

Acquisition of 51% of Stillwater Mining Company



NORILSK NICKEL

Moscow, November 21, 2002

Transaction Summary



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|-----------------------------|---|
| Form | <ul style="list-style-type: none">• Norilsk Nickel will acquire 51.0% of Stillwater Mining Company (NYSE: SWC) in the form of 45,463,222 newly issued shares |
| Consideration | <ul style="list-style-type: none">• Total of \$341 million, or \$7.50 per share (palladium and cash combination)<ul style="list-style-type: none">– \$100,000,540 in cash– Approximately 876,270 ounces of palladium, valued at \$241 million based on the November 19, 2002, London PM Fix price (\$275/oz) |
| Conditions | <ul style="list-style-type: none">• U.S. anti-trust approval (the Hart-Scott-Rodino Act)• Stillwater shareholders' approval• Bank waiver of change of control covenants• Russian Central Bank approval |
| PGM Agreement | <ul style="list-style-type: none">• Intent to enter into Platinum Group Metal Agreement (off-take of at least 1,000,000 ounces of palladium per annum for resale in North America) |
| Corporate Governance | <ul style="list-style-type: none">• Stockholders Agreement allowing Norilsk Nickel to nominate 5 of 9 Board members |
| Other Transactions | <ul style="list-style-type: none">• Norilsk Nickel will tender for up to 10% of the shares after the close of the transaction<ul style="list-style-type: none">– Based upon the pre-closing fully diluted number of Common Shares– \$7.50 per share in cash |

Transaction Rationale



- Provides a solid distribution platform for PGMs in the US
- Realizes value for Norilsk Nickel's palladium inventory
- Increased reliability and supply certainty in the palladium market preempting the substitution effect and promoting the use of palladium
- Improved access to the key end-users in the US
 - Inventory outside Russia and US marketing effort increases buyer confidence in supply
 - North American market represents about 39% of global palladium demand and 47% of global palladium demand for auto catalysts
- Joint product development and marketing of palladium
- Geographical diversification of the mineral resource base/reduction of country risk
- Acquisition of a strong mining management team
- Immediately accretive to earnings

Overview of Stillwater



Overview

- Located in Montana, United States
- The only US “pure play” PGM producer, the only significant primary source of PGMs outside of South Africa and Russia
- Public company with market capitalization of \$325 MM assuming \$7.50 per share
 - NYSE listed (NYSE: SWC)
 - Incorporated in Delaware
- Principal mining assets are J-M Reef in Montana hosting Stillwater Mine (SM) and East Boulder Mine (EBM)
- 27.7m ounces of probable and proven PGM reserves, with a reserve life at current production rate of about 40 years
 - Palladium to Platinum ratio exceeding 3:1
- 2002E PGM production levels:
 - 513,798 ounces at Stillwater Mine
 - 118,220 ounces at East Boulder Mine

Share Price Performance



Market Valuation

(In millions of US dollars, except as noted)

Share Price on November 19, 2002 (<i>US dollars</i>)	7.48
Shares Outstanding (<i>in millions</i>)	43.5
Equity Value	325.4
Net Debt on September 30, 2002	180.1
Enterprise Value	505.5

Source: Stillwater Mining Company 10-Q, Bloomberg

Financial Performance Summary



(In millions of US dollars)

	1998	1999	2000	2001 9M	2002
Income Statement					
Revenue	106.7	150.7	225.2	277.4	217.0
	<i>Growth</i>	39%	41%	49%	23%
					<i>n/a</i>
EBITDA	33.4	64.9	112.7	120.8	83.0
	<i>Margin</i>	31%	43%	50%	44%
					38%
Net Income	13.4	37.2	61.5	65.8	32.3
	<i>Margin</i>	13%	25%	27%	24%
					15%
Cash Flow Statement					
Net Cash from Operations	31.1	67.8	117.7	106.8	46.1
Capital Expenditures	78.0	194.3	198.1	197.2	39.6
Balance Sheet Data					
Total Current Assets	85.4	45.7	74.2	85.8	123.7
Total Assets	335.9	478.8	679.0	868.2	915.8
Long-Term Debt & Capital Lease Obligations	59.0	84.4	157.3	246.8	204.1
Shareholders' Equity	228.0	323.1	400.6	475.1	560.0

Source: Stillwater Mining Company latest 10-K and 10-Q

Share Price



- Acquisition price is near Stillwater's all time low

Share Price Performance

(In US dollars)



Source: Bloomberg

Historical Exchange Ratio



- Historical exchange ratio analysis further supports the attractiveness of acquisition price

Relative Price Development

(Ounces per share)



Exchange Ratio

(Ounces per share)

Current (November, 15)	0.026
3 Month Average	0.021
6 Month Average	0.031
1 Year Average	0.038
2 Year Average	0.042
3 Year Average	0.045
5 Year Average	0.054

Source: Bloomberg

Corporate Governance



Board of Directors

- Size of the Board of Directors - 9
- Norilsk Nickel's board representation will reflect its shareholding in Stillwater:
 - Norilsk Nickel will nominate 5 of 9 Board members
 - 3 existing directors will remain on the Board of Directors (all independent directors)
 - CEO will be the 9th Board member
- As recommended by NYSE listing rules, majority of the directors on the Board will be independent
- Chairman of the Board of Directors will at all times be the CEO

Committees

- The Board will have the following committees, comprised of the independent directors:
 - Audit committee
 - Nominating committee
 - Compensation committee

Management

- Current management team will be retained