



RUSSIAN MINER: GLOBAL PLAYER

Tav Morgan
Deputy General Director, Strategy and Business Development

The EuroNickel Conference
Moscow, Russia
April 8th, 2008



NORILSK NICKEL





DISCLAIMER

The information contained herein has been prepared using information available to MMC Norilsk Nickel at the time of preparation of the presentation. External or other factors may have impacted on the business of MMC Norilsk Nickel and the content of this presentation, since its preparation. In addition all relevant information about MMC Norilsk Nickel may not be included in this presentation. No representation or warranty, expressed or implied, is made as to the accuracy, completeness or reliability of the information.

Any forward looking information herein has been prepared on the basis of a number of assumptions which may prove to be incorrect. Forward looking statements, by the nature, involve risk and uncertainty and MMC Norilsk Nickel cautions that actual results may differ materially from those expressed or implied in such statements. Reference should be made to the most recent Annual Report for a description of the major risk factors.

This presentation does not constitute or form part of any advertisement of securities, any offer or invitation to sell or issue or any solicitation of any offer to purchase or subscribe for, any shares in MMC Norilsk Nickel, nor shall it or any part of it nor the fact of its presentation or distribution form the basis of, or be relied on in connection with, any contract or investment decision.



MMC Norilsk Nickel:

Business Strategy





NORILSK NICKEL - OVERVIEW

Norilsk Nickel is a world class mining and metals company with excellent prospects

- **Leading global positions in nickel, palladium and platinum**
- **Unique reserve base both in terms of quality and life span**
- **Lowest cost nickel producer in a rising cost environment**
- **Consistent and responsible supplier to the market**
- **Vertically integrated producer with secure power and transportation assets**
- **Attractive portfolio of exploration and development projects with long term growth potential**
- **One of Russia's five most liquid stocks, planning LSE listing**
- **Outstanding record of total return to shareholders**

Norilsk Nickel has consistently generated significant value for shareholders



Over the past 5 years Norilsk Nickel has established its position as a Russia's leading mining and metals company

- Successful execution of vertical integration strategy to support Russian mining and metals operations
 - Launched first arctic cargo container carrier - 'Norilsk Nickel' (requires no separate icebreaker assistance)
 - Constructing four additional vessels to cover all shipment needs between the Taimyr Peninsula and European Russia
 - Secured energy independence at Taimyr operations through control of all regional power generation assets
 - Restructuring of construction, maintenance and R&D
- Re-structured sales network to increase confidence through stable, transparent direct customer contact
- Full disclosure on nickel, palladium and platinum
 - Data on nickel & PGM reserves, production & sales
 - Independent audit of all Russian reserves according to JORC standards





- **Initiated exploration program in Russia to further diversify mineral base**
 - Growing portfolio of in-house projects
 - Cooperation with Rio Tinto and BHP in attractive regions in Russia
- **Undertook international expansion through creation of Norilsk Nickel International**
 - Acquisition of OM Group Nickel Business and LionOre Mining
- **Successfully built and spun off Russia's largest gold company – Polyus Gold**
- **Pursued high standards of corporate governance and transparency**

Regions of Norilsk exploration



Norilsk Nickel Australia – Black Swan Mine



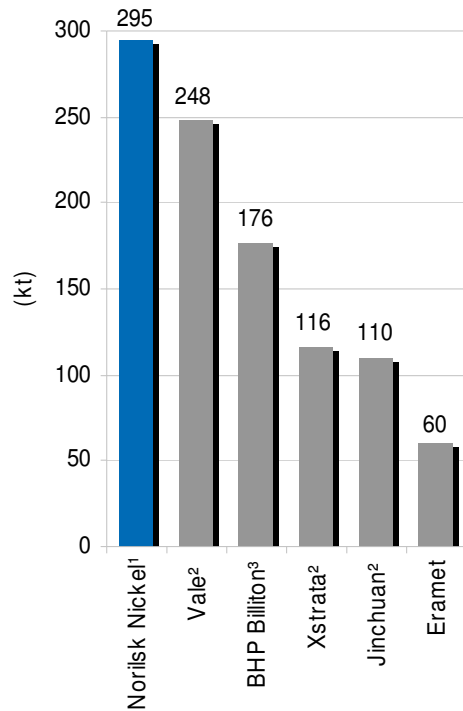
Norilsk is poised for new challenges and further growth



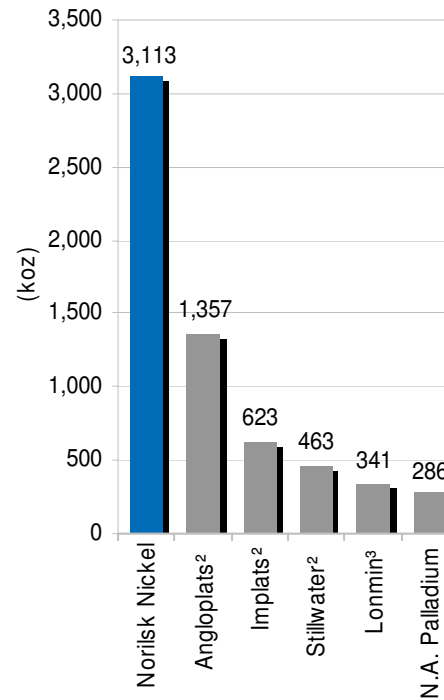
LEADERSHIP IN GLOBAL NICKEL AND PGMS

Norilsk is the world's leading nickel and palladium producer and a significant platinum player

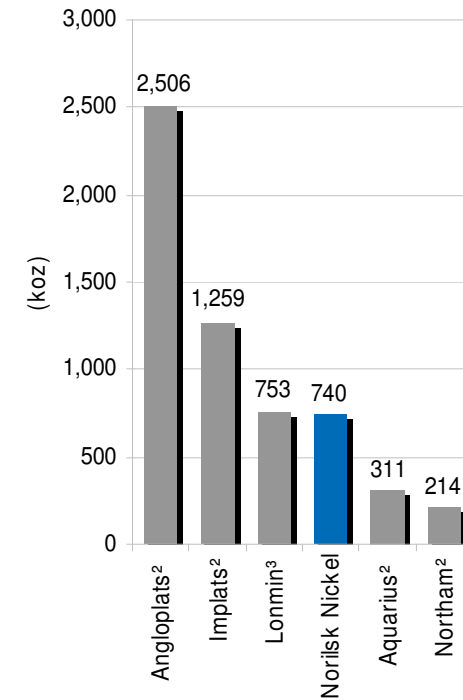
Nickel



Palladium



Platinum



Source: AME, GFMS, Company Information

Notes:

1 Includes refined production from NN operations abroad over 12 months of 2007

2 Estimates

3 Calendarised to December year-end





FOCUS ON STABLE PRODUCTION

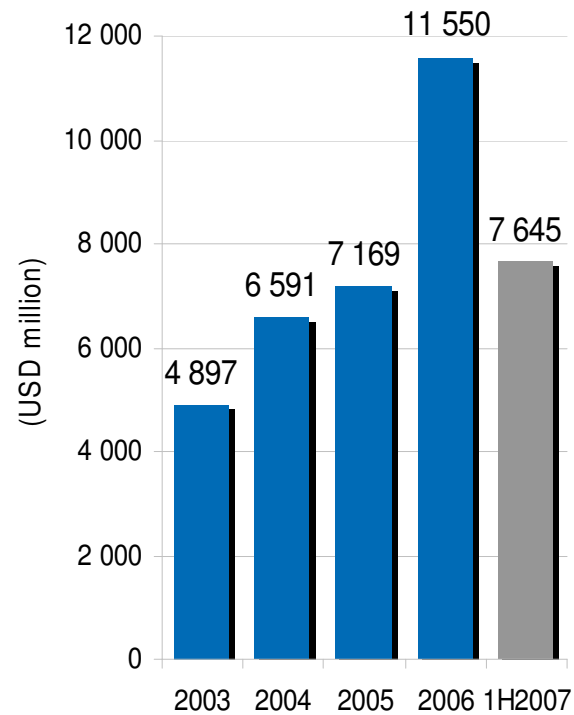
Production volume	2008 ⁽¹⁾ E	2007 ⁽¹⁾	2006	2005	2004	2003
Nickel ('000 tonnes)	300 – 305	295	244	243	243	239
Copper ('000 tonnes)	415 – 420	423	425	452	447	451
Palladium ⁽²⁾ ('000 troy ounces)	3,020 – 3,070	3,113	3,164	3,133	-	-
Platinum ⁽²⁾ ('000 troy ounces)	710 – 720	740	752	751	-	-

Notes: (1) Including Norilsk Nickel International
 (2) Excluding production of Stillwater Mining Company

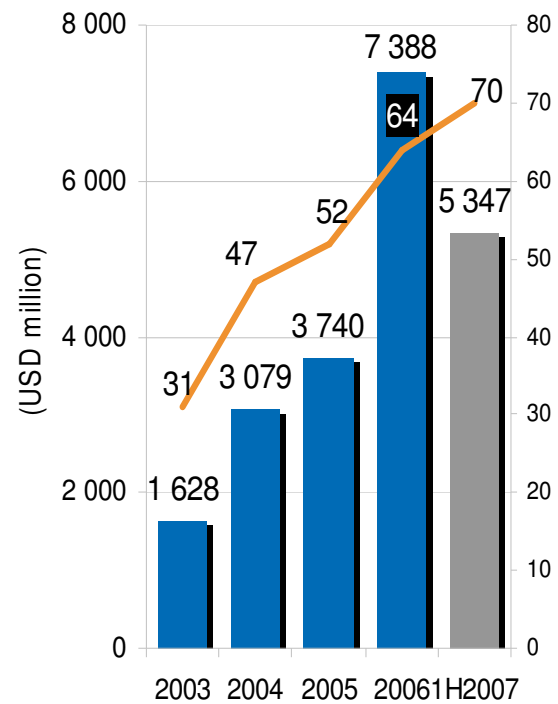


NORILSK NICKEL FINANCIALS, 2003 – 2007, 1H

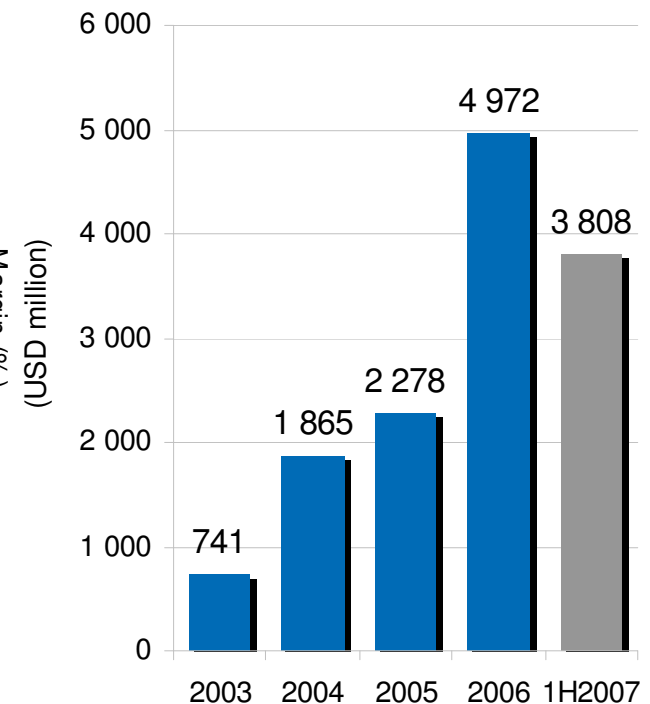
Metal sales revenues



EBITDA




Net profit




Source: Company data



RUSSIA'S LEADING CREDIT RATING AMONST PRIVATE COMPANIES

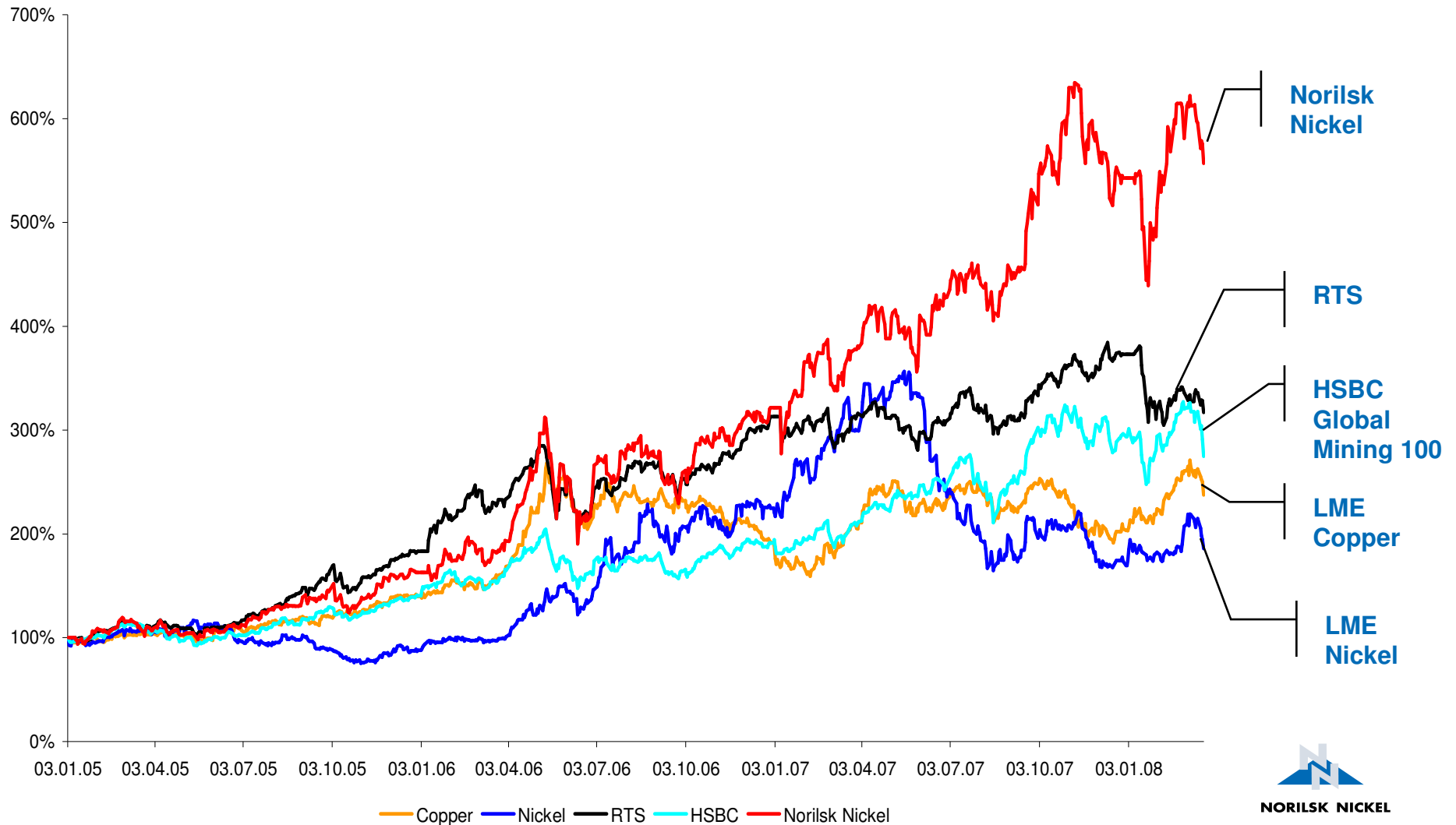
S&P	BB-	BB	BB+	BBB-	BBB
	MTS	Alrosa	Novolipetsk		
	Sistema	MMK	TNK-BP		
	Evraz	Severstal	Vimpelcom Megafon		Lukoil

Moody's	Ba3	Ba2	Ba1	Baa3	Baa2
		Alrosa			
		Evraz			
		MMK			Lukoil
		Vimpelcom			TNK-BP
		Severstal			
		MTS			

Fitch	BB-	BB	BB+	BBB-	BBB
	Severstal	Evraz	Megafon		
		MMK			
				Lukoil	
				TNK-BP	



NORILSK NICKEL SHARE PRICE PERFORMANCE 2005 – Q1 2008



Source: Reuters



MMC Norilsk Nickel:

Production Overview





NORILSK NICKEL – PRODUCTION STRATEGY

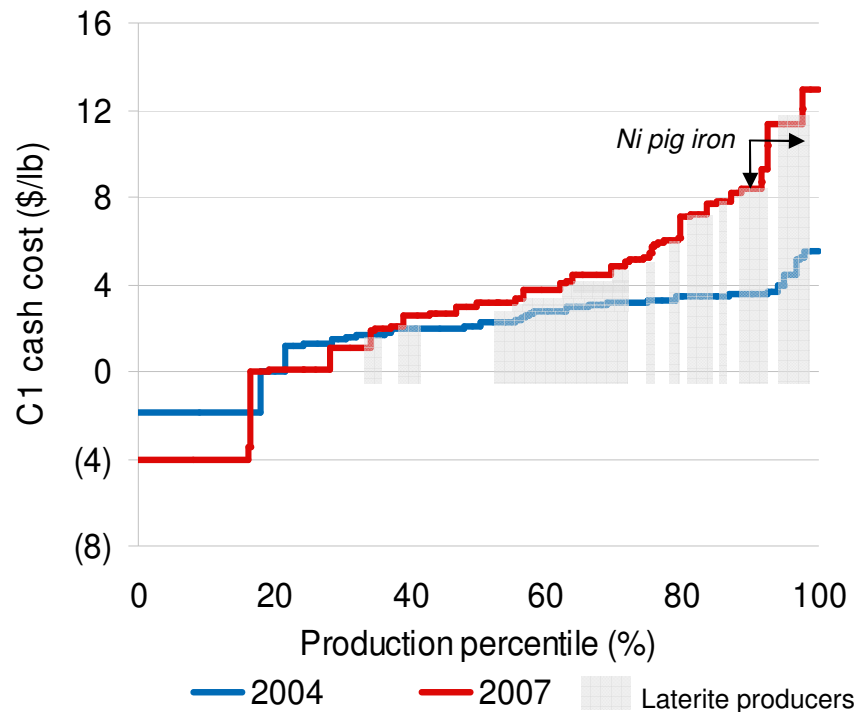
- **Nickel industry challenges and the Russian context**
- **Norilsk's production strategy – key developments**
- **Forging partnerships in Russia and worldwide**
- **Capturing technological leadership**
- **Expanding project pipeline through brown and green field exploration**
- **Creating value through focus on by-products**

Norilsk Nickel continues to build a multi-faceted production strategy



NICKEL INDUSTRY COST CURVE DEVELOPMENT, 2004-2007

Norilsk Nickel is the lowest cost producer in a rising cost environment



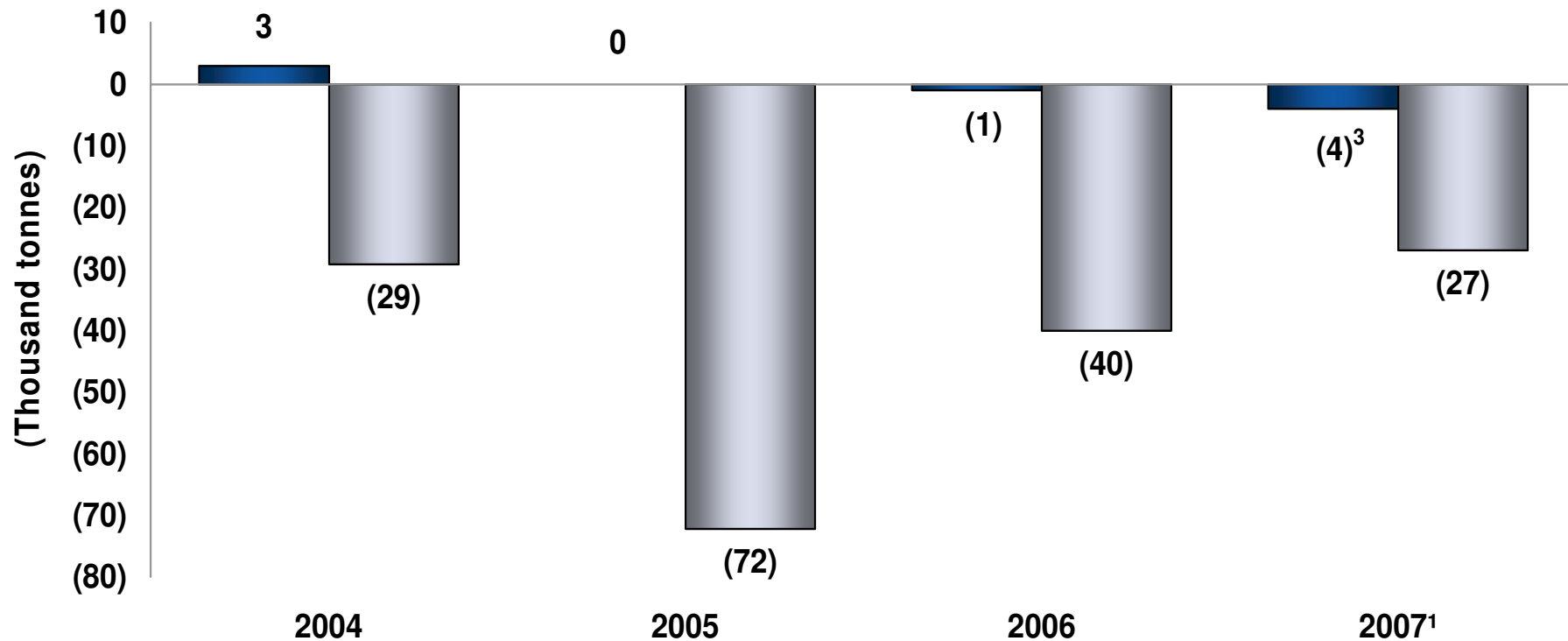
- Norilsk Nickel remains the only major producer with negative cash costs
 - cost advantages attained in part from in house energy and transportation assets
 - working to maximize by product credits
- Industry wide cost pressures have shifted the industry cost curve upwards
 - delays to major projects
 - increased share of laterite deposits
 - high-cost marginal supply
 - rising material and energy costs across the industry

Source: Brookhant, Norilsk Nickel Economics Dept



NICKEL PRODUCTION SHORTFALLS

Difference between announced production at beginning of year and actual annual production ¹



Source: CRU, Company information

Notes:

¹ Estimated annual production for 2007

² Difference from midpoint of forecast range published at the beginning of each period

³ Excludes production from Norilsk Nickel International

■ Norilsk Nickel² ■ Nickel industry





KEY CHALLENGES IN THE RUSSIAN MINING AND METALS INDUSTRY:

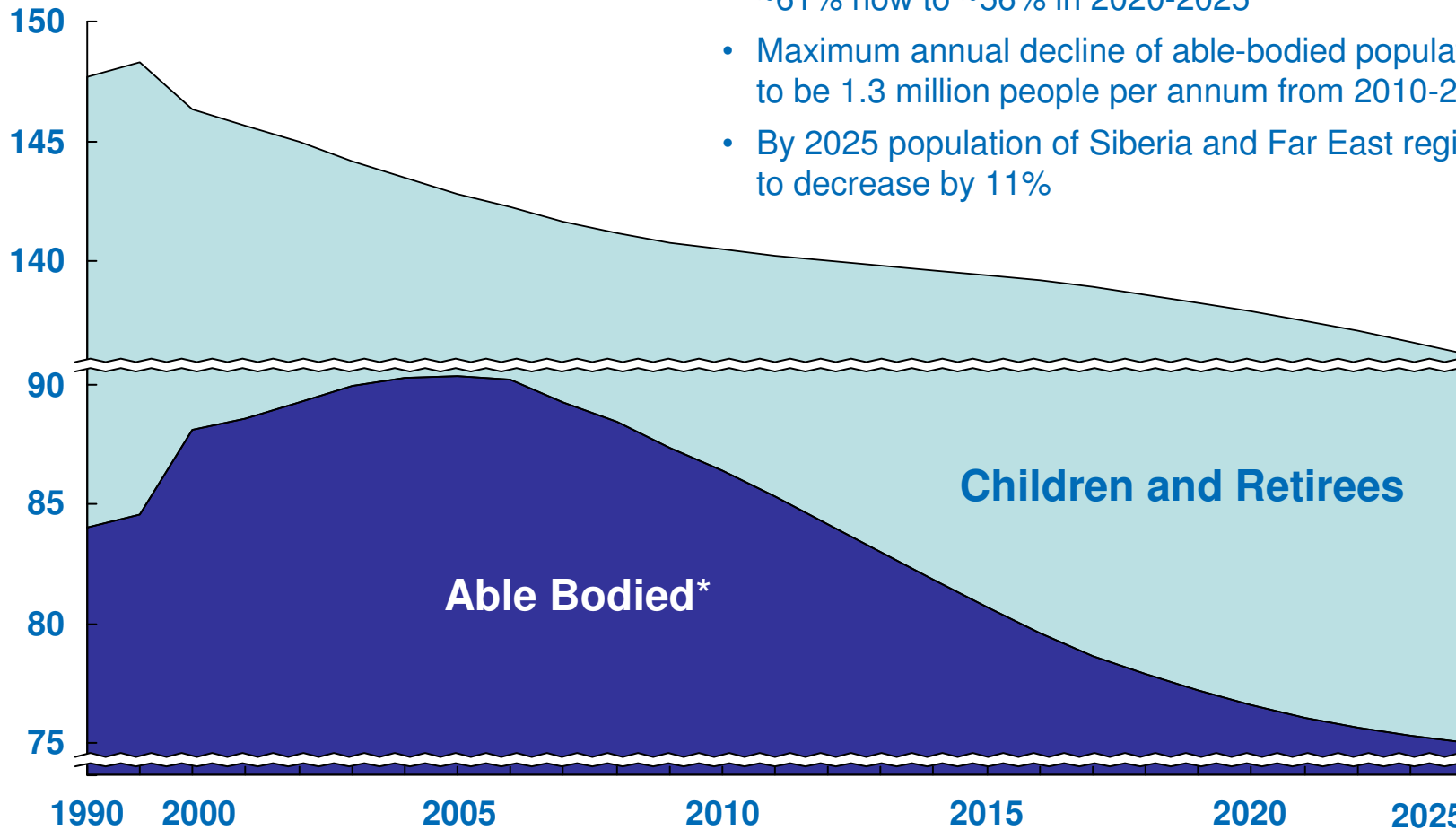
- **Macroeconomic pressures**
 - Overall inflation rate
 - RUR appreciation
- **Global mining industry cost pressures beginning to effect Russia**
- **Increasing constraints on project resources (design, construction, etc.)**
- **Labour challenges**
 - Emerging demographic crisis
 - Increasing mobility driven by:
 - wage inflation
 - greater career flexibility
 - growth of competing industries
- **Technical and infrastructure challenges for new project development**



RUSSIAN DEMOGRAPHIC CHALLENGES

Population

Millions of people



- Share of able-bodied population expected to decline from ~61% now to ~56% in 2020-2025
- Maximum annual decline of able-bodied population expected to be 1.3 million people per annum from 2010-2014
- By 2025 population of Siberia and Far East regions expected to decrease by 11%

* Able bodied population is determined by age and is equivalent to the working age population
 Source: Rosstat



MODERNIZE AND RESTRUCTURE RUSSIAN OPERATIONS



Mining

- Increase ore throughput from 21 mta to 26 mta by 2015
- Build new mines
 - Skalisty (Talnakh)
 - Severny-Gluboky (Kola)
- Optimize existing mines utilization



Beneficiation

- Expand ore beneficiation facilities in Taimyr
- Improve quality of concentrates and sulfur extraction at beneficiation stage
- Accommodate higher mining volumes



Smelting

- Reduce number of nickel concentrate smelting sites in Taimyr by closing sintering/smelting at Nickel Plant
- Invest into sulfur emissions reduction



Refining

- Improve metal recoveries in refining
- Examine and test new technologies of nickel and copper refining in Kola



NORILSK NICKEL FINLAND

- Harjavalta nickel refining capacity:
 - Expand nickel briquette production capacity from 36 to 40 th mt p.a.
 - Total nickel production capacity is expected to increase to 60 600 mt in 2008 and up to 66 000 in 2009
 - Capital investment of EUR 9.5 mln over two years
- Capital investment underway to establish a de-calcination facility
 - Enables treatment of a broad variety of intermediates that contain higher levels of impurities including up to an expected 33 000 tons of nickel in intermediates from Talvivaara
 - Capital investment of EUR 64 mln over two years
- Own testing laboratory under construction
 - World-class facility and in house knowledge development
 - Capital investment of EUR 4.4 mln





NORILSK NICKEL AFRICA: NKOMATI

- Nkomati Phase 2 Mining Expansion to quadruple production to 20,500tpa Ni in concentrate
 - 50:50 JV with African Rainbow Minerals, a leading BEE player
 - Will become one of Africa's largest nickel mines
 - Unlocks ~1 million tonnes nickel resource
 - Rand 3.2 billion capex, approved in September 2007
- Production ramp-up from Q3 2009, full production by 2011
 - 2 concentrators to be built to process 2 different types of ore, total capacity of 625,000 tpm
 - MMZ concentrator ramp-up Q3 2009, full production Q1 2010
 - PCMZ concentrator ramp-up Q3 2010, full production 2011
 - Average mill grade ~0.4% over life of mine
 - By-products: 9,000 tpa Cu, 110,00 oz/pa PGM
- Extends life of mine by 18 years to 2027





NORILSK NICKEL AFRICA: BOTSWANA



- **First Dense Media Separation (DMS) unit already in place**
- **DMS Commercial Scale Plant with 12Mtpa processing capacity under construction**
- **Increases conventional production to 18,000 tpa Ni**
- **Commissioning expected mid-2008**



- **Activox® pilot plant operating successfully since 2004**
- **Activox® Industrial Refinery under construction**
- **22,000 tpa Ni and 18,000 Cu cathode**
- **1st metal production targeted 2010**
- **Configuration optimization review currently underway**



NORILSK NICKEL AUSTRALIA

Lake Johnston



- Contract underground mining
- Conventional nickel sulphide flotation plant (1.5Mtpa capacity)
- Concentrate toll treated by Vale Inco and refined at Norilsk Nickel Harjavalta
- Successfully rehabilitated mine following fall of ground suffered in March 2007
- Resource 140,000t contained nickel, extensions to planned reserves currently being pursued

Waterloo



- Underground mine
- Ore trucked to BHPB Leinster
- Toll treated by BHPB
- Resource 9,000t contained nickel
- Orebody open at depth

Black Swan



- Silver Swan underground mine
- Black Swan disseminated open pit
- Conventional nickel sulphide flotation plant (2.4Mtpa capacity)
- Concentrate processed at Norilsk Nickel Harjavalta
- Resource 83,000t contained nickel, extensions to planned reserves currently being pursued

Cawse

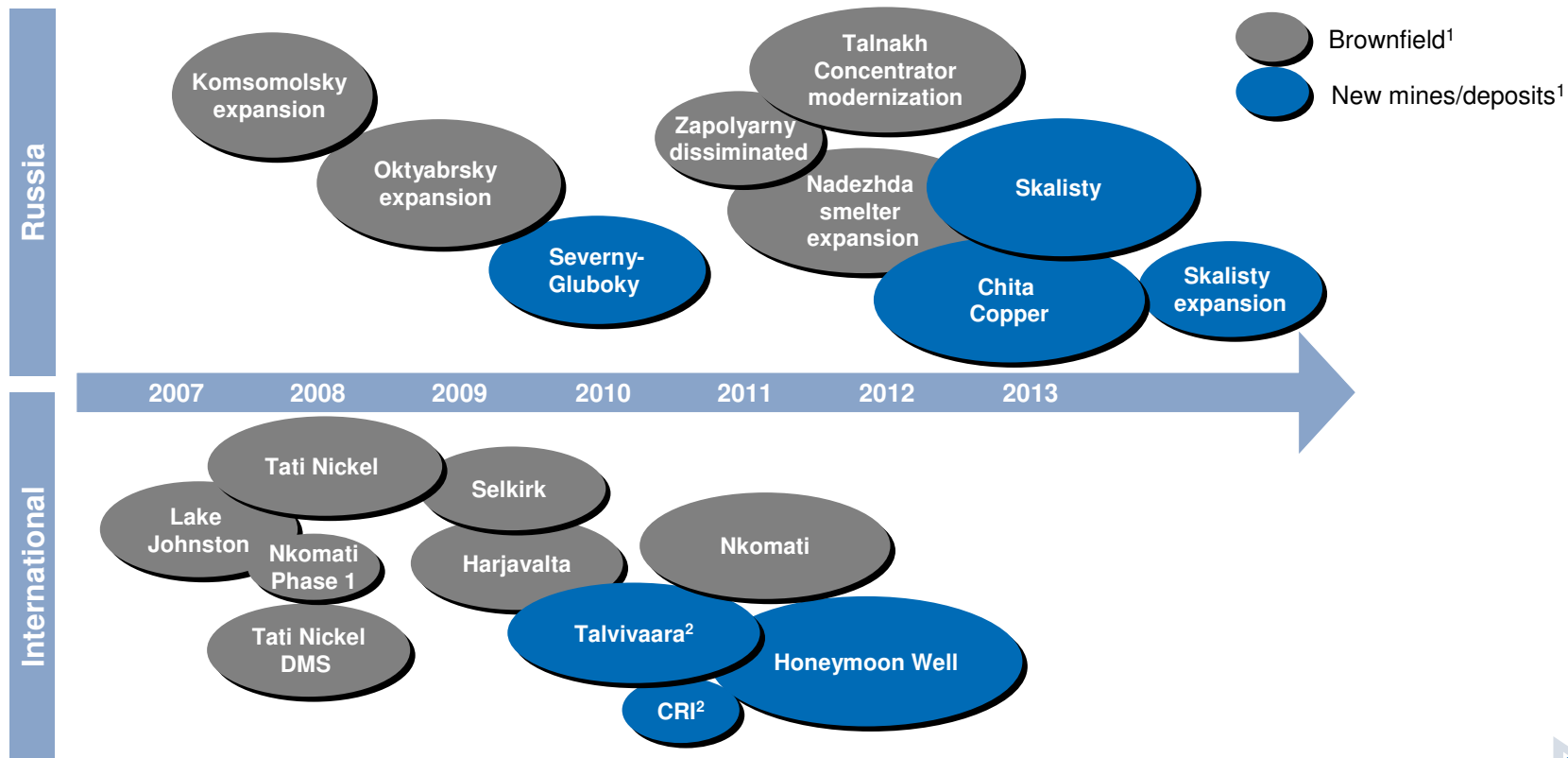


- Laterite deposit
- Open pit mining, contractor
- High Pressure Acid Leach
- Nickel carbonate refined at Norilsk Nickel Harjavalta
- Resource 247,000t contained nickel



NORILSK NICKEL KEY DEVELOPMENT PROJECTS

Extensive portfolio of projects with focus on expanding production and growing commodity portfolio in Russia and internationally



Source: Company information

Notes:

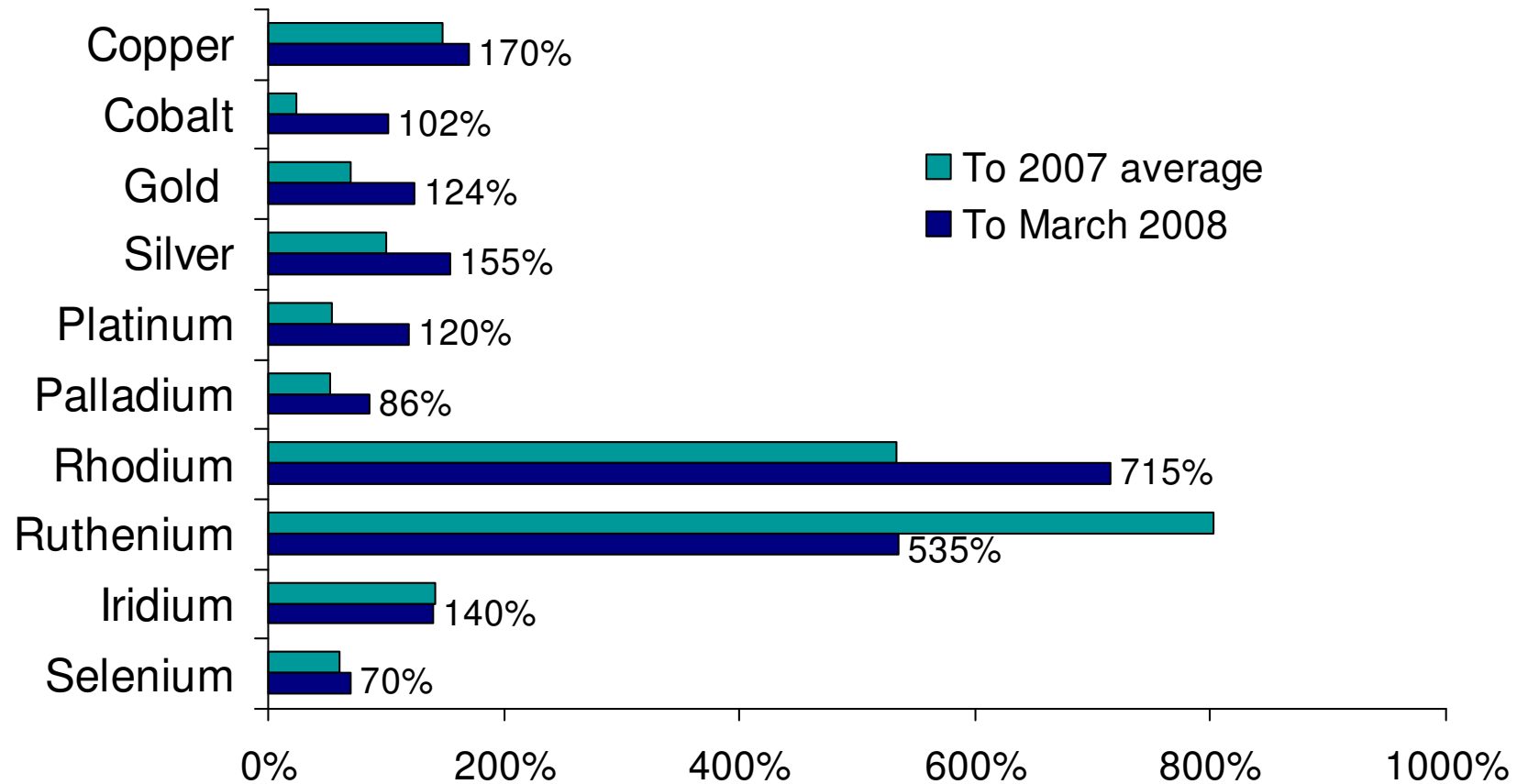
1 Bubble size indicates estimated production volume (throughput)

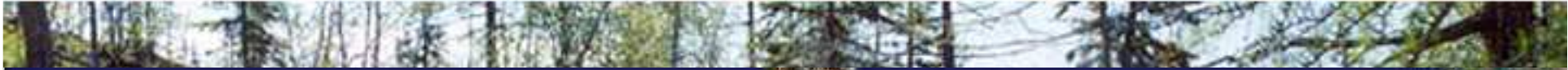
2 Norilsk owns equity stakes in Talvivaara and Canadian Royalties Inc.



NORILSK NICKEL'S BY-PRODUCT PRICE INCREASES

Increase in by-product prices from 2004 average





EXCELLENT OPPORTUNITIES FOR FURTHER COOPERATION IN EUROPEAN NICKEL INDUSTRY

