NORILSK NICKEL

MMC NORILSK NICKEL REPORTS FULL YEAR 2013 AUDITED CONSOLIDATED IFRS FINANCIAL RESULTS

Moscow, April 7, 2014 – OJSC MMC Norilsk Nickel ("Norilsk Nickel", the "Company" or the "Group"), the largest nickel and palladium producer in the world, today reports audited financial results for the year ended December 31, 2013.

FULL YEAR 2013 HIGHLIGHTS

- Financial performance driven by the new corporate strategy approved in 2013 that focuses on capital discipline and free cash flow generation
- Strong set of financial results despite the challenging backdrop of commodity markets conditions
- Consolidated revenue amounted to USD 11.5 billion, down 7% due to lower prices of nickel, copper and platinum, positively offset by the resilient prices of palladium
- EBITDA decreased 15% to USD 4.2 billion, while EBITDA margin remained strong at 37%
- Comprehensive review of asset profitabtility by business units and business lines has been carried out, resulting in USD 841 million of write-offs of property, plant and equipment, including a USD 307 million impairment of upstream operations of Kola MMC, and additional USD 728 million revaluation loss related to other financial assets, including stakes in energy companies
- Net profit (excluding the impact of non-cash write-offs) amounted to USD 2.6 billion, down 15%
- Net cash generated from operating activitites grew 20% to USD 4.1 billion supported by cost control measures and net working capital release
- CAPEX decreased 27% to USD 2.0 billion due to introduction of a new investment governance system and change in the asset footprint
- Free cash flow[1] increased almost five-fold to USD 2.4 billion
- Leverage remained conservative at 1.1x Net Debt/EBITDA as of year-end 2013, with average debt maturity extended more than two times and average blended cost of debt decreased to 2.81%
- Interim dividends for 9 months of 2013 were paid in the amount of RUB 220.7 (approximately USD 6.7) per ordinary share in December 2013 confirming the Company's commitment to industry-leading dividend targets
- Continued progress on corporate governance, disclosure and transparency standards

KEY CORPORATE HIGHLIGHTS

USD million unless stated otherwise	**FY2013**	**FY2012**	**Change y-o-y**
Revenue	11,489	12,366	(7.0%)
Gross profit	4,993	5,999	(16.8%)
EBITDA	4,198	4,932	(14.9%)
EBITDA Margin	37%	40%	(3 p.p.)
Net profit	765	2,143	(64.3%)
Net profit before impairment of financial and non-financial assets	2,581	3,039	(15.1%)
Increase/(decrease) in net working capital	(1,054)	329	n/a
Net cash generated from operating activities	4,115	3,434	19.8%
Capital expenditures	1,989	2,713	(26.7%)
Free cash flow(1)	2,377	520	357%
Net debt	4,584	3,986	15.0%
Net debt/EBITDA	1.1x	0.8x	n/a
ROIC(2)	15%	20%	(5 p.p.)

[1] Free cash flow is a non-IFRS measure and is calculated as net cash generated from operating activities less net cash used in investing activities for the reported period.
[2] ROIC is a non-IFRS measure and is calculated as net operating profit before impairment charges on property, plant and equipment, divided by average annual invested capital (total assets less excess cash and cash equivalents, financial assets, investments in associates and non-interest-bearing current liabilities).

KEY SEGMENTAL HIGHLIGHTS

USD million unless stated otherwise	**FY2013**	**FY2012**	**Change y-o-y**
Revenue			
Polar Division	8,512	9,214	(7.6%)
Kola MMC	1,019	1,253	(18.7%)
Other production assets	1,463	1,492	(1.9%)
Other non-production assets	1,344	1,131	18.8%
Inter-company eleminations	(849)	(724)	17.3%
Consolidated revenue	**11,489**	**12,366**	**(7.1%)**
EBITDA			
Polar Division	4,754	5,323	(10.7%)
Kola MMC	175	300	(41.7%)
Other production assets	(346)	(63)	449.2%
Other non-production assets	(53)	(51)	3.9%
Headquarters costs and expenses	(332)	(577)	(42.5%)
Consolidated EBITDA	**4,198**	**4,932**	**(14.9%)**
EBITDA Margin			
Polar Division	56%	58%	(2 p.p.)
Kola MMC	17%	24%	(7 p.p.)
Other production assets	(24%)	(4%)	(20 p.p.)
Other non-production assets	(4%)	(5%)	1 p.p.
Consolidated EBITDA Margin	**37%**	**40%**	**(3 p.p)**

MANAGEMENT COMMENTS

Vladimir Potanin, Chief Executive Officer of Norilsk Nickel, commented: "Last year was a challenging and volatile year in commodity markets with prices for the majority of metals in Norilsk Nickel portfolio declining that had a clear impact on our top-line performance. Despite this environment, the Company managed to sustain world-class profitability with a full-year EBITDA margin of 37%. Two cornerstones of our new strategy are capital efficiency and focus on free cash flow generation; both of these played a key role in delivering a strong result for our shareholders. Restructuring of working capital management allowed us to reduce net working capital by USD 1.1 billion. We also stayed firmly on target with our USD 2 billion capex guidance through considerably tighter investment controls and spent USD 724 million less than in 2012. These two factors resulted in an almost five-fold year-on-year increase in free cash flow generation to USD 2.4 billion.

The company made strong strides in solidifying its financial strength through a number of borrowing and refinancing activities, having returned to the international debt capital markets with two Eurobond placements. Taking advantage of a low interest rate environment during the year, we extended the maturity of our debt portfolio by more than two times, reduced our blended cost of borrowing and have entered 2014 with a strong liquidity cushion.

In the course of 2013 the Company made headway in the implementation of its new strategy, which aims to position Norilsk Nickel for long-term growth on the back of its Tier I assets and improve its operational and capital efficiency. The strategy was formally approved by the Board in 2013 and by now the Company already operates under the new principles of investment governance and capital discipline. New KPIs for the top- and mid-level management team for 2014 are built around ROIC enhancement. The asset and project portfolio review is well under way, with some asset disposals having already been announced and more to come in 2014-2015.

The Company intends to present its annual strategy update to the investment community in May 2014, which will also include a review of target configuration of our metallurgical and refining facilities, medium term production plans, financial efficiency and cost saving initiatives.

The management is cautiously positive on 2014 with improving commodity prices in the beginning of the year; however, we are also concerned with deteriorating emerging market risk appetite by the global investment community. We believe that Norilsk Nickel has a better metals basket in comparison to our global mining peers and that therefore it is well positioned to benefit both from the economic recovery in the developed world and the ongoing structural changes in China's economy."

HEALTH & SAFETY

We are elevating our focus on achieving zero harm in the workplace, through leadership behaviour at every level, business processes and further strengthening of major risk hazard assessments. In order to adopt new HSE policies as a part of the large corporate strategy initiative, the management launched an independent HSE audit in September 2013. Upon the completition of the audit, we expect to develop HSE initiatives which we intend to put into implementation by the end of 2014.

As an important part of this focus, Norilsk Nickel commits itself to regular disclosure of work hazard statistics in line with international industry standards. For 2013 LTIFR (lost-time injury frequency rate) amounted to 0.81.

METAL MARKETS

Nickel

A significant oversupply of nickel in 2013 driven by a dramatic increase of nickel pig iron (NPI) output in China resulted in a substantial nickel price decline throughout the whole of 2013. In July the nickel price reached an absolute four-year minimum of USD 13,160 per tonne, while the average LME price for 2013 was USD 15,004 per tonne (or down 14% y-o-y). Though more than 40% of global nickel producers had been making losses, production cuts were limited as the market waited for the introduction of a nickel ore export ban by the Indonesian government.

On January 11, 2014, Indonesian President Susilo Bambang Yudhoyono signed a decree that banned exports of unprocessed ore from Indonesia effective January 12, 2014. The ban covered laterite (nickel) ore, the prime source for the production of NPI in China. If the ban is not lifted or loosened sometime in the future, the global nickel market is expected to undergo significant structural changes.

We believe that ores brought from the Philippines and New Caledonia to China cannot fully make up for the lost Indonesian ore feed to keep the production of NPI flat. Furthermore, as quality of ores brought to China from other sources will be inferior to the Indonesian ones, we would expect to see rising cash cost of NPI production in China, which would push the global nickel cost curve upwards. We also believe that the commissioning of new nickel mines and production growth at existing projects outside of China, can only partly compensate for the expected drop in Chinese NPI output. Coupled with stable demand from stainless steel industry this may cause a deficit in the nickel market as early as in Q3 2014, depending on the size and quality of the accumulated nickel ore inventory in China.

We expect that the nickel price will continue to recover in 2014 and 2015. There are increasing indications that the ban on the export of nickel ore from Indonesia will be sustained, which leads us to expect nickel market to be balanced in 2014, but developing a sizeable deficit in 2015.

Copper

In 2013, the refined copper output outpaced consumption growth, leading to a slight surplus in the global copper market, although the surplus was lower than in 2012. This excess copper was mainly accumulated in off-exchange reserves at major traders' warehouses, both inside and outside of China. The price of copper in the first half of 2013 tumbled as the market expected surplus to increase. However, in the second half of the year prices stabilized in the range of USD 6,800-7,400 per tonne, with the year's average being USD 7,322 per tonne (or 8% below the average annual price of 2012).

Palladium

Palladium market fundamentals remained favourable throughout the year. Exhausted supply from the Russian government's (Gokhran) stockpile, persistently low output of primary metal, as well as growing industrial and investment demand resulted in a 13% increase in average price y-o-y (from USD 643 per Oz in 2012 to USD 725 per Oz in 2013).

Given the widening structural deficit in the palladium market, we reiterate our views that the current discount of palladium to platinum is not fundamentally justified and hence we expect it to narrow going forward.

Platinum

In 2013, the output of primary and recycled platinum outpaced consumption. However, a dramatic growth in investor demand for platinum boosted estimated market deficit from 220 kOz in 2012 to a 700 kOz in 2013. Despite this shortfall, the average price of platinum in 2013 fell by 4% to USD 1,487 per oz. Considering the magnitude of operating losses and labour issues facing South African miners – main producers of platinum – we believe platinum traded below its fundamental value throughout the year. In our opinion, the fall in the price of platinum during 2013 was caused by a number of factors, including a considerable drop in gold prices and expectations that the labour strikes would not have a material impact on South Africa platinum production. Notably, on January 23, 2014, the major strikes simultaneously hit the metallurgical facilities of Anglo Platinum, Impala Platinum and Lonmin.

Platinum group metals (PGMs) supply side issues related to labour strikes in South Africa combined with growing car sales in the developed world and strong auto demand in China suggest that the market deficit (already significant in 2013) in both platinum and palladium could expand further in 2014. Recent ETF launches are expected to boost investment demand for these metals, making physical PGM markets even tighter. We also expect the palladium discount to platinum to narrow further.

FINANCIAL HIGHLIGHTS

REVENUE

USD million	**FY2013**	**FY2012**	**Change y-o-y**
Nickel	*4,355*	*5,223*	*(16.6%)*
Copper	*2,721*	*2,871*	*(5.2%)*
Palladium	*1,935*	*1,722*	*12.4%*
Platinum	*956*	*1,028*	*(7.0%)*
Other metals	*440*	*518*	*(15.1%)*
Revenue from metal sales	**10,407**	**11,362**	**(8.4%)**
Revenue from other sales	1,082	1,004	(7.8%)
Total revenue	**11,489**	**12,366**	**(7.1%)**

Metal sales revenue in 2013 decreased 8% y-o-y to USD 10.4 billion owing to lower prices for base and precious metals (except for palladium) coupled with slightly lower nickel and PGM sales volumes.

Metal sales, physical volumes, by origin of production[1,2)]

Total Group, excluding SouthAfrica[3)]	**FY2013**	**FY2012**	**Change y-o-y**
Nickel (thousand tonnes)	286	293	(2.4%)
Copper (thousand tonnes)	370	358	3.4%
Palladium (thousand ounces)	2,645	2,676	(1.2%)
Platinum (thousand ounces)	651	665	(2.1%)

Finished products

Russian entities	**FY2013**	**FY2012**	**Change y-o-y**
Nickel (thousand tonnes)	232	234	(0.9%)
Copper (thousand tonnes)	358	352	1.7%
Palladium (thousand ounces)	2,579	2,629	(1.9%)
Platinum (thousand ounces)	629	652	(3.5%)
Finland			
Nickel (thousand tonnes)	45	46	(2.2%)

Semi-finished products

Australia	**FY2013**	**FY2012**	**Change y-o-y**
Nickel (thousand tonnes)	2	6	(66.6%)
Botswana			
Nickel (thousand tonnes)	7	7	0.0%
Copper (thousand tonnes)	5	5	0.0%
Finland			
Copper cake (thousand tonnes)[4)]	7	1	600%

Average realized price of metals produced in Russia, Norilsk Nickel own production

Metal	**FY2013**	**FY2012**	**Change y-o-y**
Nickel (in USD per tonne)	15,156	17,719	(14.5%)
Copper (in USD per tonne)	7,397	8,015	(7.7%)
Palladium (in USD per troy ounce)	725	643	12.8%
Platinum (in USD per troy ounce)	1,481	1,549	(4.4%)

1) All information is presented on the basis of 100% ownership of subsidiaries
2) Sales of metals purchased from third parties are excluded
3) The operating results of Nkomati Nickel Mine (South Africa) are shown in the financial statements based on the Group's 50% ownership and are presented as operating results of associates
4) Copper cake is a semi-product with average copper content of 38-40%

Nickel

In 2013, nickel revenue decreased 17% y-o-y to USD 4.4 billion owing to a 15% decrease in the average realized price to USD 15,156 per tonne and a 2% decline in physical sales volume to 287 thousand tonnes. Nickel remained the largest contributor to the Company's revenue, but its share in metal sales declined from 46% in 2012 to 42% in 2013.

Sales volume of nickel produced by Norilsk Nickel in Russia decreased merely 1% y-o-y to 232 thousand tonnes in line with the production volumes reported in January 2014.

Sales volume of nickel produced at Harjavalta was down 1 thousand tonnes y-o-y to 45 thousand tonnes.

The sales volume of semi-finished nickel products of Norilsk Nickel International (excluding Norilsk Nickel Harjavalta and Nkomati Nickel Mine) decreased by 4 thousand tonnes due to the mothballing of the Group's operations in Australia.

Copper

Copper revenue declined 5% y-o-y to USD 2.7 billion following an 8% decline in average realized price y-o-y, which was only partly offset by higher sales volumes, up 3% y-o-y to 370 thousand tonnes. Overall, copper revenue accounted for 26% of the Company's total revenue from metal sales in 2013.

The physical volume of copper sales produced by Norilsk Nickel in Russia increased almost 2% to 358 thousand tonnes. The growth of sales was driven by higher copper production volumes owing to an increased share of cuprous ore in the ore mined by the Polar Division.

Sales of semi-finished copper products produced by Norilsk Nickel Harjavalta increased to 7 thousand tonnes in 2013 on the back of an agreement with Boliden to sell copper cake, which was signed in the first quarter of 2013. Sales of copper concentrate produced by Tati remained unchanged y-o-y at 5 thousand tonnes.

Palladium

Palladium revenue reached USD 1.9 billion, up 12% y-o-y due to a corresponding increase in the average realized price, just marginally negatively offset by a 1% decrease in palladium physical sales volumes owing to lower PGM output by the Polar Division. The share of palladium in Group total metals revenue increased to 19% in 2013 from 15% in 2012.

Platinum

In 2013, platinum revenue was down 7% y-o-y to USD 956 million (or 9% of total metals revenue) due to a 4% decrease in production volumes in Russia (driven by lower PGM grades in processed ore) and a 4% reduction of the metal average realized price.

Other sales

USD million	**FY2013**	**FY2012**	**Change y-o-y**
Energy and utilities	125	133	(6.0%)
Transport	611	588	3.9%
Other	346	283	22.3%
Total	**1,082**	**1,004**	**7.8%**

In 2013, other sales increased almost 8% y-o-y to USD 1.1 billion.

A modest decline in energy and utilities sales was a result of Russian Rouble devaluation against the US dollar (effect of translation to presentation currency). Transport revenue increased by USD 23 million owing to growth in volume of the aviation services. Other revenue climbed 22% y-o-y due to increased sales of oil products and higher retail revenues.

COST OF METAL SALES

In 2013, the total cost of metal sales increased 2% y-o-y to USD 5.5 billion driven mostly by a substantial change in metal inventories (combined impact of USD 303 million) while cash operating costs (before by-product credits) decreased 6% y-o-y to USD 4.7 billion as a result of cost control measures implemented by Norilsk Nickel's management.

The main reasons for the decline in the cash operating costs were a USD 202 million decline of expenses on acquisition of raw materials, semi-finished products and scrap and a USD 97 million reduction in costs of outsourced services. Another positive factor was the effect of the depreciation of the Russian Rouble against the US Dollar of USD 105 million.

The allocation of cash operating cost between main production units in 2013*:

- 95% - Russia and Finland
- 5% - Norilsk Nickel International

USD million	**FY2013**	**FY2012**	**Change y-o-y**
Cash operating costs			
Labour	*1,607*	*1,507*	*6.6%*
Consumables and spares	*1,081*	*1,247*	*(13.3%)*
Expenses on acquisition of raw materials and semi-products	*716*	*918*	*(22.0%)*
Outsourced third party services	*539*	*651*	*(17.2%)*
Taxes directly attributable to cost of goods sold	*274*	*193*	*42.0%*
Utilities	*214*	*216*	*(0.9%)*
Transportation expenses	*156*	*156*	*0.0%*
Sundry costs	*117*	*109*	*7.3%*
Cash operating costs (before by-product credits)	**4,704**	**4,997**	**(5.9%)**
Less: sale of by-products	(9)	(22)	(59.1%)
Cash operating costs	**4,695**	**4,975**	***(5.6%)***
Amortisation and depreciation	804	712	12.9%
Decrease/(increase) in metal inventories	36	(267)	n/a
Total cost of metal sales	**5,535**	**5,420**	2.1%

* Breakdown of total production costs by units is provided in Attachment D to this press-release

Labour costs

Labour costs grew almost 7% y-o-y to USD 1.6 billion due to the following factors:

- USD 91 million increase of salaries in line with Russian inflation;
- USD 46 million cost increase owing to the consolidation of Norilskgazprom.

However, this RUB-denominated labour costs growth was partly compensated by the Russian Rouble depreciation against the US Dollar with an effect of USD 37 million.

In 2013, labour costs were the largest cash cost item, accounting for 34% of total cash costs.

Consumables and spares

Consumables and spare parts cash costs were down 13% y-o-y to USD 1.1 billion because of the following factors:

- USD 121 million savings in Russia and Finland as a result of the consolidation of Norilskgazprom (which resulted in the elimination of the cost of natural gas supplied by Norilskgazprom from the Group's consumables cost), improved procurement procedures and a 15% decline in fuel oil price;
- USD 14 million reduction of consumables and spares cost at Norilsk Nickel International following the conservation of the Lake Johnston operations in Australia;
- USD 31 million effect resulting from the Russian Rouble depreciation against US Dollar.

Expenses on acquisition of raw materials and semi-finished products

The cash cost of the acquisition of raw materials, semi-finished products and scrap decreased by USD 202 million (or 22% y-o-y) to USD 716 million due to the following factors:

- USD 116 million cost reduction owing to lower volume of metal purchased from third parties (mostly for processing at Harjavalta);
- USD 86 million savings due to the lower prices of purchased metals and raw materials.

Outsourced third party services

In 2013, the cash cost of services purchased from third parties decreased by USD 112 million (or by 17%) to USD 539 million due to the following:

- USD 67 million savings in Russia and Finland which was driven mainly by renegotiation of certain contracts relating to insurance, repairs and other services;
- USD 22 million cost decrease at Norilsk Nickel International as a result of the mothballing of Lake Johnston mine in Australia;
- USD 23 million impact from the depreciation of the Russian Rouble against the US Dollar.

Taxes directly attributable to cost of goods sold

Tax directly attributable to cost of goods sold increased by 42% y-o-y to USD 274 million as a result of the following factors:

- New methodology for calculating mineral extraction tax introduced by the government in the beginning of 2013 and retrospective additional tax charges for 2010-2012;
- Norilskgazprom consolidation;
- Increased natural gas production by Taimyrgaz.

Utilities

Utility costs in 2013 were down 1 % y-o-y to USD 214 million. The cash cost of utilities in Russia were up 2% y-o-y driven by higher electricity tariffs for Kola MMC. This increase was fully offset by the decline of utilities costs at Harjavalta owing to lower production volumes and in Australia resulting from the Lake Johnston mine being put on care and maintenance.

Transportation expenses

Transportation costs remained unchanged in 2013 at USD 156 million.

Sale of by-products

The revenue from by-product sales decreased 59% y-o-y to USD 9 million. driven by a decline of average realized prices of metals.

In 2013, management reassessed the classification of rhodium, silver and cobalt metals. The recognition of sales revenue from these metals has changed from the credit against consolidated production costs to sales of other metals recognized within metal sales revenue line.

Amortisation and depreciation

The depreciation and amortisation charges in 2013 increased by USD 92 million y-o-y (or 13%) to USD 804 million predominantly owing to higher charges in Russia as new production assets were launched and Norilskgazprom was consolidated.

Change of metal inventories

Metal inventories in 2013 decreased by USD 36 million compared to a USD 267 million increase in 2012. This decrease was mainly caused by reduced inventories at Harjavalta and Tati Nickel as a result of the working capital reduction programme and lower metal prices. At the same time, unfinished goods inventories in the Polar Division increased by USD 191 million.

COST OF OTHER SALES

USD million	FY2013	FY2012	Change y-o-y
Energy and utilities	137	132	3.8%
Transport	545	489	11.5%
Other	279	326	(14.4%)
Total	**961**	**947**	**1.5%**

Cost of other sales in 2013 increased by 2% y-o-y to USD 961 million as a result of higher volumes of services provided by non-industrial assets. Gross profit margin of other sales rose to 11% in 2013 from 6% in 2012.

SELLING AND DISTRIBUTION EXPENSES

USD million	FY2013	FY2012	Change y-o-y
Export customs duties	374	515	(27.4%)
Transportation expenses	26	33	(21.2%)
Labour	20	17	17.6%
Other	6	13	(53.8%)
Total	**426**	**578**	**(26.3%)**

Selling and distribution expenses declined 26% y-o-y to USD 426 million primarily due to a USD 141 million decrease of export custom duties, resulting from a reduction of export sales revenues (down 9% y-o-y) and a reduction of nickel export tariffs by the Russian Government.

Transportation expenses decreased 21% y-o-y to USD 26 million as a result of the lower sales of nickel concentrate by Australian assets after the suspension of Lake Johnston operations.

GENERAL AND ADMINISTRATIVE EXPENSES

USD million	FY2013	FY2012	Change y-o-y
Labour	572	627	(8.8%)
Third party services	141	146	(3.4%)
Taxes other than those directly attributable to cost of goods sold and income taxes	110	108	1.9%
Amortization and depreciation	36	33	9.0%
Transportation expenses	17	18	(5.6%)
Other	107	111	(3.6%)
Total	**983**	**1,043**	**(5.8%)**

In 2013 general and administrative expenses decreased 6% y-o-y to USD 983 million. The main reason for this G&A cost decline was lower labour expenditures as USD 100 million retirement benefit to the former CEO inflated the 2012's cost base.. G&A expenses in 2013 also included some one-off items:

- USD 31 million of redundancy payments to the members of the Management Board and other employees;
- USD 13 million cost increase owing to the restructuring of the head office; and
- USD 9 million of additional expenses from the consolidation of Norilskgazprom.

FINANCE COSTS

USD million	**FY2013**	**FY2012**	**Change y-o-y**
Interest expense on borrowings	311	236	31.8%
Unwinding of discount on provisions	64	52	23.1%
Other	1	6	(83.3%)
Total	**376**	**294**	**27.9%**

Finance costs in 2013 were up 28% to USD 376 million because of the optimization of the Company's capital structure and new borrowings on prevailing market terms aimed at the diversification of the debt portfolio.

IMPAIRMENT OF FINANCIAL AND NON-FINANCIAL ASSETS

Following the adoption of a new corporate strategy in October 2013, the company carried out a stringent review of the profitability of all business lines and geographical segments. To reflect that, the company has disclosed new segmental reporting by geographies in these financial statements.

As a result of the segmental review, the company has identified a USD 307 million impairment at Kola MMC's upstream operations. As required by IAS, the write-off reflects 'as is' fair value of Kola assets as of 31 December 2013, i.e. does not account for any possible future cost savings and operational improvements. Being highly dependent on nickel price and Russian ruble exchange rate, the Kola's currently low profitability may improve already in 2014 if commodity market and FX rate trends are not reversed.

Kola's downstream refining operations and Polar division operations are profitable and should benefit from the same positive commodity market and FX trends.

In total, loss from impairment of non-financial assets amounted to USD 841 million and comprised the following charges:

- USD 448 million impairment related to assets classified as held for sale;
- USD 307 million of Kola MMC upstream operations impairment;
- USD 86 million impairment related to other assets.

Net loss from investments amounted to USD 611 million and comprised the following charges:

- a revaluation of Inter RAO shares held by the Group by USD 651 million;
- mark-to-market valuation of shares of FSK UES, Roissiyskie Seti, Talvivaara and other financial investments by USD 127 million.

The aforementioned losses were partly compensated by:

- USD 66 million gain on disposal of a subsidiary;
- USD 50 million of interest income from bank deposits and held-to-maturity investments;

- USD 51 million of other financial gains.

INCOME TAX

In 2013, current income tax expense amounted to USD 565 million compared to USD 1 billion in 2012 as a result of a lower pre-tax profit for the period. The effective tax rate increased to 42% in 2013 from 32% in 2012, as a result of the recognition of certain non-deductible expenses such as the impairment of Inter RAO shares.

EBITDA RECONCILIATION

USD million	**FY2013**	**FY2012**	**Change y-o-y**
Operating profit	**2,476**	**3,864**	**(35.9%)**
Depreciation and amortisation	881	789	11.8%
Impairment of non-financial assets	841	279	201.4%
EBITDA	**4,198**	**4,932**	**(14.9%)**
EBITDA Margin	**37%**	**40%**	**(3 p.p.)**

In 2013, EBITDA amounted to USD 4.2 billion (down 15% y-o-y) with an EBITDA margin of 37%.

CAPEX BREAKDOWN

USD million	**FY2013**	**FY2012**	**Change y-o-y**
Polar Division of which main upstream projects:	1,679	2,234	(25%)
Skalisty mine	*335*	*215*	56%
Taimyrsky mine	*59*	*72*	(18%)
Komsomolsky mine	*56*	*64*	(13%)
Oktyabrsky mine	*96*	*89*	7%
Talnakh Enrichment Plant	*182*	*55*	234%
Kola MMC	117	182	(36%)
Chita Copper Project (Bystrinskiy GOK)	163	212	(23%)
Other PPE	11	63	(83%)
Intangible assets	19	21	(10%)
Total	**1,989**	**2,713**	(27%)

CASH FLOWS

USD million	FY2013	FY2012	Change y-o-y
Net cash generated from operating activities	4,115	3,434	19.8%
Net cash used in investing activities	(1,738)	(2,914)	(40.0%)
Net cash generated (used) in financing activities	(1,746)	(1,164)	50.0%
Net increase (decrease) in cash and cash equivalents	**631**	**(644)**	**n/m**
Cash and cash equivalents at beginning of the period	1,037	1,627	(36.3%)
Cash and cash equivalents of disposal group at end of the year	(9)	-	n/m
Effect of foreign exchange differences on balances of cash and cash equivalents and translation to presentation currency	(38)	54	n/m
Cash and cash equivalents at end of the period	**1,621**	**1,037**	**56.3%**

Net cash generated from operating activitites amounted to USD 4.1 billion increasing 20% y-o-y despite a significant decline in operating profit as the Company released a significant amount of working capital. As of December 31, 2013 net working capital amounted to USD 3 billion compared to USD 4 billion as of December 31, 2012. The Company's management will continue its efforts to reduce working capital further and confirms its focus on cash generation.

Net cash used in investing activities fell 40% y-o-y to USD 1.7 billion with capital expenditures amounting to USD 2 billion. Most of the capital expenditure reduction came as result of the improved capital discipline and new investment governance system. As part of the ongoing strategy review, the Company is putting efficient capital allocation at the forefront of the management team's agenda, by prioritizing investment projects based on IRR and introducing a standard projects review procedure by the investment committee personally chaired by the CEO.

Net cash used in financing activities amounted to USD 1.75 billion, comprising the following:

- inflow from borrowings in the amount of USD 6 billion;
- repayment of loans and borrowings in the amount of USD 4.8 billion;
- payment of dividends for 2012 and interim dividends for 9 months of 2013 in the amount of USD 3 billion

Cash and cash equivalents amounted to USD 1.6 billion as of December 31, 2013.

DEBT MANAGEMENT AND LIQUIDITY

USD million	as of December 31, 2013	as of December 31, 2012	Change y-o-y
Long-term	*5,173*	*2,497*	107.2%
Short-term	*1,032*	*2,526*	(59.1%)
Total Debt	6,205	5,023	23.5%
Net Debt	4,584	3,986	15.0%
Net Debt/LTM EBITDA	1.1x	0.8x	n/m

In 2013 Norilsk Nickel issued the following debt securities:

- February – RUB 35 billion bond with a 3-year maturity
- April – USD 750 million Eurobond with a 5-year maturity
- June – unsecured syndicated loan of USD2.325 billion with a 5-year maturity
- October – USD 1 billion Eurobond with 7-year maturity

These borrowings extended the Company's average debt maturity profile in line with the new Company's financing strategy aiming at improving its capital structure through the optimization of its debt portfolio, diversification of funding sources, and the extension of maturities while controlling the funding costs.

By December 31, 2013, the Company's short-term debt decreased by almost USD 1.5 billion y-o-y to USD 1.0 billion, while long-term debt increased by USD 2.7 billion to USD 5.2 billion. As a result, as of December 31, 2013, the share of short-term debt reduced to 17% from 50% a year ago, debt portfolio became fully unsecured and the average debt maturity increased by more than two times, while the weighted average cost of debt reduced from 3.3% to 2.81% in 2013.

Net debt as of December 31, 2013 amounted to USD 4.6 billion, while the Company's Net Debt/ EBITDA ratio was at a comfortable 1.1x level.

Norilsk Nickel confirms its commitment to retain investment grade credit ratings from Moody's and S&P.

* * *

The full version of the consolidated financial statements of the Group for FY2013 prepared in accordance with IFRS is available at the website of the Group (www.nornik.ru/en) in the Investors/Financial Statements section.

Conference call and webcast

On Monday April 7, 2014, MMC Norilsk Nickel will host a conference call and webcast for investors & analysts at 18:00 Moscow time (15:00 London/10:00 New York).

The conference call will be hosted by the Company's management who will present the results and answer questions from conference call and webcast participants.

Webcast link: http://www.media-server.com/m/p/2nqfruor.

Conference call dial-ins:

Moscow 8 (499) 272-43-37
International 44 (0) 20-30-03-26-66

Toll Free:

Russia 8 10 800-24-90-20-44
UK 08 08 109-07-00
USA 1 866 966-53-35

Conference Call Password: Norilsk Nickel.

For further information, please, contact:

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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. MMC Norilsk Nickel also produces a large number of other metals, including gold, silver, tellurium, selenium, iridium and ruthenium.

The key production units of the Company's group in Russia are in 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 on the Moscow Exchange. ADR's on the Company's shares are traded on the over the counter market in the US and on the London and Berlin stock exchanges.

NORILSK NICKEL

Attachment A

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

USD million	**Year ended 31/12/2013**	**Year ended 31/12/2012**
Revenue		
Metal sales	10,407	11,362
Other sales	1,082	1,004
Total revenue	**11,489**	**12,366**
Cost of metal sales	(5,535)	(5,420)
Cost of other sales	(961)	(947)
Gross profit	**4,993**	**5,999**
Selling and distribution expenses	(426)	(578)
General and administrative expenses	(983)	(1,043)
Impairment of property, plant and equipment	(841)	(279)
Other net operating expenses	(267)	(235)
Operating profit	**2,476**	**3,864**
Finance costs	(376)	(294)
Loss from investments, net	(611)	(552)
Foreign exchange (loss)/gain, net	(202)	214
Excess of the Group's share in the fair value of net assets acquired over the cost of acquisition	–	8
Share of profits/(losses) of associates	43	(97)
Profit before tax	**1,330**	**3,143**
Income tax expense	(565)	(1,000)
Profit for the year	**765**	**2,143**
Attributable to:		
Shareholders of the parent company	774	2,170
Non-controlling interests	(9)	(27)
	765	**2,143**
EARNINGS PER SHARE		
Basic and diluted earnings per share attributable to shareholders of the parent company (US Dollars per share)	4.9	13.7

Attachment B

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2013

USD million	**Year ended 31/12/2013**	**Year ended 31/12/2012**
ASSETS		
Non-current assets		
Property, plant and equipment	11,222	11,927
Intangible assets	58	74
Investments in associates	29	329
Other financial assets	738	1,587
Other taxes receivable	14	5
Deferred tax assets	26	68
Other non-current assets	202	170
	12,289	**14,160**
Current assets		
Inventories	2,955	3,197
Trade and other receivables	633	1,063
Advances paid and prepaid expenses	93	90
Other financial assets	26	255
Income tax receivable	61	195
Other taxes receivable	509	977
Cash and cash equivalents	1,621	1,037
	5,898	**6,814**
Assets classified as held for sale	594	-
	6,492	**6,814**
TOTAL ASSETS	**18,781**	**20,974**
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	6	8
Share premium	1,254	1,511
Treasury shares	–	(8,692)
Other reserves	(1,230)	(349)
Retained earnings	9,589	20,353
Equity attributable to shareholders of the parent company	**9,619**	**12,831**
Non-controlling interests	131	109
	9,750	**12,940**
Non-current liabilities		
Loans and borrowings	5,173	2,497
Employee benefit obligations	54	56
Provisions	716	901
Deferred tax liabilities	382	573
	6,325	**4,027**
Current liabilities		
Loans and borrowings	1,032	2,526
Employee benefit obligations	415	498
Trade and other payables	619	696
Provisions	28	41
Derivative financial instruments	5	3
Income tax payable	1	18
Other taxes payable	198	225
	2,298	**4,007**
Liabilities associated with assets classified as held for sale	408	-
	2,706	**4,007**
TOTAL LIABILITIES	**9,031**	**8,034**
TOTAL EQUITY AND LIABILITIES	**18,781**	**20,974**

Attachment C
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013

USD million	Year ended 31/12/2013	Year ended 31/12/2012
OPERATING ACTIVITIES		
Profit before tax	**1,330**	**3,143**
Adjustments for:		
Depreciation and amortization	881	789
Impairment of property, plant and equipment	841	279
Impairment of investments in associates	—	102
Impairment of intangible assets and goodwill	11	—
Impairment of financial assets	729	595
Loss on disposal of property, plant and equipment	18	37
Share of profits in associates	(43)	(5)
Excess of the Group's share in the fair value of net assets acquired over the cost of acquisition	—	(8)
Gain on disposal of subsidiary	(66)	—
Change in provisions	21	38
Finance costs and income from investments, net	325	251
Foreign exchange loss/(gain),net	202	(214)
Change in tax provisions	169	10
Excess of decrease in decommissioning obligations over asset's net book value	(105)	—
Other	62	11
	4,375	**5,028**
Movements in working capital:		
Inventories	(9)	(409)
Trade and other receivables	389	(22)
Advances paid and prepaid expenses	(16)	(13)
Other tax receivable	380	(253)
Employee benefit obligations	(67)	90
Trade and other payables	(100)	35
Other taxes payable	(23)	67
Cash generated from operations	**4,929**	**4,523**
Interest paid	(229)	(230)
Income tax paid	(585)	(859)
Net cash generated from operating activities	**4,115**	**3,434**
INVESTING ACTIVITIES		
Acquisition of subsidiary, net of cash acquired	(15)	—
Net cash inflow from disposal of subsidiary	65	—
Contribution to associate and acquisition of associate	—	(29)
Purchase of property, plant and equipment	(1,970)	(2,692)
Proceeds from disposal of property, plant and equipment	18	10
Purchase of intangible assets	(19)	(21)
Purchase of other financial assets	(155)	(81)
Purchase of other non-current assets	(47)	(31)
Loan received from related party	9	—
Net change in deposits placed	215	(132)
Interest received	52	19
Proceeds from sale of other financial assets	97	42
Dividends received	12	1
Net cash used in investing activities	**(1,738)**	**(2,914)**
FINANCING ACTIVITIES		
Proceeds from loans and borrowings	6,001	2,478
Repayments of of loans and borrowings	(4,759)	(2,666)
Proceeds from sales of shares from treasury stock	1	—
Dividends paid by the Group	(2,989)	(960)

Dividends paid by the Group's subsidiaries to non-controlling shareholders	–	(16)
Net cash generated from /(used in) financing activities	**(1,746)**	**(1,164)**
Net increase/(decrease) in cash and cash equivalents	**631**	**(644)**
Cash and cash equivalents at beginning of the period	**1,037**	**1,627**
Cash and cash equivalents related to assets classified as held for sale at end of the year	(9)	–
Effects of foreign exchange differences on balances of cash and cash equivalents and translation to presentation currency	(38)	54
Cash and cash equivalents at end of the period	**1,621**	**1,037**

Attachment D
COST OF METAL SALES

(US dollars, million)

	Year ended 31/12/2013						Year ended 31/12/2012						
	Group	***as % of total***	**Russian entities and NNH***	*as % of total*	**NNI (excl. NNH)**	*as % of total*	**Group**	***as % of total***	**Russian entities and NNH***	*as % of total*	**NNI (excl. NNH)**	*as % of total*	***Group Change p–o-p %***
Total cash operating costs (see table below)	4 695	***85***	4 470	*85*	225	*90*	4 975	***87***	4 675	*88*	300	*84*	***(6)***
Amortisation and depreciation	804	***15***	780	15	24	10	712	***13***	654	12	58	16	***13***
Total production costs	**5 499**	***100***	**5 250**	*100*	**249**	*100*	**5 687**	***100***	**5 329**	*100*	**358**	*100*	***(3)***
(Increase)/decrease in metal inventories	36		(22)		58		(267)		(262)		(5)		***(113)***
Cost of metal sales	**5 535**		**5 228**		**307**		**5 420**		**5 067**		**353**		***2***

Cash operating costs
(US dollars, million)

	Year ended 31/12/2013						Year ended 31/12/2012						
	Group	***as % of total***	**Russian entities and NNH***	*as % of total*	**NNI (excl. NNH)**	*as % of total*	**Group**	***as % of total***	**Russian entities and NNH***	*as % of total*	**NNI (excl. NNH)**	*as % of total*	***Group Change p-o-p, %***
Labour	**1 607**	*34*	1 577	*35*	30	*13*	**1 507**	*30*	1 467	*31*	40	*13*	***7***
Consumables and spares	**1 081**	*23*	1 055	*24*	26	*12*	**1 247**	*25*	1 204	*26*	43	*14*	***(13)***
Expenses on acquisition of raw materials and semi-products	**716**	*15*	717	*16*	(1)	-	**918**	*18*	917	*20*	1	-	***(22)***
Outsourced third party services	**539**	*11*	385	*9*	154	*68*	**651**	*13*	459	*10*	192	*64*	***(17)***
Tax directly attributable to cost of goods sold	**274**	*6*	270	*6*	4	*2*	**193**	*4*	189	*4*	4	*1*	***42***
Utilities	**214**	*5*	207	*5*	7	*3*	**216**	*4*	202	*4*	14	*5*	***(1)***
Transportation expenses	**156**	*3*	154	*3*	2	*1*	**156**	*3*	153	*3*	3	*1*	***0***
Sundry costs	**117**	*2*	114	*3*	3	*1*	**109**	*2*	104	*2*	4	*2*	***7***
Total cash operating costs	**4 704**	**100**	**4 479**	**100**	**225**	**100**	**4 997**	**100**	**4 695**	**100**	**302**	**100**	***(6)***
Revenue from sale of by-product metals	**(9)**		(9)		-		(22)		(20)		(2)		***(59)***
Total cash operating costs	**4 695**		**4 470**		**225**		**4 975**		**4 675**		**300**		***(6)***