OJSC MMC Norilsk Nickel releases the results of the consolidated interim financial statements for the six months ended 30 June 2006 in compliance with International Financial Reporting Standards

Moscow, 6 October 2006 – Open Joint Stock Company "Mining and Metallurgical Company "Norilsk Nickel" and its subsidiaries ("MMC Norilsk Nickel", "Group", "Company") issued consolidated interim financial statements for the six months ended 30 June 2006 in compliance with International Financial Reporting Standards ("IFRS"). The financial statements have been reviewed in accordance with International Standard on Review Engagements 2410 by Deloitte & Touche, who have issued a review report without any qualifications.

The measurement currency of the consolidated interim financial statements is the Russian Ruble ("RUR"), which reflects the economic substance of the Group's operation, which has most of its assets in the Russian Federation.

The presentation currency of the consolidated interim financial statements is the United States of America Dollar ("USD"). Using USD as a presentation currency is common practice for global mining companies.

At EGM on 30 September 2005 the qualified majority of the total voting shareholders of MMC Norilsk Nickel voted in favor of the spin-off of CJSC Gold Mining Company Polus and its subsidiaries (the "Polus Group"). As a result of the spin-off, Polyus Gold, a new Russian open joint stock company, was incorporated on 17 March 2006. It received from MMC Norilsk Nickel 100% of the shares in CJSC Polus and a cash contribution of approximately USD 360 million (RUR 10 billion).

Due to the spin-off of the gold mining assets the financial results, assets and liabilities of the Polus Group intended for spin-off are presented separately in the respective sections of the financial statements.

Reflection of Polus Group financials in MMC Norilsk Nickel financial statements

In accordance with IFRS Polus Group financials are presented in MMC Norilsk Nickel financial statements in the following way:

- **Consolidated Income Statement**
  Income statement numbers are presented net of Polus numbers. Polus net profit is shown separately in the line Profit for the period from discontinued operations. 1H 2006 number represents Polus net profit from the beginning of 2006 till March 17, 2006 (spin-off completion).

- **Consolidated Balance Sheet**
  - Balance sheet numbers as of June 30, 2006 are presented net of Polus numbers;
  - Balance sheet numbers as of June 30, 2005 include Polus numbers;
  - Balance sheet numbers as of December 31, 2005 are presented net of Polus numbers. However Polus numbers are disclosed in the lines Assets of the disposal group and Liabilities of the disposal group.

- **Consolidated Statement of Cash Flows**
  Cash flow statement numbers include Polus numbers. Polus data are presented for the period from the beginning of 2006 till March 17, 2006.

Consolidated income statement for the 6 months ended 30 June 2006

(US Dollars million)

	Notes	6 months ended 30 June 2006 (reviewed)	6 months ended 30 June 2005 (reviewed)	Change	2005 (audited)
Metal sales revenue	1	**4,191**	**3,273**	**28%**	**7,169**
Cost of metal sales	2	(1,375)	(1,402)	(2%)	(2,994)
Gross profit on metal sales		**2,816**	**1,871**	**51%**	**4,175**
Gross profit margin, %		*67%*	*57%*		*58%*
Selling, general and administrative expenses	3	(472)	(376)	26%	(841)
Other net operating expenses	4	(39)	(92)		(58)
Operating profit		**2,305**	**1,403**	**64%**	**3,276**
Finance costs		(47)	(45)		(95)
Net (loss)/income from investments	5	(356)	37		59
Other non-operating expenses		(51)	(43)		(124)
Profit before taxation		**1,851**	**1,352**	**37%**	**3,116**
Taxation	6	(477)	(393)		(838)
Profit for the period from continuing operations	7	**1,374**	**959**	**43%**	**2,278**
Profit for the period from discontinued operations	8	993	15		74
Profit for the period		**2,367**	**974**	**143%**	**2,352**
Attributable to:					
Shareholders of the parent company		2,370	979		2,355
Minority interest		(3)	(5)		(3)
		2,367	**974**		**2,352**
Profit margin, %		*56%*	*30%*		*33%*
EARNINGS PER SHARE					
Weighted average number of ordinary shares in issue during the period		**188,750,738**	**204,146,491**		**201,242,833**
Basic and diluted earnings per ordinary share from continuing and discontinued operations (US cents)		**1,256**	**480**	**162%**	**1,170**
Basic and diluted earnings per ordinary share from continuing operations (US cents)		**730**	**473**	**54%**	**1,133**

Notes:

1. Metal sales revenue

The revenue from metal sales in 1H2006 increased by 28% compared to 1H2005 to a total of USD 4,191 million. The main reason for the growth of revenue in the period was the significant increase of the selling prices for base and precious metals.

Revenue increased for all metals by USD 918 million, of which USD 652 million (71%) was for base metals, and USD 266 million (29%) for platinum group metals ("PGM") and gold.

In the reporting period Europe remained the main destination area for all metals produced by the Company, the European market accounted for 61% of the revenue.

Average selling price of metals (excluding Stillwater Mining Company)

(US Dollars per tonne or as noted)

	6 months ended 30 June 2006	6 months ended 30 June 2005	Change
Nickel	17,330	15,463	12%
Copper	5,848	3,309	77%
Palladium (US Dollars per troy ounce)	326	191	71%
Platinum (US Dollars per troy ounce)	1,083	871	24%

Physical volumes of metals sold by the Group

('000 tonnes or as noted)

	6 months ended 30 June 2006	6 months ended 30 June 2005	2005
MMC Norilsk Nickel			
Nickel (1)	117	119	244
Copper	187	190	450
Palladium ('000 troy ounces)	1,446	1,467	3,231
Platinum ('000 troy ounces)	336	327	758
Stillwater Mining Company			
Palladium ('000 troy ounces)	332(2)	470(2)	933(2)
Platinum ('000 troy ounces)	105	110	216

Notes:

(1) Excluding sales of metal purchased from third parties.

(2) Including 63, 219 and 439 thousand troy ounces of palladium in 1H2006, 1H2005 and 2005 correspondently, received from MMC Norilsk Nickel in 2003 as part payment for the acquired shares of Stillwater Mining Company.

Nickel

Revenue from nickel sales increased by 10% in 1H2006 compared to 1H2005 to USD 2,026 million. The increase of revenue was due to increase of the nickel selling price by 12% while the physical volume of nickel sold by the Group decreased by 2,000 tonnes.

Copper

Revenue from copper sales in 1H2006 increased by 75% compared to 1H2005 and amounted to USD 1,095 million. This was due to higher copper prices (by 77%), although the actual volume of metal sold by the Group was 3,000 tonnes lower.

Palladium

Palladium sales rose by 37% - from USD 407 million in 1H2005 to USD 559 million in 1H2006. Revenue increased mainly due to higher palladium selling price (by 71%), while the actual volume of metal sold by the Company decreased by 21,000 troy ounces.

The value of palladium sold by Stillwater Mining Company in 1H2006 was 29% less compared to the corresponding period of 2005, and amounted to 332,000 troy ounces. This can be explained by the fact that in 1Q2006 Stillwater Mining Company sold the last quantity of the metal received from MMC Norilsk Nickel in 2003 as part payment for the acquired shares of Stillwater Mining Company.

Platinum

Platinum sales revenue increased by 26% - from USD 377 million in 1H2005 to USD 474 million in 1H2006. The reasons were that platinum selling price was 24% higher, and actual amount of metal sold by the Company increased by 9,000 troy ounces.

In 1H2006 the volume of platinum sold by Stillwater Mining Company decreased by 5% compared to the corresponding period of 2005, reaching 105,000 troy ounces.

2. Cost of metal sales

Cost of metal sales (excluding the Polus Group)

(US Dollars million)

	6 months ended 30 June 2006 (reviewed)	6 months ended 30 June 2005 (reviewed)	Change	2005 (audited)
Cash operating costs (see table below)	1,266	1,148	10%	2,423
Amortisation and depreciation of operating assets	263	251	5%	485
(Increase)/decrease in metal inventories	(154)	3		86
Cost of metal sales	**1,375**	**1,402**	**(2%)**	**2,994**

Cost of metal sales decreased by 2% - from USD 1,402 million in 1H2005 to USD 1,375 million in 1H2006.

Cash operating costs

Cash operating costs less revenue from by-products grew by 10% - from USD 1,148 million in 1H2005 to USD 1,266 million in 1H2006.

Key reasons for the growth of cash operating costs in 1H2006 include the following:

- USD 13 million growth due to RUR appreciation against USD, which amounted to 1% in 1H2006;
- Increase of actual operating costs by USD 197 million.

Revenue from the sales of by-products in 1H2006 amounted to USD 233 million. This is 65% higher as compared to by-product sales revenue of 1H2005, and is explained by the increase of the metals prices.

Cash operating costs (excluding the Polus Group)

(US Dollars million)

	6 months ended 30 June 2006 (reviewed)		6 months ended 30 June 2005 (reviewed)		
	Group	**% of total**	**Group**	**% of total**	**Change**
Labor	512	34%	437	34%	17%
Consumables and spares	418	28%	305	24%	37%
Scrap purchased	118	8%	86	7%	37%
Transportation	78	5%	66	5%	18%
Repairs and maintenance	70	5%	61	5%	15%
Mining and pollution taxes	62	4%	64	5%	(3%)
Insurance	62	4%	62	5%	-
PGM toll refining	40	3%	36	3%	11%
Utilities	39	3%	47	4%	(17%)
Metal purchased from third parties	34	2%	63	4%	(46%)
Other cash costs	66	4%	62	4%	6%
Total	**1,499**	**100%**	**1,289**	**100%**	**16%**
Revenue from by-products	(233)		(141)		
Total cash operating costs less revenue from by-products	**1,266**		**1,148**		**10%**

The breakdown of cash operating costs almost did not change in 1H2006. Labor costs remained the most significant component, accounting for 34% of total operating costs. The share of consumables, spares and scrap purchases increased in the reporting period, while the expenses related to mining and pollution taxes decreased. The same was true for utility payments and metal purchased from third parties, which decreased significantly.

Labor

Labor costs in 1H2006 increased by 17% and reached USD 512 million. This is explained by RUR appreciation against USD and increase of labor associated costs in the Group.

Consumables and spares

Consumables and spares costs increased by USD 113 million reaching USD 418 million in 1H2006. In addition to the effect of translation to the presentation currency, this increase may be explained by the growth in fuel prices and the growth of other consumables and spares prices due to inflation.

Scrap purchased

Costs of base and PGM scrap purchased in 1H2006 grew by USD 32 million to USD 118 million due to three-times increase of PGM scrap purchased and processed by Stillwater Mining Company, while physical volume of copper scrap purchased by the Company in Russia decreased.

Transportation

Transportation costs in 1H2006 were 18% (USD 12 million) higher than in 1H2005 due to increase of transportation tariffs charging on metal delivery.

Repairs and maintenance

Repairs and maintenance costs in 1H2006 were 15% higher than in 1H2005 (USD 70 million versus USD 61 million). This was caused mainly by higher repairs and maintenance costs in Stillwater Mining Company (by USD 4 million) and in the Taimyr Peninsula. Another reason for the increase is RUR appreciation against USD.

Mining and pollution taxes

Mining and pollution taxes decreased by 3% in 1H2006 and amounted to USD 62 million compared to USD 64 million for the corresponding period of 2005. The major driver behind this decrease was the reduction of sulfur emission.

Insurance

In 1H2006 insurance costs remained the same compared to 1H2005 - at USD 62 million.

PGM toll refining

PGM toll refining costs grew in 1H2006 by 11% - from USD 36 million to USD 40 million due to increase of PGM concentrates produced by the Company in the Taimyr Peninsula.

Utilities

Utilities costs went 15% down in 1H2006 to USD 40 million. The decrease in these expenses is primarily accounted for signing a long-term lease agreement in August 2005 for the generating and transmitting facilities of OJSC "Taimyrenergo" and replacement of expenses related to purchase of electricity and utility services by the respective lease payments. Lease expenses were presented as part of other cash operating costs, which explains the respective growth of other cash costs.

Metal purchased from third parties

Cost of metal purchased from third parties reduced by nearly 50% in 1H2006 - from USD 63 million to USD 34 million mainly due to reduction of transactions volume.

Other cash costs

In 1H2006 other cash operating costs demonstrated 6% growth compared to the corresponding period of 2005 and amounted to USD 66 million. Expenses for lifting and transportation of the stored tailings as well as above-mentioned rent expenses for OJSC "Taimyrenergo" assets moved other cash operating costs up.

Amortisation and depreciation of operating assets

Amortisation and depreciation of operating assets went 5% up in 1H2006 reaching USD 263 million mainly due to the fact that the underground free-steered vehicles in mines and furnaces in Nadezhda Metallurgical Plant in the Taimyr Peninsula were put into operation after the reconstruction.

Increase in metal inventories

In 1H2006 *metal inventories* item increased by USD 151 million.

Main reasons for the increase in metal inventory in 1H2006 were:

- Due to the overall increase in the cost of production in the Taimyr and Kola Peninsulas the cost per unit of production also increased driving metal inventories up by USD 23 million;
- Seasonal increase (USD 83 million) of the Group's physical metal operating stock;
- Reduction (by USD 11 million) of palladium stock received by Stillwater Mining Company in 2003 from MMC Norilsk Nickel as a part of the payment for shares issued by Stillwater Mining Company, with a simultaneous increase of metal stock by USD 56 million due to more than threefold growth of PGM scrap purchased by Stillwater Mining Company.

Unit cost of production

(US Dollars per tonne or as noted)

	Taimyr Peninsula		Kola Peninsula	
	6 months ended 30 June 2006	6 months ended 30 June 2005	6 months ended 30 June 2006	6 months ended 30 June 2005
Nickel	4,753	4,380	5,488	5,428
Copper	1,170	954	2,374	1,007
Palladium (US Dollars per troy ounce)	90	90	97	101
Platinum (US Dollars per troy ounce)	384	344	409	388

In 1H2006 the cost of nickel production in the Taimyr Peninsula increased by 9% to USD 4,753 per tonne, and by 1% to USD 5,488 per tonne in the Kola Peninsula. The main reason for the increase in the cost of nickel production was growth of operating costs due to inflation, and change in metals costs allocation base towards to copper because copper prices grew much higher compared to the other metals.

In 1H2006 the cost of copper production in the Taimyr Peninsula increased by 23% to USD 1,170 per tonne, and increased by approximately two and a half times to USD 2,374 per tonne in the Kola Peninsula. The increase in the cost of copper production was caused by higher actual costs (including reallocation of expenditures on acquisition of copper scrap from Taimyr to Kola Peninsula), as well as change in metals costs allocation base towards copper as copper prices grew much higher compared to the other metals.

In 1H2006 the cost of palladium production in the Taimyr Peninsula remained the same and amounted to USD 90 per troy ounce, and decreased by 4% to USD 97 per troy ounce in the Kola Peninsula. The decrease of the cost of palladium production became possible mainly due to the change in metals costs allocation base.

In the reporting period the cost of platinum production in the Taimyr Peninsula amounted to USD 384 per troy ounce, which is 12% higher than the metal cost in 1H2005. The cost of platinum production in the Kola Peninsula demonstrated a 5% growth compared to the corresponding period of 2005 and amounted to USD 409 per troy ounce. The increase of the cost of palladium production became possible due to inflation growth of cost and the change in metals costs allocation base.

3. Selling, general and administrative expenses

In 1H2006 the Group's selling, general and administrative expenses showed an increase of USD 96 million by comparison with the corresponding period of 2005 and amounted to USD 472 million.

The increase due to the effect of the translation to the presentation currency amounted to USD 4 million.

Net of presentation currency translation effect, selling, general and administrative expenses in 1H2006 increased by USD 92 million, which is mainly connected with the growth of selling expenses dependent on market metals prices.

The key item of selling, general and administrative expenses – export customs duties – increased by USD 47 million to USD 182 million in 1H2006 as a result of higher prices for the metals sold by the Group.

The second largest component of selling, general and administrative expenses – salary costs – increased by USD 15 million to USD 113 million as a result of RUR appreciation against USD and increase of labor associated costs in the Group.

Advertising expenses grew in 1H2006 by USD 19 million compared to 1H2005 due to irregularity of these expenses in 2005 – the largest portion of advertising expenses was paid in 4Q2005.

4. Other net operating expenses

In 1H2006 other net operating expenses decreased by USD 53 million to USD 39 million. The main reason for the decrease was the reduction of the provision for tax penalties by USD 64 million and a USD 45 million growth as the exchange rate difference. Furthermore, operating profit from non-core operations increased by USD 8 million. This reduction of expenses was partially offset by the increase of the provision for the impairment of receivables by USD 59 million.

5. Net (loss)/income from investments

In 1H2006 expenses from investments increased by USD 393 million. The main reasons for the growth of these expenses were:

- Increase of the provision for impairment of financial assets by USD 79 million;
- USD 317 million losses recognised by the Company as a result of selling shares of Gold Fields Limited to Polus Group under the reorganization terms and conditions.

6. Taxation

Taxation

(US Dollars million)

	6 monthes ended 30 June 2006 (reviewed)	6 monthes ended 30 June 2005 (reviewed)	Change	2005 (audited)
Current tax	602	426	41%	911
Deferred tax	(125)	(33)	279%	(73)
Total income tax expense	**477**	**393**	**21%**	**838**

In 1H2006 current income tax increased by 41% - to USD 602 million against USD 426 million in 1H2005.

Such increase was caused by the growth of the Group's profit before taxation mainly due to higher metal prices.

In 1H2006 the effective income tax rate decreased to 25.8% against 29.0% in 2005 as a result of higher deferred tax income, which was the result of the provision decrease by USD 39 million.

7. Profit for the period from continuing operations

Profit for the period from continuing operations grew from USD 959 million in 1H2005 to USD 1,374 million in the reporting period as a result of higher prices for metals and control over expenses.

8. Profit for the period from discontinued operations

The main reason for the increase in the profit for the period from discontinued operations was sale of all shares of Gold Fields Limited by Polus Group. As a result of this transaction Polus Group received profit in the amount of USD 973 million.

Consolidated balance sheet
(US Dollars million)

	Notes	30 June 2006 (reviewed)	30 June 2005 (reviewed)	31 December 2005 (audited)
ASSETS				
Non-current assets		**9,194**	**9,783**	**9,177**
Property, plant and equipment	9	6,265	6,407	5,961
Capital construction-in-progress		1,315	1,310	1,184
Investments in associates		257	153	95
Investments in securities and other financial assets	10	1,170	1,653	690
Other non-current assets	11	175	260	138
Deferred tax assets		12	-	-
Non-current assets of the disposal group		-	-	1,109
Current assets		**3,747**	**3,339**	**5,553**
Inventories	12	1,533	1,397	1,301
Trade and other receivables		462	409	440
Other current assets		558	656	567
Investments in securities and other financial assets		133	19	134
Cash and cash equivalents		1,061	858	922
Current assets of the disposal group		-	-	2,189
Total assets		**12,941**	**13,122**	**14,730**
SHAREHOLDERS' EQUITY AND LIABILITIES				
Share capital and reserves	13	**10,075**	**10,259**	**11,397**
Non-current liabilities		**1,574**	**1,531**	**1,739**
Long-term loans and borrowings	14	629	622	635
Deferred tax liabilities		592	707	543
Employee benefit obligations		65	50	56
Environmental obligations		288	152	269
Non-current liabilities of the disposal group	7	-	-	236
Current liabilities		**1,292**	**1,332**	**1,594**
Current portion of long-term loans and borrowings	14	1	162	8
Current portion of employee benefit obligations		230	251	212
Short-term loans and borrowings	15	11	134	349
Trade and other payables		385	301	300
Taxes payable		242	285	187
Dividends payable		377	199	301
Derivative financial instruments		46	-	-
Current liabilities of the disposal group		-	-	237
Total shareholders' equity and liabilities		**12,941**	**13,122**	**14,730**

9. Property, plant and equipment

The growth by USD 304 million observed in *Property, plant and equipment* as of 30 June 2006 compared against the data as of 31 December 2005 resulted from the RUR appreciation against USD in 1H2006 which amounted to USD 375 million.

10. Investments in securities and other financial assets

As of 30 June 2006, investments in securities and other financial assets amounted to USD 1,170 million against USD 690 million as of 31 December 2005.

The increase in the investments was mainly due to the increase of fair value of the Group's investments in RAO UES shares – from USD 611 million as of 31 December 2005 to USD 1,019 million as of 30 June 2006.

11. Other non-current assets

As of 30 June 2006, other non-current assets were USD 175 million as compared to USD 138 million as of 31 December 2005. This growth was mainly caused by the increased reimbursable VAT.

12. Inventories

As of 30 June 2006, the reserves of marketable metals, inventories, raw and basic materials amounted to USD 1,533 million against USD 1,301 million as of 31 December 2005.

This balance item grew mainly due to the increase of production costs as well as increase of physical volume of metal in stock at 30 June 2006 compared to 31 December 2005.

13. Share capital and reserves

As of 30 June 2006, share capital and reserve amounted to USD 10,075 million (including minority interest totaling USD 302 million) as compared to USD 11,397 million (including minority interest totaling USD 334 million) on 31 December 2005.

Major drivers include:
- Distribution of net assets among shareholders following the Polus Group spin-off, totaling USD 3,729 million;
- Net profit in 1H2006 amounting to USD 2,367 million, adjusted for dividends paid of USD 377 million;
- Effect of translation to presentation currency of USD 750 million;
- Increase of provision for available-for-sale investments due to the higher fair value in amount of USD 248 million.

14. Long-term loans and borrowings

At 30 June 2006, long-term loans and borrowings of the Group almost did not change and amounted to USD 629 million against USD 635 million as of 31 December 2005. The major part of long-term loans and borrowings is USD 500 million 7.125% guaranteed notes issued 30 September 2004 by Norilsk Nickel Luxemburg S.A. (a subsidiary of the Group), mature on 30 September 2009.

15. Short-term loans and borrowings

At 30 June 2006, short-term loans and borrowings were USD 11 million against USD 349 million as of 31 December 2005. The decrease was driven by the repayment of short-term loans and borrowings in amount of USD 338 million.

Consolidated statement of cash flows for the six months ended 30 June 2006
(US Dollars million)

	Notes	6 months ended 30 June 2006 (reviewed)	6 months ended 30 June 2005 (reviewed)	2005 (audited)
Net cash inflow from operating activities	16	1,774	1,320	2,994
Net cash inflow/(outflow) from investing activities	17	1,565	(740)	(1,455)
Net cash outflow from financing activities	18	(3,259)	(1,013)	(1,878)
Effect of translation to presentation currency		59	(34)	(36)
Net increase/(decrease) in cash and cash equivalents	19	**139**	**(467)**	**(375)**
Net cash and cash equivalents at beginning of the period		922	1,325	1,325
Cash and cash equivalents of the disposal group		-	-	(28)
Net cash and cash equivalents at end of the period	19	**1,061**	**858**	**922**

16. Net cash inflow from operating activities

Net operating cash flow is the major source of cash funds for MMC Norilsk Nickel. Due to the significant increase in metals sales revenue in 1H2006 net cash inflow from operations went up 34% and reached USD 1,774 million compared with USD 1,320 million in 1H2005.

17. Net cash inflow from investing activities

In 1H2006, net cash inflow from investing activities was USD 1,565 million mainly as a result of the sale of Gold Fields shares for total consideration of USD 2,096 million.

18. Net cash outflow from financing activities

In 1H2006, net cash outflow from financing activities was USD 3,259 million. The cash was distributed among shareholders due to the spin-off of Polus Group in the amount of USD 2,366 million, and spent to pay off short-term loans and borrowings in the amount of USD 616 million and pay dividends of USD 305 million.

19. Net cash and cash equivalents

In 1H2006, net cash and cash equivalents grew by USD 139 million and amounted to USD 1,061 million. The Company plans to use this cash for capital investments to implement the announced production strategy and for dividend payments.

Full version of the consolidated interim financial statements of MMC Norilsk Nickel for the 6 months ended 30 June 2006 prepared in accordance with IFRS is available on the Company's web-site (www.nornik.ru/en) in section Investor Relations/Reports/Financial Documents.

Volumes of metal produced by the Group

(‘000 tonnes or as noted)

	6 months ended 30 June 2006	6 months ended 30 June 2005	2005
MMC Norilsk Nickel			
Nickel	121	120	243
Copper	218	225	452
Palladium (‘000 troy ounces)	1,656	1,483	3,133
Platinum (‘000 troy ounces)	398	355	751
Stillwater Mining Company			
Palladium (‘000 troy ounces)	228	218	428
Platinum (‘000 troy ounces)	67	65	126

Recommendation by the Board of Directors on the amount of dividends for 9 months 2006

On 5 October 2006, based on the Group's financial performance, the Board of Directors proposed to the Extraordinary General Meeting of Shareholders, scheduled for 24 November 2006, to approve the interim dividends for 9 months 2006 in the amount of RUR 56 per ordinary share or RUR 10.7 billion. Record date is October 5, 2006.

The Board of Directors decided to buy back own outstanding shares

In line with the Company's general mission to increase shareholder value, and taking into consideration good financial performance the Board of Directors of MMC Norilsk Nickel, at the meeting on 5 October 2006, made decision to buy back own outstanding shares.

The own outstanding ordinary shares with par value 1 RUR each will be bought back by the Company at the 3-month average market price, which is 3,510 RUR per one ordinary share. The total number of shares to be bought from the shareholders should not exceed 7,500,000. The shareholders willing to sell their ordinary shares to the Company are to apply for the buy back from 16 October 2006 till 16 November 2006. More detailed information referring the buy back will be available at the Company's web site before 16 October 2006.

Telephone conference call

MMC Norilsk Nickel will hold a telephone conference call related to the publication of the Group's IFRS consolidated interim financial statements for the 6 months ended 30 June 2006. The telephone conference call will be held at 5 p.m. Moscow time (9 a.m. New York, 2 p.m. London) on 6 October 2006.

Telephone numbers for access to the telephone conference call:
+1 (800) 260-0718 (USA),
+1 (651) 291-1246 (other countries).
Access code: 843971.

A record of the telephone conference call will be available within one week, from 8.30 p.m. Moscow time (12.30 p.m. New York, 5.30 p.m. London) on 6 October 2006 at:
+1 (800) 475-6701 (USA),
+1 (320) 365-3844 (other countries).
Access code: 843971.

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