



NORNICKEL

PRESS RELEASE

October 30, 2017

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 2017

Moscow - PJSC MMC Norilsk Nickel, the largest refined nickel and palladium producer in the world, announces preliminary consolidated production results for the third quarter and nine months of 2017.

First Vice-President - Chief Operating Officer, Sergey Dyachenko commented on the 9M17 production results:

«In 3Q17 our nickel production increased by 10% as Talnakh Concentrator reached its design parameters and Norilsk Nickel Harjavalta nickel refinery restarted its operations after annual scheduled repair works in 2Q17. Copper production in the reported quarter decreased as a result of temporary suspensions of our smelting operations in the Polar division due to unfavorable weather conditions in Norilsk. The company plans to process accumulated concentrate in 4Q17, which should fully compensate for the reduction of copper volumes in 3Q17. **We reiterate our 2017 metal production guidance**».

Nickel

In 3Q17, consolidated nickel production amounted to **54 kt** increasing 10% quarter-on-quarter (q-o-q). Nickel output from the Company's own Russian feed reached **53 kt**, up 10% q-o-q. The growth was mainly attributed to the increase in production at Norilsk Nickel Harjavalta as the refinery was undergoing scheduled repairs in 2Q17.

In 9M17, nickel output amounted to **157 kt** decreasing 11% year-on-year (y-o-y) driven primarily by the reduction of low-margin processing of third parties feed as a result of reconfiguration of downstream production facilities at the Polar division. Nickel output from the Company's own Russian feed reached **150 kt**, up 4% y-o-y, as Talnakh Concentrator reached its design parameters.

Copper

In 3Q17, consolidated copper production amounted to **96 kt**, down 4% q-o-q. Decrease of copper production was attributed to temporary suspensions at Copper smelter due to unfavorable meteorological conditions in Norilsk in order to keep the pollutant concentrations in the residential area within the limits. The Company plans to process accumulated concentrate in 4Q17, which should compensate for the decrease of copper volumes in the reported quarter.

In 9M17, copper output amounted to **291 kt**, up 10% y-o-y driven mostly by the processing of concentrate purchased from Rostec and reduced metal losses in recovery of copper into copper concentrate as a result of the modernization of Talnakh Concentrator.

Platinum Group Metals

In 3Q17, consolidated palladium and platinum output amounted to **693 koz** (down 11% q-o-q) and **174 koz** (down 8% q-o-q), respectively. Palladium output from the Company's own Russian feed reached **687 koz**, down 9% q-o-q and platinum output reached **172 koz**, down 6% q-o-q. The decrease was attributed to a high base effect of 2Q17 when the Company processed precious metal concentrate accumulated in 1Q17 (PGMs contained in the nickel matte, which was shipped for processing from the Polar to Kola division) and at Krasnoyarsk Precious Metals Plant.

In 9M17, palladium and platinum output amounted to **2,026 koz** (up 2% y-o-y) and **493 koz** (flat y-o-y), respectively. The increase in palladium output was attributed to the change in metal content in mined ore.

Russian operations

Due to the shutdown of Nickel plant in the Polar division, since 2H16 all saleable nickel has been produced at two production sites: Kola MMC in Russia and Norilsk Nickel Harjavalta in Finland. In 3Q17, nickel output in Russia amounted to **39 kt**, up 1% q-o-q.

In 9M17, nickel output in Russia amounted to **115 kt**, down 18% y-o-y. The decrease was driven by decommissioning of Nickel Plant in 2016 and increase in processing of Russian feed at Norilsk Nickel Harjavalta as a part of downstream reconfiguration.

In 3Q17, copper output in Russia amounted to **92 kt**, down 7% q-o-q. The decrease of copper output was attributed to temporary suspensions of smelting operations in the Polar division due to unfavorable meteorological conditions. The Company plans to process the accumulated concentrate in 4Q17.

In 9M17, copper output amounted to **281 kt**, up 9% y-o-y. The increase of copper output in the reported period was attributed to the launch of processing of concentrate purchased from Rostec and reduction of metal losses in recovery of copper into copper concentrate as a result of modernization of Talnakh Concentrator.

In 3Q17, palladium and platinum output in Russia amounted to **682 koz** (down 12% q-o-q) and to **171 koz** (down 9% q-o-q), respectively. The decrease of palladium and platinum output was attributed to a high base effect of 2Q17 when the Company processed precious metal concentrate accumulated in 1Q17 (PGMs contained in the nickel matte, which was shipped for processing from the Polar to Kola division) and at Krasnoyarsk Precious Metals Plant.

In 9M17, palladium output in Russia reached **1,988 koz** (up 2% y-o-y) and platinum output amounted to **483 koz** (up 1% y-o-y). The increase was mainly attributed to the change in metal content in mined ore.

Norilsk Nickel Harjavalta (Finland)

In 3Q17, nickel production at Norilsk Nickel Harjavalta amounted to **15 kt**, up 40% q-o-q, with the most of the nickel output being produced from the Company's own Russian feed (up 50% q-o-q) except for 0,5 kt, which were produced from third parties feed. The increase was from a low base of 2Q17 when the refinery was undergoing scheduled repairs.

In 9M17, nickel output amounted to **42 kt**, up 15% y-o-y, with nickel output from the Company's own Russian feed amounting to **38 kt** (increased 6-fold y-o-y). The increase was attributed to higher processing volumes of Russian concentrate as a part of the downstream assets reconfiguration.

In 3Q17, output of copper at Norilsk Nickel Harjavalta amounted to **4 kt** (increased 2-fold q-o-q), almost all of which was produced from own Russian feed. The increase was from a low base of 2Q17 when the refinery was undergoing scheduled repairs.

In 9M17, copper output amounted to **9 kt** (up 48% y-o-y), with copper output from the Company's own Russian feed amounting to **8,3 kt**. The increase was attributed to higher processing volumes of Russian concentrate as a part of the downstream assets reconfiguration.

In 3Q17, output of saleable palladium and platinum (in copper cake) amounted to **11 koz** (up 38% q-o-q) and **3 koz** (up 50% q-o-q), respectively. The increase was from a low base of 2Q17 when the refinery was undergoing scheduled repairs.

In 9M17, output of palladium and platinum reached **38 koz** (down 5% y-o-y) and **10 koz** (down 32% y-o-y), respectively. The decline was attributed to the substitution of purchased feed from third parties by the Russian feed with a lower PGMs content.

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	3Q 2017	2Q 2017	Q-o-Q, %	9M 2017	9M 2016	Y-o-Y, %
TOTAL METAL PRODUCTION ¹						
Nickel, t	54,175	49,418	10%	157,101	177,356	-11%
thereof from own Russian feed	52,940	48,081	10%	150,406	144,064	4%
Copper, t	95,949	100,804	-5%	290,874	264,043	10%
thereof from own Russian feed	95,800	100,200	-4%	287,565	253,250	14%
Palladium, koz	693	781	-11%	2,026	1,981	2%
thereof from own Russian feed	687	759	-9%	1,966	1,919	2%
Platinum, koz	174	190	-8%	493	491	0%
thereof from own Russian feed	172	183	-6%	471	467	1%
Polar division and Kola MMC (Russia)						
Nickel, t	38,782	38,430	1%	114,635	140,326	-18%
Polar division	0	0	-	0	50,860	-100%
Kola MMC	38,782	38,430	1%	114,635	89,466	28%
<i>thereof from own Russian feed</i>	<i>38,043</i>	<i>38,141</i>	<i>0%</i>	<i>112,349</i>	<i>86,600</i>	<i>30%</i>
<i>thereof from 3d parties feed</i>	<i>739</i>	<i>289</i>	<i>156%</i>	<i>2,286</i>	<i>2,866</i>	<i>-20%</i>
Copper, t	91,720	98,823	-7%	281,425	257,638	9%
Polar division	71,555	79,344	-10%	222,059	211,042	5%
Kola MMC	20,165	19,479	4%	59,366	46,596	27%
<i>thereof from own Russian feed</i>	<i>20,087</i>	<i>18,922</i>	<i>6%</i>	<i>57,170</i>	<i>42,208</i>	<i>35%</i>
<i>thereof from 3d parties feed</i>	<i>78</i>	<i>557</i>	<i>-86%</i>	<i>2,196</i>	<i>4,388</i>	<i>-50%</i>
Palladium, koz	682	773	-12%	1,988	1,941	2%
Polar division	264	263	0%	696	1,335	-48%
Kola MMC	418	510	-18%	1,292	607	113%
<i>thereof from own Russian feed</i>	<i>412</i>	<i>492</i>	<i>-16%</i>	<i>1,247</i>	<i>585</i>	<i>113%</i>
<i>thereof from 3d parties feed</i>	<i>6</i>	<i>18</i>	<i>-67%</i>	<i>45</i>	<i>22</i>	<i>105%</i>
Platinum, koz	171	188	-9%	483	476	1%
Polar division	77	69	12%	190	352	-46%
Kola MMC	94	119	-21%	293	124	136%
<i>thereof from own Russian feed</i>	<i>92</i>	<i>113</i>	<i>-19%</i>	<i>277</i>	<i>115</i>	<i>141%</i>
<i>thereof from 3d parties feed</i>	<i>2</i>	<i>6</i>	<i>-67%</i>	<i>16</i>	<i>9</i>	<i>78%</i>
Norilsk Nickel Harjavalta (Finland) ²						
Nickel, t	15,393	10,988	40%	42,466	37,030	15%
<i>thereof from own Russian feed</i>	<i>14,897</i>	<i>9,940</i>	<i>50%</i>	<i>38,057</i>	<i>6,604</i>	<i>476%</i>
Copper, t	4,229	1,981	113%	9,449	6,405	48%
<i>thereof from own Russian feed</i>	<i>4,158</i>	<i>1,934</i>	<i>115%</i>	<i>8,336</i>	<i>0</i>	<i>-</i>
Palladium, koz	11	8	38%	38	40	-5%
<i>thereof from own Russian feed</i>	<i>11</i>	<i>4</i>	<i>175%</i>	<i>23</i>	<i>0</i>	<i>-</i>
Platinum, koz	3	2	50%	10	15	-32%
<i>thereof from own Russian feed</i>	<i>3</i>	<i>1</i>	<i>200%</i>	<i>4</i>	<i>0</i>	<i>-</i>
Nkomati (South Africa) ³						
Nickel, t	1,891	2,255	-16%	6,531	6,599	-1%
Copper, t	1,228	1,153	7%	3,490	3,138	11%
Palladium, koz	13	12	8%	37	31	19%
Platinum, koz	5	5	0%	15	12	25%

Notes:

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

² Production results include processing of nickel concentrate from Russian feed and purchased materials.

³ Metal in concentrate for sale assuming 50% ownership. The numbers are not consolidated in the Group totals.

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 the 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.

Contacts for media relations:

Phone: +7 (495) 785 58 00

Email: pr@nornik.ru

Contacts for investor relations:

Phone: +7 (495) 786 83 20

Email: ir@nornik.ru