



NORILSK NICKEL

SHARE BUY-BACK

August 22, 2008





SHARE BUY-BACK

August 22, 2008 – the Board of Directors approved buy-back of up to 7,947,000 Norilsk Nickel's outstanding shares (app. 4% of share capital) at a price of RUB 6,167 per share (app. \$2 bln. total)

- Distributes additional cash to shareholders
- Supports market capitalization of the Company
- Optimizes capital structure of the Company



TRANSACTION STRUCTURE

- **Transparent process**

- Conservative and strict interpretation of the Russian Federal Law On Joint Stock Companies (providing the shareholders with additional 30 days to consider the buy-back)
- For the first time in the Company's history ADR holders will be able to participate through the Depository
- Bought-back shares will be held as treasury shares on MMC Norilsk Nickel balance sheet for up to 1 year

- **Buy-back of up to \$2 bln.**

- Strong Debt/EBITDA and Debt/Equity ratios should maintain investment-grade credit ratings
- Sufficient medium-term liquidity reserves to finance CapEx for 2008-2009, possible M&A activity and greenfield projects
- Norilsk expects to continue to have significant financial flexibility

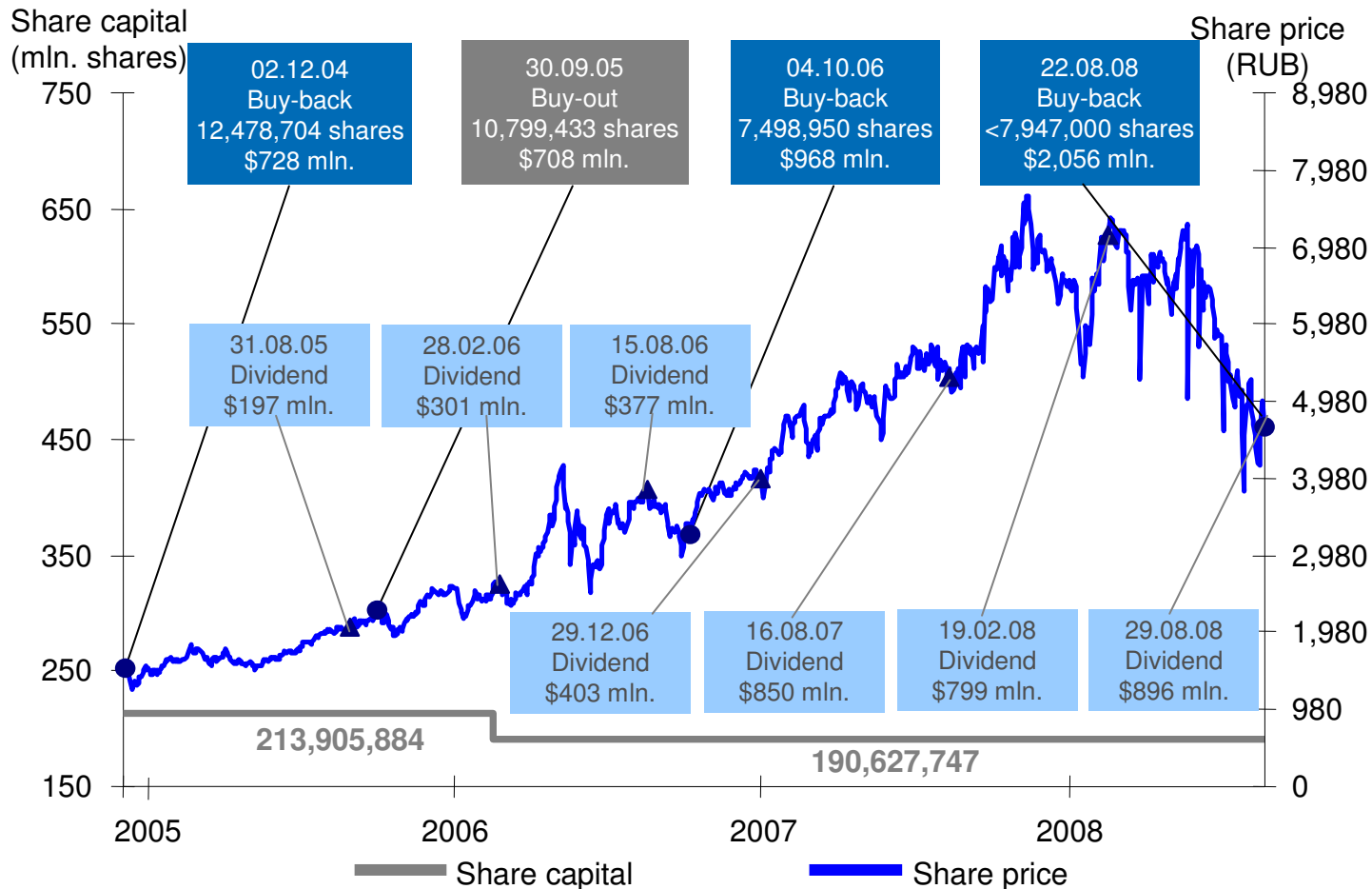
- **Buy-back price – 6,167 RUB**

- RUB 6,167 (app. \$252) – weighted average for 6 months (15.02.08-15.08.08) according to MICEX data
- Price reflects fundamentals and exclude speculation in depressed market
- MICEX is the most liquid exchange for Norilsk Nickel shares (>70% of all trading volume)



SUCCESSFUL HISTORY OF CASH DISTRIBUTION TO SHAREHOLDERS

- Within last 3 years the Company distributed app. \$8.3 bln. to shareholders





PRELIMINARY TIMETABLE

Period	Timing
Buy-back announcement ⁽¹⁾	August 22, 2008
Tender application period	September 29 – October 28, 2008
Purchase period	October 29 – November 27, 2008
Payment period ⁽²⁾	Up to December 17, 2008

Notes:

- (1) Further information on the buy-back pursuant to US securities laws to be provided.
- (2) Payment will be made promptly after the purchase of the shares.



CONTACT INFORMATION

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