

**Case Study: August 2007**

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**MMC Norilsk Nickel (ADR Ticker: NILSY)** has been a client of The Bank of New York Mellon since 2001, when it established a Level I DR program. With over 76 million DRs outstanding, Norilsk Nickel is an extremely widely-held DR in international capital markets.

While Norilsk Nickel’s DR program is incredibly robust, the Company also seeks to be a leader in best-practice investor relations and to set standards for communications, transparency, and disclosure. The Bank of New York Mellon has been pleased to assist Norilsk Nickel’s efforts in this regard in a number of ways over the past year.

**Web Review**

The Bank of New York Mellon provided Norilsk Nickel with information and statistics geared towards understanding the importance of its IR website to the investment community. We then audited Norilsk Nickel’s website to benchmark it against a list of 30+ criteria deemed factors in the utility of the website as an IR tool.

Furthermore, The Bank of New York Mellon leveraged its contacts in the investment community to speak with sector-specific fund managers and analysts to get their direct feedback on which mining company websites they found most useful and why. This insight gave Norilsk specific examples of the amount and type of information disclosed on the Web, as well as a sense of the expectations for operational and financial granularity and the opportunity cost faced by companies with insufficient timing or amount of information disclosure in a crowded marketplace.

**Presentation Review**

As Norilsk Nickel was preparing its next roadshow presentation, The Bank of New York Mellon undertook a presentation review. We judged Norilsk’s materials measured on general principles such as length, titles, consistency, slide balance, overview, key investment message, DR information and contact details.

**Investor Relations Firm Recommendations**

The Bank of New York Mellon provided Norilsk Nickel with its suggestions of which IR firms might assist it with its creation of IR materials. We recommended a combination of firms with world-wide reputations for excellence, Russia and/or emerging markets expertise, and mining/materials sector focus.

Additionally, we identified a regional IR firm with mining expertise led and staffed by IR professionals with in-house mining company IR experience. We performed due diligence by reaching out to common clients and contacts and researched established pricing. Because of this IR firm’s location in an emerging market, the cost-basis for project work was up to 75% less that New York, London, or Moscow rates.

**DR Frequently Asked Questions**

The Bank of New York Mellon created a Frequently Asked Questions document for Norilsk Nickel to use to address questions about DRs and its own DR program, primarily geared towards the needs of retail investors. This document included questions such as:

* Can I buy Norilsk Nickel ADRs through a broker just as you would buy U.S. securities?
* How can I learn Norilsk Nickel ADR dividend information?
* How often will I receive account statements?
* Who will vote the ADRs at the Shareholders Meeting?

**Annual Report Review**

Upon request, The Bank of New York Mellon undertook a review of Norilsk Nickel’s annual report. We analyzed the document based on two criteria: 1) information provided about DRs and Norilsk Nickel’s specific DR program, and 2) international best-practice standards for disclosure. This resulted in a number of suggestions:

* We offered selected examples of peer company and global market leader annual reports, identifying how DR information is presented.
* We suggested including a section on DR information, including the FAQs previously provided, with The Bank of New York Mellon contact information for investors, analysts or other market participants with further DR-centric questions.
* We suggested increased disclosure on dividend payments, taxation of dividends and capital gains, significant results of votes from the previous AGM, a summary of corporate action activity, and a description of foreign ownership restrictions.
* We recommended to Norilsk Nickel that DR holders be treated so that they enjoy the rights of ordinary shareholders.

**Market Feedback**

The Bank of New York Mellon periodically relays to Norilsk Nickel key commentary on the mining sector and feedback from investment community contacts who would like to meet with Norilsk Nickel or be added to its distribution list.

**Global Communications Firm Recommendations**

Per Norilsk Nickel’s request and in concert with the high level of M&A activity in the mining sector, The Bank of New York Mellon canvassed its contacts at top financial communications and media relations firms who specialize in transaction communications. We briefed Norilsk Nickel on these firms’ backgrounds and experience and provided it with key contacts for future connections.

**DR Training**

Norilsk Nickel attends The Bank of New York Mellon’s annual training seminar for DR issuers from the EEMEA region. Past IR-related sessions have included topics such as “IR Best Practices” and “Global Crisis Communications.”