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## MMC NORILSK NICKEL ANNOUNCES PRELIMINARY CONSOLIDATED PRODUCTION RESULTS FOR 2<sup>ND</sup> QUARTER OF 2011 AND 1<sup>ST</sup> HALF OF 2011

**Moscow, July 28<sup>th</sup>, 2011** – OJSC MMC Norilsk Nickel (hereinafter – “Norilsk Nickel”, “the Company” or “the Group”), the world’s largest nickel and palladium producer, announces preliminary consolidated production results for the second quarter of 2011 and the first half of 2011 at the Polar and Kola Divisions in Russia and international operations in Finland, Botswana and South Africa.

- Overall nickel production in the second quarter of 2011 amounted to 65 thousand metric tonnes as compared to 71 thousand metric tonnes in the first quarter of 2011. The changes in nickel output in the reporting period are due to early seasonal suspension of sea navigation in course of spring flood for Russian assets and due to certain decrease in production volumes at the international assets of the Group. In the first half of 2011 nickel production totaled 136 thousand metric tonnes.
- Overall copper production in the second quarter of 2011 amounted to 90 thousand metric tonnes as compared to 94 thousand metric tonnes in the previous quarter. The reasons for the decline of copper output in the reporting period are similar to the reasons of changes in nickel production. Overall copper production in the first half of 2011 totaled 184 thousand metric tonnes.
- The Company produced 744 thousand troy ounces of palladium in the reporting quarter, representing a 63 thousand troy ounces increase as compared to the first quarter of 2011. In the first half of 2011 the overall output of palladium amounted to 1,425 thousand troy ounces.
- Overall platinum output in the reporting period reached 190 thousand troy ounces, being 20 thousand ounces higher as compared to the first quarter of 2011. In general, in the first half of 2011 the Company increased platinum output up to 360 thousand troy ounces.

In the second quarter of 2011 the Polar and Kola Divisions in Russia produced 54 thousand metric tonnes of nickel. In the first half of 2011 the production of nickel totaled 110 thousand metric tonnes which represents a 3% decrease as compared to the results of the first half of 2010.

In the second quarter of 2011 copper production of the Russian divisions of the Company amounted to 87 thousand metric tonnes. In the first half of 2011 the production of copper totaled 176 thousand metric tonnes, being 5% less than in the first half of 2010.

Decrease in nickel and copper production at the Russian divisions of the Company in the first half of 2011 as compared to the same period of 2010 is explained by early seasonal suspension of sea navigation in course of spring flood. This caused certain delay in deliveries of semi-products (high grade matte) of the Polar Division to Kola MMC for further treatment and refining. In the second half of 2011 the Company plans to catch up with annual production plans in terms of nickel and copper output at Russian divisions.

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In the reporting period palladium production at the Kola and Polar Divisions amounted to 711 thousand troy ounces. In the first half of 2011 the output of palladium totaled 1,363 thousand troy ounces, being in line with the approved production plan.

The Russian divisions of the Company increased platinum output in the second quarter of 2011 up to 183 thousand troy ounces. In the first half of 2011, the Polar and Kola Divisions produced 347 thousand troy ounces of platinum, slightly surpassing the results of the first half of 2010.

In the second quarter of 2011 the Harjavalta nickel refinery in Finland produced 9 thousand metric tonnes of nickel. In the first half of 2011 the production at the Harjavalta refinery totaled 20 thousand metric tonnes of nickel, exceeding the approved production plan.

In the second quarter of 2011 overall combined production of nickel in concentrate by Tati Nickel and Nkomati totaled 4 thousand metric tonnes. In the first half of 2011 these assets produced 8 thousand metric tonnes of nickel in concentrate, which is by 1.7 thousand metric tonnes less than in the first half of 2010. The operational results of Tati Nickel were affected by changes in the mineralogical structure of ore mined. In the first half of 2011 the mining works at Nkomati were carried out at the top of the open pit where metal grades are lower. As mining works go deeper, the nickel grade should rise in the ore of the open pit.

In the reporting period in accordance with production plans of the Group in Australia, Lake Johnston was carrying out test works and tuning of the technology. Currently test runs and optimisation of the equipment is being finalised, which will be followed by the ramp-up of this operation.

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MMC NORILSK NICKEL METALS PRODUCTION	2Q2011	1Q2011	1H2011
<b>Norilsk Nickel Polar and Kola Divisions (Russia)</b>			
Nickel, metric tonnes	53 517	56 806	110 323
Copper, metric tonnes	86 528	89 927	176 455
Palladium, thousand troy ounces	711	652	1 363
Platinum, thousand troy ounces	183	164	347
<b>Norilsk Nickel Finland<sup>1</sup></b>			
Nickel, metric tonnes	8 551	11 727	20 278
Copper, metric tonnes	1 324	1 587	2 911
Palladium, thousand troy ounces	9	10	19
Platinum, thousand troy ounces	4	3	6
<b>Norilsk Nickel Africa<sup>2</sup></b>			
<b>Nickel in concentrate, total, metric tonnes</b>	<b>3 972</b>	<b>3 938</b>	<b>7 911</b>
Tati Nickel nickel, total, metric tonnes	2 626	2 445	5 071
Tati Nickel nickel, to third parties, metric tonnes	2 626	2 445	5 071
Tati Nickel nickel, shipped to NN Harjavalta, metric tonnes	0	0	0
Nkomati (50%) nickel, total, metric tonnes	1 346	1 493	2 839
Nkomati (50%) nickel, to third parties, metric tonnes	0	0	0
Nkomati (50%) nickel, shipped to NN Harjavalta, metric tonnes	1 346	1 493	2 839
<b>Copper in concentrate, total, metric tonnes</b>	<b>3 253</b>	<b>3 153</b>	<b>6 406</b>
Tati Nickel copper, total, metric tonnes	2 599	2 465	5 064
Tati Nickel copper, to third parties, metric tonnes	2 599	2 465	5 064
Tati Nickel copper, shipped to NN Harjavalta, metric tonnes	0	0	0
Nkomati (50%) copper, total, metric tonnes	654	688	1 342
Nkomati (50%) copper, to third parties, metric tonnes	0	0	0
Nkomati (50%) copper, shipped to NN Harjavalta, metric tonnes	654	688	1 342
<b>Palladium in concentrate, total, thousand troy ounces</b>	<b>29</b>	<b>24</b>	<b>53</b>
Tati Nickel palladium, thousand troy ounces	24	19	42
Tati Nickel palladium, to third parties, thousand troy ounces	24	19	42
Tati Nickel palladium, shipped to NN Harjavalta, thousand troy ounces	0	0	0
Nkomati (50%) palladium, thousand troy ounces	6	5	11
Nkomati (50%) palladium, to third parties, thousand troy ounces	0	0	0
Nkomati (50%) palladium, shipped to NN Harjavalta, thousand troy ounces	6	5	11
<b>Platinum in concentrate, total, thousand troy ounces</b>	<b>6</b>	<b>5</b>	<b>11</b>
Tati Nickel platinum, thousand troy ounces	4	3	7
Tati Nickel platinum, to third parties, thousand troy ounces	4	3	7
Tati Nickel platinum, shipped to NN Harjavalta, thousand troy ounces	0	0	0
Nkomati (50%) platinum, thousand troy ounces	2	1	4
Nkomati (50%) platinum, to third parties, thousand troy ounces	0	0	0
Nkomati (50%) platinum, shipped to NN Harjavalta, thousand troy ounces	2	1	4
<b>TOTAL METALS PRODUCTION<sup>3</sup></b>			
<b>Nickel, metric tonnes</b>	<b>64 694</b>	<b>70 978</b>	<b>135 672</b>
<b>Copper, metric tonnes</b>	<b>90 451</b>	<b>93 979</b>	<b>184 430</b>
<b>Palladium, thousand troy ounces</b>	<b>744</b>	<b>681</b>	<b>1 425</b>
<b>Platinum, thousand troy ounces</b>	<b>190</b>	<b>170</b>	<b>360</b>

**Notes:**

1. Production results include processing of nickel concentrate from Nkomati and purchased materials.

2. Since 4Q10 all concentrate of Nkomati is being shipped for further processing to the Norilsk Nickel Harjavalta refinery.

3. Totals may vary from sum of numbers as a result of rounding.

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## **ABOUT MMC NORILSK NICKEL:**

MMC Norilsk Nickel, a company incorporated under the laws of the Russian Federation, is the largest diversified mining and metals company in Russia, the world's largest producer of nickel and palladium and one of the world's largest producers of platinum, cobalt, copper, and rhodium. In addition to this, MMC Norilsk Nickel produces a large number of other by-products, including gold, silver, iridium, selenium, ruthenium and tellurium.

The key production units of the Company's group in Russia are at the Polar and Kola Peninsulas. MMC Norilsk Nickel international assets include operations in Finland, Australia, Botswana and South Africa.

MMC Norilsk Nickel's shares are traded at MICEX and RTS. ADRs on the Company's shares are traded on over the counter market in the US and at the London and Berlin stock exchanges.

Please visit [www.norilsknickel.ru](http://www.norilsknickel.ru) for more information about the Company.