



NORILSK NICKEL

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**Presentation at
Brunswick UBS Conference**

Moscow - September 2003

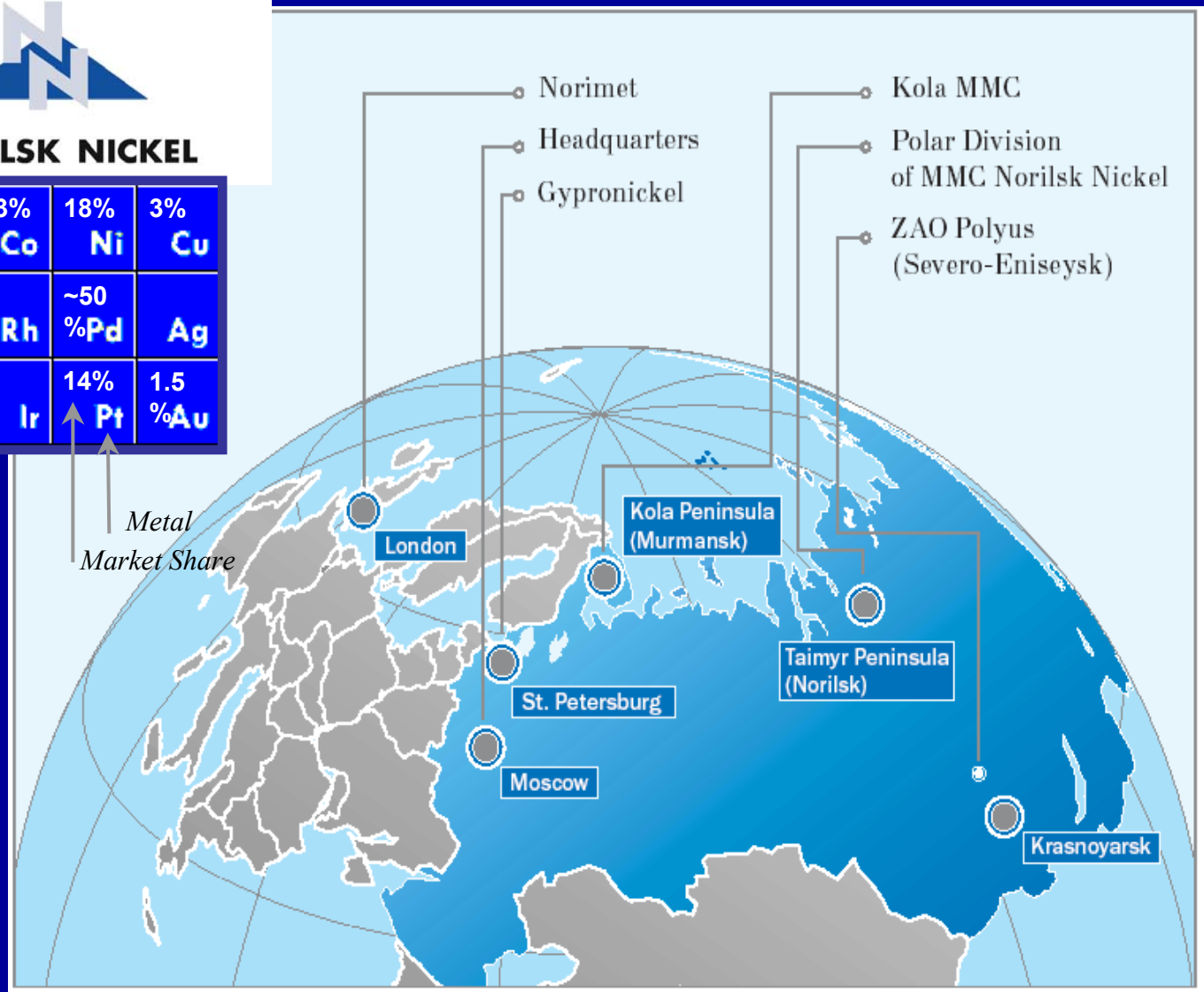
Norilsk Nickel Overview




NORILSK NICKEL

Fe	13%	18%	3%
Ru	Co	Ni	Cu
Os	Rh	~50%Pd	Ag
Ir	Pt	14%	1.5%Au

Metal Market Share



Consolidated Income Statement



(USD in millions)

	Audited 2002	Unaudited restated* 2001	Y-o-Y change %
Gross metal sales revenue	3,094	4,382	-29
Cost of metal sales	(1,751)	(2,400)	-27
Gross profit on metal sales	1,343	1,982	-32
<i>Gross profit margin</i>	<i>43%</i>	<i>45%</i>	
Profit attributable to ordinary shareholders	584	1,235	-53
Headline earnings**	315	411	-23
<i>Net profit margin</i>	<i>10%</i>	<i>9%</i>	

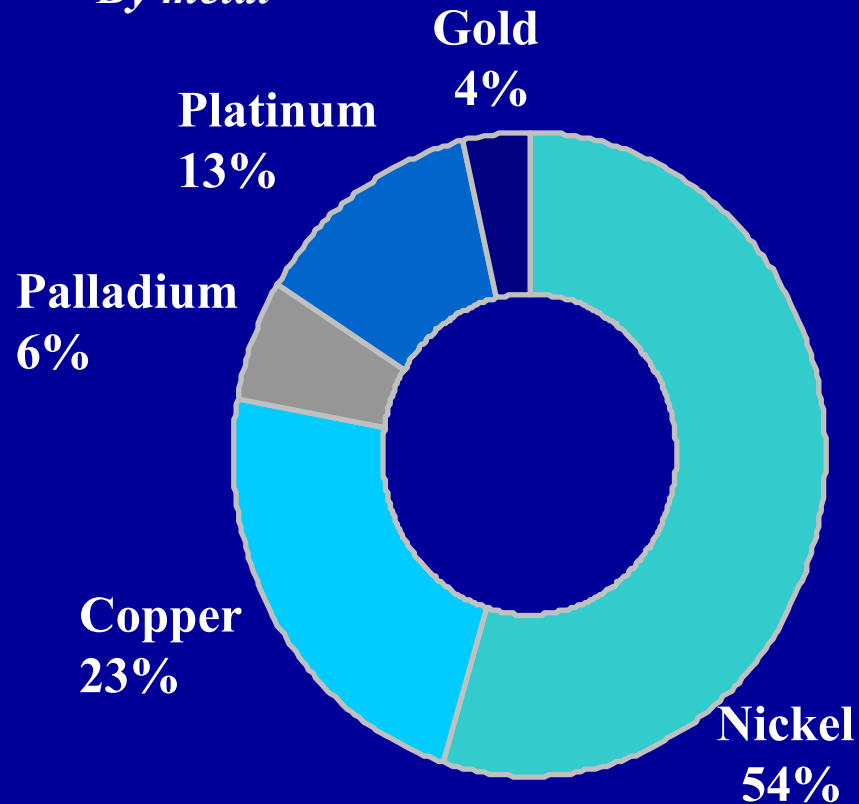
Note: () The previously reported figures for 2001 have been restated to account for changes in the purchasing power of the Rouble (the measurement currency) and are stated in terms of the measurement unit current at the date of the balance sheet. For comparison purposes 2001 financial statements were restated to reflect asset revaluation, new accounting policies, and the introduction of some best practices in financial disclosure. (**) Net profit was adjusted to exclude the non-cash-flow changes in fair value of an embedded derivative of USD 269 million (2001 - USD 824 millions)*

Product and Geographical Breakdown of 2002 Revenues

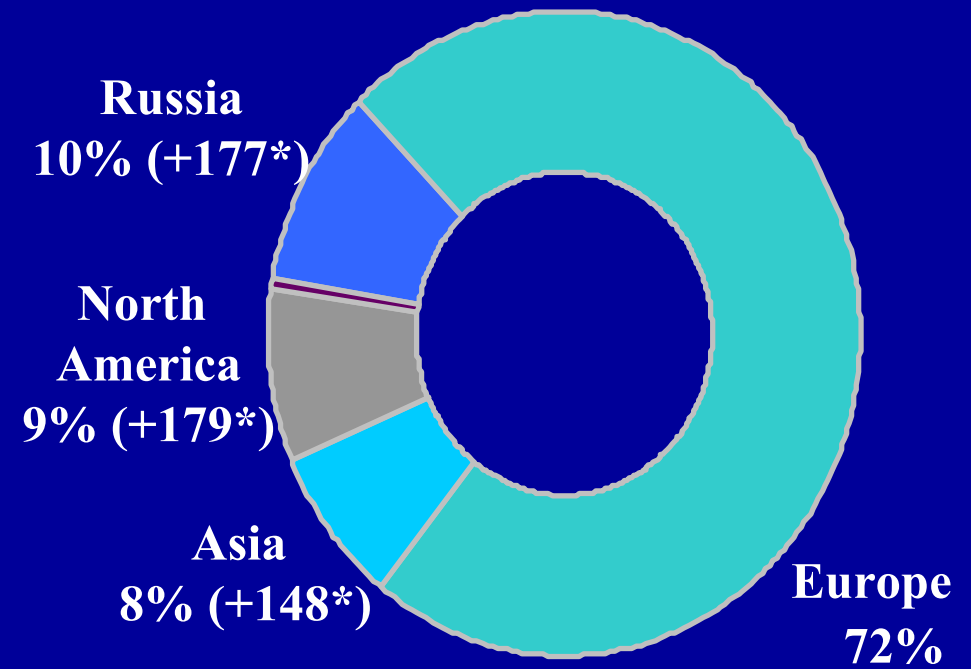


(100% = USD 3 094 million)

By metal



By geography



Note: (*) Absolute growth from previous year in millions of USD

PGM Markets



Palladium

- Auto manufacturers are considering switching back from platinum to palladium in autocatalyst production given the price difference, boosting demand
- Automakers continue to destock palladium
- Despite potential switching to palladium from automakers, platinum demand should be supported by the growing Chinese jewellery sector
- The platinum market is in deficit for the fourth consecutive year, and is expected to move into balance in 2005 as South Africa increases production
- The palladium market is currently in a material surplus; however, the stock cycle may turn positive on pricing once automakers finish destocking

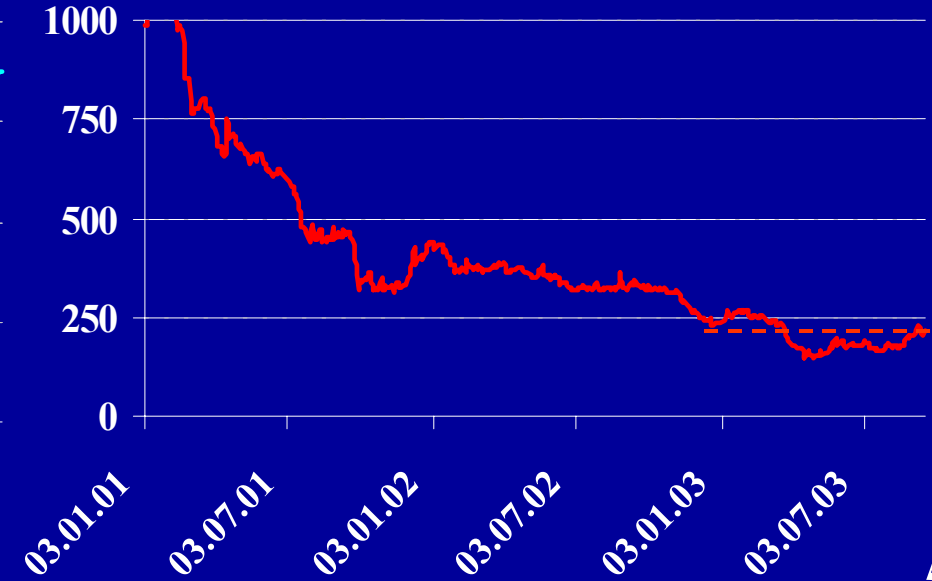
Platinum Price (LPPM)

(In USD per ounce)



Palladium Price (LPPM)

(In USD per ounce)

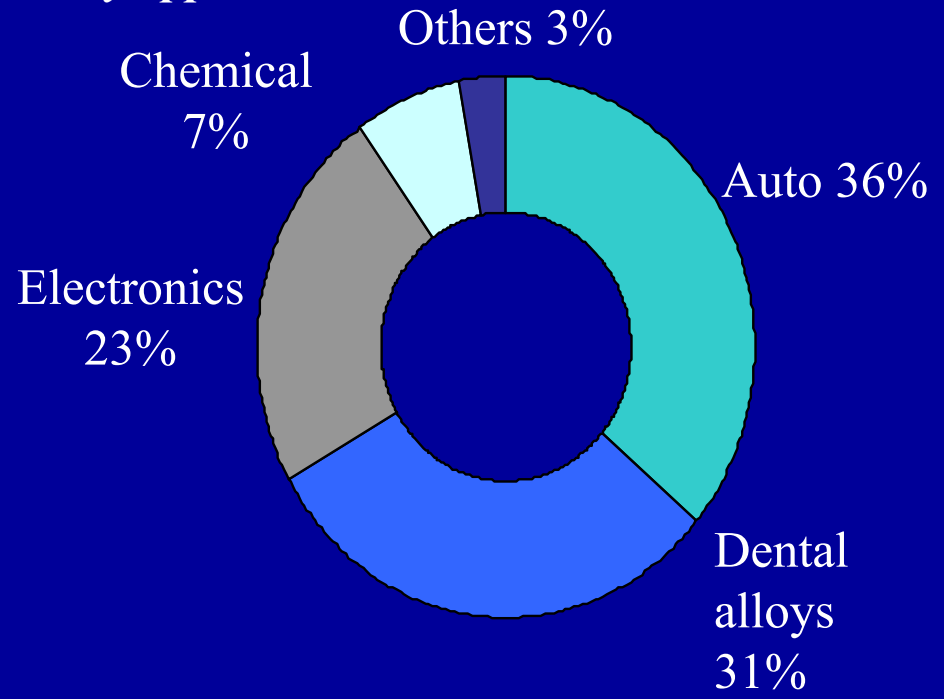


Palladium Sales

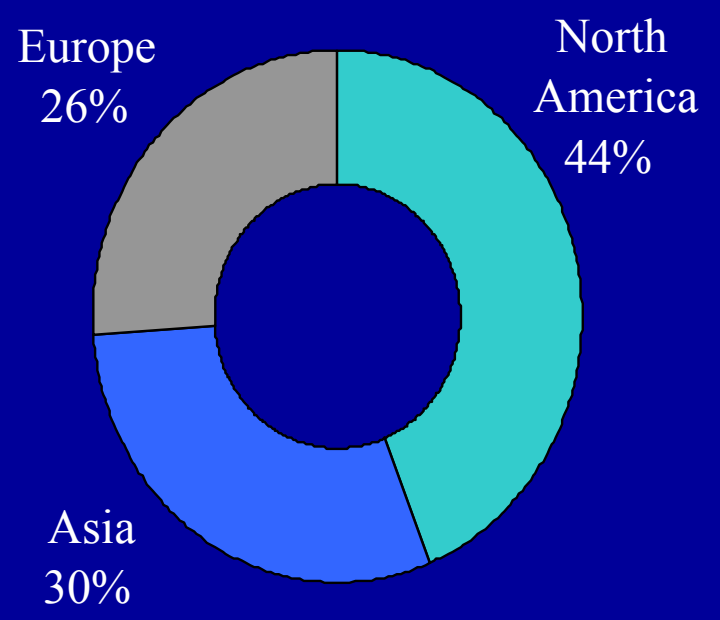


- Contracts signed for 100% of annual production plan
 - Signed up many consumers from the dentistry industry in Europe
- Plan active promotion campaign to increase palladium usage
- Norimet and Almaznyuvelirexport signed an agreement allowing Norimet to market palladium and platinum directly to end-users

By application



By geography



Stillwater Acquisition



Stillwater Mining Company

- The only PGM producer in the USA
- PGM reserves equal 27.7 million ounces (40 years of production)
- In 2002 Stillwater produced 476,000 ounces of palladium and 141,000 ounces of platinum

Transaction

- Norilsk Nickel acquired 55.5% of Stillwater's common stock
- Consideration consisted of two parts:
 - USD 132 MM in cash
 - approximately 877,000 ounces of palladium

Creating Value

- Provides a solid distribution platform for PGMs in the US, improving access to the key end-users
- Increased reliability and supply in the palladium market preempting the substitution effect and promoting the use of palladium
- Geographical diversification of the mineral resource base/reduction of country risk

Next Steps

- Take part in strategic management of the Company

Nickel Market Overview

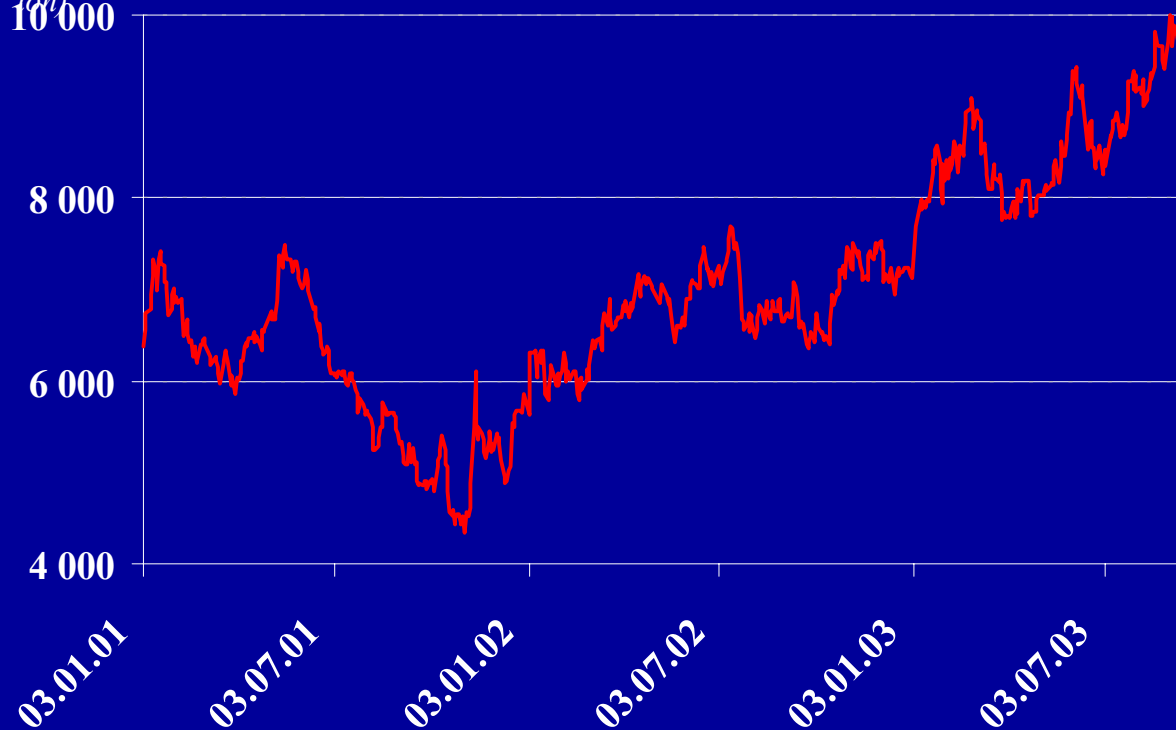


- Tight nickel market in the next 2-3 years
 - No major expansion projects till 2006 (Voisey's Bay)
 - Three-month strike at Inco in Canada caused temporary shortage of nickel supply
 - Stainless steel demand expected to grow 6.1% in 2003
- Chinese imports of primary nickel are expected to grow by 83% to 50,000 tons in 2003

Nickel Price

(LME, In USD per

10³)



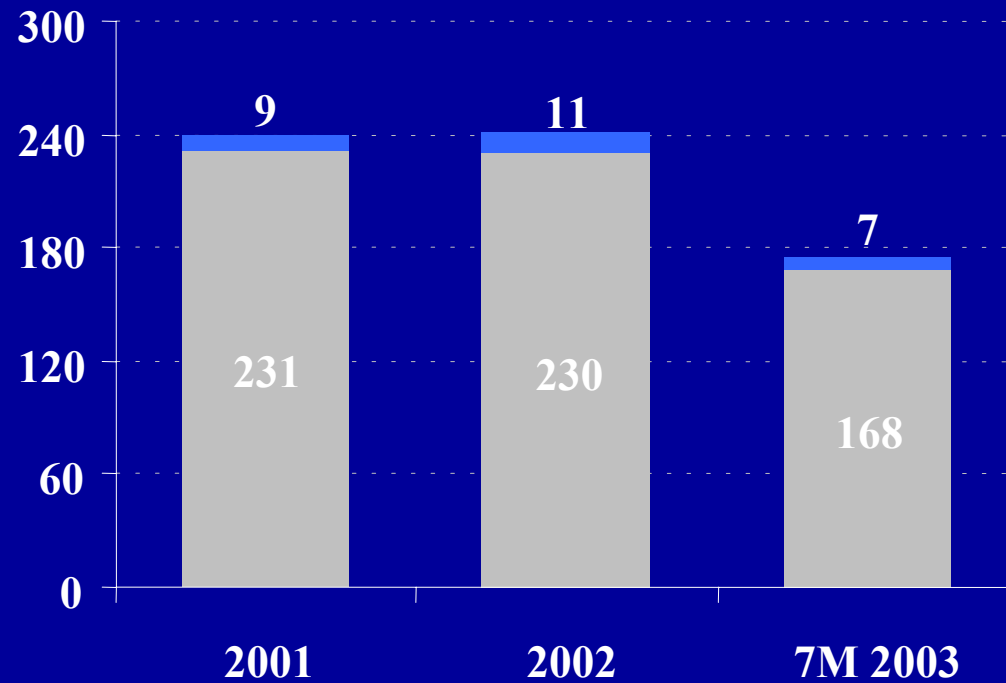
Nickel Sales



- On track to produce 240,000 tons in 2003, up 20,000 from 2002 level
- Sold 60,000 tons into the market from inventory
- Increased sales to Asia from 40,000 tons in 2002 to 65,000 tons in 2003

Nickel Sales

(In thousand tons)



- Norimet and export
- Sales in Russia

Gold Market



- Gold has rallied steadily since the beginning of 2001, settling at the current level of \$377/tr.oz.
- Dollar weakening and risk aversion among investors and speculators are the key drivers
- Mine gold supply is likely to fall in the near term due to declining grades
- Liberalization of the Chinese gold sector is likely to result in long-term demand growth from this potentially important consuming nation

Gold Price

(USD per ounce)



The Leading Gold Producer



ZAO Polyus

- 100% stake acquired in October 2002 for USD 226 million
- 2002 production 25 tons of gold – Russia’s largest gold producer
- One of the largest gold deposits in Russia - Olimpiadinskoye

ОАО Matrosov Mine

- A controlling stake of 50.7% acquired in August 2003 for RUR 1,033 million (~USD 34 million)
- Natalkinskoye deposit with proven reserves of 250 tons

ОАО Lenzoloto

- In September 2003 Norilsk Nickel acquired 44.9% (58.6% voting) of Lenzoloto for RUR 4,665 million (~USD 153 million)
- 2002 production 9.3 tons – Russia’s third-largest gold producer
- Reserves of 200 tons and resources of 100 tons
- “Key” to Sukhoi Log deposit

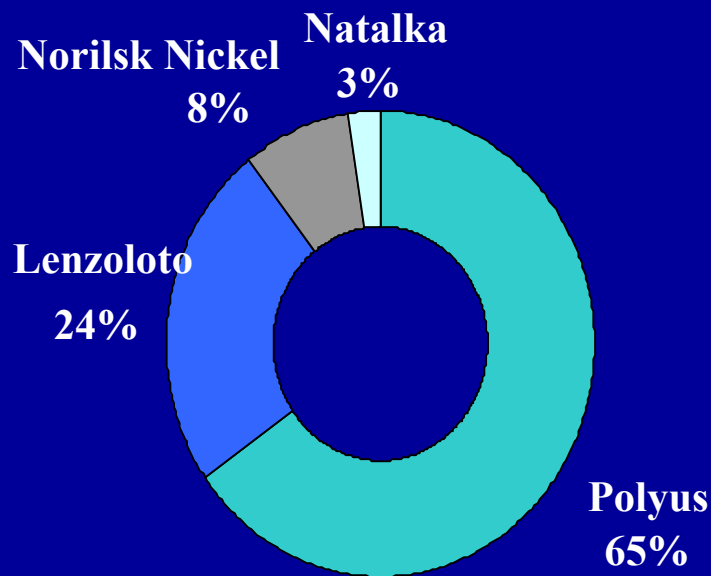
**With current annual capacity of 40 tons,
Norilsk Nickel is the world’s 10th-largest gold producer**

The Leading Gold Producer (continued)

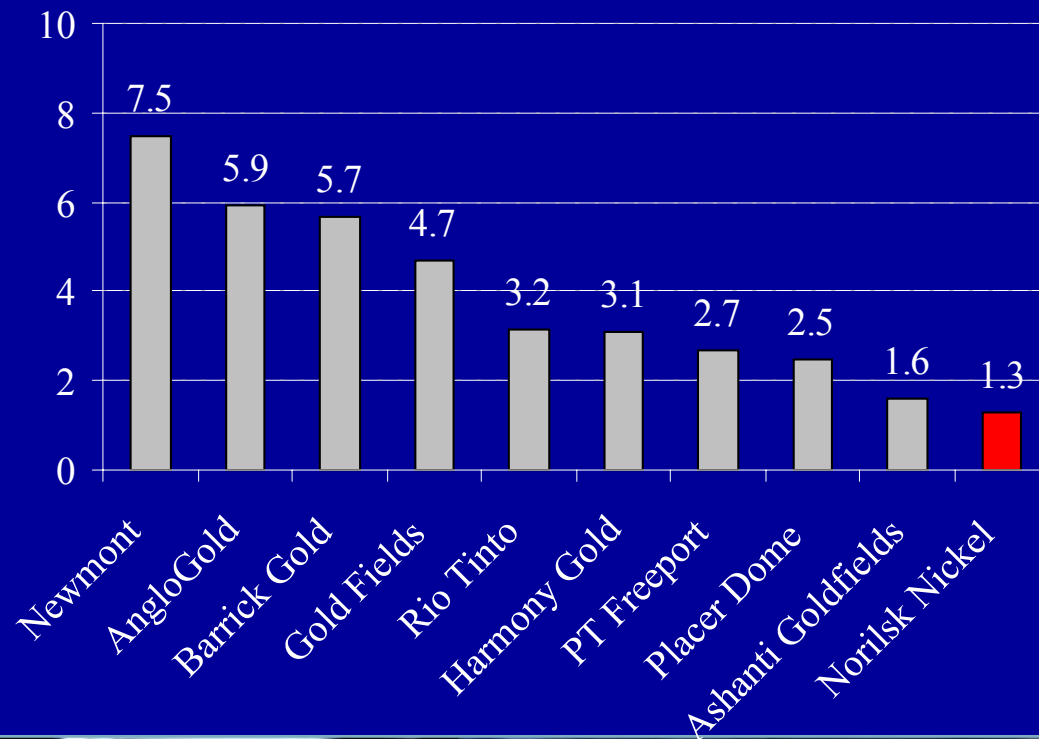


- Norilsk Nickel's annual gold production capacity has been expanded from 29 tons to 40 tons
- The next important step is to win a license to develop Sukhoi Log, one of the world's largest gold deposits

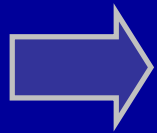
Gold Production Capacity Breakdown (proforma; 100% = 40 tons)



Largest Gold Producers (In millions of ounces)

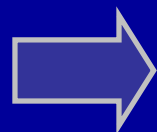


Summary of Production Plan 2015



Main principles of the Production Plan

- Metal production in line with expected market demand
- Increasing the efficiency of production
 - Extraction rates
 - Consumption of resources and raw materials
 - Production costs
 - New smelting facilities
- Environmental impact of operations
- Sustainability and cost-efficiency of operations

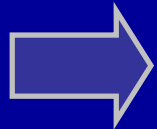


Maximum growth of shareholder value

- Return on investments (ROI) and internal rate of return (IRR) of investments into production significantly above 20%
- Investments payback period of 4-5 years

Note: The Production Plan remains subject to future optimization based on the results of an extensive research and commercial testing program to be conducted through the end of 2005.

Production Plan 2015 - Capital Expenditure



Financing from internally generated funds

- **Mining:**
 - Taimyr Peninsula - approximately USD 125 million per year
 - Kola Peninsula - approximately USD 25 million per year
- **Enrichment:** approximately USD 30 million per year
- **Metallurgy:** approximately USD 400 million over five years to increase and modernize smelting capacities
- **Research and tests:** up to USD 30 million in 2003-2005, including approximately USD 12 million for a pilot plant to test the high-grade matte leaching technology
- **Annual capital expenditure outlays:** projected capital expenditure budget of USD 300-450 million per year, including investments in environment and infrastructure

Corporate Governance Achievements



- 2002 Audited Financial Statements
- Dividend payout of 25% of net profit
- Lifted the secrecy regime from base metals production and reserves data
- Election of further independent directors to the Board

Euromoney magazine named Norilsk Nickel “a leading company in Russia for corporate governance in 2002”

Standard&Poor’s “Transparency and disclosure survey in 2003” ranked Norilsk Nickel fifth in terms of transparency and disclosure among the 45 largest Russian companies

2003 Objectives



- **Transparency**
 - Complete base metal reserves audit in accordance with international standards (Q4, 2003)
 - Lift the secrecy from PGMs
- **Corporate Governance**
 - Introduce Committees advising Board of Directors
- **Distribution**
 - Restructure distribution network outside Russia
 - Further increase long-term contracts and share of direct sales to end-users
 - Enter into long-term agreements with major car producers

2003 Objectives (continued)



- **Improve financial management**
 - Continue reducing labor costs by reducing number of employees
 - Cut social costs

- **Optimize production**
 - Implement development strategy released in 1Q 2003
 - Renovate flash smelters at Nadezhda to increase efficiency and capacity (to increase recovery rate and cut costs of production)
 - Research collective flotation and high-grade matte leach refining technologies
 - Put Pelyatka natural gas field into operation as a major step towards implementing the long-term energy strategy

- **M&A activity**
 - Fully integrate ZAO Polyus into the Group and efficiently manage controlling stakes in Lenzoloto and OAO Matrosov Mine
 - Participate in Stillwater Mining Company through 55.5% stake
 - Evaluate further opportunities

The Leading Mining Company



- Norilsk Nickel shares are traded on:
 - RTS (GMKN\$ RU) and MICEX (GMKN4(5) RM) in Moscow
 - ADRs in New York (NILSY US), London (MNOD LI) and Berlin (NNIA GR)

Norilsk Nickel Share Price Performance vs. Mining Indexes

(In US dollars for NN; indexes adjusted to NN share price)

