



NORNICKEL

PRESS RELEASE

April 27, 2017

Public Joint Stock Company "Mining and Metallurgical Company "NORILSK NICKEL"
(PJSC "MMC "Norilsk Nickel", "Nornickel" or the "Company")

«NORILSK NICKEL» GROUP ANNOUNCES PRELIMINARY CONSOLIDATED PRODUCTION RESULTS FOR 1ST QUARTER 2017

Moscow - PJSC MMC Norilsk Nickel, a largest refined nickel and palladium producer in the world, announces preliminary consolidated production results for the first quarter of 2017.

First Vice-President - Chief Operating Officer, Sergey Dyachenko commented on the 1Q 2017 production results: «The decline in metal production volumes in the first quarter was scheduled as it was resulting primarily from the reconfiguration of downstream production facilities progressing to its completion. We expect that the quarterly metal production volumes will recover as the Talnakh Concentrator reaches its design parameters as well as the built-up of work-in-progress materials in both base metals and precious metal production flows finishes by 3Q 2017. This year, we are also planning to complete processing of previously stored pyrrhotite concentrate, utilizing the oldest part of this material from the bottom of the concentrate pond. Taking into account its natural dilution, which has already negatively affected the first quarter production results, we see a downside risk to our annual production guidance for nickel and PGMs by up to 3% of their total volume. Overall, we consider that the processing of stored pyrrhotite concentrate was a successful commercial project for the company, with over 5.3 mt of concentrate used as a feed to production since 2010. Management team is looking at ways to mitigate these risks and **confirms 2017 production guidance** ».

Nickel

1Q17 consolidated nickel production amounted to **53 kt** decreasing 16% year-on-year (y-o-y). Nickel output from the Company's own Russian feed reached **49 kt**, down 5% y-o-y. The decrease was attributed to [decommissioning of Nickel Plant](#), scheduled ramp up of the upgraded Talnakh Concentrator, increase in shipments of nickel feed for processing to Kola MMC and Norilsk Nickel Harjavalta and resulting increase of work-in-progress material, as well as the dilution of stored pyrrhotite concentrate feed.

Copper

1Q17 consolidated copper production amounted to **94 kt** increasing 8% y-o-y. Copper output from the Company's own Russian feed reached **92 kt**, up 8% y-o-y. The increase was attributed to higher copper content in feed and processing volumes of [concentrate purchased from Rostec](#).

Platinum Group Metals

1Q17 consolidated palladium and platinum output amounted to **553 koz** (down 14% y-o-y) and **130 koz** (down 24% y-o-y), respectively. Palladium output from the Company's own Russian feed reached **521 koz**, down 17% y-o-y and platinum output reached **118 koz**, down 28% y-o-y. The decrease of palladium and platinum output was attributed to the increase of work-in-progress materials in transit from Polar to Kola division (material amounts of PGMs are contained in the nickel matte, which is shipped for processing from Polar to Kola division), the dilution of

stored pyrrhotite concentrate feed and a longer refining processing time of the precious metal concentrate, produced from the slag of Copper Plant, at Krasnoyarsk Non-Ferrous Metals Plant (Krastsvetmet).

Russian operations

Due to the shutdown of Nickel plant in Polar division, since 3Q16 saleable nickel has been produced only at two production sites: Kola MMC in Russia and Norilsk Nickel Harjavalta in Finland. 1Q17 nickel output in Russia amounted to **37 kt** decreasing 28% y-o-y. The decrease owed to the decommissioning of Nickel Plant, increase of work-in-progress inventories and increase of shipments of the Company's Russian feed to Norilsk Nickel Harjavalta for processing in line with the reconfiguration of downstream production facilities. Since 4Q16 all nickel matte produced at Nadezhda Metallurgical Plant has been shipped for processing to Kola MMC, which refines a larger part of it, with the remainder after being processed into nickel concentrate has been shipped to Norilsk Nickel Harjavalta in Finland for refining.

1Q17 copper output in Russia amounted to **91 kt**, up 6% y-o-y. The increase owed to higher copper feed grades and launch of processing of concentrate purchased from Rostec.

1Q17 palladium and platinum output in Russia amounted to **534 koz** (down 16% y-o-y) and to **125 koz** (down 25% y-o-y), respectively. The decrease of palladium and platinum production was related to the increase of work-in-progress materials in transit from Polar to Kola division, depletion of stored pyrrhotite concentrate feed and a longer refining processing time of the precious metal concentrate, produced from the slag of Copper Plant, at Krasnoyarsk Non-Ferrous Metals Plant.

Norilsk Nickel Harjavalta (Finland)

1Q17 nickel production at Norilsk Nickel Harjavalta amounted to **16 kt**, up 35% y-o-y, with nickel output from the Company's own Russian feed increased 25-fold y-o-y to **13 kt**. The growth was attributed to the increase in processing of Russian feed at Norilsk Nickel Harjavalta as part of ongoing downstream reconfiguration.

1Q17 output of copper at Norilsk Nickel Harjavalta doubled y-o-y to **3 kt**. Copper output from the Company's own Russian feed reached **2 kt**. The growth was attributed to the increase in processing of Russian feed at Norilsk Nickel Harjavalta as a part of ongoing downstream reconfiguration.

1Q17 output of saleable palladium (palladium in copper cake) doubled y-o-y to **19 kt** and output of saleable platinum (platinum in copper cake) increased by 25% y-o-y to **5 koz**. The growth was attributed to the increase in processing of Russian feed at Norilsk Nickel Harjavalta as a part of ongoing downstream reconfiguration.

2017 Production guidance from Russian feedstock:

Metals	Volumes
Ni, kt	206-211
Cu, kt	377-387
Pd, koz	2,636-2,732
Pt, koz	581-645

NORILSK NICKEL GROUP SALEABLE METALS PRODUCTION	1Q 2017	1Q 2016	Y-o-Y, %
TOTAL METAL PRODUCTION¹			
Nickel, t	53,487	63,631	-16%
<i>thereof from own Russian feed</i>	<i>49,422</i>	<i>51,869</i>	<i>-5%</i>
Copper, t	94,191	87,253	8%
<i>thereof from own Russian feed</i>	<i>91,722</i>	<i>85,257</i>	<i>8%</i>
Palladium, koz	553	643	-14%
<i>thereof from own Russian feed</i>	<i>521</i>	<i>627</i>	<i>-17%</i>
Platinum, koz	130	171	-24%
<i>thereof from own Russian feed</i>	<i>118</i>	<i>164</i>	<i>-28%</i>
Polar division and Kola MMC (Russia)			
Nickel, t	37,423	51,764	-28%
Polar division	0	23,650	-100%
Kola division	37,423	28,114	33%
<i>thereof from Russian feed</i>	<i>36,165</i>	<i>27,692</i>	<i>31%</i>
<i>thereof from 3d parties feed</i>	<i>1,258</i>	<i>422</i>	<i>198%</i>
Copper, t	90,882	85,660	6%
Polar division	71,160	72,763	-2%
Kola division	19,722	12,897	53%
<i>thereof from Russian feed</i>	<i>18,61</i>	<i>12,494</i>	<i>45%</i>
<i>thereof from 3d parties feed</i>	<i>1,561</i>	<i>403</i>	<i>287%</i>
Palladium, koz	534	634	-16%
Polar division	169	405	-58%
Kola division	365	229	59%
<i>thereof from Russian feed</i>	<i>343</i>	<i>222</i>	<i>55%</i>
<i>thereof from 3d parties feed</i>	<i>21</i>	<i>7</i>	<i>203%</i>
Platinum, koz	125	167	-25%
Polar division	44	119	-63%
Kola division	81	48	68%
<i>thereof from Russian feed</i>	<i>73</i>	<i>45</i>	<i>61%</i>
<i>thereof from 3d parties feed</i>	<i>8</i>	<i>3</i>	<i>170%</i>
Norilsk Nickel Harjavalta (Finland)²			
Nickel, t	16,064	11,867	35%
<i>thereof from Russian feed</i>	<i>13,257</i>	<i>527</i>	<i>2416%</i>
Copper, t	3 309	1,593	108%
<i>thereof from Russian feed</i>	<i>2,401</i>	<i>0</i>	<i>-</i>
Palladium, koz	19	9	111%
<i>thereof from Russian feed</i>	<i>8</i>	<i>0</i>	<i>-</i>
Platinum, koz	5	4	25%
<i>thereof from Russian feed</i>	<i>1</i>	<i>0</i>	<i>-</i>
Nkomati (South Africa)³			
Nickel, t	2,384	2,900	-18%
Copper, t	1,109	1,339	-17%
Palladium, koz	12	13	-8%
Platinum, koz	5	5	0%

Notes:

¹ Totals may vary from the sum of numbers as a result of rounding.

² Production results include processing of nickel concentrate from Russian feed and purchased materials.

³ Metal in concentrate for sale assuming 50% ownership.

This announcement contains inside information in accordance with Article 7 of EU Regulation 596/2014 of 16 April 2014.

Full name and position of person making the announcement - Vladimir Zhukov,
Vice - president, Investor Relations

ABOUT THE COMPANY

PJSC MMC NORILSK NICKEL is a diversified mining and metallurgical company, the world's largest producer of refined nickel and palladium and a leading producer of platinum, cobalt, copper and rhodium. The company also produces gold, silver, iridium, selenium, ruthenium and tellurium.

The production units of NORILSK NICKEL Group include Polar Division, located at the Norilsk Industrial District on Taimyr Peninsula, and Kola Mining and Metallurgical Company located on the Kola Peninsula in Russia as well as Harjavalta nickel refinery in Finland.

PJSC MMC NORILSK NICKEL shares are listed on the Moscow and on the Saint-Petersburg Stock Exchanges. PJSC MMC NORILSK NICKEL ADRs trade over the counter in the US and on the London and Berlin Stock Exchanges.

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