

## **EXPLANATORY NOTE**

**RE:**

### **DIVIDENDS PAYOUT ON THE SHARES OF MMC NORILSK NICKEL BASED ON THE COMPANY PERFORMANCE IN THE FIRST NINE MONTHS OF 2007**

In the first half of 2007 MMC Norilsk Nickel (the Company) demonstrated positive financial results. IFRS net profit of the Company in the first half of 2007 was USD 3.8 billion.

Taking into account the financial performance and in accordance with the Company's longstanding practices the Board of Directors recommends that the Extraordinary General Meeting of shareholders approve payment of interim dividend on MMC Norilsk Nickel shares for the 9 months of 2007 in cash at the rate of 108 rubles per share.

The proposed resolution on payment of interim dividend complies with the Company's dividend policy adopted in 2002. Under this policy the Company allocates 20-25% of its annual net profit under IFRS for dividend payout.

In accordance with the Russian legislation in force, dividends should be paid out within 60 days after the General Meeting of shareholders adopts the resolution on dividend payment.