

## PRESS RELEASE

### OPERATING RESULTS ARE IN LINE WITH STRATEGIC PRODUCTION GUIDANCE

Moscow, January 29, 2016 – PJSC 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 fourth quarter and full year of 2015 as well as its production outlook for full year 2016.

#### Nickel

4Q15 consolidated nickel production amounted to **73 kt** increasing 16% quarter-on-quarter (q-o-q). Nickel output from the Company’s own Russian feed reached **59 kt**, up 7% q-o-q. The increase was mainly attributed to the processing of work-in-progress material.

2015 consolidated nickel production amounted to **266 kt**, down 3% year-on-year (y-o-y). Nickel output from the Company’s own Russian feed reached **220 kt** (in line with 220-225 kt production target), down 1% y-o-y. The decrease was driven mostly by the ongoing reconfiguration of production facilities at Polar division, reduction of low-margin tolling operations at Kola MMC as well as the deconsolidation of Tati Nickel owing to its divestiture in 2Q 2015.

#### Copper

4Q15 consolidated copper production amounted to **95 kt** increasing 4% q-o-q mostly owing to higher copper content in mined ore and processing of work-in-progress material in reported quarter. Copper output from the Company’s own Russian feed reached **91 kt**, up 5% q-o-q.

2015 consolidated copper production stayed almost flat y-o-y at approximately **369 kt**. Copper output from the Company’s own Russian feed reached **353 kt** (marginally below 360-368 kt production target) increasing 2% y-o-y.

#### Platinum Group Metals

4Q15 consolidated palladium and platinum output amounted to **618 koz** (down 13% q-o-q) and **144 koz** (down 17% q-o-q), respectively. The decline was scheduled as production volumes in the prior months of 2015 were above production targets.

2015 palladium and platinum output amounted to **2,689 koz** (down 2% y-o-y) and **656 koz** (down 1% y-o-y), respectively. Palladium output from the Company’s own Russian feed stayed almost flat y-o-y at **2,575 koz** (practically in line with 2,580 – 2,610 koz production target), while the production of platinum amounted to **610 koz** (in line with 590-615 koz production target) increasing 2% y-o-y. The decrease in overall production was mainly attributed to the ongoing reconfiguration of production facilities at Polar division and reduction of low-margin tolling operations at Kola MMC.

## PRESS RELEASE

### Russian operations

In 4Q15, Polar and Kola divisions combined nickel output increased 7% q-o-q amounting to **59 kt**. 2015 nickel production in Russia decreased 3% y-o-y to **222 kt** owing to the ongoing reconfiguration of production facilities at the Polar division and the reduction of low-margin tolling operations at Kola division.

In 4Q15, copper output in Russia amounted to approximately **92 kt**, up 4% q-o-q. 2015 consolidated copper production stayed almost flat y-o-y at approximately **356 kt**.

In 4Q15, in Russia the output of palladium decreased 13% q-o-q to **600 koz** and the production of platinum decreased 18% q-o-q to **135 koz**. The reduction of PGM volumes was scheduled in 4Q 2015 as production volumes in the prior months of 2015 were above production targets. Overall, in 2015 the Company's Russian operations produced **2,606 koz** of palladium (down 2% y-o-y) and **622 koz** of platinum (down 1% y-o-y).

### Norilsk Nickel Finland

In 4Q15, Norilsk Nickel Harjavalta produced approximately **14kt** of nickel, up 82% q-o-q. The increase was from a low base in 3Q 2015 as the refinery was undergoing scheduled repairs. 2015 output of nickel amounted to **43 kt** increasing 2% y-o-y owing to increased processing of own Russian feed and also matte from third parties.

In 4Q15, output of copper (copper in copper cake saleable to third parties) increased 5% q-o-q to **4 kt**. 2015 copper output increased 23% y-o-y to **13 kt** driven mostly by higher sales volumes of copper cake to third parties.

In 4Q15, Norilsk Nickel Harjavalta decreased the production of saleable palladium (palladium in copper cake) by 5% y-o-y to **18 koz** and increased the production of saleable platinum (platinum in copper cake) by 13% y-o-y to **9 koz**. The decrease in palladium production volumes was attributed to changes in metal grades of the feed. 2015 palladium and platinum output increased to **78 koz** (up 5% y-o-y) and to **33 koz** (up 6% y-o-y), respectively, due to higher sales volumes of PGMs in copper cake to third parties.

### Norilsk Nickel Africa

**Tati Nickel.** In April, 2015 Norilsk Nickel announced the completion of the sale transaction of its 85% stake in Tati Nickel to BCL Limited.

**Nkomati JV.** In 4Q15, the production of nickel in concentrate (reported on a 50%-basis) amounted to **3 kt** (down 2% q-o-q). 2015 production of nickel in concentrate by Nkomati amounted to over **11 kt**, down 1% y-o-y. The decrease in production was driven by lower nickel content in processed ore and lower metal extraction given the structural features of the ore body.

### Production targets for FY2016

In 2016, Norilsk Nickel expects that the production of saleable products from Russian feed (including the processing of Russian feed at Norilsk Nickel Harjavalta in Finland) will decrease relative to 2015.



**NORILSK NICKEL**

## **PRESS RELEASE**

Work-in-progress materials in transit will increase due to the ongoing downstream reconfiguration at the Polar division. After the scheduled closure of Nickel Plant in 2016 all high-grade nickel matte from the Nadezhda Metallurgical Plant will be shipped for further processing to Kola division and Norilsk Nickel Harjavalta in Finland. In 2015, only 50% of nickel matte produced at the Polar division was transferred to Kola division for further processing. The increase of work-in-progress materials in transit in 2016 is a one-off event.

Taking into account the increase of work-in-progress materials in transit, nickel production targets in 2016 will be in line with the guidance announced at the Strategy Day held in May 2015, while copper production will be small down with PGM output up relative to the previous targets.

### **2016 Production Guidance (from Russian feed)**

<b>METALS</b>	<b>SALEABLE METALS</b>	<b>INCREASE OF WORK-IN-PROGRESS MATERIALS IN TRANSIT</b>
Ni, kt	206-212	15-19
Cu, kt	342-352	4-6
Pd, koz	2,296-2,392	231-243
Pt, koz	542-586	55-59



# PRESS RELEASE

NORILSK NICKEL SALEABLE METALS PRODUCTION	2015	4Q 2015	3Q 2015	2Q 2015	1Q 2015	2014	4Q/3Q	2015/2014
<b>TOTAL METAL PRODUCTION<sup>1</sup></b>								
<b>Nickel, tonnes</b>	<b>266,406</b>	<b>72,653</b>	<b>62,463</b>	<b>63,853</b>	<b>67,437</b>	<b>274,248</b>	<b>16%</b>	<b>-3%</b>
<i>from Russian feed</i>	220,251	58,759	54,798	52,336	54,358	223,224	7%	-1%
<b>Copper, tonnes</b>	<b>369,426</b>	<b>95,436</b>	<b>91,908</b>	<b>92,550</b>	<b>89,532</b>	<b>368,009</b>	<b>4%</b>	<b>0%</b>
<i>from Russian feed</i>	352,766	91,287	87,009	88,416	86,054	345,897	5%	2%
<b>Palladium, koz</b>	<b>2,689</b>	<b>618</b>	<b>712</b>	<b>726</b>	<b>633</b>	<b>2,752</b>	<b>-13%</b>	<b>-2%</b>
<i>from Russian feed</i>	2,575	595	688	697	596	2,582	-14%	0%
<b>Platinum, koz</b>	<b>656</b>	<b>144</b>	<b>173</b>	<b>175</b>	<b>164</b>	<b>662</b>	<b>-17%</b>	<b>-1%</b>
<i>from Russian feed</i>	610	133	163	163	151	595	-18%	2%
<b>NORILSK NICKEL POLAR AND KOLA DIVISIONS (RUSSIA)</b>								
<b>Nickel, tonnes</b>	<b>222,016</b>	<b>58,787</b>	<b>54,857</b>	<b>53,294</b>	<b>55,078</b>	<b>228,438</b>	<b>7%</b>	<b>-3%</b>
Polar division	96,916	24,980	24,100	22,947	24,889	122,390	4%	-21%
Kola division	125,100	33,807	30,757	30,347	30,189	106,048	10%	18%
<i>from Russian feed</i>	123,335	33,779	30,698	29,389	29,469	100,834	10%	22%
<i>from 3d parties feed</i>	1,765	28	59	958	720	5,214	-53%	-66%
<b>Copper, tonnes</b>	<b>355,707</b>	<b>91,850</b>	<b>88,506</b>	<b>89,005</b>	<b>86,346</b>	<b>354,944</b>	<b>4%</b>	<b>0%</b>
Polar division	292,632	75,103	72,035	73,621	71,873	297,552	4%	-2%
Kola division	63,075	16,747	16,471	15,384	14,473	57,392	2%	10%
<i>from Russian feed</i>	60,134	16,184	14,974	14,795	14,181	34,538	8%	74%
<i>from 3d parties feed</i>	2,941	563	1,497	589	292	7,730	-62%	-62%
<b>Palladium, koz</b>	<b>2,606</b>	<b>600</b>	<b>693</b>	<b>703</b>	<b>610</b>	<b>2,660</b>	<b>-13%</b>	<b>-2%</b>
Polar division	1,935	433	519	522	461	2,065	-17%	-6%
Kola division	671	167	174	181	149	595	-4%	13%
<i>from Russian feed</i>	640	162	169	175	135	517	-4%	24%
<i>from 3d parties feed</i>	31	5	5	6	15	78	0%	-60%
<b>Platinum, koz</b>	<b>622</b>	<b>135</b>	<b>165</b>	<b>166</b>	<b>156</b>	<b>627</b>	<b>-18%</b>	<b>-1%</b>
Polar division	488	101	130	132	124	500	-22%	-2%
Kola division	134	34	35	33	32	127	-3%	6%
<i>from Russian feed</i>	122	32	33	31	26	95	-3%	28%
<i>from 3d parties feed</i>	12	2	2	3	6	32	0%	-61%
<b>Norilsk Nickel Finland<sup>2</sup></b>								
Nickel, tonnes	43,479	13,866	7,606	10,559	11,448	42,603	82%	2%
Copper, tonnes	13,048	3,586	3,402	3,545	2,515	10,629	5%	23%
Palladium, koz	78	18	19	23	18	74	-5%	5%
Platinum, koz	33	9	8	9	7	31	13%	6%
<b>Norilsk Nickel Africa</b>								
Tati Nickel nickel, tonnes	1,822	0	0	0	1,822	6,414	0%	-72%
<b>thereof Tati Nickel nickel to 3d parties</b>	<b>911</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>911</b>	<b>3,207</b>	<b>0%</b>	<b>-72%</b>
thereof Tati Nickel nickel processed in the Company	911	0	0	0	911	3,207	0%	-72%
Nkomati (50%) nickel processed in the Company, tonnes	11,286	2,916	2,988	2,843	2,539	11,359	-2%	-1%
Tati Nickel copper, tonnes	1,342	0	0	0	1,342	4,872	0%	0%
<b>thereof Tati Nickel copper to 3d parties</b>	<b>671</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>671</b>	<b>2,436</b>	<b>0%</b>	<b>-72%</b>
thereof Tati Nickel copper processed in the Company	671	0	0	0	671	2,436	0%	-72%
Nkomati (50%) copper processed in the Company, tonnes	5,240	1,428	1,279	1,273	1,260	4,938	12%	6%
Tati Nickel palladium, koz	10	0	0	0	10	36	0%	-73%
<b>thereof Tati Nickel palladium to 3d parties</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>18</b>	<b>0%</b>	<b>-72%</b>
thereof Tati Nickel palladium processed in the Company	5	0	0	0	5	18	0%	-73%
Nkomati (50%) palladium processed in the Company, koz	54	15	13	13	13	49	15%	10%
Tati Nickel platinum, koz	2	0	0	0	2	8	0%	-75%
<b>thereof Tati Nickel platinum to 3d parties</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>4</b>	<b>0%</b>	<b>-75%</b>
thereof Tati Nickel platinum processed in the Company	1	0	0	0	1	4	0%	-75%
Nkomati (50%) platinum processed in the Company, koz	21	6	5	5	5	19	20%	11%

Notes:

<sup>1</sup>Totals may vary from the sum of numbers due to arithmetical rounding

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

## PRESS RELEASE

**For further information, please, contact:**

**Media Relations:**

Phone: +7 (495) 797 82 94

Email: [pr@nornik.ru](mailto:pr@nornik.ru)

**Investor Relations:**

Phone: +7 (495) 786 83 20

Email: [ir@nornik.ru](mailto:ir@nornik.ru)

**ABOUT NORILSK NICKEL:**

Public 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 Norilsk Nickel are located in Russia at the Norilsk Industrial District and on the Kola Peninsula, as well as in Finland.

Norilsk Nickel's shares are listed on the Moscow and on the Saint-Petersburg Stock Exchanges. Norilsk Nickel ADRs trade over the counter in the US and on the London and Berlin stock exchanges.