

**MMC NORILSK NICKEL PRESENTS
ITS INTERIM IFRS CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 JUNE 2009**

Moscow, 19th October 2009 – Open Joint Stock Company (“OJSC”) Mining and Metallurgical Company Norilsk Nickel (“MMC Norilsk Nickel”, or the “Company”) and its subsidiaries (the “Group”) issued interim condensed consolidated financial statements (the “financial statements”) as at 30 June 2009 and for the six months then ended in compliance with International Accounting Standard IAS 34 *Interim Financial Information* (“IAS 34”). The financial statements have been reviewed in accordance with the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by Independent Auditor of the Entity* by Deloitte and Touche who have issued a review report without any qualifications.

**KEY ITEMS OF INTERIM CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2009**

US Dollars million

	For the six months ended 30 June 2009	For the six months ended 30 June 2008	% change <i>p-o-p</i> ⁽¹⁾
Revenue			
Nickel	1,647	3,922	(58)
Copper	793	1,588	(50)
Platinum	415	837	(50)
Palladium	373	796	(53)
Gold	61	67	(9)
Metal sales	3,289	7,210	(54)
Other sales	789	1,101	(28)
Total revenue	4,078	8,311	(51)
Cost of metal sales	(2,004)	(2,677)	(25)
Cost of other sales	(737)	(1,063)	(31)
Gross profit	1,337	4,571	(71)
<i>Gross profit margin, %</i>	33	55	
Selling, general and administrative expenses, and other operating expenses	(374)	(1,216)	(69)
Operating profit	963	3,355	(71)
Finance costs	(98)	(224)	(56)
Other income and expenses	(249)	538	N.A.
Total income tax expense	(177)	(987)	(82)
Profit for the period	439	2,682	(84)
<i>Profit margin, %</i>	11	32	

Notes:

(1) Period-on-period (p-o-p) comparison

REVENUE

In the first six months of 2009 Group reported revenue USD 4,078 million, or 51% lower than compared to the same period in 2008. In the first six months of 2009, revenue from metal sales declined by 54% to USD 3,289 million mostly due to the global commodity market prices being significantly below prior year levels.

The physical volume of nickel sales (excluding sales of metal purchased from third parties) produced in the Russian Federation increased by 4%, which was supported by 41% increase of physical volume of nickel sales produced by Norilsk Nickel International assets. Revenue from nickel sales contributed 50% of total metal sale revenue and decreased to USD 1,647 million compared to USD 3,922 million in the first six months of 2008, mainly due to a significant decrease in the adjusted average selling price of nickel by 61%.

Revenue from copper sales amounted to 24% of metal sales revenues and totaled USD 793 million compared to USD 1,588 million in the first six months of 2008, mainly due to significant decrease in adjusted average selling price of copper by 51%, which was partially compensated by 6% increase in the physical volume of copper sales produced in the Russian Federation and by 167 % increase of physical volume of nickel sales by Norilsk Nickel International.

Sales of platinum contributed 13% of metal sales for the Group during the first six months of 2009. Revenue from platinum sales decreased from USD 837 million in the first six months of 2008 to USD 415 million in the first six months of 2009. The decrease is primarily driven by a 42% average price decline coupled with lower physical volumes of platinum sales produced in the Russian Federation of 8%. Revenue from sales of platinum produced by Stillwater Mining Company decreased by 59%. The decrease in revenue is explained by a decrease in the adjusted average sales price and decline in physical volumes of sales by 37%.

Sales of palladium contributed 11% of metal sales of the Group, but decreased from USD 796 million in the first six months of 2008 to USD 373 million in the first six months of 2009. The decrease is mostly explained by decline of adjusted average selling price by 46% and also lower physical volumes of palladium sales produced in the Russian Federation of 11%. Revenue from sales of palladium produced by Stillwater Mining Company decreased by 37%. The decrease in revenue is explained by decrease in the adjusted average sales price and decrease in physical volumes of sales by 23%.

Sales of gold decreased by 9% from USD 67 million in the first six months of 2008 to USD 61 million in the first six months of 2009. The decrease of gold sales is mostly explained by decrease of sales volumes of gold produced by the Group in Russian Federation, which was partially compensated by increase in sales price.

Physical volumes of metal sales ⁽¹⁾

	For the six months ended 30 June 2009	For the six months ended 30 June 2008	% change <i>p-o-p</i>
MMC Norilsk Nickel			
Nickel ⁽²⁾ ('000 tonnes)	113	109	4
Copper ('000 tonnes)	186	176	6
Platinum ('000 ounces)	304	329	(8)
Palladium ('000 ounces)	1,321	1,490	(11)
Gold ('000 ounces)	60	68	(12)
Stillwater Mining Company			
Platinum ('000 ounces)	75	119	(37)
Palladium ('000 ounces)	223	288	(23)
Gold ('000 ounces)	4	5	(20)
Norilsk Nickel International			
Nickel ('000 tonnes)	24	17	41
Copper ('000 tonnes)	8	3	167
TOTAL GROUP			
Nickel ('000 tonnes)	137	127	8
Copper ('000 tonnes)	194	179	8
Platinum ('000 ounces)	379	447	(15)
Palladium ('000 ounces)	1,544	1,778	(13)
Gold ('000 ounces)	64	73	(12)

Notes:

- (1) Excluding the sales of metal purchased from third parties.
- (2) Including borrowed nickel of 7 thousand tonnes (for the six months ended 30 June 2008: 3 thousand tonnes)

Apart from revenue from metal sales, revenue from non-mining operations decreased by 28% and amounted to USD 789 million in the first six months of 2009, of which USD 554 million is attributable to OGK-3. The decline in revenue from other sales is mainly due to the effect of translation to presentation currency as a result of significant appreciation of USD against RUR, the functional currency of Russian operation of the Group, in the second half of 2008 and in the first six months of 2009.

COST OF METAL SALES

Cost of metal sales decreased by 25% from USD 2,677 million in the first six months of 2008 to USD 2,004 million in the first six months of 2009. The main reasons for the decline of cash operating costs by 38% in the first six months of 2009 (before netting revenue from sales of by-products) were the implementation of a Company wide cost-cutting program, optimisation of production flows and strict control of procurement activities. It was supported by the effect of translation to presentation currency, as a result of significant appreciation of USD against the functional currencies of the Group's operations in the second half of 2008 and in the first six months of 2009.

Labour remained the most significant item of cash operating costs, but decreased by 38% as a result of our cost-cutting program. Other savings were driven by the placing on indefinite care and maintenance our Australian assets of Norilsk Nickel International and the effect of translation to presentation currency.

In the first six months of 2009, consumables and spares costs decreased by 20% to USD 483 million. Such decrease was mainly due to optimisation of procurement activity at the Norilsk Nickel International assets, decline in market prices for consumables and spares, as well as the effect of translation to presentation currency.

The expenses on acquisition of refined metal, PGM scrap and other semi-products in the first six months of 2009 decreased by 55% due to decline in the physical volume of acquired PGM scrap by Stillwater Mining Company and general decrease in metal and concentrate prices. The decline in prices was partially offset by additional volume of 3rd party raw materials to feed refining facilities of Hariavalta Nickel Oy, Finland due to lower volume of ore produced by Australian mining operations of Norilsk Nickel International.

The outsourced third party services in the first six months of 2009 decreased by 50% due to implementation of cost-cutting program and various optimisations undertaken at our core production sites. These initiatives drove reductions in repairs and maintenance costs by 32%, mostly attributable to the Norilsk Nickel International assets and Stillwater Mining Company, and also due to the effect of translation to presentation currency. Outsourced mining services decreased by 32% largely due to our Australian assets being on care and maintenance. PGM toll refining costs decreased by 60% mainly due to a general decrease of production volumes of metals by the Group and in particular PGM production at Norilsk Nickel International, and the effect of translation to presentation currency. Exploration expenses were 89% less than in the first six months of 2008. Certain exploration projects of the Group were completed and/or suspended indefinitely. The decrease was mainly attributable to Russian operations. Other outsourced third party services were 43% less than in the first six months of 2008, which was mainly due to decrease of rent expenses at Norilsk Nickel International.

Utility expenses decreased by 17% compared to the first six months of 2008. The main reason for the decrease was a decline in utility consumption at Norilsk Nickel International due to our Australian assets being under care and maintenance and lower volume at Stillwater Mining Company. Also the effect of translation to presentation currency had an impact. The decrease was partially offset by an increase of electricity and other utility tariffs for the Russian operations of the Group.

The growth of cargo volumes hauled by our proprietary transport fleet, decline of metal volume produced mainly by Norilsk Nickel International and Stillwater Mining Company, as well as the effect of translation to presentation currency led to the decrease in the transportation costs by 36% in the first six months of 2009.

Tax on mining and pollution levies decreased by 30% in the first six months of 2009. This decrease was mainly due to lower production volumes at Stillwater Mining Company, with a corresponding decrease in tax, and again due to the effect of translation to presentation currency.

In the first six months of 2009, the sales of by-products declined by 80% to USD 154 million, due to a substantial drop in sales prices as a result of global recession and decrease of worldwide demand.

In the first six months of 2009, our depreciation charge decreased by 37% to USD 344 million. This is mainly due to an impairment charge recognised as at 31 December 2008 for Norilsk Nickel International assets, with corresponding decrease of depreciation charge and effect of translation to presentation currency. It was partially offset by additional depreciation charge resulting from significant amount of capital expenditures incurred by the Group in 2008.

In the first six months of 2009, value of metal inventories of the Group increased by USD 53 million.

COST OF OTHER SALES

The costs of other sales decreased by 31% to USD 737 million in the first half of 2009 due to a decline of costs of other sales attributable to the utility entities and OGK-3 in particular and the effect of translation to presentation currency.

SELLING, GENERAL, ADMINISTRATIVE AND OTHER OPERATING EXPENSES

Selling, general, administrative and other operating expenses decreased by 69% to USD 374 million in the first six months of 2009 due to the implementation of our cost-cutting programs, amendments to export duties regulations and due to the effect of translation to presentation currency.

Selling and distribution expenses were decreased by 83% mostly due to significant decrease of custom duties for the Russian part of the Group. In the first six months of 2009, general and administrative expenses were decreased by 45% as a result of implementation of full scale cost-cutting program, in particular with respect to labour costs, third party services, transport and other expenses. Other net operating expenses decreased by 87% due to the reduction of donation expenses and expenses associated with maintenance of social sphere by 29% and decrease in the amount of accrued provisions.

FINANCE COSTS

In the first six months of 2009, finance costs decreased by 56% to USD 98 million primarily due to a decrease in LIBOR to which a significant portion of the Group's borrowings are linked to.

TOTAL INCOME TAX EXPENSE

In the first six months of 2009, total income tax expense, including deferred tax benefits, amounted to USD 177 million compared to USD 987 million in the first half of 2008. The decrease in total income expense in the first half of 2009 is explained by the decline in profit before tax resulting primarily from lower metal prices.

PROFIT FOR THE PERIOD AND ADJUSTED EBITDA

Profit for the period decreased from USD 2,682 million in the first six months of 2008 to USD 439 million in the first six months of 2009.

In the first six months of 2009 adjusted EBITDA decreased from USD 4,327 million to USD 1,398 million. Adjusted EBITDA margin was 34% in the first six months of 2009 versus 52% in the first six months of 2008.

BALANCE SHEET TOTAL, PROPERTY, PLANT AND EQUIPMENT, CAPITAL AND RESERVES

The balance sheet total as at 30 June 2009 was USD 20,528 million and decreased by 1% during the first six months of 2009. At 30 June 2009, Property, Plant and Equipment decreased by 4% to USD 10,286 million mostly due to depreciation charges for the period of USD 409 million. In the first six months of 2009, capital and reserves increased by 1% to USD 11,923 million (including minority interest of USD 1,109 million).

OTHER FINANCIAL ASSETS

At 30 June 2009, current and non-current other financial assets amounted to USD 1,787 million. The decrease of 3% from January 1, 2009 was mainly attributable to reduction of short- and long-term deposits, proceeds from which were used for the repayment of loans and borrowings; decrease of short-term and long-term loans provided; changes in the market value of available-for-sale securities; and disposal of Group's investments in TGK-1, TGK-8 and TGK-10.

**KEY ITEMS OF INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2009**

US Dollars million

	30 June 2009	<i>% of total</i>	31 December 2008	<i>% of total</i>	<i>% change</i>
ASSETS					
Non-current assets	13,537	66	13,702	66	<i>(1)</i>
Property, plant and equipment	10,286		10,737		<i>(4)</i>
Other financial assets	795		523		52
Current assets	6,946		7,044		<i>(1)</i>
Inventories	1,846		1,959		<i>(6)</i>
Trade and other receivables	833		569		46
Other financial assets	992		1,316		<i>(25)</i>
Cash and cash equivalents	2,323		1,995		16
Assets classified as held for sale	45		13		246
	6,991	34	7,057	34	<i>(1)</i>
TOTAL ASSETS	20,528	100	20,759	100	<i>(1)</i>
EQUITY AND LIABILITIES					
Capital and reserves	11,923	58	11,785	57	<i>1</i>
Non-current liabilities	4,545	22	6,848	33	<i>(34)</i>
Loans and borrowings	3,209		5,568		<i>(42)</i>
Current liabilities	4,060	20	2,126	10	<i>91</i>
Loans and borrowings	2,914		872		234
TOTAL EQUITY AND LIABILITIES	20,528	100	20,759	100	<i>(1)</i>

CASH AND CASH EQUIVALENTS

At 30 June 2009, cash and cash equivalents amounted to USD 2,323 million. The change in balances of cash and cash equivalents is mainly due to decrease of bank deposits and increase in current accounts denominated in foreign currencies.

LOANS AND BORROWINGS

At 30 June 2009, the outstanding balance of long- and short-term loans amounted to USD 6,123 million, of which 52% represents long-term borrowings and 48% – short-term borrowings.

**INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2009**

US dollars million

	For the six months ended 30 June 2009	For the six months ended 30 June 2008	<i>% change p-o-p</i>
Net cash generated from operating activities	932	2,557	<i>(64)</i>
Net cash (used in)/generated from investing activities	(53)	305	<i>(117)</i>
Net cash used in financing activities	(428)	(1,959)	<i>(78)</i>
Net increase in cash and cash equivalents	451	903	<i>(50)</i>
Cash and cash equivalents at beginning of the period	1,995	4,008	<i>(50)</i>
Effect of translation to presentation currency	(123)	27	<i>(556)</i>
Cash and cash equivalents at end of the period	2,323	4,938	<i>(53)</i>

NET CASH GENERATED FROM OPERATING ACTIVITIES

The main source of cash for the Group is net cash flows from operating activities. Due to the significant decrease of revenue from metal sales in the first six months of 2009 net cash generated from operating activities decreased by 64% and amounted to USD 932 million.

NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES

Net cash outflow from investing activities in the first six months of 2009 amounted to USD 53 million mainly due to capital expenditures, acquisition of property, plant, equipment and intangible assets which was partially offset by a net decrease of deposits, proceeds from disposal of stakes in TKG-1, TKG-8, TKG-10, TKG-14 and other commercial instruments, proceeds from loans repaid to the Group and proceeds from sale of property, plant and equipment.

NET CASH USED IN FINANCING ACTIVITIES

In the first six months of 2009, net cash used in financing activities amounted to USD 428 million represented mainly by repayments of loans and borrowings.

NET INCREASE IN CASH AND CASH EQUIVALENTS

Net cash and cash equivalents increased in the first six months of 2009 by USD 328 million to USD 2,323 million.

The full version of the interim condensed consolidated financial statements of MMC Norilsk Nickel for the six months ended 30 June 2009 prepared in accordance with IAS 34 Interim Financial Information is available on the Company's web-site (www.nornik.ru/en) under the section Investor Relations/Reports/Financial Statements.