



NORNICKEL

PRESS-RELEASE

MAJOR MILESTONE IN DOWNSTREAM RECONFIGURATION REACHED: NICKEL PLANT IN NORILSK IS SHUT DOWN AHEAD OF SCHEDULE

Moscow, August 26, 2016 – PJSC MMC Norilsk Nickel (hereinafter referred to as Nornickel or the Company) announced today, that another major milestone of the strategic downstream reconfiguration has been reached whereby the outdated Nickel plant in the city of Norilsk was fully decommissioned two months ahead of the schedule. On August 17, production the nickel-refining workshop was idled, followed by cobalt chlorine-leaching workshop – on August 24. The decommissioning of the plant, which was launched in 1942, has been phased out since February 1, 2016. On June 10, the Company shut down the agglomeration facilities of Nickel plant and on June 27 – smelting and roasting shops. All necessary social guarantees have been provided to the employees of the plant, the majority of which are relocated to other facilities of the Group. The Company confirms that the total refined metal production capacity will be unaffected by the idling of Nickel Plant as production facilities at Kola MMC and NN Harjavalta are modernized and expanded correspondingly.

Discussions have taken place with the London Metal Exchange (LME) about the cessation of production of exchange listed brands of nickel and cobalt of the Polar division, and the delisting of the relevant brands from the exchange will be deferred in order to protect the interest of market participants. Similar talks with the Shanghai Futures Exchange (SHFE) have been scheduled in September 2016.

In 2013, the Company adopted a new corporate strategy focusing on the development of Tier-1 assets and raising production efficiency. The shutdown of Nickel Plant was one of the key milestones of a large-scale downstream reconfiguration program, which had put a strong emphasis on improving the Company's environmental footprint. The achievement of this milestone combined with the upgrade and expansion of capacity of Talnakh concentrator should result in a significant improvement of the environmental situation in Norilsk industrial area already this year. The Company is expecting that from next year onwards sulfur dioxide emissions will be reduced by a total of 15 % in the Polar Division, and by 30 % – within the city boundaries of Norilsk. The idling of Nickel plant project was completed in line with the joint agreement signed in 2014 between the Company, the Ministry for Economic Development, the Ministry for Industry and Trade, the Ministry of Natural Resources and Environment, the government of Krasnoyarsk Region and Norilsk city administration. The project completion launches a new track record successful public-private partnerships in Russia facilitating environmental improvements and asset modernisation.

ABOUT THE COMPANY

Nornickel 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 Nornickel 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. Nornickel shares are listed on the Moscow and on the Saint-Petersburg Stock Exchanges. Nornickel 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