled in the Russian Federation, the applicable tax rate is 20%; in Ukraine of 18%; Guinea of 0%; China of 25%; Kazakhstan of 20%; Australia of 30%; Jamaica of 25%; Ireland of 12.5% and Sweden of 21.4%. 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 are 9.55% and 14.35% for different subsidiaries. For UC RUSAL's significant trading companies, the applicable tax rate is 0%. The applicable tax rates for the period ended 30 June 2018 and the year ended 31 December 2018 were the same as for the period ended 30 June 2019, except for tax rates for subsidiaries domiciled in Sweden which amounted to 22% and tax rates for subsidiaries domiciled in Switzerland which amounted to 9.6% and 14.51% accordingly.

9 Earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders for the three and six months ended 30 June 2019 and 30 June 2018.

	Six months ended 30 June	
	2019	2018
Weighted average number of shares at the beginning of the period	571,428,572	571,428,572
Issuance of shares (note 12(a)(i))	67,420,324	-
Weighted average number of shares	629,424,550	571,428,572
Profit for the period attributable to the shareholders of the Parent Company, USD million	576	533
Basic and diluted earnings per share, USD	**0.915**	**0.933**

	Three months ended 30 June	
	2019	**2018**
Weighted average number of shares	638,848,896	571,428,572
Profit for the period attributable to the shareholders of the Parent Company, USD million	296	155
Basic and diluted earnings per share, USD	**0.463**	**0.271**

Shares issuance on 26 January 2019 (note 12(a)(i)) was accounted for in the weighted average numbers of shares calculation for the six months ended 30 June 2019 only.

There were no outstanding dilutive instruments during the periods ended 30 June 2019 and 30 June 2018.

10 Interests in associates and joint ventures

The Group has the following movements in investments in associates and joint ventures:

	Six months ended 30 June	
	2019	**2018**
	USD million	**USD million**
Balance at beginning of the period	**3,701**	**4,459**
Group's share of post acquisition profits	834	481
Contribution	-	26
Dividends	(554)	(425)
Foreign currency translation	373	(406)
Balance at end of the period	**4,354**	**4,135**
Goodwill included in interest in associates	2,382	2,395

	Three months ended 30 June	
	2019	**2018**
	USD million	**USD million**
Balance at beginning of the period	**4,422**	**4,731**
Group's share of post acquisition profits	407	243
Contribution	-	26
Dividends	(554)	(425)
Foreign currency translation	79	(440)
Balance at end of the period	**4,354**	**4,135**
Goodwill included in interest in associates	2,382	2,395

Investment in Norilsk Nickel

The Group has previously issued consolidated interim condensed financial information as at and for the three and six months ended 30 June 2019 dated 15 August 2019. At that date the Group was unable to obtain consolidated interim condensed financial information of PJSC MMC Norilsk Nickel, as at and for the six months ended 30 June 2019. Consequently management estimated the Group's share of profit, other comprehensive income and foreign currency translation gain in relation to Norilsk Nickel for the three and six months ended 30 June 2019 based on the latest publicly available information reported by Norilsk Nickel for the year ended 31 December 2018 adjusted by the Group to account for Norilsk Nickel's performance in the first half of 2019. On 20 August 2019 PJSC MMC Norilsk Nickel published its consolidated interim condensed financial information as at and for six months ended 30 June 2019. 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 profit for the six months ended 30 June 2019 was understated and foreign currency translation gain was overstated by USD 67 million and USD 32 million, respectively, and the carrying amount of the Group's interest in associates was understated by USD 35 million as at 30 June 2019 in the Group's consolidated interim condensed financial information issued on 15 August 2019.

This interim condensed financial information as at and for the three and six months ended 30 June 2019 has been adjusted accordingly.

The market value of the investment in Norilsk Nickel at 30 June 2019 was USD 9,988 million (31 December 2018: USD 8,286 million). The market value was determined by multiplying the quoted bid price per share on the Moscow Exchange on reporting date by the number of shares held by the Group.

11 Non-derivative financial instruments

(a) Trade and other receivables

	30 June 2019	31 December 2018
	USD million	USD million
Trade receivables from third parties	**618**	**572**
Trade receivables from related parties, including	**108**	**87**
Related parties – companies capable of exerting significant influence	*65*	*76*
Related parties – other	*3*	*4*
Related parties – associates and joint ventures	*40*	*7*
VAT recoverable	**432**	**330**
Advances paid to third parties	**143**	**197**
Advances paid to related parties, including	**57**	**51**
Related parties – companies capable of exerting significant influence	*-*	*1*
Related parties – other	*-*	*1*
Related parties – associates and joint ventures	*57*	*49*
Other receivables from third parties	**251**	**174**
Other taxes receivable	**18**	**22**
Income tax receivable	**32**	**30**
Dividends receivable from related parties	**532**	**-**
Related parties – associates and joint ventures	532	**-**
Other current assets	**7**	**23**
	2,198	**1,486**
Allowance for doubtful debts	(111)	(97)
	2,087	**1,389**

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.

(b) Trade and other payables

	30 June 2019	31 December 2018
	USD million	USD million
Accounts payable to third parties	**629**	**658**
Accounts payable to related parties, including	**55**	**31**
Related parties – companies capable of exerting significant influence	*13*	*5*
Related parties – other	*1*	*2*
Related parties – associates and joint ventures	*41*	*24*
Advances received from third parties	**317**	**72**
Advances received from related parties, including	**439**	**260**
Related parties – companies capable of exerting significant influence	*439*	*260*
Other payables and accrued liabilities	**159**	**239**
Income tax payable	**27**	**146**
Other taxes payable	**231**	**209**
	1,857	**1,615**

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand. Lease liabilities that are expected to be settled within one year for the amount of USD 13 million are included in other payables and accrued liabilities.

12 Equity

(a) Share capital, additional paid-in capital and transactions with shareholders

As at 30 June 2019 the Parent Company's authorised share capital comprised 714,285,714.286 ordinary shares, out of which 638,848,896 shares were issued with a par value of USD 0.00007 each.

As at 30 June 2019 and 31 December 2018 all issued ordinary shares were fully paid.

(i) Glencore deal

On 26 January 2019, the Parent Company issued 67,420,324 shares with a par value of USD 0.00007 each with a subsequent issue of GDRs on these shares, to Glencore Group Funding Limited pursuant to a securities exchange agreement in exchange for 8.75% shares in UC RUSAL ("Glencore deal").

Due to certain regulatory requirements, under the securities exchange agreement, Glencore has agreed to transfer its stake in UC RUSAL to the Parent Company in two stages. The first stage was settled on 31 January 2019 and 1.97% of RUSAL's shares was transferred to the Parent Company following the removal of the Parent Company and UC RUSAL from the SDN list (see note 1(d)), the remaining 6.78% of UC RUSAL's shares will be transferred not later than February 2020.

Under the Group's accounting policy the Glencore deal was accounted for under the anticipated-acquisition method, as if the remaining 6.78% of UC RUSAL's shares had already been transferred. Fair value of the consideration transferred was determined with reference to market quotations on the London Stock Exchange.

As a result of the Glencore deal non-controlling interests decreased by USD 435 million with respective increases of share premium of USD 543 million and other reserves of USD 251 million, and decreases of foreign currency translation reserve and accumulated losses by USD 836 million and USD 477 million, respectively.

(ii) Acquisition of non-controlling interests

During the six months ended 30 June 2019 the Group acquired 0.4% of Irkutskenergo shares for USD 5 million. As a result the Group’s shareholding in Irkutskenergo increased to 93.2%, non-controlling interests decreased by USD 9 million with respective increases of revaluation reserve of USD 4 million, respectively.

(b) Currency translation reserve

The currency translation reserve comprises all foreign exchange differences arising from the translation of the consolidated interim condensed financial information of foreign operations and equity-accounted investees.

(c) Other reserves

Other reserves include the cumulative unrealised actuarial gains and losses on the Group's defined post retirement benefit plans, the effective portion of the accumulative change in fair value of cash flow hedges and the Group’s share of other comprehensive income of equity-accounted investees other than foreign currency transaction.

(d) Revaluation reserve

The revaluation reserve comprises the cumulative net change in the fair value of hydro assets at the reporting date.

(e) Dividends

During the six months ended 30 June 2019 the Group did not declare and pay dividends.

Following redomiciliation in July 2019, the Parent Company may distribute dividends from retained earnings and profit for the reporting period in compliance with the current legislation of the Russian Federation and the provisions of its Charter.

(f) Non-controlling interest

The following table summarises the information relating to each of the Group`s subsidiaries that has material non-controlling interest:

30 June 2019

USD million	UC RUSAL	Irkutskenergo*	JSC Irkutsk Electric Grid Company	Total
NCI percentage	**43.1%**	**6.8%**	**47.6%**	
Assets	16,870	4,110	561	
Liabilities	(11,083)	(2,068)	(163)	
Net assets	**5,787**	**2,042**	**398**	
Carrying amount of NCI	2,496	135	190	**2,821**
Revenue	4,736	989	167	
Profit	625	93	9	
Other comprehensive income	437	2	-	
Total comprehensive income	**1,062**	**95**	**9**	
Profit attributable to NCI	274	10	3	**287**
Other comprehensive income attributable to NCI	207	7	17	**231**
Cash flows from operating activities	741	75	54	
Cash flows used in investing activities	(329)	(62)	(37)	
Cash flows used in financing activities	(309)	(22)	(17)	
Net increase/(decrease) in cash and cash equivalents	**103**	**(9)**	**-**	**-**

*Net assets of Irkutskenergo were adjusted for the effect of Irkutskenergo investment in JSC Irkutsk Electric Grid Company.

30 June 2018

USD million

	UC RUSAL	**Irkutskenergo***	**JSC Irkutsk Electric Grid Company**	**Total**
NCI percentage	**51.9%**	**7.5%**	**47.7%**	
Assets	15,678	4,014	551	
Liabilities	(11,234)	(2,077)	(155)	
Net assets	**4,444**	**1,937**	**396**	
Carrying amount of NCI	2,305	133	189	**2,627**
Revenue	4,997	1,104	187	
Profit	952	93	17	
Other comprehensive income	(468)	-	-	
Total comprehensive income	**484**	**93**	**17**	
Profit attributable to NCI	494	3	7	**504**
Other comprehensive income attributable to NCI	(243)	(11)	(17)	**(271)**
Cash flows from operating activities	400	61	21	
Cash flows used in investing activities	(469)	(27)	(26)	
Cash flows (used in)/from financing activities	(120)	(17)	6	
Net (decrease)/increase in cash and cash equivalents	**(189)**	**17**	**1**	

*Net assets of Irkutskenergo were adjusted for the effect of Irkutskenergo investment in JSC Irkutsk Electric Grid Company.

13 Loans and borrowings

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

	30 June 2019 USD million	31 December 2018 USD million
Non-current liabilities		
Secured bank loans	7,718	7,951
Unsecured bank loans	1,022	476
Bonds	1,815	1,580
	10,555	**10,007**
Current liabilities		
Secured bank loans	1,594	915
Unsecured bank loans	412	860
Accrued interest	131	118
Bonds	125	377
	2,262	**2,270**

(a) Loans and borrowings

UC RUSAL

The nominal value of the UC RUSAL's loans and borrowings was USD 6,532 million at 30 June 2019 (31 December 2018: USD 6,332 million).

POWER

The nominal value of Power segment loans and borrowings was USD 4,258 million at 30 June 2019 (31 December 2018: USD 3,932 million).

The carrying amount of the Group's liabilities measured at amortised cost approximates their fair values as at 30 June 2019.

Security and pledges

The Group's bank loans and guarantees are secured by pledges of shares of the Group's subsidiaries and by a pledge of 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 2018 except for shares of JSC Krasnoyarsk Hydro-Power Plant, the pledged amount of which decreased to 50%+1 share as at 30 June 2019.

The secured bank loans are also secured by the following:

- Property, plant and equipment with a carrying amount of USD 1,208 million (31 December 2018: USD 1,112 million);
- Inventories with a carrying amount of USD 31 million (31 December 2018: USD 5 million).

As at 30 June 2019 and 31 December 2018 rights, including all monies and claims, arising out of certain sales contracts between the UC RUSAL's trading subsidiaries and its ultimate customers, were assigned to secure the syndicated Pre-Export Finance Term Facility Agreement (PXF) dated 24 May 2017.

As at the date of these financial statements UC RUSAL through its subsidiaries has outstanding REPO loans backed by Norilsk Nickel shares in number of 1,306,000, in the amount of USD 210 million and maturing in June 2020.

As a result of change in control over the Group disclosed in note 1 certain lenders of the Group have obtained the right to require mandatory prepayment of outstanding indebtedness as stipulated in the respective loan agreements. As at 30 June 2019 the lenders have waived the right of mandatory prepayment.

(b) Bonds payable

As at 30 June 2019 27,751 series 08 bonds and 397,347 series BO-01 bonds and 15,000,000 series BO-001P-01 bonds were outstanding (traded in the market).

The closing market price at 30 June 2019 was RUB 850, RUB 932 and RUB 1,011 per bond for the three tranches, respectively.

On 20 March 2019 UC RUSAL executed the put option under Panda bonds issuance (the first tranche) and redeemed bonds with notional value CNY 680 million (USD101 million).

On 29 March 2019 RUSAL Bratsk announced a new coupon rate in respect to the series 08 bonds at the level of 0.01% per annum. On 10 April 2019 the Company exercised a put option on the outstanding RUB-denominated bonds series 08 and redeemed the bonds with notional value of RUB 23.8 million.

On 04 April 2019 RUSAL Bratsk announced a new coupon rate in respect to the series BO-01 bonds at the level of 0.01% per annum. On 18 April 2019 the Company exercised a put option on the outstanding RUB-denominated bonds series BO-01 and redeemed the bonds with notional value of RUB 3.8 billion.

On 29 April 2019 a placement of the exchange-traded rouble bonds of PJSC RUSAL Bratsk series BO-001P-01 in the amount of RUB 15 billion with a coupon rate 9.0% was completed and the exchange-traded rouble bonds commenced trading on the Moscow Exchange. Maturity of the bonds is ten years subject to bondholders' put option exercisable in April 2022. In addition to the placement, the Group entered into a cross-currency interest rate swap, which resulted in the exchange-traded rouble bonds exposure being translated in full amount into US-dollar exposure with the maturity of 3 years and the interest rate of 4.69%.

14 Derivative financial assets and liabilities

Derivative financial instruments are attributable to the following contracts of UC RUSAL:

	30 June 2019		31 December 2018	
	USD million		USD million	
	Derivative assets	Derivative liabilities	Derivative assets	Derivative liabilities
Petroleum coke supply contracts and other raw materials	44	39	42	31
Forward contracts for aluminium and other instruments	11	-	-	-
Cross currency swap	2	-	-	-
Total	**57**	**39**	**42**	**31**

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 Group's policy is to recognise transfers between levels of fair value hierarchy as at the date of the event or change in circumstances that caused the transfer. There were no changes in valuation techniques during three-month and six-month period ended 30 June 2019. The following significant assumptions were used in estimating derivative instruments:

	2019	2020	2021	2022	2023	2024	2025
LME Al Cash, USD per tonne	1,804	1,875	1,965	2,054	2,141	2,213	2,255
Platt's FOB Brent, USD per barrel	65	62	61	60	60	60	-

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

	Three months ended 30 June	
	2019	**2018**
	USD million	**USD million**
Balance at the beginning of the period	5	19
Unrealised changes in fair value recognised in profit or loss (finance income) during the period	11	37
Unrealised changes in fair value recognised in other comprehensive income (cash flow hedge) during the period	(5)	-
Realised portion of electricity, coke and raw material contracts and cross currency swap	7	(94)
Balance at the end of the period	**18**	**(38)**

	Six months ended 30 June	
	2019	**2018**
	USD million	**USD million**
Balance at the beginning of the period	11	(50)
Unrealised changes in fair value recognised in profit or loss (finance income) during the period	7	106
Unrealised changes in fair value recognised in other comprehensive income (cash flow hedge) during the period	(5)	-
Realised portion of electricity, coke and raw material contracts and cross currency swap	5	(94)
Balance at the end of the period	**18**	**(38)**

Sensitivity analysis showed that derivative financial instruments are not particularly sensitive to changes in main inputs.

15 Commitments

Capital commitments

UC RUSAL

UC RUSAL has entered into contracts that result in contractual obligations primarily relating to various construction and capital repair works. The commitments at 30 June 2019 and 31 December 2018 approximated USD 260 million and USD 200 million, respectively. These commitments are due over a number of years.

POWER

The Power segment had outstanding capital commitments which had been contracted for at 30 June 2019 and 31 December 2018 in the amount of USD 98 million and USD 78 million, respectively. These commitments are due over a number of years.

16 Contingencies

(a) 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. 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 from the authorities' previous interpretations or practices. Recent events within the Russian Federation suggest that the tax authorities are taking a more assertive and substance-based position in their interpretation and enforcement of tax legislation.

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 2019 is USD 35 million (31 December 2018: USD 32 million).

(b) 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.

(c) Legal contingencies

The Group's business activities expose it to a variety of lawsuits and claims which are monitored, assessed and contested on a 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. As at 30 June 2019 the amount of claims, where management assesses outflow as possible approximates USD 33 million (31 December 2018: USD 31 million).

17 Related party transactions

(a) Transactions with related parties

The Group transacts with related parties, the majority of which are under control of SUAL Partners Limited or its shareholders, Glencore International Plc or entities under its control, associates and joint ventures and other related parties.

Sales to related parties for the period are disclosed in note 5. Receivables from related parties and payables to related parties as at the reporting date are disclosed in note 11.Purchases of raw materials and services from related parties for the period were as follows:

	Three months ended 30 June		Six months ended 30 June	
	2019	**2018**	**2019**	**2018**
	USD million	**USD million**	**USD million**	**USD million**
Purchase of raw materials	**(155)**	**(82)**	**(259)**	**(189)**
Companies capable of exerting significant influence	(22)	(26)	(37)	(38)
Other related parties	(11)	(3)	(24)	(21)
Associates and joint ventures	(122)	(53)	(198)	(130)
Energy costs	**(11)**	**(14)**	**(23)**	**(25)**
Companies capable of exerting significant influence	(1)	(1)	(2)	(2)
Other related parties	-	(1)	-	(1)
Associates and joint ventures	(10)	(12)	(21)	(22)
Other services	**(30)**	**(38)**	**(59)**	**(76)**
Other related parties	(1)	(1)	(1)	(2)
Associates and joint ventures	(29)	(37)	(58)	(74)
	(196)	**(134)**	**(341)**	**(290)**

All trade and other receivables and payables with related parties are non-secured and expected to be settled in cash within 12 months after the reporting date.

At 30 June 2019 included in non-current assets are balances of related parties — associates and joint ventures of USD 47 million (31 December 2018: USD 42 million). At 30 June 2019, included in non-current liabilities are balances of related parties – associates and joint ventures of USD 11 million (31 December 2018: USD 10 million, respectively).

(b) Remuneration to key management

For the six months ended 30 June 2019 remuneration to key management personnel was comprised short-term benefits and amounted to USD 13 million (for the six months ended 30 June 2018: USD 6 million).

18 Events subsequent to the reporting date

On 9 July 2019 the Parent Company changed its domicile to the Russian Federation as disclosed in note 1(a).

On 11 July 2019, the placement of the exchange-traded rouble bonds of PJSC RUSAL Bratsk series BO-001P-02 in the amount of RUB 15 billion with a coupon rate 8.6% was completed and the exchange-traded rouble bonds commenced trading on the Moscow Exchange. Maturity of the bonds is ten years subject to bondholders' put option exercisable in January 2023. In addition to the placement, the Group entered into a cross-currency interest rate swap, which resulted in the exchange-traded rouble bonds exposure being translated in full amount into US-dollar exposure with the maturity of 3.5 years and the interest rate of 4.45%.

The extraordinary general meeting of United Company RUSAL Plc held on 1 August 2019 approved the application by it to the regulatory authorities in the Russian Federation (the "New Jurisdiction") for continuance as a company with the status of an International Company established under the laws of the New Jurisdiction.