



NEWS RELEASE

NORILSK NICKEL UNVEILS NEW STRATEGY FOCUSED ON TIER I ASSETS AND HIGHER RETURNS

Moscow, October 4, 2013 - MMC Norilsk Nickel (hereinafter, Norilsk Nickel or the Company), the largest global nickel and palladium producer, today announced further details of its new strategy at MMC Norilsk Nickel's "Unveiling New Strategy" event held in London.

Highlights

- Capture full potential of MMC Norilsk Nickel's unique resource base in Russia
- Focus on Tier 1 assets to deliver sustainably high return on capital
- Focus on capital discipline and introduction of return on investments as key metric for the organization
- Increased focus of existing portfolio on copper and PGMs
- Prioritize Polar Division Upstream assets, with a plan to:
 - Maximize high-margin production utilizing existing infrastructure
 - Develop the greenfield Skalisty mine, with a potential 2.4Mtpa ore capacity
 - Upgrade of the Talnakh infrastructure into a world class concentrator
- Undertake turnaround of Kola Division in order to bring it to a level of sustainable profitability by year-end 2014
- An average of \$2bn in capex per annum estimated between 2014-2018
- Targeting reduction of operating costs and working capital
- Non-core and international assets are planned for divestment between 2014-2016
- Develop exploration as an efficient business and double exploration budget in the Polar Division
- Dividend targets approved, annual dividend of at least \$2bn expected for 2013-2014

The new strategy aims to realize the full potential of MMC Norilsk Nickel's unique resource base at the Taimyr and Kola Peninsulas, increase MMC Norilsk Nickel's operational efficiency and deliver a step change in the quality of its investment and capital governance.

"We are pleased to unveil our new strategy to investors today, which aims to deliver sustainably higher returns by focusing on our Tier I assets and exercising greater investment discipline, and lead to enhanced operational efficiency. We believe that the market welcomes our strategic vision, and the management will continue implementing our improved strategy, which allows MMC Norilsk Nickel to develop sustainably in any market condition", said Vladimir Potanin, CEO of MMC Norilsk Nickel.

At the heart of the new strategy is MMC Norilsk Nickel's commitment to focus on Tier 1 assets and to deliver sustainably high return on capital by owning and efficiently operating assets located in regions with high geological potential, where MMC Norilsk Nickel can build on its competitive edge.

The strategy contemplates that all production assets in MMC Norilsk Nickel's portfolio are to meet the Tier I asset criteria by 2015. MMC Norilsk Nickel classifies projects as Tier 1 if they are large scale, deliver greater than \$1bn in revenue, have an EBITDA margin greater than 40% and have a reserve life of greater than 20 years.

By focusing on Tier 1 assets, Norilsk can better utilize its existing infrastructure and leverage strong geological and technical expertise to deliver greater economies of scale and higher margins throughout the commodity cycle.



NEWS RELEASE

The main priority will be MMC Norilsk Nickel's Polar Division, which has a world class proven and potential resource base. The strategic plans for the Polar Division include the maximization of high-margin production utilizing existing infrastructure; the greenfield development of the Skalisty mine, with a 2.4Mtpa ore capacity; and the upgrade of the Talnakh infrastructure to a world class concentrator.

In order to achieve these development goals, Norilsk Nickel is expecting an average of \$2bn in capital expenditure per annum between 2014 and 2018.

A number of operational initiatives, including a comprehensive cost cutting programme, will also be undertaken in MMC Norilsk Nickel's Kola Division in order to bring it to a level of sustainable profitability by the end of 2014.

The new strategy will direct new investments towards projects with a high return on capital (ROIC) and comprehensive project risk assessment and monitoring systems.

The Board of Directors has also approved dividend targets, which MMC Norilsk Nickel believes will provide Norilsk with one of the most attractive dividend yields in the mining industry. The annual dividends will be subject to the recommendation of the Board of Directors and shareholder approval.

The Company is launching new strategic planning cycle with regular annual strategy updates. Next update to come in April-May 2014.

To get more information please look through the presentation "Norilsk Nickel Unveils News Strategy" here: <http://www.nornik.ru/investor/presentations/3946/>

For further information, please, contact:

Media Relations:

Phone: +7 (495) 797 82 94

Email: pr@nornik.ru

Investor Relations:

Phone: +7 (495) 786 83 20

Email: ir@nornik.ru

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. In addition to this, MMC Norilsk Nickel produces a large number of other by-products, including gold, silver, tellurium, selenium, iridium and ruthenium.

The key production units of MMC Norilsk Nickel's group in Russia are at the Taimyr 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 representing shares in MMC Norilsk Nickel are traded on the over the counter market in the US and on the London and Berlin stock exchanges.

Forward looking statements

This announcement may contain "forward-looking statements" concerning Norilsk Nickel. Generally, the words "will", "may", "should", "could", "would", "can", "continue", "opportunity", "believes",



NEWS RELEASE

"expects", "intends", "anticipates", "estimates" or similar expressions identify forward-looking statements. The forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Forward-looking statements include statements relating to business and management strategies and the expansion and growth of Norilsk Nickel's operations. Many of these risks and uncertainties relate to factors that are beyond Norilsk Nickel's ability to control or estimate precisely and therefore undue reliance should not be placed on such statements which speak only as at the date of this announcement. Norilsk Nickel's assumes no obligation in respect of, and does not intend to update, these forward-looking statements, except as required pursuant to applicable law.