



NORNICKEL

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 3^d QUARTER AND 9 MONTHS OF 2018

Moscow - PJSC MMC Norilsk Nickel, the largest palladium and refined nickel producer in the world, announces today preliminary consolidated production results for the third quarter and nine months of 2018.

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

"In 9M 2018, we increased the output of all core metals. The most significant growth has been delivered in copper that was up 20% year-on-year owing to processing of concentrate [purchased from Rostec](#) and the launch of concentrate production at [Bystrinsky Project](#) (Chita Copper Project). Bystrinsky GOK, which successfully started hot commissioning in October 2017, produced 13 kt of copper and 62 koz of gold in copper concentrate, which was in line with our adjusted production targets. PGM output increased as a result of intensive processing of copper concentrate purchased from Rostec and Talnakh Concentrator reaching its design parameters. **We reiterate our production guidance from own Russian feed for FY2018."**

NICKEL

In 3Q18, consolidated nickel production amounted to **54 kt**, up 9% quarter-on-quarter (q-o-q). Nickel output from own Russian feed also increased 9% q-o-q to **53 kt**. The growth was mainly attributed to increased production at Norilsk Nickel Harjavalta as the refinery returned to normal operations after scheduled repair works were carried out in 2Q18.

In 9M18, nickel output stayed almost flat year-on-year (y-o-y) at **157 kt**. Nickel output from own Russian feed amounted to **156 kt**, up 3% y-o-y. The growth was attributed to the completion of the main phase of downstream reconfiguration, increased mining and processing volumes of ore at the Polar division and improvement of operating efficiency of the Company's concentrators.

COPPER

In 3Q18, copper production amounted **120 kt**, up 3% q-o-q, almost all of which was produced from own Russian feed. The increase was attributed to processing of higher volumes of ore at Bystrinsky GOK and increased processing of high-grade matte from the Polar Division at Kola MMC.

In 9M18, copper output reached **350 kt**, up 20% y-o-y, almost all of which was produced from the Company's own Russian feed (up 22% y-o-y). The increase was driven by hot commissioning operations at Bystrinsky Project, increased processing volumes of concentrate purchased from Rostec and reduced metal losses in recovery of copper into copper concentrate as a result of Talnakh Concentrator reaching its design parameters after modernization.

PLATINUM GROUP METALS

In 3Q18, both palladium and platinum were produced solely from the Company's own Russian feed, with their output amounting to **699 koz** (down 14% q-o-q) and **178 koz** (down 10% q-o-q), respectively. The decline of the PGM output was attributed to lower metal content in the feed processed at Norilsk Nickel Harjavalta and to a high base effect of 2Q18 when the Company processed work-in-progress concentrate accumulated earlier.

In 9M18, palladium and platinum output increased 3% y-o-y to **2,095 koz** and 4% y-o-y to **513 koz**, respectively. The increase of PGM output was mostly driven by processing of concentrate purchased from Rostec and Talnakh Concentrator reaching its design parameters after upgrade.

RUSSIAN OPERATIONS

In 3Q18, all saleable metals produced by the Company in Russia were from its own feed.

In 3Q18, nickel output at Kola MMC stayed almost flat at **38 kt** (down 1% q-o-q). **In 9M18**, nickel output at Kola MMC amounted to **113 kt**, down 1% y-o-y. The decrease was driven primarily by the reduction of low-margin processing of third-party feed.

In 3Q18, copper output at the Company's operations in Russia amounted to **116 kt**, up 3% q-o-q. The increase was due to processing of higher volumes of ore by Bystrinsky GOK and larger volume of Polar Division's nickel matte processed at Kola MMC. **In 9M18**, copper output amounted to **336 kt**, up 20% y-o-y. The increase was attributed to hot commissioning operations at Bystrinsky Project, increased processing of concentrate purchased from Rostec and higher recovery rates of copper into copper concentrate as a result of Talnakh Concentrator reaching its design parameters after modernization.

In 3Q18, palladium and platinum output in Russia amounted to **685 koz** (down 14% q-o-q) and **174 koz** (down 11% q-o-q), respectively. The decline of the PGM output was attributed to a higher base effect of 2Q18, when the Company processed work-in-progress concentrate accumulated earlier. **In 9M18**, palladium and platinum output amounted to **2,053 koz** (up 3% y-o-y) and **505 koz** (up 4% y-o-y), respectively. The increase of PGM output was mostly due to processing of the concentrate purchased from Rostec and Talnakh Concentrator reaching the project's design parameters.

NORILSK NICKEL HARJAVALTA (FINLAND)

In 3Q18, nickel output at Norilsk Nickel Harjavalta increased 40% q-o-q to **16 kt**, which were mostly produced from the Company's own Russian feed (up 41% q-o-q). The increase was mainly attributed to a low base effect of 2Q18, when refinery was undergoing annual scheduled repair works. **In 9M18**, nickel output amounted to **44 kt**, up 4% y-o-y. The increase was attributed to higher processing volumes of Russian feed as a result of the downstream reconfiguration.

In 3Q18, copper production at Norilsk Nickel Harjavalta amounted to **4 kt** (flat q-o-q), almost all of which was produced from the Company's own Russian feed (-1% q-o-q). **In 9M18**, copper output amounted to **14 kt** (up 43% y-o-y). The growth was attributed to the increase of processing of Russian feed (nickel matte produced at the Polar division) following the downstream reconfiguration as well as processing of work-in-progress material in the reported period.

In 3Q18, output of saleable palladium and platinum (both contained in copper cake) amounted to **14 koz** (down 13% q-o-q) and **4 koz** (increased 2 fold q-o-q), respectively. The decrease in palladium and increase in platinum output were attributed to higher platinum content and lower palladium content in processed Russian feed in the reported quarter.

In 9M18, output of palladium and platinum reached **42 koz** (up 11% y-o-y) and **8 koz** (down 11% y-o-y), respectively. The decrease of platinum and increase of palladium output owed to the substitution of purchased feed from third parties by own Russian feed with a lower platinum and a higher palladium content.

NKOMATI (SOUTH AFRICA)

In 9M18, output at Nkomati (50% - owned by Norilsk Nickel) amounted to **4.7 kt** of nickel (down 29% y-o-y), **2.2 kt** of copper (down 37% y-o-y), **23 koz** of palladium (down 38% y-o-y) and **9 koz** of platinum (down 40% y-o-y). The decrease was attributed to lower metal grades in the mined ore as well as temporary production stoppages due to labor strikes at contractors.

Production guidance from the Company's own Russian feed for 2018:

Metals	Volume
Norilsk Nickel Group (excluding Chita project)	
Ni, kt	210-215
Cu, kt	400-420
Pd, koz	2,630-2,725
Pt, koz	600-650
Bystrinsky (Chita) Copper Project ⁽²⁾	
Cu, kt	20-25
Au, koz	90-110

NORILSK NICKEL GROUP SALEABLE METALS PRODUCTION ¹		3Q 2018	2Q 2018	Q-o-Q, %	9M 2018	9M 2017	Y-o-Y, %
Total nickel	t	53,739	49,460	9%	157,262	157,080	0%
including from own Russian feed	t	53,276	49,040	9%	155,638	150,406	3%
Total copper	t	120,375	117,275	3%	349,940	290,878	20%
including from own Russian feed	t	120,340	117,256	3%	349,803	287,571	22%
Total palladium	koz	699	813	-14%	2,095	2,027	3%
including from own Russian feed	koz	699	813	-14%	2,095	1,967	7%
Total platinum	koz	178	197	-10%	513	493	4%
including from own Russian feed	koz	178	197	-10%	513	472	9%
Polar division and Kola MMC (Russia)							
Nickel	t	37,535	37,874	-1%	113,076	114,635	-1%
Kola MMC, including	t	37,535	37,874	-1%	113,076	114,635	-1%
<i>refined Ni from own Russian feed</i>	t	<i>35,351</i>	<i>37,773</i>	<i>-6%</i>	<i>110,207</i>	<i>111,863</i>	<i>-1%</i>
<i>Ni in saleable concentrate from own Russian feed</i>	t	<i>2,184</i>	<i>101</i>	<i>2062%</i>	<i>2,384</i>	<i>486</i>	<i>391%</i>
<i>from 3d parties feed</i>	t	<i>0</i>	<i>0</i>	<i>-</i>	<i>485</i>	<i>2,286</i>	<i>-79%</i>
Copper	t	107,639	108,465	-1%	323,116	281,423	15%
Polar division	t	86,755	88,217	-2%	262,685	222,059	18%
Kola MMC, including	t	20,884	20,248	3%	60,431	59,364	2%
<i>Cu cathodes from own Russian feed</i>	t	<i>17,922</i>	<i>18,596</i>	<i>-4%</i>	<i>54,189</i>	<i>54,589</i>	<i>-1%</i>
<i>Cu in saleable concentrate from own Russian feed</i>	t	<i>2,962</i>	<i>1,652</i>	<i>79%</i>	<i>6,159</i>	<i>2,547</i>	<i>142%</i>
<i>from 3d parties feed</i>	t	<i>0</i>	<i>0</i>	<i>-</i>	<i>83</i>	<i>2,194</i>	<i>-96%</i>
Palladium	koz	685	797	-14%	2,053	1,989	3%
Polar division	koz	299	281	7%	731	696	5%
Kola MMC, including	koz	386	517	-25%	1,322	1,293	2%
<i>from own Russian feed</i>	koz	<i>386</i>	<i>517</i>	<i>-25%</i>	<i>1,322</i>	<i>1,248</i>	<i>6%</i>
<i>from 3d parties feed</i>	koz	<i>0</i>	<i>0</i>	<i>-</i>	<i>0</i>	<i>45</i>	<i>100%</i>
Platinum	koz	174	195	-11%	505	484	4%
Polar division	koz	79	71	11%	190	190	0%
Kola MMC, including	koz	95	124	-23%	315	294	7%
<i>from own Russian feed</i>	koz	<i>95</i>	<i>124</i>	<i>-23%</i>	<i>315</i>	<i>278</i>	<i>13%</i>
<i>from 3d parties feed</i>	koz	<i>0</i>	<i>0</i>	<i>-</i>	<i>0</i>	<i>16</i>	<i>100%</i>
GRK Bystrinskoye (Zabaykaysky Krai) ²							
Copper	t	8,268	4,330	91%	13,290	0	-
Gold	koz	40	19	111%	62	0	-
Iron ore concentrate	kt	110	26	323%	136	0	-
Norilsk Nickel Harjavalta (Finland)							
Nickel, including	t	16,204	11,586	40%	44,186	42,445	4%
<i>from own Russian feed</i>	t	<i>15,741</i>	<i>11,166</i>	<i>41%</i>	<i>43,047</i>	<i>38,057</i>	<i>13%</i>
<i>from 3d parties feed</i>	t	<i>463</i>	<i>420</i>	<i>10%</i>	<i>1,139</i>	<i>4,388</i>	<i>-74%</i>
Copper, including	t	4,468	4,480	0%	13,534	9,455	43%
<i>from own Russian feed</i>	t	<i>4,433</i>	<i>4,461</i>	<i>-1%</i>	<i>13,480</i>	<i>8,342</i>	<i>62%</i>
<i>from 3d parties feed</i>	t	<i>35</i>	<i>19</i>	<i>84%</i>	<i>54</i>	<i>1,113</i>	<i>-95%</i>
Palladium, including	koz	14	16	-13%	42	38	11%
<i>from own Russian feed</i>	koz	<i>14</i>	<i>16</i>	<i>-13%</i>	<i>42</i>	<i>23</i>	<i>84%</i>
<i>from 3d parties feed</i>	koz	<i>0</i>	<i>0</i>	<i>-</i>	<i>0</i>	<i>15</i>	<i>100%</i>
Platinum, including	koz	4	2	100%	8	9	11%
<i>from own Russian feed</i>	koz	<i>4</i>	<i>2</i>	<i>100%</i>	<i>8</i>	<i>4</i>	<i>100%</i>
<i>from 3d parties feed</i>	koz	<i>0</i>	<i>0</i>	<i>-</i>	<i>0</i>	<i>5</i>	<i>100%</i>
Nkomati (South Africa) ³							
Nickel	t	1,381	1,549	-11%	4,666	6,530	-29%
Copper	t	755	777	-3%	2,199	3,490	-37%
Palladium	koz	8	9	-11%	23	37	-38%
Platinum	koz	3	4	-25%	9	15	-40%

Notes:

¹ Totals may vary from the sum of numbers as a result of rounding. The production results of Nkomati are not included in total amounts of Norilsk Nickel Group.

² Norilsk Nickel Group owns 50.01% of Bystrinsky GOK (Chita Copper Project). Production results report metal contained in saleable concentrate on a 100% basis and are fully consolidated in the Group's total operating results. The hot commissioning of the project started on October 31, 2017.

³ Norilsk Nickel Group owns 50% of Nkomati. Production results report metal contained in saleable concentrate on a 50% basis and are not consolidated in the Group's total operating 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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