



NORILSK NICKEL



Medium-Term Financial Targets of Norilsk Nickel

April 4, 2016

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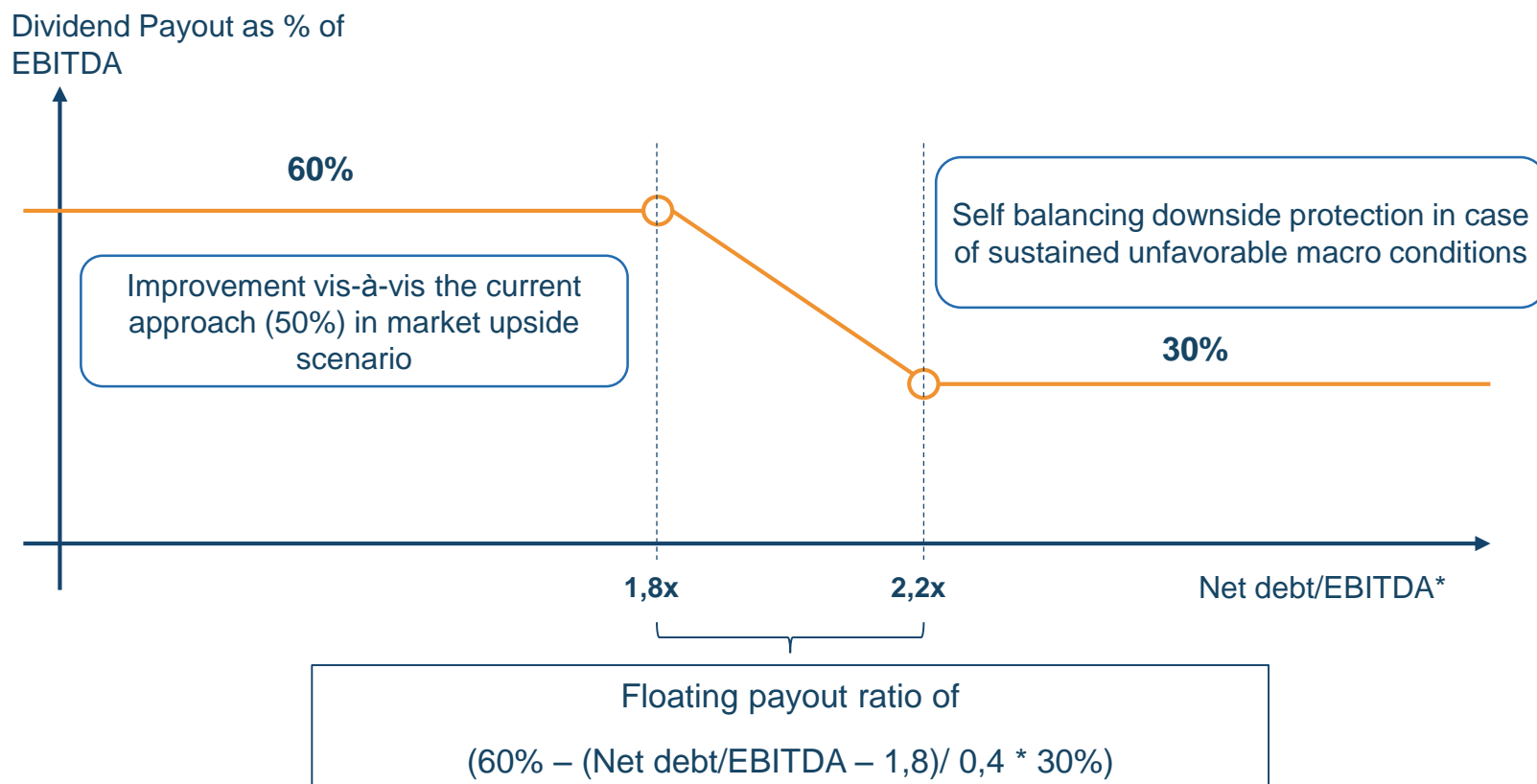
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New Dividend Targets of Norilsk Nickel Effective After Final Dividend Payments for 2015

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

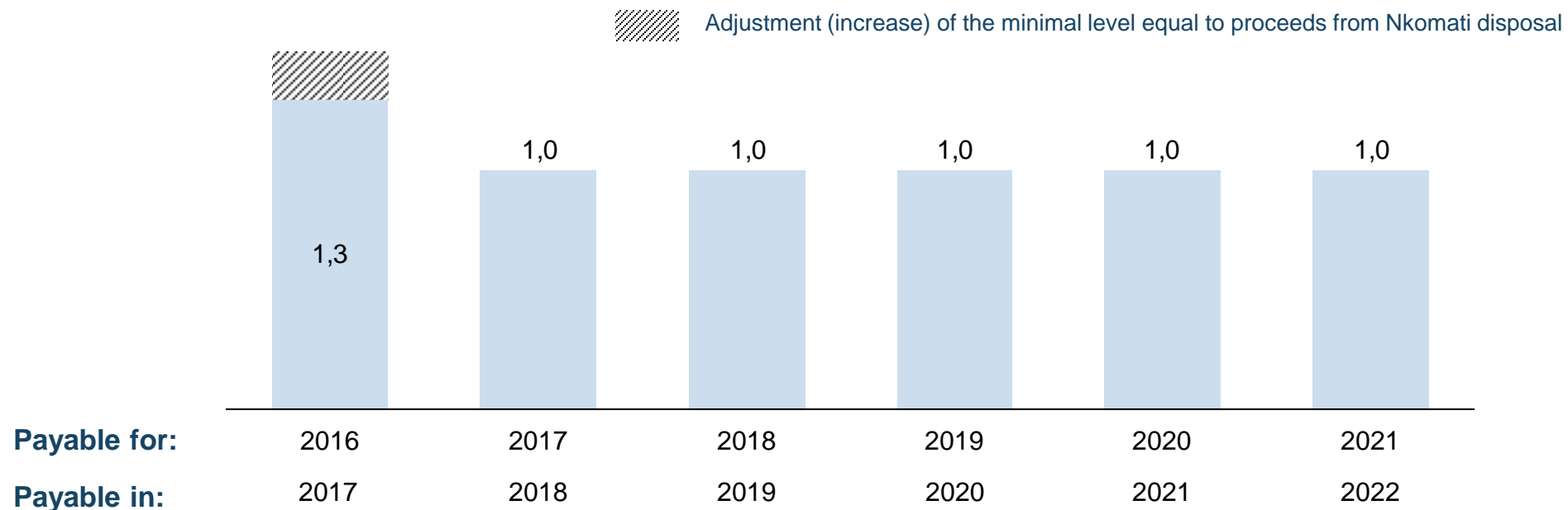


New Dividend Targets of Norilsk Nickel Approved Minimum Dividend Payments

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

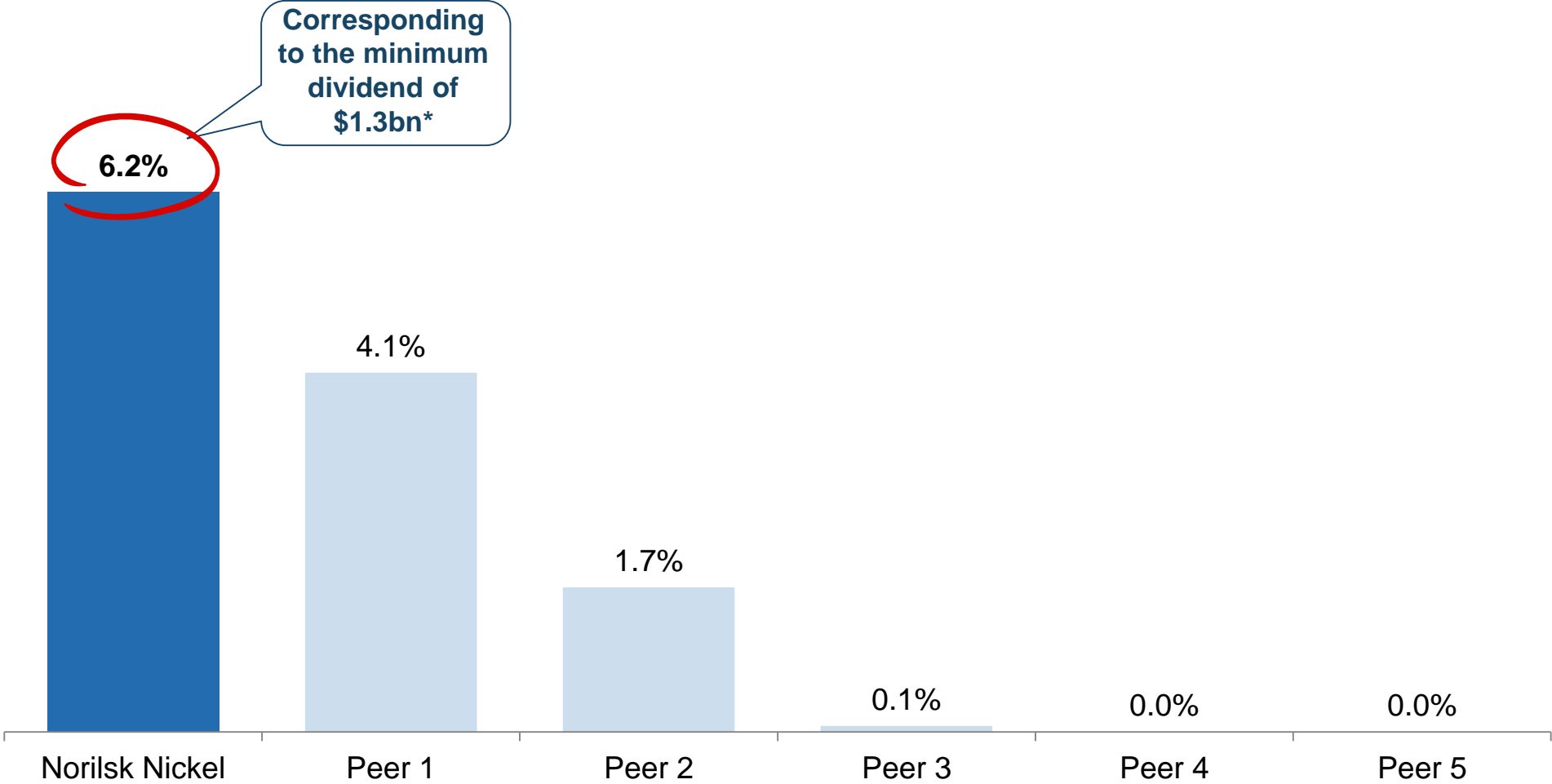
A Differentiated Investment Proposition

- **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

