



NORILSK NICKEL

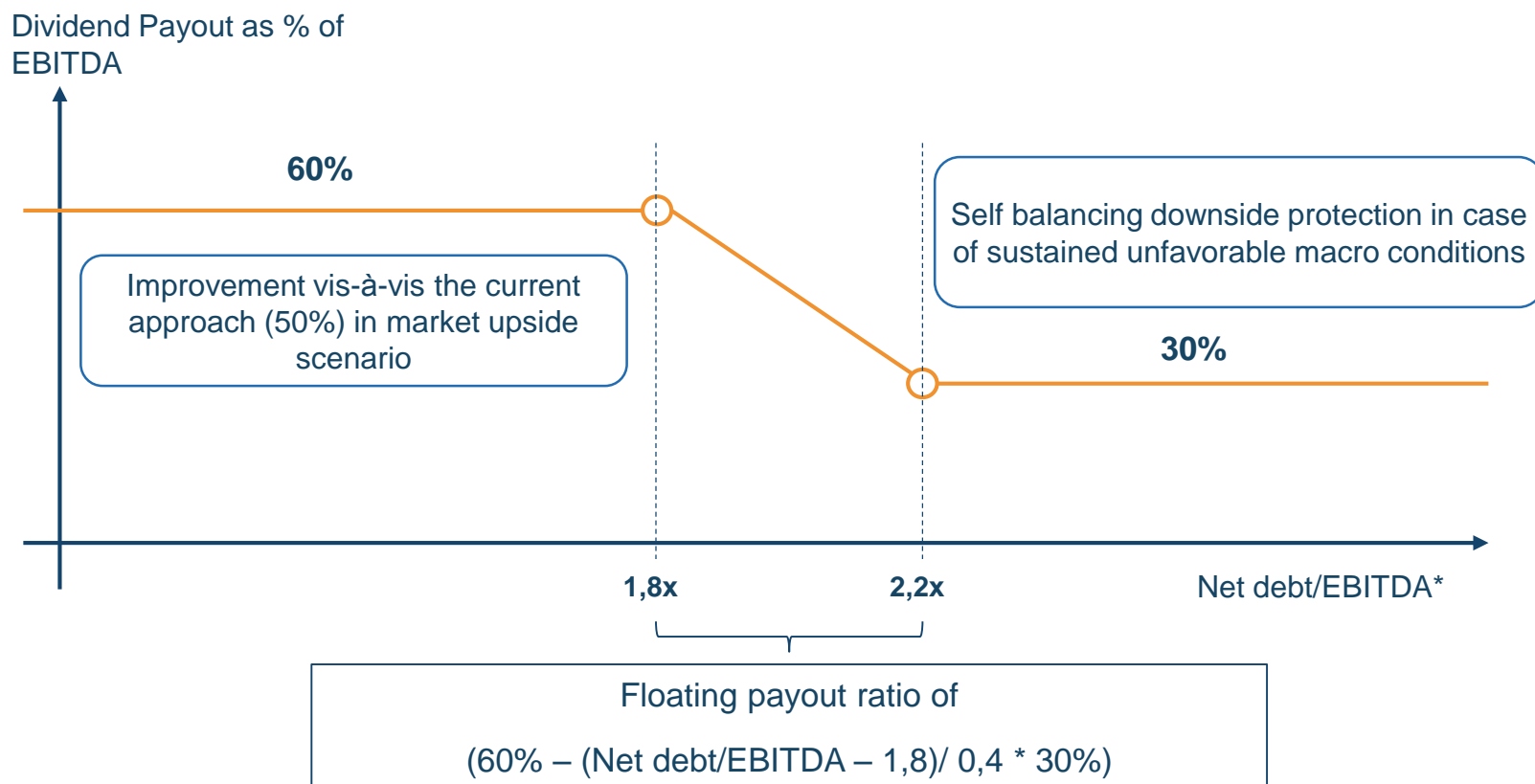


Medium-Term Financial Targets of Norilsk Nickel

April 4, 2016

New Dividend Targets of Norilsk Nickel Effective After Final Dividend Payments for 2015

Variable Dividend Payout Framework for NN




Total dividend will be split into final and interim dividends; interim payments will be equal to c. 30% of the total and paid in Q1 of the year following the corresponding financial year

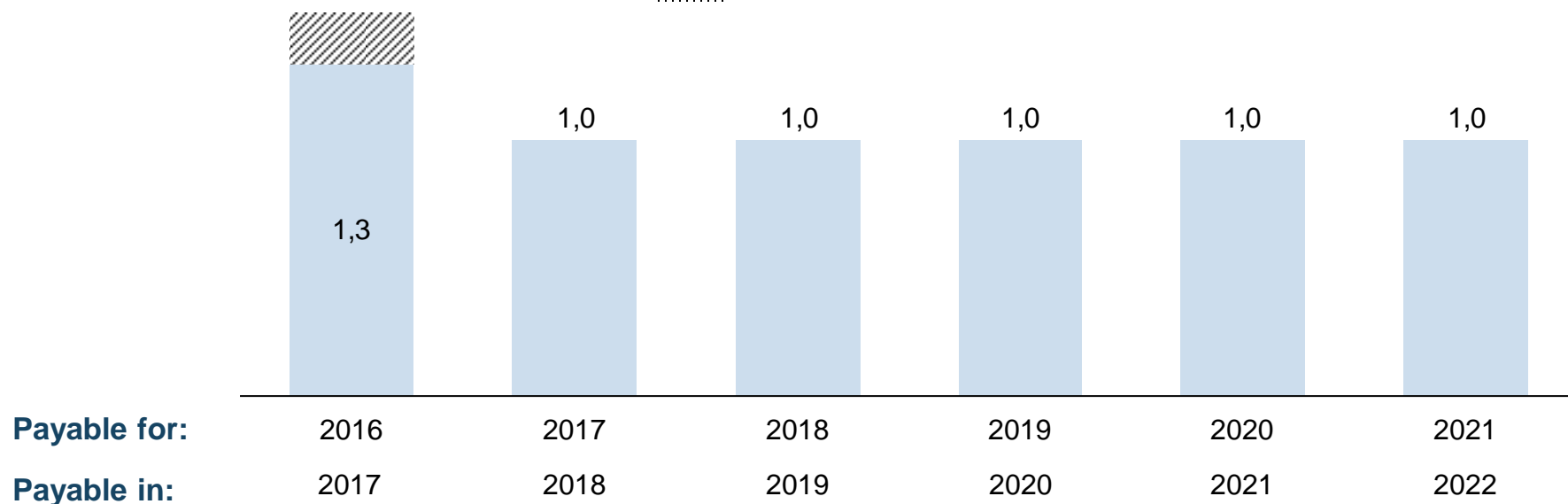


New Dividend Targets of Norilsk Nickel Approved Minimum Dividend Payments

Approved “floor” for medium-term dividend payments

\$ bn

 Adjustment (increase) of the minimal level equal to proceeds from Nkomati disposal



New Dividend Targets of Norilsk Nickel

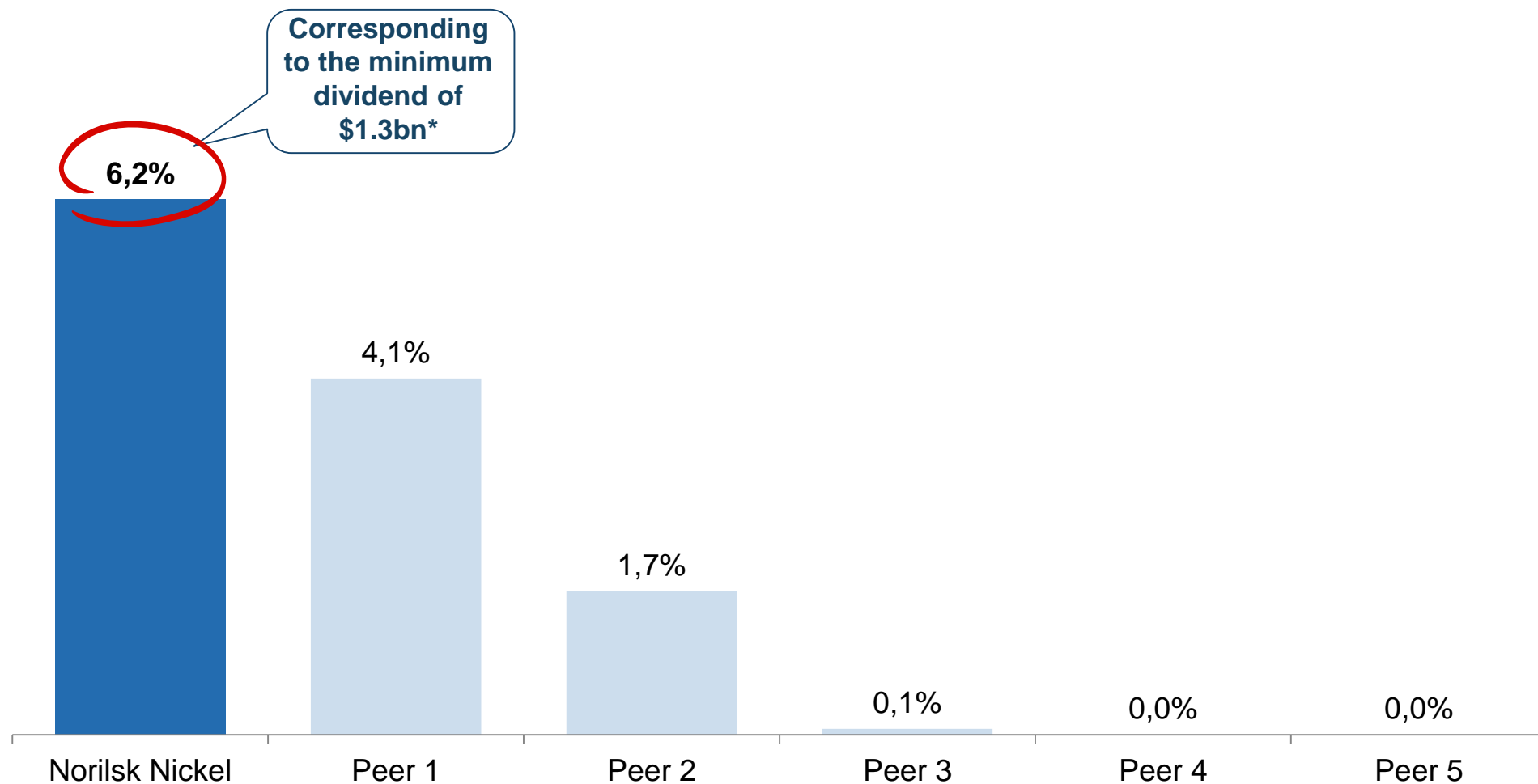
A Differentiated Investment Proposition

- **Simplicity** – simple and easy to calculate payout ratio of EBITDA, with no exposure to more volatile and adjustments-driven net profit
- **Balance** – ensures sustainable leverage levels of Norilsk with self-balancing payouts in order to remain a well capitalised business vis-à-vis relevant industry benchmarks
- **Transparency** – no “cancelled” or “suspended” dividends; introduction of a formula-based calculation that is transparent and predictable to Norilsk’s investors
- **Commitment** – Norilsk remains committed to delivering superior shareholder returns and best-in-class dividend payouts with the new dividend framework



New Dividend Targets of Norilsk Nickel Superior Shareholder Returns vis-à-vis the Industry

Leading Mining Companies - Projected Dividend Yield for 2016 FY (to be paid in 2017)



Source: Bloomberg estimates, as of March 24, 2016; Note: Projected dividend yield (ex-date) based on 2016 FY (including interim and final dividends for 2016 FY), The peer group includes Rio Tinto, BHP Billiton, Vale, Glencore, Anglo American.

* Minimal definition of the "floor", to be increased by Nkomati deal proceeds

New Dividend Targets of Norilsk Nickel

Detailed Description and Calculation

- The new dividend targets will be effective after the final dividend for 2015 is paid and applied to dividend distributions for the year 2016 and onwards
- The final dividend for the year ended 31 December 2015 will be paid in May-August 2016 and calculated in line with the existing dividend targets as 50% of 2015 EBITDA less two interim 2015 dividends already paid
- The new dividend targets will be based on a variable EBITDA payout ratio and linked to the Company's leverage:
 - 60% of EBITDA if net debt/EBITDA at corresponding year-end is less than 1.8x;
 - 30% of EBITDA if net debt/EBITDA at corresponding year-end is greater than 2.2x;
 - Adjusted ratio reducing proportionally from 60% to 30% of EBITDA pro rata net debt/EBITDA at corresponding year-end if net debt/EBITDA is in the 1.8-2.2x range;
- Total dividend payments for each year will be subject to a minimum amount. The minimum payment in 2017 (for 2016 financial results) is set at \$1.3bn plus the proceeds from the sale of Nkomati and in the years thereafter at \$1.0bn
- For the purpose of calculation of dividend targets, the net debt will exclude project financing for Bystrinskiy Project in Chita region
- The Company aims to maintain paying interim dividend for 9 months of a corresponding financial year in the amount of up to 30% of estimated total dividends for that year
- The Company is expecting that 2016 interim dividends will amount to a total of approximately \$0.6bn and will be paid in January-February 2017



Capital Expenditures Targets for 2016-2018

1

CAPEX of **USD 4.4 billion cumulative over 2016-2018**, excluding capex for additional projects

2

Additional CAPEX for the development of **Chita Project** (Bystrinsky GOK) using the project financing mechanism

3

Additional CAPEX for the realisation of **Sulfur project** in the Polar division

