



Building Momentum Through Transformation

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RUSSIA: ENERGIZING THE WORLD

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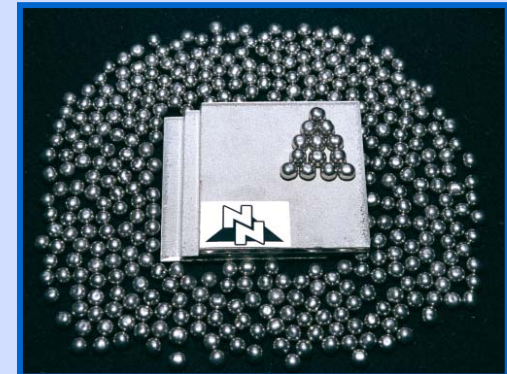
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MMC Norilsk Nickel Today



- **Leading Russian mining and metals company with global sales network**
 - The largest producer of nickel with ~19% share of world mined production
 - The largest producer of palladium with ~52% share of world mined production
 - The largest producer of platinum outside of South Africa with ~ 12% share of world mined production
- **The lowest cost producer of refined nickel with largest amount of nickel in attributable reserves and resources**
- **The largest metals and mining company in Russia in terms of revenue and market capitalization**
- **The largest company in Murmansk and Krasnoyarsk regions**
- **The highest combined credit rating amongst Russian private companies**
- **Recognized leader in corporate governance and transparency**



Recent Events & Developments



Successful Completion of Polyus Gold Spin-off

New Production Strategy and Cooperation Initiatives

Disclosure of PGM Reserves

Energy & Transportation Developments

Management Structure Reform

Investment Grade Credit Rating

Rationale behind Gold Assets Spin-off

- Unlocking value to all shareholders
- Two unique and differentiated investment cases: Norilsk Nickel and Polyus Gold
- Successful trading of rights on Polyus Gold ADRs in grey market
- Market Cap of Norilsk Nickel at the beginning of 2005 just over \$10 bln (including gold mining assets)
- Market cap of Polyus Gold at \$8.2 bln as of September 5, 2006
- Combined Market Cap close to \$34 bln as of September 5, 2006

Completion of the Spin-off

- All stages delivered on time
- Organizational meeting of Polyus Gold – 3 March 2006
- Formation date of Polyus Gold – 17 March 2006
- Trading date for Polyus Gold shares – 4 May 2006
- Listing of Polyus Gold in Russia – RTS: 12 May 2006 and MICEX: 22 May 2006
- Level 1 ADR program established – 10 July 2006

MMC Norilsk Nickel aims to strengthen its leadership in the global mining and metals industry and its role as a responsible producer and supplier of base and precious metals through

- Effective use of unique mineral resources and stability of operating costs
- Growth in prospecting, exploration and development of world class mineral deposits
- Support of sustainable development in the regions in which the company operates

Key Objectives of Production Strategy



- Review mine development plans and develop optimal long term mining calendar in order to prepare for gradual depletion of currently mined deposits and compensate for expected decrease in ore grades
- Begin optimization of technical-production configuration (“footprint”) by reducing the number of production shops and simplify process flow sheets
- Develop technical solutions to improve effectiveness of ore beneficiation (concentrate quality and sulphur extraction into tailings), increase utilization in metallurgy, and keep emissions within agreed limits
- Ensure stability of operations and production output of base and precious metals
- Retain focus on controlling unit costs and improving capital efficiency to retain current cost position among nickel producers

Key Elements of Production Strategy



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 the beneficiation stage

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

Metal production volumes

- Planned mining calendar foresees increase in nickel production while keeping copper and PGMs at current levels
 - Nickel production growth from existing level of 243 kta to ~260 kta by 2011
 - Maintenance of copper production at ~420 kta
 - Maintenance of PGM production at ~114 t/year
- Mine calendar sets base off of which incremental volumes can be achieved through
 - Operational improvements
 - Technical solutions in ore beneficiation
 - Continued optimization of the production “footprint”

Capital investment program

- Overall investment increase focused on intensive development of mineral reserve base to compensate for planned depletion of existing ore and creation of foundation for long-term production development in Taimyr and Kola
- Annual capex requirements for production strategy in period from 2007-2010 approximately \$800 – 1,000 mln/year

Polar Division

- Mine development – \$450 – 470 mln/year
- Ore beneficiation – \$140 mln/year in the period 2007-2009
- Metallurgy – \$290 – 300 mln/year including investments in sulfur utilization projects

Kola MMC

- Mine development – \$50 mln/year in 2007-2010 to complete Severny-Gluboky construction
- Metallurgy – \$100 – 150 mln/year in 2007-2009, depending on metallurgical configuration

Production Guidance



| Production volume | 2006F | 1H2006 | 2005 | 2004 |
|------------------------------------|---------------|---------------|-------------|-------------|
| Nickel <i>(in '000 tons)</i> | 243 - 248 | 121 | 243 | 243 |
| Copper <i>(in '000 tons)</i> | 422 - 427 | 218 | 452 | 447 |
| Palladium* <i>(in '000 ounces)</i> | 3,050 – 3,100 | 1,656 | 3,133 | - |
| Platinum* <i>(in '000 ounces)</i> | 720 - 730 | 398 | 751 | - |

* Production volumes of palladium and platinum disclosed from January 1, 2005 and represent only Russian produced (without production of Stillwater Mining Company)

Rio Tinto – JV Exploration and Development



RIO TINTO

 Area of focus



- JV agreement signed January 27th, 2006
- RioNor Exploration LLC founded in April to manage exploration and development activities
- 51% owned by Norilsk, 49% owned by Rio Tinto
- Bruno Hegner appointed General Director; Maxim Finsky, Chairman of Board
- Initial focus on southern regions of East Siberia and Far East
- Work programs and budget approved; review of potential projects underway



Leigh Clifford (RT),
Mikhail Prokhorov (NN)

BHP Billiton – Exploration & Development Alliance



 Area of focus



- Alliance agreement signed June 12th, 2006
- Joint Steering Committee to oversee exploration and development activities
- Project companies to be owned 50%+1 share by Norilsk, 50%-1 by BHP Billiton
- Initial focus on North West and Western Siberia



Mikhail Prokhorov (NN),
Chip Goodyear (BHPB)



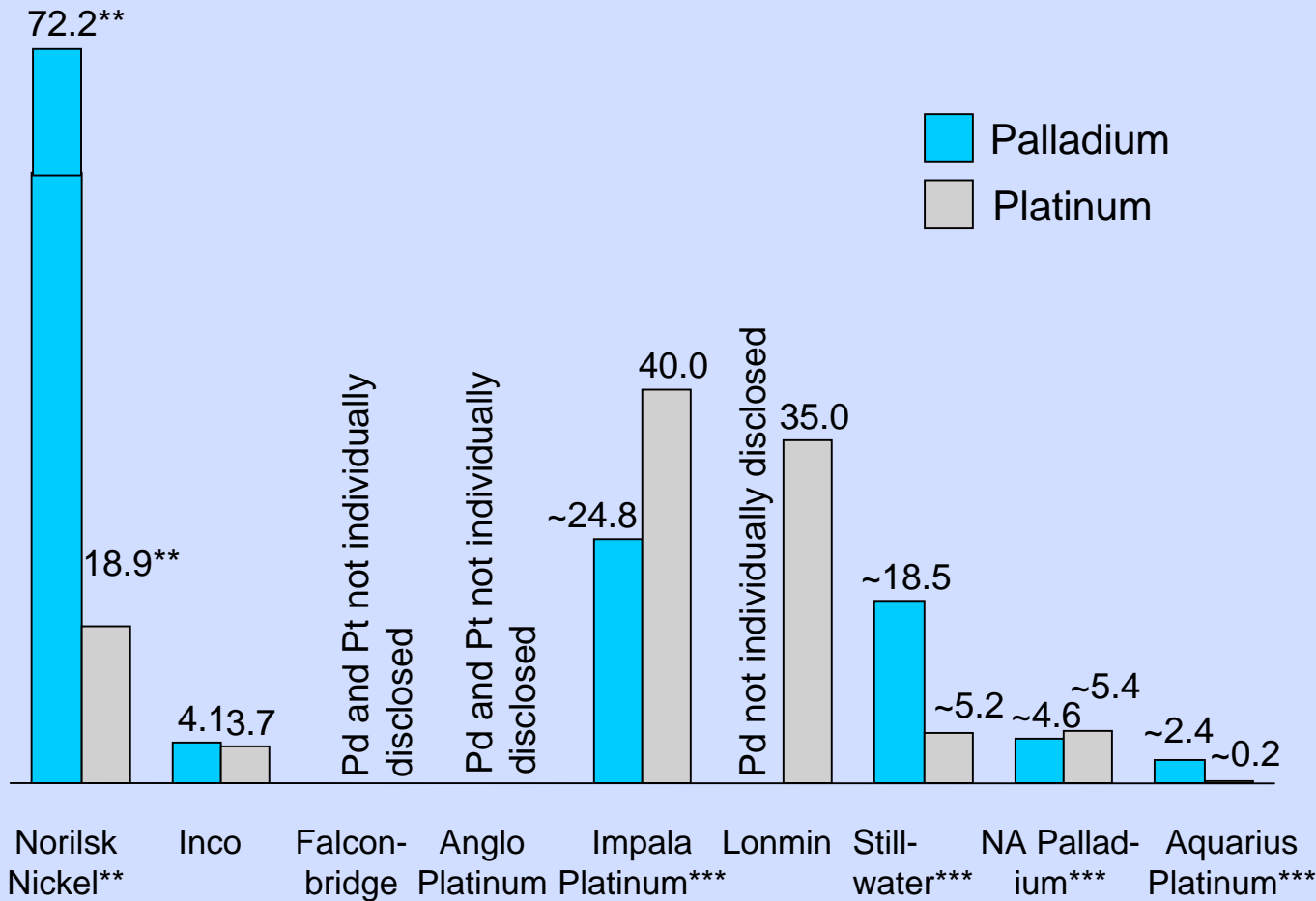
- PGM sales reported in currency only
- Russian Parliament approves amendment to Federal Law “On State Secrecy”
- Amendment to Federal Law “On State Secrecy” enters into force and PGM resource data declassified
- First time release of PGM production figures
- PGM resource data included in scope of independent resource audit, conducted by Micon
- Release of independently audited PGM Reserves in accordance with JORC Code
- Quarterly disclosure of PGM production data

Norilsk's PGMs Reserve Position vs Competitors



PGM Metal in Attributable Proved and Probable Reserves*

million oz metal in ore



- Relative to published information from other PGM producers, Norilsk leading in terms of combined Pd and Pt Reserves
- A number of producers still do not disclose individual Palladium and Platinum reserve figures

* Reserve status as of December 31, 2004 except: Impala and Aquarius data as of June 30, 2005, Lonmin data as of September 30, 2005.

** Norilsk figures include attributable (55%) Stillwater reserves (e.g. 10.2 m oz Pd, 2.9 m oz Pt)

*** Estimated from reported metal splits in ore applied to Mineral Resource and Ore Reserve statements based on total 3PGE+Au or 4PGE+Au grades.

Source: Company reports, MEG database



Goal of energy expansion is to increase operational reliability and stability of energy supplies to the Group

- July 2006: Company bought for \$270 mln 100% of Taimyrenergo, which owns two hydropower plants with a total capacity of 1,041MWT in Taimyr Peninsula
- Further development of Pelyatka gas field
- Norilsk Nickel increased its share in UES of Russia up to 3.52%



Norilsk Nickel's plans to build its own cargo fleet will cover all Company's shipment needs between Taimyr Peninsula and European Part of Russia and reduce current transportation costs

- Launch of first arctic cargo container carrier (no icebreaker assistance)
- Contract signed for four new vessels for 320 mln euros with delivery third quarter 2008 – first quarter 2009
- The operating scheme for new cargo terminal in Murmansk developed. Construction to be completed by the end of 2008

Management Reform Continues



Board of Directors

Management Board

| | | | | |
|--|---|---|--|--|
| Corporate Center <ul style="list-style-type: none"> • Finance & Economics • Investments | <ul style="list-style-type: none"> • Strategy & Bus. Development • Internal Audit | <ul style="list-style-type: none"> • Corporate, Legal & Investor Relations • Public Relations | <ul style="list-style-type: none"> • Environmental and Regulatory • Security | <ul style="list-style-type: none"> • HR • Purchasing |
|--|---|---|--|--|

Geological Exploration

- Focused exploration program to replenish rich sulfide ore reserves
- Work with RioTinto and BHP-Billiton

Mining and Metals

- Streamline operations and control costs
- Implement production strategy
- Outsource non-core functions

Fuel & Energy

- Norilsk Fuel and Energy Company created
- Develop Pelyatka gas field to ensure stable supply of natural gas to the region

Transport & Logistics

- Build own terminal in Murmansk port and streamline logistic operations
- Invest into construction of new arctic cargo carrier(s)

Sales & Marketing

- Complete foreign sales network reorganization
- Deepen direct customer relationships

Support Services



- Restructure company R&D function
- Restructuring and spin off of company non-core activities and assets

Maintenance and Capital Repair

Construction

Leading Credit Ratings in Russia



| S&P | B+ | BB- | BB | BB+ | BBB- | BBB |
|-------|---------|---------------------------|--|----------------------|---|---|
| | | | Alrosa MMK SUAL MTS Sistema Megafon Severstal Evraz | Sibneft Vimpelcom | Novolipetsk TNK-BP Lukoil |  NORILSK NICKEL |
| Fitch | B+ | BB- | BB | BB+ | BBB- | BBB |
| | Sistema | Evraz MMK Severstal | Megafon | TNK-BP |  NORILSK NICKEL Lukoil | |

- Norilsk Nickel has the highest combined rating amongst Russian private companies
- Investment grade credit rating from S&P and Fitch, Moody's – under review

Key Initiatives & Events Moving Forward



- Production strategy implementation
- Operational effectiveness initiatives
- Examination of future growth opportunities
- Execution of geological exploration programs
- Corporate strategy to be released by the end of the year
- 1H 2006 IFRS financial results to be released in the first decade of October
- Q3 2006 production results to be released in October



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