MMC Norilsk Nickel:

OGK-3 Acquisition

Building the Leading Russian Power Company

Investor Presentation

Moscow, Russia

26 March 2007

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OGK-3 Transaction Highlights

- On March 26, Norilsk Nickel (“Norilsk”) completed acquisition of 17,836,343,101 shares in Open Joint-Stock Company "Third Generation Company of the Wholesale Electricity Market" (OJSC "OGK-3") at 4.54 Rub (0.175 USD as of March 23, 2007) per share for a total consideration of 81 billion Rub (3.1 billion USD). Thus Norilsk shareholding increased from 13.9% before acquisition to 46.2% after acquisition
- Norilsk will make a mandatory offer to all OGK-3 shareholders, potentially increasing its stake in OGK-3 to up to 62.9%, for a total consideration of up to 36.1 billion RUB ($1.4 billion)(1) (2)
- This transaction provides Norilsk with a controlling interest in a key asset in Russian power generation, accounting for almost 4% of total installed electricity generation capacity
- The combination of a controlling stake in OGK-3 with Norilsk’s existing power assets creates a compelling equity investment story
- The acquisition is being effected through a 100% primary share issue by OGK-3 plus the buy out of any shares sold by minorities in accordance with the mandatory offer by Norilsk Nickel. Proceeds raised from the additional share issue are intended to be primarily used to support OGK-3’s investment program
- Norilsk intends to restructure its non-strategic power assets into a new subsidiary with OGK-3 at its core, which will then be spun-off to shareholders

Note:
(1) Exchange rate of 25.97 RUB/USD as of 23 Mar 2007.
(2) Assumes RAO UES will not tender shares under the mandatory offer, therefore its stake in OGK-3 will remain at 37.1%. In case offer price will be 4.54 Rub (0.173 USD)

Compelling Investment Thesis

OGK-3 – Attractive Value and Prospects

Building the Leading Russian Power Company

Releasing Value for Norilsk Shareholders

Russian Power – Strong Fundamental Outlook

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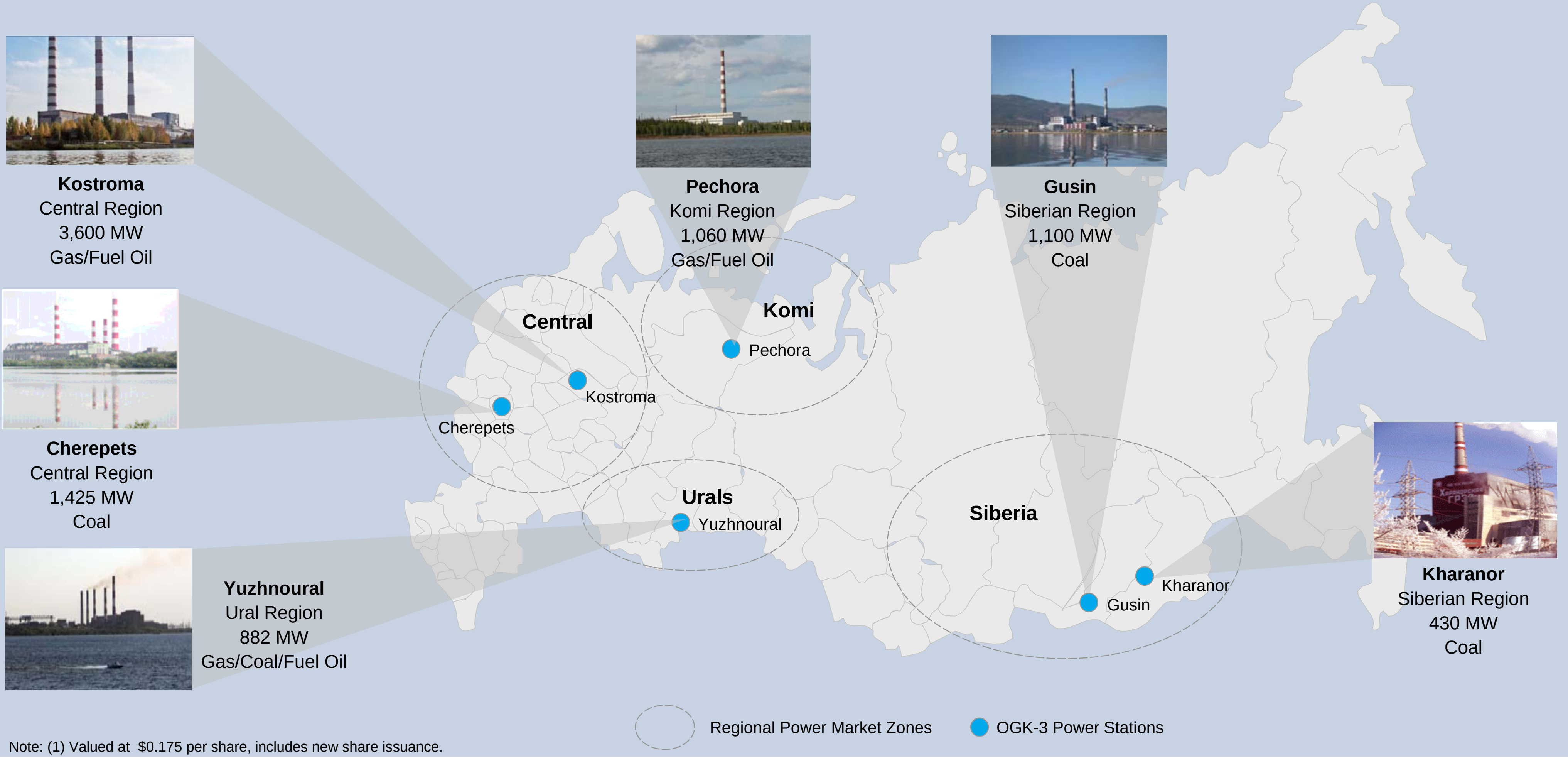
OGK-3:
Attractive Value and Prospects

OGK-3 Overview

- One of Russia's largest fossil-fuel generating companies, serving markets throughout the country
  - Six power plants with total capacity of 8.5 GW; market capitalisation of $8.3 billion[(1)]
  - OGK-3 has significant potential for improvement with some of the lowest load factors of OGKs
  - Has the biggest share of coal consumption among OGKs and is thus partially hedged against gas price increases



Note: (1) Valued at $0.175 per share, includes new share issuance.

Well-Positioned Assets

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Positioned In Growing Local Markets

- Plants are primarily located in rapidly-growing regions
- Central and Ural regions are facing near-term capacity shortages which OGK-3's plants can help alleviate

Diversified Fuel Sources

- OGK-3 has the highest usage of coal as a fuel of any of the OGKs
  - Providing a partial hedge against projected gas price increases and potential limitations in supply
- Cherepets and Yuzhnoural are among the only coal-fired plants in Central and Urals regions, respectively

Key Positions in Grids

- Plants have access to large and growing population centers, or are located close to high-voltage lines to which they can be connected in the future to sell further output to a broader region
- Cherepets and Yuzhnoural sit on key locations on the grid to maintain system stability

Operational Upside Potential

- Ability to increase load-factors and plant output
- Significant cost savings potential to bring OGK-3 into line with best practice

Strong Financial Position

Pro Forma 2006E Balance Sheet

USD millions	
Assets	
Cash[1]	$3,146.6
Accounts Receivable	$140.5
Property, Plant and Equipment	$586.8
Other Assets	$104.5
Total Assets	**$3,978.5**
Liabilities	
Accounts Payable	$104.9
Debt	$143.7
Other Liabilities	$0.0
Total Liabilities	**$248.6**
Shareholders Equity	**$3,729.9**

(1) Assumes 18.0 billion shares issued at $0.175 (4.54 RUB) at an exchange rate of 25.97, as of 23 Mar 2007.

Market Value

USD millions	
Market Capitalization[(1) (2)]	$8,301.4
Net Debt	($3,003.0)
Firm Value	**$5,298.5**

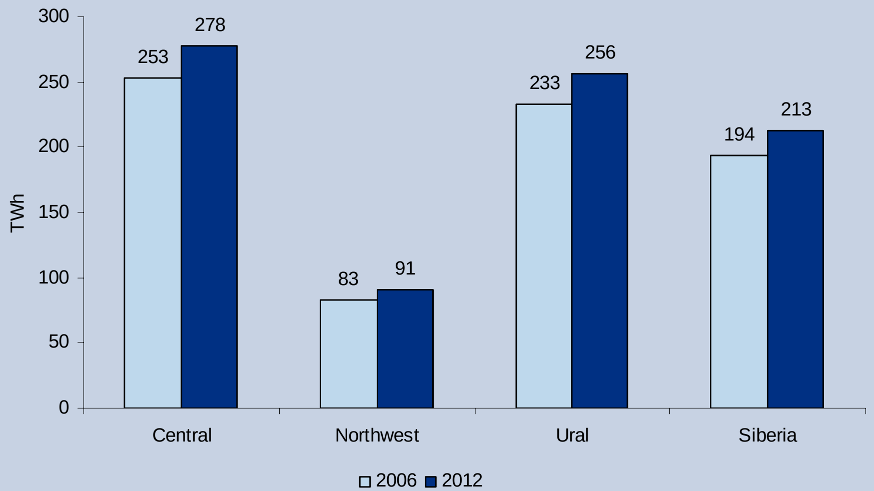
(1) Share price of $0.175 (4.54 RUB) at deal, and PF for new issuance of 18.0 billion shares.
(2) Exchange rate of 25.97 RUB/USD as at 23 Mar 2007.

Source: Norilsk estimates.

- Following the issuance of shares, OGK-3 is debt free with a significant cash balance
- The transaction effectively pre-funds OGK-3's investment programme requirements and provides the Company with a significant financing advantage
- As the largest OGK-3 shareholder, Norilsk will assure efficient use of OGK-3 funds for investment

Good Investment Prospects

Projected Electricity Consumption By Region



Growth:	9.9%	9.6%	9.9%	9.8%

Source: Analyst estimates.

UES Proposed Investment Programme

Plant / Project	Completion Date	New Build Cost
Kostroma		
800 MW – Gas	Oct 2011	$1,418.6
800 MW – Gas	Sep 2013	
Cherepets		
225 MW – Coal	Jun 2010	$491.1
225 MW – Coal	Oct 2010	
Yuzhnoural		
225 MW – Coal	Dec 2011	$590.1
225 MW – Coal	Jun 2012	
Kharanor		
225 MW – Coal	Jul 2011	$265.8
Total		**$2,765.6**

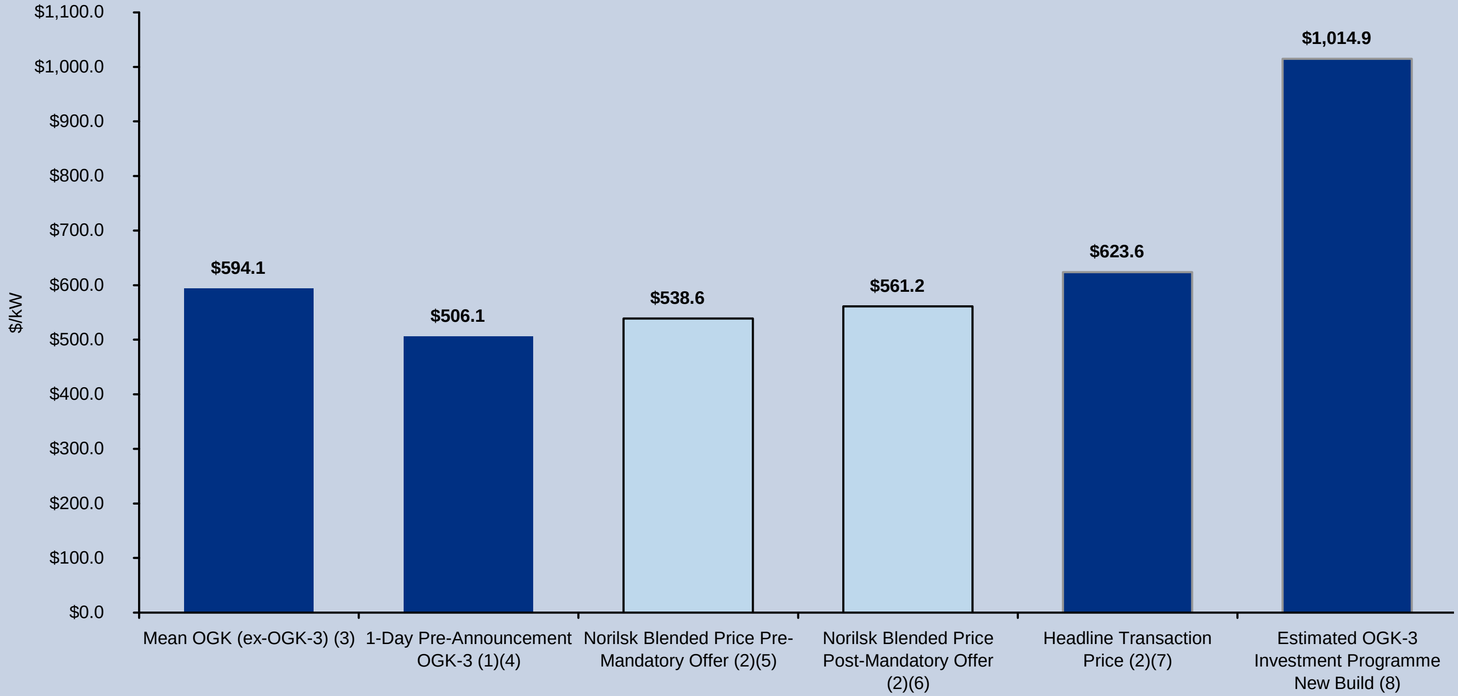
Source: OGK-3, all figures in USD millions.

- The regions in which OGK-3 operates are going to experience significant electricity demand growth in the next five years
- Norlisk shareholders will benefit from OGK-3’s ability to quickly deploy funds in regions that will generate the best returns
- As part of the transaction, Norilsk has signed a Memorandum of Understanding that the Investment Programme will be optimised to maximise shareholder returns

Attractive Acquisition Value

- Norilsk was able to acquire OGK-3 at an attractive value partially due to its pre-existing significant stake in the company and its clear strategy for OGK-3 compared to other bidders

OGK-3 Firm Value / Installed Capacity



- Pre and Post-mandatory offer multiples are 9.3% and 5.5% below the Mean OGK valuation
- Low premium of 6.4% (pre-mandatory) and 10.9% (post-mandatory) to Pre-Announcement price to acquire control of OGK-3

Notes:

(1) Pre-Transaction FV/IC multiples calculated using 29.5 billion shares outstanding, net debt of $142.4 million, and capacity of 8,497 MW.

(2) Post-Transaction FV/IC multiples calculated using 47.5 billion shares outstanding, net debt of ($3,003.0) million, and capacity of 8,497 MW.

(3) Mean OGK (ex-OGK-3) prices calculated as of 23 Mar 2007.

(4) 1-Day pre-announcement price of $0.141 as of 9 Mar 2007.

(5) Norilsk Blended Price Pre-Mandatory Offer assumes 8.6% initial stake (diluted post-transaction), 37.6% stake acquired in transaction.

(6) Norilsk Blended Price Post-Mandatory Offer assumes 8.6% initial stake (diluted post-transaction), 37.6% stake acquired in the transaction, and a further 16.7% stake acquired via mandatory offer at the transaction price.

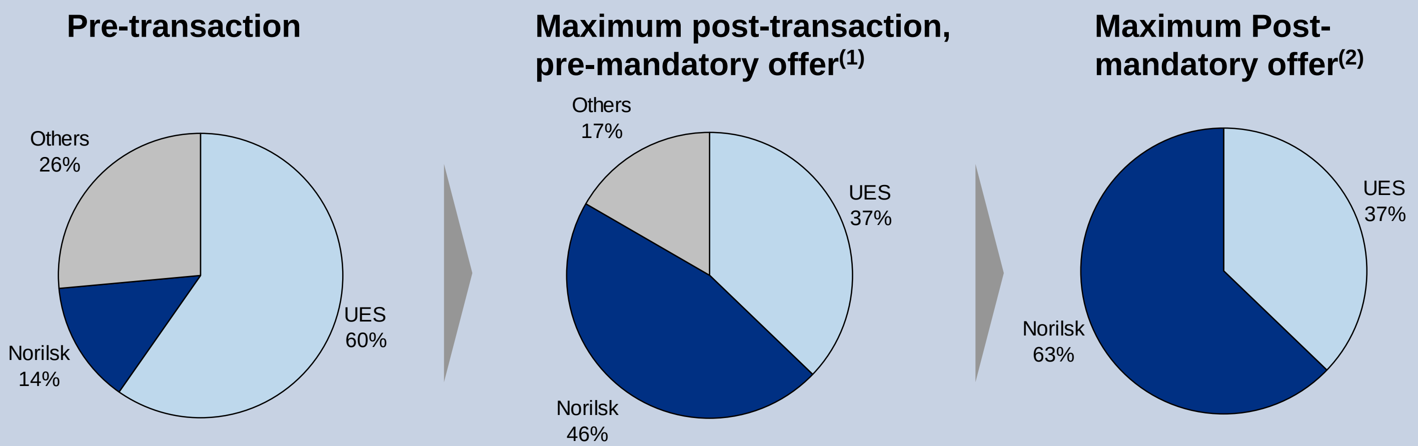
(7) Headline Transaction Price assumes share price of $0.175 as of 23 Mar 2007, and exchange rate of 25.97 RUB/USD.

(8) Estimated OGK-3 Investment Program assumes UES-proposed Investment Programme total expenditure of $2,765.6 million, and new built capacity of 2,725 MW.

Securing Control of OGK-3

- With the acquisition of this block of shares, Norilsk becomes the largest shareholder of OGK-3
- Following the mandatory offer and spin-off from UES, Norilsk will likely become the majority shareholder of OGK-3
- Norilsk spent 81.0 billion RUB ($3.1 billion) for the pre-mandatory offer capital increase, and under a “maximum control” scenario, could spend up to an additional 36.0 billion RUB ($1.4 billion) for a further 16.7% stake via the mandatory offer(2)
- When OGK-3 is spun-off from UES, Norilsk’s controlling position should be further enhanced

Evolution of OGK-3 Shareholding



Notes:
(1) 3.4% of minority shareholders (other than Norilsk Nickel) exercised their pre-emptive right to acquire shares in OGK-3's offering.
(2) Assumes 100.0% of existing shareholders tender shares to Norilsk Nickel (all non-pre-emption exercising minority shareholders).

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Building The Leading Russian Power Company

Norilsk Power Portfolio

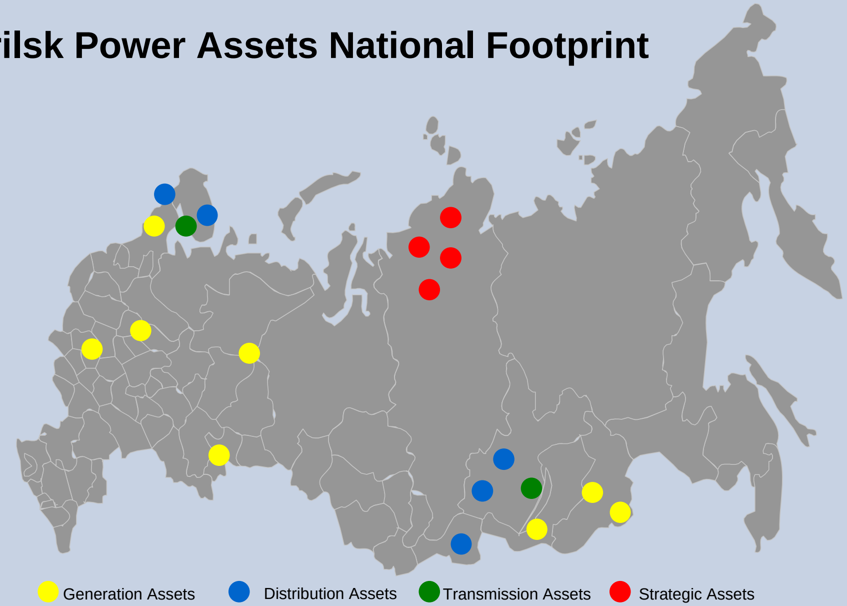
- $6.7 billion portfolio of power assets balanced between two classes of assets
  - Core Generation Assets (OGK-3, TGK-14, TGK-1)
  - Portfolio Assets providing optionality for future development and optimisation

Ownership of Norilsk Power Assets[1]

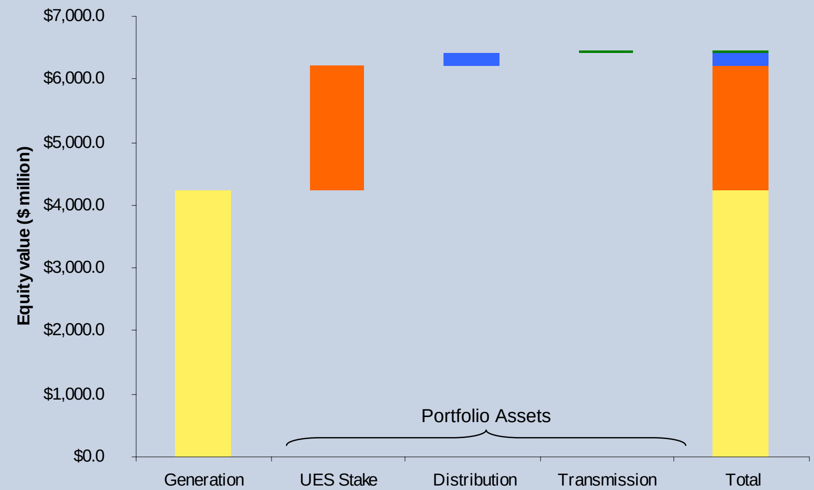
Name	Stake Owned (%)	Key Operating Metric	
OGK-3	46.2%	8,497.0	MW
TGK-1	7.4%	5,733.4	MW
TGK-14	27.8%	658.0	MW
RAO UES of Russia	3.5%	N/A	
Kolenergosbyt	24.8%	N/A	
Kolenergo	24.8%	5,699.8	km
Krasnoyarskenergosbyt	25.5%	N/A	
Krasnoyarskenergo(2)	25.7%	38.9	km
Tyvaenergo-Holding(2)	25.5%	N/A	
Kolkskie Magistralnye Seti(2)	24.8%	1,224.0	km
Krasnoyarskie magistralnye Seti	25.0%	2,972.0	km
Total for Spin-off			
Strategic (not for Spin-Off)			
Norilskgazprom(3)	29.4%		
Taimyrenergo(3)	100.0%		
Norilskenergo(3)	100.0%		
Taimyrgaz(3)	99.0%		

Notes:
(1) Pre OGK-3 mandatory offer.
(2) Non-public Company, used public estimates where available.
(3) Non-public Company, Norilsk estimates, not part of Spin-Off.
(4) Market values and exchange rate as of 23 Mar 2007, and assume an exchange rate of 25.97.

Norilsk Power Assets National Footprint

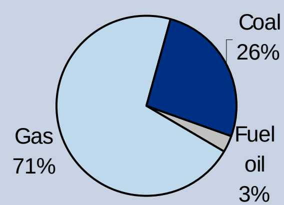
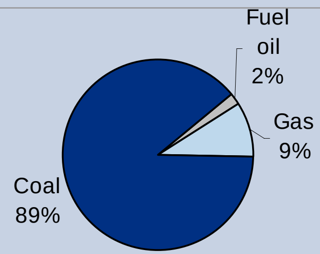
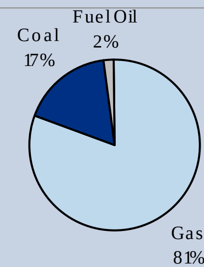
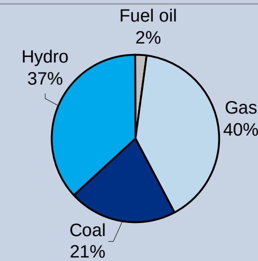
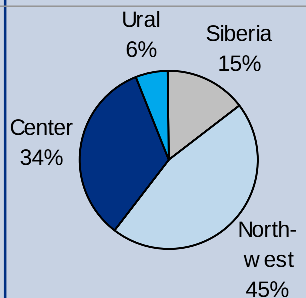
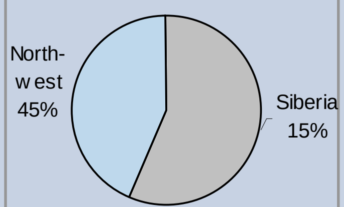
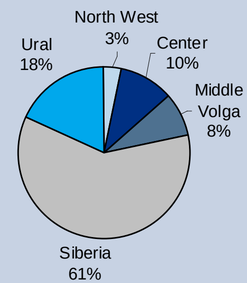


Relative Composition of Value for Spin-Off Assets[1] [4]



New Focused Power Players Being Created

- Post-reform, a number of focused consolidators of Russian power assets are emerging and are likely to become public in the near future
- The combination of Norilsk's existing power assets with a controlling stake in OGK-3 will position it as a leading consolidator of the Russian power sector

	Norilsk Power	SUEK	Gazprom	IES	Typical OGK
Attributable Installed Capacity (MW)(1)	4,533	2,738	4,505	3,035	8,500 – 9,500
No. of plants(2)	34	46	39	67	4 – 6
Fuel composition(2)					16 – 45% Coal 55% – 84% Gas
Markets(2)			Throughout all major Russian markets		Throughout all major Russian markets
Commentary	• Only portfolio with a majority stake in a GenCo • Diversified mix of assets in terms of geography, fuel mix, and sector	• Dominant position in coal-supply to power sector • High degree of fuel integration with owned assets	• Gazprom's stake in RAO UES comprises more than 50% of its portfolio • Network businesses in the Moscow region may be traded for an increased stake in Mosenergo	• One of the largest private companies managing assets in the power industry • Focused on expanding investment portfolio in TGKs • Significant investment in Irkutskenergo	• Solely focussed on generation • Similar capacities, but vary in asset and profile and fuel types across regions

Notes:
(1) Attributable Installed Capacity is the applicable ownership of each TGK/OGK multiplied by the installed capacity of each asset.
(2) Gross calculation of the totals of all assets the consolidator has a stake in, regardless of degree of ownership.

Strategy for Norilsk Power Portfolio

- The spun-off Norilsk Power portfolio will be the first private energy utility of its size in Russia
- **Key strategic initiatives:**
  - Development of core businesses
    - Investment program optimization
    - Use of available cash and portfolio assets in acquisition of other energy assets
    - Operational improvement
    - Generation will benefit from electricity undersupply and liberalisation of tariffs
  - Development of complementary businesses
    - Potential consolidation of stakes in supply companies and additional acquisitions
  - Gradual divestiture of portfolio assets and use of proceeds to build core business
    - Sale of stakes in networks (as it will be forbidden to own both generation and networks)
    - Use of UES stake to receive minority stakes in power assets and subsequent sales/swaps
  - Maximize market value
    - Transparency
    - International listing

Releasing Value for Norilsk Shareholders

Why Spin-Off the Norilsk Power Portfolio?

Situation Assessment

- Norilsk's power assets worth approximately $6.7 billion do not appear to be adequately valued by investors
- A sale of power assets is ineffective as Norilsk has little need for additional cash
- OGK-3 creates the core of an independent power company to be spun-off

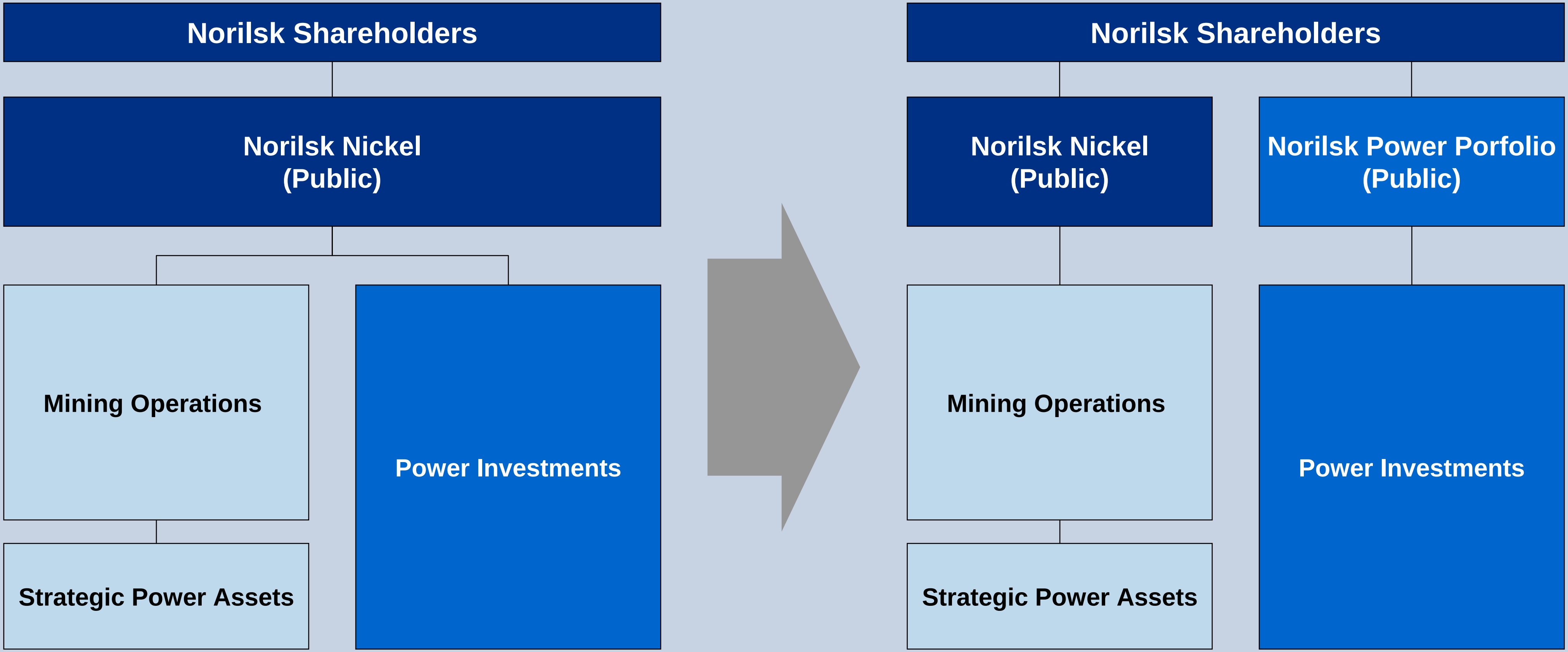
Why Spin-Off?

- Allows Norilsk to focus on core activities of mining and metals production
- Given that power assets are currently not adequately valued in Norilsk Nickel's capitalization, the spin-off should minimally impact Norilsk Nickel's share price
- Norilsk has a successful track record with other asset spin-offs (e.g. Polyus Gold)
- The standalone value of the spun-off Norilsk Power portfolio should create additional value for Norilsk shareholders
- Strategic energy assets required by Norilsk to provide power to its core operations will not be included in the spin-off

How the Spin-off Will Work

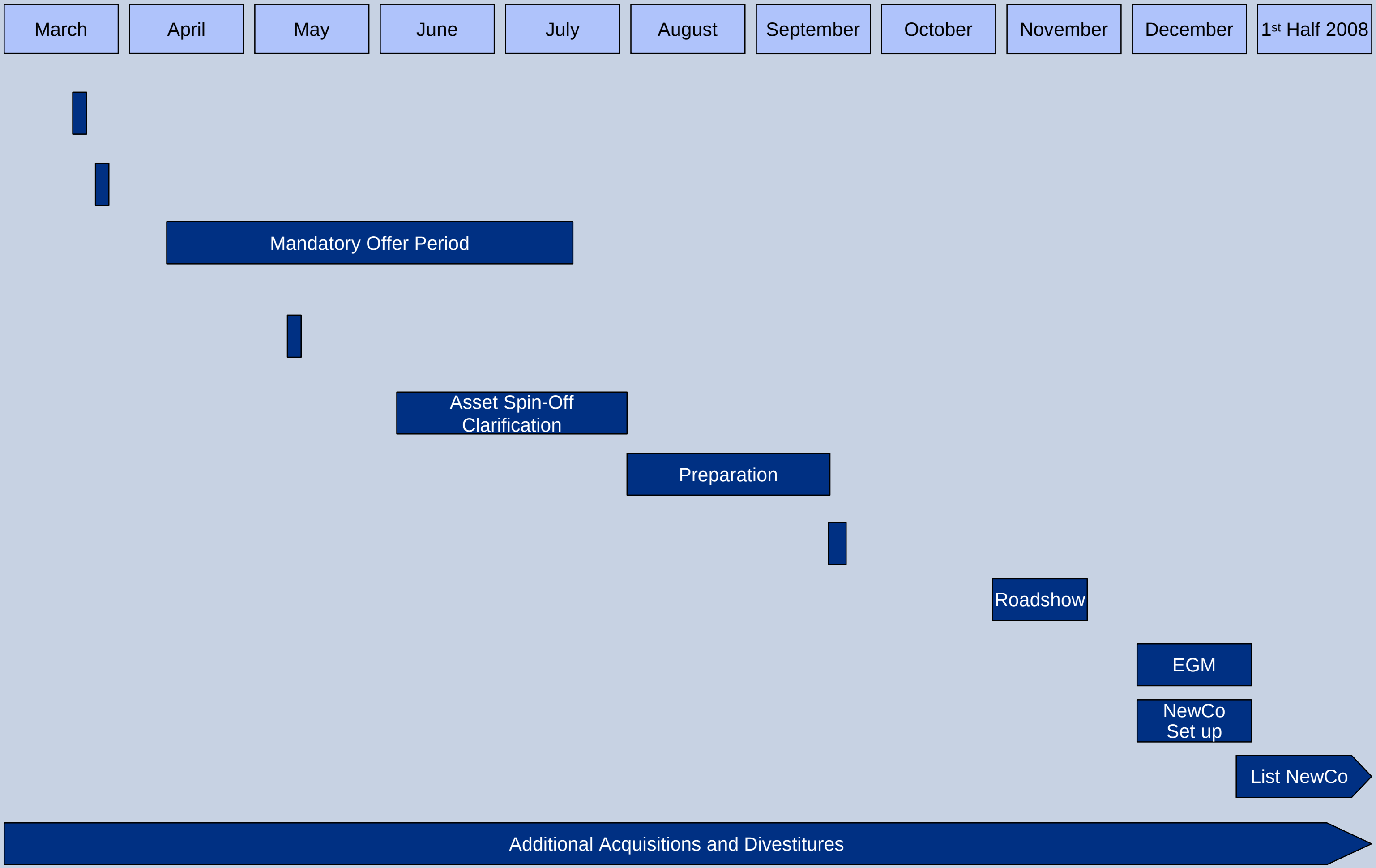
- Power investments are currently held throughout Norilsk, an intermediate restructuring will take place to consolidate its non-strategic power assets into a single subsidiary
- That subsidiary will be spun-off to Norilsk shareholders, retaining strategic power assets within Norilsk

Current Structure **Final Structure**



Summary Process Timetable

Work stream	Date Due
Binding Acceptance of Winning Bid	March 21
Transfer of Shares & Transaction Close	March 26
Mandatory Offer Period	April - July
Norilsk Board in-principal Spin-off Approval	May 11
Confirm Assets for Spin-Off	June - July
Prepare Assets for Spin-Off	August - September
Norilsk Board Spin-off Approval	September
Investor Roadshow	1st half of November
Shareholder Approval Meeting	December
Register NewCo	December
List NewCo	1st Half of 2008
Refine Portfolio with Selected Acquisitions	Throughout



- Following a Mandatory Offer required by Russian law, Norilsk will work quickly to prepare the power portfolio for spin-off, while constantly refining the portfolio and selectively acquiring or divesting further assets in line with its strategy

Conclusions

- The Russian power market is undergoing structural reform which provides opportunities to invest in a rapidly-growing industry with long-term upside
- The OGK-3 transaction presents a compelling opportunity to gain a controlling stake in one of the most attractive Russian generation assets
- The addition of a majority stake in OGK-3 to Norilsk’s extensive power portfolio positions it as one of the largest power companies in Russia
- The combination of the standalone potential of Norilsk’s portfolio and the lack of value Norilsk investors ascribe to its non-strategic power assets mean a spin-off could create significant value for Norilsk shareholders

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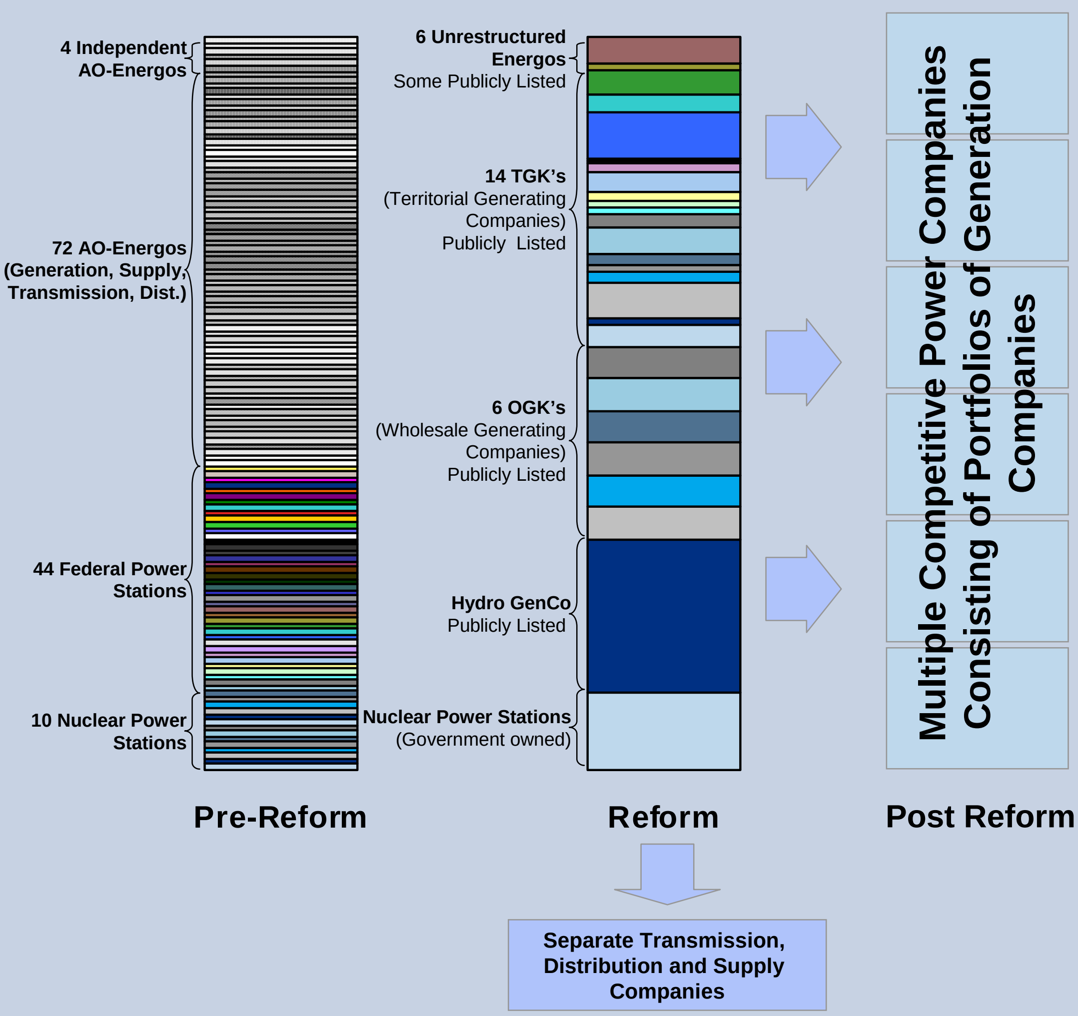
Russian Power:
Strong Fundamental Outlook

Russian Power Sector Reform

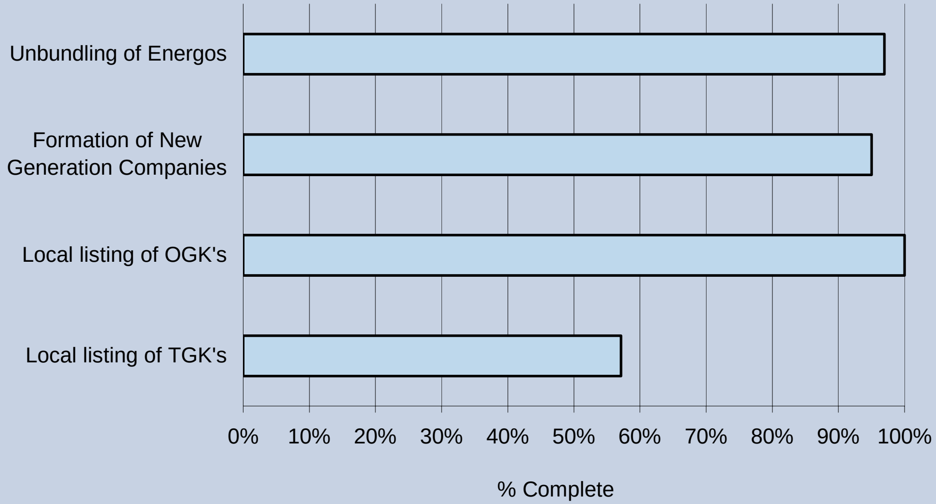
- The Russian power sector is transforming from a vertically-integrated, highly regulated sector to a horizontally-organized, competitive industry
  - This is achieved by breaking vertically integrated regional utilities (“energos”) into constituent generation, transmission, distribution and supply businesses, which are then being restructured into larger horizontal entities
- This process is designed to spur investment, efficiency and competition in the power sector, and is expected to be completed by mid-2008
- There will be progressive liberalization of generation tariffs and improvement of regulation for network assets
- Most generating companies (“OGKs” and “TGKs”) will be privatized

Reform of Russian Generation Sector



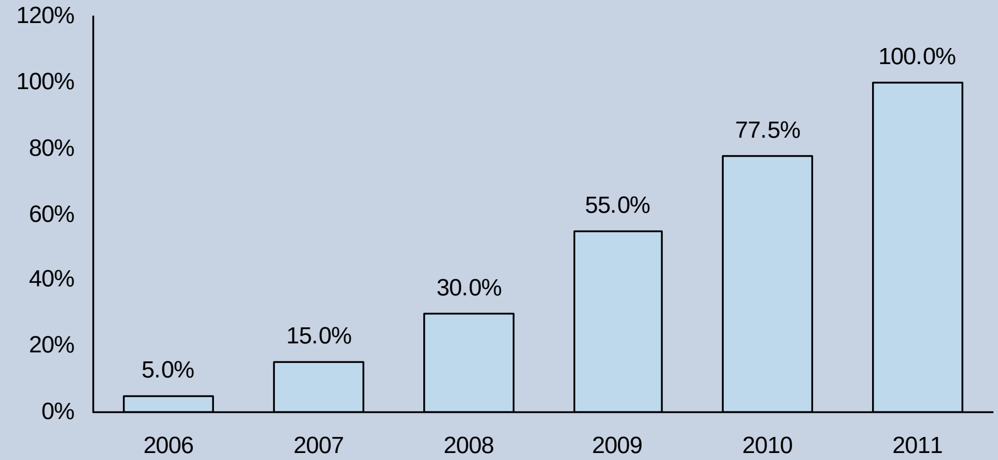
Reform and Liberalization Well Advanced and Accelerating

Reform of Generation Sector



Source: RAO UES.

Generation Market Expected Liberalization

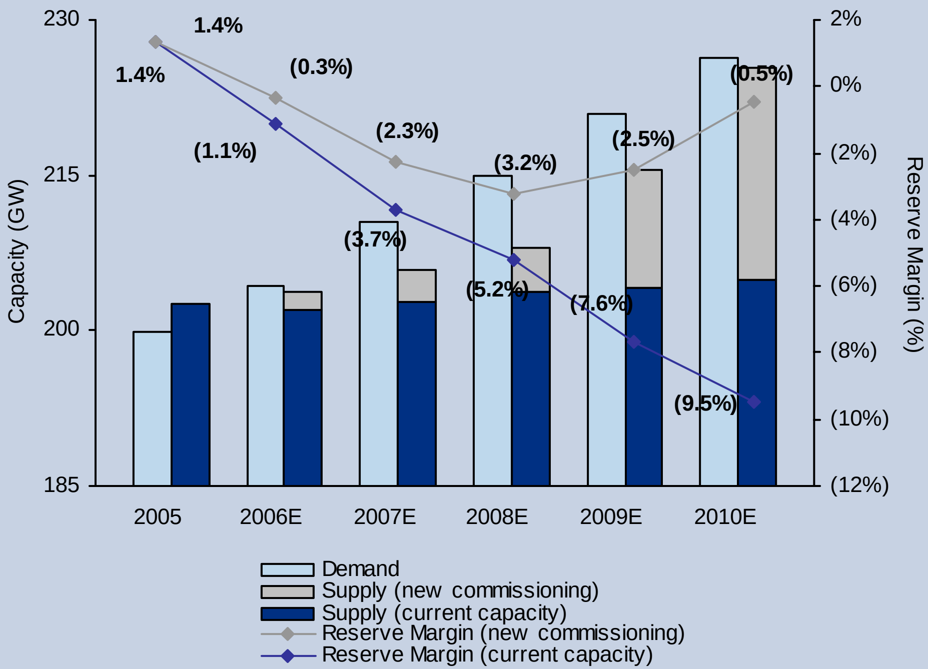


Source: Ministry of Energy and Industry.

- Formation of post-reform entities expected to be complete in 2007
- Break-up of UES to commence in 2007, with the spin-off of two generation companies
  - Overall corporate reorganisation expected to be complete by mid-2008
- Government announced a fast-tracking of liberalisation in December 2006, with full liberalisation expected by 2011
  - New wholesale energy market rules introduced September 2006

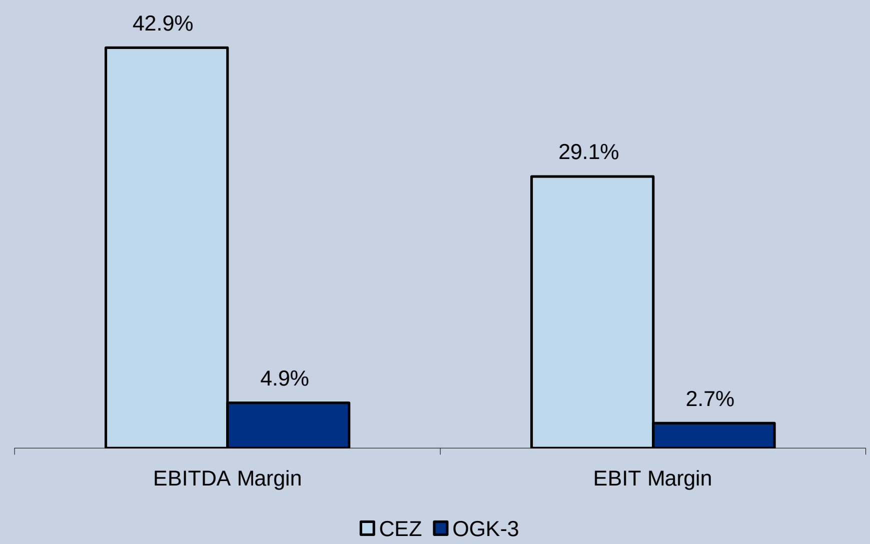
Fundamental Outlook Remains Positive for Investment in the Sector

Demand is Driving Investment



Source: UES. New commissioning assumes UES' projected investments in generation companies.

Potential for Profit Growth with Liberalisation



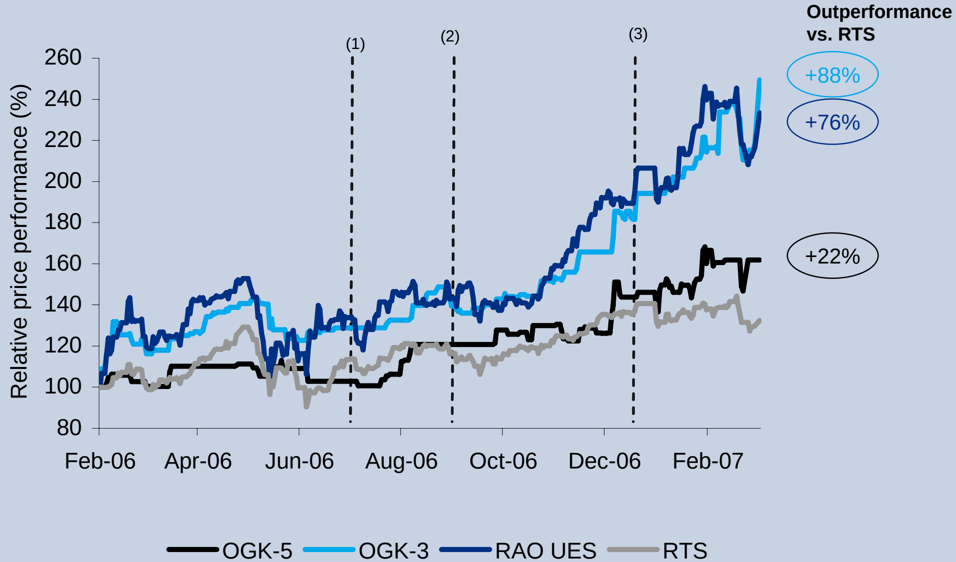
Notes:
2006 Comparison vs. CEZ Generation and Trading Division

Source: Company filings.

- Significant investment in generating capacity is necessary to ensure power supply for Russia's growing needs and to replace aging infrastructure. UES's strategy calls for massive equity raisings to supply generating companies with necessary capital
- Tariff liberalization is being introduced largely to spur needed investment in new infrastructure
  - Profits in the sector are expected to increase substantially with improved power prices and greater operating efficiency

Reform Unlocking Value

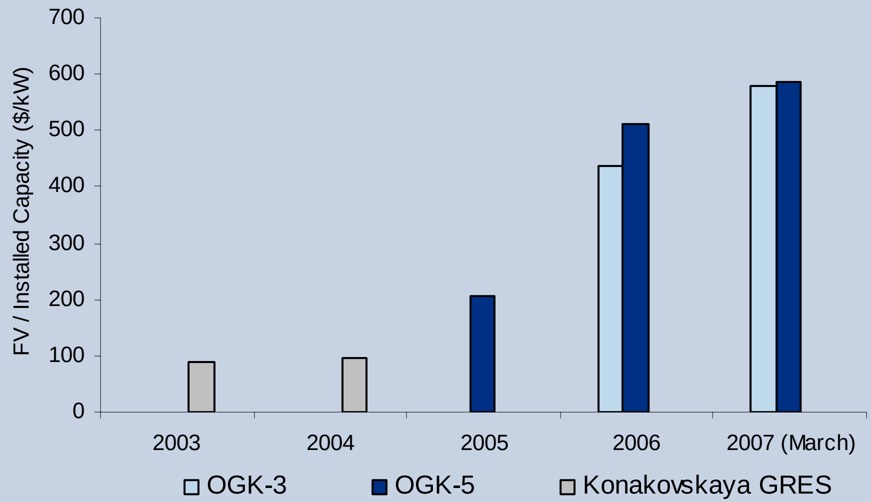
Outperformance of Privatised Companies



Source: RTS.

(1) 26 June 2006	RAO UES approves pilot additional share issues of several wholesale and regional Gencos
(2) 01 September 2006	Introduction of NOREM
(3) 07 December 2006	Acceleration of liberalisation announced

Growth in Industry Multiples



Source: Public filings.
Note: Konakovskaya GRES was the largest publicly listed component of OGK-5 prior to OGK-5's formation.

- The growth in market values for restructured power companies have continued to climb, as investors see continued signs of:
  - Progress of the reform program and formation of larger, more liquid companies
  - Improved outlook for price liberalisation
  - Better governance
  - Improved financial performance
- UES and OGKs have outperformed the broader index particularly since late 2006, following the government's announcement of the increased pace of liberalisation

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