



NORILSK NICKEL

**Value to the Shareholders:
Spin-off of the Gold Assets**

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Disclaimer



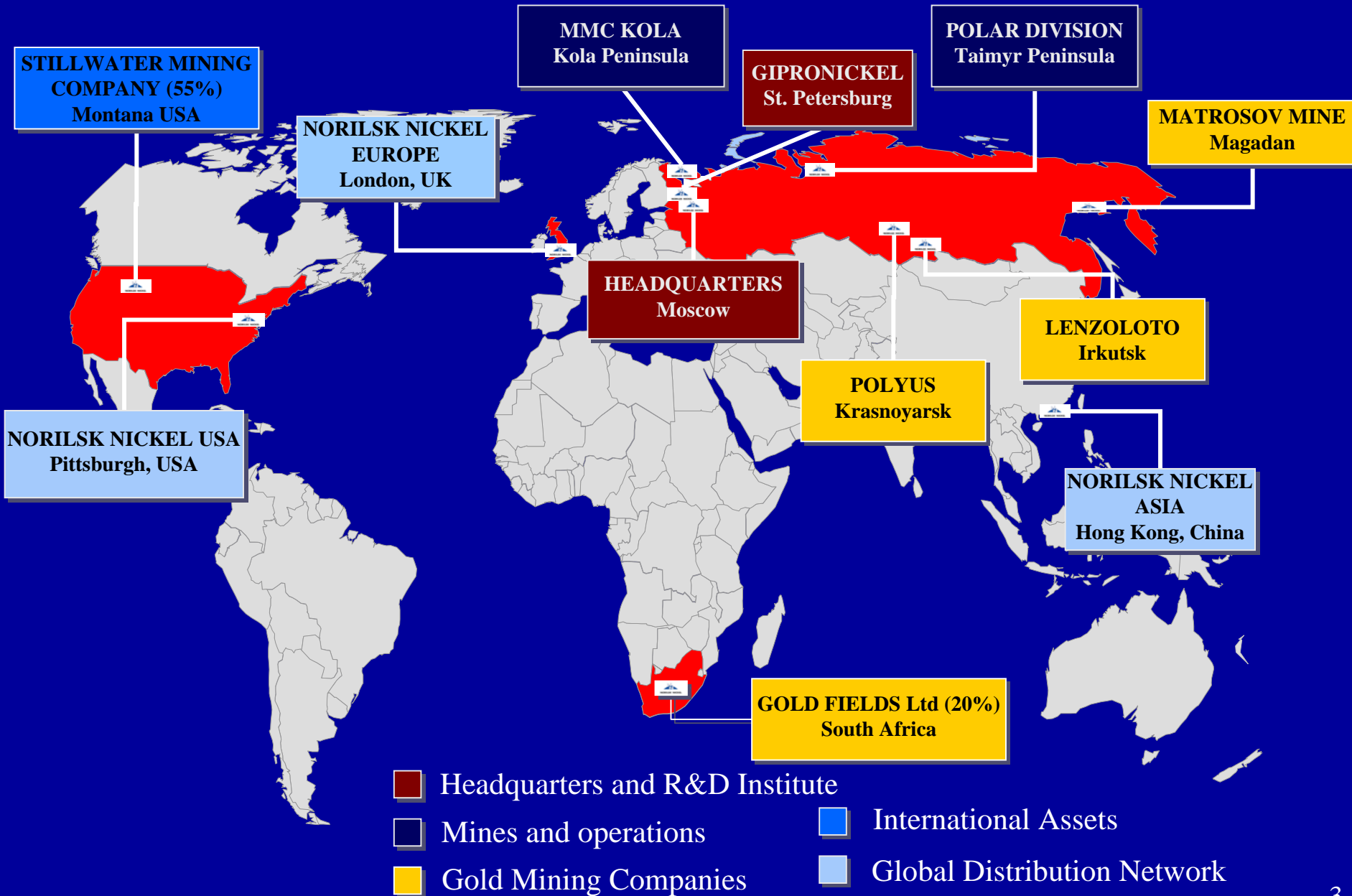
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Norilsk Nickel Group



Rationale for the Spin-Off of the Gold Assets

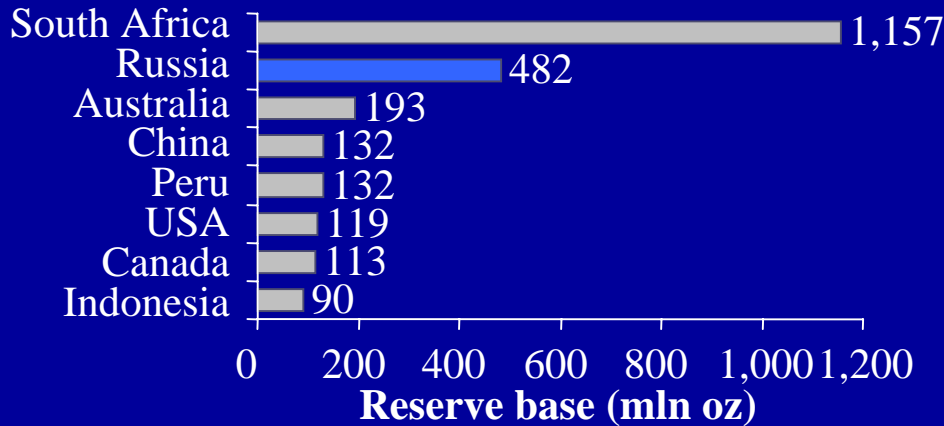


- Traditionally higher valuation of gold mining companies compared to base metals or even diversified producers
- Unlocking value to all shareholders
 - focus on two unique and differentiated investment cases: Norilsk Nickel and Polyus Gold
 - unlock gold premium through broader investor appeal
- Creation 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

Russia's Growth Potential

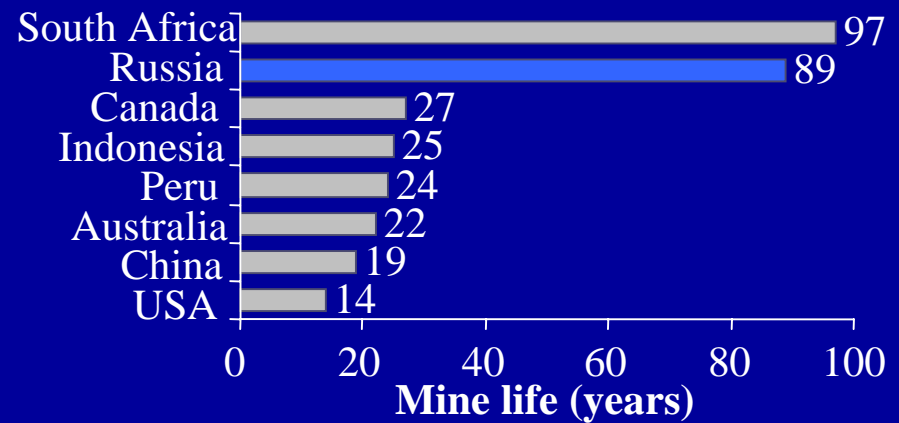


World's #2 Reserve Base...



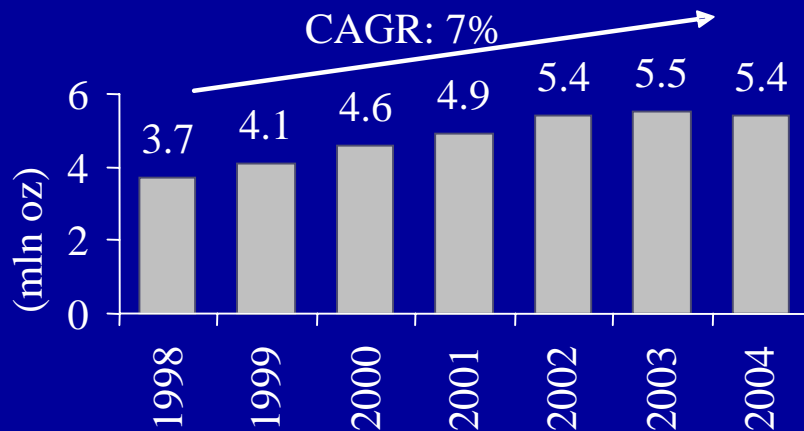
Source: GFMS, US Geological Survey

...Significantly Underdeveloped



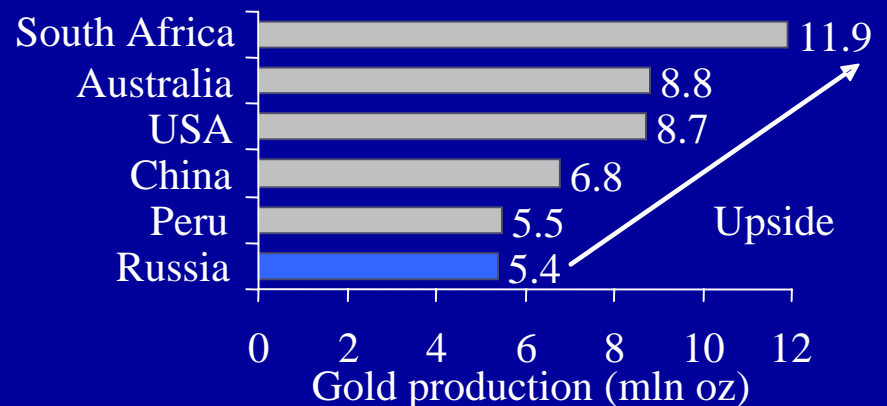
Source: GFMS, US Geological Survey

Growing Gold Production...



Source: Russian Union of Gold Miners, GFMS

... But Still Room for Upside

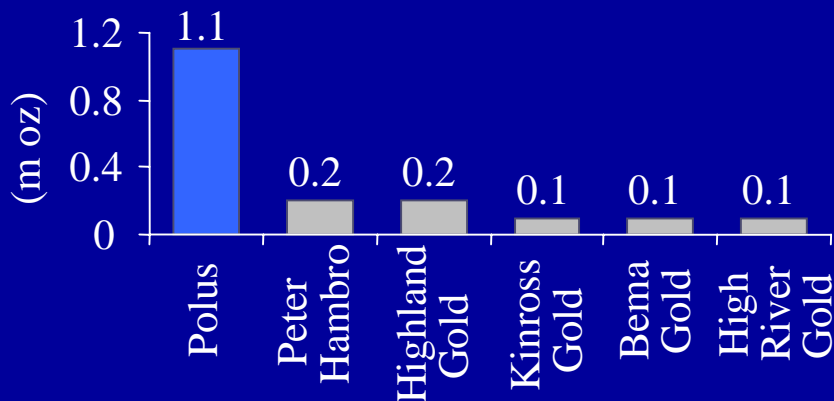


Source: Russian Union of Gold Miners, GFMS, Troika Dialog

Polus in the Comparable Gold Universe

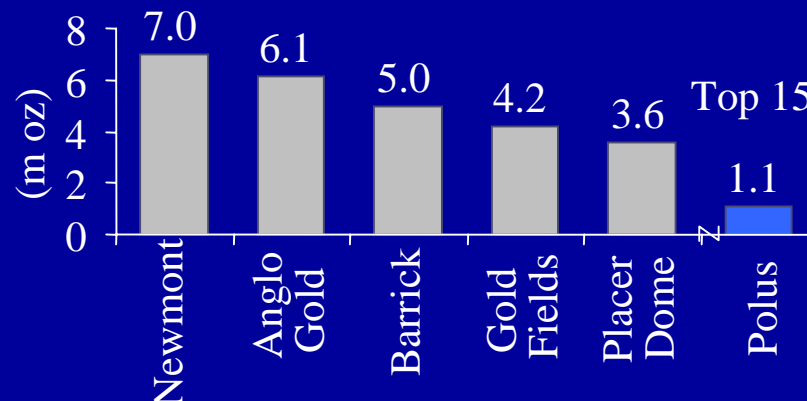


Russian Gold – Production



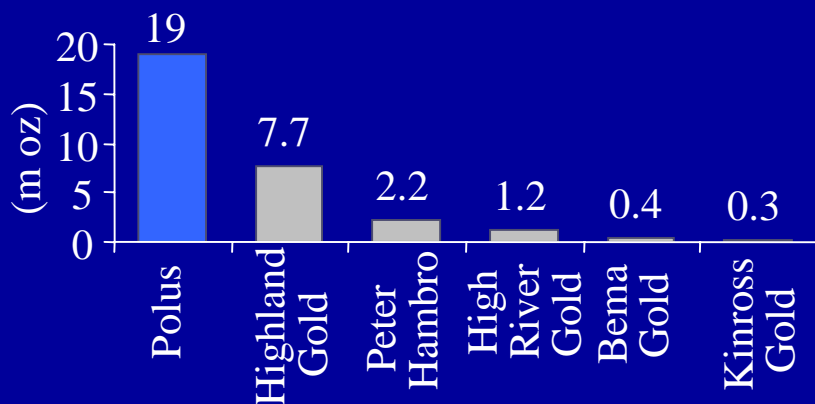
Source: Company reports, World Gold Analyst

International Gold Majors – Production



Source: Company reports, World Gold Analyst

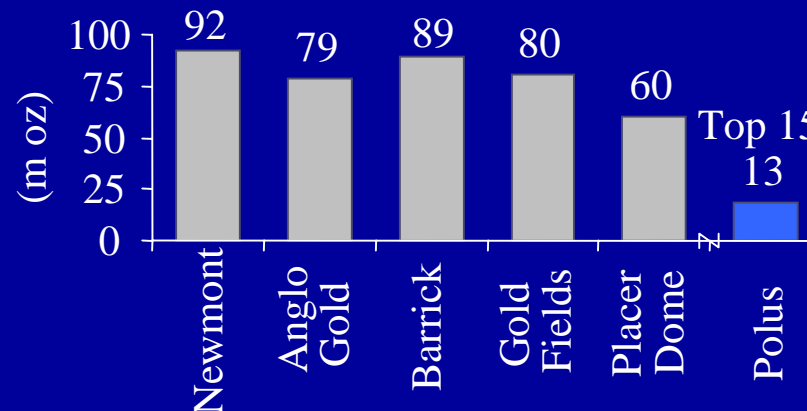
Russian Gold – Reserves*



Notes: * - in accordance with Russian classification (B + C1)

Source: Company reports, World Gold Analyst

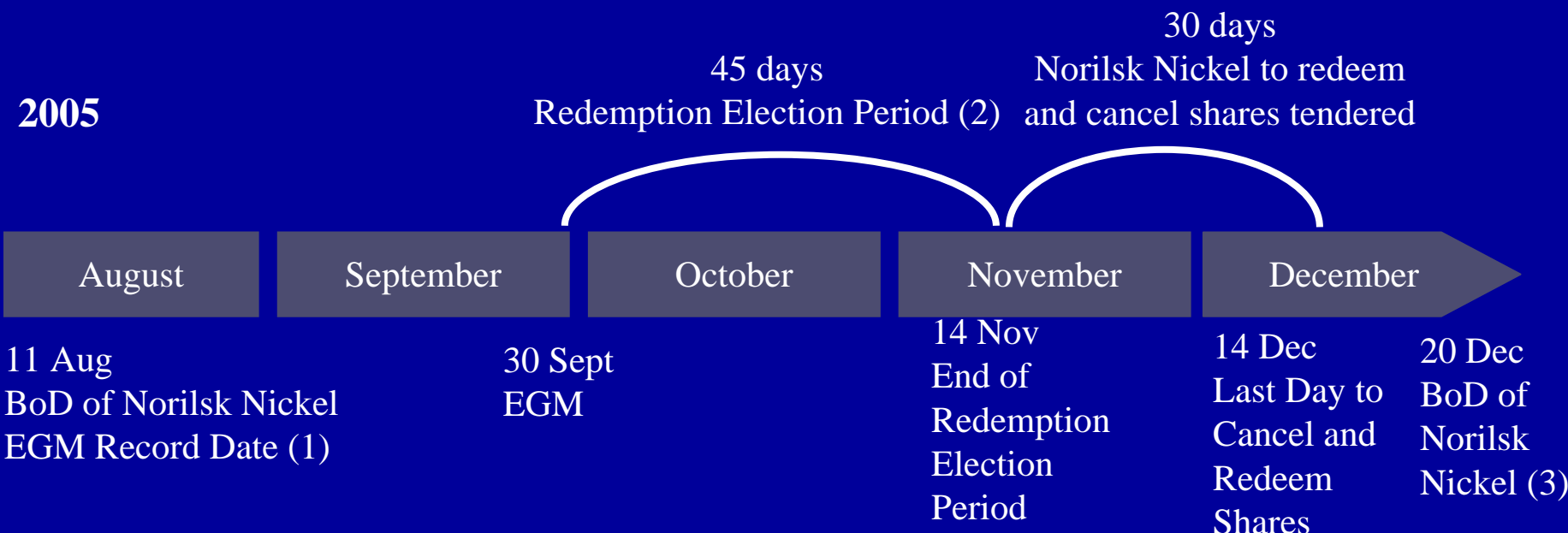
International Gold Majors – Reserves*



Notes: * - in accordance with international standards

Source: Company reports, World Gold Analyst

Transaction Timeline Details



(1) Board of Directors of Norilsk Nickel approval of Spin-Off and call of EGM to vote on the Spin-Off

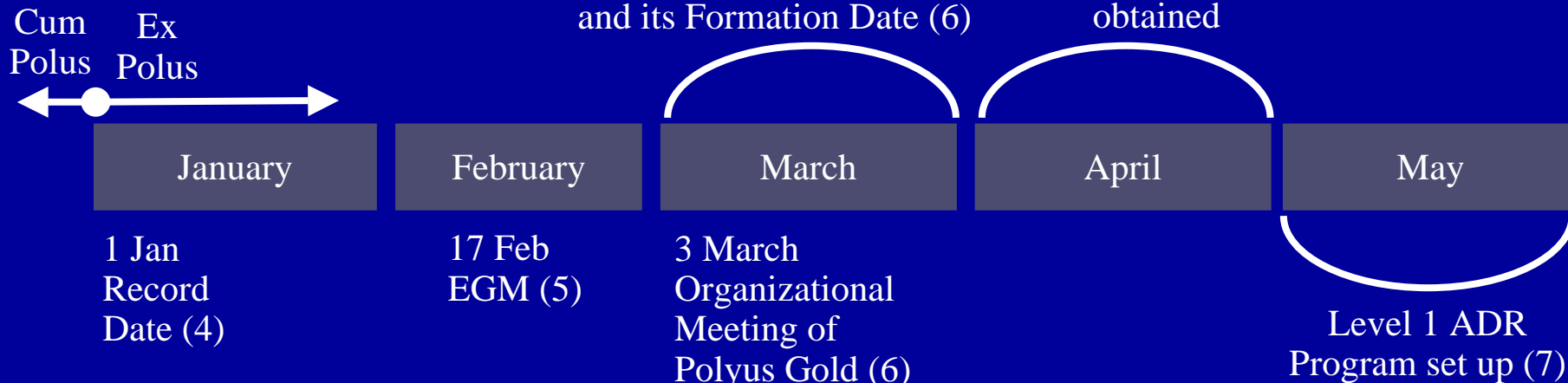
(2) Any dissenting or non-voting shareholders have the right to redeem their shares at a price of RUR 1,855 per share set by the Board of Directors based on the report of independent appraiser

(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

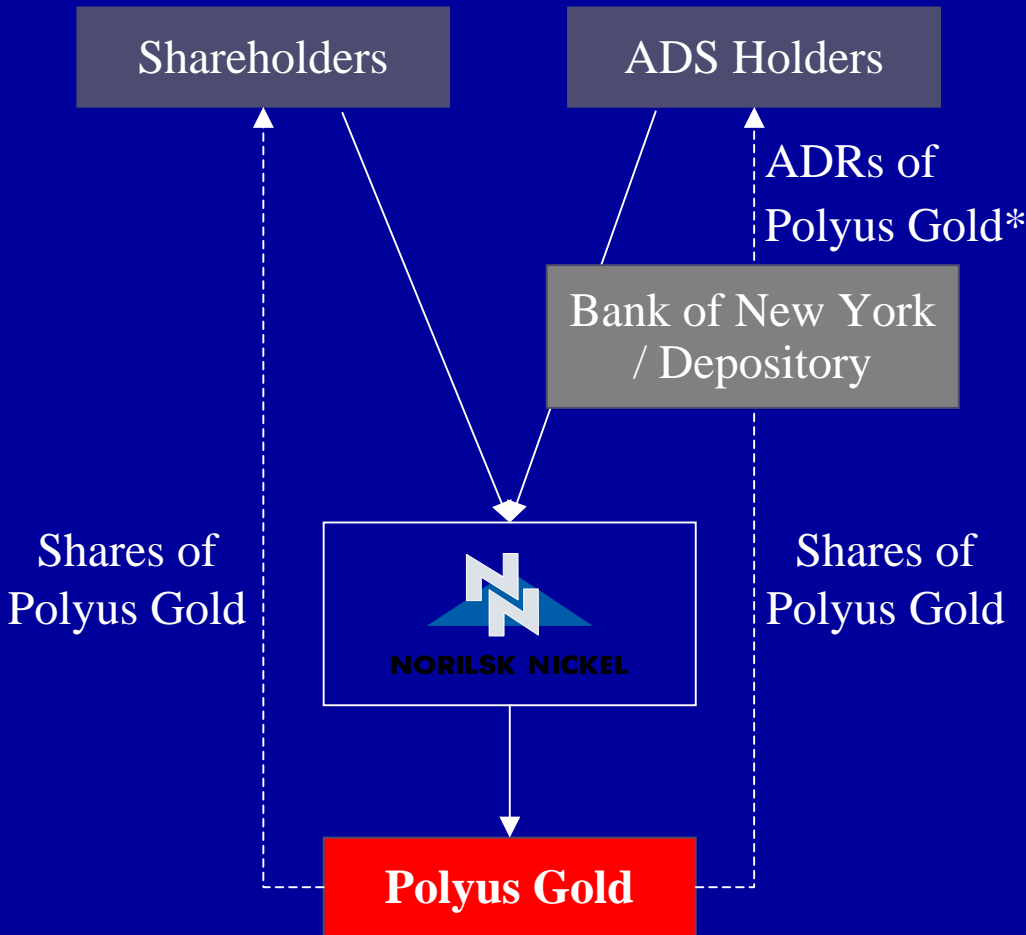


- (4) Each holder of record of Norilsk Nickel’s Shares and Norilsk Nickel’s ADSs as at Record Date for the Organizational Meeting, 1 January 2006, shall be entitled to participate in the Organizational Meeting of Polyus Gold and to receive Polyus Gold shares. Post Record Date trading in Norilsk Nickel’s 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. 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 will be entitled to receive Polyus Gold shares. Polyus Gold shares will be 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

Overview of the Transaction



Transaction Structure

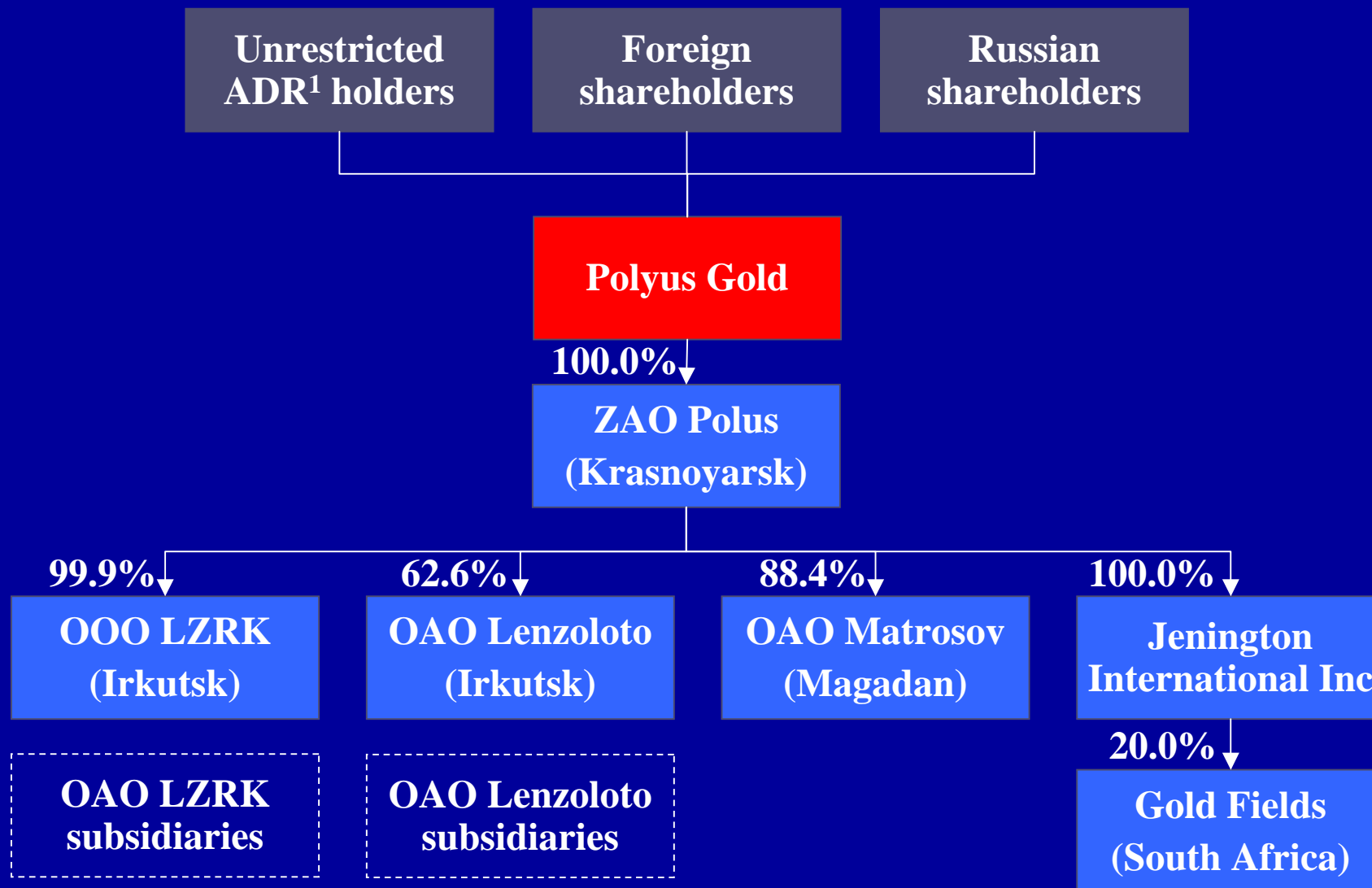


Key Transaction Approvals

- Shareholder approval of the Spin-Off
- State registration of Polyus Gold
- Listing of Polyus Gold in Russia
- FSFM approval for Level 1 ADR program
- SEC exemption under Rule 12g3-2(b) for Level 1 ADR Program and registration of ADRs on Form F-6

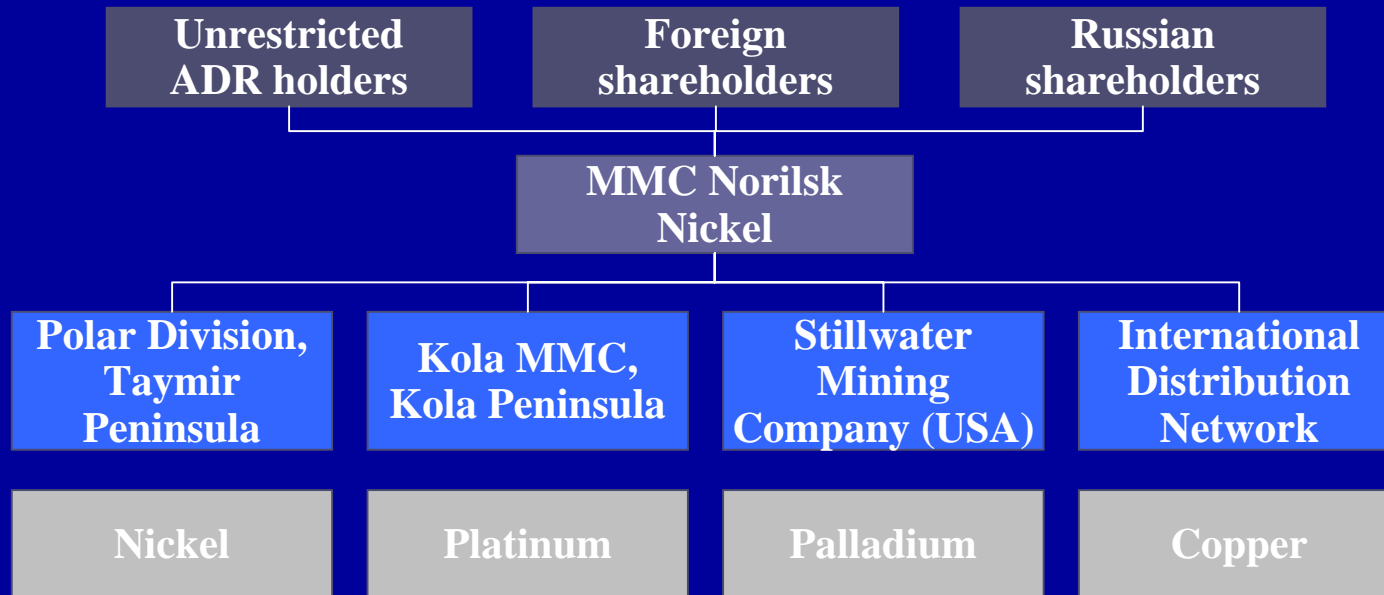
Note: * if a Level 1 ADR Program is established

Polus post Spin-Off



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

Norilsk Nickel post Spin-Off



Norilsk Nickel Performance Drivers

- World's leading nickel producer, 19% share
- #1 palladium producer, >50% share
- 4th largest producer of platinum, ~11% share
- 8th largest copper producer, 3% share

Norilsk Nickel Performance Highlights

	Q1 2005	2004
– Nickel sold	52 kt	250 kt
– Copper sold	88 kt	451 kt
– Sales	US\$1,630m	US\$7,033m
– EBITDA	US\$772m	US\$3,312m
– Net Operating Cash Flow	US\$600m	US\$2,504m

Maintain Known Strategy for Norilsk Nickel



- With 95% of revenues of the Norilsk Nickel Group, Norilsk Nickel excluding Polyus Gold will be able to
 - sustain world leadership in nickel, palladium and to remain major producer of platinum and copper
 - continue mining, enrichment and metallurgical activities relating to base metals, PGMs and gold, through Polar Division and Kola MMC
- Achievement of strategic goals communicated requires
 - continuous improvement of production and operating efficiencies
 - pursuit of value-enhancing expansion and diversification strategies
 - continuous international profiling
 - consistency across all business areas
- All corporate governance provisions will be maintained
- The dividend policy target of 20 – 25% IFRS net income is not expected to be affected