



WE KNOW THE WORTH OF GOLD

DENVER GOLD FORUM — SEPTEMBER 7-10, 2008

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H1 2008 results: Almost 20% growth of refined gold production



Gold production (k oz)	H1 2008	H1 2007	Change, %
Olimpiada mine	449	347	29
Kuranakh mine	68	69	-0.1
Zapadny mine	11	16	-31
Alluvials	31	37	-16
Total gold production	559	470	19

- Refined gold production in H1 2008 amounted to 559 k oz compared to 470 k oz in H1 2007.
- Ore mined in H1 2008 amounted to 3,286 k tonnes compared to 5,667 k tonnes mined in H1 2007.
- Ore processed in H1 2008 amounted to 4,994 k tonnes compared to 4,614 k tonnes in H1 2007.

- The major contributor to the growth – Olimpiada mine in Krasnoyarsk region, the company’s flagship production unit.

Major drivers of the production growth at Olimpiada mine :

- Mill-3 commissioning;
- Putting into processing additional oxidized ore operationally accreted in Vostochny pit;
- Putting into processing ore from Olenie deposit, mined in 2007.



H1 2008 results: operating figures



	Ore processing (in '000 tonnes or mln m ³ for alluvials)		Average gold grade (g/tonne or g/m ³ for alluvials)		Recovery (%)	
	1H 2008	1H 2007	1H 2008	1H 2007	1H 2008	1H 2007
<i>Olimpiada oxidized ore</i>	414	741	14.6	9.5	96.9	95.5
<i>Olimpiada sulfide ore</i>	1864	1731	4.1	3.4	69*	82.2*
<i>Ore from Olenie deposit</i>	647	-	5.7	-	82.7	-
Total Olimpiada mine	2 924	2 472				
Olimpiada weighted-average grade			5.9	5.2		
Kuranakh mine	1 826	1 858	1.4	1.4	84.7	86.4
Zapadnoye mine	244	284	2.2	2.3	76	73
Total ore processed	4 994	4 614	-	-	-	-
Group weighted-average grade			4.1	3.5		
Alluvials (sands washed)	2.1	2.5	0.6	0.6	-	-

* - The temporary reduction in recovery rate at Olimpiada is a result of two major factors: 1) The bio-oxidation technology applied at Olimpiada is designed for refractory sulfide ores; whereas sulfides being processed at the moment have been stockpiled for several years and were partly oxidized, which is not favorable for the bio-oxidation process. 2) The technology at the recently launched sulfide ore processing plant (Mill-3) is still being adjusted, i.e. the recovery rate has not reached its designed level.

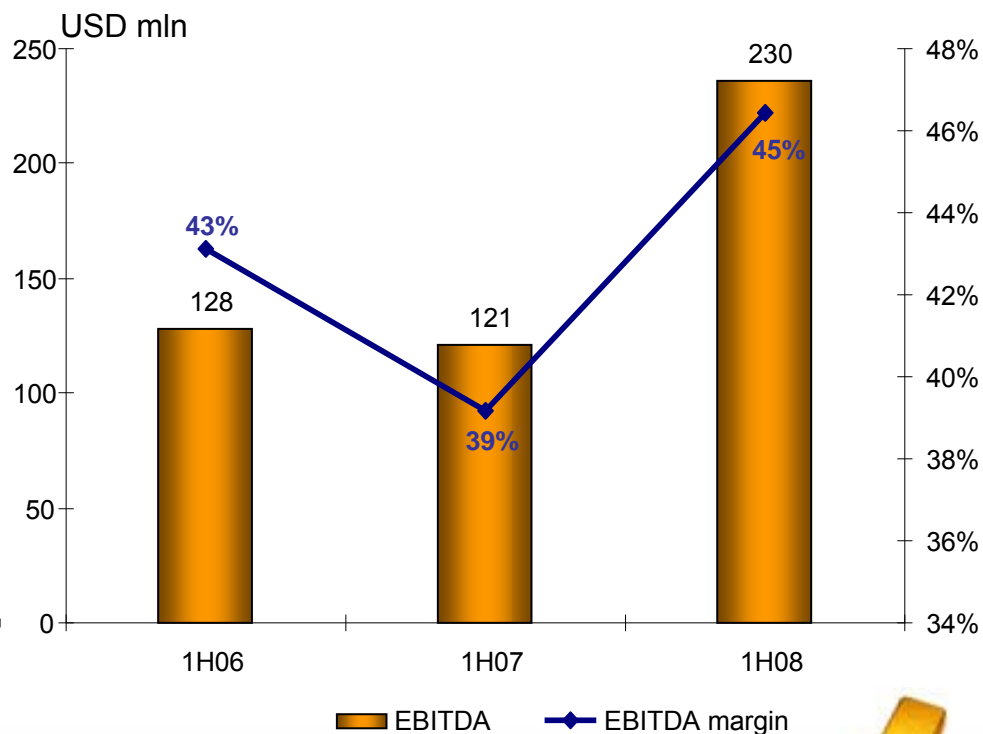
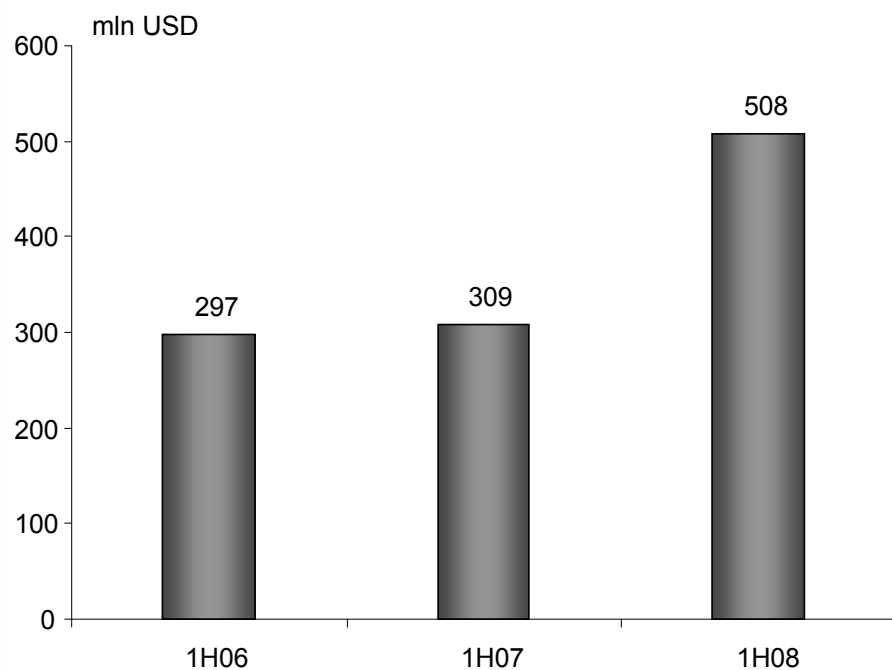


H1 2008 results : Better financials



- H1 2008 Sales (Est.) grew 60% YoY resulting from increased sales volumes and growth in gold price

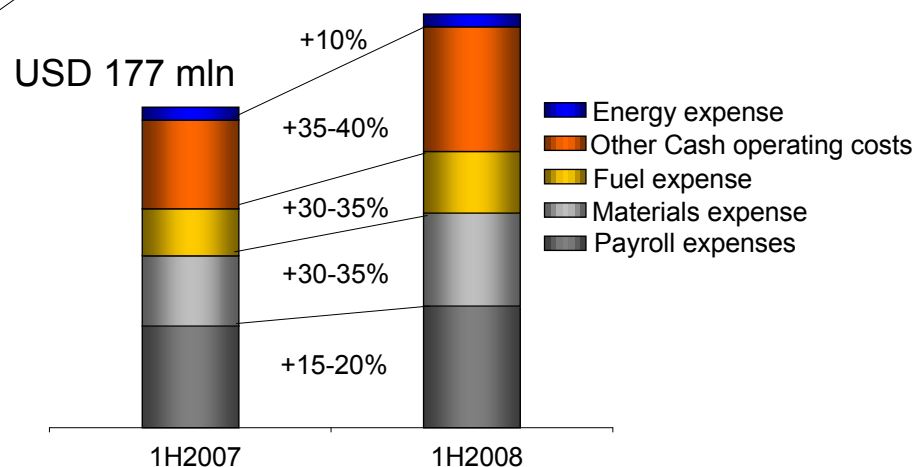
- 1H2008 EBITDA expected to be higher than USD 230 million, an almost 2 times increase.
- EBITDA margin - 45% +



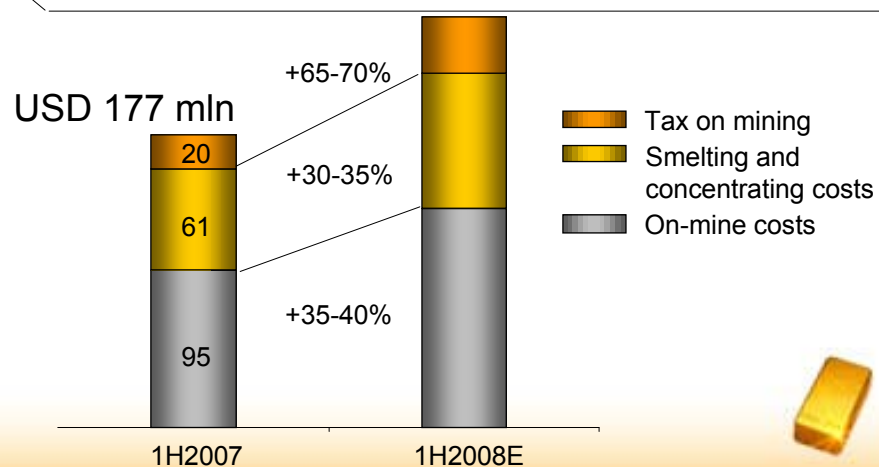
H1 2008 results : Under costs pressure



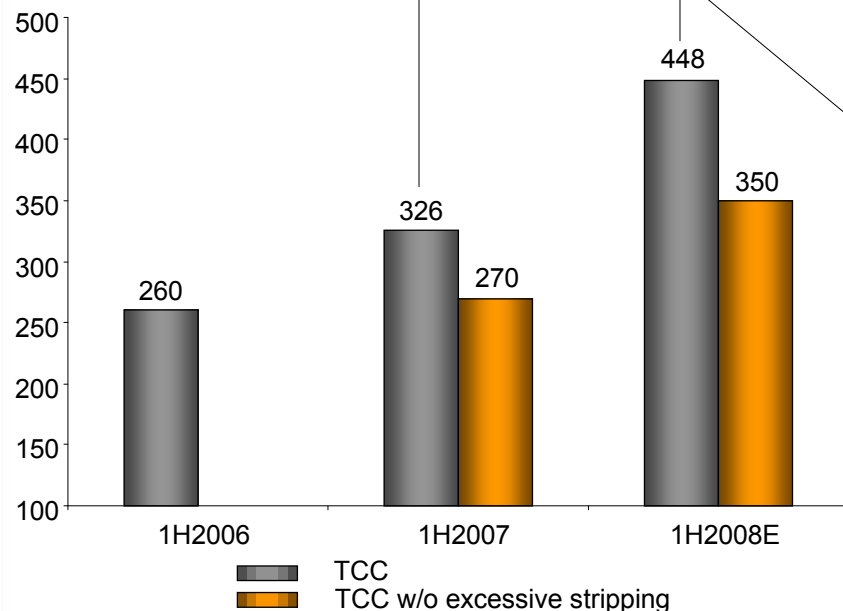
Cash operating costs breakdown by material components



Cash operating costs breakdown as in notes to IFRS



+ 122 USD/oz



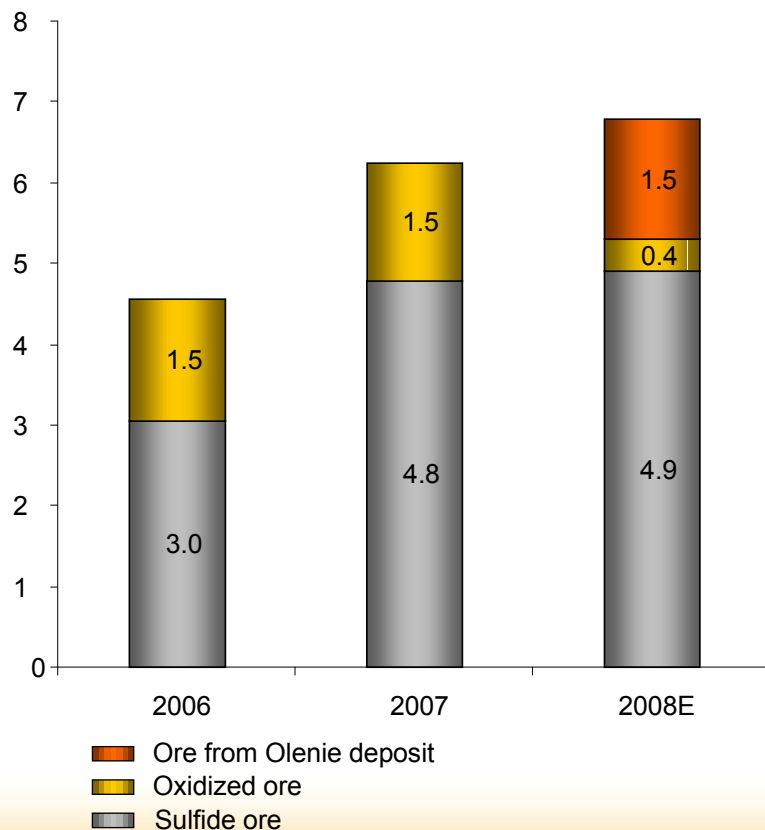
1H2008 results: TCC growth analysis (example of Olimpiada mine)



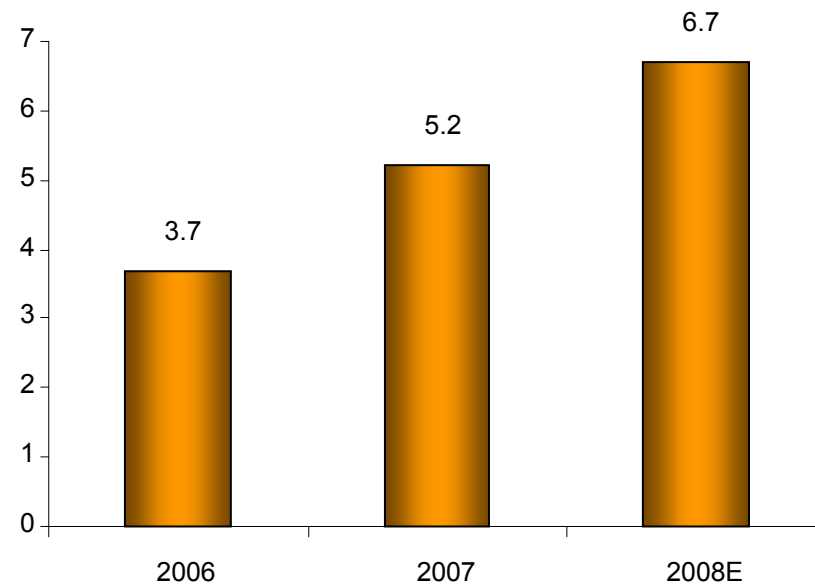
- 2006-08 Olimpiada TCC growth is a result of switching to solid sulfide ore

- 2006-2008 required ore processed for a production of 1 ounce of gold

Mln tonnes of ore processed



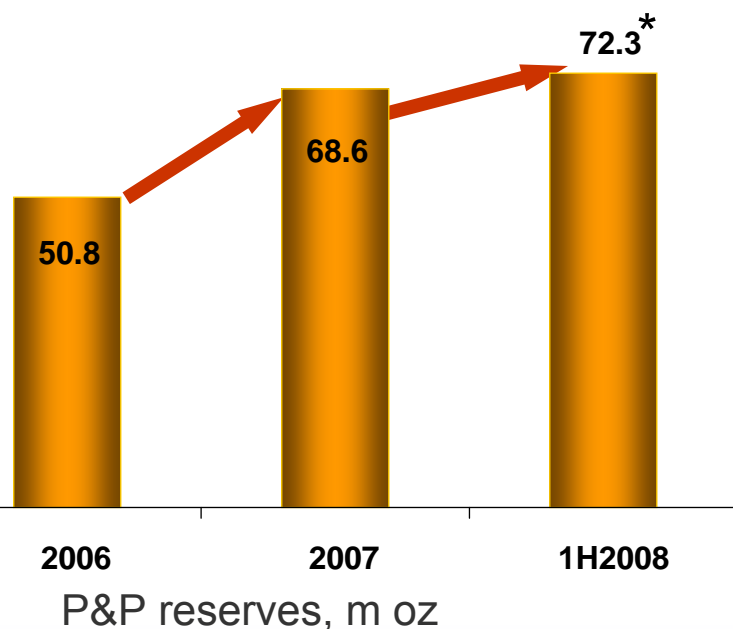
Tonnes of ore required



H1 2008 results: Exploration and reserves growth



**target set for 2015 met
ahead of schedule**



- 1H 2008: Drilling works amounted to 100.5 km
- Exploration at Nataalka completed, reserves confirmed at 40.8 m oz (P&P, JORC)
- 7 new exploration licences obtained for over 55 m oz of Russian P1+P2+P3
- Titimukhta reserves listed with the state
- Chertovo Koryto reserves JORC audit completed in March 2008 (P&P reserves – 2.6 m oz at 1.83 g/t)
- Titimukhta reserves JORC audit completed in July 2008 (P&P reserves – 2.2 m oz at 3.3 g/t)



Projects update



Projects update: Blagodatnoe



HIGHLIGHTS OF THE APPROVED FEASIBILITY STUDY

- Mine life 2010-2026
- Reserves 8.0 m oz
- Mill capacity 6 mtpa
- Recovery 88.6%
- Ave annual gold production 412 k oz
- Capex (ex VAT) \$390.2 million
- Average TCC till 2026 244 US\$/oz



Dated August 08. Mill construction at Blagodatnoye

2007-2008 CAPEX update

- Mill construction began (main building constructed, hydrometallurgy housing, canteen and chemicals storage in process);
- Mining equipment supply started;
- Camp for 987 workers construction began;
- Decision about coal power plant construction (in-house coal open pit hedges electricity price growth in Krasnoyarsk region);
- Water pipe laying;
- Power grid and roads constructed

Facts

- Located in Severo-Yeniseisk district of Krasnoyarsk Region, 26 km to the North of Olimpiada mine
- Balance reserves – 7.2 m oz (result of in-house exploration)
- Grade – 2.44 g/t
- Bankable feasibility approved by the Board in Nov 07

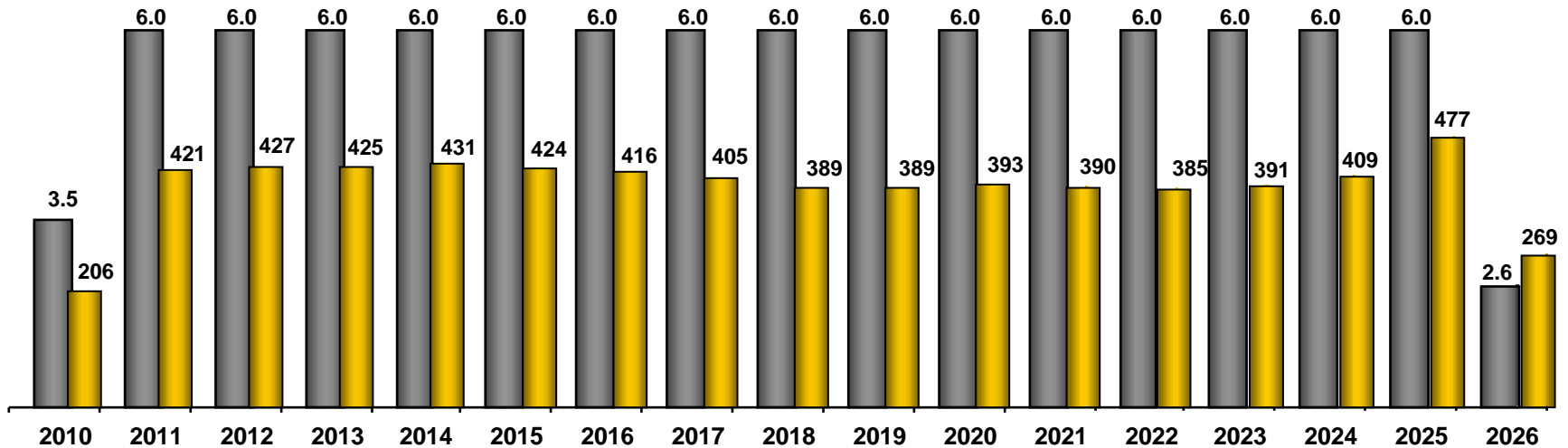
The company expects to launch mill in time



Projects update: Blagodatnoe pipeline



Ore mining and gold production plans at Blagodatnoe over the life of mine
(proved by feasibility study)



■ ore mining, m tonnes
■ projected gold output, k oz



Projects update: Titimukhta



HIGHLIGHTS OF THE APPROVED FEASIBILITY STUDY

- Mine life 2009 – 2021
- Reserves 1.1 m oz
- Mill capacity 2.2 mtpa
- Recovery 88%
- Ave annual gold production (since 2010) 170 k oz
- Capex (ex VAT) US\$ 98.7 mln
- Average TCC 260 US\$/oz

2007-2008 CAPEX update:

- Mill-1 closed and reconstruction commenced;
- Crushing complex construction is under way;
- Mining preparations;
- Power grid constructed;
- Road to Olimpiada constructed;
- Equipment ordering, several units delivered.

Facts

- Located in Severo-Yeniseisk district of Krasnoyarsk Region, 9 km to Olimpiada mine;
- Reserves exceeding 2.5 m oz listed with the state by end of 2007;
- Ore to be processed at Mill-1 of Olimpiada mine, providing feed to the plant after oxide ores of Olimpiada deposit are depleted;
- Bankable feasibility approved by the Board in Nov 07



Dated April 08. Stripping works at Titimukhta

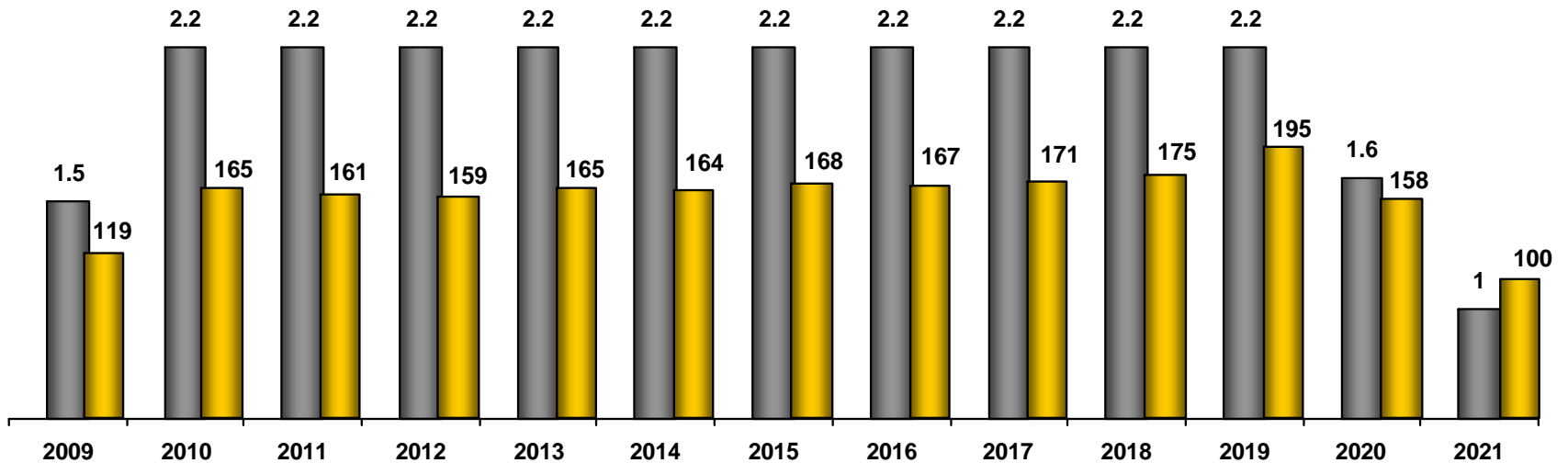
The company expects to launch mill in time



Projects update: Titimukhta pipeline



Ore mining and gold production plans at Titimukhta over the life of mine
(proved by feasibility study)



■ ore mining, m tonnes
■ projected gold output, k oz



Projects update: Verninskoe



HIGHLIGHTS OF THE APPROVED FEASIBILITY STUDY

- Mine life 2010 - 2024
- Mill project capacity 2.2 mtpa
- Expected production 218 K oz/year
- Estimated CapEx US\$212m
- Mine launch 2010
- Average TCC 253 US\$/oz



2007-2008 CAPEX update:

- Open pit construction began;
- Camp and accommodation facilities constructions are under way;
- Contractors bidding passed;
- Core mining and transport equipment acquired;
- Plant equipment ordering is under way.

Facts

- Located in proximity to Polyus Gold's Zapadnoe mine.
- P&P reserves - 1.7 m oz
- Additional exploration under way, reserves expected to grow to 3.3 m oz
- Feasibility study approved by the Board in Jan 08

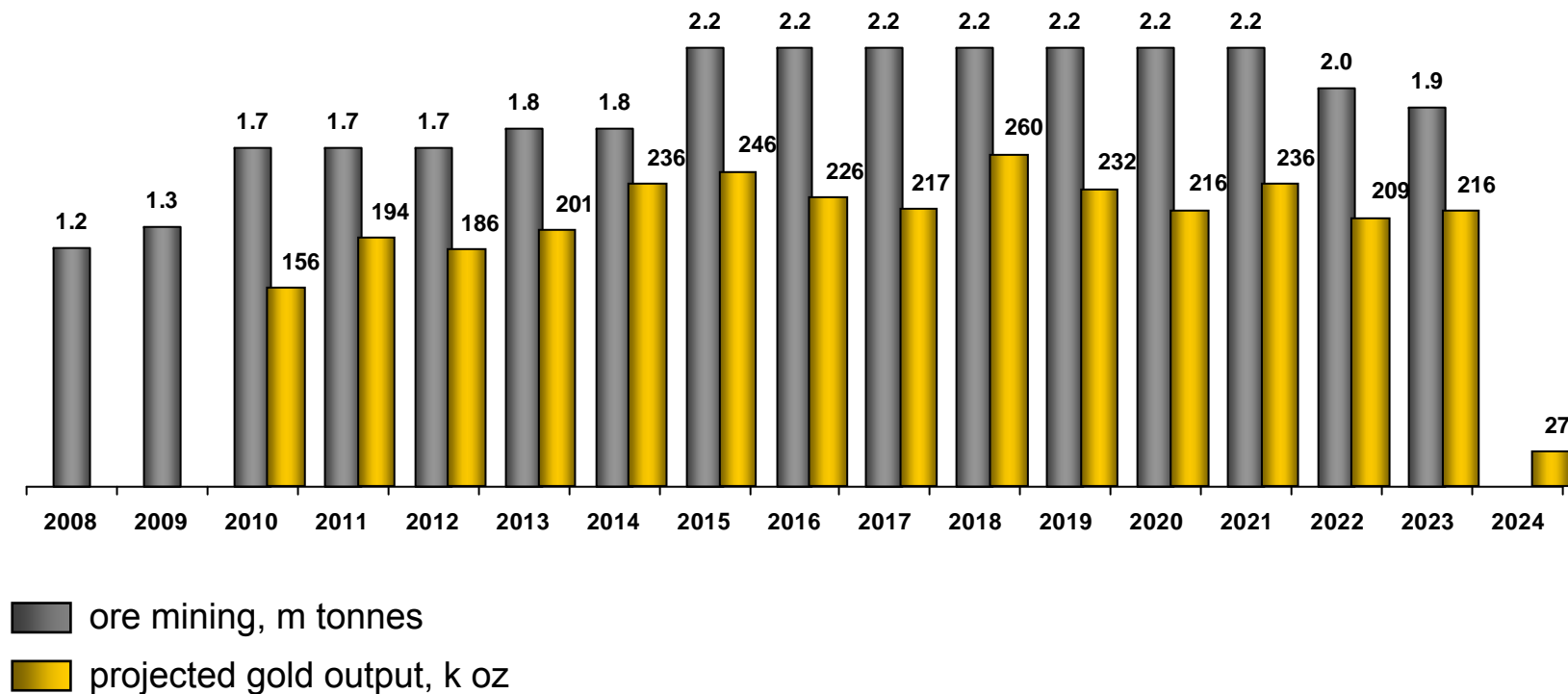
The company expects to launch mill in time



Projects update: Verninskoe pipeline



Ore mining and gold production plans at Verninskoe over the life of mine
(proved by feasibility study)

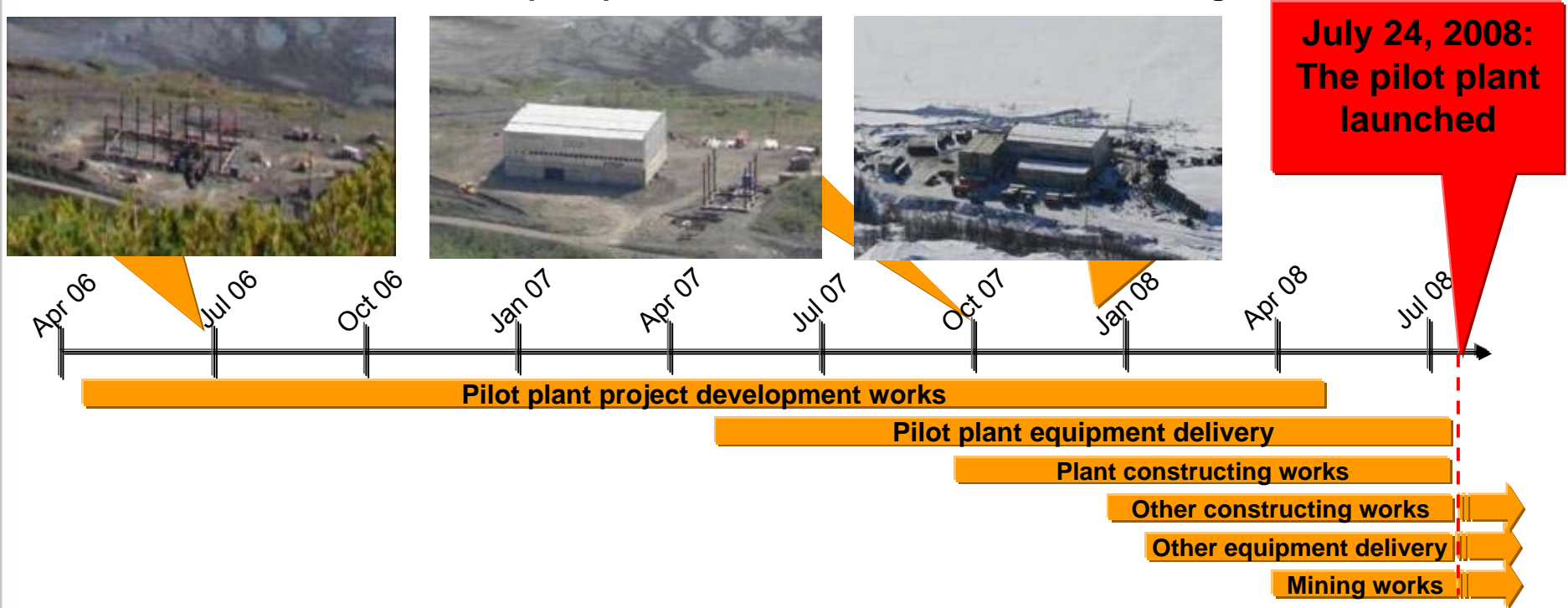


Projects update: Nataalka. Pilot plant



To minimize metal risks and to speed up the achievement of target parameters Polyus Gold management decided to construct a 120-130 ktpa pilot plant.

The time table of the pilot plant construction works are the following:

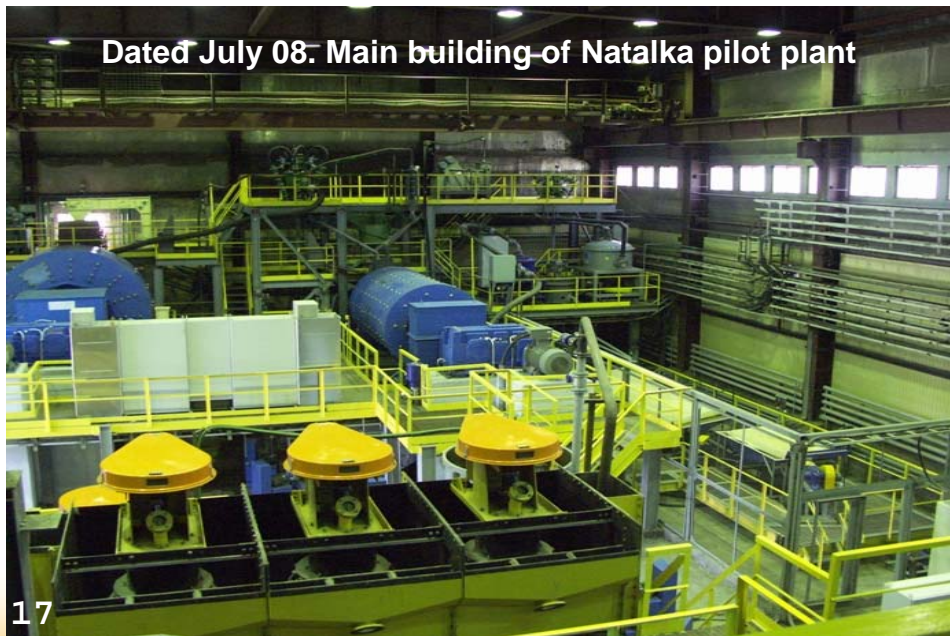


Projects update: Nataalka. Pilot plant



Large scale of Nataalka project coupled with low grades require extreme accuracy in technology

- Exact model of an industrial-scale ore processing plant;
- High reliability of results obtained in conditions identical to industrial;
- Flexible design allows to use the PP to test various technological schemes for various types of ore;
- Professional equipment of world's leading producers include: Falcon Concentrators, high speed floatation machines of Metso minerals, fine grinding mills of XSTRATA technology, intensive cyaniding machine ILR of Gekko Systems and other.



“Killing several hares”:

- The pilot plant will be used not only on the pre-production stage but also for “polishing” the technology after Nataalka mine is launched, in order to maximize the efficiency;
- The PP will be used for other projects of the company;
- The PP will be used for plant workers’ training;
- To test new equipment;
- Opportunity for commercial use of the PP in future, as an R&D base of Russia’s Far East

Projects update: Nataalka. Squeeze out



Consolidation of 100% stake in Matrosov Mine, a license holder of Nataalka

On February 22, 2008 Polyus Gold voluntarily offered to acquire 2.975% ordinary and 71.49% of preferred shares from minorities (@ ~USD2'350/ORD and ~USD0.17/PREF).

The buy out completed on May 14, 2008.

97.51% stake consolidated by Polyus

Stake over 95% entitles the company to squeeze out minority shares

On June 11, 2008 independent appraiser "Rosexpertiza" completed the report where it determined the price of squeeze out as ~USD2'350/ORD and ~USD0.17/PREF.

September 22, 2008 was determined as a record date for squeeze out offer

Second half of October - the company plans to complete squeeze out offer



Projects update: Chertovo Koryto - 2008 geological discovery

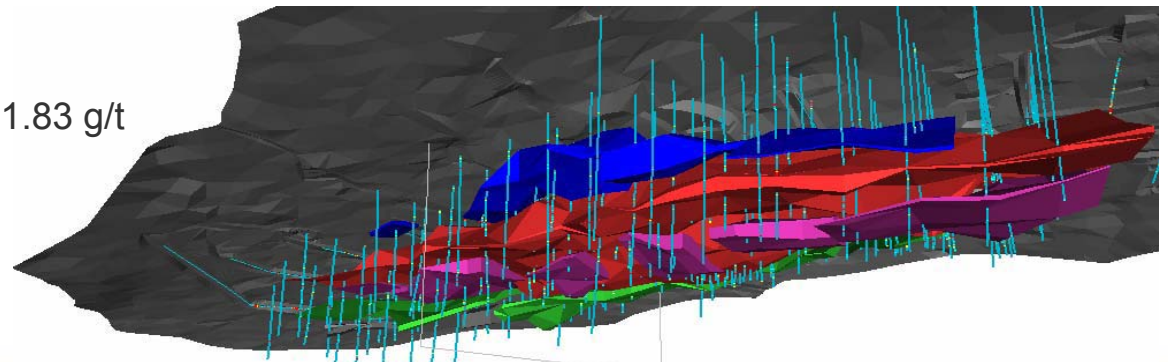


- Located in Irkutsk region, 185km from Bodaibo;
- Licence acquired in 2004, exploration began in 2005;
- 2007 – exploration programme completed, reserves increased from 330 k oz (Russian C2) to 2.6 m oz (JORC, P&P);
- During the exploration campaign 29,777 m drilled in 210 holes;
- April 08 – scoping study and reserves calculation approved by GKZ (State reserves committee);
- March 08 – JORC audit completed
- P&P reserves (JORC) – 2.6 m oz at 1.83 g/t

Chertovo Koryto deposit: a part of Artemievo ore field

Artemievo ore field:

- 3 exploration licenses: Zheltuktinskaya, Kevaktinskaya and Illigirskaya areas, adjacent to Chertovo Koryto deposit
- Estimated exploration potential 1.6 m oz of gold;
- Exploration works to be done in 2007 - 2010



Distribution of the mineralized zone of Chertovo Koryto (Micon's report)

Projects update: Pipeline developments



	Scoping Study	Prefeasibility study	Feasibility study	Launch	Estimated production, k oz (LOM)	Average TCC, US\$/oz (LOM)*	Capex, US\$ mln*
Olimpiada, Mill-3				July 2007	477	390	342
Titimukhta			Nov 2007	2009	159	260	98,7
Blagodatnoe			Nov 2007	2010	391	244	390,2
Verninskoye			Jan 2008	2010	204	253	212
Natalka		Nov 2007	1Q 2009	2013, Pilot plant- July 08	Over 1700	326	2352
Nezhdaninskoe		May 2008	Oct 2009				
Chertovo Koryto	Oct 2008						

* 1US\$ = 25.0 RUR. @ US\$600 per oz



Capital expenditures program in 2007-2008

2007 – USD 530 mln

2008 – USD 570 mln, including:

- | | |
|---------------|--------------|
| - Blagodatnoe | - USD 97 mln |
| - Titimukhta | - USD 46 mln |
| - Verninskoe | - USD 51 mln |
| - Natalka | - USD 80 mln |
| - Kuranakh | - USD 29 mln |



Conclusion: Time to buy



	EV/Production	EV/Reserves	EV/EBITDA	EV/Sales
AngloGold Ashanti	2 027	152	12,0	3,20
Barrick Gold	4 053	262	13,5	5,16
Goldcorp	10 276	532	21,4	10,46
Gold Fields	1 804	72	5,5	2,40
Harmony Gold	2 564	74	19,9	3,13
Newmont Mining	3 674	264	11,0	4,13
Buenaventura	5 645	488	16,1	8,26
Kinross Gold	6 700	229	29,0	9,74
Newcrest Mining	6 051	269	10,9	4,56
Weighted-average	4 041	224	13,3	4,97
Polyus Gold	3 245	56	11,8	5,01
Upside to w/a	25%	303%	13%	-1%

- Polyus Gold follows the plans its announced in full;
- Global market ccorrections and political issues negatively influenced Polyus share performance;
- Polyus' results and achievements have not been reflected in the share price;
- At 3 P.M. MSC September 05, 2008 Polyus showed strong upside potential to the Global Golds.

