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## MMC NORILSK NICKEL ANNOUNCES PRELIMINARY CONSOLIDATED PRODUCTION RESULTS FOR 2<sup>ND</sup> QUARTER 2012 AND 1<sup>ST</sup> HALF OF 2012

**Moscow, July 30<sup>th</sup>, 2012** – 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 2012 and first half of 2012 at its Polar and Kola Divisions in Russia and international operations in Finland, Australia, Botswana and South Africa.

- Overall saleable nickel production in the second quarter of 2012 amounted to 69.6 thousand metric tonnes comparing to 75.8 thousand metric tonnes in the first quarter of 2012. The overall production volumes in the reporting period decreased mostly due to short delivery of raw materials from third parties to the Harjavalta nickel refinery in Finland (-5.1 thousand tonnes of nickel as compared to the first quarter of 2012). In the first half of 2012 nickel production totaled 145.4 thousand metric tonnes, representing a 7% growth as compared to the first half of 2011 mostly due to the production growth at Russian Divisions of the Group.
- Overall saleable copper production in the second quarter of 2012 increased by 2% as compared to the first quarter of 2012 and amounted to 89.8 thousand metric tonnes. The growth of copper output at Russian Divisions was partially offset by output decreases at Group’s international operations. In the first half of 2012, the copper production totaled 178 thousand tonnes being fully in line with the approved production plan.
- In the reporting quarter the Company produced 729 thousand troy ounces of palladium, representing an 80 thousand troy ounces growth as compared to the first quarter of 2012. The increase in palladium output in the second quarter of 2012 was largely driven by the growth of production at Russian Divisions of the Company. In the first half of 2012 the overall output of palladium totaled 1,378 thousand troy ounces being in line with the production plan.
- Overall platinum output in the reporting period reached 186 thousand troy ounces (+20 thousand ounces as compared to the first quarter of 2012) mostly due to the strong performance of Russian Divisions. In general, in the first half of 2012 the Company produced 352 thousand troy ounces of platinum.

In the second quarter of 2012 the Polar and Kola Divisions in Russia produced 56.5 thousand metric tonnes of nickel. In the first half of 2012 nickel production totaled 115.1 thousand metric tonnes which represents a 4% increase in comparison with the first half of 2011.

In the second quarter of 2012 copper production of Russian Divisions of the Company increased to 87 thousand metric tonnes. In the first half of 2012 production of copper totaled 172 thousand metric tonnes, being largely in line with the Company’s production plan.

In the reporting period palladium production at the Kola and Polar Divisions amounted to 706 thousand troy ounces, which is 94 thousand troy ounces higher as compared to the results of the first quarter of 2012 and exceeds the production plan. In the first half of 2012 the output of palladium totaled 1,318 thousand troy ounces.

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Russian Divisions of the Company augmented platinum output in the second quarter of 2012 by 24 thousand troy ounces up to 180 thousand troy ounces. In general, in the first half of 2012 the Polar and Kola Divisions produced 337 thousand troy ounces of platinum.

In the second quarter of 2012 the Harjavalta nickel refinery in Finland produced 8 thousand metric tonnes of nickel which is slightly below the plan. The main reason for certain underperformance is short deliveries of feedstock from third parties. In the first half of 2012 the Harjavalta refinery produced 21 thousand metric tonnes of nickel representing a 3% growth as compared to the first half of 2011.

In the second quarter of 2012 Lake Johnston, an Australian operation of the Group, increased the output of nickel in concentrate up to 2.5 thousand metric tonnes. In the reporting quarter the Group completed the in-house research and development works on improvement of enrichment technology enabling growth of nickel recovery in concentrate. In the first half of 2012 the production of nickel in concentrate totaled 4 thousand metric tonnes.

In the second quarter of 2012 Tati Nickel produced 2.8 thousand metric tonnes of nickel in concentrate improving the results of the first quarter of the current year by 7%. In the first half of 2012 nickel output in concentrate by Tati Nickel totaled 5.4 thousand metric tonnes thanks to stable performance of the enrichment plant and optimisation of reagent flows in the floatation process. In the meantime, the content of by-products in concentrate produced decreased due to changes in the mineralogy of processed materials.

The Group's share in the production volumes of nickel in concentrate by Nkomati (50%) in the second quarter of 2012 was 2.3 thousand metric tonnes, which is 29% higher than in the previous quarter of 2012. High production results were achieved thanks to normalised performance of enrichment plants and increased nickel grades of treated ore. In the first half of 2012 the Group's share in the production volumes of Nkomati achieved 4 thousand metric tonnes of nickel in concentrate. In the reporting periods all concentrate of Nkomati was shipped for further treatment to the Harjavalta nickel refinery.

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MMC NORILSK NICKEL SALEABLE METALS PRODUCTION	2Q 2012	1Q 2012	QoQ change, %	1H 2012	1H 2011	HoH change, %
<b>Norilsk Nickel Polar and Kola Divisions (Russia)</b>						
Nickel, metric tonnes	56 463	58 602	-4%	115 065	110 323	4%
Copper, metric tonnes	87 353	84 930	3%	172 283	176 455	-2%
Palladium, thousand troy ounces	706	612	15%	1 318	1 363	-3%
Platinum, thousand troy ounces	180	156	16%	337	347	-3%
<b>Norilsk Nickel Finland<sup>1, 2</sup></b>						
Nickel, metric tonnes	7 909	13 023	-39%	20 932	20 278	3%
Copper, metric tonnes	0	1 006		1 006	2 911	
Palladium, thousand troy ounces	5	18		23	19	
Platinum, thousand troy ounces	2	7		9	6	
<b>Norilsk Nickel Australia</b>						
Nickel in concentrate, metric tonnes	2 461	1 567	57%	4 029	0	
<b>Norilsk Nickel Africa</b>						
<b>Nickel in concentrate, to third parties, metric tonnes</b>	<b>2 806</b>	<b>2 632</b>	<b>7%</b>	<b>5 438</b>	<b>5 071</b>	<b>7%</b>
Tati Nickel nickel in concentrate, metric tonnes	2 806	2 632	7%	5 438	5 071	7%
Nkomati (50%) nickel in concentrate, shipped to NN Harjavalta, metric tonnes	2 251	1 744	29%	3 995	2 839	41%
<b>Copper in concentrate, to third parties, metric tonnes</b>	<b>2 433</b>	<b>2 520</b>	<b>-3%</b>	<b>4 953</b>	<b>5 064</b>	<b>-2%</b>
Tati Nickel copper in concentrate, metric tonnes	2 433	2 520	-3%	4 953	5 064	-2%
Nkomati (50%) copper in concentrate, shipped to NN Harjavalta, metric tonnes	1 109	991	12%	2 100	1 342	56%
<b>Palladium in concentrate, to third parties, thousand troy ounces</b>	<b>18</b>	<b>19</b>	<b>-7%</b>	<b>37</b>	<b>42</b>	<b>-11%</b>
Tati Nickel palladium in concentrate, thousand troy ounces	18	19	-7%	37	42	-11%
Nkomati (50%) palladium in concentrate, shipped to NN Harjavalta, thousand troy ounces	7	7	-7%	14	11	30%
<b>Platinum in concentrate, to third parties, thousand troy ounces</b>	<b>3</b>	<b>3</b>	<b>0%</b>	<b>7</b>	<b>7</b>	<b>-6%</b>
Tati Nickel platinum in concentrate, thousand troy ounces	3	3	0%	7	7	-6%
Nkomati (50%) platinum in concentrate, shipped to NN Harjavalta, thousand troy ounces	2	3	-17%	5	4	33%
<b>TOTAL METAL PRODUCTION<sup>3</sup></b>						
<b>Nickel, tonnes</b>	<b>69 639</b>	<b>75 824</b>	<b>-8%</b>	<b>145 463</b>	<b>135 672</b>	<b>7%</b>
<b>Copper, tonnes</b>	<b>89 786</b>	<b>88 456</b>	<b>2%</b>	<b>178 242</b>	<b>184 430</b>	<b>-3%</b>
<b>Palladium, thousand troy ounces</b>	<b>729</b>	<b>649</b>	<b>12%</b>	<b>1 378</b>	<b>1 425</b>	<b>-3%</b>
<b>Platinum, thousand troy ounces</b>	<b>186</b>	<b>166</b>	<b>12%</b>	<b>352</b>	<b>360</b>	<b>-2%</b>

## Notes:

1 Production results of Norilsk Nickel Harjavalta exclude output of metals in semi-products processed internally, in 1H 2012 amounting to: 4,451 metric tonnes of copper, 25 thousand troy ounces of palladium, 9 thousand troy ounces of platinum

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

3 Totals may vary from sum of parts 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, rhodium, copper and cobalt. In addition to this, MMC Norilsk Nickel produces a large number of other by-products, including gold, silver, tellurium, selenium, iridium and ruthenium.

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-RTS. ADR's on the Company's shares are traded on the other 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.