

Press Release

V. Potanin and M. Prokhorov Decide On Further Management of Joint Assets

Yesterday, a general shareholder meeting of CJSC KM-Invest approved amendments to the company's charter and adopted new regulations of the board of directors. In addition to V. Potanin and M. Prokhorov, the Board will have an equal number of directors for each of the two investors, and V. Potanin was elected chairman of the board. The shareholders have agreed that all key issues of the company's operations, including any recapitalization of KM-Invest and its subsidiaries, as well as KM-Invest budgeting issues will require unanimous votes.

V. Potanin and M. Prokhorov also agreed that should they fail to reach a consolidated decision regarding any of their joint investments they would be able to buy out each other's stakes, assign shares to beneficiary centers or sell the entire stake held by KM-Invest to a third party.

Pursuant to an earlier agreement, M. Prokhorov has resigned as a shareholder of the Holding Company INTERROS.

Additionally, I also suggest including the following – either as a quote from M. Prokhorov or background information:

Here is what has actually changed over the nine months since the January announcement:

- 1. Two autonomous managing companies of HC INTERROS and ONEXIM have been established; they are prepared to assume assets, if necessary;**
- 2. a joint board of directors has been set up, with corporate procedures in place to ensure that both shareholders' rights are protected;**
- 3. a joint assets management structure has been designed; and**
- 4. a clear-cut procedure for the final asset division has been developed should the shareholders fail to agree**

For reference:

CJSC KM-Invest is a fund that holds joint investments of V. Potanin and M. Prokhorov. The market value of the investments is about US\$ 11 billion. The fund comprises stakes in Norilsk Nickel, Polyus Gold, Prof-Media, Rosbank, Soglasie, Open Investments, Roza Khutor, and others.

CJSC Holding Company Interros
CJSC ONEXIM Group

Issues

- Composition of the board of directors.
- Who will be the General Director; what will be the scope of his authority?
- Who determines the strategy for dividing the business? Who is responsible for implementing all of the planned actions?
- Do the business separation terms, announced in January, remain valid? Why was it necessary to "reach agreement" yet again?
- Who is getting what?
- How will a conflict resolution option be selected (from among those listed above)? How will that decision be made?

- Does it mean that the owners have decided not to divide their joint assets but rather manage them jointly?
- Do these agreements affect the ability of each of the owners to sell their respective stakes in the joint assets that they manage directly?
- What are the legal implications of this arrangement, what further legal actions will be required and what is the timeframe for their implementation? How is it documented?