



Russian Miner – Global Player

Tav Morgan
Deputy Chairman of the Management Board

Merrill Lynch
Global Metals, Mining & Steel Conference

May 12, 2005

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- **Norilsk Nickel's standing amongst global miners and Russian companies**
- **Norilsk Nickel's strengths, current initiatives and corporate developments**

Strong contributor to the Russian economy

- Pillar of economy and leading exporter
 - Over half a percent of country's GDP
 - Over 3.2% of exports
- One of Russia's most attractive blue chips
 - Russia's largest market cap resource company outside oil & gas sector
 - High corporate credit rating according to S&P and Moody's

Major player in global mining and metals

- Major vertically integrated metal producer
 - Largest producer of mined Ni and Pd
 - Top 10 producer of Pt, Cu
 - Russia's largest Au producer
- Norilsk mines represent one of the world's most economically attractive ore resources
- Strong exposure to growth in an emerging market economy

Selected Financials*	2002	2003	1H 2004
Sales	3,094	5,196	3,286
Operating Profit	809	1,516	1,193
<i>Operating Profit Margin</i>	26%	29%	36%
Headline Earnings	315	885	889
<i>Headline Earnings Margin</i>	10%	17%	27%

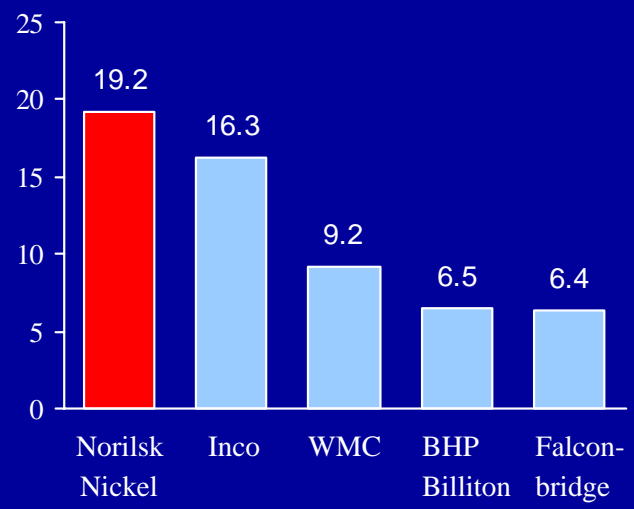
* Results have been included from the date of acquisition in the cases of CJSC "Polyus" acquired on 1 November 2002, Stillwater Mining Company on 30 June 2003, OJSC "Lenzoloto" and OJSC "Matrosov Mine" in April 2004

Source: Company financials

Leading producer of base and precious metals

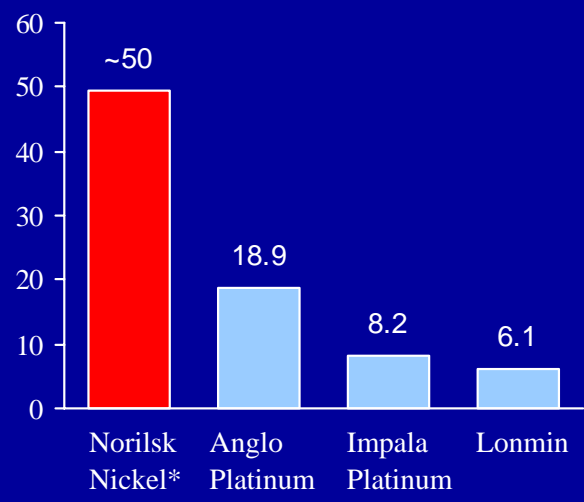
Largest Nickel Producers

(% share of 2004 world mined production)



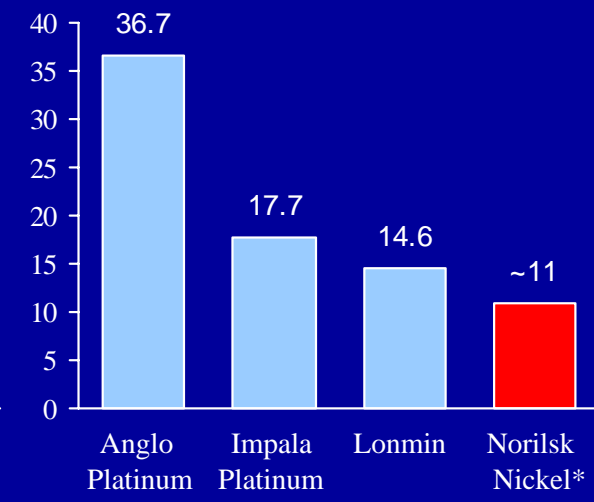
Largest Palladium Producers*

(% share of 2004 world mined production)



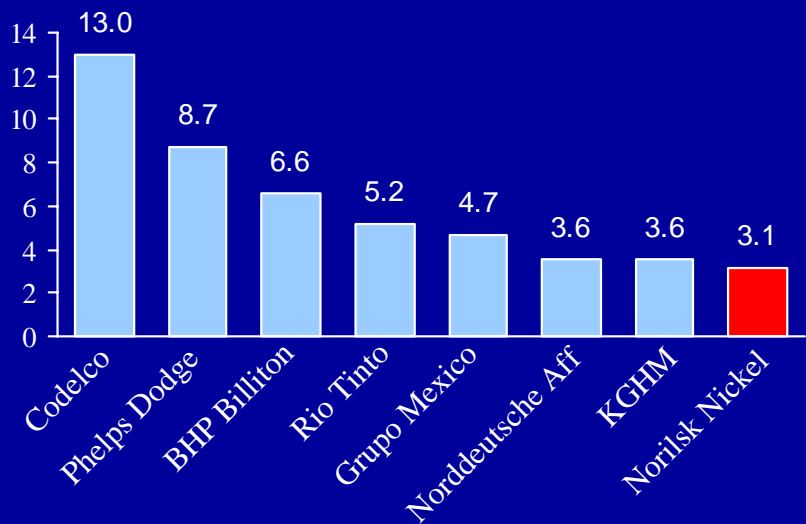
Largest Platinum Producers*

(% share of 2004 world mined production)



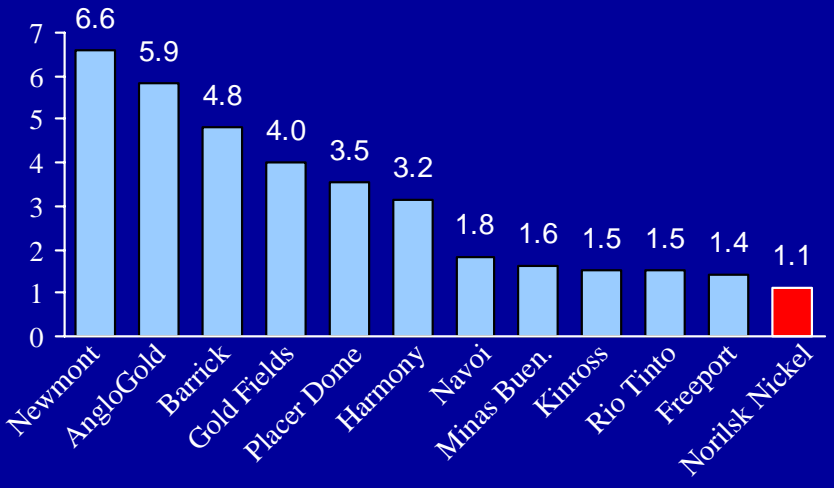
Largest Copper Producers

(% share of 2004 world production)



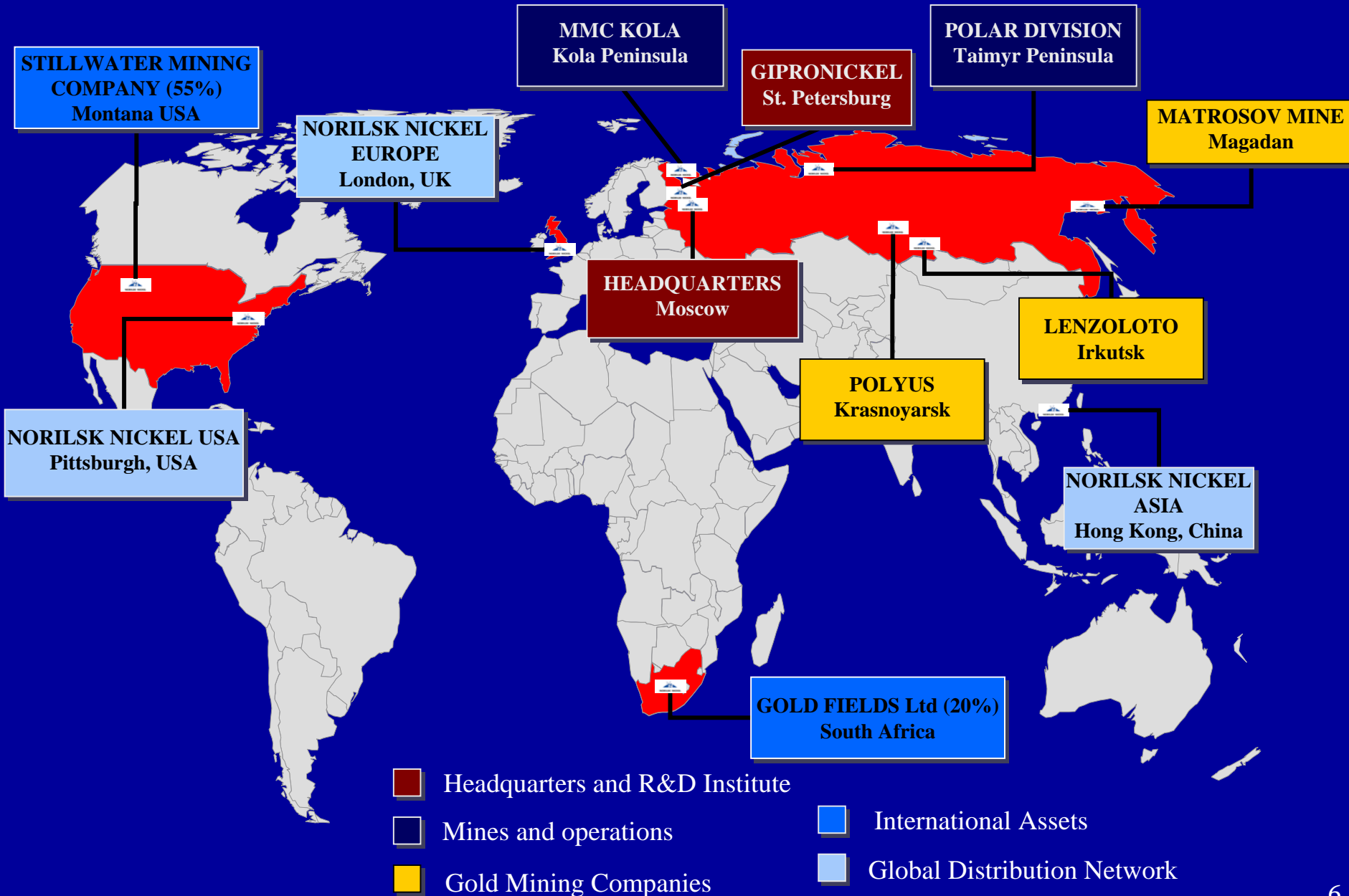
Largest Gold Producers

(in millions of ounces)



Source: Brook Hunt, GFMS, and company data * GFMS estimates for NN, includes Stillwater's share

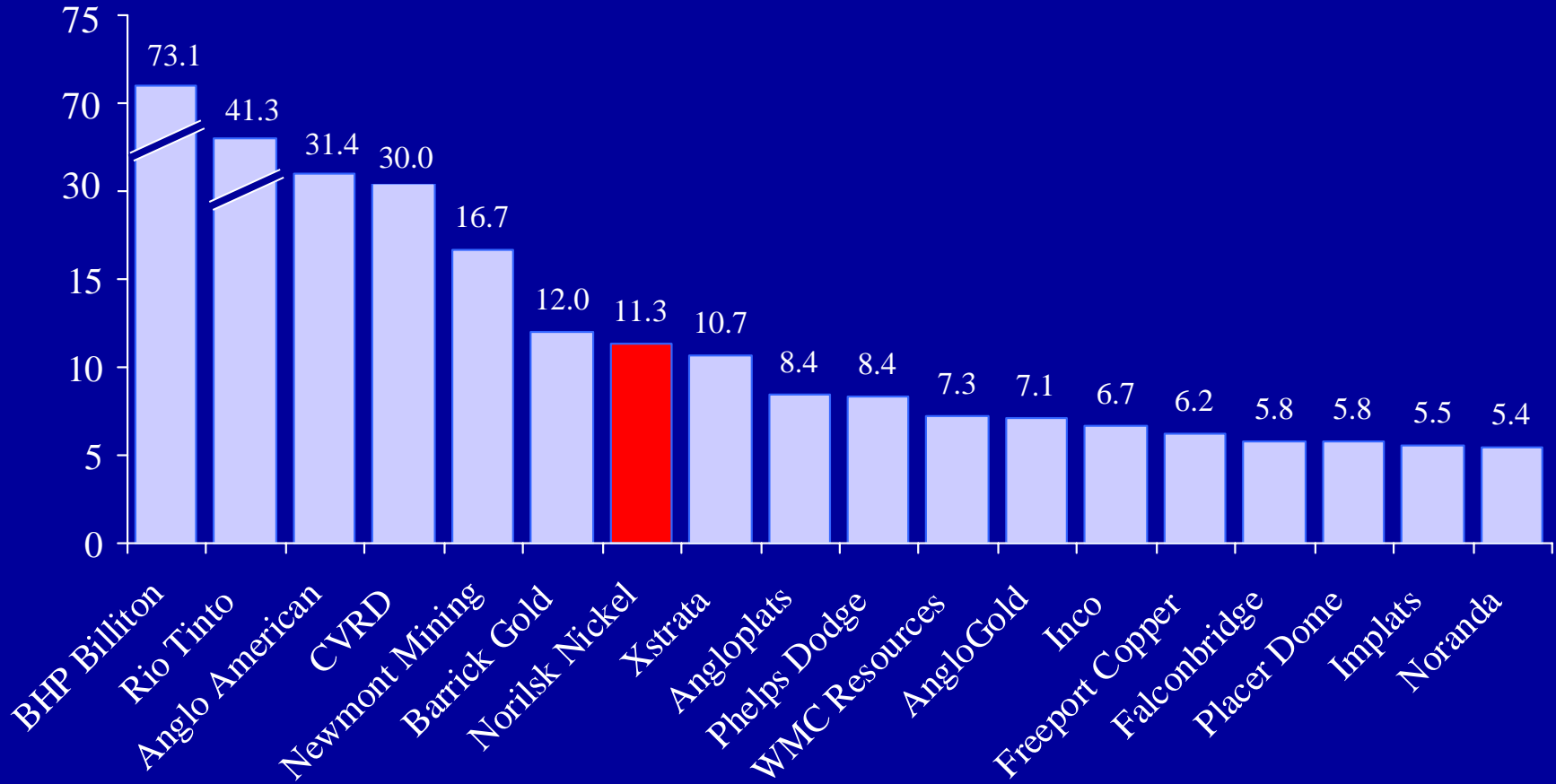
Increasingly global presence



One of the world's largest quoted mining companies



Market Capitalisation, May 2, 2005, USD bn

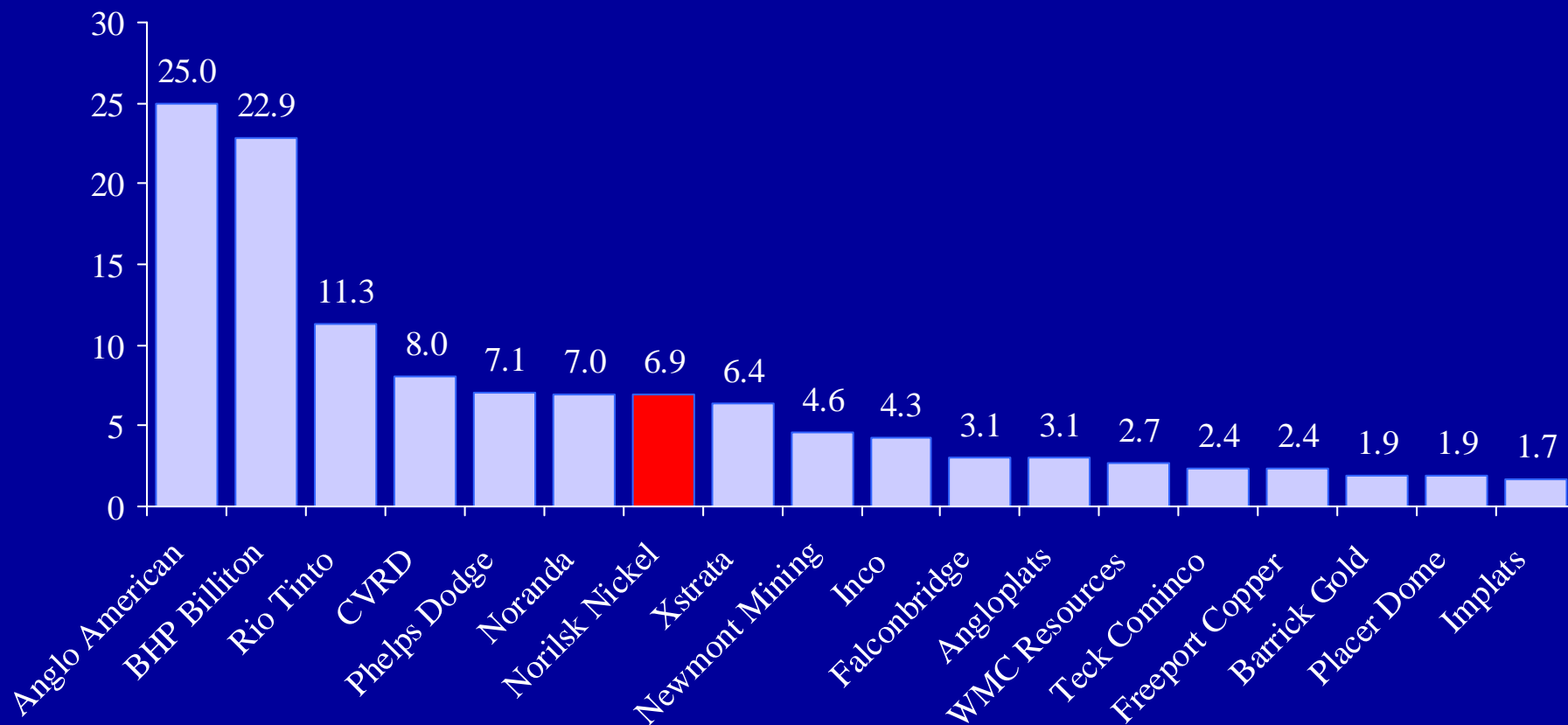


Source: UBS

One of world's largest mining companies by revenues



2004 Revenues, USD bn



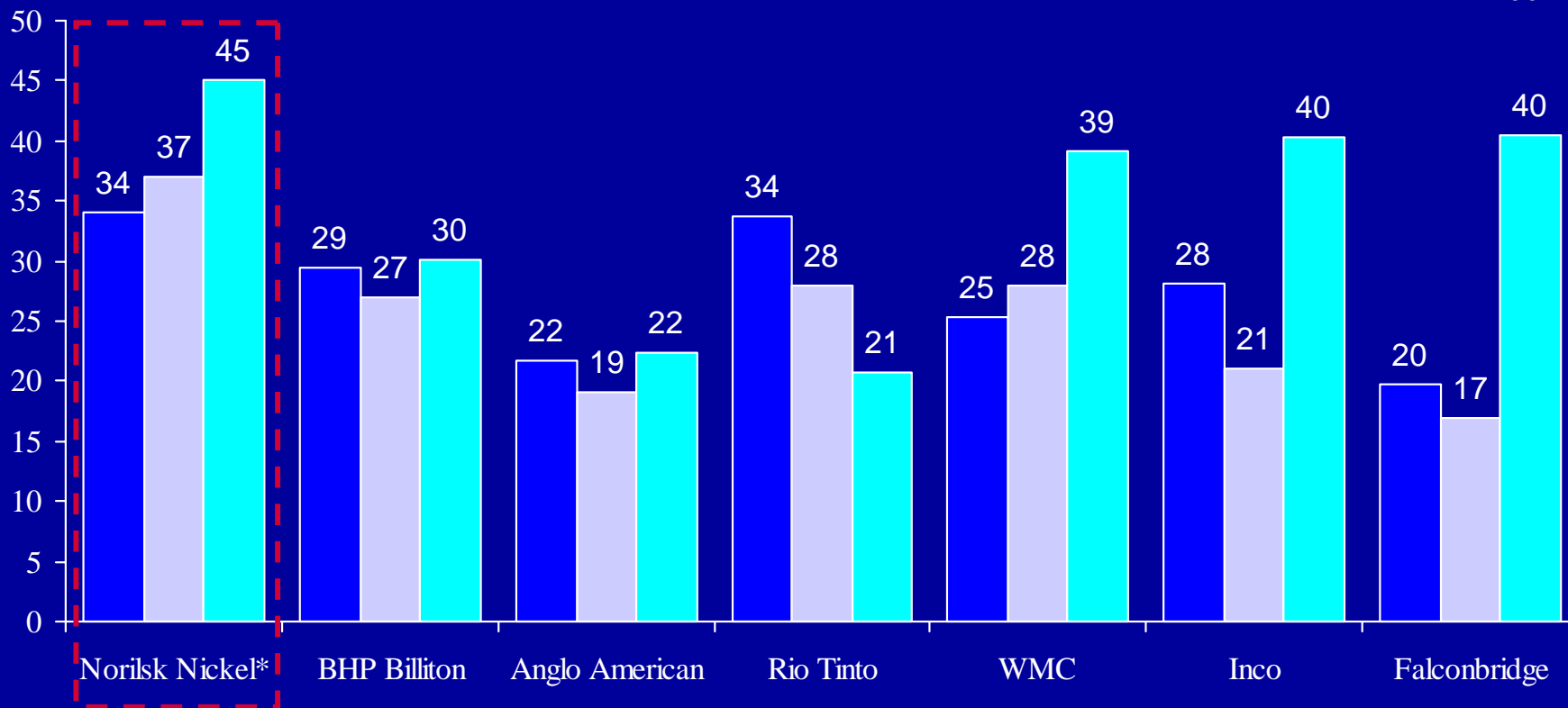
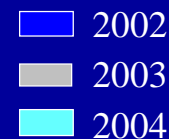
Source: UBS

Leading profitability in industry



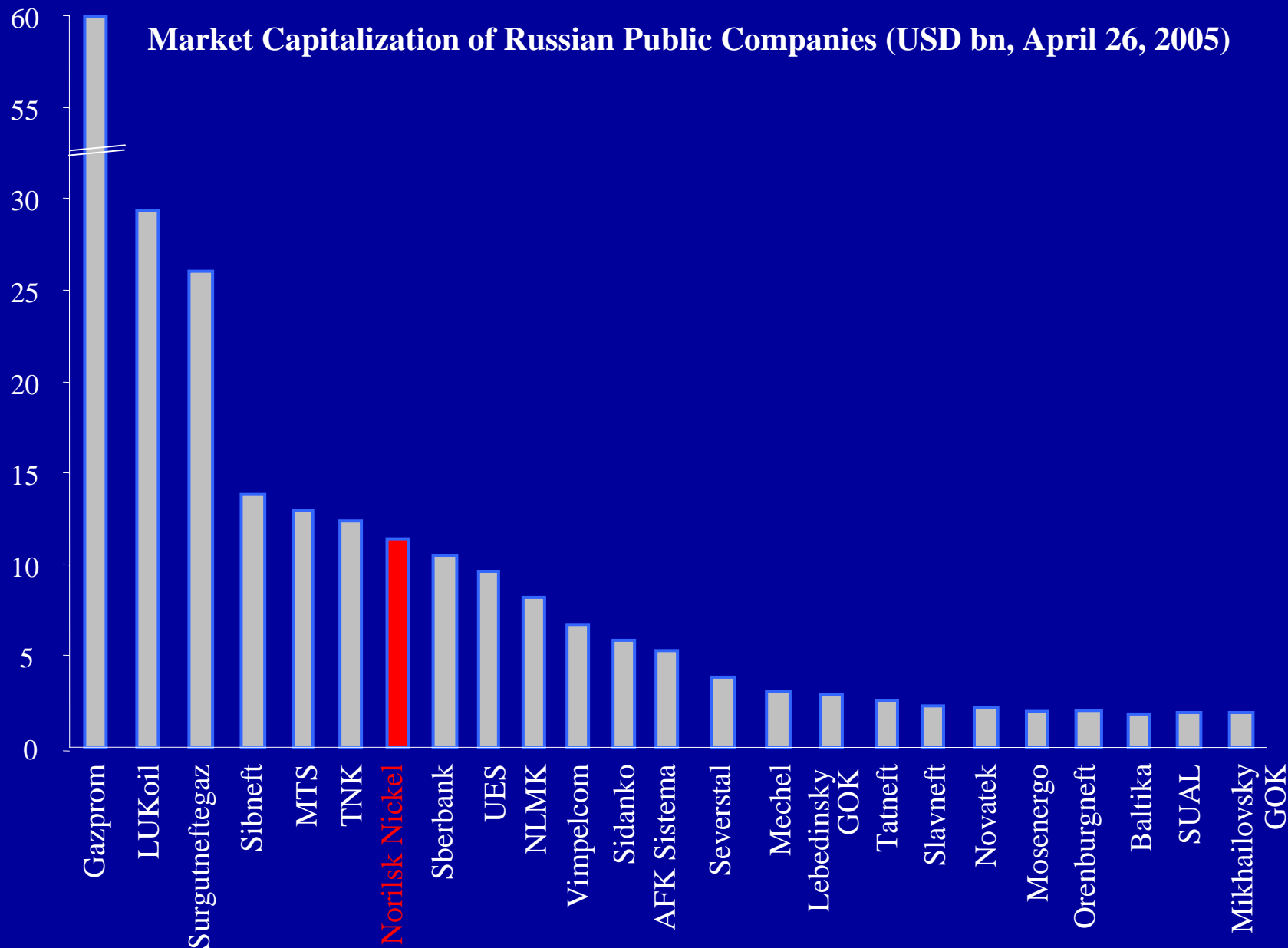
EBITDA Margin

Percent



* For MMC Norilsk Nickel 2004 data represents 1H 2004
Source: Company reports

Largest mining and metals blue chip in Russia

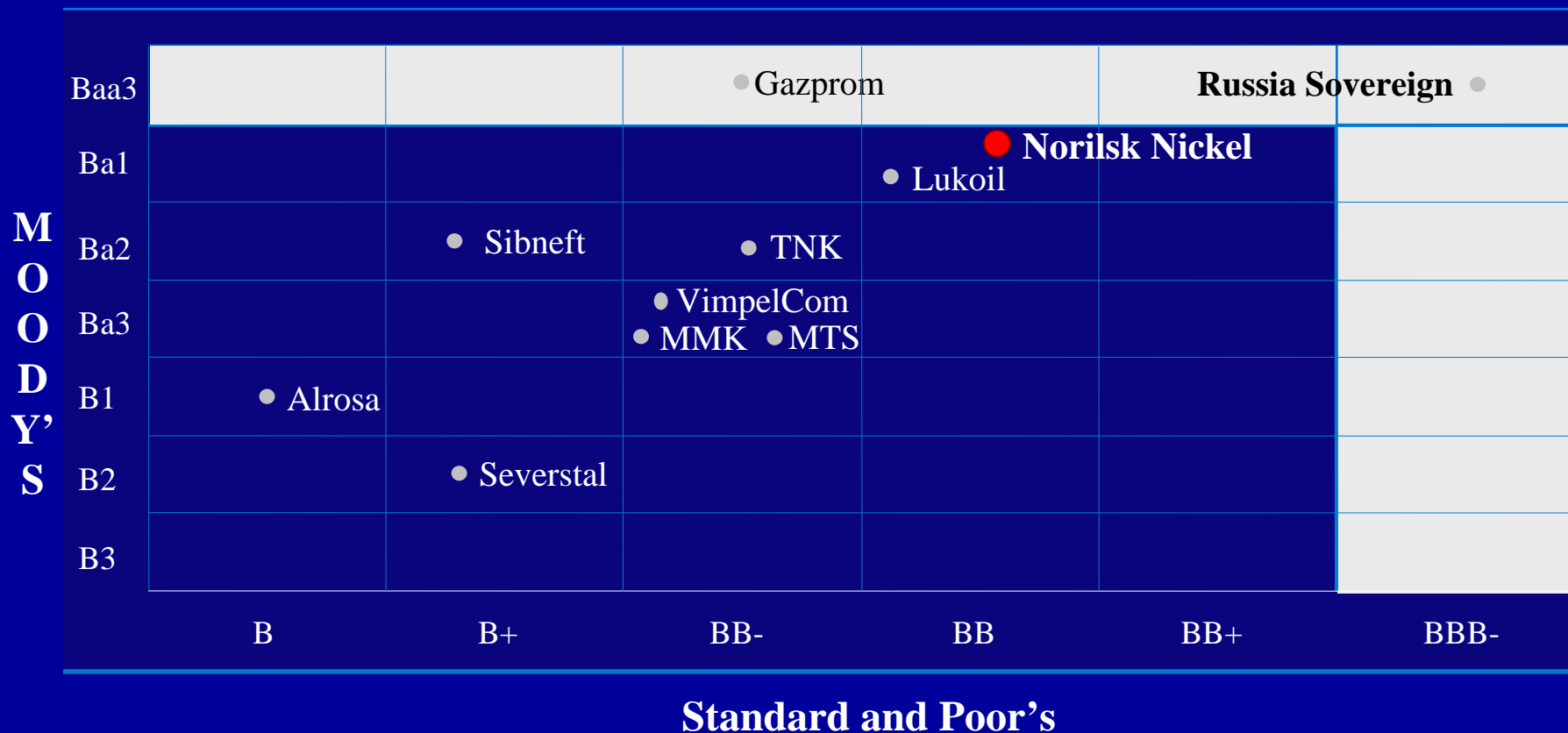


Recognized as one of Russia's most solid investments



Russian Company Credit Ratings S&P, Moody's as of 1 May 2005

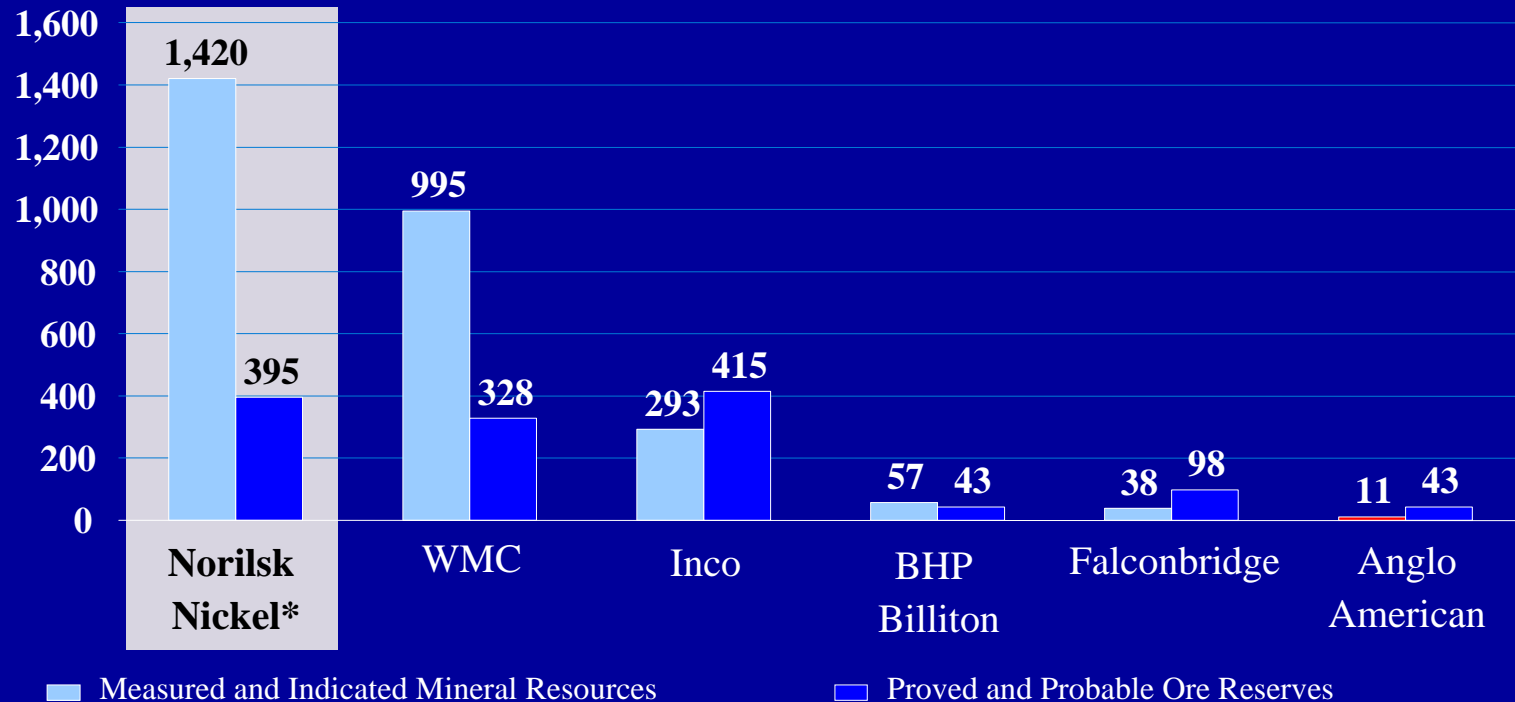
■ Investment grade



Source: Moody's and S&P

- **Norilsk Nickel's standing amongst global miners and Russian companies**
- **Norilsk Nickel's strengths, current initiatives and corporate developments**

Ore Reserves of Leading Nickel Producers (as of 1/1/2003, million tonnes)



- Base metals reserve data for 2003 and 2004 will be available with 2004 annual report
- Expecting to publish PGM data later this year once state secrecy on these minerals is lifted

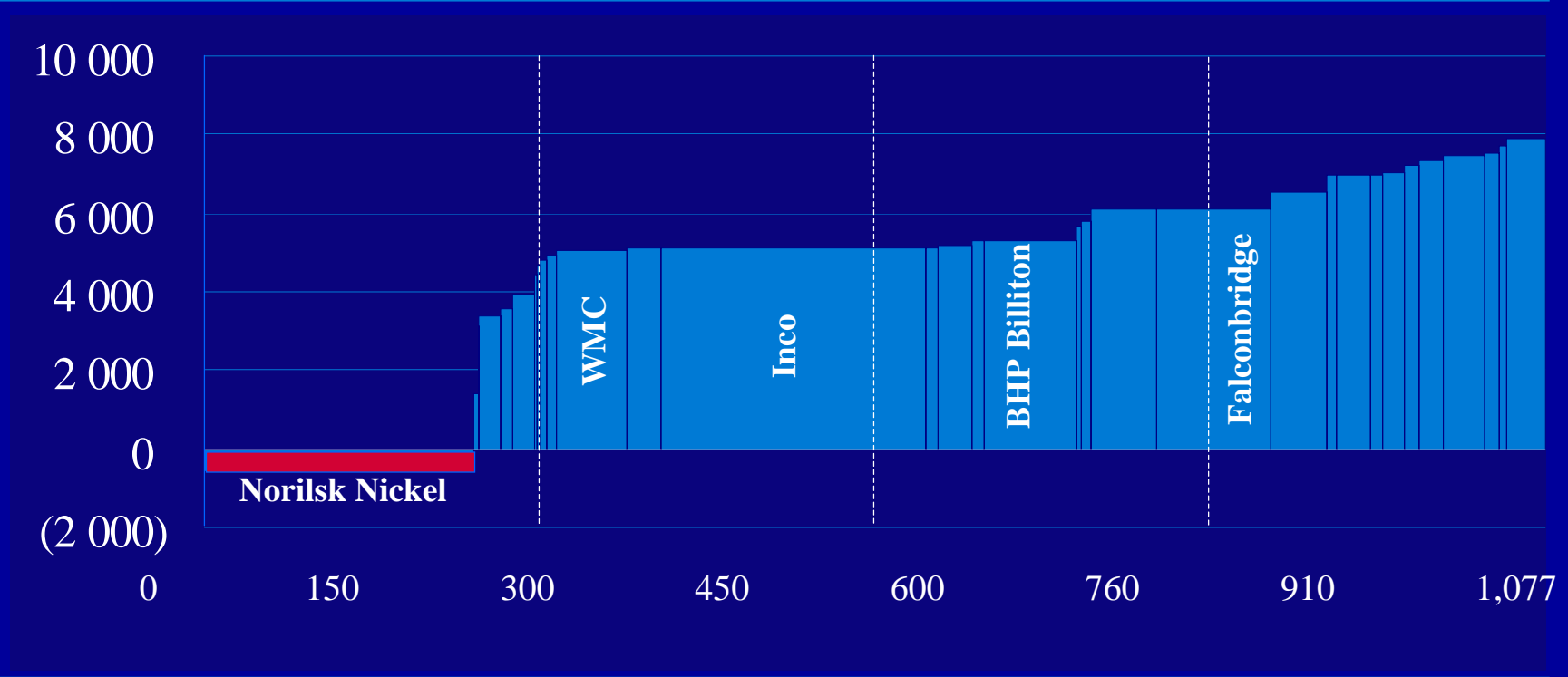
* Does not include nickel resources and reserves in Norilsk-1, Zapolyarnoe, Semiletka and Kotselvaara deposits
 Source: Micon International, Company reports

World's lowest cost nickel producer

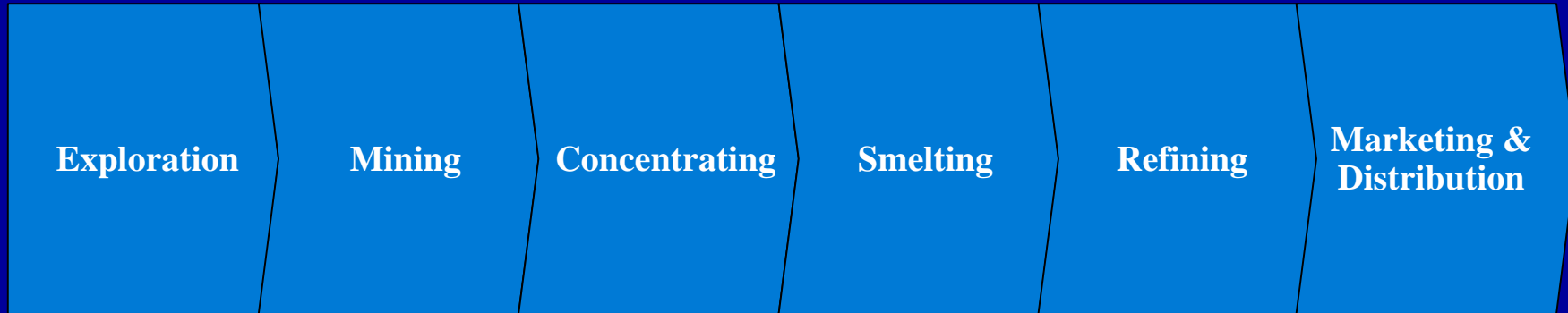


Global Nickel Cost Curve, 2004

Direct Cash Costs (US\$ /ton), Cumulative Production (thousand tons)



Integration through the value chain



- Polar Exploration
- Kola Exploration
- Polar: Norilsk-1, Talhakhskoye, Oktyabroskoye
- Kola: Zhdanovskoya, Zapolyarnoye
- Polar: Talnakh and Norilsk Concentrators
- Kola: Pechenga Concentrator
- Polar: Nadezhda Plant, Copper Plant, Nickel Plant
- Kola: Pechenga Smelter
- Polar: Nickel Plant, Copper Plant
- Kola: Severonickel
- Global Distribution Network



Transportation Complex

Energy and Power Infrastructure

Maintenance & Construction

R&D and Project Design Institute

- **Streamlining existing production operations in Kola and Polar divisions**
 - Cost and headcount reduction
 - Outsourcing non-core functions
 - Optimal configuration of operating assets
 - Upgrading environmental management systems
 - Evaluating sulfur reduction technologies
 - Minimizing dependence of social infrastructure while continuing to support community development
- **Corporate development**
 - Consolidation and further expansion of gold operations
 - Strengthening corporate governance and further improving reporting and transparency
 - Strengthening control over and management of infrastructure support assets
 - Identification and evaluation of new mine prospects
- **Improving reporting and transparency**
 - Further improving financial and production reporting
 - Ensuring reserve data is reported to international standards
 - Further disclosure of precious metal and gold reserves
- **Improving organization and processes**
 - Further development of management information systems
 - Adoption of 3 year financial planning
 - Initiating streamlining of organizational structure

- Streamlining production
 - Increasing equipment utilization
 - Reduce WIPs
 - Evaluating asset configuration
 - Reducing SO₂ emission per ton of metal
- Cost reduction - countering Russian inflationary trends and historical cost growth
 - Purchasing program
 - Equipment maintenance initiative
 - Performance based incentives focused on cost reduction
- Tactical replacement/refurbishment of assets beyond economic life
 - Detailed year by year capex plan
 - Standardizing and streamlining project evaluation /approval processes
- Refining ore reserve management and mine planning systems

Stable production volumes

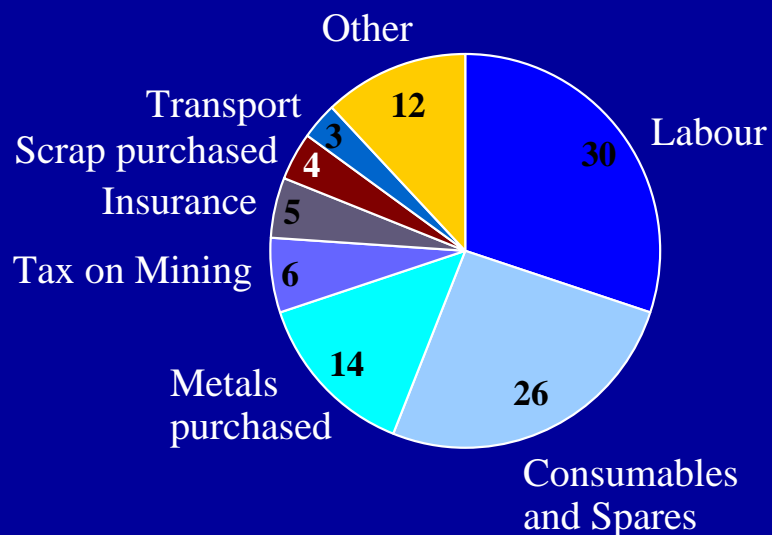


Production volume <i>(in '000 tons or as noted)</i>	2005F	2004	2003	2002
Nickel	240-245	243	239	218
Copper	440-450	447	451	450
Platinum group metals <i>(compared with previous year, %)*</i>	NA	104%	103%	101%

* PGM produced in Russia

Source: Company data

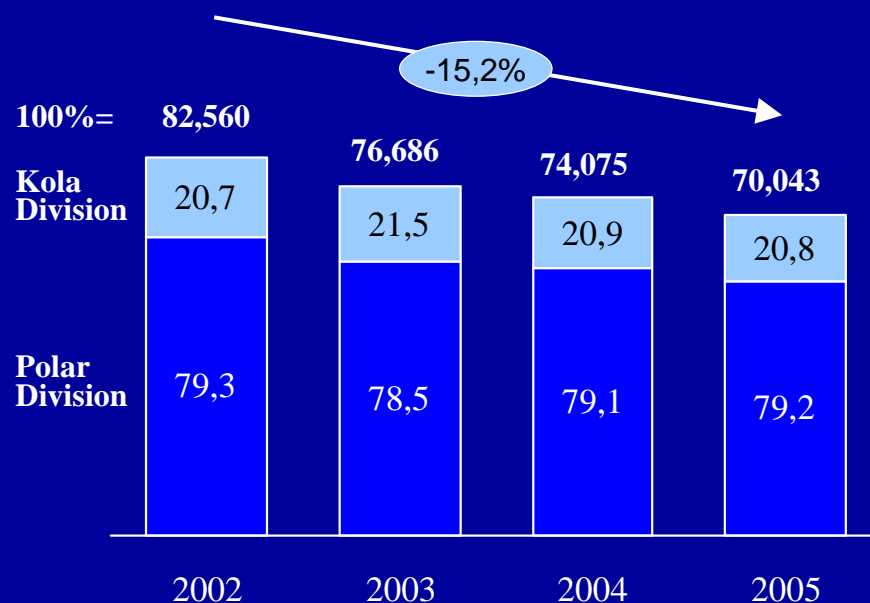
Cash Production Costs Breakdown by Sector (%)



Source: Company Financials (1H 2004)

Notes: Other includes Repairs & Maintenance (3%),
Utilities (3%), Other (6%)

Evolution of Headcount at Key Operating Divisions, 2002-05



Source: Company data

Notes: Data as of January 1st of year indicated

Budgeted Capital Expenditures, 2005F

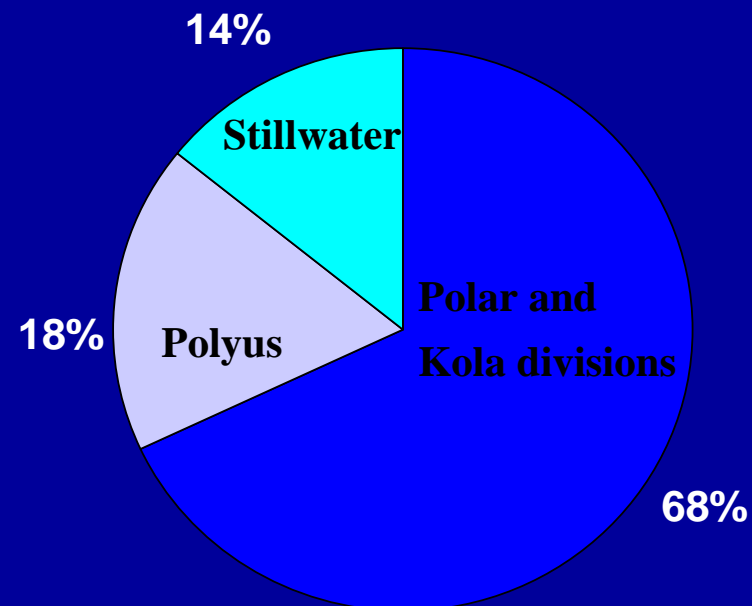


Budgeted capital expenditures, 2005F

USD M

NN Group, excl. Polyus and Stillwater	494
Polyus	131
Stillwater	102
Total for group, of which	727
Maintenance of property, plant, equipment	361
Expansion of property, plant and equipment	366

100% = 727 m USD

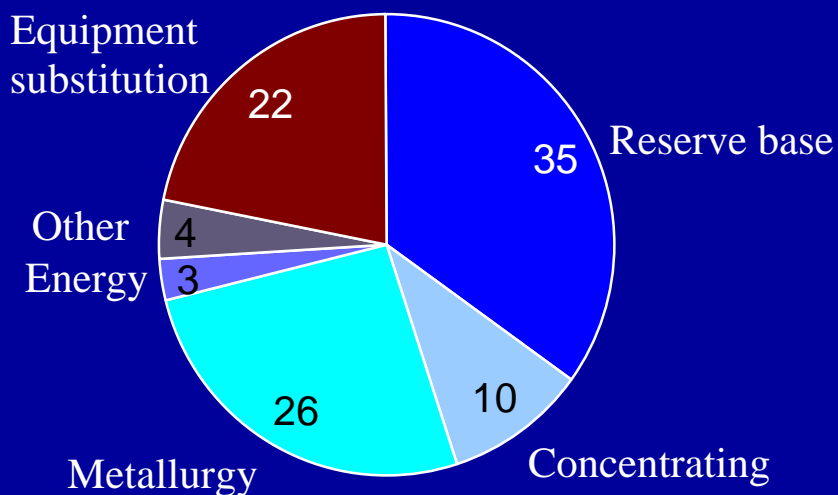


Budgeted Capital Expenditure 2004E-2005F, Polar Division



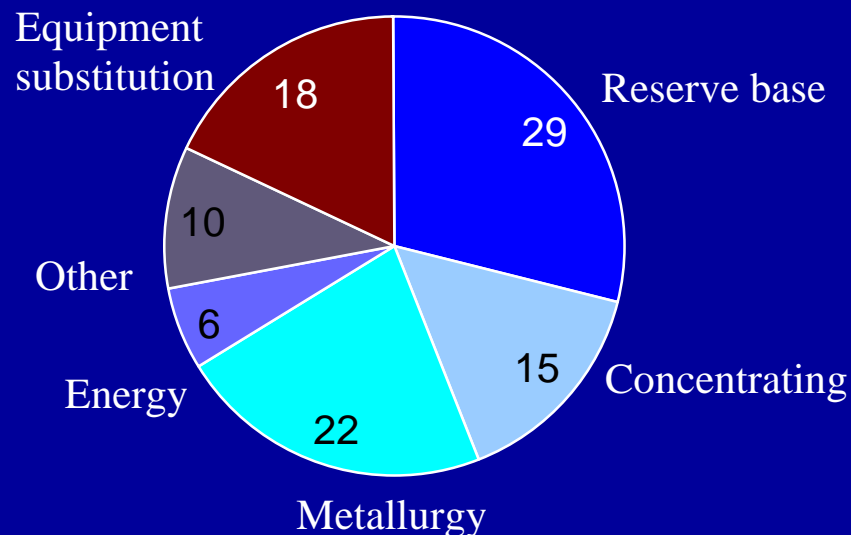
2004 Estimated

100% = 321 m USD



2005 Forecast

100% = 379 m USD



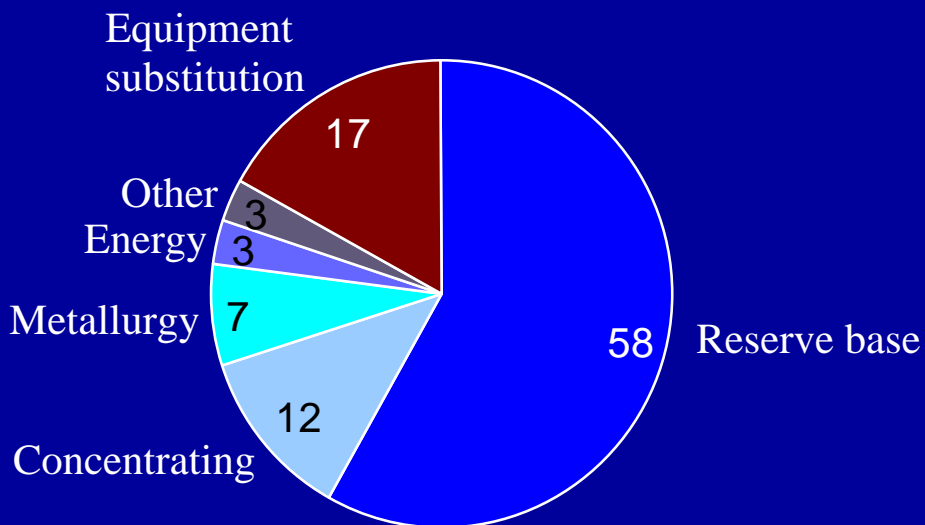
Source: Company data

Budgeted Capital Expenditure 2004E-2005F, Kola Division



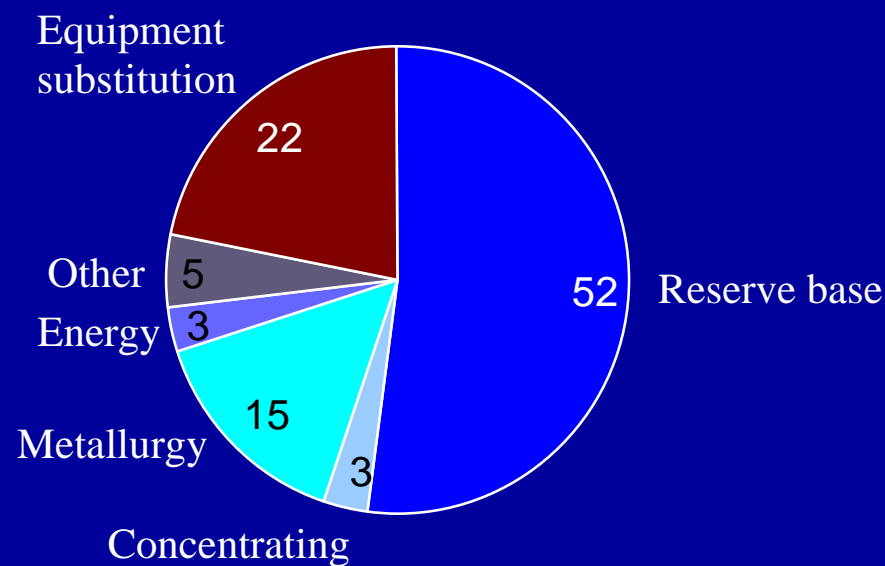
2004 Estimated

100% = 59 m USD

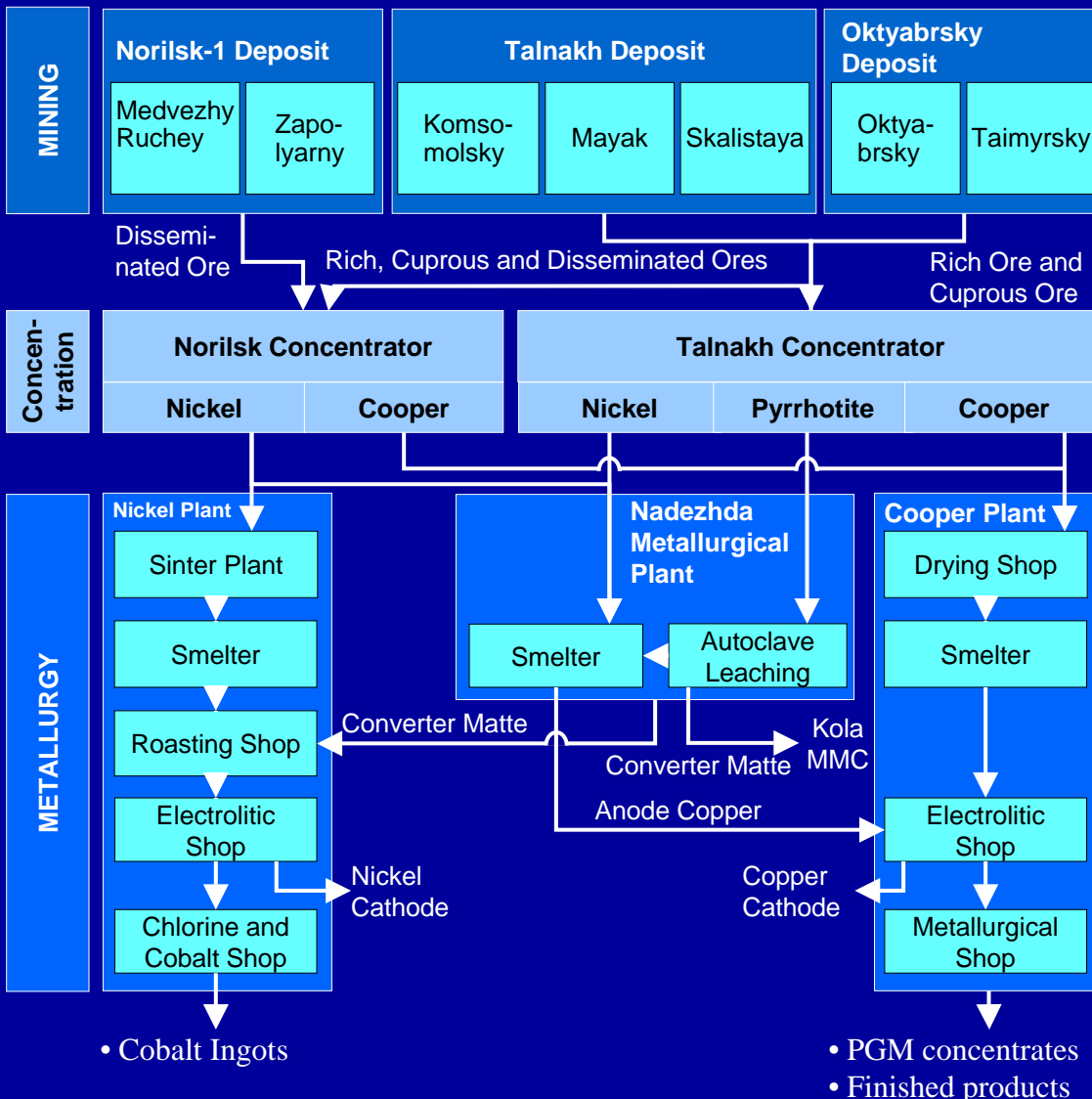


2005 Forecast

100% = 61 m USD

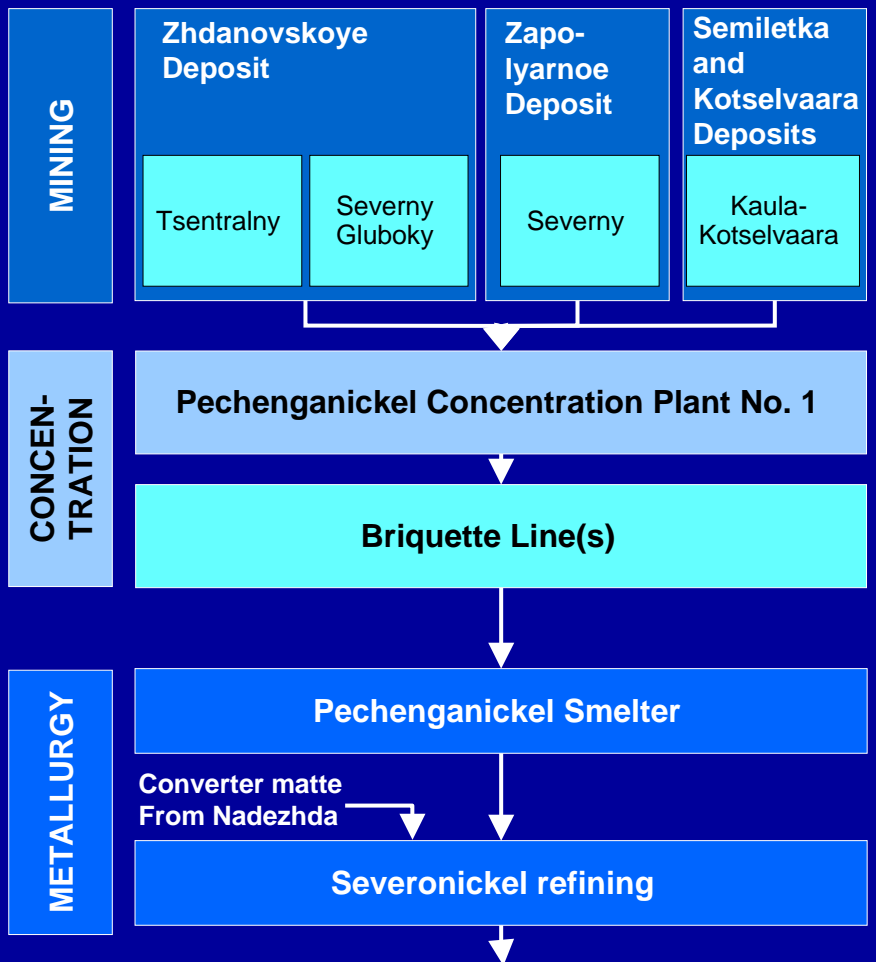


Polar Division production flow



Major Projects completed/underway 2004-05

- Development of Skalisty Mine
- Replacement of rich ore mined at Oktyabrsky
- Ramp up to 3.5 Mt/a of rich ore from Skalisty by 2018
- Development of tailings pond
- Expansion of existing tailings pond to accommodate growth in mining and concentration
- Reconstruction of 2nd Flash Smelting line
- Modernization of existing line and preparation for increase in total flash smelting capacity to 2.2 Mt/a of concentrates
- 3 new wells at Pelyatka gas field
- Expansion of natural gas production to meet growing demand from mine and metallurgical production



- Intermediate concentrates (PGMs, Cobalt, Copper)
- End products (Nickel Cathode, Carbonyl Nickel, Cooper Cathode)

Major Projects completed/underway 2004-2005

- Development of new Severny Gluboky mine
- Replenishment of mining base to maintain nickel production from Kola ore at ~ 40 Kt/a of Ni
- Production of 4 Mt/a of ore in 2010, and up to 6 Mt/a in 2015
- Installation of briquette line
- Support reduction of SO₂ emissions by 135 Kt/a and increase Ni content of concentrates up to 9%
- Ongoing testing of two zone Vanyukov furnace
- Testing of modern concentrate smelting technology to increase SO₂ processing and improve metal extraction by eliminating matte conversion stage
- Further introduction in Pechenga smelter and Copper plant (Norilsk) to be reviewed

GOLD

- April 2004 – Acquisition of 20% equity stake in Gold Fields Ltd from Anglo American plc for an aggregate amount of approximately \$1.2 billion
- September 2004 – February 2005 – Russian gold assets consolidated under ZAO Polyus. Completed acquisitions of Panimba (Krasnoyarsk region), Chertovo Korito, Mukodek and Pervenetz (Irkutsk region) totalling around 1.0 oz reserves and estimated around 5.5 mln oz resources
- Company's 20% interest in Gold Fields Limited to be consolidated under ZAO Polyus
- Audit of gold reserves currently being carried out by SRK. Results will be available later this year.
- April 2005 – Board of Directors approved general plan for spin off of gold assets. Detailed information memorandum to be prepared by August 2005

STRENGTHENING CONTROL OVER SUPPORT ASSETS

- August 2004 – Signed a contract with the Finnish shipbuilding company Kvaerner Masa-Yards Inc. for the construction of an arctic container ship with a capacity of 14,500 tonnes to work the Northern Sea Route
- November 2004 – Completed the reorganization of its Global Distribution Network, which now includes Nickel Asia Ltd. (Hong Kong) for the Far East and Asian markets, Norilsk Nickel Europe Ltd. (UK) for the European market, and Norilsk Nickel USA for the American markets
- March 2005 – RAO UES Russia and MMC Norilsk Nickel reached an agreement to establish Norilsk-Taimyr Energy Company (NTEC), which will bring together the existing energy assets of both companies in the Norilsk Industrial Region. Subsidiary of RAO UES will lease to new company for ten years two hydroelectric stations, Ust-Khantai and Kureiskaya, with a combined capacity of 1,041 Megawatts and MMC Norilsk Nickel - three thermal power plants with a total capacity of 1,205 Megawatts. RAO UES Russia will hold 49 per cent of shares in the new company, and MMC Norilsk Nickel will get 51 per cent.

Recent company developments (continued)



CORPORATE FINANCE

- September 2004 – Completed a US\$500 million Eurobond issue priced at 7.125%. The issue was more than four times over-subscribed
- August 2004 – International rating agencies Moody's Investors Service and Standard & Poor's Ratings Services assigned credit rating to MMC Norilsk Nickel. Moody's assigned a senior implied rating of "Ba1" with a stable outlook, Standard & Poor's assigned "BB" long-term corporate credit rating and "ruAA" Russian national scale rating with a stable outlook

CORPORATE GOVERNANCE

- Independent reserves audits for base metals (as of 1/1/2004 and 1/1/2005) to be available shortly, audit of PGMs planned following formal procedures on lifting secrecy on these metals.
- From 2004 semi-annual disclosure of financial accounts in accordance with IFRS. Full year 2004 IFRS results will be released in the first half of June 2005
- November 2004 – Extraordinary general shareholder meeting approved the distribution of interim dividend for 9 months 2004 in the amount of 41.4 RUR per share

ENVIRONMENTAL POLICY

- January 2005 - Management Board has approved the environmental and quality control policies, which were adopted in accordance with the requirements of international standards ISO 9001:2000 and ISO 14001:2004
- Third place in 2005 Russian rating "Environmental responsibility of the largest industrial companies"



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