

**«NORILSK NICKEL» GROUP ANNOUNCES PRELIMINARY CONSOLIDATED
PRODUCTION RESULTS FOR 3d QUARTER AND 9 MONTHS OF 2016**

Moscow, October 31, 2016 - PJSC MMC Norilsk Nickel (hereinafter – Nornickel, the Company or the Group), the world's largest nickel and palladium producer, announces preliminary consolidated production results for the third quarter and the nine months of 2016.

Nickel

3Q16 consolidated nickel production amounted to **56 kt** decreasing 4% quarter-on-quarter (q-o-q). Nickel output from the Company's own Russian feed reached **45 kt**, down 4% q-o-q. The reduction was driven by [decommissioning of Nickel Plant](#) as put of ongoing reconfiguration of downstream production facilities and resulting increase of work-in-progress material in transit.

Overall during 9M16, nickel output amounted to **177 kt** decreasing 8% year-on-year (y-o-y) driven mostly by larger volumes of nickel concentrate shipped to Norilsk Nickel Harjavalta for processing as result of reconfiguration of downstream production facilities.

Copper

3Q16 consolidated copper production amounted to **87 kt** decreasing 4% q-o-q. Copper output from the Company's own Russian feed reached **82 kt**, down 5% q-o-q. The decrease was attributed to lower copper content in mined ore and industrial testing of the upgraded Talnakh Concentrator.

Overall during 9M16, copper output amounted to **264 kt** decreasing 4% y-o-y driven mostly by industrial testing of upgraded Talnakh Concentrator and lower copper content in mined ore.

Platinum Group Metals

3Q16 consolidated palladium and platinum output amounted to **649 koz** (down 6% q-o-q) and **156 koz** (down 4% q-o-q), respectively. Palladium output from the Company's own Russian feed reached **616 koz**, down 9% q-o-q and platinum output reached **144 koz**, down 9% q-o-q. The decrease of palladium and platinum output was attributed to the increase of work-in-progress material in transit as result of reconfiguration of downstream production facilities.

Overall during 9M16, palladium and platinum output amounted to **1,980 koz** (down 4% y-o-y) and **489 koz** (down 5% y-o-y), respectively. The decline was driven mostly by lower metal content in mined ore.

Russian operations

In 3Q16, the Company's Russian assets produced **41 kt** of nickel, down 13% q-o-q. During 9M16, total nickel output by the Pola and Kola divisions decreased 14% y-o-y to **140 kt**. The reduction was attributed to the shutdown of Nickel Plant in 3Q 2016 and to the increase of concentrate shipments for further processing at Norilsk Nickel Harjavalta as a part of reconfiguration of downstream assets.

In 3Q16, copper output in Russia amounted to **84 kt**, down 5% q-o-q. The decrease was driven by lower copper content in mined ore and industrial testing of upgraded Talnakh Concentrator.

In 9M16, copper output amounted to **258 kt**, down 2% y-o-y. The reduction was attributed to the pre-commissioning works at upgraded Talnakh Concentrator and lower copper content in mined ore.

In 3Q16, in Russia the output of palladium decreased 7% y-o-y to **631 koz** and the production of platinum decreased 6% y-o-y to **150 koz**, driven by the change in metal content in mined ore and the increase of work-in-progress material. Overall in 9M16, palladium output in Russia reached **1,941 koz** (down 3% y-o-y) and platinum output amounted to **475 koz** (down 3% y-o-y). The decrease of PGM production volumes was attributed to lower metal content in mined ore.

Norilsk Nickel Finland

In 3Q16, Norilsk Nickel Harjavalta produced approximately **15 kt** of nickel, up 40% q-o-q. Nickel output from the Company's own Russian feed increased almost 7-fold q-o-q to **5 kt**. The increase was attributed to higher processing volumes of Russian concentrate as a part of the ongoing assets reconfiguration. In 9M16, nickel output amounted to **37 kt** increasing 25% y-o-y. The growth was attributed to the increase in processing of Russian feed and additional processing volumes of concentrate purchased from third parties.

In 3Q16, output of copper increased 60% q-o-q to **3 kt**, which was attributed to higher copper content in supplied feed. In 9M16, copper output reached **6 kt** down 32% y-o-y. The decrease of output was driven by shipment of copper cake for processing to Kola MMC.

In 3Q16, Norilsk Nickel Harjavalta increased the production of palladium and platinum (in copper cake) by 50% q-o-q to **18 koz** and **6 kt** respectively. The increase of PGM volumes was attributed to low base effect as there were scheduled capital repairs in 2Q16. In 9M16, output of palladium and platinum reached **39 koz** (down 36% y-o-y) and **14 koz** (down 42% y-o-y) respectively. The decrease of PGM output was driven by shipment of copper cake for processing to Kola MMC.

2016 Production guidance from Russian feedstock:

Metals	Saleable Metals
Ni, kt	195-200*
Cu, kt	342-352
Pd, koz	2,296-2,392
Pt, koz	542-586

**The decrease of nickel production forecast from prior guidance of 206-212 kt owes to industrial testing of upgraded Talnakh Concentrator.*

«NORILSK NICKEL» GROUP SALEABLE METALS PRODUCTION	3Q 2016	2Q 2016	Q-o-Q, %	9M 2016	9M 2015	Y-o-Y, %
TOTAL METAL PRODUCTION¹						
Nickel, t	55,782	57,943	-4%	177,357	193,754	-8%
<i>thereof from own Russian feed</i>	<i>45,213</i>	<i>46,903</i>	<i>-4%</i>	<i>143,981</i>	<i>161,492</i>	<i>-11%</i>
Copper, tonnes	86,587	90,222	-4%	264,047	273,990	-4%
<i>thereof from own Russian feed</i>	<i>81,677</i>	<i>86,316</i>	<i>-5%</i>	<i>253,250</i>	<i>261,480</i>	<i>-3%</i>
Palladium, koz	649	689	-6%	1,980	2,072	-4%
<i>thereof from own Russian feed</i>	<i>616</i>	<i>677</i>	<i>-9%</i>	<i>1,916</i>	<i>1,980</i>	<i>-3%</i>
Platinum, koz	156	163	-4%	489	513	-5%
<i>thereof from own Russian feed</i>	<i>144</i>	<i>159</i>	<i>-9%</i>	<i>465</i>	<i>477</i>	<i>-3%</i>
Polar division and Kola MMC (Russia)						
Nickel, t	41,106	47,456	-13%	140,326	163,230	-14%
Polar division	6,510	20,700	-69%	50,860	71,936	-29%
Kola division	34,596	26,756	29%	89,466	91,294	-2%
<i>thereof from Russian feed</i>	<i>33,441</i>	<i>25,467</i>	<i>31%</i>	<i>86,600</i>	<i>89,556</i>	<i>-3%</i>
<i>thereof from 3d parties feed</i>	<i>1,115</i>	<i>1,289</i>	<i>-10%</i>	<i>2,866</i>	<i>1,738</i>	<i>65%</i>
Copper, t	83,614	88,364	-5%	257,638	263,857	-2%
Polar division	64,356	73,923	-13%	211,042	217,529	-3%
Kola division	19,258	14,441	33%	46,596	46,328	1%
<i>thereof from Russian feed</i>	<i>17,321</i>	<i>12,393</i>	<i>40%</i>	<i>42,208</i>	<i>43,951</i>	<i>-4%</i>
<i>thereof from 3d parties feed</i>	<i>1,937</i>	<i>2,048</i>	<i>-5%</i>	<i>4,388</i>	<i>2,377</i>	<i>85%</i>
Palladium, koz	631	677	-7%	1,941	2,006	-3%
Polar division	435	495	-12%	1,335	1,502	-11%
Kola division	196	182	8%	606	504	20%
<i>thereof from Russian feed</i>	<i>181</i>	<i>182</i>	<i>-1%</i>	<i>581</i>	<i>478</i>	<i>22%</i>
<i>thereof from 3d parties feed</i>	<i>15</i>	<i>0</i>	<i>-</i>	<i>25</i>	<i>26</i>	<i>-4%</i>
Platinum, koz	150	159	-6%	475	488	-3%
Polar division	108	125	-14%	352	387	-9%
Kola division	42	34	24%	123	101	22%
<i>thereof from Russian feed</i>	<i>36</i>	<i>34</i>	<i>6%</i>	<i>113</i>	<i>90</i>	<i>26%</i>
<i>thereof from 3d parties feed</i>	<i>6</i>	<i>0</i>	<i>-</i>	<i>10</i>	<i>11</i>	<i>-9%</i>
Nickel concentrate (work-in-progress material) for Norilsk Nickel Finland²						
Nickel, t	9,247	4,044	129%	13,290	0	-
Copper, t	1,696	598	184%	2,293	0	-
Palladium, koz	26	6	333%	32	0	-
Platinum, koz	5	1	400%	6	0	-
Norilsk Nickel Finland (Finland)³						
Nickel, t	14,676	10,487	40%	37,031	29,613	25%
<i>thereof from Russian feed</i>	<i>5,262</i>	<i>736</i>	<i>615%</i>	<i>6,521</i>	<i>0</i>	<i>-</i>
Copper, t	2,973	1,858	60%	6,409	9,462	-32%
Palladium, koz	18	12	50%	39	61	-36%
Platinum, koz	6	4	50%	14	24	-42%
Norilsk Nickel Africa (South Africa and Botswana)						
Tati Nickel nickel, t ⁴	0	0	-	0	1,822	-100%
<i>thereof Tati Nickel nickel to 3d parties</i>	0	0	-	0	911	-100%
thereof Tati Nickel nickel processed in the Company	0	0	-	-	911	-100%
Nkomati (50%) nickel processed in the Company, t	1,529	2,170	-30%	6,599	8,370	-21%
Tati Nickel copper, t ⁴	0	0	-	0	1,342	-100%
<i>thereof Tati Nickel copper to 3d parties</i>	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	793	1,006	-21%	3,138	3,810	-18%
Tati Nickel palladium, koz ⁴	0	0	-	0	10	-100%
<i>thereof Tati Nickel palladium to 3d parties</i>	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	8	10	-20%	31	38	-18%
Tati Nickel platinum, koz ⁴	0	0	-	0	2	-100%
<i>thereof Tati Nickel platinum to 3d parties</i>	0	0	-	0	1	-100%
<i>thereof Tati Nickel platinum processed in the Company</i>	<i>0</i>	<i>0</i>	<i>-</i>	<i>0</i>	<i>1</i>	<i>-100%</i>
Nkomati (50%) platinum processed in the Company, koz	3	4	-25%	12	15	-20%

Notes:

¹Totals may value from sum of numbers as a result of rounding

²Production results are not included in totals as all concentrate is shipped to NN Harjavalta

³ Production results include processing of nickel concentrate from Nkomati and purchased materials

⁴ The assets was sold in Q2 2015

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.

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