EN+ GROUP PLC
Consolidated Interim Condensed Financial Information for the three and nine months ended 30 September 2017

Contents

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

To the Shareholders and Board of Directors
EN+ GROUP PLC

Introduction

We have reviewed the accompanying consolidated interim condensed statement of financial position of EN+ GROUP PLC (the "Company") and its subsidiaries (the "Group") as at 30 September 2017, and the related consolidated interim condensed statements of profit or loss and other comprehensive income for the three and nine months ended 30 September 2017, changes in equity and cash flows for the nine months ended 30 September 2017, 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 International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this consolidated interim condensed financial information based on our review.

Scope of Review

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

Basis for Qualified Conclusion

We were unable to obtain and review consolidated interim financial information of the Group's equity investee, PJSC MMC Norilsk Nickel ("Norilsk Nickel") supporting the Group's estimate of the share of profit of USD 183 million and USD 427 million for the three and nine months ended 30 September 2017, and USD 146 million and USD 516 million for the three and nine month ended 30 September 2016, respectively, other comprehensive income of USD nil million and USD 28 million loss for the three and nine months ended 30 September 2017 and USD nil million for both the three and nine months ended 30 September 2016, respectively, foreign currency translation gain in relation to that investee of USD 78 million and gain of USD 185 million for the three and nine months ended 30 September 2017 and foreign currency translation gain of USD 16 million and USD 444 million for the three and nine months ended 30 September 2016, respectively, and the carrying value of the Group's investment in the investee stated at USD 3,664 million as at 30 September 2017 and USD 3,580 million as at 30 September 2016. 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 2017, and for the three and nine months then ended is not prepared, in all material respects, in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

КПМГ
KPMG
МОСКВА

Andrei Ryazantsev

Director

JSC "KPMG"

Moscow, Russia

1 December 2017

		Three months ended 30 September		Nine months ended 30 September	
		2017 (unaudited)	**2016 (unaudited)**	**2017 (unaudited)**	**2016 (unaudited)**
	Note	**USD million**	**USD million**	**USD million**	**USD million**
Revenue	5	2,875	2,455	8,716	7,203
Cost of sales		(1,890)	(1,649)	(5,799)	(5,112)
Gross profit		**985**	**806**	**2,917**	**2,091**
Distribution expenses		(152)	(174)	(470)	(413)
General and administrative expenses		(191)	(174)	(590)	(511)
Impairment of non-current assets		(59)	(46)	(144)	(105)
Other operating expenses, net	6	(30)	(52)	(96)	(33)
Results from operating activities		**553**	**360**	**1,617**	**1,029**
Share of profits of associates and joint ventures	10	198	216	495	655
Finance income	7	6	4	53	58
Finance costs	7	(346)	(303)	(1,113)	(1,027)
Profit before tax		**411**	**277**	**1,052**	**715**
Income tax expense	8	(61)	(33)	(154)	(154)
Profit for the period		**350**	**244**	**898**	**561**
Attributable to:					
Shareholders of the Parent Company		174	92	453	229
Non-controlling interests	11(g)	176	152	445	332
Profit for the period		**350**	**244**	**898**	**561**
Earnings per share					
Basic and diluted earnings per share (USD)	9	**0.348**	**0.184**	**0.906**	**0.458**

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 12 to 42.

		Three months ended 30 September		Nine months ended 30 September	
		2017 (unaudited)	2016 (unaudited)	2017 (unaudited)	2016 (unaudited)
	Note	USD million	USD million	USD million	USD million
Profit for the period		**350**	**244**	**898**	**561**
Other comprehensive income					
Items that will never be reclassified subsequently to profit or loss:					
Actuarial losses on post retirement benefit plans		-	-	-	(2)
Revaluation of non-current assets		-	-	-	2,033
Taxation		-	-	-	(407)
		-	-	-	1,624
Items that are or may be reclassified subsequently to profit or loss:					
Foreign currency translation differences on foreign operations		2	51	6	410
Foreign currency translation differences for equity-accounted investees	10	88	25	210	501
Share of other comprehensive income of associate	10	-	-	(28)	-
Change in fair value of cash flow hedge	13	-	3	-	26
Unrealised gain on available-for-sale assets		-	7	6	7
		90	86	194	944
Total comprehensive income for the period		**440**	**330**	**1,092**	**3,129**
Attributable to:					
Shareholders of the Parent Company		209	139	541	1,870
Non-controlling interests		231	191	551	1,259
Total comprehensive income for the period		**440**	**330**	**1,092**	**3,129**

This consolidated interim condensed financial information was approved by the Board of Directors on 1 December 2017 and was signed on its behalf by:

Maxim Sokov
Director

Andrey Yashchenko
Chief Financial Officer

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 12 to 42.

	Note	30 September 2017 (unaudited) USD million	31 December 2016 USD million
ASSETS			
Non-current assets			
Property, plant and equipment		9,632	9,355
Goodwill and intangible assets		2,385	2,300
Interests in associates and joint ventures	10	4,300	4,156
Long-term investments		25	25
Trade and other receivables		27	149
Deferred tax assets		83	108
Derivative financial assets	13	50	51
Other non-current assets		12	7
Total non-current assets		**16,514**	**16,151**
Current assets			
Short-term investments		38	38
Inventories		2,312	2,034
Trade and other receivables		1,385	1,401
Prepaid expenses and other current assets		16	14
Derivative financial assets	13	36	16
Cash and cash equivalents		1,215	669
Assets held for sale		5	7
Total current assets		**5,007**	**4,179**
Total assets		**21,521**	**20,330**

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 12 to 42.

	Note	30 September 2017 (unaudited) USD million	31 December 2016 USD million
EQUITY AND LIABILITIES			
Equity	11		
Share capital		-	-
Additional paid-in capital		9,193	9,193
Revaluation reserve		2,471	2,456
Other reserves		(70)	(63)
Foreign currency translation reserve		(4,584)	(4,683)
Accumulated losses		(6,179)	(6,503)
Total equity attributable to shareholders of the Parent Company		**831**	**400**
Non-controlling interests	11(g)	2,138	1,785
Total equity		**2,969**	**2,185**
Non-current liabilities			
Loans and borrowings	12	12,554	12,095
Deferred tax liabilities		1,307	1,394
Provisions – non-current portion		537	618
Derivative financial liabilities	13	52	3
Other non-current liabilities		192	177
Total non-current liabilities		**14,642**	**14,287**
Current liabilities			
Loans and borrowings	12	1,602	2,110
Provisions – current portion		46	64
Trade and other payables		2,203	1,652
Derivative financial liabilities	13	59	32
Total current liabilities		**3,910**	**3,858**
Total equity and liabilities		**21,521**	**20,330**

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 12 to 42.

		Nine months ended 30 September	
		2017 (unaudited)	**2016 (unaudited)**
	Note	**USD million**	**USD million**
OPERATING ACTIVITIES			
Profit for the period		**898**	**561**
Adjustments for:			
Depreciation and amortization		548	486
Impairment loss		144	105
Foreign exchange (gain)/loss	7	(30)	120
Loss on disposal of property, plant and equipment	6	7	2
Share of profits of associates and joint ventures	10	(495)	(655)
Interest expense	7	885	774
Interest income	7	(15)	(56)
Change in fair value of derivative financial instruments	7	214	133
Unwinding of discount of trade and other receivables	7	(7)	-
Unwinding of discount of other payables	7	14	-
Income tax expense	8	154	154
Dividend income	7	(1)	(2)
Impairment of inventory		-	4
Impairment of receivables	6	23	-
Provision/(reversal of provision) for legal claims	6	4	(1)
Environmental provision		(1)	2
Operating profit before changes in working capital and pension provisions		**2,342**	**1,627**
(Increase)/decrease in inventories		(248)	55
(Increase)/decrease in trade and other receivables		(92)	22
Increase/(decrease) in trade and other payables and provisions		7	(163)
Cash flows generated from operations before income taxes paid		**2,009**	**1,541**
Income taxes paid		(214)	(114)
Cash flows generated from operating activities		**1,795**	**1,427**

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 12 to 42.

		Nine months ended 30 September	
		2017 (unaudited)	2016 (unaudited)
	Note	**USD million**	**USD million**
INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		29	14
Acquisition of property, plant and equipment		(638)	(487)
Acquisition of intangible assets		(12)	(9)
Interest received		9	22
Dividends from associates and joint ventures		642	333
Dividends from available-for-sale investments		7	2
Proceeds from disposal of available-for-sale investments		-	39
Proceeds from long-term investments		-	11
Acquisition of promissory notes		-	(21)
Proceeds from promissory notes		9	31
Acquisition of a subsidiary		(4)	-
Loans issued		(10)	(59)
Cash flows generated from/(used in) investing activities		**32**	**(124)**
FINANCING ACTIVITIES			
Proceeds from borrowings		6,526	5,463
Repayment of borrowings		(6,579)	(4,587)
Restructuring fees		(36)	(14)
Payment for acquisition of non-controlling interests		(188)	(771)
Interest paid		(762)	(617)
Settlement of derivative financial instruments		(127)	(320)
Dividends to shareholders	11(f)	(104)	(90)
Other distributions	11(d)	(15)	(272)
Cash flows used in financing activities		**(1,285)**	**(1,208)**
Net change in cash and cash equivalents		**542**	**95**
Cash and cash equivalents at beginning of period, excluding restricted cash		656	577
Effect of exchange rate fluctuations on cash and cash equivalents		-	14
Cash and cash equivalents at end of the period, excluding restricted cash		**1,198**	**686**

Restricted cash amounted to USD 17 million, USD 13 million and USD 12 million at 30 September 2017, 31 December 2016 and 30 September 2016, 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 12 to 42.

USD million	Attributable to shareholders of the Parent Company							
	Additional paid-in capital	**Revaluation reserve**	**Other reserves**	**Foreign currency translation reserve**	**Accumulated losses**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2016	**9,193**	**-**	**(96)**	**(5,078)**	**(5,889)**	**(1,870)**	**873**	**(997)**
Comprehensive income								
Profit for the period (unaudited)	-	-	-	-	229	229	332	561
Revaluation of hydro assets as at 1 January 2016	-	1,479	-	-	-	1,479	554	2,033
Taxation	-	(296)	-	-	-	(296)	(111)	(407)
Other comprehensive income for the period (unaudited)	-	-	19	439	-	458	484	942
Total comprehensive income for the period (unaudited)	**-**	**1,183**	**19**	**439**	**229**	**1,870**	**1,259**	**3,129**
Transactions with owners								
Change in effective interest in subsidiaries (unaudited)	-	368	-	37	(757)	(352)	(684)	(1,036)
Dividends to shareholders (unaudited)	-	-	-	-	(30)	(30)	-	(30)
Other distributions (unaudited)	-	-	-	-	(262)	(262)	(10)	(272)
Total transactions with owners	**-**	**368**	**-**	**37**	**(1,049)**	**(644)**	**(694)**	**(1,338)**
Balance at 30 September 2016 (unaudited)	**9,193**	**1,551**	**(77)**	**(4,602)**	**(6,709)**	**(644)**	**1,438**	**794**
Balance at 1 January 2017	**9,193**	**2,456**	**(63)**	**(4,683)**	**(6,503)**	**400**	**1,785**	**2,185**
Comprehensive income								
Profit for the period (unaudited)	**-**	**-**	**-**	**-**	453	453	445	898
Other comprehensive income for the period (unaudited)	-	-	(7)	95	-	88	106	194
Total comprehensive income for the period (unaudited)	**-**	**-**	**(7)**	**95**	**453**	**541**	**551**	**1,092**
Transactions with owners								
Change in effective interest in subsidiaries (11(a)(ii)) (unaudited)	-	15	-	4	(3)	16	(43)	(27)
Dividends to shareholders (11(f)) (unaudited)	-	-	-	-	(225)	(225)	(155)	(380)
Other contributions (11(d)) (unaudited)	-	-	-	-	99	99	-	99
Total transactions with owners (unaudited)	**-**	**15**	**-**	**4**	**(129)**	**(110)**	**(198)**	**(308)**
Balance at 30 September 2017 (unaudited)	**9,193**	**2,471**	**(70)**	**(4,584)**	**(6,179)**	**831**	**2,138**	**2,969**

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 12 to 42.

1 Background

(a) Organisation

EN+ GROUP PLC (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. The Parent Company's registered office is 44 Esplanade, St Helier, Jersey, JE4 9WG, British Channel Islands.

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

As at 30 September 2017 the Parent Company's major shareholders were B-Finance Limited with a 61.55% ownership interest and Basic Element Limited with a 21.10% ownership interest (61.55% and 21.10% as at 31 December 2016, respectively).

The ultimate parent undertaking of the Group is Fidelitas International Investments Corp., the company incorporated in the Republic of Panama ("Fidelitas"), and the ultimate beneficial owner of the Group (the "Shareholder") is Mr. Oleg Deripaska ("Mr. Deripaska"). He also has a number of other business interests outside of the Group. Related party transactions are detailed in note 16.

(b) Operations

As at 30 September 2017 the Group's operations comprised the following:

United Company RUSAL Plc and its subsidiaries ("UC RUSAL") operate in the aluminium industry primarily in the Russian Federation, Ukraine, Guinea, Jamaica, Ireland, Nigeria and Sweden and are 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.

Other activities of the Group include generation, transmission and distribution of energy in East Siberia, Russia, through its main power subsidiaries: JSC Eurosibenergo ("Eurosibenergo"), LLC Eurosibenergo-Hydrogeneration ("ESE-Hydrogeneration"), PJSC Irkutskenergo ("Irkutskenergo") and PJSC Krasnoyarsk Hydro-Power Plant ("Krasnoyarsk HPP"), as well as its supporting operations engaged in the supply of logistics services and coal resources to the Group. The Group's subsidiaries are also engaged in metallurgy production in Krasnoyarsk region and production and processing of molybdenum and ferromolybdenum at plants located in the eastern part of the 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 falling on October through 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.

2 Basis of preparation

(a) Statement of compliance

This consolidated interim condensed financial information has been prepared in accordance with International Accounting 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 2016.

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

Amendments to IAS 7: *Disclosure Initiative*

Amendments to IFRS 12: *Recognition of Deferred Tax Assets for Unrealised Losses*

Annual Improvements to IFRSs, 2014-2016 cycle: Amendments to IFRS 12 *Disclosure of Interests in Other Entities*

None of these developments have had a material effect on how the Group's results and financial position for the current and the prior periods have been prepared and presented.

A number of new standards and interpretations were not yet effective for the nine and three months ended 30 September 2017 and have not been applied in this consolidated interim condensed financial information.

	Effective for accounting periods beginning on or after
IFRS 9, *Financial Instruments*	1 January 2018
IFRS 15, *Revenue from Contracts with Customers*	1 January 2018
IFRS 16, *Leases*	1 January 2019
IFRS 17, *Insurance contracts*	1 January 2021
IFRIC 22, *Foreign Currency transactions and advance considerations*	1 January 2018
IFRIC 23, *Uncertainty over income tax treatments*	1 January 2019

The adoption of the pronouncements listed above is not expected to have a significant impact on the Group's consolidated financial statements in future periods except for those discussed below.

IFRS 15 establishes a comprehensive framework for recognising revenue from contracts with customers. IFRS 15 will replace the existing revenue standards, IAS 18, *Revenue*, which covers revenue arising from sale of goods and rendering of services, and IAS 11, *Construction contracts*, which specifies the accounting for revenue from construction contracts. The Group is currently assessing the effect of IFRS 15. Based on the assessment performed to date the Group identified that presentation of revenue in respect of contracts with provisional pricing involved may be impacted as a result of the transition. Further analysis is still ongoing.

IFRS 9 will replace the current standard on accounting for financial instruments, IAS 39, *Financial instruments: Recognition and measurement*. IFRS 9 introduces new requirements for classification and measurement of financial assets, calculation of impairment of financial assets and hedge accounting. The major impact from the transition is related to introduced expected credit loss model which results in the earlier recognition of credit losses and is more forward looking than the now applied incurred loss model. The Group is currently assessing the effect of IFRS 9.

(b) Consolidation of UC RUSAL

Following the UC RUSAL global offering and issuance of additional shares by UC RUSAL the Group's interest in UC RUSAL reduced below 50% to 47.41% by 31 December 2010. In November 2012 the Parent Company purchased additional 0.72% shares of UC RUSAL for cash consideration of USD 70 million.

The Group's management believes that its current 48.13% shareholding in UC RUSAL and the terms of the shareholders' agreements between UC RUSAL's principal shareholders enable the Parent Company to retain control over UC RUSAL, and therefore UC RUSAL's results of operations are consolidated into the Group's consolidated financial statements. The terms of the shareholders' agreements include provisions entitling the Parent Company to:

- nominate at least 50% of UC RUSAL's board of directors and two independent directors;
- require one of the non-controlling shareholders to vote in accordance with the Parent Company's instructions at meetings of UC RUSAL's shareholders in relation to certain matters, including the appointment and removal of UC RUSAL's directors and the distribution of dividends; and
- appoint UC RUSAL's CEO.

(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 September 2017 effective interest in Irkutsk GridCo held by the Group is 52.3% (31 December 2016: 51.9%).

As laws and regulations in the electricity sector in Russia 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

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 2016.

4 Segment reporting

(a) Reportable segments

Based on the current management structure and internal reporting the Group has identified the following five segments:

- *Metals.* The Metals segment is comprised of UC RUSAL which is involved in mining and refining of bauxite into alumina; production and sale of primary aluminium, alumina and related products and also includes equity investment in Norilsk Nickel. The Metals segment is disclosed based on public financial statements of UC RUSAL. All adjustments made to UC RUSAL, including adjustments arising from different time of IFRS first time adoption, are included into reconciliation of reportable segment revenue, profit or loss, assets and liabilities.

  The Power and Coal assets of UC RUSAL are included into the Metals segment.

- *Power.* The Power segment is involved in generation, transmission and distribution of energy in East Siberia and Volga regions of Russia.
- *Coal.* The Coal segment is engaged in the mining and sale of coal in the East Siberia region. Brown and fossil coals are the products of the segment.
- *Logistics.* The logistics segment is engaged in transportation services both for other segments and for the third parties.
- *Other.* The Other segment is comprised of production and processing of molybdenum and ferromolybdenum, and also aluminium processing plant.

These business units are managed separately and results of their operations are reviewed by the CEO on a regular basis.

Management additionally analyses performance of the Group through principal business segments (note 4(c)).

(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 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 measures used for reporting segment results are the net profit and the net profit adjusted for income tax and other items not specifically attributed to individual segments, such as finance income, costs of loans and borrowings. 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 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.

(i) Reportable segments

Nine months ended 30 September 2017

USD million	**Metals**	**Power**	**Coal**	**Logistics**	**Other**	**Total**
Revenue from external customers	7,099	1,273	86	28	211	8,697
Inter-segment revenue	125	673	150	54	10	1,012
Total segment revenue	**7,224**	**1,946**	**236**	**82**	**221**	**9,709**
Segment profit/(loss)	**782**	**226**	**1**	**14**	**(16)**	**1,007**
Impairment of non-current assets	(139)	-	-	-	(1)	(140)
Loss on disposal of property, plant and equipment	(8)	-	-	-	-	(8)
Share of profits of associates and joint ventures	495	-	-	-	-	495
Interest expense, net	(477)	(318)	(8)	(7)	(18)	(828)
Other finance (costs)/income, net	(205)	9	(3)	-	1	(198)
Depreciation and amortisation	(364)	(165)	(12)	(2)	(5)	(548)
Income tax (expense)/benefit	(54)	(102)	1	(4)	4	(155)
Additions to non-current segment assets during the period	(506)	(118)	(18)	(83)	(4)	(729)

Nine months ended 30 September 2016

USD million	**Metals**	**Power**	**Coal**	**Logistics**	**Other**	**Total**
Revenue from external customers	5,854	1,072	55	36	178	7,195
Inter-segment revenue	102	354	118	40	5	619
Total segment revenue	**5,956**	**1,426**	**173**	**76**	**183**	**7,814**
Segment profit/(loss)	**534**	**156**	**(15)**	**10**	**(23)**	**662**
Impairment of non-current assets	(101)	(4)	-	-	-	(105)
(Loss)/gain on disposal of property, plant and equipment	(3)	2	(1)	-	-	(2)
Share of profits of associates and joint ventures	655	-	-	-	-	655
Interest expense, net	(435)	(194)	(9)	(3)	(21)	(662)
Other finance (costs)/income, net	(263)	17	(3)	(2)	5	(246)
Depreciation and amortisation	(349)	(120)	(11)	-	(5)	(485)
Income tax expense	(47)	(90)	(4)	(3)	(9)	(153)
Additions to non-current segment assets during the period	(431)	(81)	(9)	(4)	(7)	(532)

Three months ended 30 September 2017

USD million	**Metals**	**Power**	**Coal**	**Logistics**	**Other**	**Total**
Revenue from external customers	2,415	345	27	8	74	2,869
Inter-segment revenue	45	230	50	16	3	344
Total segment revenue	**2,460**	**575**	**77**	**24**	**77**	**3,213**
Segment profit/(loss)	**312**	**56**	**-**	**5**	**(2)**	**371**
Impairment of non-current assets	(58)	-	-	-	(1)	(59)
Loss on disposal of property, plant and equipment	(7)	(1)	-	-	-	(8)
Share of profits of associates and joint ventures	198	-	-	-	-	198
Interest expense, net	(133)	(97)	(3)	(3)	(7)	(243)
Other finance (costs)/income, net	(90)	6	(1)	-	1	(84)
Depreciation and amortisation	(121)	(54)	(4)	(2)	(2)	(183)
Income tax (expense)/benefit	(26)	(35)	(1)	(1)	3	(60)
Additions to non-current segment assets during the period	(219)	(56)	(7)	(69)	-	(351)

Three months ended 30 September 2016

USD million	**Metals**	**Power**	**Coal**	**Logistics**	**Other**	**Total**
Revenue from external customers	2,022	327	23	10	68	2,450
Inter-segment revenue	38	123	37	23	-	221
Total segment revenue	**2,060**	**450**	**60**	**33**	**68**	**2,671**
Segment profit/(loss)	**273**	**13**	**(6)**	**5**	**(8)**	**277**
Impairment of non-current assets	(46)	-	-	-	-	(46)
(Loss)/gain on disposal of property, plant and equipment	(1)	1	(1)	-	-	(1)
Share of profits of associates and joint ventures	216	-	-	-	-	216
Interest expense, net	(150)	(101)	(1)	(1)	(9)	(262)
Other finance costs, net	(36)	(8)	-	(2)	-	(46)
Depreciation and amortisation	(118)	(39)	(4)	-	(2)	(163)
Income tax expense	(13)	(18)	-	(1)	-	(32)
Additions to non-current segment assets during the period	(209)	(23)	(6)	(4)	(3)	(245)

At 30 September 2017

USD million	Metals	Power	Coal	Logistics	Other	Total
Cash and cash equivalents	1,123	76	-	8	1	1,208
Interests in associates and joint ventures	4,290	10	-	-	-	4,300
Other segment assets	10,189	6,114	330	145	141	16,919
Total segment assets	**15,602**	**6,200**	**330**	**153**	**142**	**22,427**
Loans and borrowings	(8,715)	(4,383)	(199)	(52)	(335)	(13,684)
Other segment liabilities	(2,926)	(1,263)	(119)	(119)	(107)	(4,534)
Total segment liabilities	**(11,641)**	**(5,646)**	**(318)**	**(171)**	**(442)**	**(18,218)**

At 31 December 2016

USD million	Metals	Power	Coal	Logistics	Other	Total
Cash and cash equivalents	544	96	7	5	3	655
Interests in associates and joint ventures	4,147	9	-	-	-	4,156
Other segment assets	9,761	5,981	302	74	123	16,241
Total segment assets	**14,452**	**6,086**	**309**	**79**	**126**	**21,052**
Loans and borrowings	(8,965)	(4,071)	(188)	(42)	(304)	(13,570)
Other segment liabilities	(2,188)	(1,464)	(114)	(41)	(105)	(3,912)
Total segment liabilities	**(11,153)**	**(5,535)**	**(302)**	**(83)**	**(409)**	**(17,482)**

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

	Three months ended 30 September		**Nine months ended 30 September**	
	2017	**2016**	**2017**	**2016**
	USD million	**USD million**	**USD million**	**USD million**
Revenue				
Reportable segment revenue	3,213	2,671	9,709	7,814
Elimination of inter-segment revenue	(344)	(221)	(1,012)	(619)
Unallocated revenue	6	5	19	8
Consolidated revenue	**2,875**	**2,455**	**8,716**	**7,203**
Profit				
Reportable segment profit	371	277	1,007	662
Impairment of non-current assets	-	-	(4)	-
Gain from disposal of property, plant and equipment	-	-	1	-
Depreciation and amortisation	-	(1)	-	(1)
Income tax (expense)/benefit	(1)	(1)	1	(1)
Interest expense, net	(18)	(11)	(42)	(56)
Other finance income/(costs), net	5	20	8	(5)
Other unallocated expenses and consolidation adjustments, net	(7)	(40)	(73)	(38)
Consolidated profit	**350**	**244**	**898**	**561**

	30 September 2017	**31 December 2016**
	USD million	**USD million**
Assets		
Reportable segment assets	22,427	21,052
Elimination of inter-segment receivables	(453)	(394)
Consolidation adjustments	(516)	(469)
Unallocated assets, net of elimination of receivables between unallocated and reportable segments	63	141
Consolidated total assets	**21,521**	**20,330**

	30 September 2017	**31 December 2016**
	USD million	**USD million**
Liabilities		
Reportable segment liabilities	(18,218)	(17,482)
Elimination of inter-segment payables	453	394
Consolidation adjustments	3	-
Unallocated liabilities, net of elimination of payables between unallocated and reportable segments	(790)	(1,057)
Consolidated total liabilities	**(18,552)**	**(18,145)**

(c) Principal business segments

Management analyses performance of the Group through two principal business segments:

1. "METALS" or "UC RUSAL" as described in note 4(a);
2. "ENERGY" (En+ Group excluding UC RUSAL, formerly En+ Power) is predominantly comprised of power assets and operations as described in note 1(b).

USD million	30 September 2017 EN+ GROUP Consolidated	METALS	Adjustments	ENERGY	31 December 2016 EN+ GROUP Consolidated	METALS	Adjustments	ENERGY
Non-current assets								
Property, plant and equipment	9,632	4,086	-	5,546	9,355	4,065	-	5,290
Goodwill and intangible assets	2,385	2,548	(469)	306	2,300	2,470	(469)	299
Interests in associates and joint ventures	4,300	4,290	-	10	4,156	4,147	-	9
Long-term investments	25	-	(4,053)	4,078	25	-	(4,053)	4,078
Trade and other receivables	27	-	4	23	149	-	4	145
Deferred tax assets	83	54	-	29	108	51	-	57
Derivative financial assets	50	50	-	-	51	51	-	-
Other non-current assets	12	59	(47)	-	7	52	(45)	-
	16,514	**11,087**	**(4,565)**	**9,992**	**16,151**	**10,836**	**(4,563)**	**9,878**
Current assets								
Short-term investments	38	-	31	7	38	-	28	10
Inventories	2,312	2,224	(47)	135	2,034	1,926	-	108
Trade and other receivables	1,385	1,132	(258)	511	1,401	1,130	(77)	348
Prepaid expenses and other current assets	16	-	15	1	14	-	13	1
Derivative financial assets	36	36	-	-	16	16	-	-
Cash and cash equivalents	1,215	1,123	-	92	669	544	-	125
Assets held for sale	5	-	-	5	7	-	-	7
	5,007	**4,515**	**(259)**	**751**	**4,179**	**3,616**	**(36)**	**599**
Total assets	**21,521**	**15,602**	**(4,824)**	**10,743**	**20,330**	**14,452**	**(4,599)**	**10,477**

USD million	30 September 2017 EN+ GROUP Consolidated	METALS	Adjustments	ENERGY	31 December 2016 EN+ GROUP Consolidated	METALS	Adjustments	ENERGY
Equity								
Share capital	-	152	(152)	-	-	152	(152)	-
Additional paid-in capital	9,193	15,786	(8,925)	2,332	9,193	15,786	(8,925)	2,332
Revaluation reserve	2,471	-	-	2,471	2,456	-	-	2,456
Other reserves	(70)	2,854	(2,954)	30	(63)	2,882	(2,969)	24
Foreign currency translations reserve	(4,584)	(8,851)	4,369	(102)	(4,683)	(9,058)	4,477	(102)
Retained earnings/(accumulated losses)	(6,179)	(5,980)	1,292	(1,491)	(6,503)	(6,463)	1,587	(1,627)
Total equity attributable to shareholders of the Parent	**831**	**3,961**	**(6,370)**	**3,240**	**400**	**3,299**	**(5,982)**	**3,083**
Non-controlling interests	2,138	-	1,804	334	1,785	-	1,460	325
	2,969	**3,961**	**(4,566)**	**3,574**	**2,185**	**3,299**	**(4,522)**	**3,408**
Non-current liabilities								
Loans and borrowings	12,554	8,073	-	4,481	12,095	7,532	-	4,563
Deferred tax liabilities	1,307	538	(3)	772	1,394	585	-	809
Provisions – non-current portion	537	429	-	108	618	423	-	195
Derivative financial liabilities	52	52	-	-	3	3	-	-
Other non-current liabilities	192	70	-	122	177	51	-	126
	14,642	**9,162**	**(3)**	**5,483**	**14,287**	**8,594**	**-**	**5,693**
Current liabilities								
Loans and borrowings	1,602	642	-	960	2,110	1,433	-	677
Provisions – current portion	46	36	-	10	64	40	-	24
Trade and other payables	2,203	1,742	(255)	716	1,652	1,054	(77)	675
Derivative financial liabilities	59	59	-	-	32	32	-	-
	3,910	**2,479**	**(255)**	**1,686**	**3,858**	**2,559**	**(77)**	**1,376**
Total equity and liabilities	**21,521**	**15,602**	**(4,824)**	**10,743**	**20,330**	**14,452**	**(4,599)**	**10,477**

	Nine months ended							
	30 September 2017				30 September 2016			
USD million	EN+ GROUP Consolidated	METALS	Adjustments	ENERGY	EN+ GROUP Consolidated	METALS	Adjustments	ENERGY
Revenue	8,716	7,224	(816)	2,308	7,203	5,956	(464)	1,711
Cost of sales	(5,799)	(5,248)	747	(1,298)	(5,112)	(4,555)	464	(1,021)
Gross profit	**2,917**	**1,976**	**(69)**	**1,010**	**2,091**	**1,401**	**-**	**690**
Distribution expenses	(470)	(321)	22	(171)	(413)	(278)	-	(135)
General and administrative expenses	(590)	(421)	-	(169)	(511)	(376)	-	(135)
Impairment of non-current assets	(144)	(139)	-	(5)	(105)	(101)	-	(4)
Other operating expenses, net	(96)	(72)	-	(24)	(33)	(22)	-	(11)
Results from operating activities	**1,617**	**1,023**	**(47)**	**641**	**1,029**	**624**	**-**	**405**
Share of profits of associates and joint ventures	495	495	-	-	655	655	-	-
Finance income	53	18	-	35	58	17	(12)	53
Finance costs	(1,113)	(700)	-	(413)	(1,027)	(715)	12	(324)
Profit before tax	**1,052**	**836**	**(47)**	**263**	**715**	**581**	**-**	**134**
Income tax expense	(154)	(54)	3	(103)	(154)	(47)	-	(107)
Profit for the period	**898**	**782**	**(44)**	**160**	**561**	**534**	**-**	**27**
Profit attributable to:								
Shareholders of the Parent Company	453	782	(450)	121	229	534	(277)	(28)
Non-controlling interests	445	-	406	39	332	-	277	55
Profit for the period	**898**	**782**	**(44)**	**160**	**561**	**534**	**-**	**27**

Three months ended

USD million	**30 September 2017**				**30 September 2016**			
	EN+ GROUP Consolidated	METALS	Adjustments	ENERGY	EN+ GROUP Consolidated	METALS	Adjustments	ENERGY
Revenue	2,875	2,460	(294)	709	2,455	2,060	(164)	559
Cost of sales	(1,890)	(1,770)	269	(389)	(1,649)	(1,502)	164	(311)
Gross profit	**985**	**690**	**(25)**	**320**	**806**	**558**	**-**	**248**
Distribution expenses	(152)	(111)	22	(63)	(174)	(116)	-	(58)
General and administrative expenses	(191)	(129)	-	(62)	(174)	(119)	-	(55)
Impairment of non-current assets	(59)	(58)	-	(1)	(46)	(46)	-	-
Other operating expenses, net	(30)	(29)	-	(1)	(52)	(21)	-	(31)
Results from operating activities	**553**	**363**	**(3)**	**193**	**360**	**256**	**-**	**104**
Share of profits of associates and joint ventures	198	198	-	-	216	216	-	-
Finance income	6	-	(9)	15	4	3	(12)	13
Finance costs	(346)	(223)	9	(132)	(303)	(189)	12	(126)
Profit/(loss) before tax	**411**	**338**	**(3)**	**76**	**277**	**286**	**-**	**(9)**
Income tax expense	(61)	(26)	1	(36)	(33)	(13)	-	(20)
Profit/(loss) for the period	**350**	**312**	**(2)**	**40**	**244**	**273**	**-**	**(29)**

Profit/(loss) attributable to:

Shareholders of the Parent Company	174	312	(164)	26	92	273	(142)	(39)
Non-controlling interests	176	-	162	14	152	-	142	10
Profit for the period	**350**	**312**	**(2)**	**40**	**244**	**273**	**-**	**(29)**

	Nine months ended							
	30 September 2017				**30 September 2016**			
USD million	EN+ GROUP Consolidated	METALS	Adjustments	ENERGY	EN+ GROUP Consolidated	METALS	Adjustments	ENERGY
Profit for the period	**898**	**782**	**(44)**	**160**	**561**	**534**	**-**	**27**
Adjustments for non-cash items	1,444	759	(3)	688	1,066	539	-	527
Operating profit before changes in working capital and provisions	**2,342**	**1,541**	**(47)**	**848**	**1,627**	**1,073**	**-**	**554**
Changes in working capital and provisions	(333)	(302)	47	(78)	(86)	(72)	-	(14)
Cash flows generated from operations before income tax	**2,009**	**1,239**	**-**	**770**	**1,541**	**1,001**	**-**	**540**
Income taxes paid	(214)	(58)	-	(156)	(114)	(35)	-	(79)
Cash flows from operating activities	**1,795**	**1,181**	**-**	**614**	**1,427**	**966**	**-**	**461**
Cash flows generated from/(used in) investing activities, including:	**32**	**112**	**-**	**(80)**	**(124)**	**(49)**	**-**	**(75)**
Capital expenditure (including pot rebuilds and intangible assets)	(650)	(547)	-	(103)	(496)	(407)	-	(89)
Dividends from associates and joint ventures	642	642	-	-	333	333	-	-
Proceeds from disposal of available-for-sale investments	-	-	-	-	39	-	-	39
Loans issued	(10)	(10)	-	-	(59)	(6)	-	(53)
Acquisition of a subsidiary	(4)	(1)	-	(3)	-	-	-	-
Interest received	9	4	-	5	22	16	-	6
Other receipts, net	45	24	-	21	37	15	-	22

	Nine months ended							
	30 September 2017				**30 September 2016**			
USD million	EN+ GROUP Consolidated	METALS	Adjustments	ENERGY	EN+ GROUP Consolidated	METALS	Adjustments	ENERGY
Cash flows used in financing activities, including:	**(1,285)**	**(718)**	**-**	**(567)**	**(1,208)**	**(892)**	**-**	**(316)**
Interest paid	(762)	(385)	-	(377)	(617)	(325)	-	(292)
(Repayment of)/proceeds from borrowings, net	(53)	(170)	-	117	876	(233)	-	1,109
Acquisition of non-controlling interest	(188)	-	-	(188)	(771)	-	-	(771)
Payments from settlement of derivative instruments	(127)	(127)	-	-	(320)	(320)	-	-
Restructuring fees	(36)	(36)	-	-	(14)	(14)	-	-
Other distributions	(15)	-	-	(15)	(272)	-	-	(272)
Dividends to shareholders	(104)	-	-	(104)	(90)	-	-	(90)
Net increase/(decrease) in cash and cash equivalents	**542**	**575**	**-**	**(33)**	**95**	**25**	**-**	**70**
Cash and cash equivalents at beginning of the year, excluding restricted cash	656	531	-	125	577	494	-	83
Effect of exchange rate changes on cash and cash equivalents	-	-	-	-	14	(6)	-	20
Cash and cash equivalents at end of the year, excluding restricted cash	**1,198**	**1,106**	**-**	**92**	**686**	**513**	**-**	**173**

5 Revenue

	Three months ended 30 September		Nine months ended 30 September	
	2017	**2016**	**2017**	**2016**
	USD million	**USD million**	**USD million**	**USD million**
Sales of primary aluminium and alloys	**2,013**	**1,685**	**5,942**	**4,859**
Third parties	1,401	1,055	4,066	3,007
Related parties – companies capable of exerting significant influence	611	628	1,869	1,846
Related parties – companies under common control	1	2	7	6
Sales of alumina and bauxite	**173**	**165**	**544**	**478**
Third parties	97	103	313	285
Related parties – companies capable of exerting significant influence	50	42	153	130
Related parties – associates	26	20	78	63
Sales of semi-finished products and foil	**146**	**115**	**389**	**313**
Third parties	146	115	389	312
Related parties – companies under common control	-	-	-	1
Sales of electricity	**251**	**252**	**926**	**801**
Third parties	236	234	881	758
Related parties – companies capable of exerting significant influence	-	-	-	2
Related parties – companies under common control	11	9	33	25
Related parties – associates	4	9	12	16
Sales of heat	**78**	**59**	**322**	**256**
Third parties	76	59	304	239
Related parties – companies capable of exerting significant influence	-	-	1	1
Related parties – companies under common control	2	-	17	16
Sales of ferromolybdenum	**17**	**13**	**49**	**38**
Third parties	17	13	49	38
Other revenue	**197**	**166**	**544**	**458**
Third parties	158	137	456	381
Related parties – companies capable of exerting significant influence	2	-	6	5
Related parties – companies under common control	11	8	28	20
Related parties – associates	26	21	54	52
	2,875	**2,455**	**8,716**	**7,203**

6 Net other operating expenses

	Three months ended 30 September		Nine months ended 30 September	
	2017	**2016**	**2017**	**2016**
	USD million	**USD million**	**USD million**	**USD million**
Impairment of accounts receivable	(8)	(1)	(23)	-
Charity	(11)	(6)	(25)	(18)
(Provision)/reversal of provision for legal claims	(3)	(2)	(4)	1
Loss on disposal of property, plant and equipment	(8)	(1)	(7)	(2)
Other operating expenses, net	-	(42)	(37)	(14)
	(30)	**(52)**	**(96)**	**(33)**

Other operating expenses in amount USD 37 million during nine months ended 30 September 2017 include penalties of USD 22 million that relate to the amount paid by UC RUSAL in relation to the legal claim from Swedish electricity supplier.

7 Finance income and costs

	Three months ended 30 September		Nine months ended 30 September	
	2017	**2016**	**2017**	**2016**
	USD million	**USD million**	**USD million**	**USD million**
Finance income				
Foreign exchange gain	-	-	30	-
Interest income	3	4	15	56
Unwinding of discount of trade and other receivables	3	-	7	-
Dividend income	-	-	1	2
	6	**4**	**53**	**58**
Finance costs				
Interest expense	(264)	(277)	(885)	(774)
Change in fair value of derivative financial instruments (note 13)	(76)	(14)	(214)	(133)
Unwinding of discount of other payables	-	-	(14)	-
Foreign exchange loss	(6)	(12)	-	(120)
	(346)	**(303)**	**(1,113)**	**(1,027)**

8 Income tax

	Three months ended 30 September		Nine months ended 30 September	
	2017	**2016**	**2017**	**2016**
	USD million	**USD million**	**USD million**	**USD million**
Current tax expense				
Current tax for the period	(76)	(55)	(249)	(169)
Deferred tax expense				
Origination and reversal of temporary differences	15	22	95	15
	(61)	**(33)**	**(154)**	**(154)**

Pursuant to the rules and regulations of Jersey, the Parent Company is not subject to any income tax in Jersey. The Parent Company's applicable tax rate is 0%. Subsidiaries pay income taxes in accordance with the legislative requirements of their respective tax jurisdictions. For subsidiaries domiciled in Russia the applicable tax rate is 20%; in Ukraine of 18%; Cyprus of 12.5%; 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 27.9%. For the Group's subsidiaries domiciled in Switzerland the applicable tax rate for the year is the corporate income tax rate in the Canton of Zug, Switzerland, which differs depending on the company's tax status. The rate consists of a federal income tax and a cantonal/communal income and capital taxes. The latter includes a base rate and a multiplier, which may change from year to year. Applicable income tax rates for 2017 are 9.27% and 14.60% for different subsidiaries. For the Group's significant trading companies the applicable tax rate is 0%. The applicable tax rates for the period ended 30 September 2017 were the same as for the period ended 30 September 2016 and the year ended 31 December 2016, except for Italy where the tax rate was 30.4%.

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 nine months ended 30 September 2017 and 30 September 2016.

	Nine months ended 30 September	
	2017	**2016**
Weighted average number of shares	500,000,000	500,000,000
Profit for the period attributable to the shareholders of the Parent Company, USD million	453	229
Basic and diluted earnings per share, USD	**0.906**	**0.458**

	Three months ended 30 September	
	2017	**2016**
Weighted average number of shares	500,000,000	500,000,000
Profit for the period attributable to the shareholders of the Parent Company, USD million	174	92
Basic and diluted earnings per share, USD	**0.348**	**0.184**

In June 2017 the number of shares of the Parent Company was changed as described in Note 11(a)(i). Therefore, basic and diluted earnings per share for the three and nine months ended 30 September 2016 were retrospectively adjusted for the effect of the shares split during nine months ended 30 September 2017.

There were no outstanding dilutive instruments during the periods ended 30 September 2017 and 30 September 2016.

In November 2017 the Parent Company issued additionally 71,428,572 shares (note 17(a)).

10 Interests in associates and joint ventures

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

	Nine months ended 30 September	
	2017	**2016**
	USD million	**USD million**
Balance at beginning of the period	**4,156**	**3,222**
Group's share of post acquisition profits	495	655
Dividends	(533)	(170)
Share of other comprehensive income of associate	(28)	-
Reversal of provision for guarantee included in share of profits	-	(100)
Foreign currency translation	210	501
Balance at end of the period	**4,300**	**4,108**
Goodwill included in interests in associates	2,590	2,379

	Three months ended 30 September	
	2017	**2016**
	USD million	**USD million**
Balance at beginning of the period	**4,192**	**3,922**
Group's share of post acquisition profits	198	216
Dividends	(178)	(5)
Reversal of provision for guarantee included in share of profits	-	(50)
Foreign currency translation	88	25
Balance at end of the period	**4,300**	**4,108**
Goodwill included in interests in associates	2,590	2,379

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 months ended 30 September 2017. 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 months ended 30 September 2017 based on publicly available information reported by Norilsk Nickel.

The Group has estimated its share of profit of Norilsk Nickel at the level of USD 183 million and USD 427 million for the three and nine months ended 30 September 2017, other comprehensive income at the level of USD nil million and USD 28 million loss for the three and nine months ended 30 September 2017, the foreign currency translation gain in relation to that investee at the level of USD 78 million and gain of USD 185 million for the three and nine months ended 30 September 2017. The carrying value of the Group's investment in the investee comprises USD 3,664 million as at 30 September 2017. The information used as a basis for these estimates is incomplete in many aspects. If 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 and the carrying value of the investment in Norilsk Nickel which has been previously reported.

The market value of the investment in Norilsk Nickel at 30 September 2017 is USD 7,529 million (31 December 2016: USD 7,348 million). The market value is 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 Equity

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

(i) Parent Company's share capital

As at 31 December 2016 and 30 September 2016 the Parent Company's authorised share capital comprised 50,000 ordinary shares, out of which 2,000 shares were issued with a par value of USD 1 each.

In June 2017 the number of shares of the Parent Company was changed such that each share in the capital of the Parent Company was subdivided into 250,000 shares. As a result of the transaction Parent Company's authorised share capital increased to 12,500,000,000 shares and issued share capital increased to 500,000,000 shares.

As at 30 September 2017 the Parent Company's authorised share capital comprised 12,500,000,000 shares, out of which 500,000,000 were issued with a par value of USD 0.000004 each.

Subsequent to the reporting date, in October 2017 the Parent Company allotted 8,250,000,000 ordinary shares of USD 0.000004 each in favour of the Parent Company's shareholders. Immediately following the increase, the authorised share capital of the Parent Company was consolidated such that every 17.5 ordinary shares with a par value of USD 0.000004 were consolidated into 1 ordinary share with a par value of USD 0.00007 each. As a result of the transaction the Parent Company's authorised share capital comprises 714,285,714.286 shares, out of which 500,000,000 were issued with a par value of USD 0.00007 each.

As at 30 September 2017 and 31 December 2016 all issued ordinary shares were fully paid.

(ii) Change in effective interest in subsidiaries

In June 2017 ESE-Hydrogeneration (former LLC Telmamskaya GES) submitted the mandatory offer to non-controlling shareholders of Irkutskenergo for purchase of non-controlling interest. The offer price was based on weighted six-months trading average price prior to the offer and amounted to RUB 17.42 per share (USD 0.3). The Group has accepted for purchase 0.7458% of Irkutskenergo shares for the aggregate amount of RUB 619 million (USD 11 million). In September 2017 the mandatory offer expired unexcersised, respective put liability was derecognised and non-controlling interest was recognised again. Following the expiration of the mandatory offer one of the Group's subsidiaries acquired 0.99% of Irkutskenergo shares for a cash consideration of RUB 928 million (USD 16 million). As a result of these transactions the effective interest in Irkutskenergo held by the Group increased to 92.5%.

(b) Currency translation reserve

The currency translation reserve comprises all foreign exchange differences arising from the translation of the consolidated financial statements 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, the Group's share of other comprehensive income of equity-accounted investees other than foreign currency transaction and the cumulative unrealised gain on available-for-sale assets.

(d) Other distributions/contributions under the guarantee

During nine months ended 30 September 2017, the Group paid additional USD 15 million under the guarantee agreement in respect of loan obligations of entity under common control and recorded this transaction as other distribution. In September 2017, the guarantee agreement was terminated, which resulted in the recognition of other contribution of USD 114 million.

(e) Revaluation reserve

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

During nine months ended 30 September 2017 as a result of changes in effective interest in Irkutskenergo (note 11(a)(ii)), revaluation reserve attributable to the Parent company increased by USD 15 million, net of tax.

(f) Dividends

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.

During nine months ended 30 September 2017, the Parent Company declared interim dividends for 2016 in the amount of USD 24 million and interim dividends for 2017 in the amount of USD 201 million, the outstanding amount of which was distributed in cash subsequent to the reporting date (note 17(b)).

During nine months dividends in the total amount of USD 104 million were distributed in cash including USD 47 million for 2016 (USD 23 million were accrued as a liability as at 31 December 2016) and USD 57 million for 2017.

During nine months ended 30 September 2017, UC RUSAL declared interim dividends in the amount of USD 299 million, out of which USD 155 million is attributable to its non-controlling shareholders.

(g) Non-controlling interest

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

30 September 2017

	UC RUSAL	Irkutskenergo*	LLC Baikal Yacht Club	JSC Irkutsk Electric Grid Company	Total
NCI percentage	**51.9%**	**7.5%**	**49.0%**	**47.7%**	
Assets	15,118	4,290	1	558	
Liabilities	(11,641)	(2,210)	(33)	(139)	
Net assets	**3,477**	**2,080**	**(32)**	**419**	
Carrying amount of NCI	1,803	153	(16)	198	**2,138**
Revenue	7,224	1,745	-	260	
Profit/(loss)	782	308	(3)	23	
Other comprehensive income	179	-	-	-	
Total comprehensive income	**961**	**308**	**(3)**	**23**	
Profit/(loss) attributable to NCI	406	28	(1)	12	**445**
Other comprehensive income attributable to NCI	93	7	(1)	7	**106**
Cash flows from operating activities	1,181	338	-	74	
Cash flows from/(used in) investing activities	112	(327)	(1)	(36)	
Cash flows (used in)/from financing activities	(718)	(34)	2	(38)	
Net increase/(decrease) in cash and cash equivalents	**575**	**(23)**	**1**	**-**	

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

30 September 2016

	UC RUSAL	**Irkutskenergo***	**LLC Baikal Yacht Club**	**Krasnoyarsk HPP****	**JSC Irkutsk Electric Grid Company**	**Total**
NCI percentage	**51.9%**	**9.2%**	**49.0%**	**0.0%**	**48.1%**	
Assets	13,115	3,540	1	1,822	491	
Liabilities	(10 937)	(1 927)	(27)	(319)	(135)	
Net assets	**2,178**	**1,613**	**(26)**	**1,503**	**356**	
Carrying amount of NCI	1,129	151	(13)	-	171	**1,438**
Revenue	5,956	1,385	-	53	194	
Profit/(loss)	534	125	(2)	36	17	
Other comprehensive income	736	811	-	815	-	
Total comprehensive income	**1,270**	**936**	**(2)**	**851**	**17**	
Profit/(loss) attributable to NCI	277	44	(1)	4	8	**332**
Other comprehensive income attributable to NCI	382	446	(3)	76	26	**927**
Cash flows from operating activities	966	223	-	-	60	
Cash flows (used in)/from investing activities	(49)	(266)	(1)	4	(26)	
Cash flows (used in)/from financing activities	(892)	78	1	(3)	(33)	
Net increase in cash and cash equivalents	**25**	**35**	**-**	**1**	**1**	

*Net assets of Irkutskenergo were adjusted for the effect of Irkutskenergo investments in JSC Irkutsk Electric Grid Company and Krasnoyarsk HPP.

**A put option (a mandatory offer) in June 2016 and the following buyout notice resulted in the derecognition of the non-controlling interest of Krasnoyarsk HPP.

12 Loans and borrowings

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

	30 September 2017 USD million	31 December 2016 USD million
Non-current liabilities		
Secured bank loans	10,179	9,812
Secured company loans	-	1,000
Unsecured bank loans	975	1,088
Bonds	1,400	195
	12,554	**12,095**
Current liabilities		
Secured bank loans	1,022	1,431
Secured company loans	-	50
Unsecured bank loans	435	492
Accrued interest	123	136
Bonds	22	1
	1,602	**2,110**

(a) Loans and borrowings

UC RUSAL

On 17 March 2017 UC RUSAL executed amendments to the existing credit facilities with Sberbank. Under USD credit agreements the interest rate was decreased from 3M Libor + 5.75% p.a. (incl. 1.05% PIK) to 3M Libor + 4.75% p.a. (subject to min 3M Libor at the level of 1%), effective from 29 December 2016. Under RUB credit facility outstanding exposure was converted into USD (at the rate of Central Bank of Russia as of the date of conversion). The interest rate of 3M Libor + 4.75% p.a. (subject to min 3M Libor at the level of 1%), is effective from 18 March 2017.

In March 2017 UC RUSAL through its subsidiaries entered into the REPO transaction backed by bonds issued by RUSAL Bratsk – in number of 7,527,646 series 08 bonds. As a result of the transactions UC RUSAL raised funding in the amount of USD 107 million (EUR 100 million) with fifteen months maturity at an effective rate of 2.6% p.a.

On 24 May 2017 the Group entered into a new syndicated Pre-Export Finance Term Facility Agreement ("New PXF Facility") in the amount of USD 1.7 billion, interest rate 3M LIBOR+3% per annum, maturity 5 years (repayment starting in 2 years). The proceeds of the facility were used for the purpose of refinancing the Group's current debt.

In August the Group executed amendments to Gazprombank facilities, reducing interest margin from 4.5% to 3.5%, extending final maturity and adjusting covenants in line with New PXF Facility.

On 31 August 2017 the Group has agreed with Sberbank to extend final maturity under loans secured by Norilsk Nickel shares to 2024 and decrease interest margin from 4.75% to 3.75% and adjusting covenants in line with New PXF Facility.

During the nine months ended 30 September 2017 the Group made principal repayments in the total amounts of USD 2,886 million and EUR 76 million (USD102 million) under the Combined PXF

Facility, credit facilities with Sberbank, Gazprombank, VTB Capital, Sovcombank and Credit Bank of Moscow.

The nominal value of the UC RUSAL's loans and borrowings was USD 7,318 million at 30 September 2017 (31 December 2016: USD 8,852 million).

ENERGY

(i) VTB facility

In January 2017, the Group acquired 100% of the shares in GrandStroy LLC, the Lender of the Parent Company under the loan agreement, for a cash consideration of USD 3 million.

As at 30 September 2017 the outstanding amount under the VTB facility was USD 942 million bearing interest 6% p.a.

Subsequent to the reporting date in November 2017 the outstanding amount under the VTB facility was fully repaid from the initial public offering proceeds (note 17(a)).

(ii) Sberbank facilities of Eurosibenergo

As at 30 September 2017 Eurosibenergo had RUB-denominated loan in the amount of USD 1,120 million (RUB 64,984 million) bearing 11.06% effective interest and USD-denominated loan in the amount of USD 486 million bearing 7.4% effective interest.

(iii) Syndicate facilities of ESE-Hydrogeneration

During nine months ended 30 September 2017 scheduled three tranches of USD 54 million (RUB 3,125 million) each were received.

As at 30 September 2017 the outstanding amount of this loan was USD 1,464 million (RUB 84,941 million).

The nominal value of ENERGY loans and borrowings was USD 5,394 million at 30 September 2017 (31 December 2016: USD 5,204 million).

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 2016 with the following changes:

- release of 25%+1 share of Eurosibenergo;
- release of 100% stake of LLC Tyvinskaya Gornorudnaya Company;
- release of 22.78% shares of Irkutskenergo in February 2017 and their subsequent pledge in June 2017;
- pledge of dams acquired in November 2016;
- pledge of 1.48% shares of Krasnoyarsk HPP;
- pledge of 100% shares of Strikeforce Mining and Resources Limited;

- release of 25% less two shares of each of Rusal Bratsk, Rusal Sayanogorsk, 25% plus one share of SUAL, 50% less one share of Rusal Krasnoyarsk and 40% plus one share of Rusal Novokuznetsk and 0.95% of shares of PJSC MMC Norilsk Nickel.

Pledge of 47.84% shares of JSIC Ingosstrakh under the Group's bank loans was released in March 2017.

The secured bank loans are also secured by the following:

- Property, plant and equipment with a carrying amount of USD 1,177 million (31 December 2016: USD 274 million), including pledged dams of USD 1,107 million;
- Inventories with a carrying amount of USD 486 million (31 December 2016: USD 402 million);
- Export revenues of ferromolybdenum.

As at 30 September 2017 and 31 December 2016 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 New PXF Facility dated 24 May 2017 and the Combined PXF Facility dated 18 August 2014, respectively.

(b) Bonds payable

As at 30 September 2017 1,289,314 series 07 bonds, 51,509 series 08 bonds and 4,221,951 series BO-01 bonds were outstanding (traded in the market).

The closing market price at 30 September 2017 was RUB 1,015, RUB 1,003, RUB 1,062 per bond for the first, second and the third tranches, respectively.

In February 2017 the Group completed the debut offering of Eurobonds with the following key terms: principal amount of USD 600 million, tenor of 5 years, coupon rate of 5.125% per annum. The bonds proceeds, excluding related expenses, in the amount of USD 597 million were applied for partial prepayment of RUSAL's existing pre-export finance facility. The closing market price at 30 September 2017 was USD 1,019 per bond.

In February 2017 the Group registered Panda Bond Offering Circular for the total amount of RMB 10 billion (c.USD 1.5 billion) with the Shanghai Stock Exchange with the right to make placement in tranches with different maturities but not higher than 7 years. In March 2017 the first tranche of RMB1 billion was placed for 3 years and 5.5% per annum. In September 2017 the second tranche of RMB 500 million was placed for 3 years and 5.5% per annum. The tranches are subject to put option after 2 years. The funds were used for working capital needs and refinancing of existing debt.

On 3 April 2017 RUSAL Bratsk announced a coupon rate in respect to the series 08 bonds at the level of 9% per annum for the 13-16 semi-annual coupon periods after which the series 08 bonds will be subject to a put option and coupon rate revision. On 12 April 2017 the Group exercised a put option on the outstanding RUB-denominated bonds series 08.

In May 2017 the Group completed the offering of Eurobonds with the following key terms: principal amount of USD 500 million, tenor of 6 years, coupon rate of 5.3% per annum. The bonds proceeds were applied for partial prepayment of RUSAL's debt. The closing market price at 30 September 2017 was USD 1,025 per bond.

13 Derivative financial assets and liabilities

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

	30 September 2017		**31 December 2016**	
	USD million		**USD million**	
	Derivative assets	**Derivative liabilities**	**Derivative assets**	**Derivative liabilities**
Petroleum coke supply contracts and other raw materials	59	69	62	5
Forward contracts for aluminium and other instruments	27	42	5	30
Total	**86**	**111**	**67**	**35**

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 and nine months ended 30 September 2017. The following significant assumptions were used in estimating derivative instruments:

	2017	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
LME Al Cash, USD per tonne	2,090	2,131	2,169	2,203	2,230	2,257	2,295	2,342	2,390
Platt's FOB Brent, USD per barrel	57	56	55	55	55	56	-	-	-

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

	Three months ended 30 September	
	2017	**2016**
	USD million	**USD million**
Balance at the beginning of the period	**27**	**(180)**
Unrealised changes in fair value recognised in other comprehensive income during the period	-	3
Unrealised changes in fair value recognised in statement of profit or loss (finance costs) during the period	(76)	(14)
Realised portion of electricity, coke and raw material contracts	24	121
Balance at the end of the period	**(25)**	**(70)**

	Nine months ended 30 September	
	2017	**2016**
	USD million	**USD million**
Balance at the beginning of the period	**32**	**(300)**
Unrealised changes in fair value recognised in other comprehensive income during the period	-	26
Unrealised changes in fair value recognised in statement of profit or loss (finance cost) during the period	(214)	(133)
Realised portion of electricity, coke and raw material contracts	157	337
Balance at the end of the period	**(25)**	**(70)**

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

14 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 September 2017 and 31 December 2016 approximated USD 178 million and USD 157 million, respectively. These commitments are due over a number of years.

ENERGY

The Group had outstanding capital commitments which had been contracted for at 30 September 2017 and 31 December 2016 in the amount of USD 26 million and USD 55 million, respectively. These commitments are due over a number of years.

15 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. 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.

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. These transfer pricing rules provide for an obligation for the taxpayers to prepare transfer pricing documentation with respect to controlled transactions and prescribe the basis and mechanisms for accruing additional taxes and interest in case prices in the controlled transactions differ from the market level. The transfer pricing rules 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 (no threshold is set for the purposes of prices control in such transactions). 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 (RUB 1 billion in 2014 and thereon). The compliance of prices with the arm's length level could be as well subject to scrutiny on the basis of unjustified tax benefit concept.

Effective 1 January 2015 the concept of "beneficial ownership" which is broadly in line with the concept developed by the OECD were introduced into Russian tax legislation. In particular, based on this concept the double tax treaty relief should be available to foreign legal entities provided they have the actual right to receive income (i.e., they qualify as a "beneficial owner of income"). When determining the beneficial owner, the functions of a foreign person that is claiming the application of reduced tax rates under a double tax treaty and the risks that such person takes should be analyzed. Effective 1 January 2017, a non-resident income recipient should be obliged to provide a tax agent with confirmation that it is the beneficial owner of the income. However, at the moment there is no clear guidance in the tax legislation in what form such confirmation should be obtained.

No assurance can currently be given as to how the above concepts will be applied in practice, their potential interpretation by the Russian tax authorities and the possible impact on the Group.

UC RUSAL

In addition to the amounts of income tax UC RUSAL already has provided, there are certain tax positions 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. UC RUSAL'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 2017 is USD 32 million (31 December 2016: USD 225 million).

ENERGY

During the past several years the Russian tax authorities have shown a tendency to take more assertive positions in their interpretation of tax legislation which has led to an increased number of material tax assessments issued by them as a result of tax audits. In practice, the Russian tax authorities generally interpret the tax laws in ways that do not favour taxpayers.

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 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. Moreover, in October 2006, the Plenum of the Supreme Arbitration Court of the Russian Federation issued Ruling No. 53, formulating a concept of "unjustified tax benefit", which is defined in the Ruling by reference to specific examples of such tax benefits (e.g., tax benefits obtained as a result of a transaction that has no reasonable business purpose). There is a growing practice on the interpretation of this concept by the Russian tax authorities and the Russian courts and it is apparent that the Russian tax authorities actively seek to apply this concept when challenging tax positions taken by taxpayers. The tax authorities have actively sought to apply this concept when challenging tax positions taken by taxpayers in court, and this trend is anticipated to continue in the future. It is possible that additional taxes may be payable in respect of some operations of the Group upon examination by the tax authorities or in connection with ongoing disputes with tax authorities. It could potentially have a significant impact on the consolidated financial statements of the Group.

Russian tax legislation includes “thin capitalisation” rules which limit the amount of interest that could be deducted by the Russian subsidiaries of the Company for corporate income tax purposes on “controlled” debts. The deductibility of interest is restricted to the extent that the controlled debt of a Russian company exceeds its net assets by more than three times. Interest on excess debt is non-deductible and treated as a dividend subject to Russian withholding tax. Prior to 2017 loans provided between Russian affiliated companies were subject to thin capitalisation rules in case they have direct or indirect foreign shareholder owning more than 20%. There is contemplated tax practice with respect to such kind of transactions and tax authorities interpreted these rules differently. It is currently unclear how the Russian tax authorities will interpret and apply the amended thin capitalisation rules.

The Russian subsidiaries of the Company may be affected by the Russian Federation’s thin capitalisation rules which may result in assessment of additional taxes. 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 2017 is USD 10 million (31 December 2016: USD 18 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 and to bring it into full compliance with current legislation.

(c) Legal contingencies

The Group’s business activities expose it to a variety of lawsuits and claims which are monitored, assessed and contested on an ongoing basis. Where management believes that a lawsuit or another claim would result in the outflow of the economic benefits for the Group, a best estimate of such outflow is included in provisions in the consolidated interim condensed financial information. As at 30 September 2017 the amount of claims, where management assesses outflow as possible approximates USD 37 million (31 December 2016: USD 60 million).

In January 2013, the Company received a writ of summons and statement of claim filed in the High Court of Justice of the Federal Capital Territory of Nigeria (Abuja) by plaintiff BFIG Group Divino Corporation (“BFIG”) against certain subsidiaries of the Company. It is a claim for damages arising out of the defendants’ alleged tortious interference in the bid process for the sale of the Nigerian government’s majority stake in the Aluminium Smelter Company of Nigeria (“ALSCON”) and alleged loss of BFIG’s earnings resulting from its failed bid for the said stake in ALSCON. BFIG seeks compensatory damages in the amount of USD 2.8 billion. In January 2014 the court granted the Company’s motion to join the Federal Republic of Nigeria and Attorney General of Nigeria to the case as co-defendants. On the latest hearing held on 6 November 2017 the Court has not upheld the claim. Though the plaintiff has the right to appeal the Court's latest decision, the Company does not expect the case to have any material adverse effect on the Group's financial position or its operation as a whole.

16 Related party transactions

(a) Transactions with related parties

The Group transacts with related parties, the majority of which are entities under common control with the Group or under the common control of minority shareholders of main subsidiaries or entities under their control.

Sales to related parties for the period are disclosed in note 5.

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

	Three months ended 30 September		Nine months ended 30 September	
	2017	**2016**	**2017**	**2016**
	USD million	**USD million**	**USD million**	**USD million**
Purchase of raw materials	**(118)**	**(114)**	**(359)**	**(308)**
Companies capable of exerting significant influence	(30)	(41)	(117)	(105)
Companies under common control	(17)	(14)	(40)	(32)
Associates and joint ventures	(71)	(59)	(202)	(171)
Energy costs	**(9)**	**(3)**	**(30)**	**(111)**
Companies capable of exerting significant influence	(2)	(1)	(8)	(3)
Companies under common control	-	-	(1)	(1)
Associates and joint ventures	(7)	(2)	(21)	(107)
Other services	**(33)**	**(35)**	**(93)**	**(96)**
Companies under common control	(1)	(1)	(2)	(2)
Associates and joint ventures	(32)	(34)	(91)	(94)
	(160)	**(152)**	**(482)**	**(515)**

Receivables from and advances paid at the end of the period were as follows:

	30 September 2017	**31 December 2016**
	USD million	**USD million**
Current trade and other receivables, and advances issued	96	143
Companies capable of exerting significant influence	*25*	*56*
Companies under common control	*12*	*30*
Associates and joint ventures	*59*	*57*
Dividends receivable from related parties	165	311
Associates and joint ventures	*165*	*311*
	261	**454**

Trade and other payables owing to related parties at the end of the period were as follows:

	30 September 2017 USD million	31 December 2016 USD million
Current trade and other payables, and advances received		
Companies capable of exerting significant influence	*314*	*183*
Companies under common control	*3*	*4*
Associates and joint ventures	*24*	*33*
Dividends payable	*299*	*23*
	640	**243**

On 11 April 2016 the Group pledged 15% shares of Eurosibenergo with the bank for the corporate guarantee provided by the related party under common control till 20 December 2019. In October 2017 the pledge was released.

(b) Remuneration to key management

For the nine months ended 30 September 2017 remuneration to key management personnel was represented by short-term employee benefits and amounted to USD 12 million (for the nine months ended 30 September 2016: USD 12 million).

17 Events subsequent to the reporting date

(a) Initial public offering of the Parent Company's global depositary receipts

On 8 November 2017 the Parent Company successfully completed an initial public offering of global depositary receipts ("GDRs") on the London Stock Exchange and the Moscow Exchange. The offer price has been set at USD 14 per GDR for London Stock Exchange and RUB 840 per GDR for the Moscow Exchange, with each GDR representing one ordinary share in the Parent Company. The total size of the offering amounted to 107,142,858 GDRs, representing USD 1.5 billion at the offer price, of which USD 1.0 billion (71,428,572 GDRs) is primary proceeds, which were used for a full repayment of VTB facility (note 12(a)(i)), and USD 0.5 billion (35,714,286 GDRs) is a secondary component, excluding the over-allotment option for 5,000,000 GDRs (secondary component as well). The over-allotment option was fully exercised on 23 November 2017.

(b) Dividends distribution

In October 2017 the Parent Company distributed in cash dividends of USD 144 million accrued as a liability as at 30 September 2017.

Subsequently to the reporting date, the Parent Company declared interim dividends for 2017 in the amount of USD 125 million.