



NORINICKEL

PRESS RELEASE

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Public Joint Stock Company "Mining and Metallurgical Company "NORILSK NICKEL"
(PJSC "MMC "Norilsk Nickel", "Nornickel" or the "Company")

NORILSK NICKEL GROUP ANNOUNCES PRELIMINARY CONSOLIDATED PRODUCTION RESULTS FOR 1st HALF 2019

Moscow - PJSC MMC Norilsk Nickel, the largest palladium and refined nickel producer in the world, announces today preliminary consolidated production results for the second quarter and the first half of 2019.

First Vice-President, Chief Operating Officer, Sergey Dyachenko commented on the 1H19 production results,

«**In 1H19, we increased the output of all key metals** delivering most notable growth in copper and PGMs. The increase in PGMs' production was driven by the release of work-in-progress inventory at Krasnoyarsk Precious Metals Refinery and higher PGM content in processed Russian feed at Norilsk Nickel Harjavalta. The increase in copper output was due to the ramp up of Bystrinsky Project. **We reiterate our metal production guidance from own Russian feed for FY2019**».

NORILSK NICKEL GROUP

Nickel

In 2Q19, consolidated nickel production was down 4% quarter-on-quarter (q-o-q) to **54 kt**. Nickel output from own Russian feed decreased 4% q-o-q to **53 kt** due to the annual repairs at Harjavalta refinery normally scheduled in May.

In 1H19, total nickel output increased 6% year-on-year (y-o-y) to **110 kt**, while nickel output from own Russian feed increased 5% y-o-y to **108 kt**. The growth was attributed to the expansion of carbonyl nickel production capacities at Kola MMC, higher processed volumes of nickel matte produced by the Company in Russia, which were shipped to Norilsk Nickel Harjavalta, and processing of nickel feed supplied by Boliden in accordance with a three-year contract, that enables Norilsk Nickel to utilize Harjavalta refining capacity most efficiently.

Copper

In 2Q19, consolidated copper production was down 2% q-o-q to **125 kt**, almost all of which were produced from the Company's own Russian feed. The reduction was attributed to lower processing volumes of concentrate purchased from Rostec and scheduled annual repairs at Harjavalta refinery.

In 1H19, copper output increased 9% y-o-y to **251 kt**, almost all of which were produced from the Company's own Russian feed. The growth was driven by the ramp up of Bystrinsky Project, increased mined ore volumes with higher copper grades at Polar Division and higher volumes of copper concentrate produced at Kola MMC for the sale to third parties.

Platinum Group Metals

In 2Q19, both palladium and platinum were produced solely from the Company's own Russian feed, with their output amounting to **764 koz** (down 1% q-o-q) and **185 koz** (down 9% q-o-q), respectively. The reduction was driven by the annual repairs at Harjavalta refinery normally scheduled in May as well as a seasonal high base effect of 1Q19, when the Company processed in addition to mined feed also the work-in-progress concentrate accumulated in 2018, whereas in 2Q19 only the mined feed was processed. **In 1H19**, palladium and platinum output increased

10% y-o-y to **1,533 koz** and 16% y-o-y to **388 koz**, respectively. The increase of PGMs output was attributed to the release of work-in-progress inventory at Krasnoyarsk Precious Metals Refinery and higher PGM content in Russian feed processed at Norilsk Nickel Harjavalta.

RUSSIAN OPERATIONS

In 1H 19, all saleable metals produced by the Company's Russian operations came from their own feed.

Nickel

In 2Q19, Kola MMC increased nickel production at 4% q-o-q to **41 kt**, which was driven by higher processed volumes of nickel matte shipped from Polar division. **In 1H19**, Kola MMC increased nickel output 6% y-o-y to **80 kt**. The growth was primarily attributed to the expansion of carbonyl nickel production at Kola MMC to 2.3 kt (up 75% y-o-y) as part of strategic diversification of sales into premium products.

Copper

In 2Q19, the Company's Russian operations reduced copper output 1% q-o-q to **121 kt**, mainly owing to lower processed volumes of concentrate, which had been purchased from Rostec. **In 1H19**, copper output increased 10% y-o-y to **243 kt**. The growth was attributed to ramp up of Bystrinsky Project, increased mined ore volumes with higher copper grades at Polar Division and higher volumes of copper concentrate produced at Kola MMC for the sale to third parties. Bystrinsky Project's ramp up was on schedule, with a production increase 4-fold to **20 kt** of copper in copper concentrate.

Platinum Group Metals

In 2Q19, palladium output in Russia was unchanged q-o-q at **749 koz**, while platinum output decreased 9% q-o-q to **181 koz**. The decline of platinum output owed to a seasonal high base effect of 1Q19, when the Company in addition to mined feed also processed work-in-progress concentrate accumulated in 2018, whereas in 2Q19 only mined feed was processed. **In 1H19**, palladium and platinum output increased 10% y-o-y to **1,497 koz** and 15% y-o-y to **380 koz**, respectively. The increase of PGM output was due to a release of accumulated work-in-progress inventory at Krasnoyarsk Precious Metals Refinery.

NORILSK NICKEL HARJAVALTA (FINLAND)

Nickel

In 2Q19, nickel production at Norilsk Nickel Harjavalta decreased 22% q-o-q to **13 kt**. The decrease was attributed to the annual repairs normally scheduled in May. **In 1H19**, nickel output increased 6% y-o-y to **30 kt**. The increase was attributed to higher processed volumes of Russian feed as a result of the downstream reconfiguration and processing of nickel feed supplied by Boliden, in accordance with a three-year contract, that enables Norilsk Nickel to utilize Harjavalta refining capacity most efficiently.

Copper

In 2Q19, Norilsk Nickel Harjavalta decreased copper output 22% q-o-q to **3 kt** due to scheduled in May annual repairs. **In 1H19**, copper output decreased 13% y-o-y to **8 kt** owing to high base effect of 1H18, when the Company processed work-in-progress concentrate, which had been accumulated earlier.

Platinum Group Metals

In 2Q19, Harjavalta's output of saleable palladium and platinum (both in copper cake) amounted to **14 koz** (down 35% q-o-q) and **4 koz** (down 22% q-o-q), respectively, with a decline owing to scheduled in May annual repairs. **In 1H19**, output of palladium and platinum reached **36 koz** (up 28% y-o-y) and **8 koz** (up 105% y-o-y), respectively. The increase in PGM output was

attributed to higher PGM content in processed Russian feed and processing of feed supplied by Boliden.

NKOMATI (SOUTH AFRICA) (*)

In 1H19, output at Nkomati (50% Norilsk Nickel owned) amounted to **4 kt** of nickel (up 15% y-o-y), **2 kt** of copper (up 36% y-o-y), **19 koz** of palladium (up 29% y-o-y) and **8 koz** of platinum (up 33% y-o-y). The increase in metals production was attributed to higher volumes of mined ore with higher metal content.

Note: Nkomati production results are not consolidated in the Group's total operating results

Production guidance from the Company's own Russian feed for 2019:

Metals	Volume
Norilsk Nickel Group (excluding Chita project)	
Ni, kt	220-225
Cu, kt	430-450
Pd, koz	2,770-2,800
Pt, koz	646-670
Bystrinsky (Chita) Copper Project (*)	
Cu, kt	40-46
Au, koz	192-212

Note: Norilsk Nickel owns 50.01% of Bystrinsky (Chita Copper) Project. Production results are shown on a 100% basis and are fully consolidated in the Company's financial and operating results. The hot commissioning of the project started on October 31, 2017.

NORILSK NICKEL GROUP SALEABLE METALS PRODUCTION ¹		2Q 2019	1Q 2019	Q-o-Q	1H 2019	1H 2018	Y-o-Y
Total nickel	t	53,767	55,915	-4%	109,682	103,523	6%
including from own Russian feed	t	52,909	54,832	-4%	107,741	102,361	5%
Total copper	t	124,539	126,765	-2%	251,304	229,569	9%
including from own Russian feed	t	124,449	126,651	-2%	251,100	229,467	9%
Total palladium	koz	764	770	-1%	1,533	1,395	10%
including from own Russian feed	koz	763	769	-1%	1,531	1,395	10%
Total platinum	koz	185	204	-9%	388	335	16%
including from own Russian feed	koz	184	203	-9%	387	335	16%
Polar division and Kola MMC (Russia)							
Nickel	t	40,774	39,265	4%	80,039	75,541	6%
Kola MMC, including	t	40,774	39,265	4%	80,039	75,541	6%
refined Ni from own Russian feed	t	40,542	38,983	4%	79,525	74,854	6%
Ni in saleable concentrate from own Russian feed	t	232	282	-18%	514	201	156%
from 3d parties feed	t	0	0	-	0	486	-100%
Copper	t	110,853	112,307	-1%	223,160	215,481	4%
Polar division	t	89,153	90,569	-2%	179,722	175,930	2%
Kola MMC, including	t	21,700	21,738	0%	43,438	39,551	10%
Cu cathodes from own Russian feed	t	18,180	17,648	3%	35,828	36,269	-1%
Cu in saleable concentrate from own Russian feed	t	3,520	4,090	-14%	7,610	3,199	138%
from 3d parties feed	t	0	0	-	0	83	-100%
Palladium	koz	749	748	0	1,497	1,367	10%
Polar division	koz	275	186	48%	461	432	7%
Kola MMC, including	koz	474	562	-16%	1,036	935	11%
from own Russian feed	koz	474	562	-16%	1,036	935	11%
from 3d parties feed	koz	0	0	-	0	0	-
Platinum	koz	181	199	-9%	380	331	15%
Polar division	koz	71	44	61%	114	111	3%
Kola MMC, including	koz	111	155	-29%	266	220	21%
from own Russian feed	koz	111	155	-29%	266	220	21%
from 3d parties feed	koz	0	0	-	0	0	-
GRK Bystrinskoye (Zabaykaysky Krai) ²							
Copper	t	10,223	10,030	2%	20,253	5,022	303%
Gold	koz	44.2	42.6	4%	86.8	21.0	313%
Iron ore concentrate	kt	251	254	-1%	505	26	1,871%
Norilsk Nickel Harjavalta (Finland)							
Nickel, including	t	12,993	16,650	-22%	29,643	27,982	6%
from own Russian feed	t	12,135	15,567	-22%	27,702	27,306	1%
from 3d parties feed	t	858	1,082	-21%	1,940	676	187%
Copper, including	t	3,463	4,428	-22%	7,891	9,066	-13%
from own Russian feed	t	3,373	4,314	-22%	7,687	9,047	-15%
from 3d parties feed	t	90	114	-21%	204	19	973%
Palladium, including	koz	14.3	22.0	-35%	36.3	28.3	28%
from own Russian feed	koz	13.4	20.8	-36%	34.2	28.3	21%
from 3d parties feed	koz	0.9	1.2	-21%	2.1	0.0	-
Platinum, including	koz	3.6	4.6	-22%	8.2	4.0	105%
from own Russian feed	koz	2.8	3.8	-25%	6.6	4.0	65%
from 3d parties feed	koz	0.8	0.8	-11%	1.6	0.0	-
Nkomati (South Africa) ³							
Nickel	t	1,547	2,245	-31%	3,792	3,285	15%
Copper	t	982	989	-1%	1,971	1,444	36%
Palladium	koz	8.6	10.7	-19%	19.3	15.0	29%
Platinum	koz	3.6	4.4	-17%	8.0	6.0	33%

Notes:

¹ Totals may value from the sum of numbers as a result of rounding. The production results of Nkomati is not reflected in totals of Norilsk Nickel Group.

² Norilsk Nickel Group owns 50.01% of Bystrinsky GOK (Chita Copper Project). Production results are shown metal in concentrate for sale on 100% basis and fully consolidated in total operational results. The Project was launched in to hot commissioning on October 31, 2017.

³ Norilsk Nickel Group owns 50% of Nkomati. Production results are shown metal in concentrate for sale on 50% basis and not consolidated in total operational results.

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 are located at the Norilsk Industrial District, on the Kola Peninsula and Chita region in Russia as well as in Finland and South Africa.

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.

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