

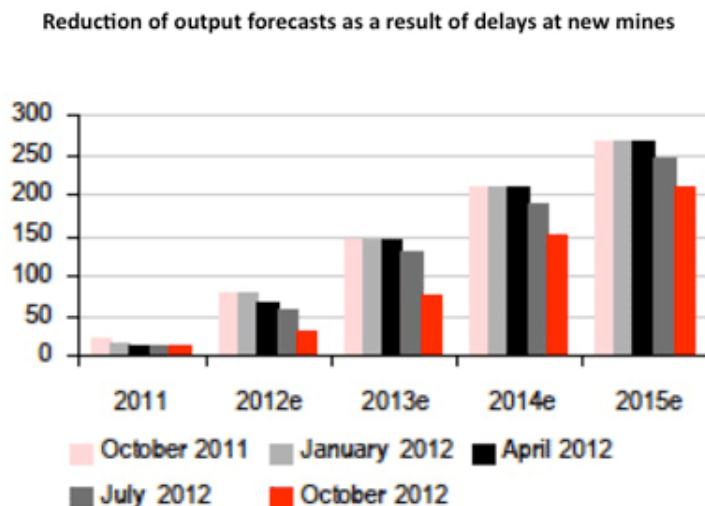
Norilsk Nickel : Two Reasons to Invest

The detail mattering is that Millhouse is going to acquire its parts in Norilsk at the market price. This investment values the company around 30 billion dollars. Yet a few years before, the proposal of repurchase by Potanin of the parts of Deripaska valued the company at 60 billion dollars. Roman Abramovitch thus takes advantage of knockdown prices.

Besides, with the promise to increase dividends, heshould get back every year 5 % of his putting. But the most profitable has yet to come. Smash down to its low this year, the nickel prices are ready to bounce from 2013. It is in particular the analysis of the bank HSBC. According to the bank, the nickel consumption in China practically stagnated this year, because of a production in stainless steel increasing by only 1,4 % this year. But the demand should go up again from 2013.

Besides this Chinese resumption, the evolutions of the offer are also going to support the prices. The fall in prices led several mining companies to cut in their forecast and investments. So the reduction in the investments is going to reduce the nickel offer in 2013.

The graph presents well the continual revisions of the production between October, 2011 and October, 2012.



The forecasts of production capacity were reduced by 20 % in one year. When we remove the fifth of the production on a market, it is rare that the concerned companies remain quiet.

I thus consider that to invest in Norilsk Nickel is a good idea for two reasons:

The rise of the prices planned for 2013

The trend on the nickel market is up. According to the calculations of the bank HSBC, the average prices of the nickel should go from \$17 920 the ton this year to \$18 740 the ton in 2013.

The good management of Norilsk Nickel

The regularization of the sector of the nickel in Russia will allow Norilsk to develop its strategy of long-term investment. Moreover, the share of Norilsk gained 1,5 % at the announcement. The Russian should take advantage of his international setting-up to continue his progress. After its major breakthroughs in Africa, in particular in Botswana, in South Africa, and in Australia, the group could decide on still low prices of the nickel to proceed to proceed to new acquisitions.