



Russian Miner: Global Player

Morgan Stanley Institutional Equity – Russian Metals and Mining

Moscow
September 18th 2007

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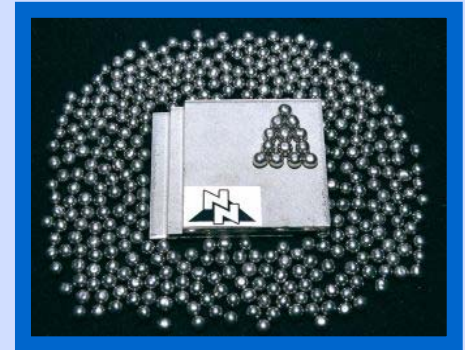
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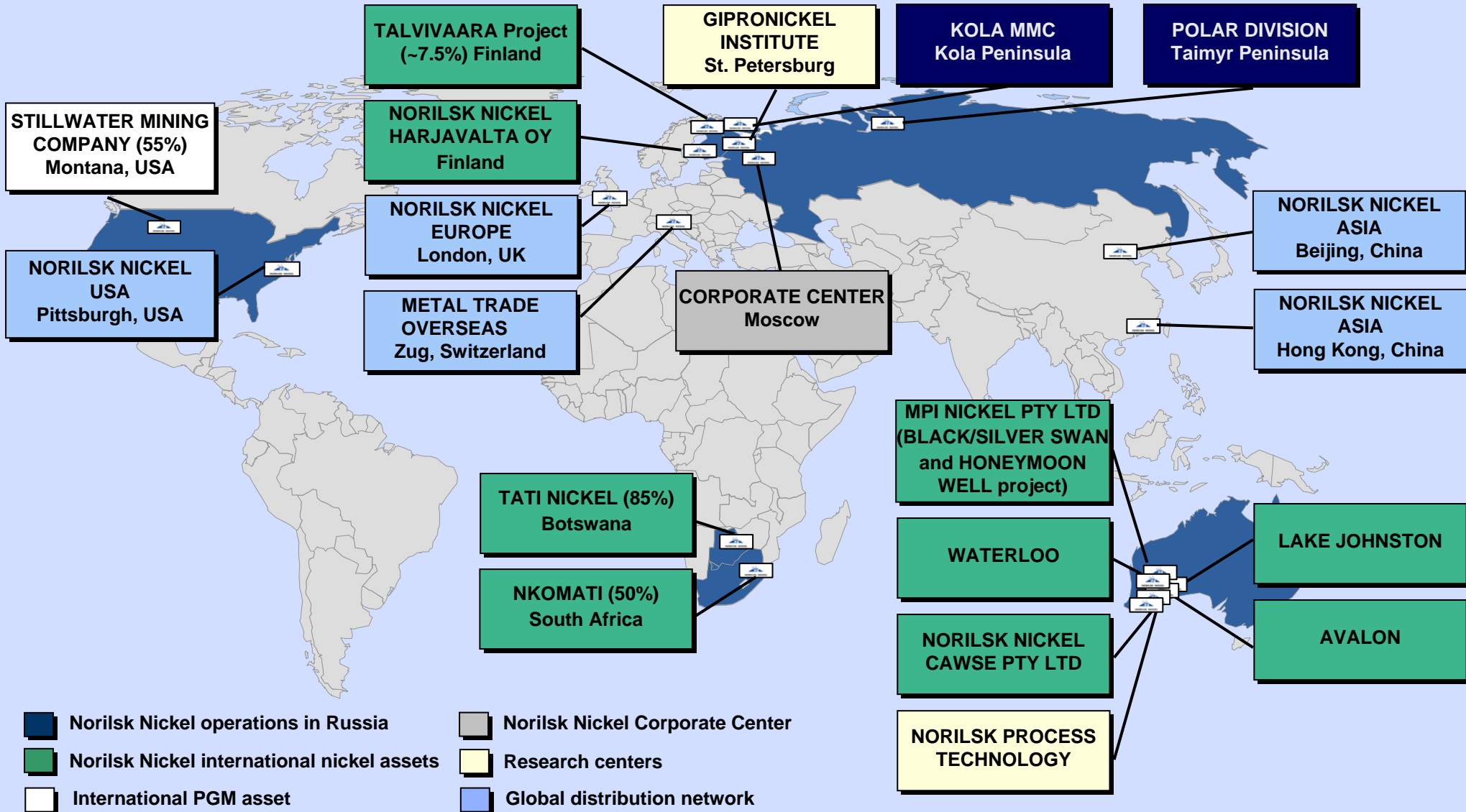
MMC Norilsk Nickel Today



- **Leading Russian mining and metals company with a growing international business**
- **Lowest cost producer of refined nickel with largest amount of nickel in attributable reserves and resources**
- **Proven history of value creation and returns to shareholders**
- **Highest combined credit rating amongst Russian private companies**
- **Recognized leader in corporate governance and transparency amongst Russian companies**



Norilsk Nickel's Global Presence

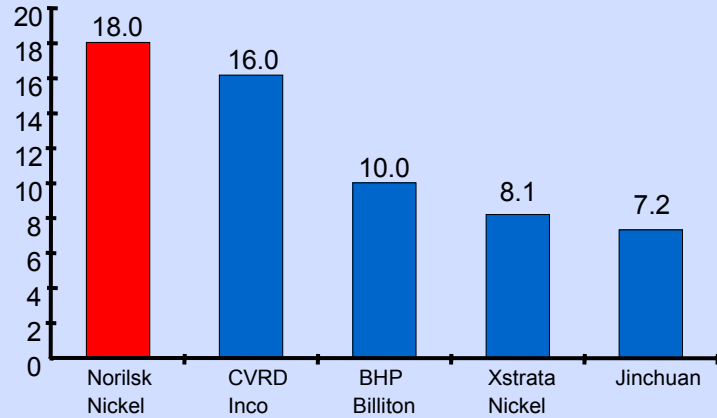


Leading Producer of Base & Precious Metals



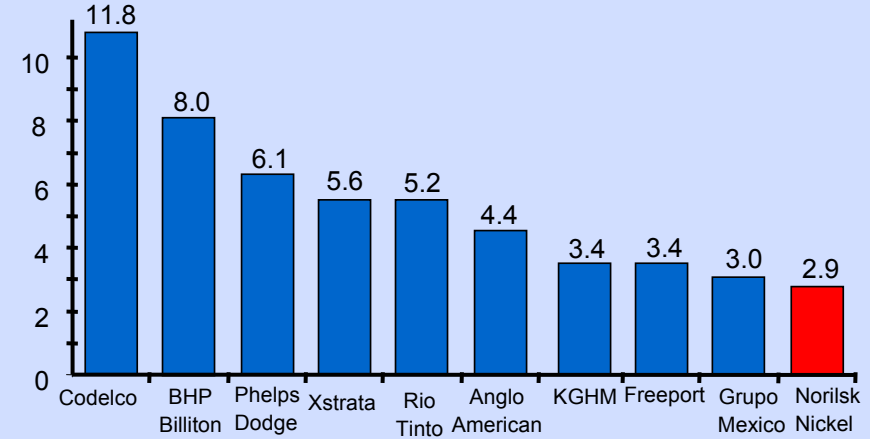
Largest Nickel Producers

(% share of 2006 world refined production)



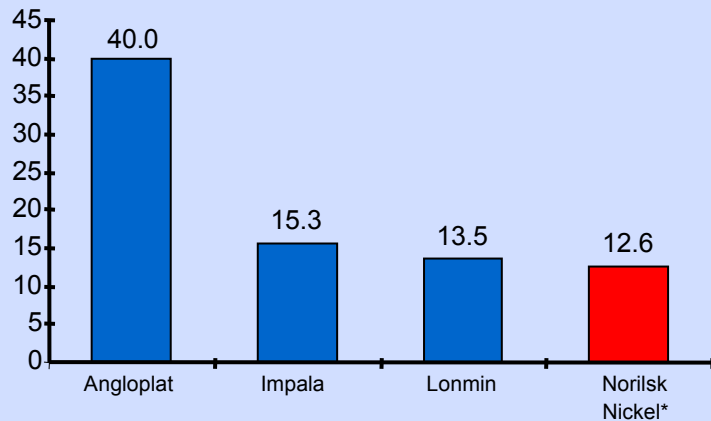
Largest Copper Producers

(% share of 2006 world mined production)



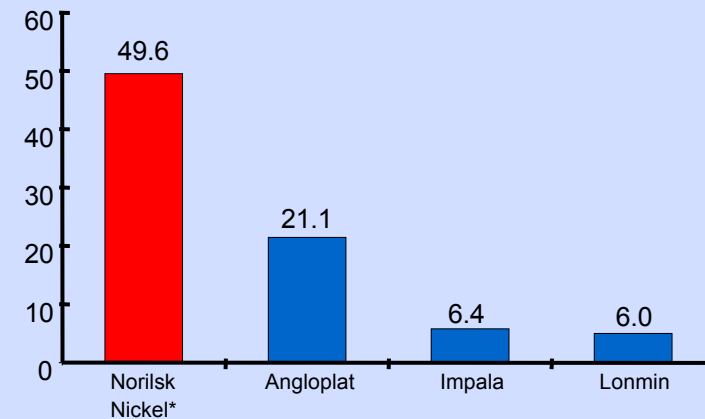
Largest Platinum Producers

(% share of 2006 world mined production)



Largest Palladium Producers

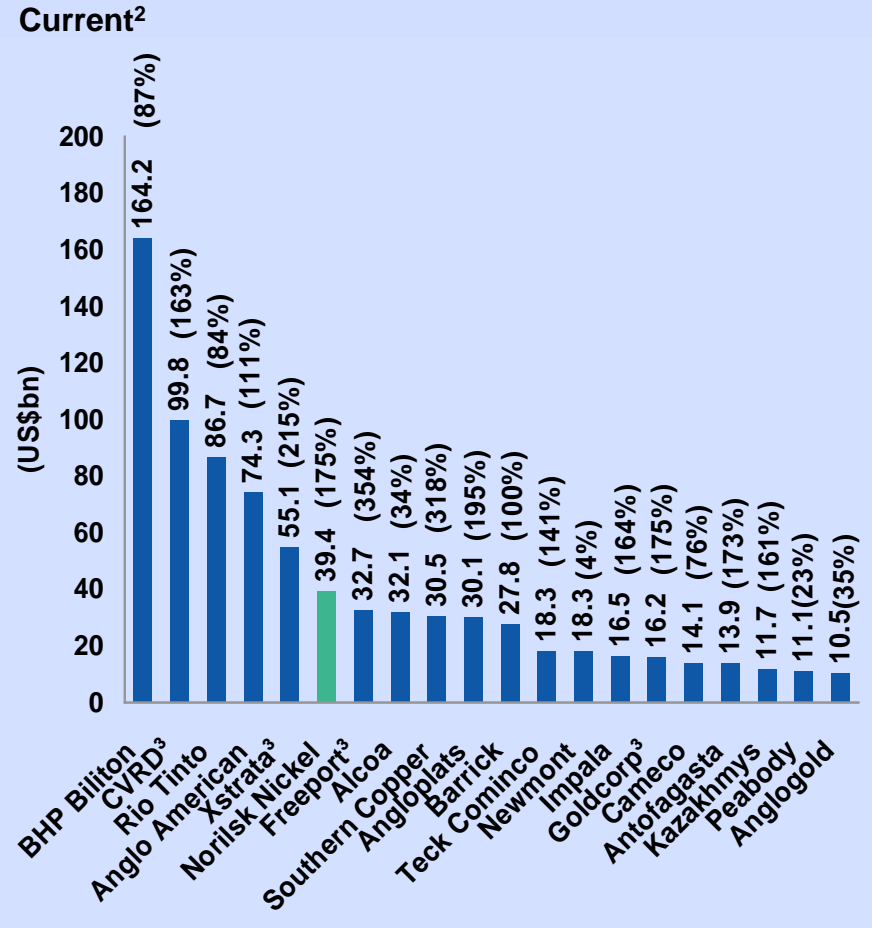
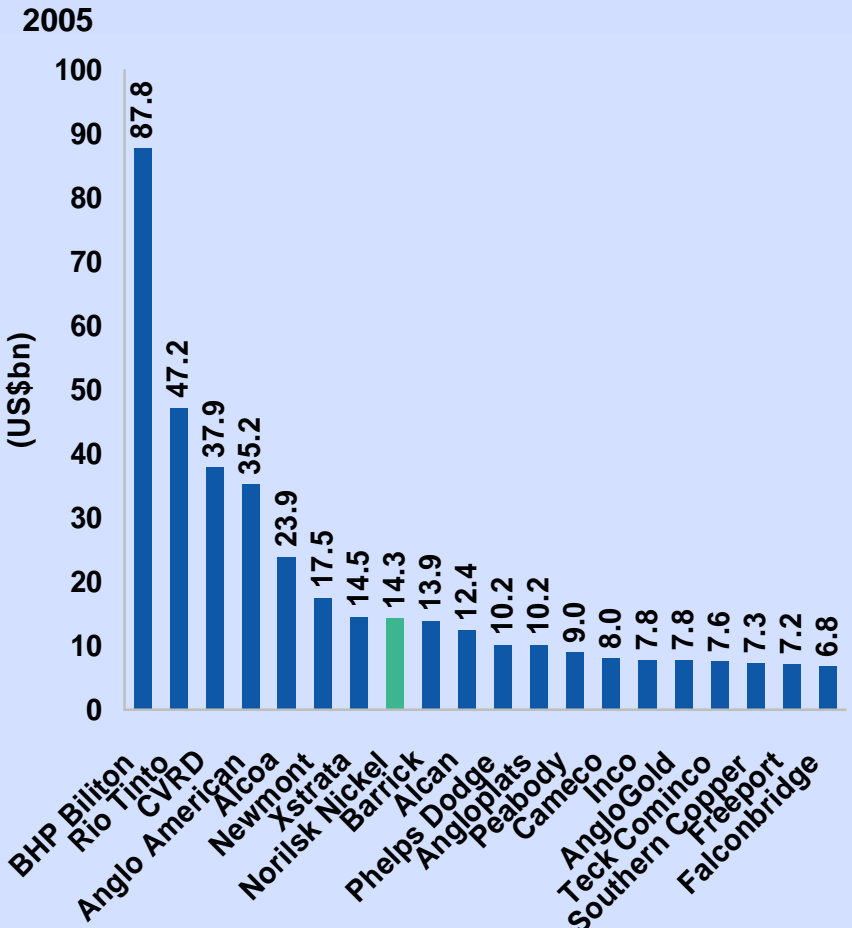
(% share of 2006 world mined production)



A Growing Mining & Metals Company



Market capitalisation¹



Source: Datastream

Notes:

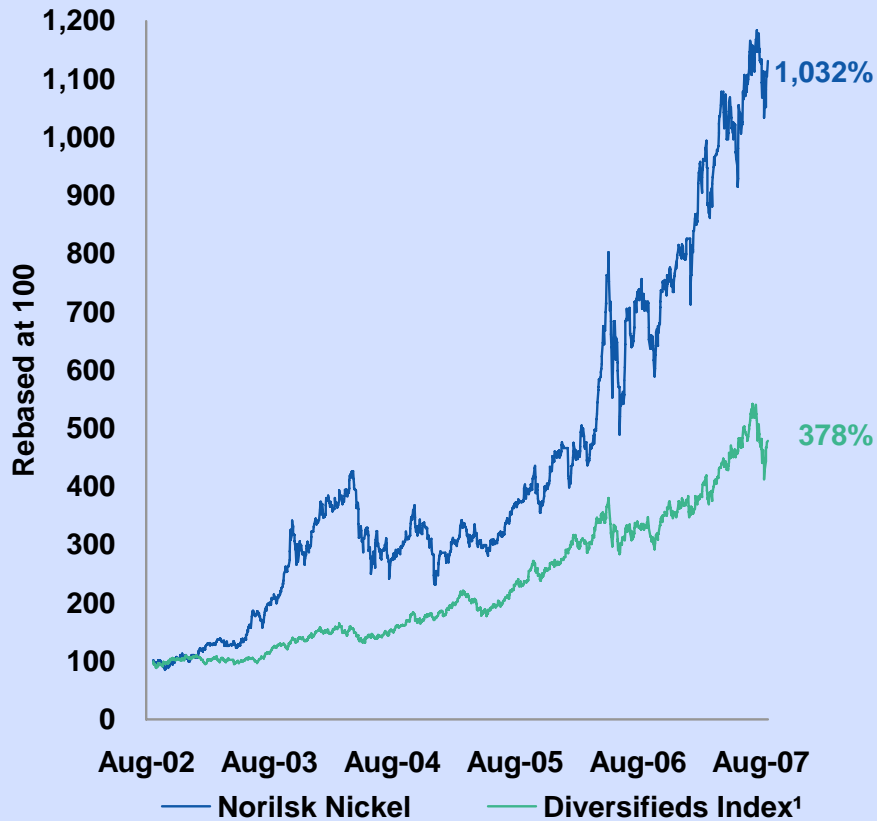
- 1 Market capitalisation 2005 as of 27 August 2005, and current as of 27 August 2007
- 2 Percentage increase since 2005 in brackets
- 3 Company has completed major acquisition during the observation period

Norilsk's Share Price Over Past 5 Years

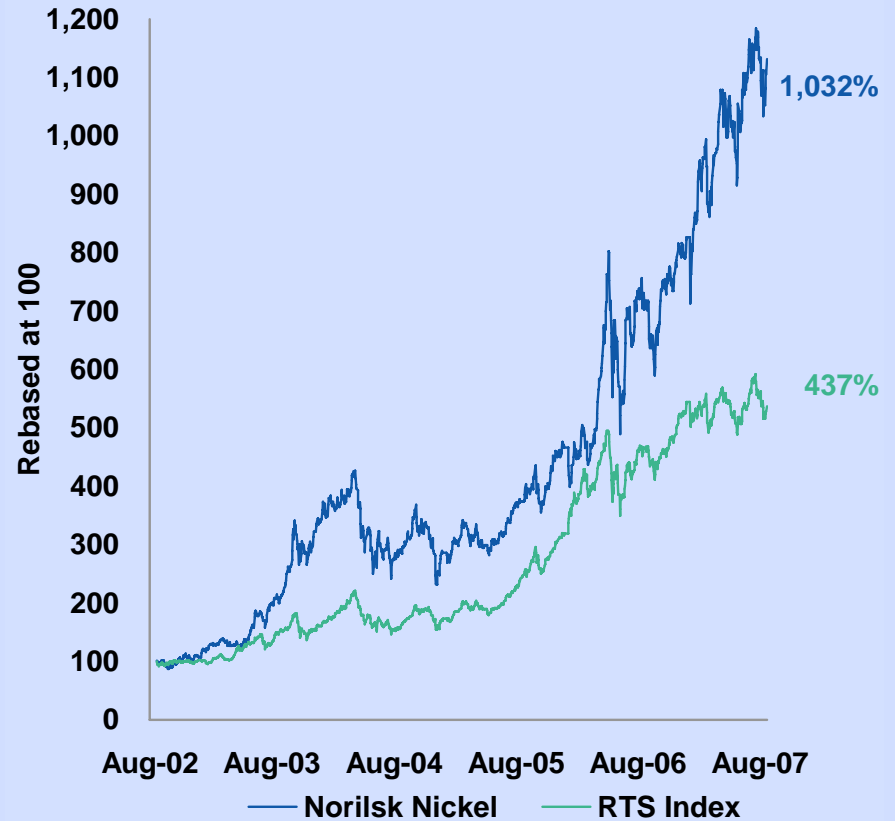


Share price performance

vs. Diversified



vs. Russian peers



Source: Datastream

Note:

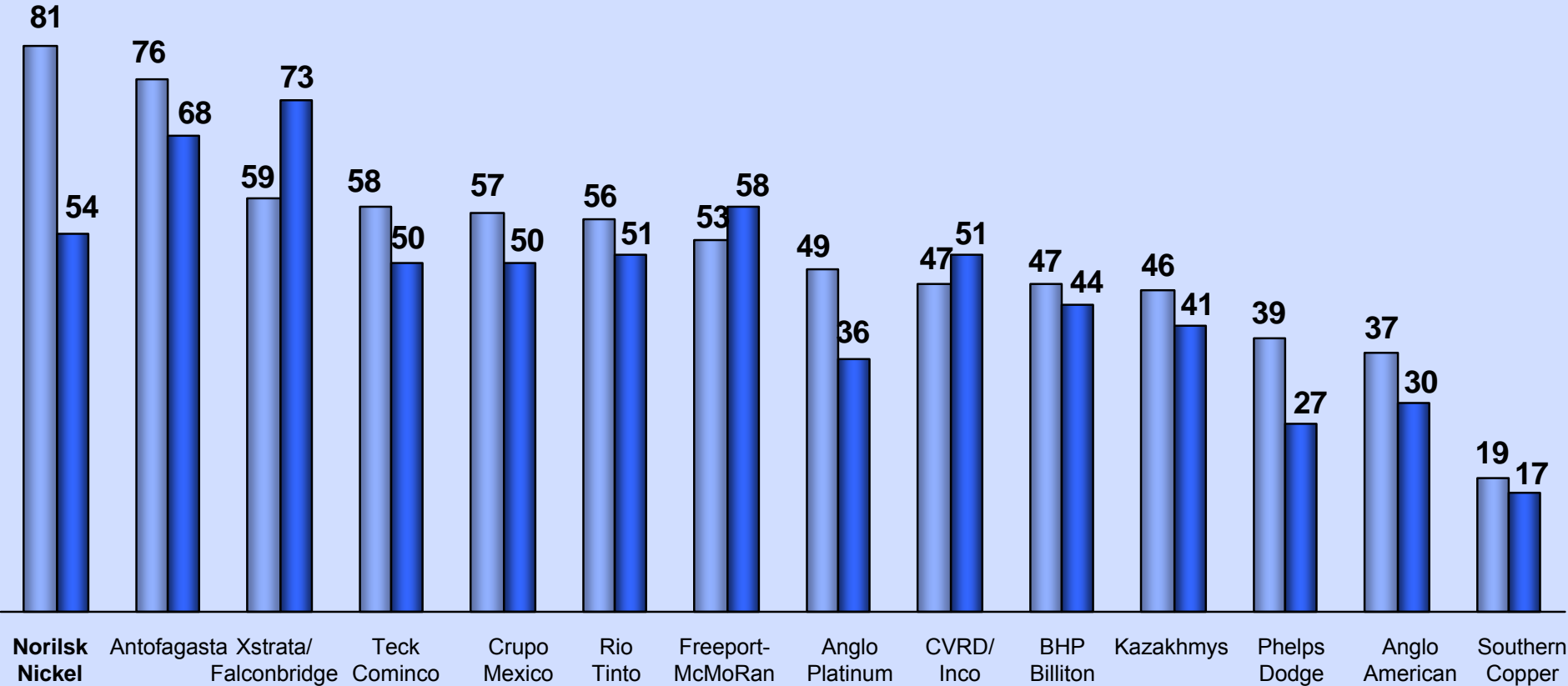
1 Index: BHP Billiton, CVRD, Rio Tinto, Anglo American and Xstrata

Leading EBITDA Margin



EBITDA Margin
Percent

2006
2005



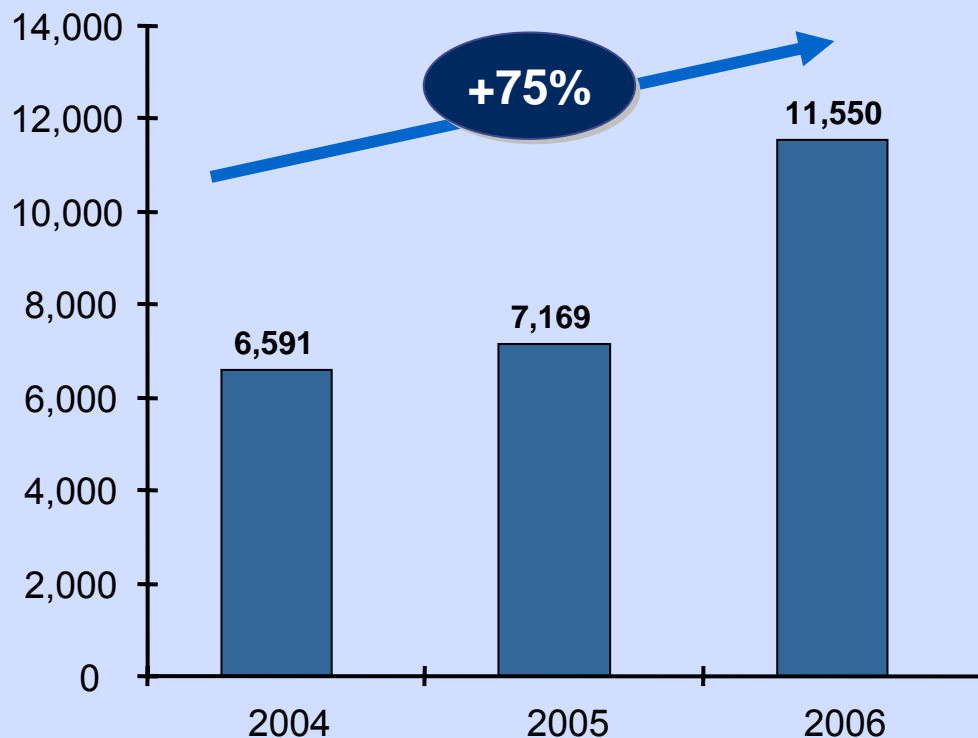
Source: Company reports

Strong Financial Performance



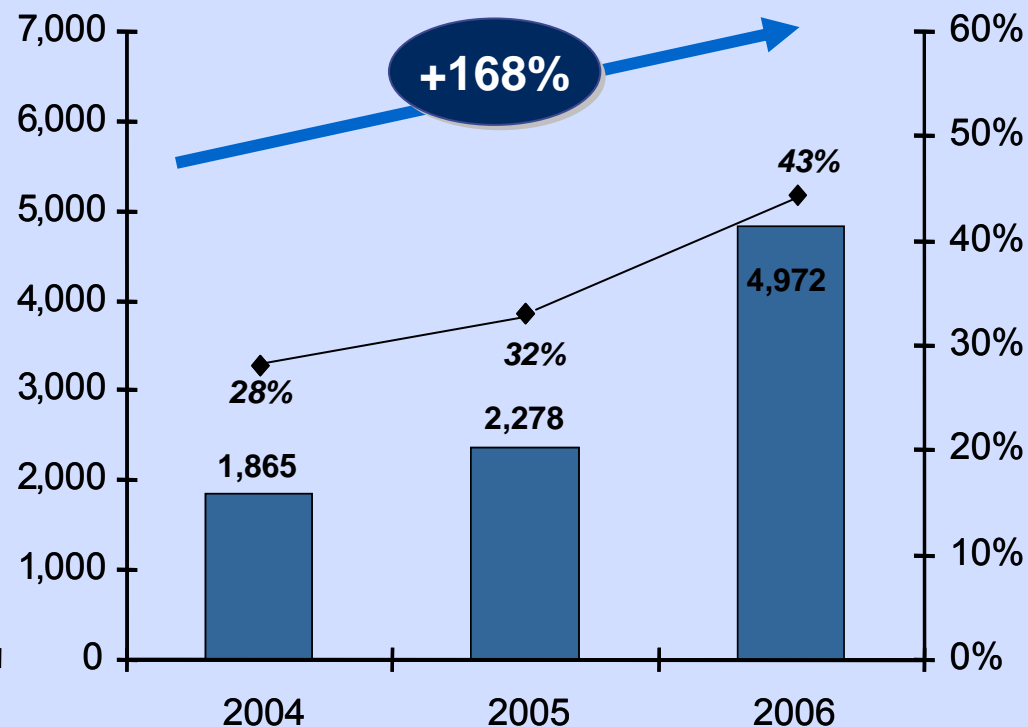
Metal sales revenues*

USD million



Net profit and net profit margin*

USD million, percent (line)

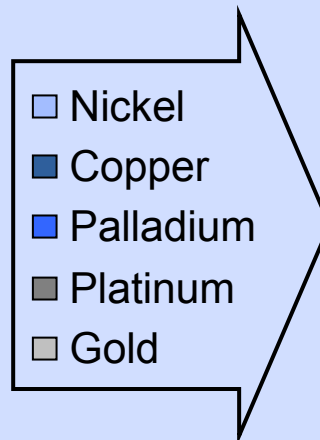
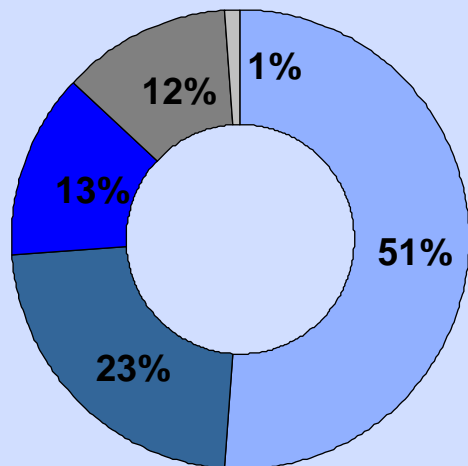


Revenue Breakdown

2005

total USD million 7,169

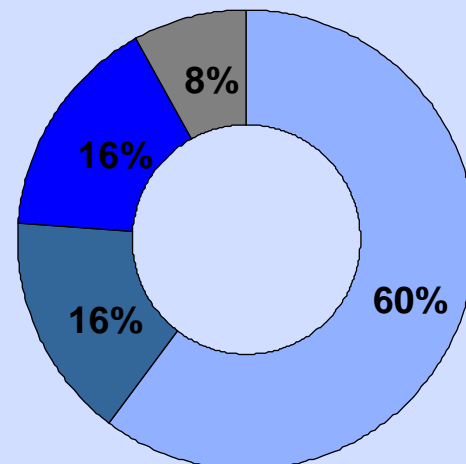
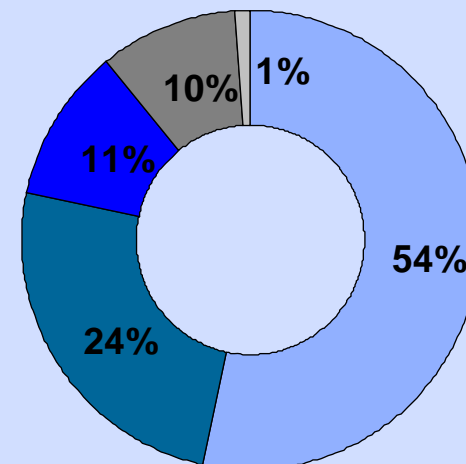
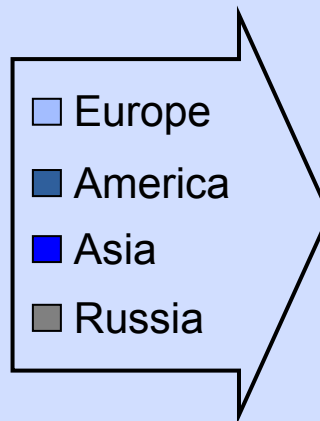
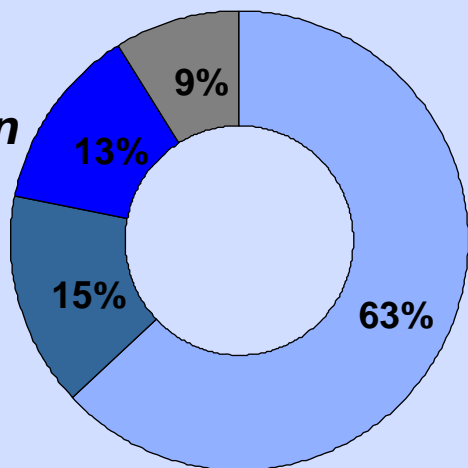
By metal



2006

total USD million 11,550

By destination



Leading Credit Rating of Russian Blue Chips



S&P	B+	BB-	BB	BB+	BBB-	BBB	BBB+	<p>Upgraded to BBB- from BB+ in Aug 2006</p> <p>Rating confirmed in September 2007</p>
		Alrosa SUAL MTS Sistema Severstal	MMK Megafon	Novolipetsk TNK-BP Vimpelcom	 Lukoil			
Moody's	B2	B1	Ba3	Ba2	Ba1	Baa3	Baa2	<p>Upgraded to Baa2 from Ba2 in Oct 2006</p>
	Severstal	Sistema	Evrz MMK SUAL MTS	Alrosa Vimpelcom			 Lukoil TNK-BP	
Fitch	B+	BB-	BB	BB+	BBB-	BBB	BBB+	<p>Maintained BBB-rating since Dec 2005</p> <p>Rating confirmed in August 2007</p>
	Sistema	Severstal	Evrz MMK	Megafon	 Lukoil TNK-BP			

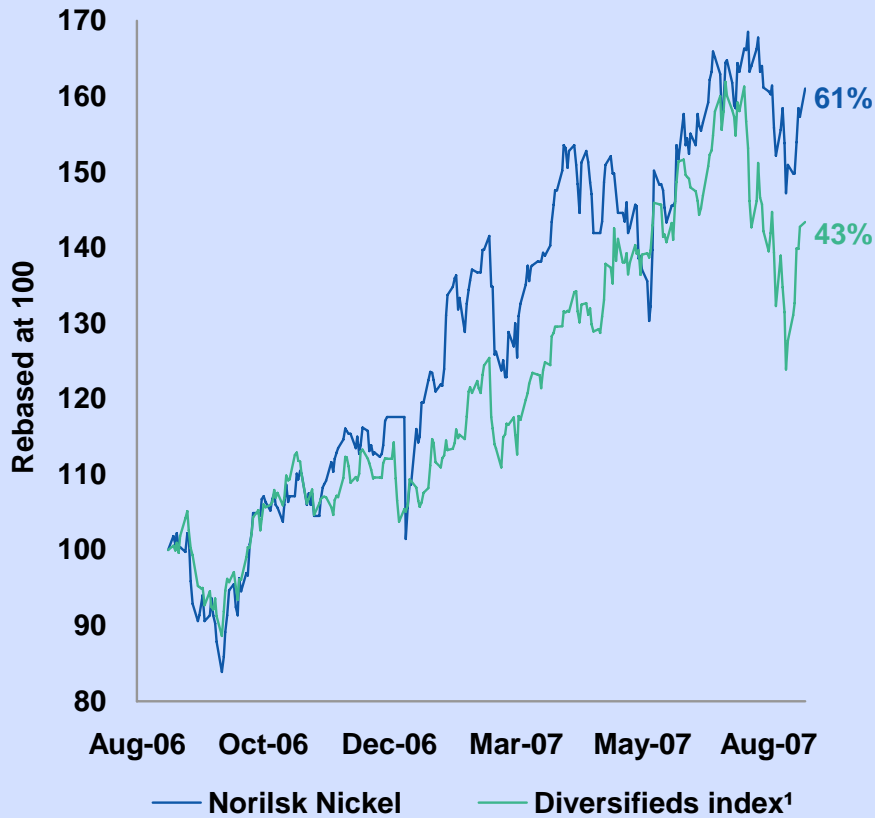
Source: S&P, Moody's, Fitch ratings

Norilsk Performance in Last 12 Months

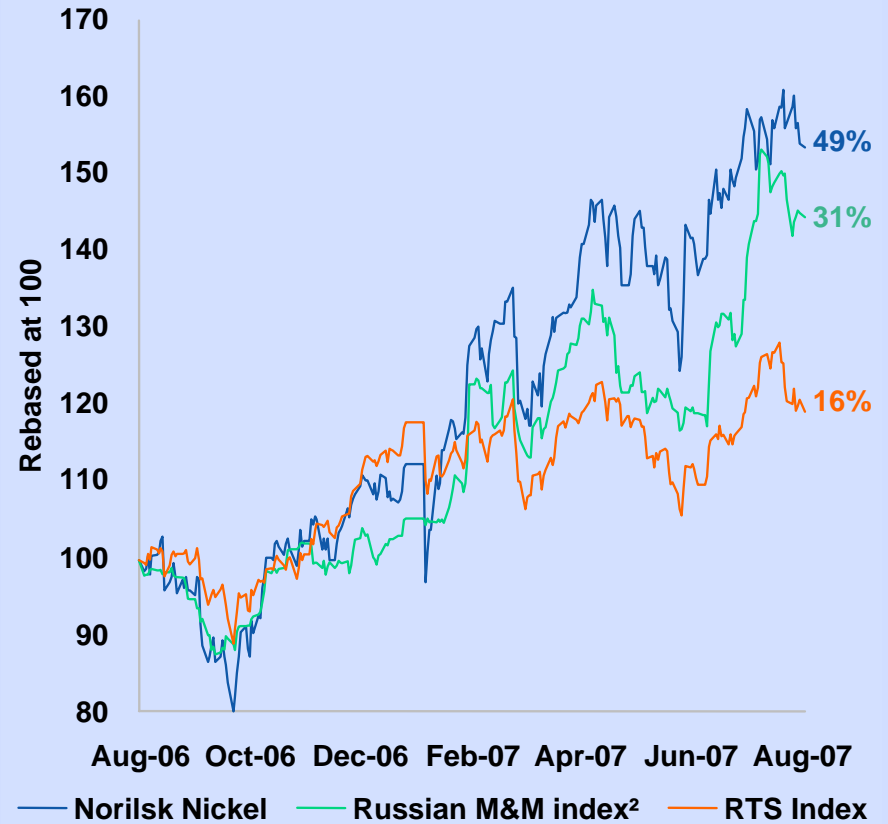


Share price performance

vs. Diversified



vs. Russian peers



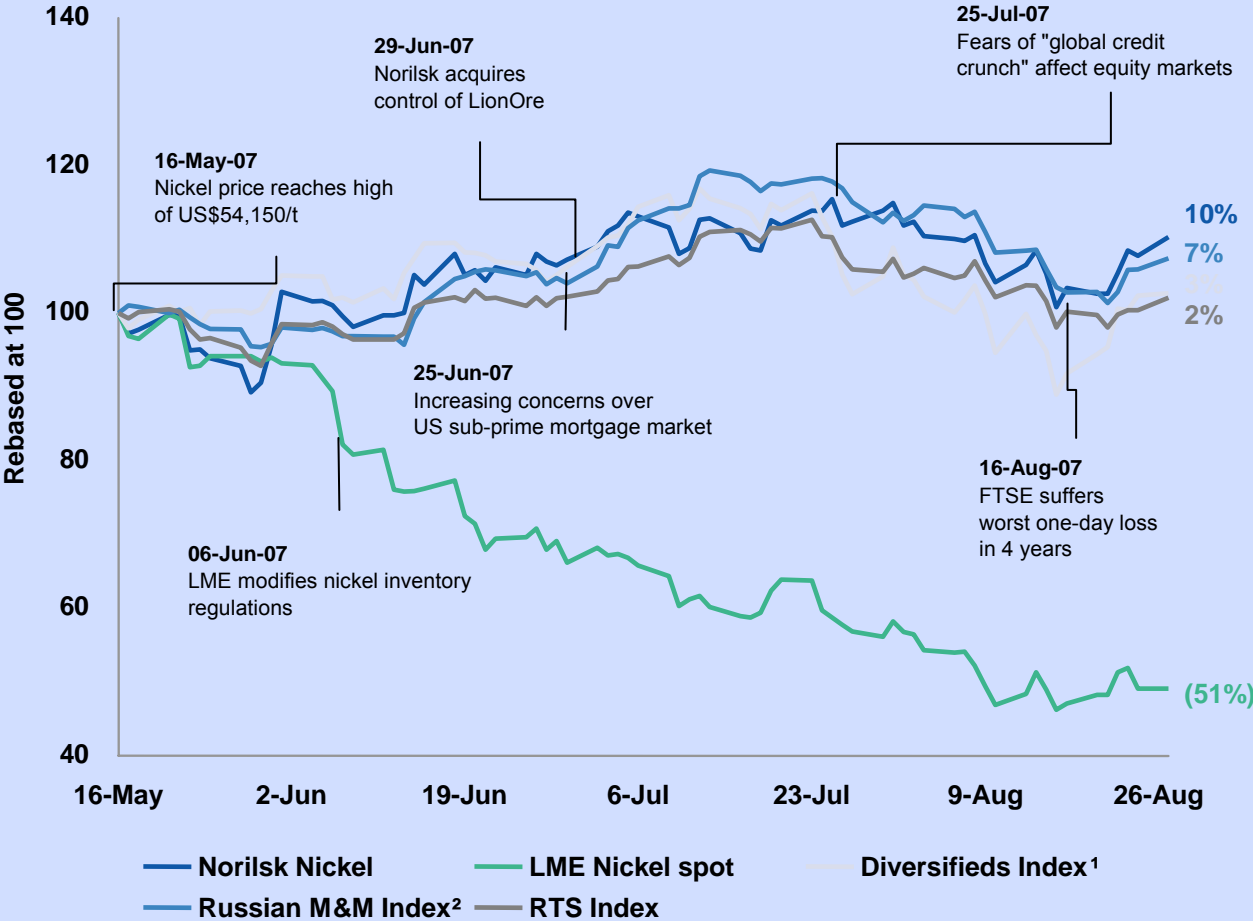
Source: Datastream

Notes:

1 Index: BHP Billiton, CVRD, Rio Tinto, Anglo American and Xstrata

2 Replicating the MICEX Metals & Mining Index excluding Norilsk Nickel

Norilsk Resilience in Turbulent Markets



What is interesting, however, is that **Norilsk Nickel** has managed to withstand the storm of collapsing nickel prices and its share price has actually gained 10% since 15 May. Despite the drastic decline in nickel prices, the YTD average of \$42,040/tonne is still higher than DB's FY07 forecast of \$40,798/tonne.

Deutsche UFG, 15 August 2007

Source: Datastream

Notes:

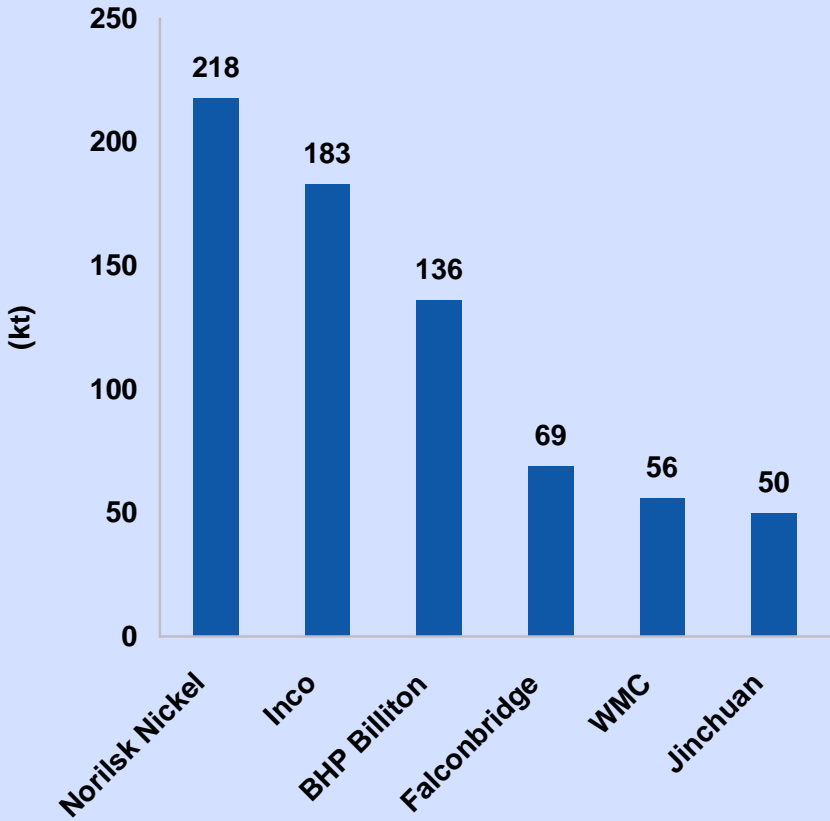
- 1 Index: BHP Billiton, CVRD, Rio Tinto, Anglo American and Xstrata
- 2 Replicating the MICEX Metals & Mining Index excluding Norilsk Nickel

Leadership in the Global Nickel Industry

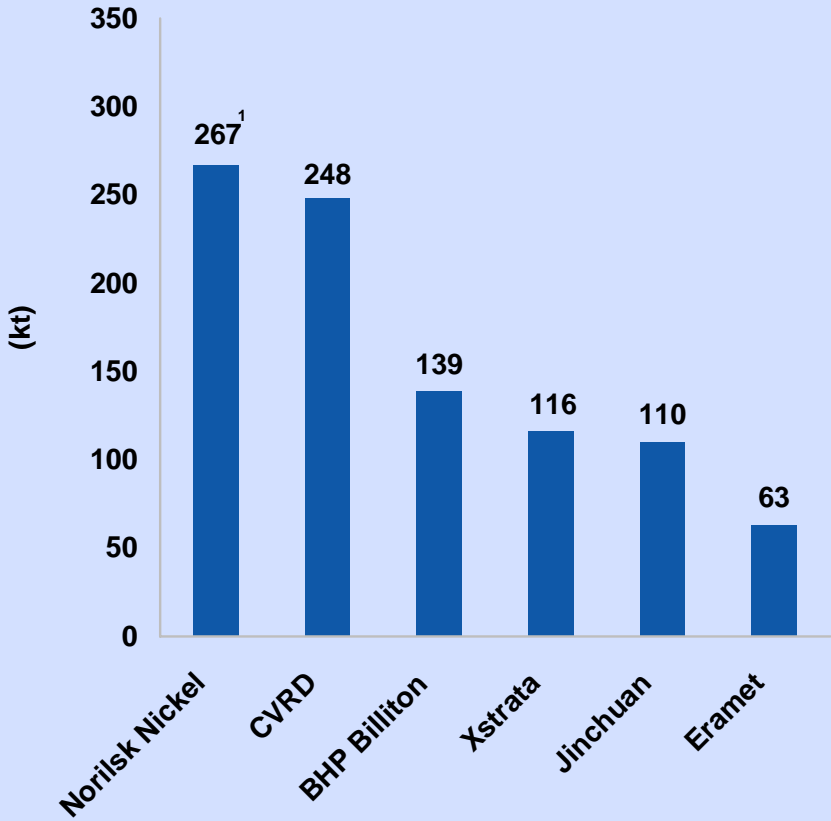


Refined nickel production¹

2002



2007E



Source: Brook Hunt, AME, Company information

Note:

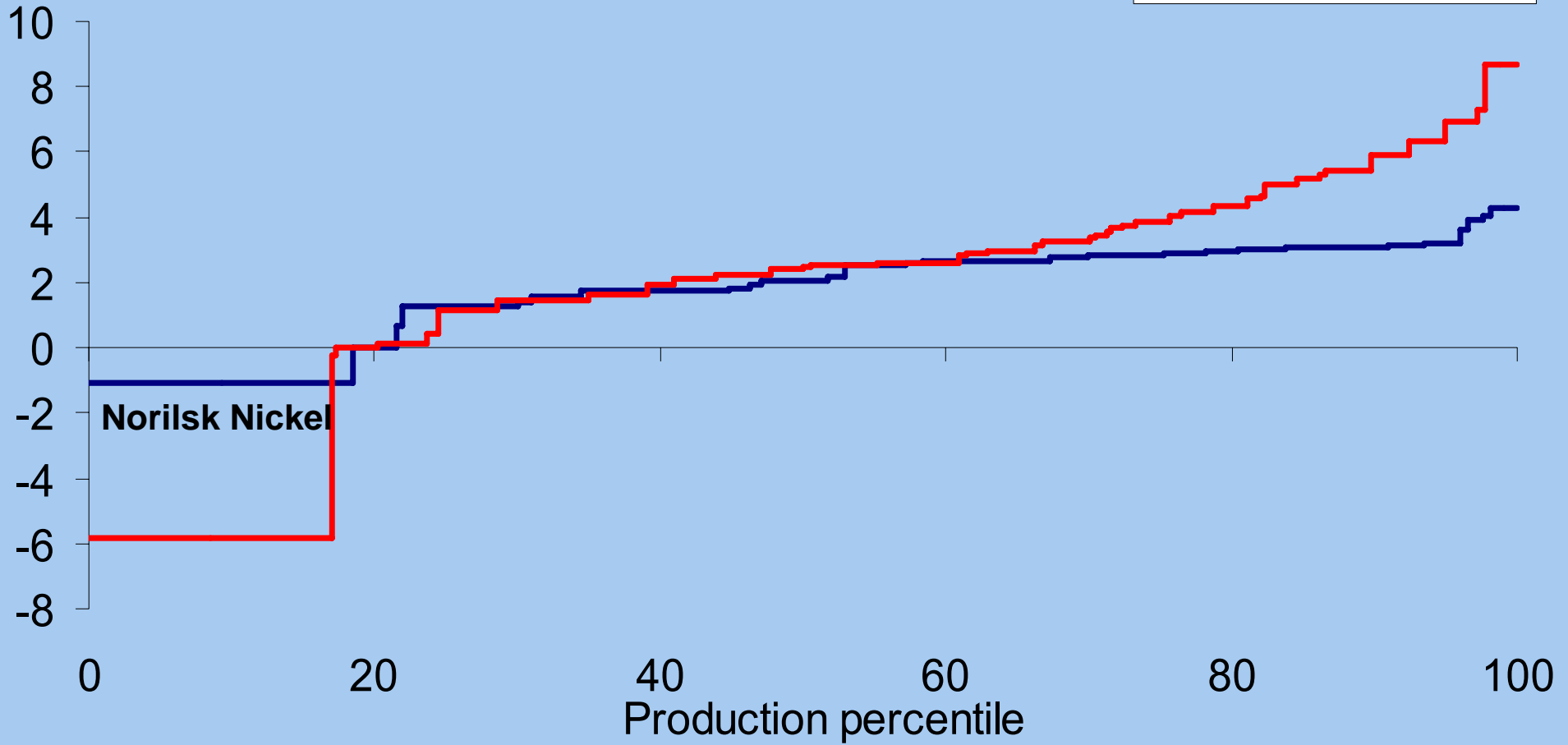
1 Includes refined production from Norilsk Nickel Harjavalta Oy

... in a changing industry landscape

Lowest Cash Cost Nickel Producer



C1 cash costs, 2007c/lb



The Newly Created Norilsk Nickel International Nickel Business



- **Acquisition of LionOre and OMG's Nickel Business combine to create a significant International Nickel Business**
 - Added benefit of proprietary **Activox[®]** hydrometallurgical processing technology
- **International Nickel Business represents the world's 6th largest nickel producer—and largest pure-play producer**
 - Vertical integration through Harjavalta refinery and **Activox[®]** refineries
 - Geographic diversity with operations in Europe, Africa and Australia
- **Strong growth profile of brownfield and greenfield development projects**
 - Some of the world's largest undeveloped nickel deposits in Honeymoon Well and Talvivaara
 - Early-stage exploration assets in Western Australia and Africa
- **Combination unlocks operational synergies**
 - Secured long-term concentrate feed sources for Harjavalta refinery
 - Consolidation of MPI Nickel ownership and increased presence in Western Australia

OM Group Nickel Business Acquisition



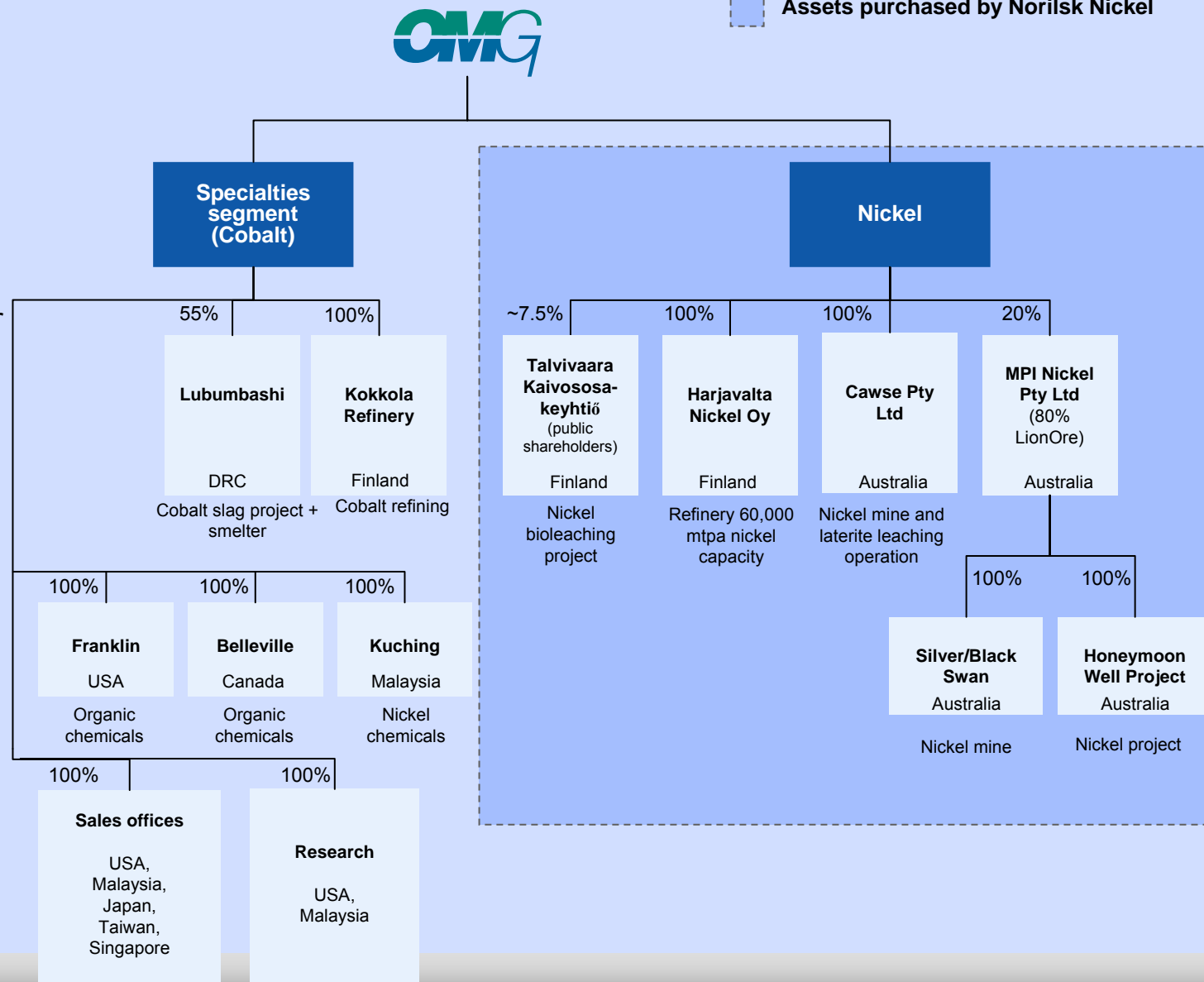
Assets purchased by Norilsk Nickel:

- 100% Norilsk Nickel Harjavalta Oy (Harjavalta nickel refinery in Finland)
- 100% Norilsk Nickel Cawse Pty Ltd (Cawse nickel mine and leaching facility in Western Australia)
- 20% of MPI Nickel Pty Ltd (owner of Silver/Black Swan nickel mine, Honeymoon Well nickel project)
- ~7.5% of Talvivaaran Kaivososakeyhtiö Bio-Heap Leach Nickel Project (post-IPO) in Finland

Purchase price: US\$ 493 mln cash, cash free/debt free

Acquisition timeline:

- Sale and Purchase Agreement signed on 17 November 2006
- All necessary regulatory approvals received on time
- Transaction closed on March 1, 2007
- Major elements of integration completed as of today



Creation of International Nickel Business



Norilsk Nickel Harjavalta (Finland)



Norilsk Nickel Cawse (Australia)



- **Acquisition of OM Group's nickel business completed in March 2007**
 - Norilsk Nickel Harjavalta Oy (nickel refinery)
 - Norilsk Nickel Cawse Pty Ltd (Cawse nickel mine & leaching facility)
 - 20% of MPI Nickel Pty Ltd, which owns:
 - Black/Silver Swan nickel mine
 - Honeymoon Well nickel project
 - ~ 7.5% of Talvivaara nickel heap leach project
- **Major elements of integration completed**
- **Increased nickel production with platform for growth**
 - Immediate ~35,000 mt/year increase attributable nickel production
 - Current capacity of 60,000 mt/year, ready to expand
 - Best in class operations efficiency and skills
- **Diversification of geography and product mix**
 - Operations in Europe and Australia
 - More diverse product offering
 - Nickel briquettes for stainless industry
 - Entry into nickel salt products
 - Expansion in attractive nickel plating and electro-forming segments
- **Strategic opportunities**
 - Nickel sales & marketing synergies
 - Streamline Norilsk cobalt sales operations
 - Build knowledge of laterite leaching & heap leaching technologies
 - Transfer of best practices between group production sites

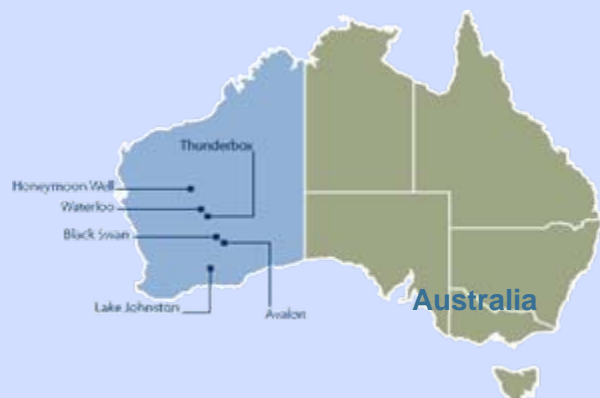
Transportation and Logistics Integration



- **Largest ever international acquisition by a Russian company**
- **First contested bid by a Russian company offshore**
- **Largest Russian metals & mining acquisition financing**
 - **US\$6.0 billion of acquisition debt**
 - **Syndicate of more than 25 international banks**
 - **Investment grade credit rating maintained**
- **Transaction completed within just three months of initial bid**
- **Successful effort to again promptly receive all required regulatory approval**

- **Strengthens internationally diversified portfolio of metal production assets in attractive mining regions**
 - **Complementary technology for a “reserve rich” sulphide based nickel producer**
 - **Complementary asset base of mining and processing operations that fit with Norilsk Nickel’s refining capabilities**
- **Strong management team experienced in mining and processing operations in the southern hemisphere, and with strong capabilities in building new operations in remote areas**
- **Further enhancement of an already strong commodity mix**
- **Builds portfolio of shorter term growth projects combined with long life reserves**

Norilsk Nickel Assets in Australia, South Africa and Botswana



- LionOre is a major nickel producer in Western Australia
- LionOre intends to develop largest sulphide nickel project in Western Australia - Honeymoon Well
- LionOre cooperates with a global mining major BHP Billiton in processing Waterloo ore and in JV on Jericho/ Albidon Downs project. Moreover, an exploration alliance with BHP Billiton in Russia, created in 2006, opens new prospects for cooperation in Australia
- Growing presence in Australia helps Norilsk Nickel to optimize its current domestic cooperation with Australian companies Mincom (enterprise resource planning) and ALS (analytical laboratory services)

- Nkomati is the only focused nickel miner in South Africa
- Nkomati deposit also contains major chrome resources thus expanding Norilsk Nickel commodity portfolio
- Nkomati operates in 50/50 partnership with a major South Africa “Black Economic Empowerment” company African Rainbow Minerals, controlled by a well-known businessman Patrice Motsepe

- In LionOre’s 10 year history in Botswana, over \$1 billion of revenue generated with major capital invested over this period
- LionOre successfully collaborates with Botswana Government – 15% owner of Tati Nickel, majority owner of BCL Smelter and 15% owner of the Activox Plant being constructed

International Nickel Assets in Australia



■ Norilsk Nickel International Nickel Business includes the following assets in Western Australia:

- Norilsk Nickel Cawse – an open pit mine for laterite ore mining, a concentrator and a high pressure laterite leaching operation. Cawse was commissioned in 1998 and one of the three “first generation” nickel laterite operations
- Black/ Silver Swan – underground and open pit sulphide ore mining and a concentrator. Concentrator capacity was expanded in 2006
- Lake Johnston – underground sulphide ore mining and a concentrator. Concentrator capacity allows for toll processing of third-party ore. Fly-in, fly-out operations
- Waterloo/ Thunderbox – an underground nickel mine Waterloo and an open pit gold mine Thunderbox (currently being closed), sharing operational infrastructure
- Honeymoon Well project – a major sulphide nickel project also containing laterite resources. Sample ore is currently tested by LionOre Technology (after acquisition – Norilsk Process Technology)
- Jericho/ Albion Downs project – joint venture with BHP Billiton
- Avalon laterite project

LionOre assets in Australia



International Nickel Operations in Botswana – Tati Nickel (85%)



Activox trial operations

■ Mining and concentration

- Phoenix open pit mine and Selkirk underground mine
- Commissioned in 1988
- Major expansion projects in 2002 and 2006
- In 1989-2002 rich ore mining was in progress at Selkirk, after that the mine was put on care and maintenance. Open pit mining options are being investigated
- Dense media separation plant
 - Stage 1 complete in 2006-2007
 - Stage 2 and full-scale operations expected in 2008

■ Hydrometallurgy

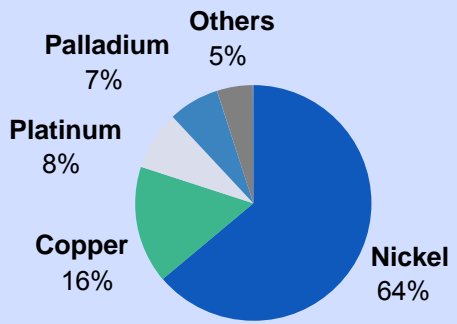
- Activox Stage 1
 - Demo Plant commissioned in 2004
 - Technology contractors - Hatch and EPCM
 - Full-scale commercial operations expected in 2009/10
 - Potential expansion of annual nickel production by over 90%
 - Opportunity to create a vertically integrated refined nickel producer in Botswana (the only hydrometallurgical nickel producer in Africa)



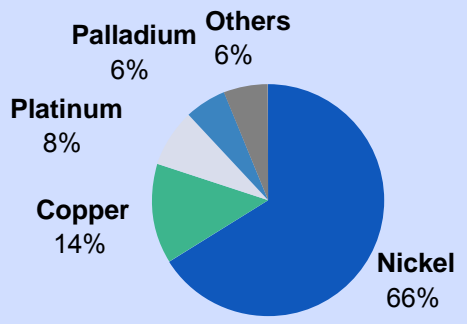
Highly Attractive Commodity Portfolio with Strong Financial Returns



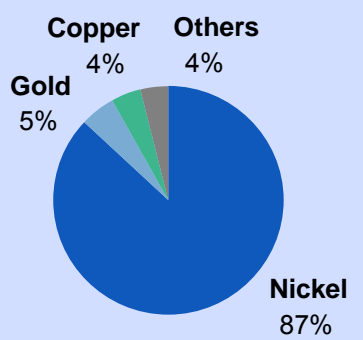
Norilsk Nickel¹ 2007E



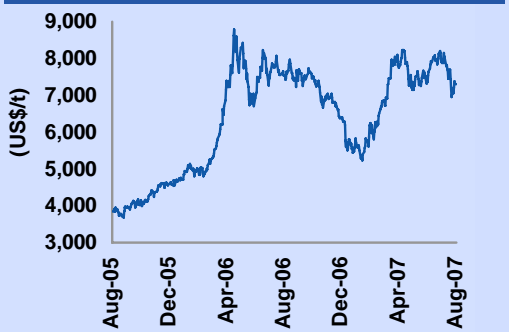
Combined Group¹ 2007E



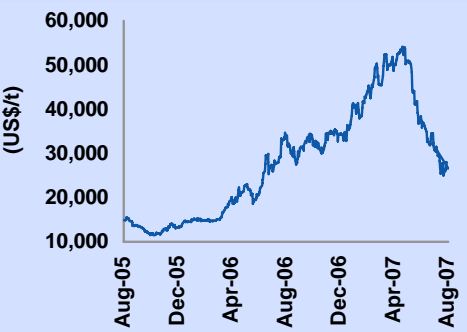
LionOre¹ 2007E



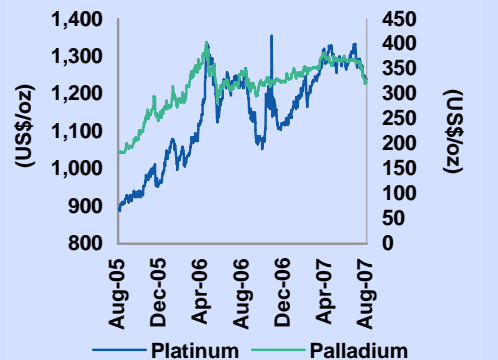
Copper



Nickel



Platinum/Palladium



Source: Datastream, company information

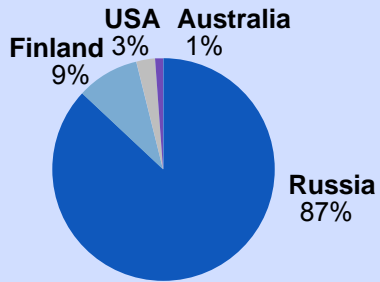
Note:

1 Norilsk Nickel estimates. Estimates are based on full-year revenues

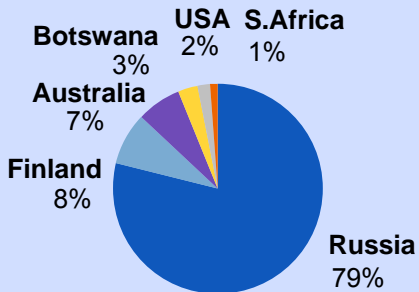
Further Geographic Diversification



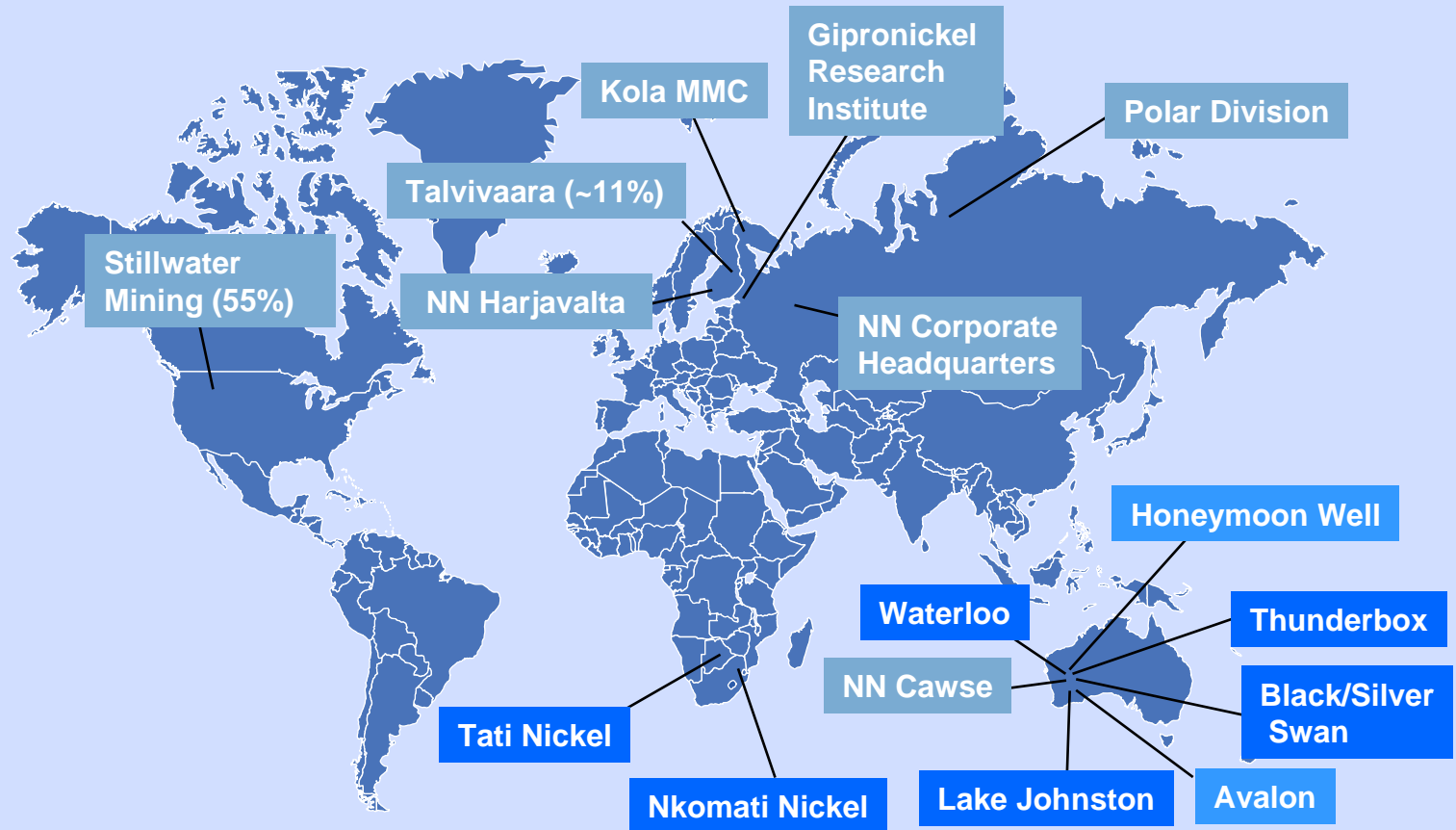
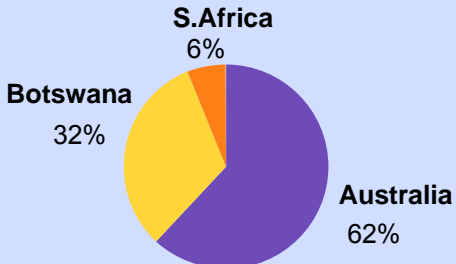
Norilsk Nickel 2007E revenue¹



Pro forma 2007E revenue¹



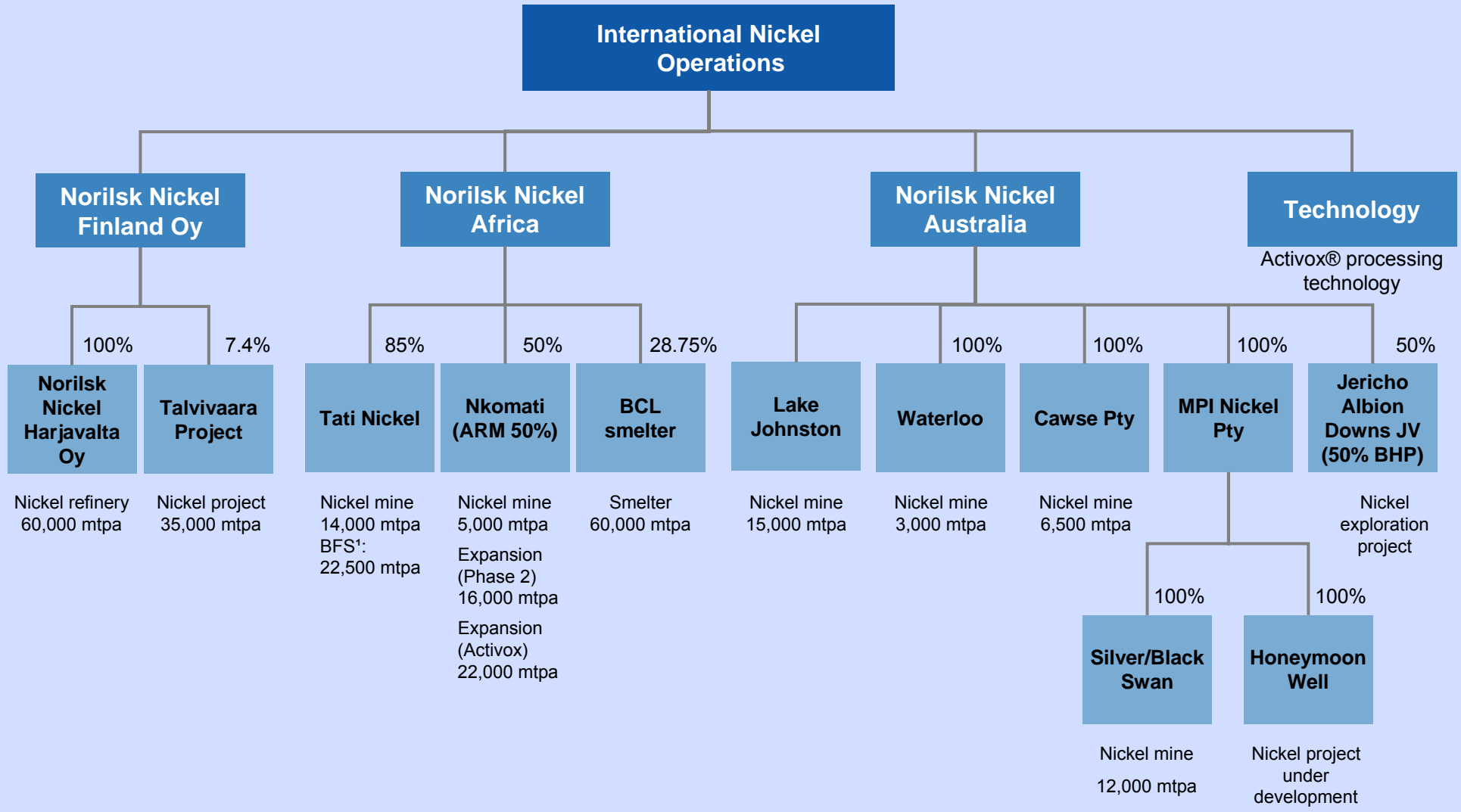
LionOre 2007E revenue¹



■ Norilsk Nickel
 ■ LionOre Operation
 ■ LionOre Project

Note: Norilsk Nickel estimates. Estimates are based on full-year revenues

Norilsk Nickel International Nickel Business — Asset Overview



Source: Company information

Note:

1 Bankable feasibility study