



Public Joint Stock Company «Mining and Metallurgical Company «NORILSK NICKEL»

(“NORILSK NICKEL”, “Nornickel” or the “Company”)

NORILSK NICKEL REPORTS FIRST HALF 2016 INTERIM CONSOLIDATED IFRS FINANCIAL RESULTS

**Moscow, August 29, 2016** – PJSC “MMC “NORILSK NICKEL” the largest refined nickel and palladium producer in the world, today reports IFRS financial results for six months ended June 30, 2016.

## 1H 2016 HIGHLIGHTS

- Focus on Tier 1 assets, cost controls and investment discipline enabled Norilsk Nickel to deliver the industry leading profitability despite weak commodity markets. EBITDA margin of 47% was the highest among global diversified mining majors as a result of control over cash operating costs inflation and the exit from international and non-core assets.
- Consolidated revenue decreased by 22% y-o-y to USD 3.8 billion, mainly owing to lower realized metal prices and one-off decrease of metal production due to the downstream reconfiguration in the Polar division was in part positively offset by sales of metal from stock accumulated in 4Q2015.
- EBITDA was down by 34% y-o-y to USD 1.8 billion following a reduction of revenue, while net profit decreased only by 13% y-o-y to USD 1.3 billion, as one-off operations in 1H16 decreased relative to the prior period.
- CAPEX increased by 24% y-o-y to USD 0.7 billion as a result of the capacity expansion and modernization of Talnakh concentrator and advancement of other downstream reconfiguration investment projects as well as the Chita (Bystrinsky) project being at an active construction phase. All major investment projects were carried out on time and on budget.
- In line with the strategy of de-risking the greenfield Chita project, the Company arranged an 8-year USD 800 million project financing facility from Sberbank CIB .
- Net working capital was down by 8% y-o-y to less than USD 1 billion as a result of the decrease of saleable metal inventories.
- Free cash flow decreased to USD 0.6 billion, owing to lower EBITDA, increased capital expenditures and slower rate of working capital release in 1H16.
- Balance sheet remained strong with Net Debt / EBITDA ratio at 1.4x as of June 30, 2016. Solid financial position of Norilsk Nickel is confirmed by investment grade credit ratings, which have been reiterated by Standard & Poor’s and Fitch credit rating agencies.
- As part of ongoing sale of non-core assets, the Company completed the sale of 100% shares of Nordavia airlines. PRESS-RELEASE
- Norilsk Nickel maintains one of the industry leading dividend yields. In 1H16, we continued to pay regular interim dividend distributing to shareholders USD 665 million or USD 4.2 per share.

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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 PJSC “MMC “NORILSK NICKEL” 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.

*29 August 2016*