



# **Norilsk Nickel Russian Miner: Global Player**

**BMO Global  
Metals & Mining Conference**

**Hollywood, Florida**

**February 25-28, 2008**

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**Leading  
Corporate  
Governance  
Standards**

**World Leader  
in Nickel,  
Palladium and  
Platinum**

**Unique,  
Long-Term,  
High Quality  
Reserve Base**

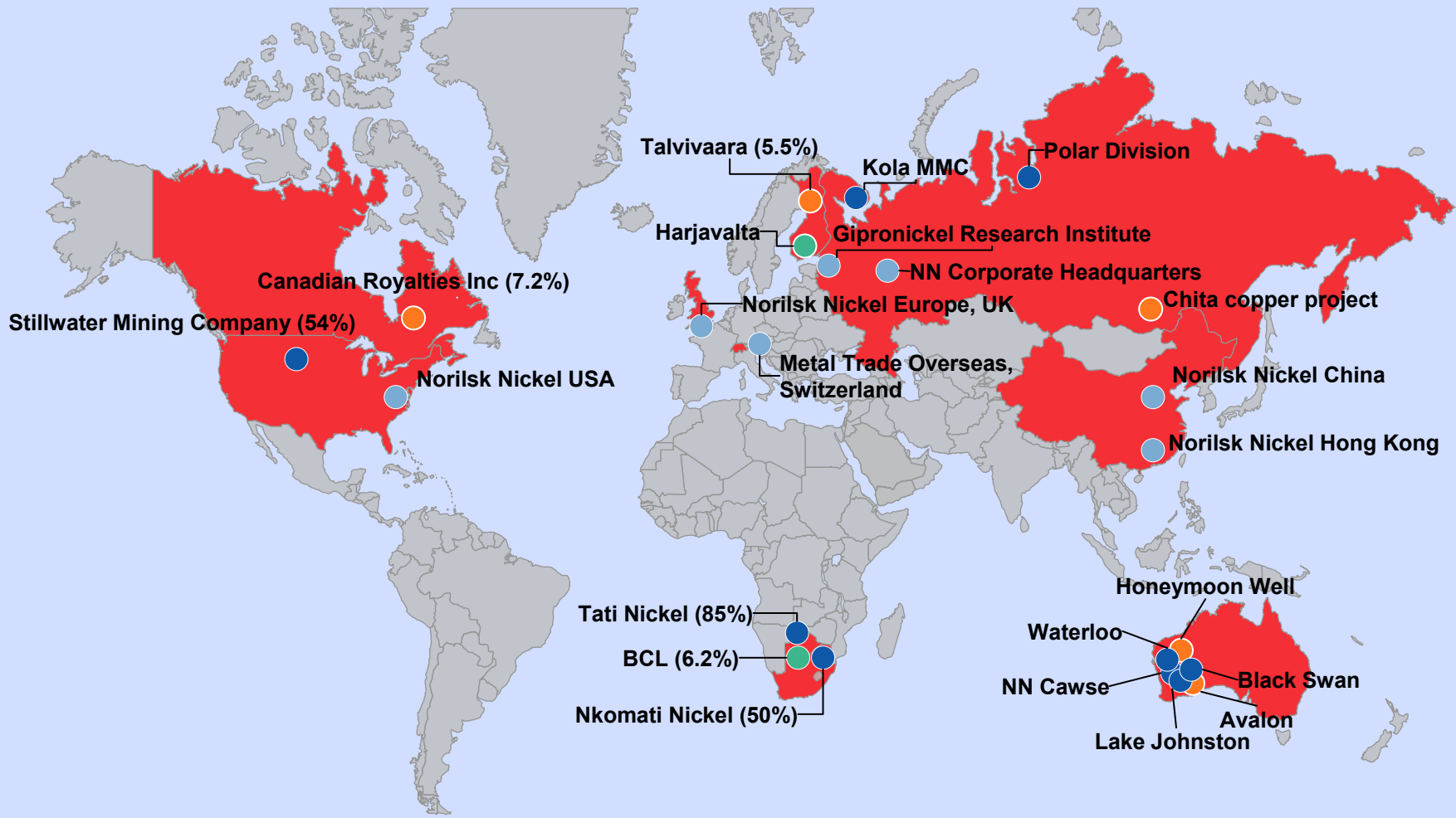
**Outstanding Track Record  
of Value Creation**

**Increasing  
Global  
Presence**

**Promising  
Portfolio of  
Exploration  
& Development  
Projects**

**Lowest Cost  
Producer**

# Norilsk Nickel Operations Worldwide



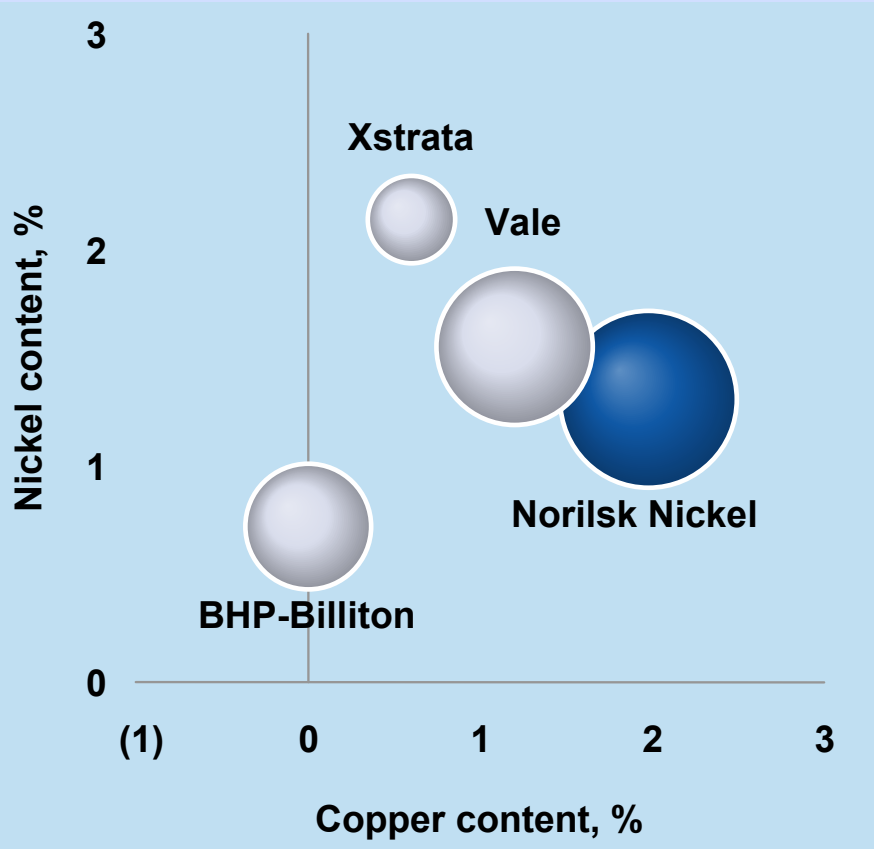
● Mining operations  
 ● Development projects  
 ● Smelting/refining operations  
 ● Headquarters & Sales Offices

Source: Company information

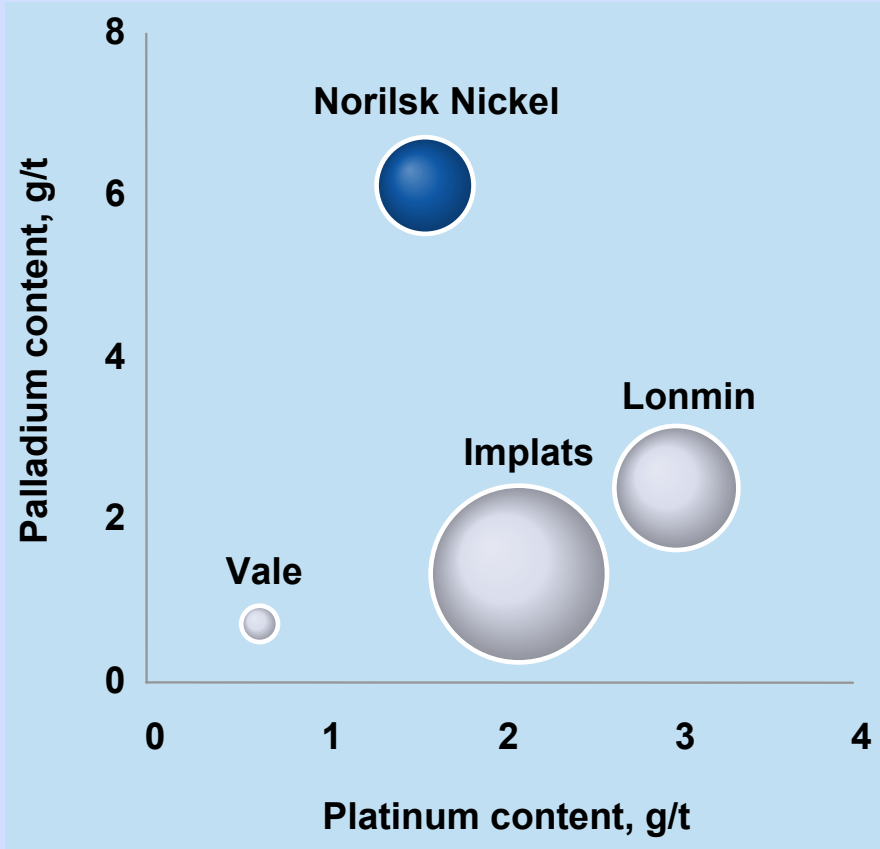
# World Class Reserves



*Proved and Probable Reserves, 2006*  
**Contained Nickel/Copper (kt)<sup>1</sup>**



*Proved and Probable Reserves, 2006*  
**Contained Palladium/Platinum (moz)<sup>1</sup>**



Source: Company reports  
 Note:  
 1 Bubble size reflects amount of contained metal

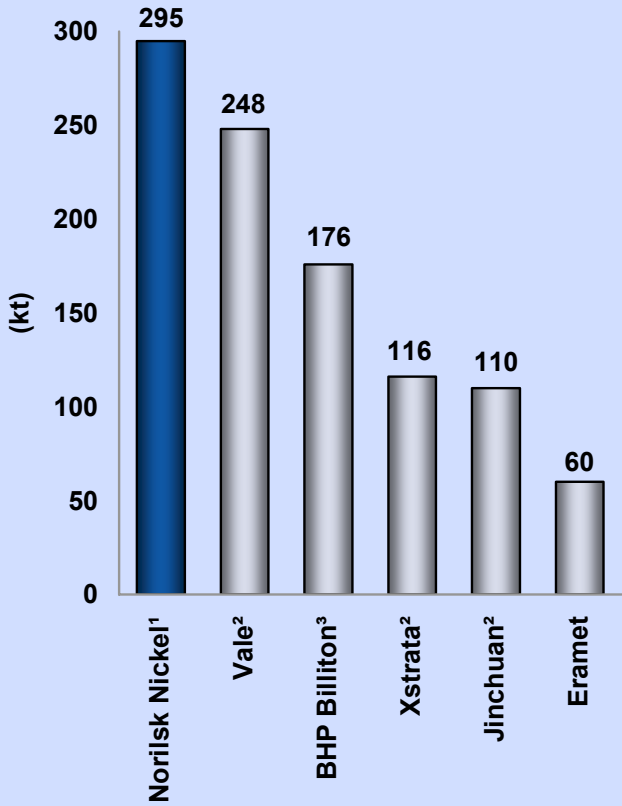
# Leadership in Global Nickel and PGMs



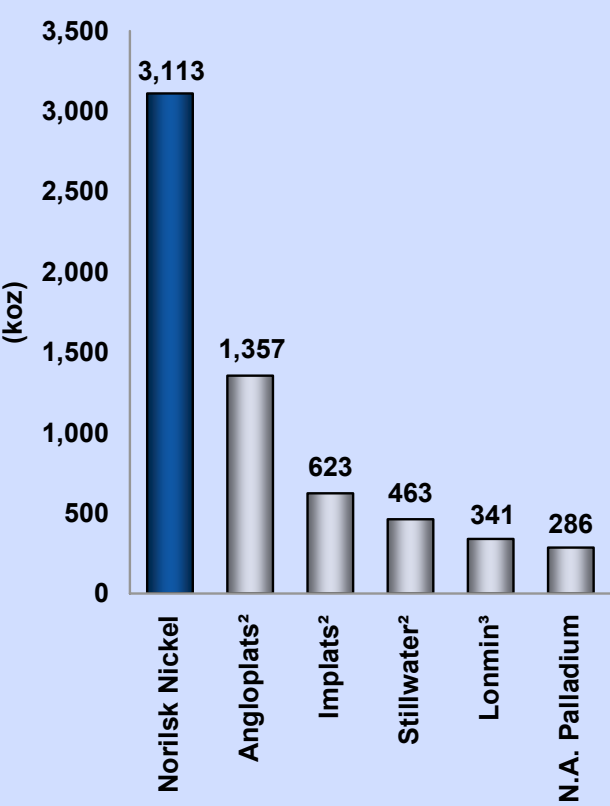
Norilsk is the largest nickel & palladium producer in the world with significant platinum production

## 2007 production volumes

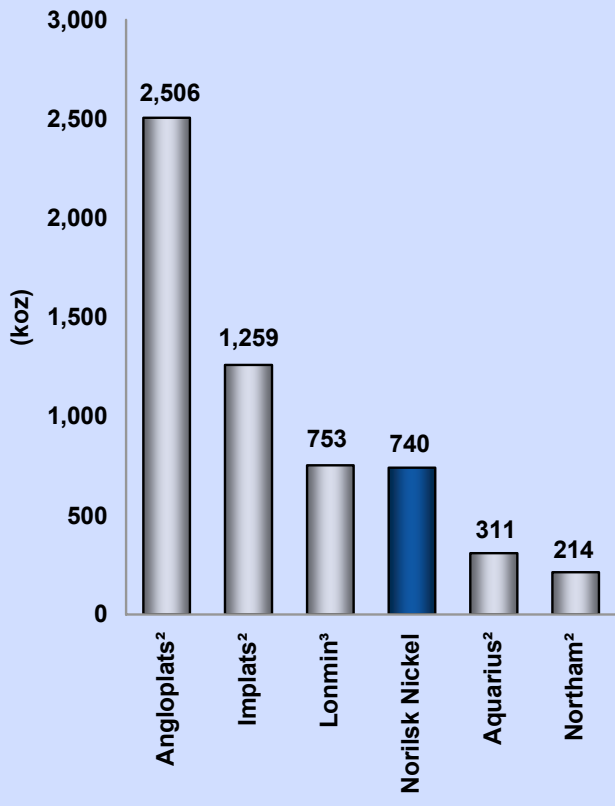
### Nickel



### 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

# Production Guidance



<b>Production volume</b>	<b>2008<sup>(1)</sup> E</b>	<b>2007<sup>(1)</sup></b>	<b>2006</b>	<b>2005</b>
Nickel ('000 tonnes)	300 – 305	295	244	243
Copper ('000 tonnes)	415 – 420	423	425	452
Palladium <sup>(2)</sup> ('000 troy ounces)	3,020 – 3,070	3,113	3,164	3,133
Platinum <sup>(2)</sup> ('000 troy ounces)	710 – 720	740	752	751

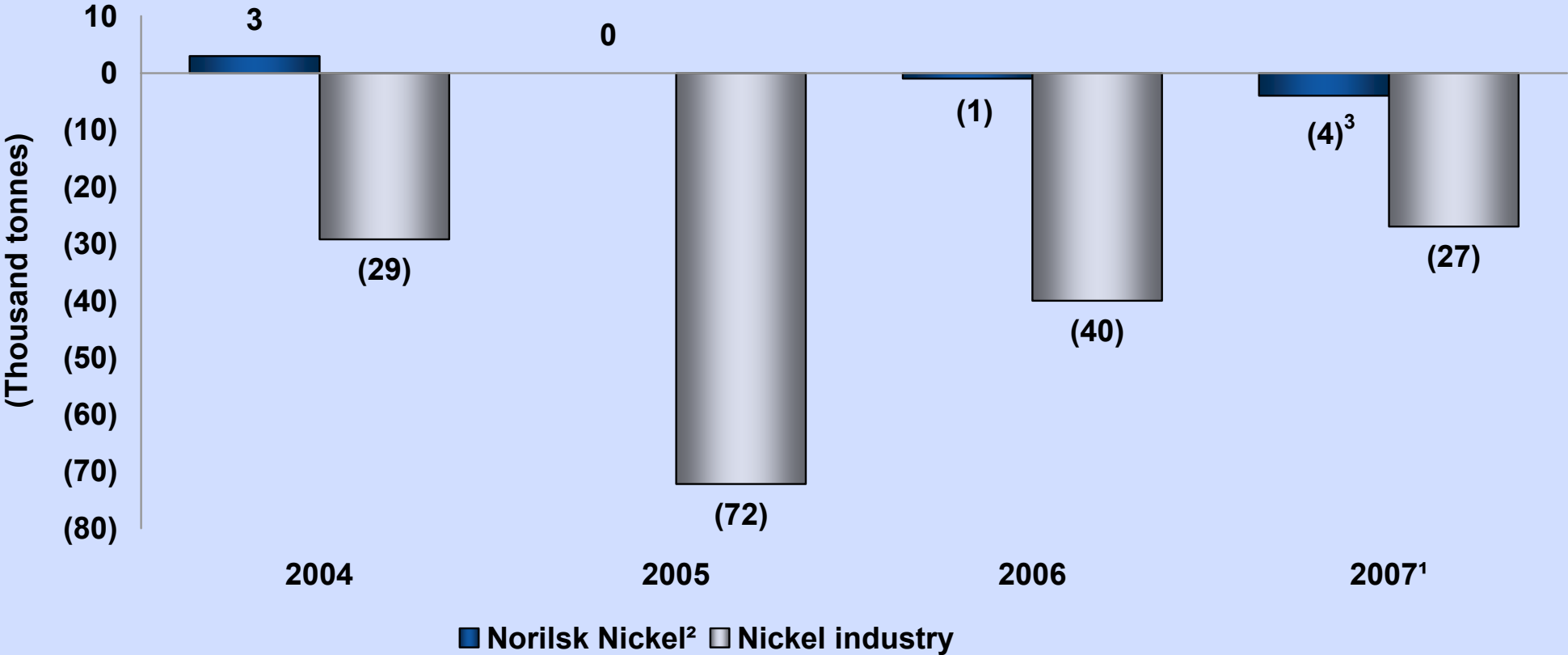
Notes: (1) Including international production assets  
(2) Excluding production of Stillwater Mining Company

# Nickel Industry Production Performance



Norilsk Nickel has consistently delivered against its production forecasts

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



Source: CRU, Company information

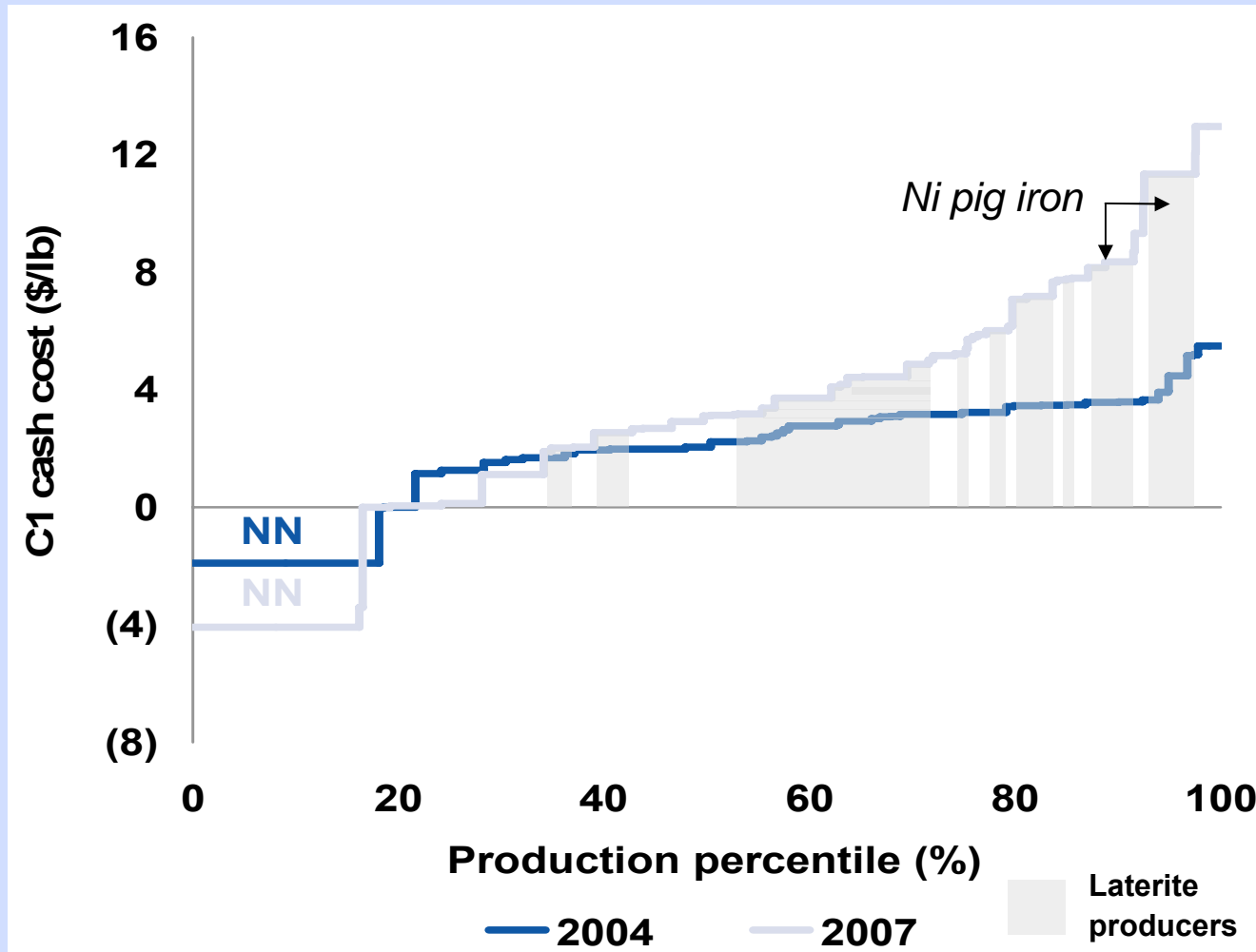
Notes:  
 1 Estimated annual production for 2007  
 2 Difference from midpoint of forecast range published at the beginning of each period  
 3 Excludes production from Norilsk Nickel International



# Nickel Industry Cost Curve, 2004-2007



*Norilsk Nickel continues to be the lowest cost producer in a rising cost environment*

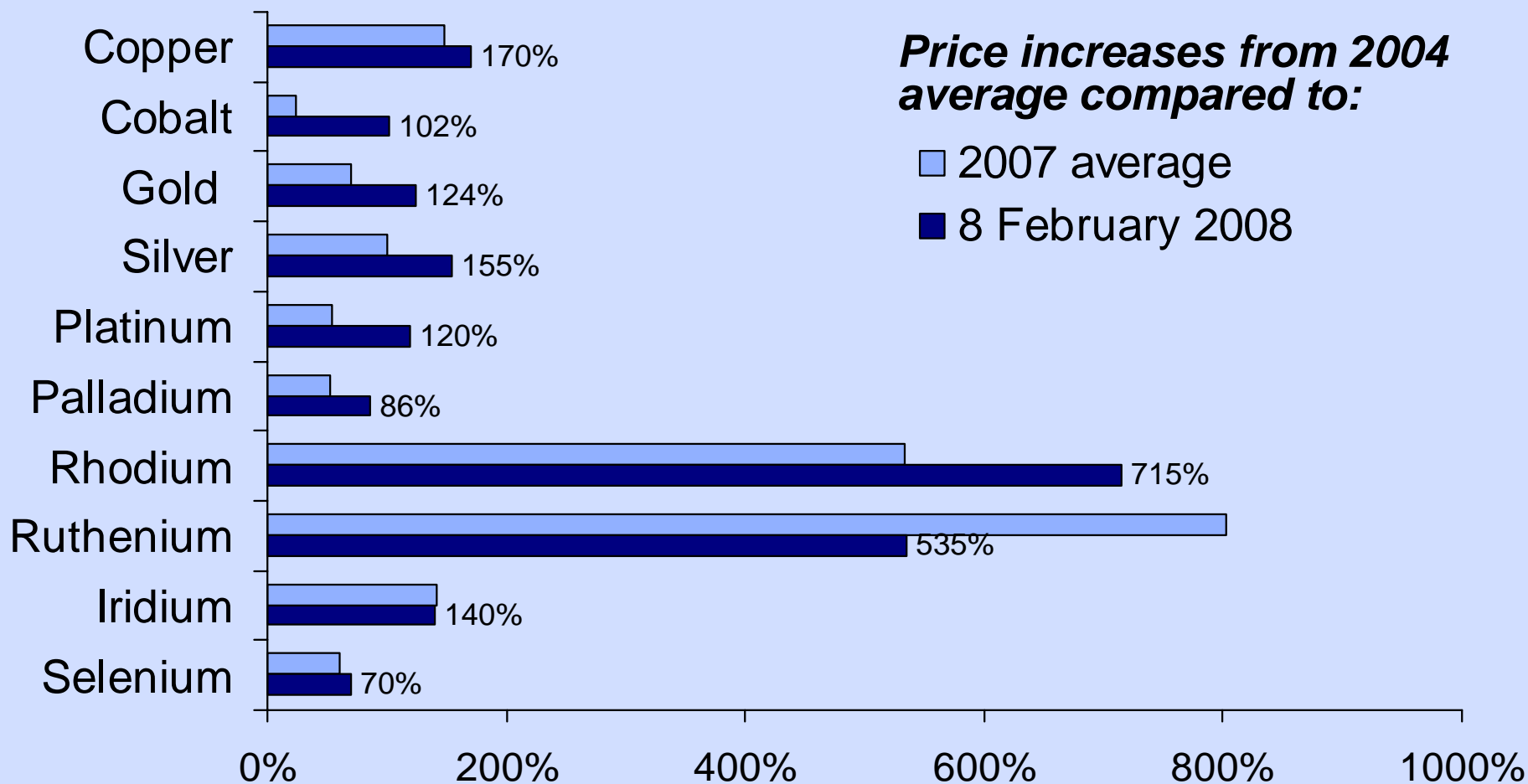


Source: Brookhunt, Norilsk Nickel Economics Dept

# Norilsk By-Product Price Increases, 2004-07

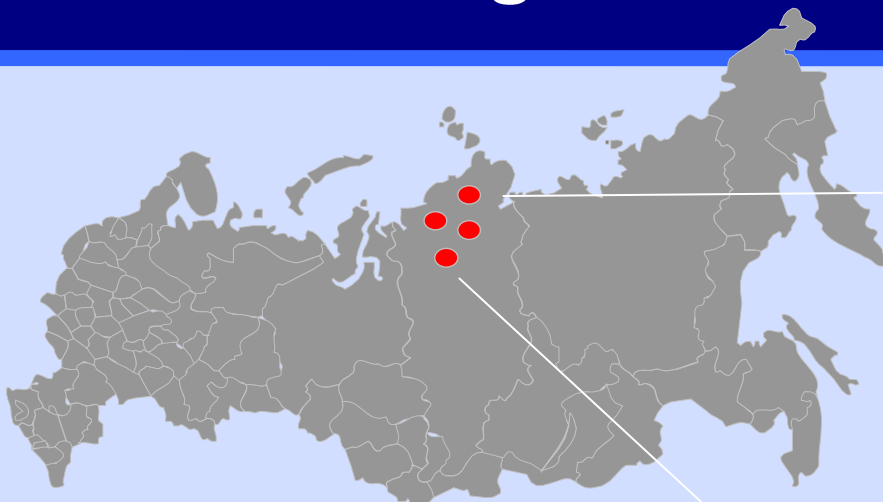


*Norilsk Nickel by-product prices continue to perform very strongly*

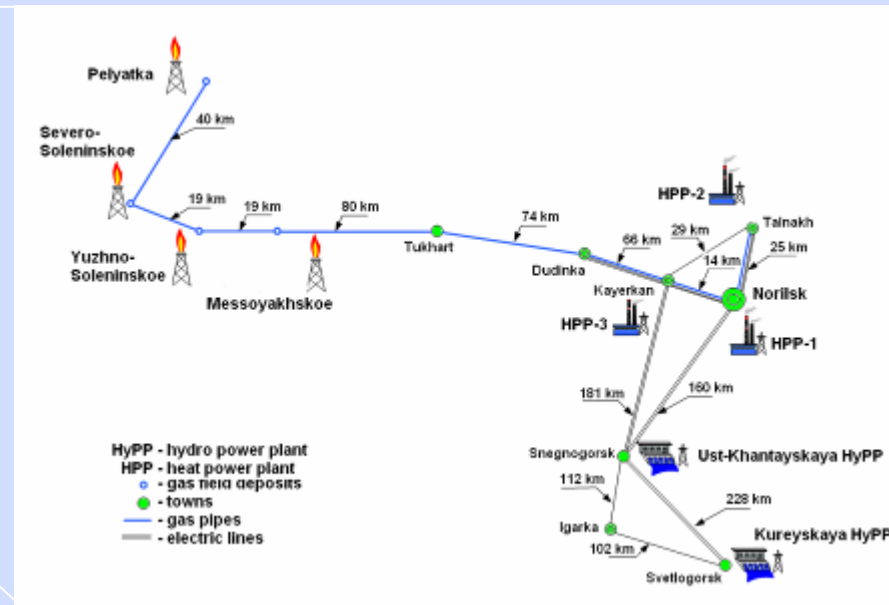


Source: Brookhunt, Norilsk Nickel Economics Dept

# Norilsk's Strategic Power Assets



- OJSC NTEC operates
  - 3 heat power plants (Norilskenergo)
  - 2 hydroelectric power plants (OJSC Taimyrenergo)
- Total energy production is 8.1 bln kW\*hour
- MMC Norilsk Nickel consumes 82% of the total demand in the region
- Heat power plants are fueled by gas from
  - Pelyatka gas condensate deposit (OJSC Taimyrgaz);
  - Severo-Soleninskoye, Yuzhno-Soleninskoye gas condensate deposits and Messoyakhskoye gas deposit (OJSC Norilskgazprom)
- There are 389 km of gas pipe lines and 917 km of electric lines within the region
- Taimyr energy assets are isolated from the national infrastructural systems



Gas Complex	Unit	2006
Gas production	bln m <sup>3</sup>	3.6
Gas reserves <sup>(2)</sup>		340
Condensate production	'000 tonnes	37.7
Condensate reserves <sup>(2)</sup>		13,691

Notes: (1) Weighted average for Norilsk Nickel and average for others

(2) Reserves categories (A+B+C1) established by the State Reserves Committee of the Russian Federation

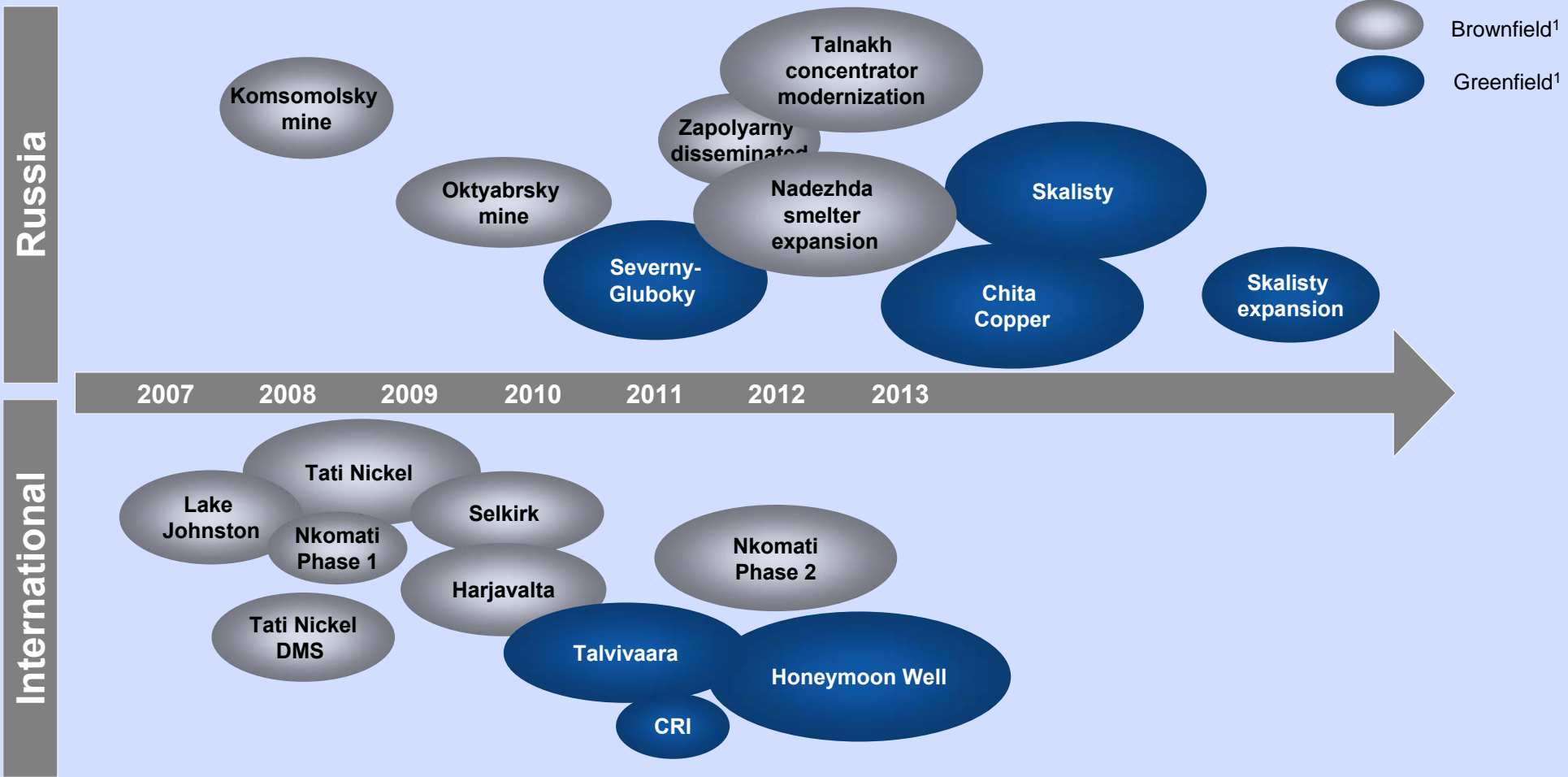
- Norilsk Nickel is building its own cargo fleet of 5 vessels
  - Will cover all of the Company's shipment needs between Taimyr Peninsula and the European part of Russia
  - Reducing current transportation costs
- Launch of first arctic cargo container carrier (no icebreaker assistance) successfully carried out in 2006
- Contract signed for four new vessels for 320 mln euros with final delivery 2009
- Water testing of the second carrier's hull since January 2008, launch by summer



# Norilsk Nickel Key Development Projects



*Extensive portfolio of projects with focus on developing mining assets to ensure stable production*



Source: Company information

Notes:

<sup>1</sup> Bubble size indicates estimated production volume (throughput)

# Longer-Term Growth Opportunities



*Norilsk Nickel's prospective projects in geological exploration and new technology development/ applications create a solid platform for further sustainable growth*

## Geological exploration



- Norilsk is carrying out an extensive geological exploration program in Russia and abroad
- Brownfield exploration around existing mines in Norilsk, Kola and Australia
- Two types of greenfield exploration projects
- Within JVs w/ Rio Tinto and BHP
  - Independent (Kingash nickel, nickel in Voronezh region)

## Activox



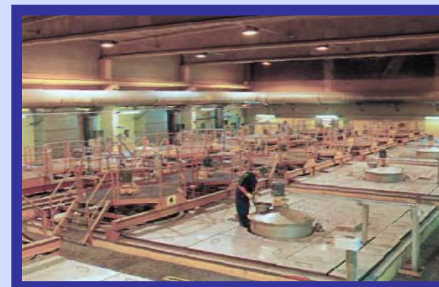
- Possible application of Activox to treat sulphide ores with high impurities (Honeymoon Well)
- Accelerated mining of disseminated ores and processing of other low Ni content materials in Russia and possibly other geographies
- New Activox testing facility is under construction in St.Petersburg

## New technologies in ore beneficiation



- Improve concentrate quality (metal content, sulphur reduction) and decrease costs in smelting
- Accommodate higher mining volumes
- Testing of new technologies/ regimes under way, project work for modernization of Talnakh concentrator has started

## New hydromet refining technologies

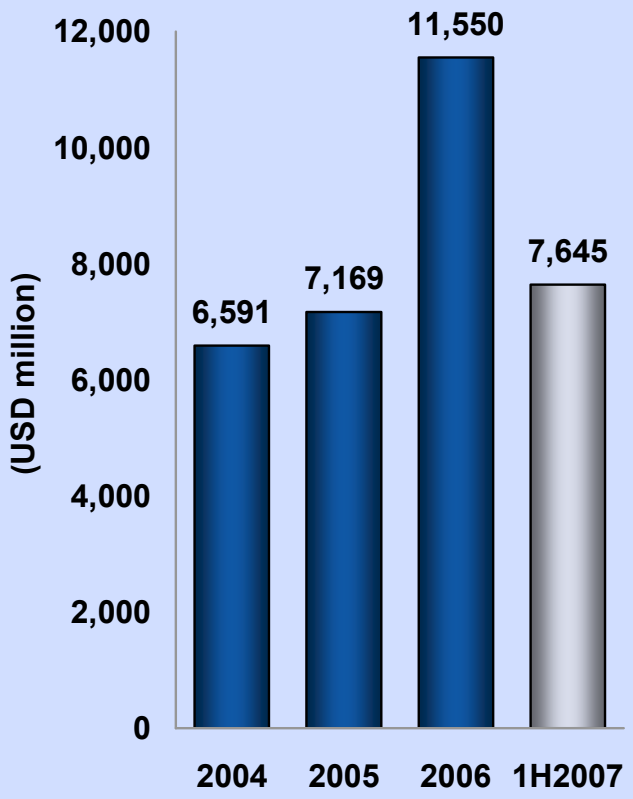


- Improve recoveries and increase metal throughput
- Reduce sulphur emissions
- Alternative options are being evaluated and tested, test processing of Ni matte from Norilsk at Harjavalta plant is scheduled for 2008

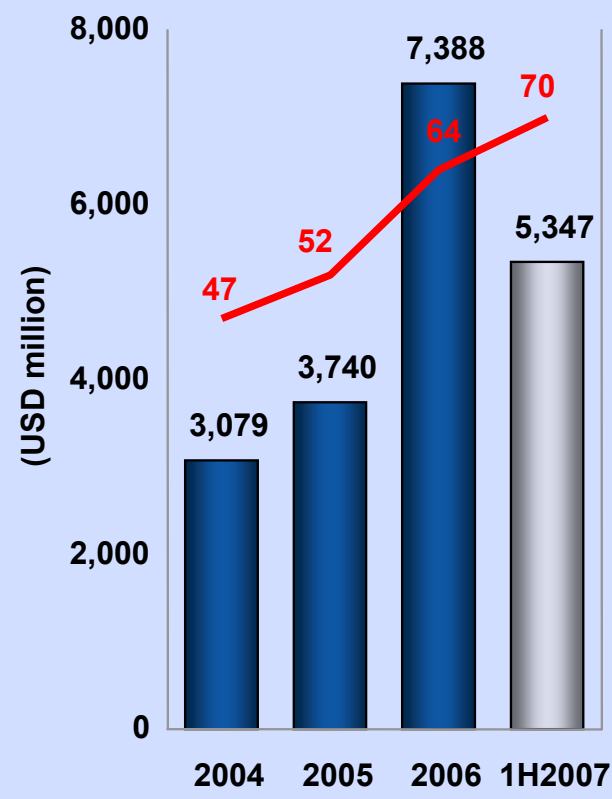
# Norilsk Nickel Financials, 2004 – 2007, 1H



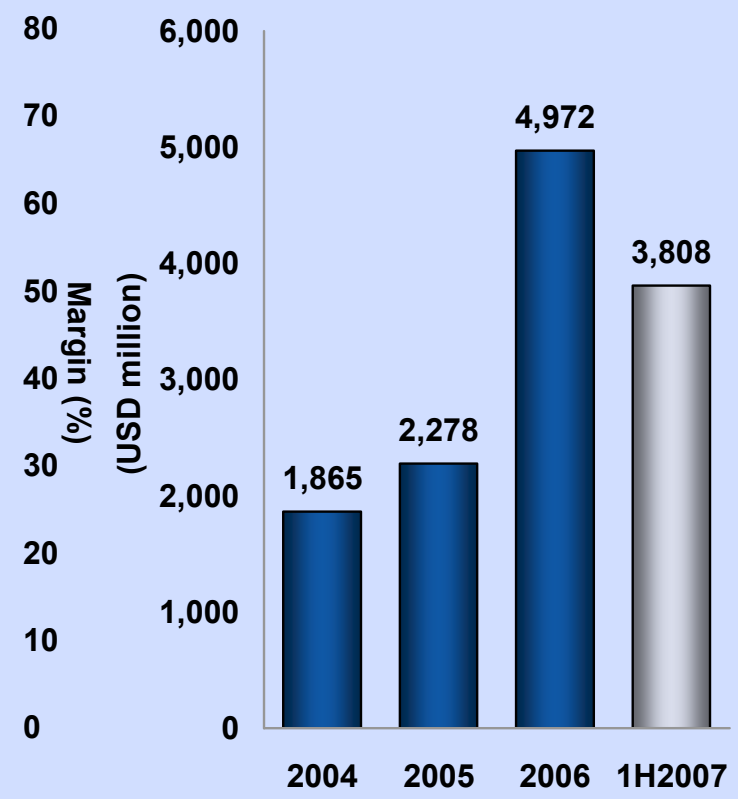
**Metal sales revenues**



**EBITDA**



**Net profit**



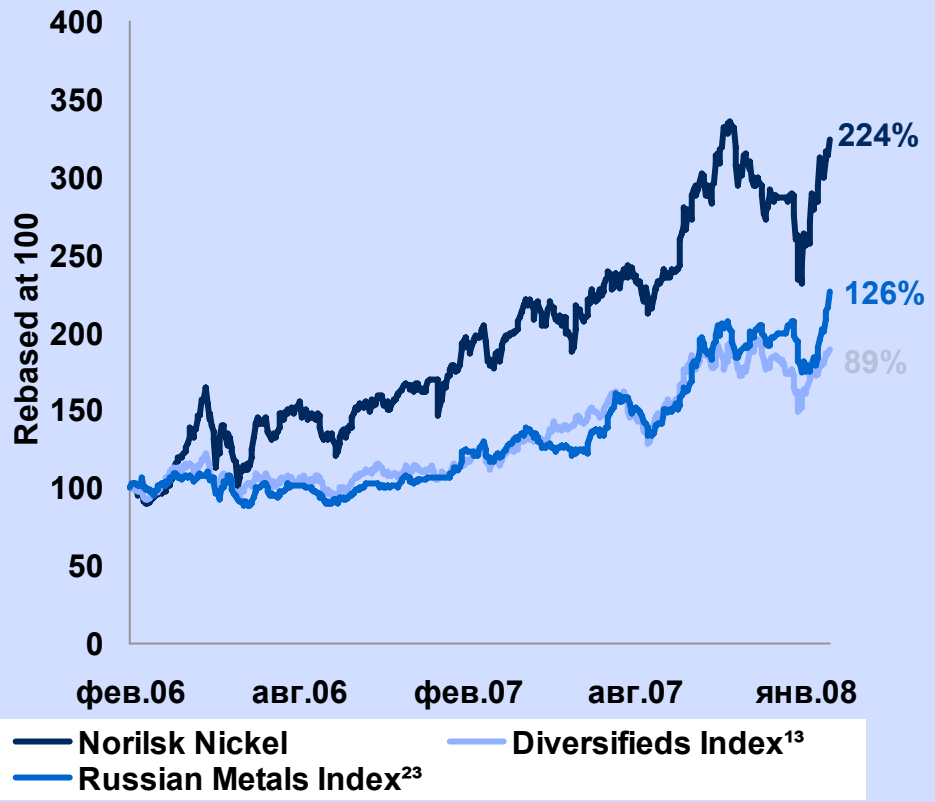
Source: Company data

# Outstanding Record of Shareholder Value Creation



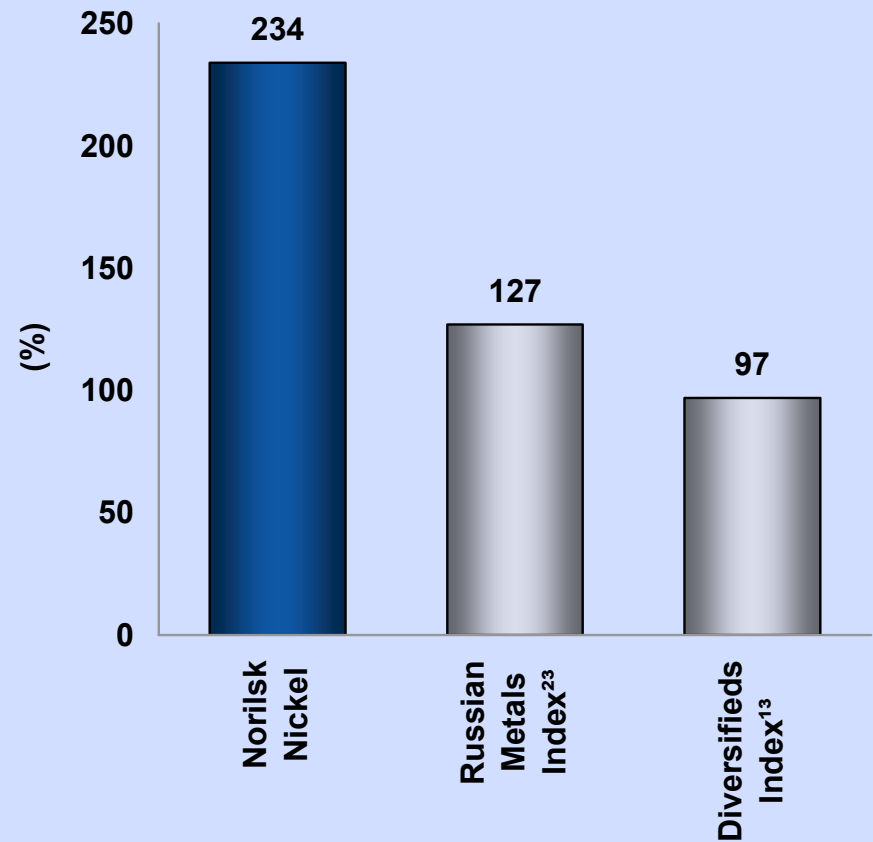
## Share price performance

Last 2 years



## Total shareholder return

Last 2 years



Source: Datastream

Note:

- 1 Index: BHP Billiton, Vale, Rio Tinto, Anglo American and Xstrata
- 2 Index: Mechel Group, MMK, NLMK, Severstal
- 3 Weighted average based on US\$ market capitalization



- ✓ Independent Committee in Board of Directors created
- ✓ 1:10 split of ADR completed on 19<sup>th</sup> February 2008
- ➔ Sale of non core energy assets approved and underway
  - ➔ \$6.7 billion portfolio not reflected in valuation of Norilsk
  - ✓ Sale of stake OGK-5 for \$106million
  - ➔ Investigation of possible share buy back
- ➔ Preparation for London listing underway: Aiming for Q2 2008
- ➔ Development of management incentive plan
- ➔ Realization of full value of PGM/precious metals in Norilsk portfolio



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