



NORNICKEL

PRESS-RELEASE

25 January 2017

Public Joint Stock Company "Mining and Metallurgical Company "NORILSK NICKEL"

(PJSC "MMC "Norilsk Nickel", "Nornickel" or the "Company")

THE BOARD OF DIRECTORS OF NORNICKEL APPROVES THE SALE OF UP TO 39.32% STAKE IN BYSTRINSKIY PROJECT

Moscow - The Board of Directors of PJSC MMC Norilsk Nickel has approved the sale of an up to 39.32% stake in the Bystrinskiy Project (the "Project") to CIS Natural Resources Fund (the "Consortium"), a Russia-focused natural resources fund established by Interros Group and ESN Group, on the terms defined below (the "Transaction").

As a basis for this transaction, the Project is being valued at USD 730 million on a 100% equity basis that corresponds to the valuation used for the acquisition of a 10.67% stake in the Project by a group of Chinese investors Highland Fund in June 2016. The valuation of the Project in the Transaction will be adjusted to USD 750 million if Highland Fund makes an additional payment of USD 20 million in exchange for an issue of 2.66% new shares of the Project pursuant to previously signed agreements.

Following the closing of the Transaction the Company will retain a stake of above 50% and remain the operator of the Project.

The Transaction will be subject to a right of first refusal by Highland Fund, as well as certain other pre-conditions and necessary regulatory approvals. The Transaction is expected to close by the end of 2017.

Upon receiving an unsolicited offer from the Consortium with respect to the Transaction (the "Offer"), the Audit Committee of the Company's Board of Directors, which includes two independent directors, thoroughly considered all relevant matters relating to the Transaction, including the fairness opinion referenced below and recommended to the Board of Directors to approve it. In relation to the Offer, J.P. Morgan Limited ("J.P. Morgan") has provided an opinion to the Board of Directors as to the fairness, from a financial point of view, to the Company of the consideration to be paid in the proposed Transaction. Having considered the recommendation of the Audit Committee and the opinion provided by J.P. Morgan, the Board of Directors has approved the Transaction and the entry into legally binding agreements in respect of the Transaction. In accordance with the requirements of the Company's Code of Conduct and Ethics for the Members of the Board of Directors, the Corporate Governance Code recommended by the Bank of Russia and taking into account best corporate governance practices, members of the Board of Directors of the Company and its Audit Committee who are also members of the Management Board of Interros Holding Company did not participate in consideration and approval of the Transaction.

Sergey Malyshev, Senior Vice President and CFO, commented: "Divestment of an additional stake in Bystrinskiy project is fully in line with our corporate strategy of de-risking the project and

“clustering” our operations outside of core production chain. We welcome a major capital commitment from large strategic investors to the project amidst volatile and challenging commodity markets”.

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 «NORILSK NICKEL» Group 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.

Media Relations:

Phone: +7 (495) 785 58 00

Email: pr@nornik.ru

Investor Relations:

Phone: +7 (495) 786 83 20

Email: ir@nornik.ru