

**UNITED COMPANY RUSAL PLC:  
A VERY LARGE COMPANY WITH VERY LARGE DEBTS**

**Is It Too Large To Fail ?**

With the very grave political and economic situations in many parts of Eastern and Western Europe, and with the ('illegal?') annexation of The Crimea by The Russian Federation, these convoluted situations, which are becoming more and more hairy as the days pass, leaves one to ponder: Where will it all end?

The one public company, listed on the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), that must be feeling, today – and will continue to feel for the many morrows to follow this year – the brunt of these interdependent situations is United Company Rusal plc (Code: 486, Main Board, The Stock Exchange of Hongkong Ltd).

It is impossible, at this juncture, to try to predict how international events will pan out in the next eight months or so, but it is highly unlikely that they will turn out to be positive for United Company Rusal: This leviathan of a public company with a massive debt load.

United Company Rusal is the world's largest, single aluminium company, accounting for about nine percent of alumina production on the planet.

On March 28, 2014, the Company brought out its Annual Results for the Financial Year, ended December 31, 2013.

And what a fearful story was that on careful analysis!

In a nutshell, United Company Rusal reported:

	All Figures Are Denominated In \$US Million (except where otherwise indicated)		
	2012	2013	Percentage Increase/(Decrease)
Revenue	10,891	9,760	(10.38)
Net Loss Attributable To Shareholders	(528)	(3,222)	510.23
Total Assets	25,210	20,580	(18.37)
Net Debt	10,829	10,109	(6.65)

Then, 12 days later, on April 10, 2014, Management published an '**UPDATE ON THE ANNUAL RESULTS ANNOUNCEMENT**' of March 28.

This Announcement stated, among other things:

**'BACKGROUND**

*'As mentioned in the Update Announcement, on 7 April 2014, Norilsk Nickel published the Norilsk Nickel Financial Statements on its own website. Accordingly, the management of the Company has reviewed the Norilsk Nickel Financial Statements and is of the view that it has material adverse impact on the Company's published consolidated financial statements for the year ended 31 December 2013 (as stated in the Annual Results Announcement).*

*'The management of the Company has reassessed the Group's share of Norilsk Nickel's profits and comprehensive income and concluded that in the audited consolidated financial statements of the Company for the year ended 31 December 2013 (which are set out in the Annual Results Announcement) the share of profits/(losses) of associates and interests in associates were overstated by USD100 million and USD100 million respectively.*

*'As a result the Company has adjusted the audited consolidated financial statements of the Company for the year ended 31 December 2013 to reflect the results of the reassessment by the Company's management ...'.*

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