



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 4th QUARTER AND FULL 2016, AND PRODUCTION OUTLOOK FOR 2017

Moscow - PJSC MMC Norilsk Nickel, the world's largest producer of refined nickel and palladium, announces preliminary consolidated production results for the fourth quarter and full year of 2016 as well as its production outlook for full year 2017.

Nickel

4Q16 consolidated nickel production amounted to **58 kt** increasing 5% quarter-on-quarter (q-o-q). Nickel output from the Company's own Russian feed reached **53 kt**, up 16% q-o-q. The increase was mainly attributed to scheduled ramp up of the upgraded Talnakh Concentrator and higher volumes of Nkomati concentrate processed at Kola MMC.

2016 consolidated nickel production amounted to **236 kt**, down 12% year-on-year (y-o-y). The decrease was driven [by decommissioning of Nickel Plant](#) and increase of work-in-progress material in transit as a part of ongoing reconfiguration of downstream production facilities. Nickel output from the Company's own Russian feed reached **197 kt** in line with **195-220 kt** production target.

Copper

4Q16 consolidated copper production amounted to **96 kt** increasing 11% q-o-q. Copper output from the Company's own Russian feed reached **91 kt**, up 12% q-o-q. The increase was attributed to the lower base of the third quarter driven by pre-commissioning works at the upgraded Talnakh Concentrator.

2016 consolidated copper production amounted to **360 kt** decreasing 2% y-o-y. The decrease was attributed to calibration of upgraded Talnakh Concentrator and lower copper content in mined ore. Copper output from the Company's own Russian feed reached **344 kt** in line with **342-352 kt** production target.

Platinum Group Metals

4Q16 consolidated palladium and platinum output amounted to **633 koz** (down 3% q-o-q) and **154 koz** (down 2% q-o-q), respectively. Palladium output from the Company's own Russian feed reached **609 koz**, down 1% q-o-q and platinum output reached **145 koz**, up 1% q-o-q. The decrease of palladium and platinum output in the reported period was attributed to the reconfiguration of downstream production facilities and lower PGM content in mined ore.

2016 palladium and platinum output amounted to **2,618 koz** (down 3% y-o-y) and **644 koz** (down 2% y-o-y), respectively. The decrease was attributed to the reconfiguration of downstream production facilities. Palladium output from the Company's own Russian feed amounted to **2,526 koz** above the **2,296-2,392 koz** production target. Platinum output from the Company's own Russian feed amounted to **610 koz** above the **542-586 koz** production target. The increase of output above production target was attributed to the processing of work-in-progress material released after the shutdown of Nickel plant.

Russian operations

As a result of Nickel plant closure, starting from the 4Q16 all nickel matte produced at Nadezhda Metallurgical Plant has been shipped for processing to Kola MMC and Norilsk Nickel Harjavalta. 4Q16 nickel output at Kola division amounted to **42 kt** increasing 2% compare to nickel output from all Russian assets in 3Q16.

2016 combined nickel production in Russia amounted to **182 kt**, down 18% y-o-y. The decrease was driven by decommissioning of Nickel Plant in 3Q16 as a part of ongoing reconfiguration of downstream production facilities.

4Q16 copper output in Russia amounted to **93 kt**, up 11% q-o-q. The increase was attributed to the lower base of the third quarter caused by pre-commissioning works at the upgraded Talnakh Concentrator.

2016 combined copper production in Russia amounted to **351 kt**, down 1% y-o-y. The decrease was driven by calibration of upgraded Talnakh Concentrator and lower copper content in mined ore.

4Q16 palladium and platinum output in Russia decreased to **612 koz** (down 3% q-o-q) and to **147 koz** (down 2% q-o-q), respectively.

2016 palladium output in Russian amounted to **2,554 koz** (down 2% y-o-y) and platinum output stayed flat y-o-y at **622 koz**. The decrease of PGM production volumes in 4Q16 and palladium volumes in 2016 was attributed to the reconfiguration of downstream production facilities and lower PGM content in mined ore.

Norilsk Nickel Harjavalta (Finland)

4Q16 nickel production at Norilsk Nickel Harjavalta amounted to **17 kt**, up 13% q-o-q, where nickel output from the Company's own Russian feed more than doubled q-o-q to **12 kt**.

2016 nickel output amounted to **54 kt** increasing 23% y-o-y. The growth was attributed to the increase in processing of Russian feed at Norilsk Nickel Harjavalta as a part of ongoing downstream reconfiguration and additional processing volumes of concentrate purchased from third parties.

4Q16 output of copper at Norilsk Nickel Harjavalta amounted to **3 kt**, up 9% q-o-q. The growth was attributed to the increase in processing of Russian feed at Norilsk Nickel Harjavalta as a part of ongoing downstream reconfiguration.

2016 copper output amounted to **10kt** decreasing 26% y-o-y. The decrease of output was driven by shipment of copper cake for processing to Kola MMC.

4Q16 output of saleable palladium (palladium in copper cake) increased by 11% q-o-q to **21 koz** and output of saleable platinum (platinum in copper cake) stayed flat q-o-q at **7 koz**.

2016 output of palladium and platinum reached **64 koz** (down 18% y-o-y) and **22 koz** (down 33% y-o-y) respectively. The decrease of PGM output was driven by shipment of copper cake for processing to Kola MMC.

2017 Production guidance from Russian feedstock:

Metals	Volumes
Ni, kt	206-211
Cu, kt	377-387
Pd, koz	2,636-2,732
Pt, koz	581-645

NORILSK NICKEL GROUP SALEABLE METALS PRODUCTION	4Q 2016	3Q 2016	Q-o-Q, %	FY2016	FY2015	Y-o-Y, %
TOTAL METAL PRODUCTION¹						
Nickel, t	58,392	55,782	5%	235,749	266,406	-12%
<i>thereof from own Russian feed</i>	52,604	45,292	16%	196,664	220,675	-11%
Copper, tonnes	96,188	86,568	11%	360,217	369,426	-2%
<i>thereof from own Russian feed</i>	91,232	81,677	12%	344,482	352,766	-2%
Palladium, koz	633	650	-3%	2,618	2,689	-3%
<i>thereof from own Russian feed</i>	609	616	-1%	2,526	2,575	-2%
Platinum, koz	154	157	-2%	644	656	-2%
<i>thereof from own Russian feed</i>	145	144	1%	610	610	0%
Polar division and Kola MMC (Russia)						
Nickel, t	41,769	41,106	2%	182,095	222,016	-18%
Polar division	0	6,510	-100%	50,860	96,916	-48%
Kola division	41,769	34,596	21%	131,235	125,100	5%
<i>thereof from Russian feed</i>	40,337	33,441	21%	126,937	123,335	3%
<i>thereof from 3d parties feed</i>	1,432	1,155	24%	4,298	1,765	144%
Copper, t	92,981	83,614	11%	350,619	355,707	-1%
Polar division	69,305	64,356	8%	280,347	292,632	-4%
Kola division	23,676	19,258	23%	70,272	63,075	11%
<i>thereof from Russian feed</i>	21,334	17,321	23%	63,542	60,134	6%
<i>thereof from 3d parties feed</i>	2,342	1,937	21%	6,730	2,941	129%
Palladium, koz	612	631	-3%	2,554	2,606	-2%
Polar division	367	435	-16%	1,703	1,935	-12%
Kola division	245	196	25%	851	671	27%
<i>thereof from Russian feed</i>	234	181	29%	815	640	27%
<i>thereof from 3d parties feed</i>	11	15	-27%	36	31	16%
Platinum, koz	147	150	-2%	622	622	0%
Polar division	97	108	-10%	449	488	-8%
Kola division	50	42	19%	173	134	29%
<i>thereof from Russian feed</i>	46	36	28%	159	122	30%
<i>thereof from 3d parties feed</i>	4	6	-33%	14	12	13%
Nickel concentrate for Norilsk Nickel Harjavalta²						
Nickel, t	19,144	9,247	107%	29,292	1,133	2485%
Copper, t	2,511	1,696	48%	5,038	155	3150%
Palladium, koz	10	26	-63%	42	1	2951%
Platinum, koz	1	5	-74%	8	0	-
Norilsk Nickel Harjavalta (Finland)³						
Nickel, t	16,623	14,676	13%	53,654	43,479	23%
<i>thereof from Russian feed</i>	12,267	5,341	130%	18,867	424	4350%
Copper, t	3,207	2,954	9%	9,598	13,048	-26%
<i>thereof from Russian feed</i>	593	0	-	593	0	-
Palladium, koz	21	19	11%	64	78	-18%
<i>thereof from Russian feed</i>	8	0	-	8	0	-
Platinum, koz	7	7	0%	22	33	-33%
<i>thereof from Russian feed</i>	2	0	-	2	0	-
Norilsk Nickel Africa (South Africa and Botswana)						
Tati Nickel nickel, t ⁴	0	0	-	0	1,822	-100%
thereof Tati Nickel nickel to 3d parties	0	0	-	0	911	-100%
thereof Tati Nickel nickel processed in the Company	0	0	-	0	911	-100%
Nkomati (50%) nickel processed in the Company, t	1,888	1,529	23%	8,486	11,350	-25%
Tati Nickel copper, t ⁴	0	0	-	0	1,342	-100%
thereof Tati Nickel copper to 3d parties	0	0	-	0	671	-100%
thereof Tati Nickel copper processed in the Company	0	0	-	0	671	-100%
Nkomati (50%) copper processed in the Company, t	869	793	10%	4,007	5,301	-24%
Tati Nickel palladium, koz ⁴	0	0	-	0	10	-100%
thereof Tati Nickel palladium to 3d parties	0	0	-	0	5	-100%
thereof Tati Nickel palladium processed in the Company	0	0	-	0	5	-100%
Nkomati (50%) palladium processed in the Company, koz	9	8	13%	40	53	-25%
Tati Nickel platinum, koz ⁴	0	0	-	0	2	-100%
thereof Tati Nickel platinum to 3d parties	0	0	-	0	1	-100%
thereof Tati Nickel platinum processed in the Company	0	0	-	0	1	-100%
Nkomati (50%) platinum processed in the Company, koz	3	3	0%	15	20	-25%

Notes:

¹ Totals may vary from the sum of numbers as a result of rounding.

² Nickel concentrate from Kola MMC, produced for Norilsk Nickel Harjavalta. Production results are not included in totals.

³ Production results include processing of nickel concentrate from Russian feed and purchased materials.

⁴ The asset was sold in Q2 2015.

This announcement contains inside information in accordance with Article 7 of EU Regulation 596/2014 of 16 April 2014.

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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.

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