



## MMC Norilsk Nickel announces preliminary consolidated production results for 2<sup>nd</sup> quarter 2008

### NORILSK NICKEL

**Moscow, 31 July 2008** - MMC “Norilsk Nickel” (hereinafter - “Norilsk Nickel”, “the Company”), the world’s largest nickel and palladium producer, announces preliminary consolidated production results for the second quarter of 2008 at its Polar and Kola Divisions in Russia and international operations in Finland, Australia, Botswana and South Africa.

- Overall saleable nickel production in the first half of 2008 increased to 143 407 metric tonnes from 126 032 metric tonnes in the first half of 2007.
- Overall saleable copper production in the first half of 2008 increased to 208 046 metric tonnes from 201 867 metric tonnes in the first half of 2007.
- Overall saleable precious metals production in the first half of 2008 amounted to 1 438 thousand ounces of palladium and 338 thousand ounces of platinum.
- Previous 2008 full-year production guidance for saleable nickel, copper, palladium and platinum remains unchanged.

MMC NORILSK NICKEL SALEABLE METALS PRODUCTION	Q1 2008	Q2 2008	H1 2008
<b>Norilsk Nickel Polar and Kola Divisions (Russia)</b>			
Nickel, metric tonnes	57 038	53 358	110 396
Copper, metric tonnes	99 020	98 053	197 073
Palladium, thousand ounces	590	807	1 397
Platinum, thousand ounces	135	192	327
<b>Norilsk Nickel Finland</b>			
Nickel, total, metric tonnes	13 738	9 161	22 899
Own nickel, metric tonnes <sup>1</sup>	8 374	5 585	13 959
Tolled nickel, metric tonnes <sup>2</sup>	5 364	3 576	8 940
Copper, metric tonnes	1 657	847	2 504
Palladium, thousand ounces	2	2	4
Platinum, thousand ounces	1	1	2
<b>Norilsk Nickel Australia</b>			
Nickel to third parties <sup>3</sup> , metric tonnes	3 554	3 031	6 585
<b>Norilsk Nickel Africa<sup>4</sup></b>			
Nickel, total, metric tonnes	5 606	6 861	12 467
Tati Nickel nickel to third parties, metric tonnes	4 832	6 241	11 073
Nkomati nickel to third parties (50%), metric tonnes	774	621	1 395
Tati Nickel and Nkomati (50%) copper, metric tonnes	3 313	5 156	8 469
Tati Nickel and Nkomati (50%) palladium, thousand ounces	5	32	37
Tati Nickel and Nkomati (50%) platinum, thousand ounces	1	7	9
<b>TOTAL SALEABLE METALS PRODUCTION</b>			
<b>Nickel</b> , metric tonnes	<b>74 572</b>	<b>68 835</b>	<b>143 407</b>
<b>Copper</b> , metric tonnes	<b>103 990</b>	<b>104 056</b>	<b>208 046</b>
<b>Palladium</b> , thousand ounces	<b>597</b>	<b>841</b>	<b>1 438</b>
<b>Platinum<sup>5</sup></b> , thousand ounces	<b>138</b>	<b>200</b>	<b>338</b>

SALEABLE METALS PRODUCTION GUIDANCE	FULL YEAR 2008
<b>Nickel</b> , metric tonnes	<b>300 000 - 305 000</b>
<b>Copper</b> , metric tonnes	<b>415 000 - 420 000</b>
<b>Palladium</b> , thousand ounces	<b>3 020 - 3 070</b>
<b>Platinum</b> , thousand ounces	<b>710 - 720</b>

**Notes:**

1 Production from Black Swan nickel concentrate, Cawse nickel carbonate and other purchased materials.

2 Production from tolled feed.

3 Production of Lake Johnston and Waterloo.

4 Tati Nickel on a 100% basis.

5 Totals may vary from sum of numbers as a result of rounding.

The Polar and Kola Divisions in Russia produced 53 358 metric tonnes of saleable nickel from April to June 2008 in line with production plans and the earlier announced Nadezhda smelter reconstruction project, aimed at bringing total capacity of both flash smelting lines at Nadezhda to 2.05 million metric tonnes.

These operations produced 98 053 metric tonnes of copper in the second quarter of 2008. Palladium production from April to June 2008 amounted to 807 thousand ounces and platinum production reached 192 thousand ounces, following first quarter 2008 production declines due to extraordinary winter weather conditions.

The Tati Nickel and Nkomati operations in Southern Africa produced 6 861 metric tonnes of saleable nickel in the second quarter of 2008 in line with production plans.

In Western Australia the Lake Johnston, Waterloo and Black Swan operations production for the second quarter of 2008 was in line with production plans. The Lake Johnston and Waterloo operations produced 3 031 metric tonnes of saleable nickel in the second quarter of 2008. In June 2008 production at Cawse was suspended due to disruption of gas and sulphuric acid supplies. The disruption of gas supply was due to a gas explosion on Veranus Island which resulted in a 30% reduction in the gas supply to Western Australia. The disruption of sulphuric acid supply was due to furnace deterioration and the resulting brought forward furnace rebuild at BHP Billiton's nickel smelter in Kalgoorlie, which supplies Cawse with acid.

Due to a longer than expected annual maintenance shutdown and delay in shipment of Polar Division nickel concentrates for industrial testing, the Harjavalta refinery in Finland produced a total of 9 161 metric tonnes of refined nickel from April to June 2008, including 5 585 metric tonnes of own nickel and 3 576 metric tonnes of tolled nickel.

For 2008 Norilsk Nickel's overall saleable metals production guidance remains unchanged at 300-305 thousand metric tonnes of nickel, 415-420 thousand metric tonnes of copper, 3.02 - 3.07 million ounces of palladium and 710-720 thousand ounces of platinum.

The stated production volumes do not include production figures of Stillwater Mining Company.

#### **ABOUT MMC NORILSK NICKEL:**

MMC Norilsk Nickel, a corporation incorporated under the laws of the Russian Federation, is the largest diversified mining and metals company in Russia, the world's largest producer of nickel and palladium and one of the world's largest producers of platinum, rhodium, copper and cobalt. In addition to this, Norilsk Nickel produces a large number of other by-products, including gold, silver, tellurium, selenium, iridium and ruthenium.

The key production units of the Group in Russia are the Polar Division and OJSC Kola Mining and Metallurgical Company. MMC Norilsk Nickel International Nickel Business includes operations in Finland, Australia, Botswana and South Africa. Detailed information on these operations is available at the website [www.norilsknickel.ru/en](http://www.norilsknickel.ru/en) in the "Operations" section. Norilsk Nickel is the majority shareholder in Stillwater Mining Company, the largest producer of platinum group metals in North America, whose shares are traded on the New York Stock Exchange.

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