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### MMC NORILSK NICKEL ANNOUNCES PRELIMINARY CONSOLIDATED PRODUCTION RESULTS FOR 2ND QUARTER AND 1ST HALF 2014

**Moscow, July 31 2014** – 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 2014 and first half of 2014.

#### Nickel

- 2Q14 nickel production amounted to **60.9 thousand tonnes** decreasing 10.2% quarter-on-quarter (q-o-q) mostly due to scheduled repair works in Russia and Finland.
- Overall saleable nickel production in the first half of 2014 reached **128.7 thousand tonnes**, demonstrating a 7.7% decrease year-on-year (y-o-y) driven mostly by the decrease in low-profitable tolling operations at Kola MMC and lower output by international divisions.

#### Copper

- 2Q14 copper output increased 3.7% q-o-q amounting to **93.7 thousand tonnes**. This growth was mainly attributed to a larger share of cuprous ores in the total volume of ore processed by the Polar Division. Another positive factor was an increase in the sale of copper cake to third parties by Norilsk Nickel Harjavalta.
- In total, for the first half of 2014 the Company produced **184.1 thousand tonnes** of copper which represents a 0.8% decline y-o-y driven by short delivery of raw materials to Norilsk Nickel Harjavalta as compared to 1H13.

#### Platinum Group Metals

- 2Q14 palladium output reached **729 thousand troy ounces** increasing 19.5% q-o-q while platinum production was up 18% q-o-q to **177 thousand troy ounces**. The increase was mainly driven by the release of work-in-progress material in Russia and higher sales volumes of PGMs in copper cake to third parties by Norilsk Nickel Harjavalta.
- Overall palladium and platinum output in the first half of 2014 amounted to **1,339 thousand troy ounces** of and **327 thousand troy ounces** respectively, in line with production results for the first half of 2013.

Norilsk Nickel fully confirms its earlier announced production guidance for FY2014 as follows:

- Nickel – 225-235 thousand tonnes
- Copper – 340-350 thousand tonnes
- Palladium – 2,530 – 2,550 thousand troy ounces
- Platinum – 625-635 thousand troy ounces

#### Russian operations

In 2Q14, the Russian divisions of the Company produced **54.7 thousand tonnes** of nickel, which represents a 1.8% decline q-o-q. The decrease was attributable to a scheduled capital repair of a flash smelting furnace at Nadezhda Metallurgical Plant and reduction in low-margin tolling operations at Kola MMC.

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Nickel production in the first half of 2014 achieved **110.4 thousand tonnes** representing a 1.4% decrease y-o-y.

The volumes of copper production in the second quarter of 2014 reached **90.4 thousand tonnes** which exceeds the result of the previous quarter by 1.7%. The copper output in the first half of 2014 amounted to **179.3 thousand tonnes**, almost flat (+0.5%) as compared to 1H13. The growth was caused by the increase of cuprous ores mined and processed by the Company.

In 2Q14 both palladium and platinum output increased q-o-q (up 18.6% and 15.1% respectively) to **708 thousand troy ounces** and **168 thousand troy ounces** respectively. The increase of PGM volumes was mainly attributed to the reduction of work-in-progress material as part of the working capital release program. Overall, in the first half of 2014 the Company's Russian operations produced **1,306 thousand troy ounces** (+0.7% y-o-y) of palladium and **313 thousand troy ounces** of platinum (-0.6% y-o-y).

### Norilsk Nickel Finland

In 2Q14 the Norilsk Nickel Harjavalta refinery in Finland produced **5.4 thousand tonnes** (-52.2% q-o-q) while in 1H14 – **16.6 thousand tonnes** (-18.8% y-o-y) of nickel output. The decrease was mainly driven by extensive scheduled repair and maintenance operations at the refinery and lower deliveries of raw materials from third parties.

2Q14 output of copper (copper cake for the sale to third parties) increased q-o-q by a factor of three to **2.7 thousand tonnes**. The significant growth in copper production was attributed to a large number of contracts in April-June from third parties. Overall copper output in the first half of 2014 achieved **3.5 thousand tonnes** representing a 6.8% decrease y-o-y which was mainly driven by lower delivery of raw materials in first six months.

Harjavalta produced **17 thousand troy ounces** of saleable palladium (palladium in copper cake) in 2Q14 (+126% q-o-q), while the production of saleable platinum (platinum in copper cake) in the period was **9 thousand troy ounces** (+155% q-o-q). In total, in 1H14 the Norilsk Nickel Harjavalta produced **24 thousand troy ounces** (+25% y-o-y) of saleable palladium and **12 thousand troy ounces** (+35% y-o-y) of saleable platinum. Output of PGM increased due to the growth in copper cake sales to third parties in the reporting periods.

### Norilsk Nickel Africa

In 2Q14, Tati Nickel produced **1.6 thousand tonnes** of nickel in concentrate, down 7.8% q-o-q, while during 1H14 its output amounted to **3.3 thousand tonnes** of nickel in concentrate. The decrease was attributed to lower metal grades in the mined ore and non-scheduled maintenance at the enrichment facilities in April-June. Also, according to the agreement signed in August 2013, 50% of nickel semis produced by Tati were shipped to Norilsk Nickel Harjavalta for further processing and the other 50% to third parties, while previously all concentrate was sold to third parties.

The production of nickel in concentrate by Nkomati (reported on a 50% basis) in 2Q14 decreased 3.7% q-o-q to **2.9 thousand tonnes**. Overall, in 1H14 the production of nickel in concentrate by Nkomati amounted to **6 thousand tonnes**. The small decrease in production in reporting period can

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be explained by lower nickel content in ore. All nickel concentrate produced by Nkomati was delivered for further processing to the Norilsk Nickel Harjavalta refinery in Finland and Kola MMC.

### **Norilsk Nickel Australia**

In 2Q13, the Lake Johnston mine was put on care and maintenance as part of the cost control measures implemented by the Company's new management.

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### **ABOUT MMC NORILSK NICKEL:**

Open Joint-Stock Company Mining and Metallurgical Company Norilsk Nickel is a diversified mining and metallurgical company, the world's largest producer of nickel and palladium and a leading producer of platinum, cobalt, copper and rhodium. In addition, the Company produces gold, silver, iridium, selenium, ruthenium and tellurium. The production units of MMC Norilsk Nickel's group in Russia are at the Norilsk Industrial District and the Kola Peninsula, and in Finland, Australia, Botswana and South Africa.

MMC Norilsk Nickel's shares are admitted to trading on the Moscow and on the Saint-Petersburg Exchanges. ADR's representing shares in MMC Norilsk Nickel are admitted to trading on the over the counter market in the US and on the London and Berlin stock exchanges.



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MMC NORILSK NICKEL SALEABLE METALS PRODUCTION	2Q 2014	1Q 2014	change q-o-q %	1H 2014	1H 2013	change y-o-y %
<b>TOTAL METAL PRODUCTION<sup>1</sup></b>						
Nickel, tonnes	60,885	67,818	-10.2%	128,703	139,385	-7.7%
Copper, tonnes	93,698	90,374	3.7%	184,072	185,648	-0.8%
Palladium, thousand troy ounces	729	610	19.5%	1,339	1,342	-0.2%
Platinum, thousand troy ounces	177	150	18.0%	327	328	-0.5%
<b>Norilsk Nickel Polar and Kola Divisions (Russia)</b>						
Nickel, tonnes	54,713	55,706	-1.8%	110,419	111,982	-1.4%
<i>Polar division</i>	30,007	30,691	-2.2%	60,698	61,103	-0.7%
<i>Kola division</i>	24,706	25,015	-1.2%	49,721	50,879	-2.3%
Copper, tonnes	90,440	88,894	1.7%	179,334	178,483	0.5%
<i>Polar division</i>	76,650	74,279	3.2%	150,929	147,541	2.3%
<i>Kola division</i>	13,790	14,615	-5.6%	28,405	30,942	-8.2%
Palladium, thousand troy ounces	708	597	18.6%	1,306	1,297	0.7%
<i>Polar division</i>	557	451	23.5%	1,008	990	1.8%
<i>Kola division</i>	152	146	3.6%	298	307	-3.0%
Platinum, thousand troy ounces	168	146	15.1%	313	315	-0.6%
<i>Polar division</i>	135	110	22.6%	245	248	-1.1%
<i>Kola division</i>	32	35	-8.2%	68	67	1.0%
<b>Norilsk Nickel Finland<sup>2</sup></b>						
Nickel, tonnes	5,373	11,246	-52.2%	16,619	20,474	-18.8%
Copper, tonnes	2,659	809	228.7%	3,468	3,720	-6.8%
Palladium, thousand troy ounces	17	7	126.0%	24	19	25.3%
Platinum, thousand troy ounces	9	3	155.1%	12	9	34.6%
<b>Norilsk Nickel Australia</b>						
LaKe Johnston nickel to third parties, tonnes	0	0	-	0	2,826	-
<b>Norilsk Nickel Africa</b>						
Tati Nickel nickel total, including:	1,597	1,732	-7.8%	3,329	4,103	-18.9%
<i>Tati Nickel nickel to third parties, tonnes</i>	799	866	-7.8%	1,665	4,103	-59.4%
<i>Tati Nickel nickel processed in the Company, tonnes</i>	799	866	-7.8%	1,665	0	-
Nkomati (50%) nickel processed in the Company, tonnes	2,944	3,056	-3.7%	6,000	5,990	0.2%
Tati Nickel copper total, including:	1,197	1,342	-10.8%	2,539	3,445	-26.3%
<i>Tati Nickel copper to third parties, tonnes</i>	599	671	-10.8%	1,269	3,445	-63.2%
<i>Tati Nickel copper processed in the Company, tonnes</i>	599	671	-10.8%	1,269	0	-
Nkomati (50%) copper processed in the Company, tonnes	1,313	1,289	1.9%	2,602	2,448	6.3%
Tati Nickel palladium total, including:	8.2	11.3	-26.8%	19.4	26.1	-25.7%
<i>Tati Nickel palladium to third parties, thousand troy ounces</i>	4.1	5.6	-26.8%	9.7	26.1	-62.8%
<i>Tati Nickel palladium processed in the Company, thousand troy ounces</i>	4.1	5.6	-26.8%	9.7	0.0	-
Nkomati (50%) palladium processed in the Company, thousand troy ounces	12.0	12.8	-6.3%	24.8	20.1	23.4%
Tati Nickel platinum total, including:	1.5	1.9	-22.1%	3.4	4.4	-22.7%
<i>Tati Nickel platinum to third parties, thousand troy ounces</i>	0.7	1.0	-22.1%	1.7	4.4	-61.4%
<i>Tati Nickel platinum processed in the Company, thousand troy ounces</i>	0.7	1.0	-22.1%	1.7	0.0	-
Nkomati (50%) platinum processed in the Company, thousand troy ounces	4.0	5.9	-32.2%	10.0	7.6	31.6%

**Notes:**

<sup>1</sup>Totals may value from sum of numbers as a result of rounding

<sup>2</sup>Production results include processing of nickel concentrate from Tati, Nkomati and purchased materials