



Russian Miner: Global Player

Recent Developments

May 2006

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- Progress of the Spin-off of Gold Mining Assets
- Sale of Gold Fields stake
- Exploration and Development JV with Rio Tinto – RioNor Exploration
- Announcement of audited Palladium and Platinum ore reserves figures
- Preliminary Production Results for 2005 and Guidance for 2006
- Update on the Markets

Progress of the Spin-Off of Gold Mining Assets



- Transaction progresses according to presented schedule
- Grey Market on the rights on Polyus Gold ADRs established by several investment banks
- Current pricing of MMC Norilsk Nickel and the rights on Polyus Gold ADRs suggests premium to the price of the last trading day of MMC Norilsk Nickel cum Polus
- Organizational meeting of Polyus Gold – 3 March, 2006
- Formation Date of Polyus Gold – 17 March, 2006
- Trading Date for Polyus Gold shares – 4 May, 2006

Next Key Reorganisation Dates:

- | | |
|------------------------------------|---------------|
| – Listing of Polyus Gold in Russia | May 2006 |
| – Level 1 ADR program set up | May-June 2006 |

The Stake in Gold Fields Has Been Sold



- In March 2006 ZAO Polus sold its entire 20% stake (98,467,758 shares) in Gold Fields Ltd, South African Republic at a price of 20.50 USD per share
- In April 2004 Norilsk Nickel Group bought the stake at 11.79 USD per share
- Polyus intends to spend the net proceeds from the sale on various corporate projects, including the development of its significant Russian resource base

Rationale Behind Exploration JV with Rio Tinto

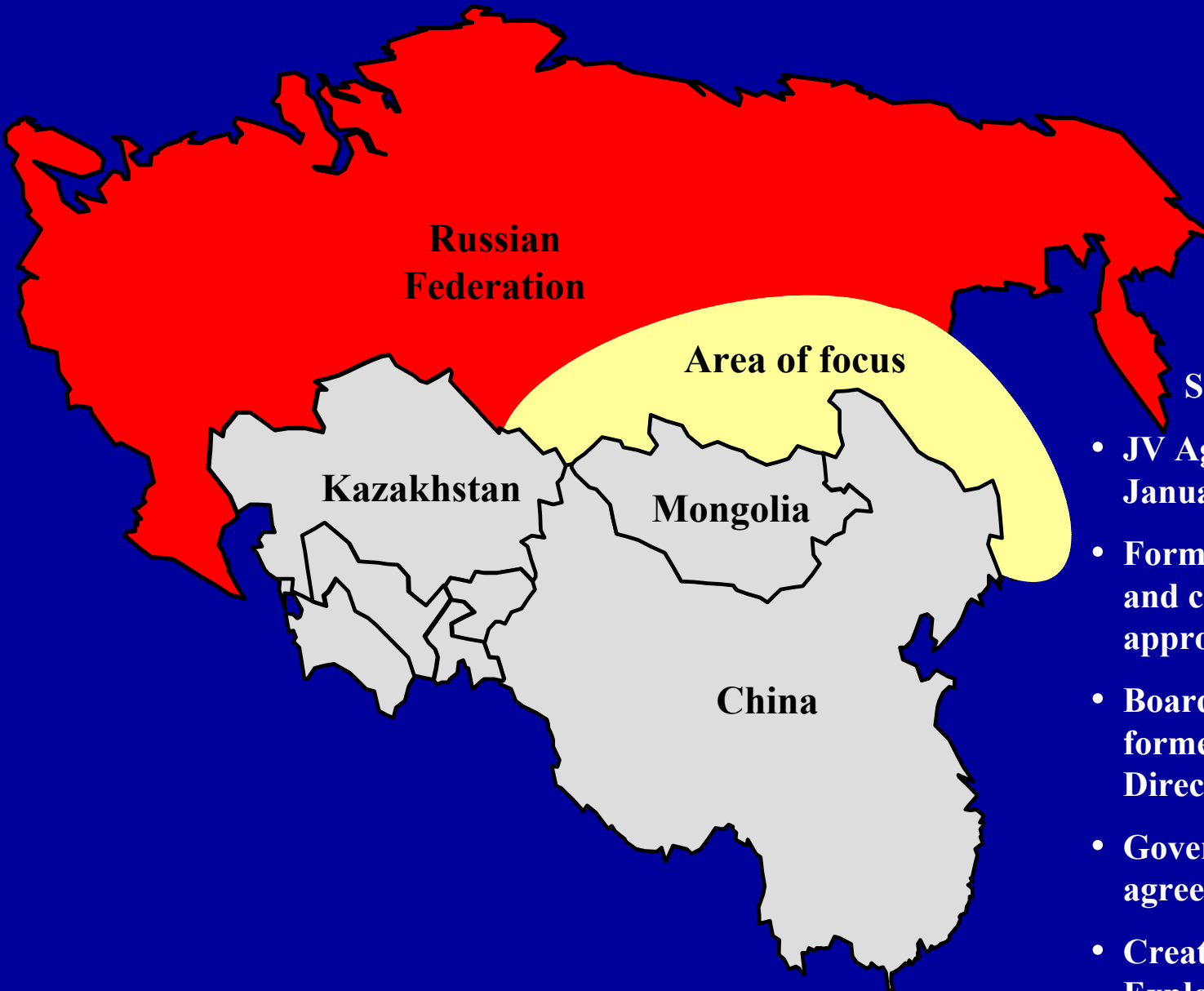


- **Similar strategic interests**
 - Establish viable cooperation vehicle to enable exploration for new mineral resources within attractive regions in Russian Federation
 - Assess economic viability of new discoveries and known deposits, with potential for development and significant capital investment.
- **Focus on acceleration of pace of discovery and development**
 - Key element in increasingly competitive exploration industry
 - Joint ventures common vehicle to speeding up the process and gaining leverage
- **Share risk and human and financial resources**
 - Leverage technical, business development and financial skills of both companies to create value for shareholders

Key Elements of JV agreement

- **51% Norilsk Nickel, 49% Rio Tinto** - creates flexibility for participation in license auction while supporting joint decision making structure
- **Focus of initial cooperation in Siberian and Far Eastern Federal Districts**
- **Russian registered exploration and development company** - based in Russia, paying local taxes and employing local staff
- **Resources committed from both parties, and potential to easily tap into expertise from either side** - minimizes overhead costs while accessing necessary skills where and when needed

Area of Focus for the Joint Venture



Steps Taken to Date:

- **JV Agreement signed on January 27th, 2006**
- **Formation of legal entity and company charter approved by parties**
- **Board of Directors formed and General Director appointed**
- **Governance mechanisms agreed and in place**
- **Creation of RioNor Exploration**

Norilsk Nickel's Metals Disclosure – a 5 year Journey



2002

2003

2004

2005

2006

–Base Metals (Nickel, Copper)

–Government declassifies Nickel resources for Talnakhskoe and Oktyabrskoe deposits at Polar Division

–Micon International hired to conduct first independent base metals resource audit (according to JORC standards)

1

–First independently audited base metal resource results (2002 year end) published in 2003 Annual Report

2

–Independently audited base metal resource results (2004 year end) published in 2004 Annual Report

3

–Third audit covering Norilsk-1 deposit base metal resource results (2004 year end) published

–Platinum Group Metals

–Sales datas of PGMs are in currency only.

–Russian Parliament approves amendment to Federal Law “On State Secrecy”

–Amendment to Federal Law “On State Secrecy” enters into force and PGM resource data declassified

–First time release of PGM production figures
–PGM resource data included in scope of independent resource audit, conducted by Micon

4

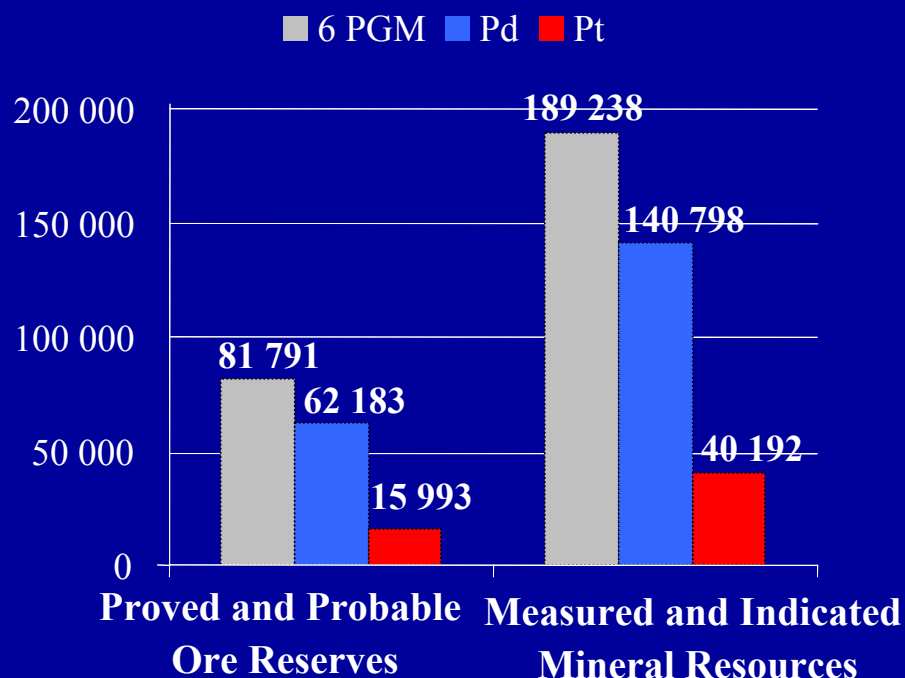
–First independently audited PGM resource results for Talnakh ore field & Norilsk-1 deposit (2004 year end) published

First Time Disclosure of PGMs Reserves

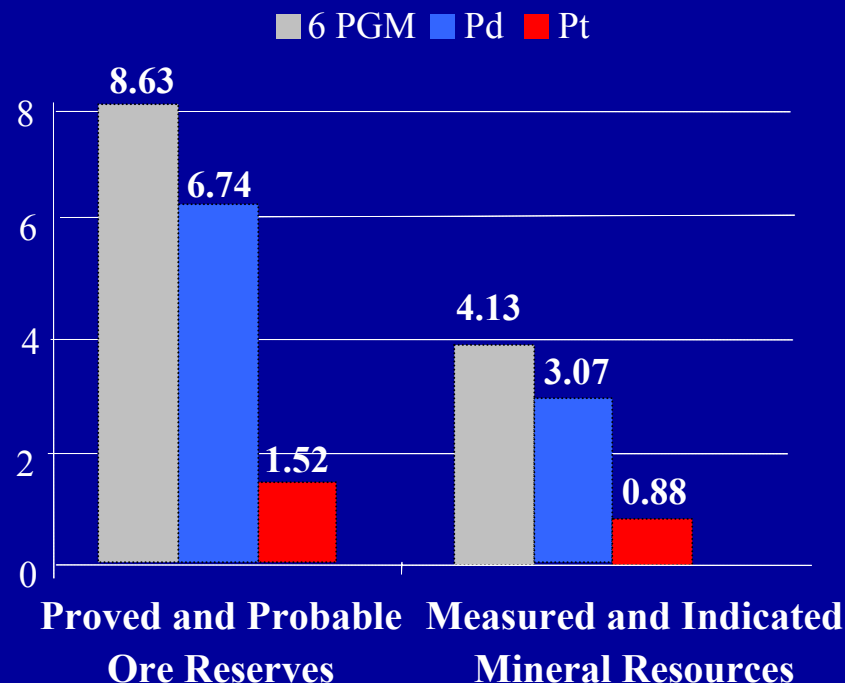


- Micon International conducted an independent audit of the Talnakh ore field and Norilsk-1 deposit ore reserves and mineral resources in Taimyr Peninsula as of 31.12.2004 in accordance with JORC Code

Metal Volume
(ounces in thousand)



Metal Grades*
(g/ton)



■ 6 PGM are platinum, palladium, rhodium, ruthenium, osmium and iridium

* Data for Talnakh ore field

Mineral Resources And Ore Reserves as of 31.12.2004



Region/ Category	Deposit	Mine	Ore type	Ore Volume ² 000't	Metal Content ²						Metal Volume ²					
					Ni %	Cu %	Pd g/t	Pt g/t	Au g/t	6PGM ³ g/t	Ni 000't	Cu 000't	Pd 000'oz	Pt 000'oz	Au 000'oz	6PGM ³ 000'oz
Taimyr Peninsula																
Proved and probable ore reserves																
Talnakh ore field																
		Oktyabrsky	Rich	41 091	2.54	5.10	8.54	1.91	0.43	10.68	1 045	2 094	11 283	2 524	563	14 111
			Cuprous	56 489	1.07	4.83	9.30	2.25	0.71	11.73	605	2 727	16 898	4 092	1 287	21 307
			Total	97 580	1.69	4.94	8.98	2.11	0.59	11.29	1 650	4 821	28 181	6 616	1 850	35 418
		Taimyrsky	Rich	79 690	2.47	2.74	4.57	0.90	0.13	5.90	1 972	2 185	11 703	2 299	322	15 101
			Cuprous	396	0.62	1.69	3.89	1.06	0.30	5.36	2	7	50	13	4	68
			Total	80 086	2.46	2.74	4.56	0.90	0.13	5.89	1 974	2 192	11 753	2 312	326	15 169
		Komsomolsky	Rich	2 000	3.11	2.88	7.26	1.39	0.18	9.37	62	58	467	90	12	605
			Cuprous	20 619	0.61	2.08	6.75	1.98	0.47	9.09	126	429	4 476	1 311	313	6 026
			Total	22 619	0.83	2.15	6.80	1.93	0.45	9.12	188	487	4 943	1 401	325	6 631
		Mayak	Disseminated	407	0.73	1.45	3.31	1.25	0.33	4.80	3	6	43	16	4	61
		Skalisty	Rich	37 570	3.03	2.72	5.52	1.07	0.14	7.28	1 137	1 023	6 673	1 288	172	8 808
		Subtotal	Rich	160 351	2.63	3.34	5.84	1.20	0.21	7.48	4 216	5 360	30 126	6 201	1 069	38 625
		Subtotal	Cuprous	77 504	0.95	4.08	8.60	2.17	0.64	11.00	733	3 163	21 424	5 416	1 604	27 401
		Subtotal	Disseminated	407	0.73	1.45	3.31	1.25	0.33	4.80	3	6	43	16	4	61
		Total - combined ore types		238 262	2.08	3.58	6.74	1.52	0.35	8.63	4 952	8 529	51 593	11 633	2 677	66 087
		Norilsk-1 deposit														
		Medvezhy Ruchey	Disseminated	17 330	0.32	0.43	4.38	1.80	0.19	6.44	56	75	2 439	1 001	105	3 579
		Zapolyarny	Disseminated	62 753	0.30	0.43	4.04	1.66	0.18	6.00	191	269	8 151	3 359	362	12 125
		Total - combined ore types		80 083	0.31	0.43	4.11	1.69	0.18	6.08	247	344	10 590	4 360	467	15 704
		Total proved and probable ore reserves*		318 345	1.63	2.79	6.08	1.56	0.31	7.98	5 199	8 873	62 183	15 993	3 144	81 791
		Measured and indicated mineral resources														
			Rich	21 391	4.22	6.00	13.52	2.72	0.49	16.65	903	1 282	9 302	1 874	389	11 467
			Cuprous	314	0.35	3.09	3.58	1.57	0.00	5.71	1	10	36	16	7	58
			Disseminated	1 397 087	0.52	1.03	2.93	0.85	0.19	3.96	7 235	14 458	131 460	38 302	8 515	177 713
		Total measured and indicated mineral resources		1 418 792	0.57	1.11	3.07	0.88	0.19	4.13	8 139	15 750	140 798	40 192	8 911	189 238
		Kola Peninsula														
		Zhdanovskoye deposit²														
		Total proved and probable ore reserves*		160 337	0.67	0.31					1 068	494				

Notes:

1. The Talnakh ore field and Norilsk-1 deposit in the Taimyr Peninsula and the Zhdanovskoye deposit in the Kola Peninsula were classified according to the Australasian Code for Reporting of Mineral Resources and Ore Reserves ("JORC Code") developed by the Australasian Joint Ore Reserves Committee ("JORC") formed by the Australian Mining Industry Council, The Australasian Institute of Mining and Metallurgy, and The Australian Institute of Geoscientists. The classification of the reserves in accordance with JORC principles have been prepared by the following competent person: Stanley C Bartlett, PGeo, Managing Director of Micon International Co Limited. Reserves are based on the current 2 to 3 year detailed mine production plan, and the base case conceptual mine plan extending to the mine end of life based on economically mineable ore in the A, B and C1 Russian categories at the end of a given calendar year.

Ore reserves and mineral resources from the Semiletka, Kaula-Kotselvaara, and Zapolyarnoye deposits in the Kola Peninsula, which includes the Kaula Kotselvaara open-pit and Severny underground mines, were not included in the audit. Platinum group metals of the Zhdanovskoye deposit in the Kola Peninsula were not included in the audit.

2. Sub-total and total figures may be different to the sum of individual numbers due to rounding, and in some cases may vary insignificantly from previous statements.

3. 6PGM are platinum, palladium, rhodium, ruthenium, osmium and iridium.

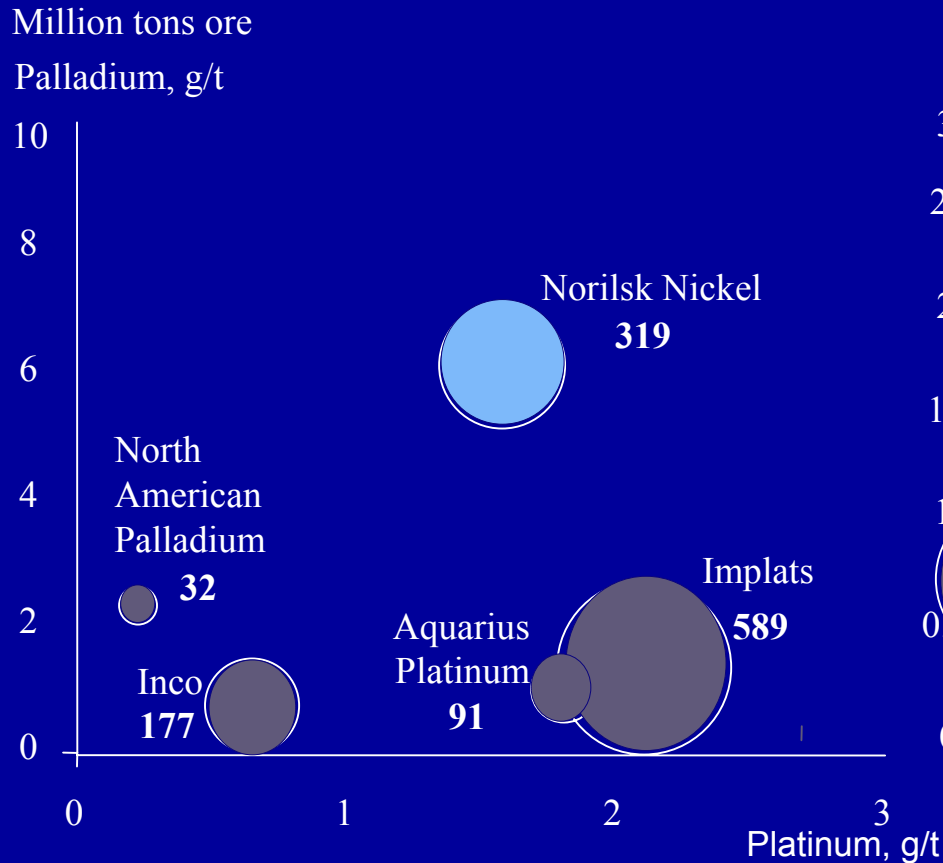
4. Proved and probable ore reserves are not included in mineral resources.

5. Includes ore reserves and mineral resources from the Severny-Gluboky underground mine and the Tsentralny open-pit mine incorporating the Tsentralny and Zapadny pits.

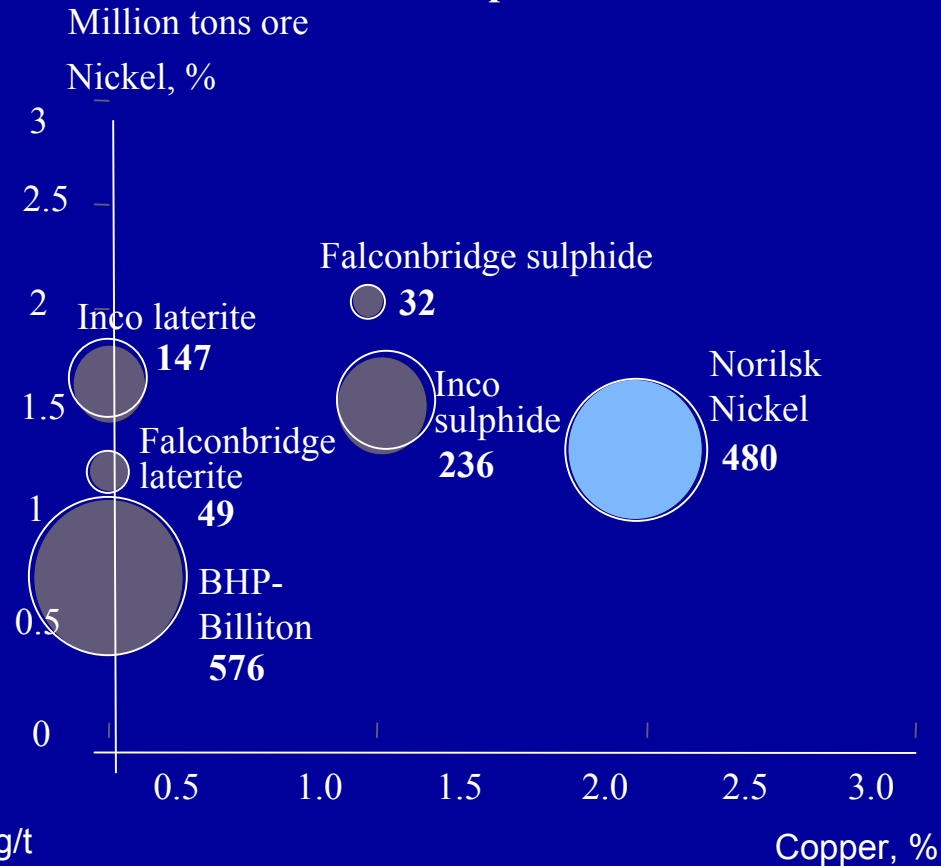
Norilsk Nickel Reserves vs Competitors' – Quality and Quantity



**Proved and Probable Ore Reserves
at PGM Operations***



**Proved and Probable Ore Reserves
at Nickel Operations****



* As per December 31, 2004, except for Implats and Aquarius data as per June 30, 2005 and Lonmin data as per September 30, 2004. Implats total includes Ru. Implats Pd and Aquarius Platinum Pd and Pt grades are estimates based on disclosed PGE grades and metal splits. NN: Ore Reserves of its Taimyr (Polar) Division, Inco: Ore Reserves of Ontario operations

** As per December 31, 2004, except for BHP-Billiton data reported as of 30 June, 2005. NN includes Ore Reserves of its Taimyr (Polar) and Kola Divisions. BHP-Billiton does not disclose Cu grade of its Ni deposits. Falcondo, Goro and Indonesian Inco operations have lateritic ores

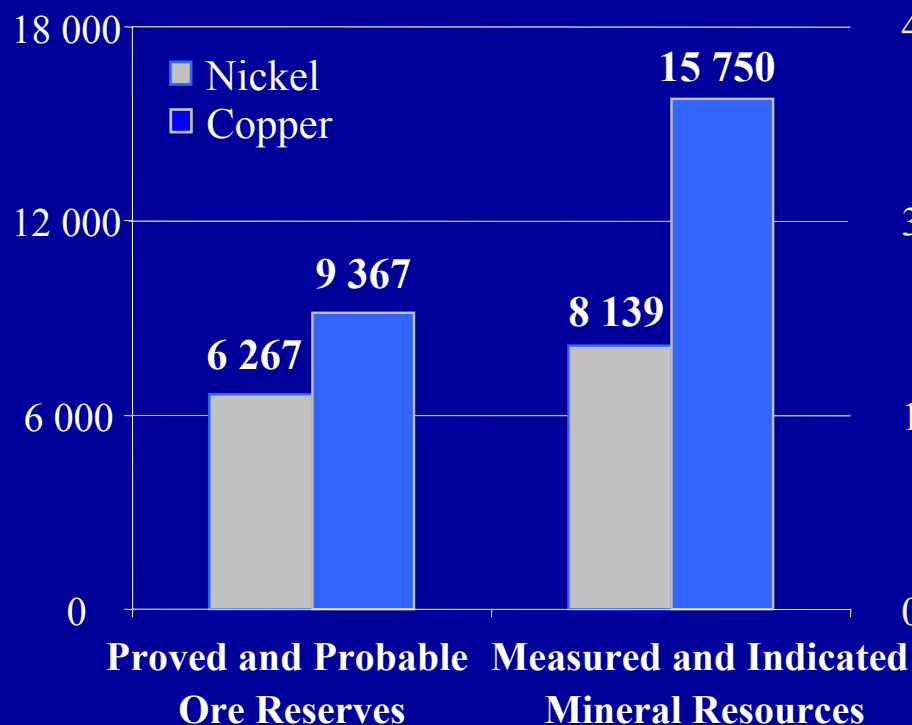
Source: Company reports

Update of Base Metals Reserves

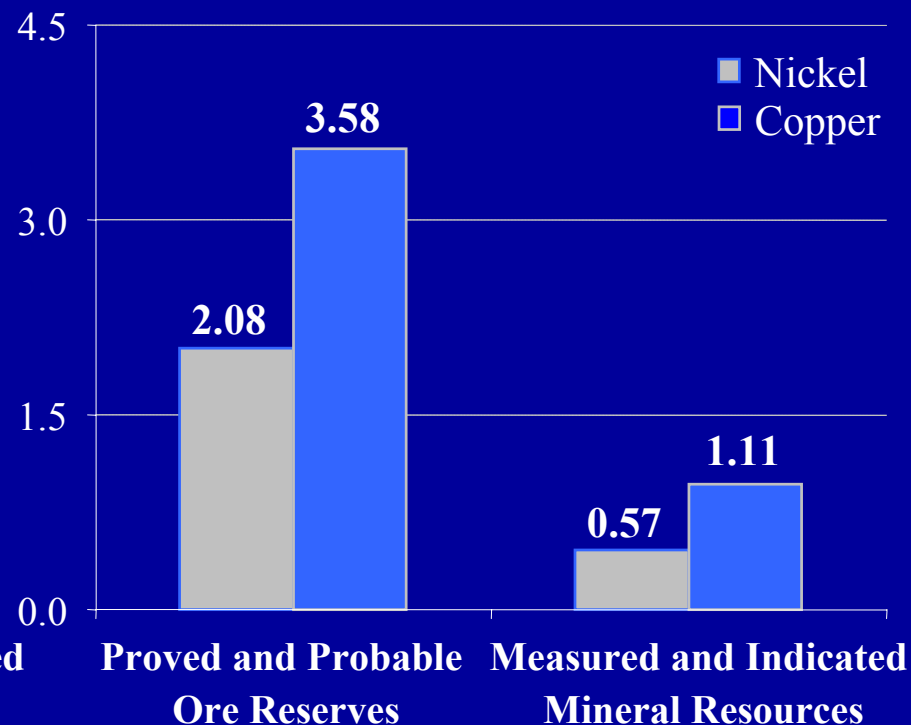


- Micon International conducted an independent audit of ore reserves and mineral resources in the Talnakh ore field and Norilsk-1 deposit in Taimyr Peninsula, and Zhdanovskoye deposit in Kola Peninsula as of 31.12.2004 in accordance with JORC Code

Metal Volume
(tons in thousand)



Metal Grades*
(%)



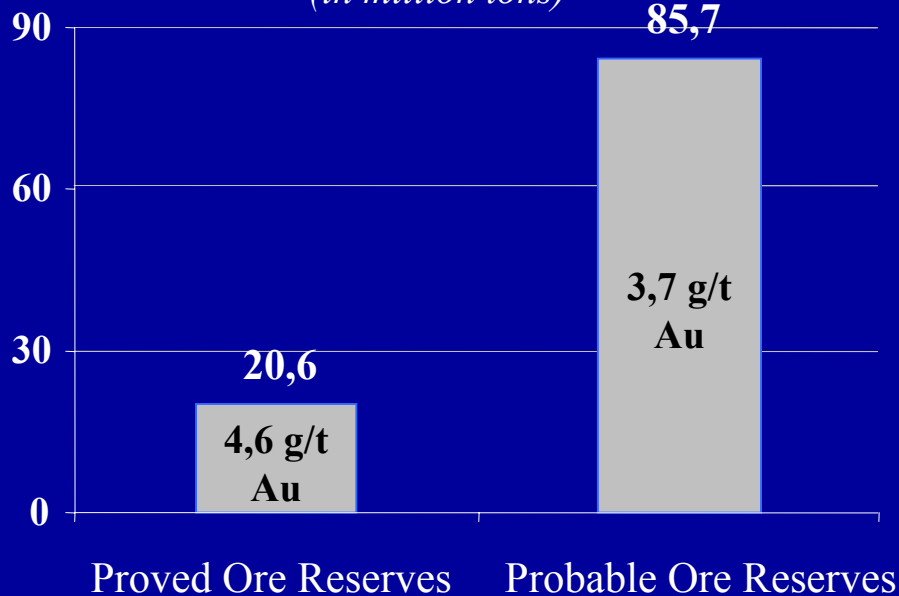
* Data for Talnakh ore field

Gold Reserves Disclosure

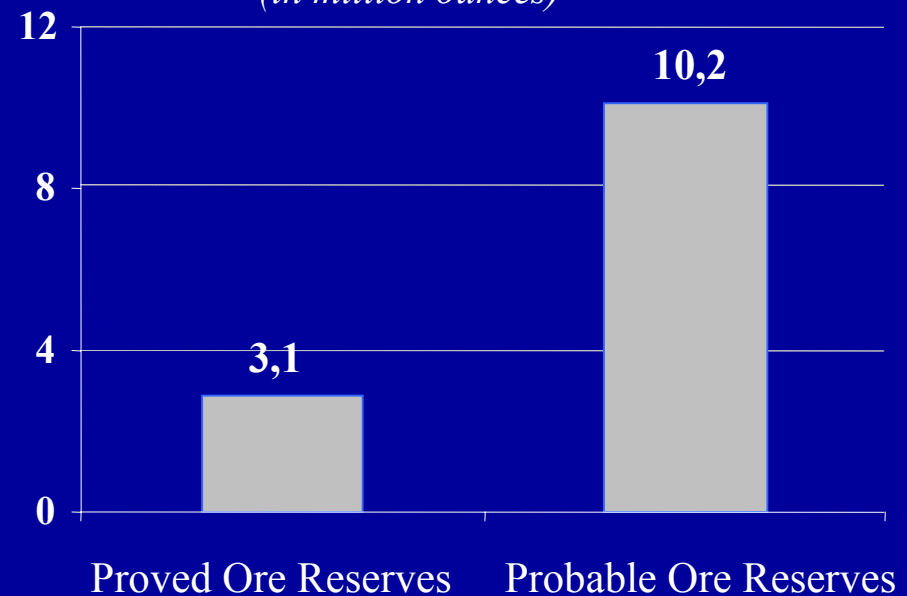


- SRK Consulting conducted an independent audit of the gold resources and reserves located in the Krasnoyarsk, Irkutsk and Magadan regions as of 31.12.2004 in accordance with JORC Code
- Ore Reserves will be significantly increased when mineral resources of the Nataalka, Blagodatnoe, Devil's Trough and Titimukhta deposits are reclassified into ore reserves after completion of exploration and evaluation works there
- Proved and probable reserves at Taimyr Peninsula contain 2.7 mln ounces of gold with average grade of 0.35 g/t

Ore reserves*
(in million tons)



Gold Content*
(in million ounces)



* Presented figures related to ore fields of ZAO Polus, Lenzoloto and Matrosov Mine. Talnakh gold reserves not included.

Production Results for 2005 and Guidance for 2006



Production volume	2006 F	2005	2004
Nickel <i>(in '000 tons)</i>	243 - 248	243	243
Copper <i>(in '000 tons)</i>	422 - 427	452	447
Palladium* <i>(in '000 ounces)</i>	2 900 - 2 950	3 133	-
Platinum* <i>(in '000 ounces)</i>	690 - 700	751	-

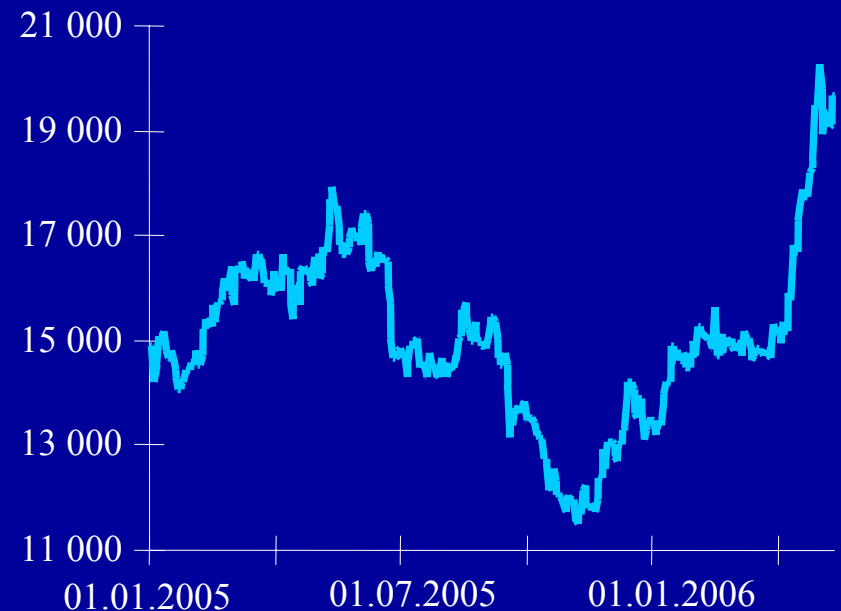
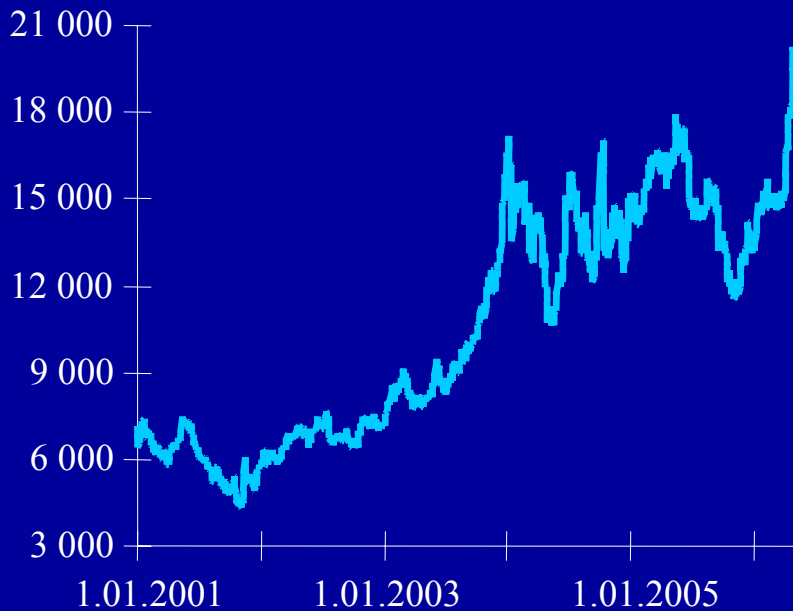
Note: production volumes of palladium and platinum disclosed from January 1, 2005 and represent only Russian produced (without production of Stillwater Mining Company)

Nickel Market: Continuing Strength



- Nickel prices in 2005 recorded their 4th successive annual increase despite stock increases:
 - Demand softened in H2 as a result of cutbacks amongst stainless steel producers
 - Constraints on production growth limited the damage to prices
- Market to be in close balance in 2006:
 - Demand for nickel should rebound in 2006 as output of stainless steel recovers
 - Stocks plus production increases in Canada and China should be sufficient to keep the market adequately supplied

Nickel Price (LME, in USD per tonne)



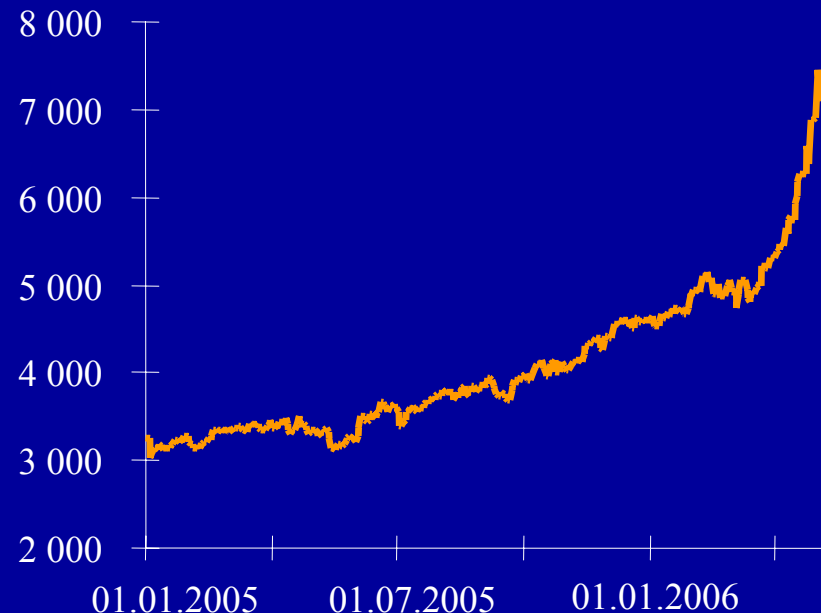
Source: Bloomberg

Copper Market: Record Performance



- Copper prices rose through most of 2005 to reach record levels by year end:
 - Demand was good in China but fell sharply in OECD countries
 - Disruptions to production led to supply declining even more sharply keeping the market in deficit for a third year running
- Fundamentals remain sound:
 - Output should accelerate in 2006 but a recovery in global demand should ensure that any market surplus is relatively modest

Copper Price (LME, in USD per tonne)



Source: Bloomberg

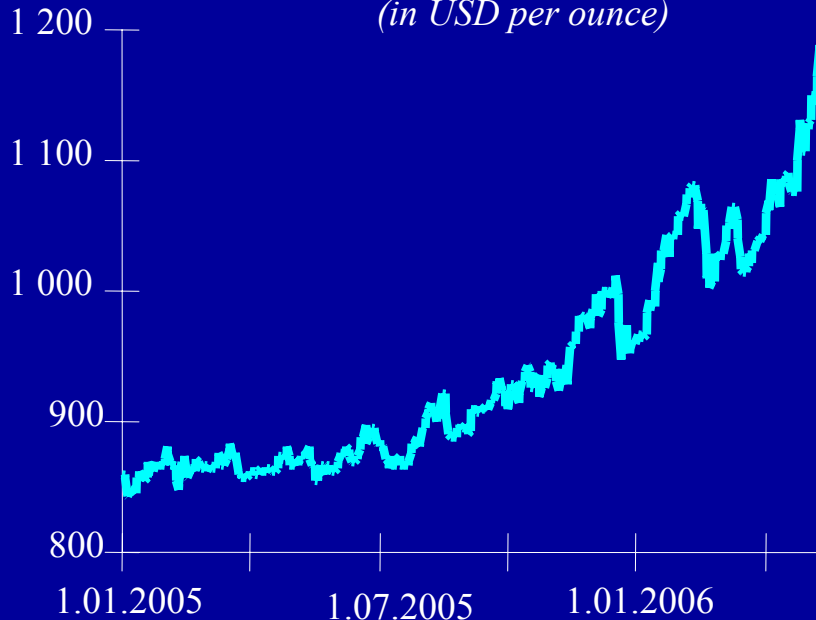
Platinum & Palladium



- Platinum prices moved still higher in 2005 as production fell short of expectations and the market recorded its seventh successive year of deficit
- Platinum's use in autocatalysts to meet tightening emissions standards will continue to underpin physical demand in 2006
- Palladium prices were subdued through most of 2005 before rallying in Q4
- Growing demand for palladium jewellery in China combined with substitution of higher-priced platinum in autocatalysts should cut into the remaining above-ground stocks

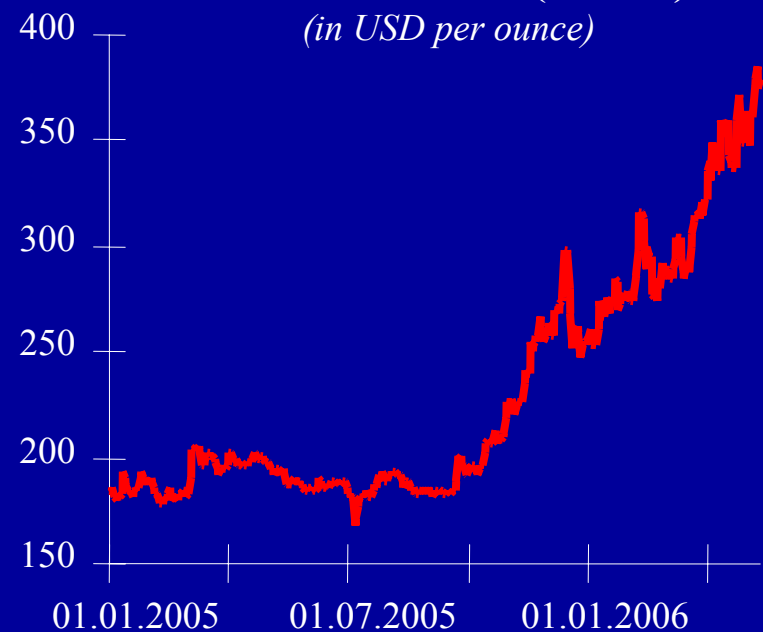
Platinum Price (LPPM)

(in USD per ounce)



Palladium Price (LPPM)

(in USD per ounce)



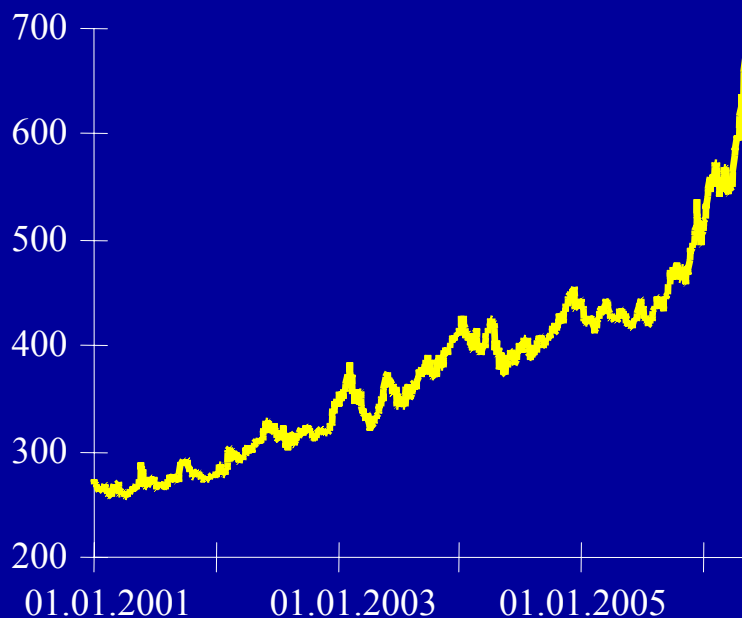
Source: Bloomberg

Gold Market: Investor Support



- Gold prices have risen steadily since the beginning of 2001, at the end of 2005 reaching levels not seen for almost 25 years
- Producer de-hedging and investor buying were the key price drivers in 2005; support from the US dollar weakened in H2
- In the physical market, demand for fabrication grew in 2005 despite higher prices while mine supply struggled to increase over 2004 levels, having declined over 2001-2003
- Prices should continue to benefit in 2006 from investor interest (commodity funds and indexes etc) and possibly from renewed dollar weakness

Gold Price (in USD per ounce)



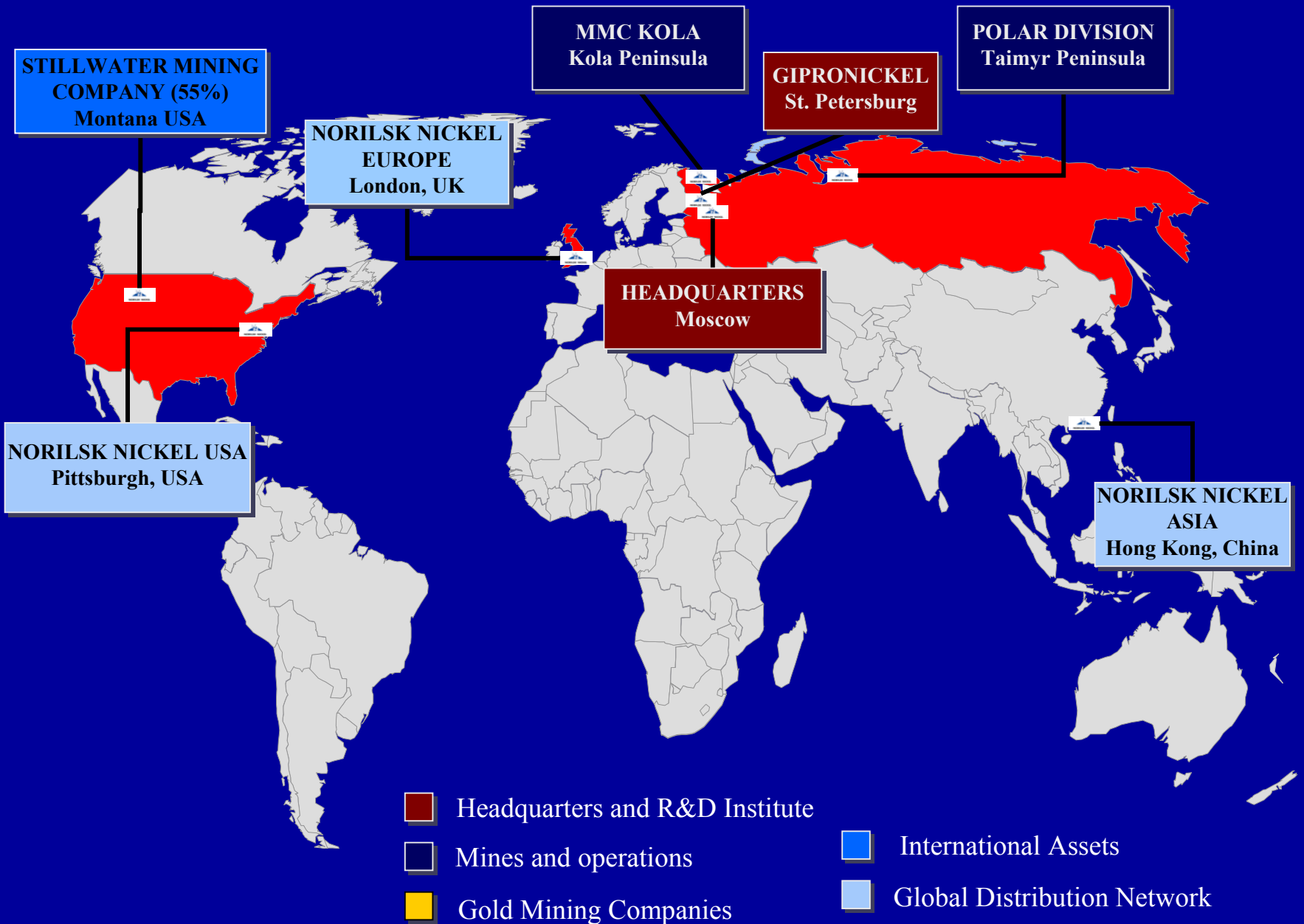
Source: Bloomberg

- Streamlining existing production operations in Kola and Taimyr Peninsulas
 - Optimal configuration of operating assets
 - Comprehensive cost reduction program
 - Outsourcing non-core functions
 - Upgrading environmental management systems
 - Evaluating sulfur reduction technologies
 - Minimizing dependence of social infrastructure while continuing to support community development
- Improving corporate governance
 - Semi-annual disclosure of IFRS financials from 2004
 - Quarterly disclosure of production volumes
 - Base metals and PGM reserves reported in accordance with JORC Code
- Corporate development
 - Spin-off the gold mining business
 - Cooperation with Rio Tinto in Siberian and Far East districts in Russia
 - Identification and evaluation of new mine prospects
 - Participation in auctions for prospective mineral properties
- Improving organization and processes
 - Streamlining of organizational structure
 - Further development of management information systems
 - Improvement of the supply management and repairs and maintenance systems

Exhibit 1.

MMC Norilsk Nickel: Basic Description

Global Presence

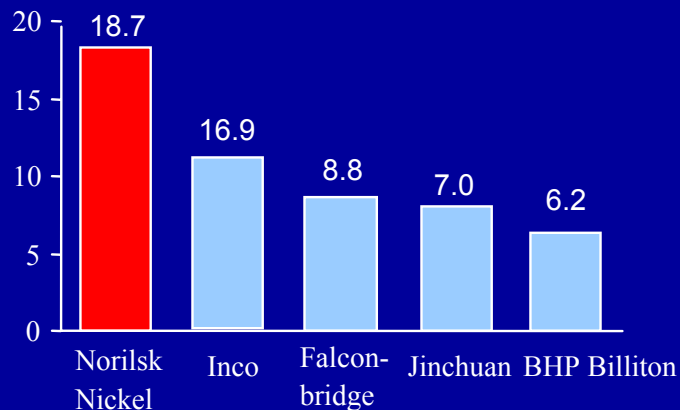


Leading Producer of Base and Precious Metals



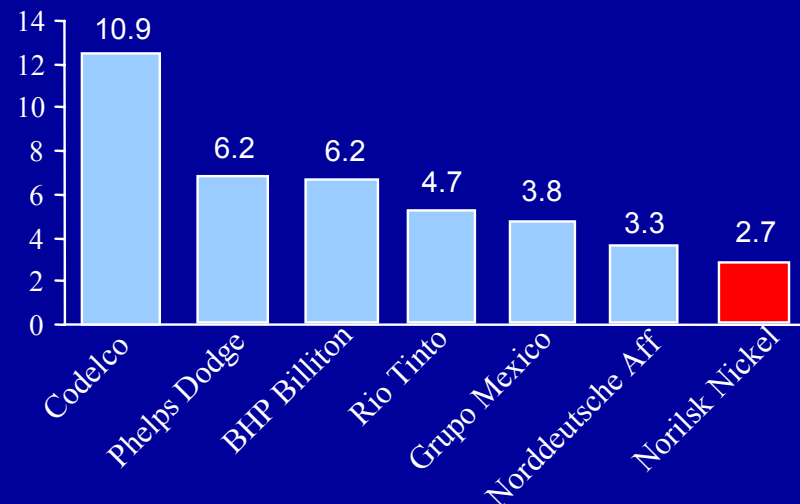
Largest Nickel Producers

(% share of 2005 world mined production)



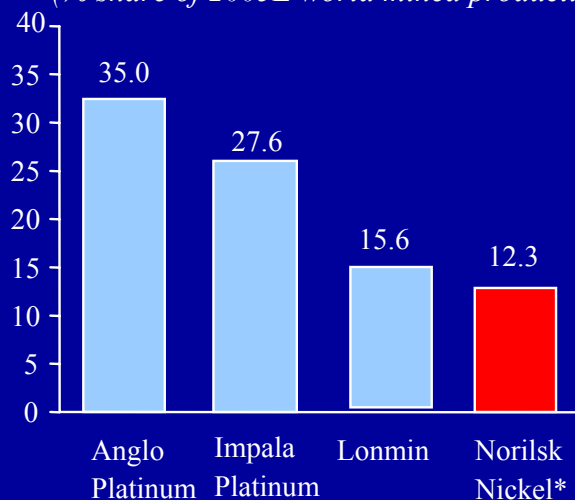
Largest Copper Producers

(% share of 2005 world production)



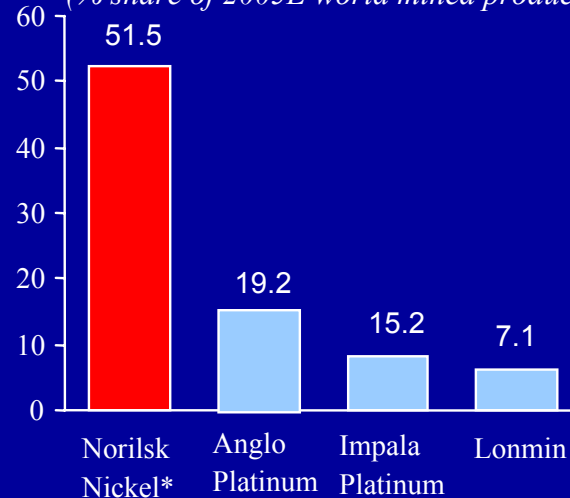
Largest Platinum Producers

(% share of 2005E world mined production)






Largest Palladium Producers

(% share of 2005E world mined production)



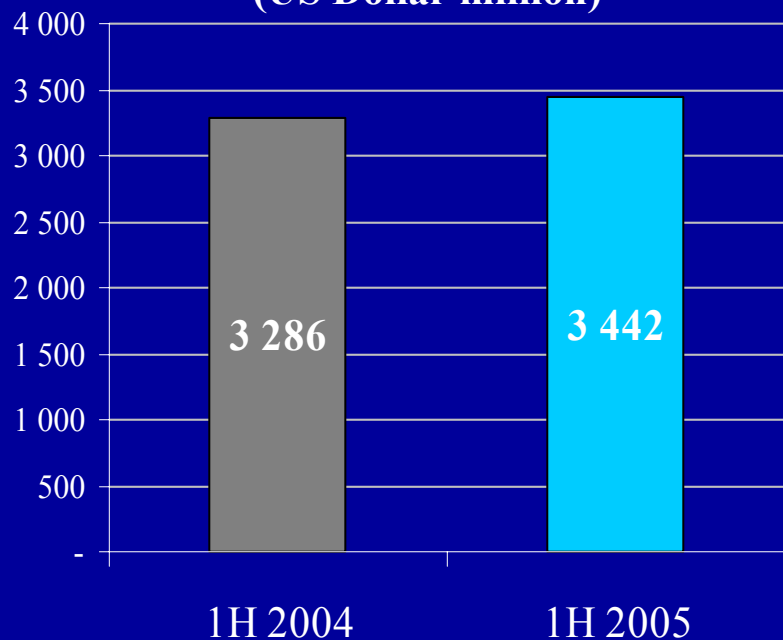
Leading Credit Ratings Amongst Russian Blue Chips



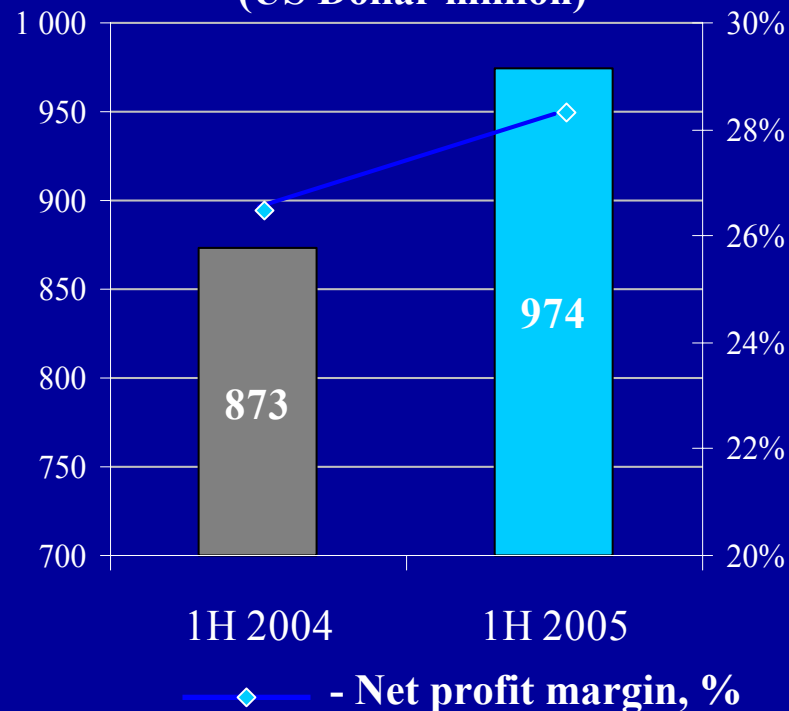
S&P	B	B+	BB-	BB	BB+	BBB-	BBB
		Severstal Evraz Alrosa	MMK SUAL MTS Sistema Megafon	Novolipetsk TNK-BP Sibneft Lukoil Vimpelcom			
Moody's	B2	B1	Ba3	Ba2	Ba1	Baa3	Baa2
		Severstal	Evraz MMK SUAL MTS Vimpelcom	Alrosa	 Sibneft Lukoil TNK-BP		
Fitch	B	B+	BB-	BB	BB+	BBB-	BBB
		Sistema	Evraz MMK Severstal	Megafon	TNK-BP	 Lukoil	

- Norilsk has the highest combined rating amongst Russian private companies

Metal sales revenues (US Dollar million)



Net profit and net profit margin (US Dollar million)



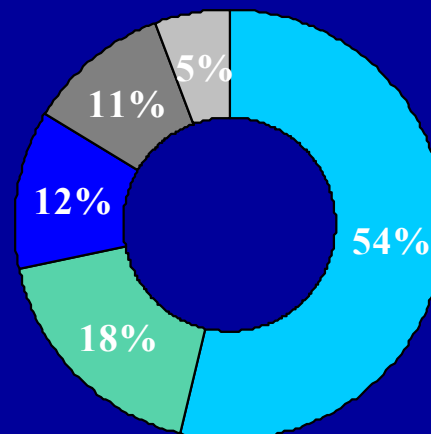
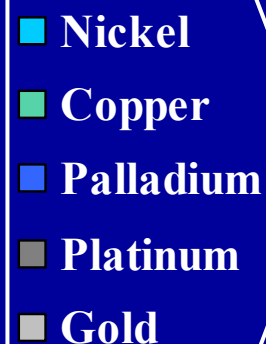
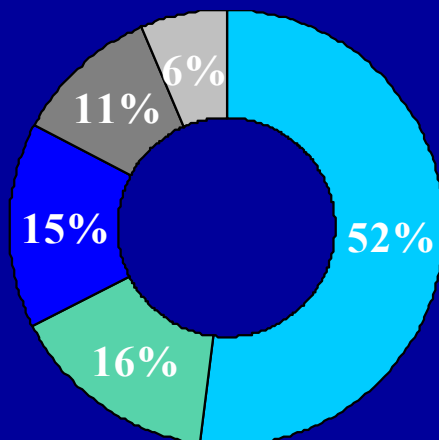
Breakdown of Revenues



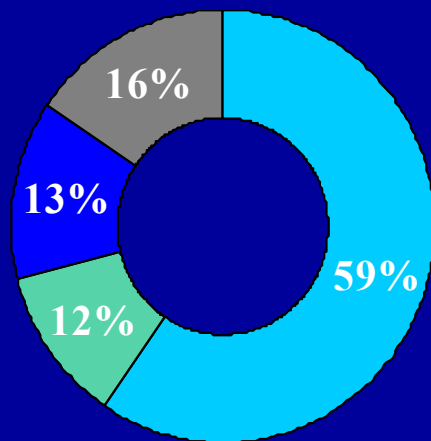
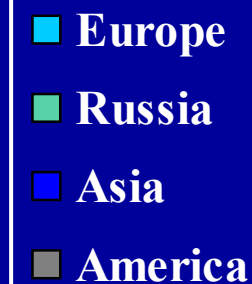
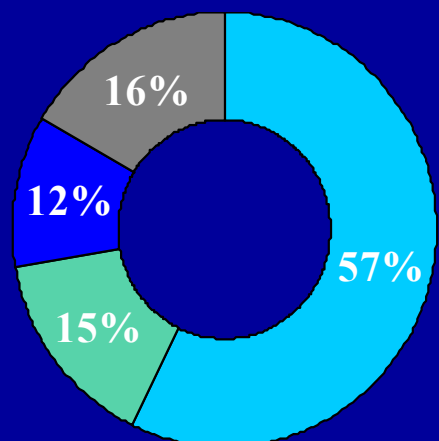
1H 2004
(total USD million 3 286)

1H 2005
(total USD million 3 442)

By metal



By region



Cash Operating Costs



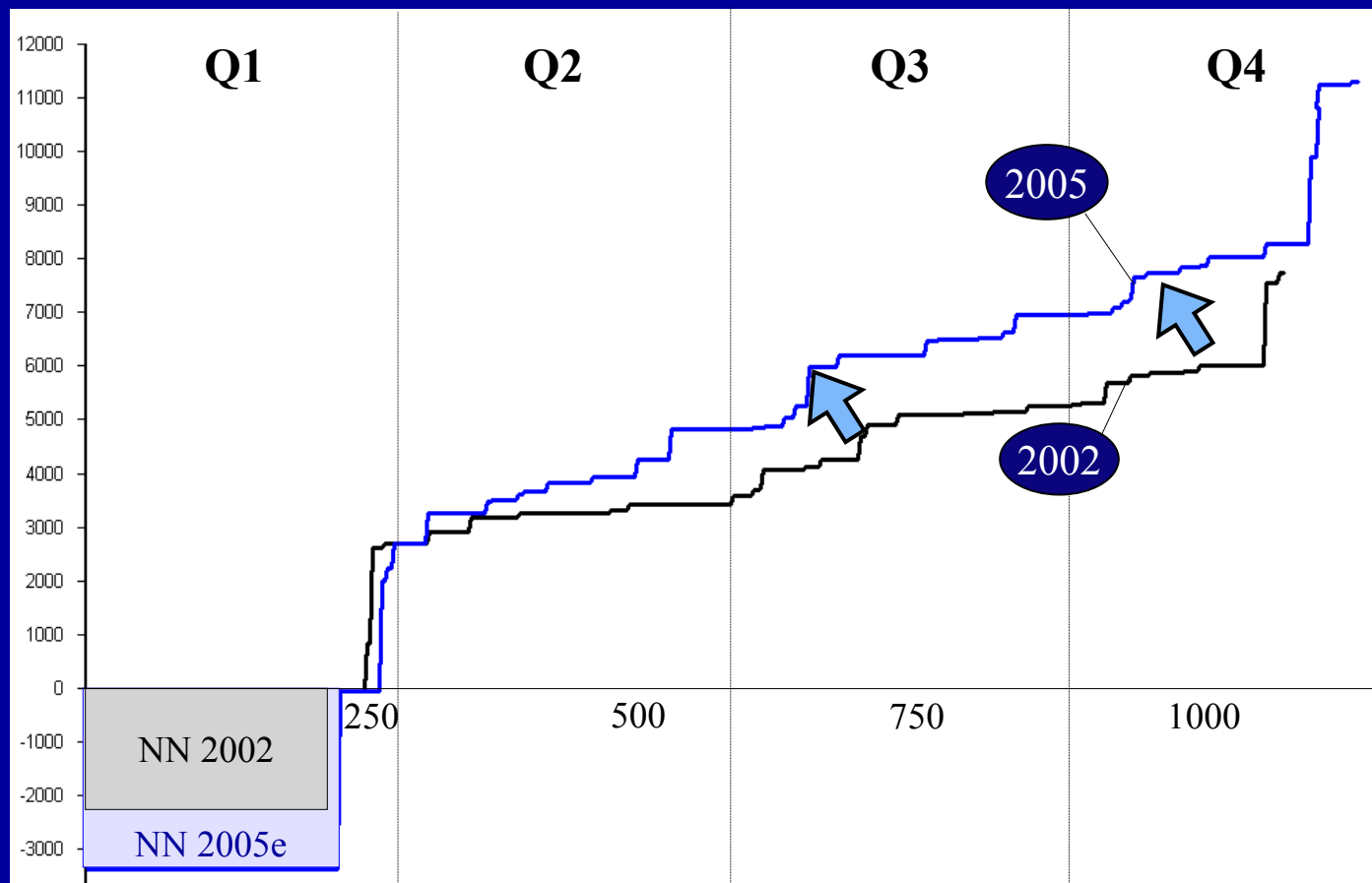
<i>(US Dollar million)</i>	For 6 months ended 30 June 2005 (reviewed)				For 6 months ended 30 June 2004 (reviewed)				change %
	Group	Group without Polyus and SWC	SWC	Polyus	Group	Group without Polyus and SWC	SWC	Polyus	
Labour	413	338	51	24	397	331	44	22	4%
Consumables and spares	308	246	22	40	271	226	18	27	14%
Refined metals purchased from third parties	63	63	0	0	152	152	0	0	-59%
PGM scrap metal purchased	86	49	37	0	79	47	32	0	9%
Tax on mining and pollution tax	76	58	6	12	75	57	5	13	1%
Repairs and maintenance	58	32	26	0	57	33	22	2	2%
Insurance	55	52	3	0	53	51	2	0	4%
Transportation of metals	50	50	0	0	37	37	0	0	35%
Utilities	50	36	9	5	41	31	8	2	22%
PGM tolling	32	31		1	21	20	0	1	52%
Other	71	52	16	3	57	37	12	8	25%
Total	1 262	1 006	171	85	1 240	1 022	143	75	2%

Norilsk Nickel Unit Costs vs Industry



Nickel Industry Cost Curve* (Brook Hunt)

USD/mt Nickel



Norilsk is keeping costs in check while overall industry has been increasing over past three years

Norilsk's cost position combined with its resources make for a strong long term position

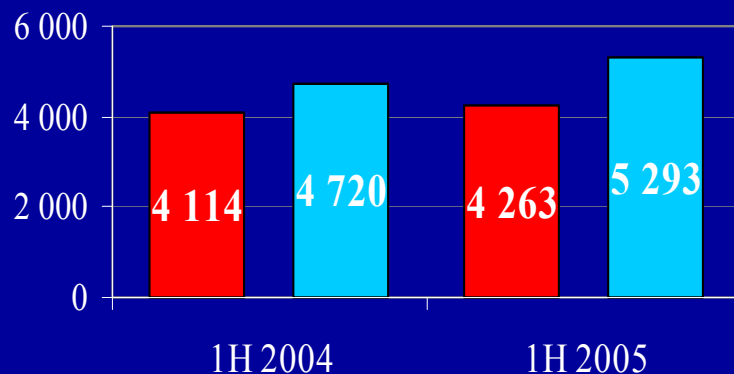
Cumulative production, thousand mt Nickel

* Direct cash costs including by-product credits (Cu, Co, Ag, Au, PGM), as published by Brook Hunt. 2002 data in actual 2002 USD, 2005 cost estimates in 2004 US\$
Source: Brook Hunt

Cash Cost Per Unit

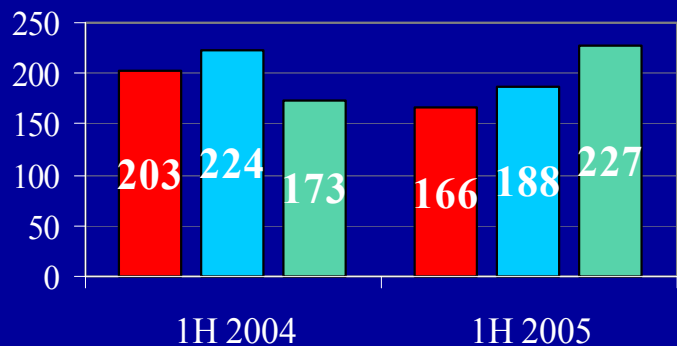


**Production cost of nickel
(USD per ton)**



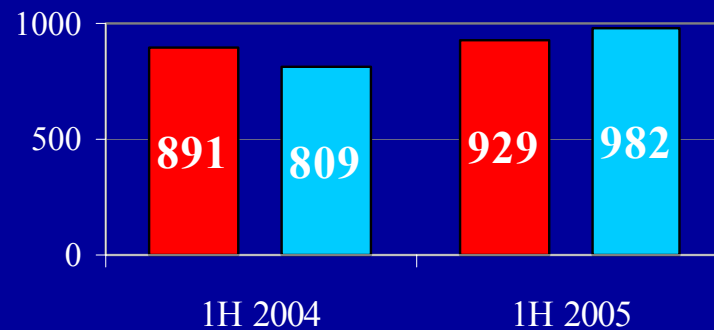
■ Polar division ■ MMC Kola

**Production cost of gold
(USD per oz)**



■ Polar division ■ MMC Kola ■ Polyus

**Production cost of copper
(USD per ton)**



■ Polar division ■ MMC Kola

Exhibit 2.

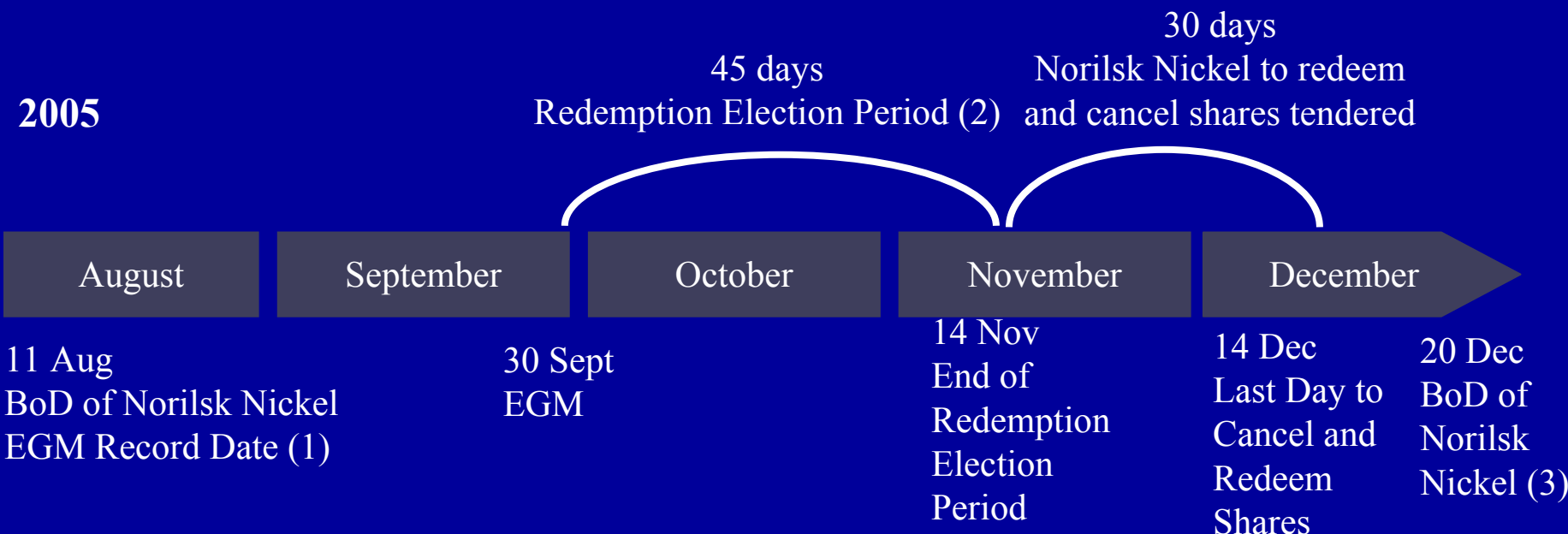
Spin-off of Gold Assets

Rationale for the Spin-Off of the Gold Assets



- Traditionally higher valuation of gold mining companies compared to base metals or even diversified producers
- Unlocking value to all shareholders
 - focus on two unique and differentiated investment cases: Norilsk Nickel and Polyus Gold
 - unlock gold premium through broader investor appeal
- Creation a new independent gold major
 - substantial organic growth with exposure to Russia
 - Russian leader in reserves and production
- Enhanced direct access to financing opportunities
 - potential for tapping debt or equity capital markets
 - potential partnering opportunities to develop Greenfield projects
- Strong commodity and equity market outlook
- Investors supportive

Transaction Timeline Details



- (1) Board of Directors of Norilsk Nickel approval of Spin-Off and call of EGM to vote on the Spin-Off
- (2) Any dissenting or non-voting shareholders have the right to redeem their shares at a price of RUR 1,855 per share set by the Board of Directors based on the report of independent appraiser
- (3) Call EGM of Norilsk Nickel's shareholders to approve reduction of charter capital and call the Organizational meeting of shareholders

Transaction Timeline Details (continued)

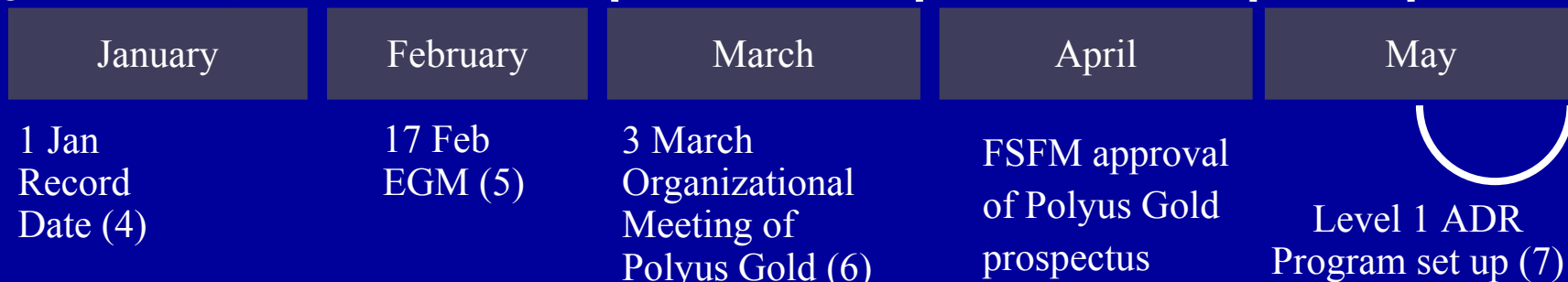


2006

Cum Polus ← ● → Ex Polus

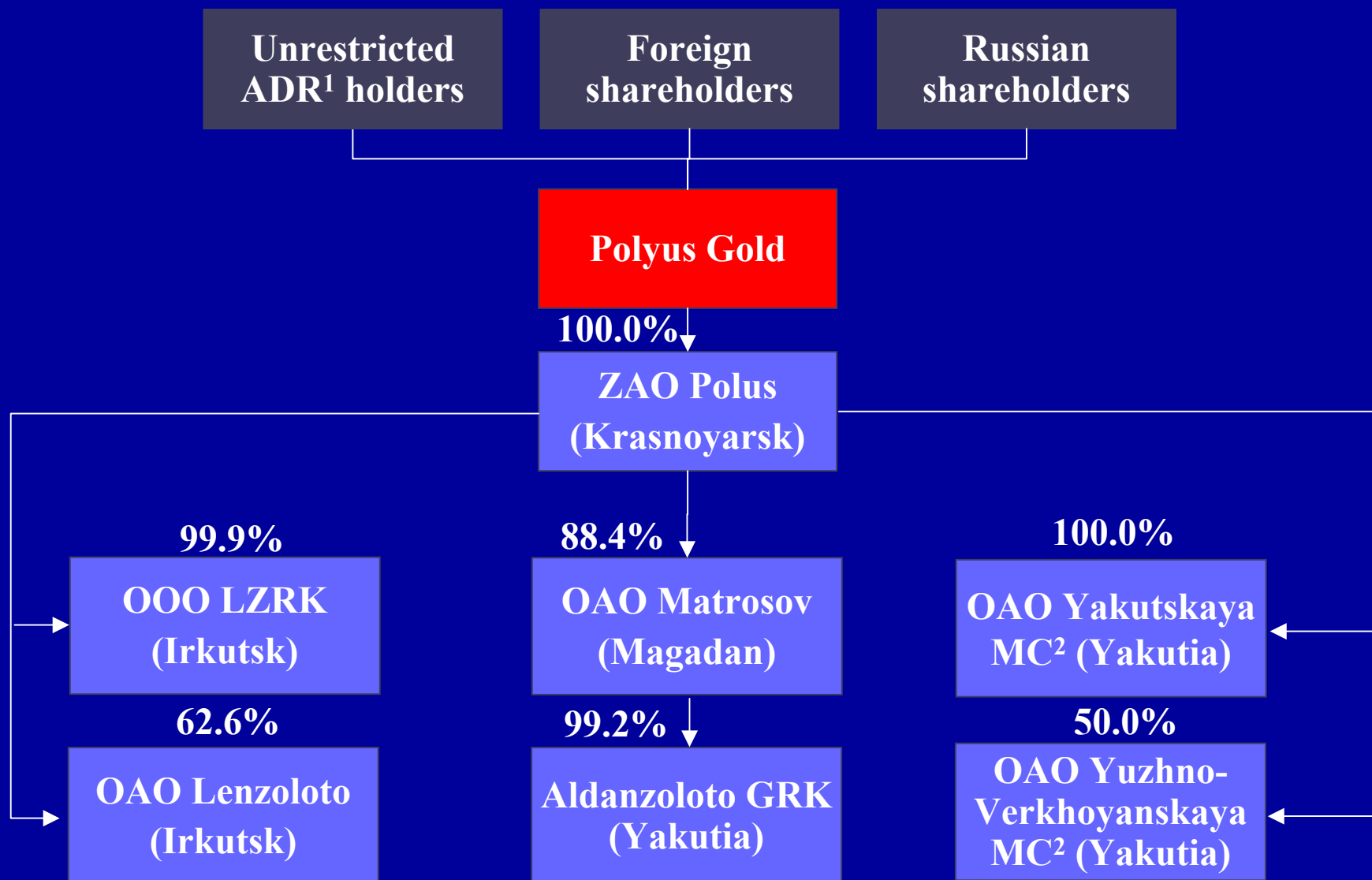
State registration of Polyus Gold and its Formation Date (6)

Domestic listing obtained



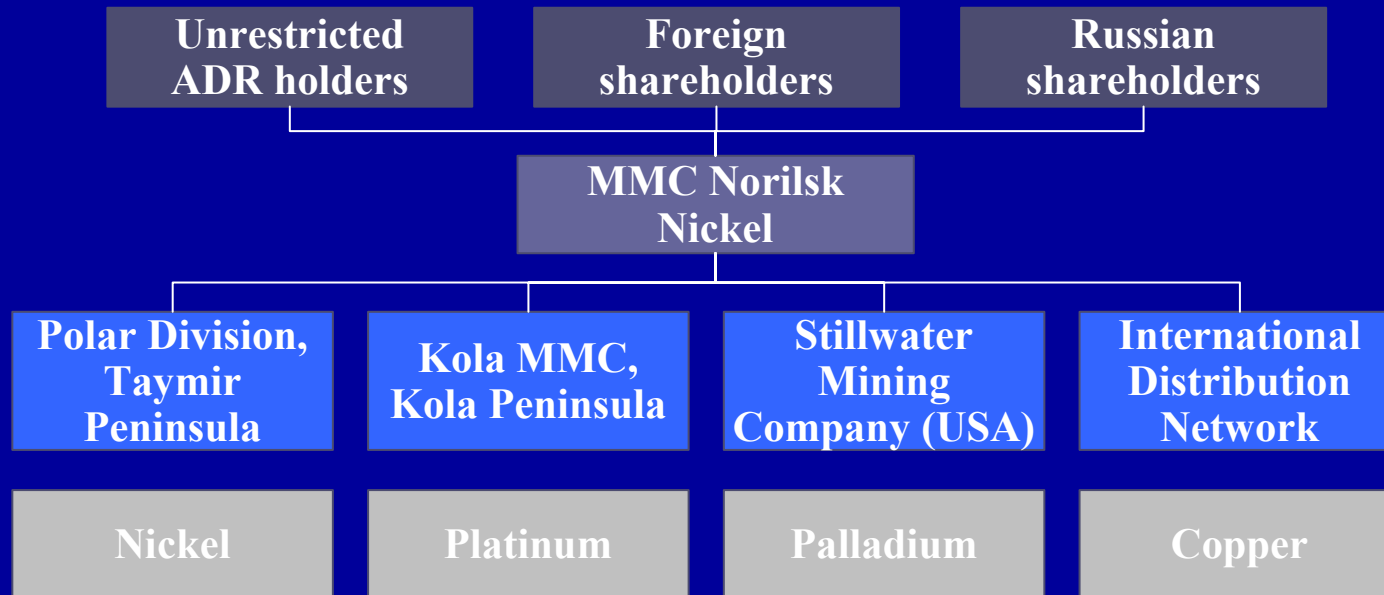
- (4) Each holder of record of Norilsk Nickel’s Shares and Norilsk Nickel’s ADSs as at Record Date for the Organizational Meeting, 1 January 2006, shall be entitled to participate in the Organizational Meeting of Polyus Gold and to receive Polyus Gold shares. Post Record Date trading in Norilsk Nickel’s shares will be ex the value of Polyus Gold
- (5) EGM to approve reduction of charter capital of Norilsk Nickel
- (6) State registration of Polyus Gold – 17 March, 2006. Effective as of Formation Date each holder of record of Norilsk Nickel’s shares and ADSs at of the Record Date of 1 January 2006 are entitled to receive Polyus Gold shares. Polyus Gold shares are distributed to Norilsk Nickel shareholders and to the Depository of Norilsk Nickel’s ADR program
- (7) Subject to approvals, a Level 1 ADR Program is established and holders of record of Norilsk Nickel ADRs receive Polyus Gold ADRs

Polyus post Spin-Off



Note: (1) if a Level 1 ADR Program is established

(2) MC – Mining Company



Norilsk Nickel Performance Drivers

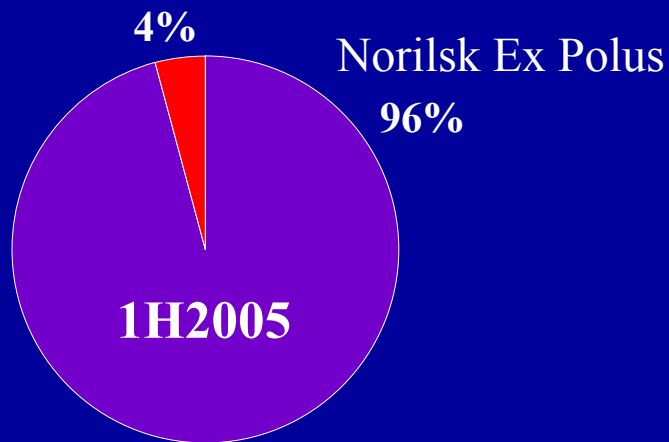
- World's leading nickel producer, 18.7% share
- #1 palladium producer, 51.5% share
- 4th largest producer of platinum, 12.3% share
- Among 10 largest copper producers, 2.7% share

Core Norilsk Operations Remain Unaffected



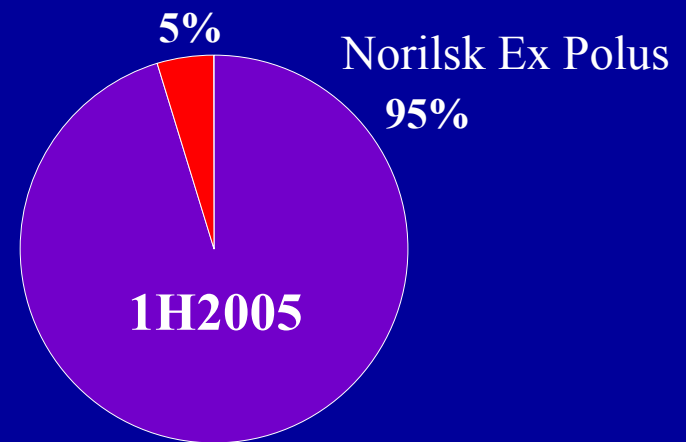
Profit

Polus Stand Alone

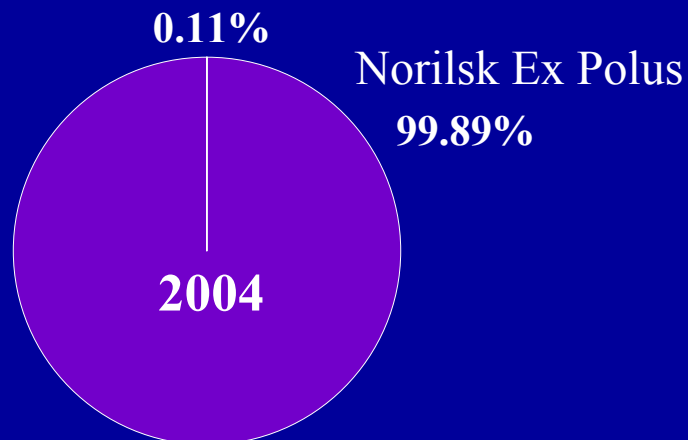


Metal Sales Revenues

Polus Stand Alone



Polus Stand Alone



Polus Stand Alone

