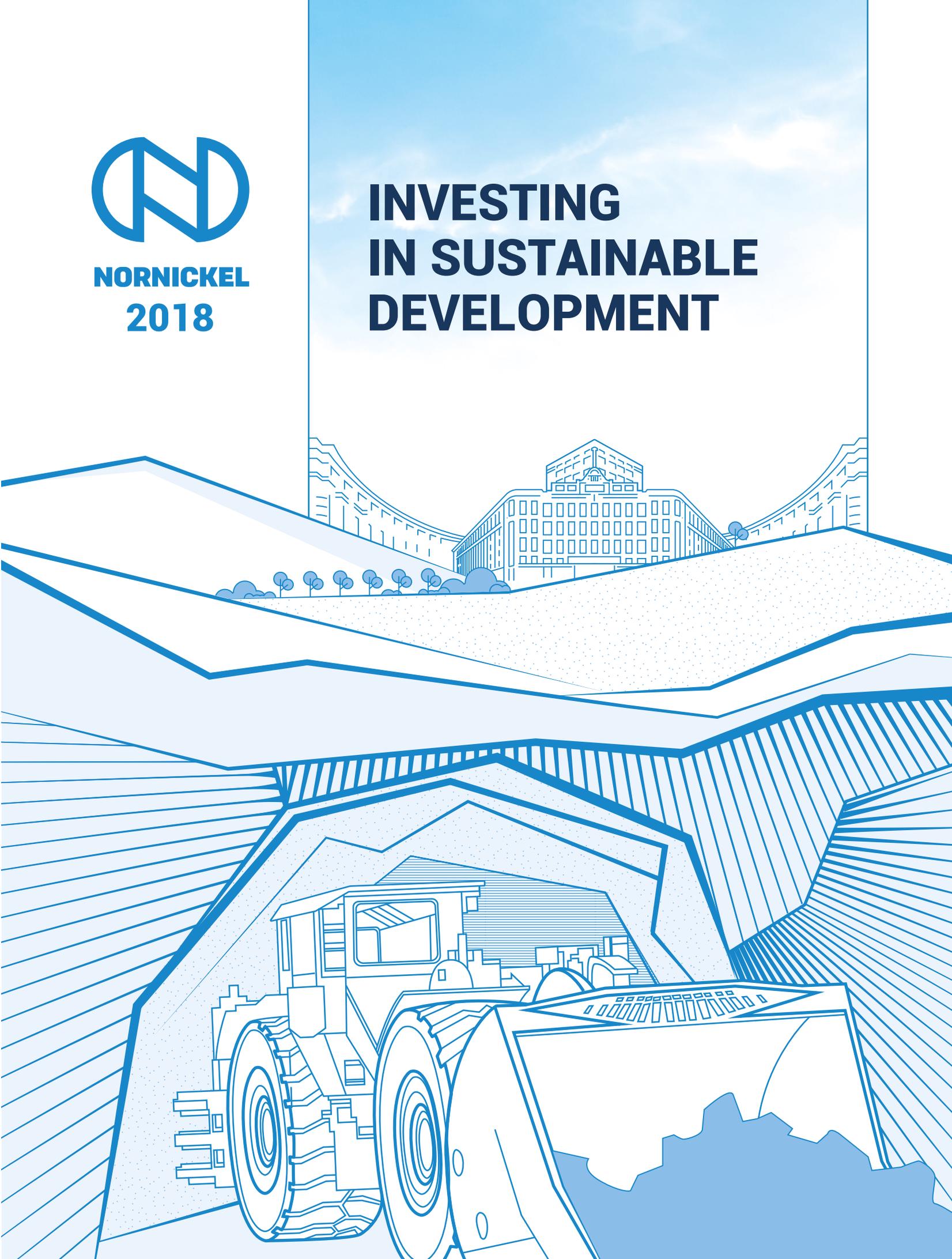


NORNICKEL
2018

INVESTING IN SUSTAINABLE DEVELOPMENT



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GROUP PROFILE

NORNICKEL

OVERVIEW

The Norilsk Nickel Group (Nornickel) is Russia's largest metals and mining company and the world's largest producer of palladium and refined nickel and a major producer of platinum and copper.

The Group also produces cobalt, rhodium, silver, gold, iridium, ruthenium, selenium, tellurium, and sulphur. The Company's shares are traded on the Moscow Exchange and are included in the Moscow Exchange's Blue Chip Index. Its ADRs are traded on the US OTC market, and the OTC markets of the London, Berlin and Frankfurt stock exchanges. As of the year-end 2018, Nornickel's weight in the leading emerging market stock indices such as MSCI Emerging Markets and MSCI Russia indices was of 0.24% and 6.4%, respectively.

Mining and Metallurgical Company Norilsk Nickel (MMC Norilsk Nickel) is the parent company of the Norilsk Nickel Group. It operates production units in Russia and Finland and owns a 50% stake in some mining assets in South Africa. The Group's core mining and metallurgical assets are located in Russia and represented by vertically integrated operations. They include wholly owned subsidiaries Polar Division and Bear Creek both located on the Taimyr Peninsula, and Kola MMC located on the Kola Peninsula, and 50.01% owned GRK Bystrinskoe located in the Zabaykalsky Region. In Finland, Nornickel operates Norilsk Nickel Harjavalta (100% owned), a nickel refinery that was acquired by the Group in 2007. The refinery is fully integrated into

the Group's production flow, processing the Group's Russian feedstock. In South Africa, the Group owns 50% of Nkomati, which operates a nickel mine of the same name. The co-shareholder of the company is African Rainbow Minerals.

The Group operates captive global sales network, fuel and energy assets, river and sea port terminals, river fleet and a unique Arctic cargo sea fleet, in-house capital construction and repairs subsidiaries. In addition, Nornickel owns one of the Russia's leading mining and metallurgical R&D centres.

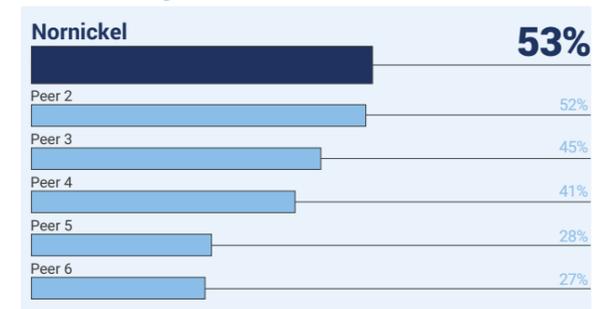
Exports **>95%** sales

MINERAL RESOURCES^o

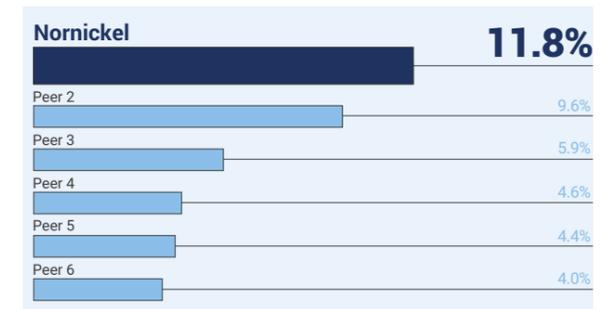
Nornickel operates the unique Talnakh Ore deposit on the Taimyr Peninsula ranking the world's best polymetallic deposit in terms of metal grades and size. Development of the Talnakh deposit is the key driver of the Company's long-term sustainable growth strategy.

Measured and indicated resources	2,209 mt of ore
Proven and probable reserves	785 mt of ore
	12.1 mt of copper
	6.9 mt of nickel
	3.8 kt of PGMs (123 moz)
	23.5 mt of copper
	15.3 mt of nickel
	8.2 kt of PGMs (263 moz)

Leading EBITDA margin in global mining industry in 2018^e



Leading dividend yield in global mining industry in 2018^{ee}



GLOBAL METAL PRODUCTION RANKING / PRIMARY METAL SHARE

No. 1 in palladium (39%)

No. 1 in refined nickel (23%)
(No. 3 in total nickel production – 11%)

No. 4 in platinum (10%)

No. 4 in rhodium (8%)

No. 8 in cobalt (3%)

No. 11 in copper (2%)

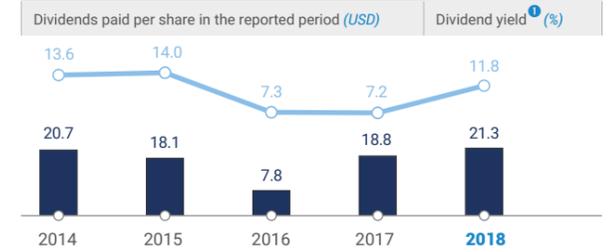
^o The Company's reserves and resources are reported according to JORC standards as of 31 December 2018 and include wholly-owned international assets and exclude ore deposits in the Zabaykalsky Region. PGMs include six platinum group metals: platinum, palladium, rhodium, ruthenium, osmium, and iridium.
^e Peer group includes Anglo American, BHP, Glencore, Rio Tinto and Vale.
^{ee} Dividend yield was calculated on the basis of dividends recommendation announced by the Board and average price of Nornickel ADRs (as reported by Bloomberg) in each calendar year.

KEY HIGHLIGHTS

FINANCIAL PERFORMANCE

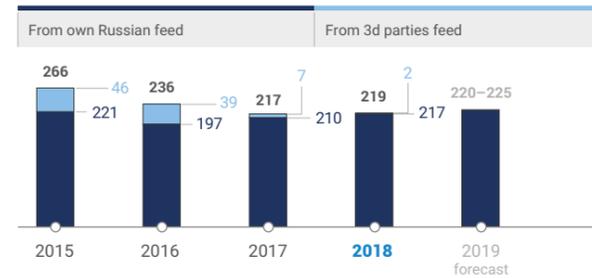


Capital Investments (USD bn)

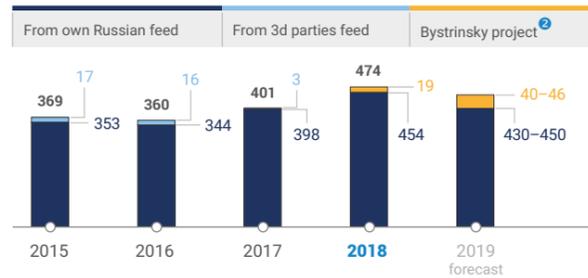


OPERATING PERFORMANCE

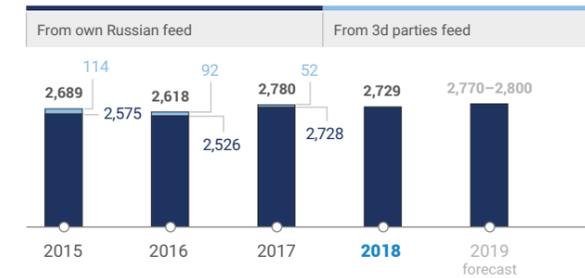
Nickel (kt)



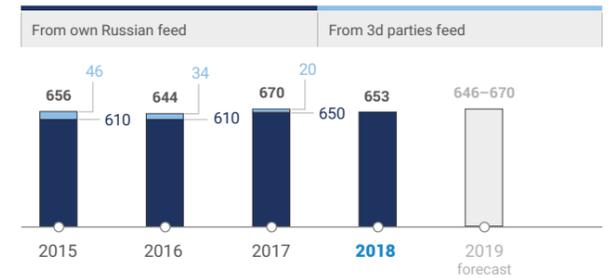
Copper (kt)



Palladium (koz)

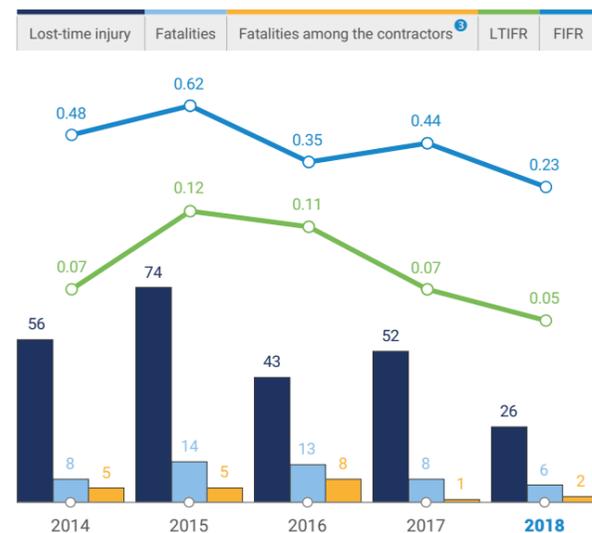


Platinum (koz)

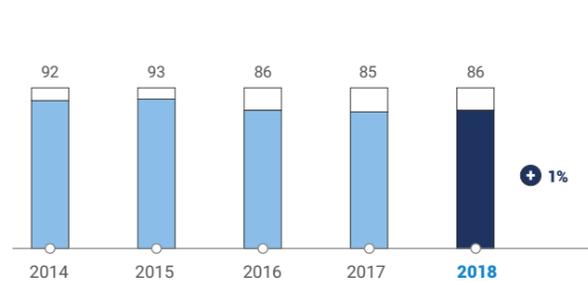


SUSTAINABLE PERFORMANCE

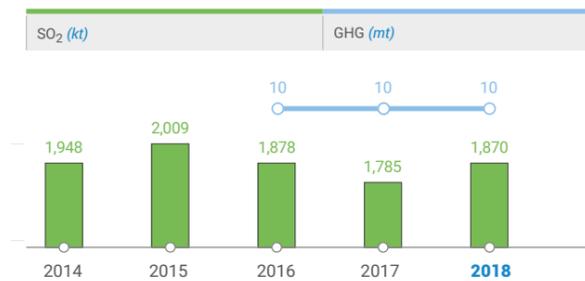
Accident Statistics



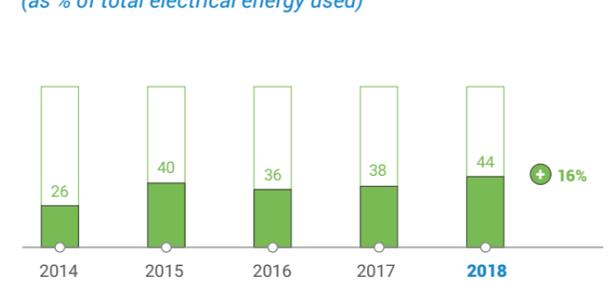
Reused water (as % of total water used)



Emissions

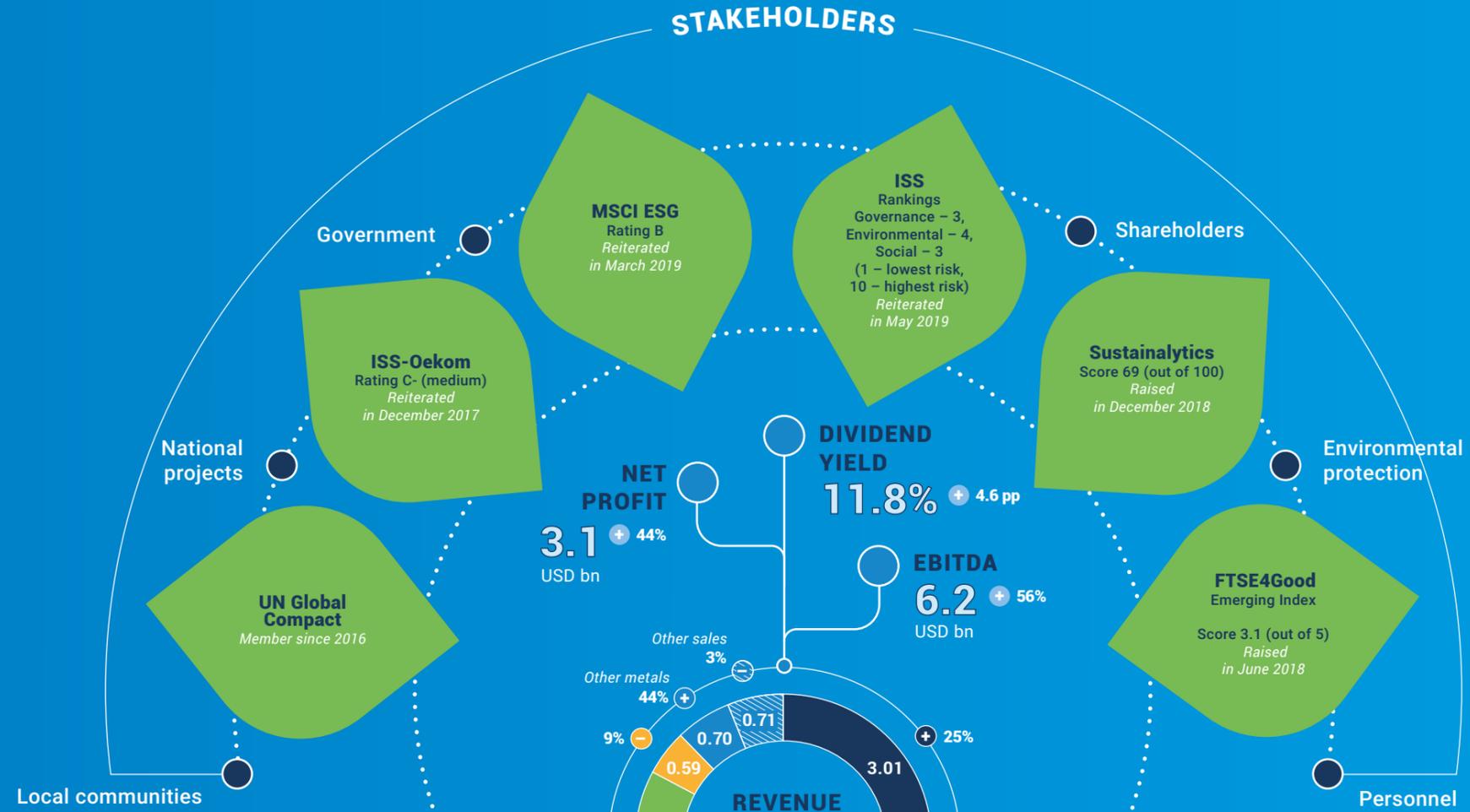


Use of renewable energy (as % of total electrical energy used)



1 Dividend yield was calculated on the basis of dividends recommendation announced by the Board and average price of Nornickel ADRs (as reported by Bloomberg) in each calendar year.
 2 Norilsk Nickel Group owns 50.01% of Bystrinsky (Chita) Copper Project. Production results are shown on a 100% basis and fully consolidated in the Company's financial and operating results. The hot commissioning of the project started on October 31, 2017.
 3 The indicator has been recorded since 2014.

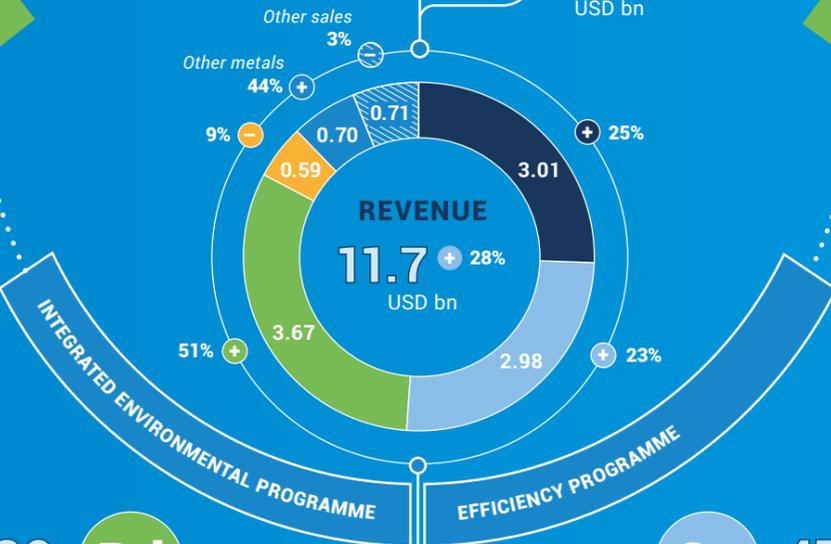
BUSINESS MODEL



NET PROFIT
3.1 USD bn (+44%)

DIVIDEND YIELD
11.8% (+4.6 pp)

EBITDA
6.2 USD bn (+56%)



Pt 653 koz

Pd 2,729 koz

Cu 474 kt

Ni 219 kt

6 sea vessels
555 river vessels

15 aircraft
18 helicopters

Gas and energy assets

Production assets

Transportation and logistics assets

PRODUCTION

OUTPUT
25.2 mt of ore

MEASURED AND INDICATED RESOURCES

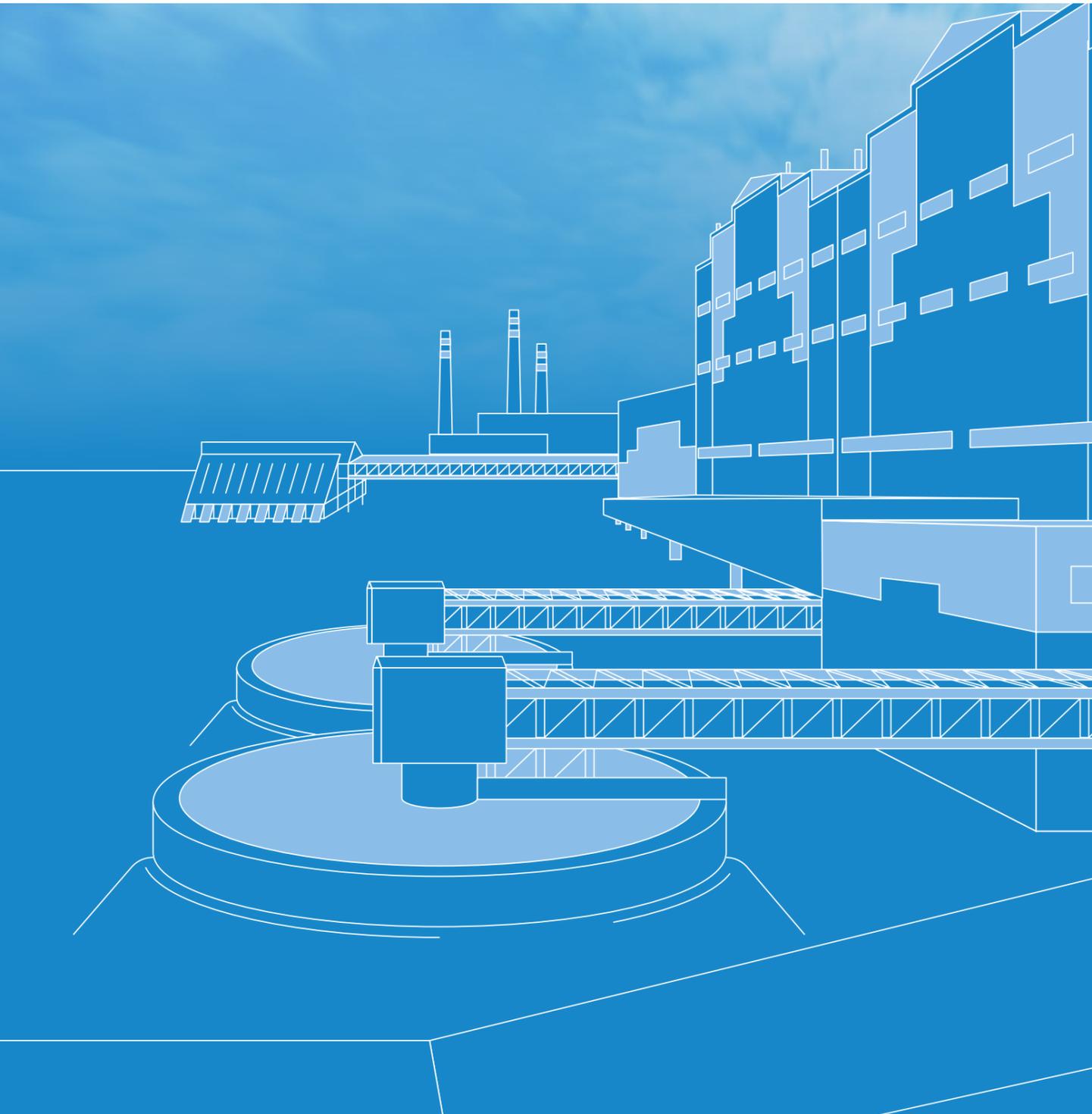
2,209
mt of ore

PROVEN AND PROBABLE RESERVES

785
mt of ore

SUSTAINABLE BUSINESS MODEL – STRONG CORPORATE GOVERNANCE

KEY INVESTMENT PROJECTS



MINING / PROCESSING PROJECTS

GRK Bystrinskoye



GRK Bystrinskoye (Bystrinsky GOK / Chita Project) is Nornickel's new mining project producing copper and gold (as well as iron) concentrates. This is the largest greenfield project realized in the Russian mining industry, which includes ore mining, concentration and shipment of end products to customers. The Company owns 50.01% of Bystrinsky GOK.

Project highlights

Ore reserves: **326_{mt}**

Average metal grades:

Cu – 0.7%

Fe₃O₄ (magnetite) – 23%

Au – 0.9 g/t¹

The plant's design capacity: **10_{mtpa}**

Jobs created: **circa 2_k**

¹ According to the Russian classification of mineral resources (A+B+C₁+C₂).

Location

Gazimuro-Zavodsky District, Chita Region, Zabaykalsky Region

Project overview

Nornickel launched open-pit mining at the Bystrinskoye Deposit, built and launched the mining and processing plant (MPP) along with all of the necessary infrastructure, including a power line, a 227 km Borzya – Gazimursky Zavod rail line, and a camp.

Construction of the open-pit mine and the MPP started in 2013. In 2017, the 220 kV power line and a camp for 1,047 employees was built. Hot commissioning of the MPP started in October 2017, with the project expected to reach its design capacity by 2021.

2018

- CAPEX – RUB 10.7 bln (USD 168 mln)
- 7.9 mt of ore mined, 19.4 kt of copper concentrate, 3 t of gold concentrate and 0.4 mt of magnetite concentrate produced. EBITDA (on a 100% basis) of USD 96 mln was generated

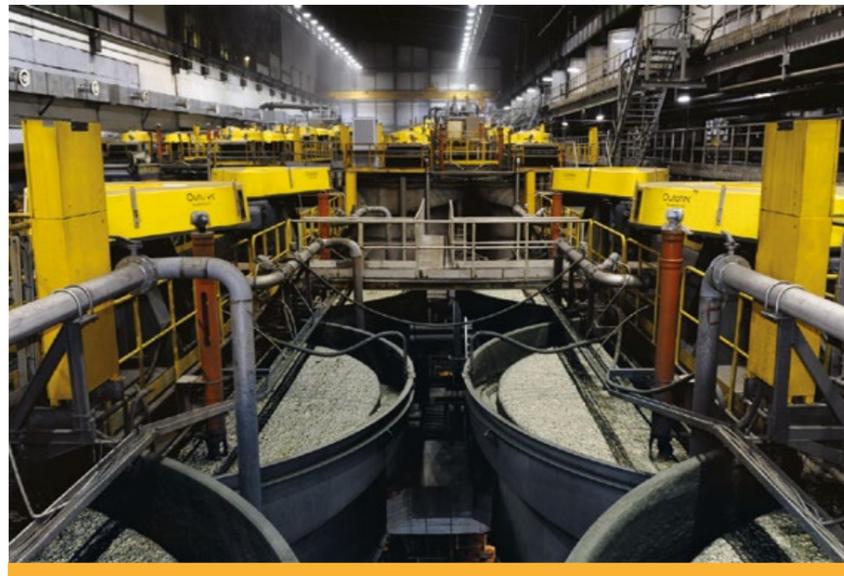
2019

- Ore production to increase to 8.0 mt, copper in concentrate to 40–46 kt, gold in concentrate to 6.0–6.5 t and magnetite concentrate to 1.3-1.4 mt

2020

- The MPP to reach its design capacity of 65–70 kt copper in concentrate, 8.5–9.0 t gold in concentrate and 1.9–2.1 mt of magnetite concentrate (Fe – 66%) per annum

Upgrade of Talnakh Concentrator



Talnakh Concentrator is operated by the Company's Polar Division. It processes rich, cuprous and disseminated ores from the Oktyabrskoye and Talnakh deposits to produce nickel-pyrrhotite and copper concentrates. In 2018, the plant processed 10.4 mt of ore, with nickel recovery in bulk concentrate reaching 83.2% (+1.5% y-o-y).

Phase-3 highlights

CAPEX of **RUB 40 bn (USD 0.6 bn)**

Ramp up of capacity from **10 mtpa to 18 mtpa**

Building the second extension of the tailings pit

Commissioning planned for **2023**

Location
Norilsk Industrial District, Krasnoyarsk Region (Polar Division)

Project overview
Project targets expansion of capacity and a roll out of a more efficient concentration technology.

The Talnakh Concentrator upgrade is implemented in three phases. Phase-1 included reconstruction of existing flotation lines and replacement of flotation cells, which got obsolete in order

to maintain the concentration capacity at 7.5 mtpa (completed in 2015). Phase-2 involved the expansion of the main building, reconstruction of the reagent preparation shop, and construction of two ball mills of 300 cubic metres each and five vertical grinding mills, which resulted in capacity increase to 10.2 mtpa. The tailings pit was also expanded. Phase-2 was completed in 2018. Phase-3 includes concentrator's capacity expansion to 18 mtpa and is scheduled for completion by 2023.

2018

- CAPEX – RUB 0.8 bn (USD 12 mln)
- Construction site inspection and preparatory works completed
- Design documentation developed

2019

- The State Technical Expert Review (Glavdosexpertiza) approval

2020–2022

- Construction, equipment delivery and installation works

- Full commissioning

2023

Development of the South Cluster



The South Cluster is comprised of the Norilsk Concentrator (processing capacity of 9.3 mtpa), the northern part of the Norilsk-1 deposit that is developed by Zapolyarny open pit Mine and Zapolyarnaya underground mine mining, as well as tailings pit No. 1 and Lebyazhye tailings pit. Norilsk Concentrator processes all disseminated ores from Zapolyarny Mine and cuprous and disseminated ores from the Oktyabrskoye and Talnakh deposits. In 2018, the plant processed 6.8 mt of ore, with nickel recovery in bulk concentrate reaching 71.9% (+0.2% y-o-y). Zapolyarny Mine produced 1.7 mt of disseminated ore. In 2017, Nornickel established Bear Creek (Medvezhy Ruchey), a fully-owned subsidiary that operates the assets of the South Cluster.

Location
Norilsk Industrial District, Krasnoyarsk Region

Project overview
According to the project the South Cluster ore production will be ramped up to 9 mtpa. This will be done in two stages: first, by expanding the open pit and then expansion of underground mine.

Project highlights

CAPEX until 2022 of **RUB 45 bn (USD 0.7 bn)**

Design capacity expected in **2027**

Ore reserves of **165 mt**

Average metal grades
Ni – 0.2%
Cu – 0.3%
PGM – 3.9 g/t¹

Operating costs of the South Cluster's PGM production are expected to be in the bottom quartile of the global PGM production cost curve.

¹ According to the Bear Creek (Medvezhy Ruchey) Mine development project.

2018

- Feasibility study completed

2019

- Launch of stripping works at the open pit
- Completion of design documentation

2021–2022

- Launch of ore mining

Nickel refinery refurbishment at Kola MMC



Tank-house #2 of Kola MMC's Severonickel Plant produces cathode nickel. Combined with Tank-house #1, nickel refinery produced a total of 147 kt of nickel in 2018.

Location
Severonickel Plant, Monchegorsk, Murmansk Region (Kola MMC)

Project overview
Tank-house #2 is scheduled to increase refining capacity from 120 ktpa to 145 ktpa

along side technology upgrade to chlorine leaching technology, which will result in improved metal recovery.

Project highlights

Increase Tank-house #2 capacity
from **120** ktpa
to **145** ktpa of nickel

Increase nickel recovery from converter matte
by **1%**

2018

- CAPEX of RUB 10.8 bn (USD 169 mln)
- Gradual capacity commissioning, progress of 82%

2019

- Reaching the design capacity and performance targets

Construction of a concentrate shipment facility and separating shop at Kola MMC



The project will involve the upgrade of Kola MMC's Concentrator and construction of a concentrate shipment facility. Located in Zapolyarny, the Concentrator produces briquetted copper-nickel concentrate. In 2018, it processed 7.9 mt of ore.

Location
Zapolyarny, Murmansk Region (Kola MMC)

with the capacity of 200 ktpa of dry concentrate. Upon project completion, low grade concentrate is expected to be shipped to third parties, while high grade concentrate will be sent for further processing at the Smelting Shop of Kola MMC located in Nickel settlement.

Project overview
Construction of an additional floatation section at the Concentrator to separate high grade from low grade concentrates, and a concentrate shipment facility

Project highlights

CAPEX of
RUB 4.9 bn (USD 85 mln)

Project completion and launch of saleable concentrate production scheduled

for **2019**

2018

- CAPEX of RUB 1.1 bn (USD 17 mln)
- The concentrate shipment facility: Outotec prepared basic engineering design and signed a contract for equipment supplies
- Thickeners dismantled and utility infrastructure relocated, construction and installation of the shipment facility started

2019

- The State Technical Expert Review (Glavgosexpertiza) approval
- Completion of all construction and installation works
- Launch of finished concentrate production and plant commissioning

MINING PROJECT

Skalisty mine



Skalisty mine is developed by Nornickel's Polar Division and produces ore from the Talnakh and Oktyabrskoye deposits. In 2018, the mine extracted 2.0 mt of rich ore.

Location

Norilsk Industrial District, Krasnoyarsk Region (Polar Division)

Project overview

Mining rich and cuprous ores of the Talnakhskoye and Oktyabrskoye deposits by Skalisty mine to increase to 2.4 mtpa in 2023.

Project highlights

Ore reserves: **57 mt**

Average metal content: Ni – 3.1%
Cu – 3.6%
PGM – 9.7 g/t¹

¹ According to JORC standards.

2018

- CAPEX – RUB 13.9 bn (USD 218 mln)
- Ore production reached 2 mtpa
- Sinking of ventilation shaft-10 completed (total of 2.1 km)
- 206 m sinking of skip-cage shaft-1 (total of 1.9 km out of 2.1 km)

2019

- Completion of ventilation shaft-10 construction
- Completion of skip-cage shaft-1 sinking

2023

- Reaching design capacity

ENVIRONMENTAL PROJECT

Sulphur Project at Polar Division



Sulphur Project is a large-scale environmental project designed to achieve a reduction in sulphur dioxide emissions at Nadezhda Metallurgical Plant and Copper Plant (both operated by the Company's Polar Division) by 75% from 2015 level.

Project highlights

CAPEX of up to USD **2.5 bn**

Project completion is scheduled for **2023**

Location

Norilsk Industrial District, Krasnoyarsk Region (Polar Division)

Project overview

The project targets a 75% reduction in sulphur dioxide emissions in the Norilsk Industrial District by 2023.

According to the project, Nadezhda Metallurgical Plant will get new facilities to capture sulphur-rich gases, out of which sulphuric acid is to be produced and further neutralised by limestone, with waste gypsum produced as a result. Copper Plant capture sulphur dioxide and sulphuric acid production will be upgraded. In addition, converter

furnaces of Copper Plant will be shut down due to their proximity to the city of Norilsk residential area and new converter furnaces will be built at Nadezhda Metallurgical Plant. Concurrently, a number of infrastructure projects will be implemented to supply the new facilities with all the necessary materials, power and gas.

2018

- CAPEX of RUB 2.3 bn (USD 36 mln)
- Site preparation at Copper Plant

2019 2020–2022 2023

- Finish the preparation of engineering documents, obtain regulatory approvals
- Complete tender auctions / procedures
- Launch of construction

- Construction and equipment installation

- Full commissioning

MINERAL BASE

Nornickel operates the world's best polymetallic mineral resources comprised of Class-1 mining assets located in Russia's Taimyr Peninsula. Greenfield and brownfield mine development supports the Company's long-term sustainable growth strategy.

>80 years
of reserves-to-production ratio
at the current production level

RESERVES AND RESOURCES¹



Measured and indicated resources
2,209 mt

- 1 Ore Body
- 2 Inclined shaft
- 3 Ramp
- 4 Skip shaft
- 5 Cage shaft
- 6 Ventilation shaft

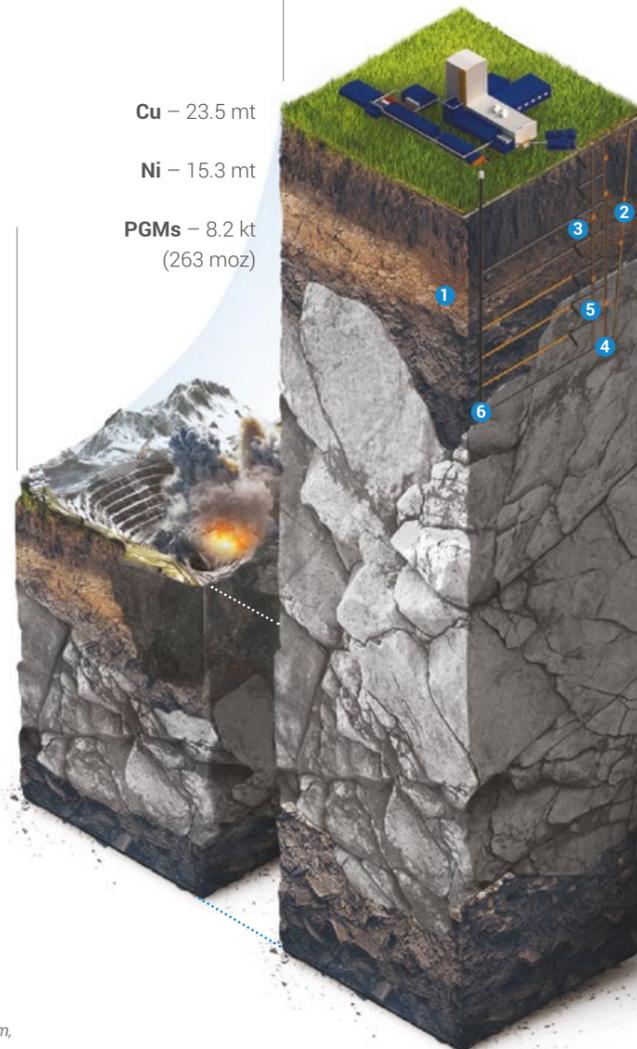
Cu – 23.5 mt
Ni – 15.3 mt
PGMs – 8.2 kt
(263 moz)

Proven and probable reserves
785 mt

Cu – 12.1 mt
Ni – 6.9 mt
PGMs – 3.8 kt
(123 moz)

Geography of metals produced by Norilsk Nickel

- Taimyr Peninsula
Ni, Cu, Au, Pt, Pd, Rh, Ru, Os, Ur, Co
- Kola Peninsula
Ni, Cu, Au, Pt, Pd, Rh, Ru, Os, Ur, Co
- Zabaykalsky Krai
Cu, Au, Ag, Fe
- Australia (license)
Ni
- South Africa
Ni, Cu, Co, Rh, Ru, Os, Ur, Pt, Pd



¹ The Company's reserves and resources are reported according to JORC standards as of 31 December 2018 and include wholly-owned international assets and exclude ore deposits in the Zabaykalsky Region. PGMs include six platinum group metals: platinum, palladium, rhodium, ruthenium, osmium, and iridium.

Minerals reserves and resources as at December 31, 2018 ²	Ore kt	Metal grade						Contained metal					
		Ni %	Cu %	Pd g/t	Pt g/t	Au g/t	6 PGM g/t	Ni kt	Cu kt	Pd koz	Pt koz	Au koz	6 PGM koz

TAIMYR PENINSULA													
Proven and probable reserves	683,625	0.92	1.73	4.23	1.12	0.24	5.60	6,286	11,858	92,864	24,600	5,331	122,982
Measured and indicated resources	1,708,565	0.70	1.31	3.56	1.00	0.21	4.78	11,892	22,437	195,441	55,122	11,565	262,296
Inferred resources	440,898	0.85	1.74	4.22	1.09	0.25	5.54	3,750	7,653	59,754	15,435	3,545	78,321

KOLA PENINSULA (disseminated ore)													
Proven and probable reserves	100,918	0.58	0.27	0.03	0.02	0.01	0.05	581	271	93	60	29	155
Measured and indicated resources	327,277	0.69	0.33	0.05	0.03	0.02	0.08	2,247	1,089	488	314	177	862
Inferred resources	144,211	0.63	0.31	0.04	0.03	0.01	0.07	909	448	184	121	60	320

AUSTRALIA (Honeymoon Well)													
Measured and indicated resources (nickel sulfide ores)	173,300	0.68	0	0	0	0	0	1,180	0	0	0	0	0
Inferred resources (nickel sulfide ores)	11,900	0.68	0	0	0	0	0	81	0	0	0	0	0
Inferred resources (nickel laterite ores)	339,000	0.81	0	0	0	0	0	2,746	0	0	0	0	0

TOTAL RUSSIAN ASSETS													
Total proven and probable reserves	784,543	0.88	1.55	0.12	0.03	0.01	0.16	6,867	12,129	92,957	24,660	5,360	123,137
Total measured and indicated resources	2,035,842	0.69	1.16	0.10	0.03	0.01	0.13	14,139	23,526	195,929	55,436	11,742	263,158
Total inferred resources	585,109	0.80	1.38	0.10	0.03	0.01	0.13	4,659	8,101	59,938	15,556	3,605	78,641

TOTAL RUSSIAN AND INTERNATIONAL ASSETS													
Total proven and probable reserves	784,543	-	-	-	-	-	-	6,867	12,129	92,957	24,660	5,360	123,137
Total measured and indicated resources	2,209,142	-	-	-	-	-	-	15,319	23,526	195,929	55,436	11,742	263,158
Total inferred resources	936,009	-	-	-	-	-	-	7,486	8,101	59,938	15,556	3,605	78,641

Minerals reserves and resources as at June 30, 2018 ³	Ore kt	Metal grade				Contained metal			
		Ni %	Cu %	Co %	4 PGM g/t	Ni kt	Cu kt	Co kt	4 PGM koz

SOUTH AFRICA (NIKOMATI)									
Proven and probable reserves	84,450	0.31	0.12	0.02	0.89	261	101	17	2,412
Measured and indicated resources	172,200	0.35	0.14	0.02	0.96	603	241	34	5,315
Inferred resources	46,350	0.40	0.13	0.02	0.97	185	60	9	1,445

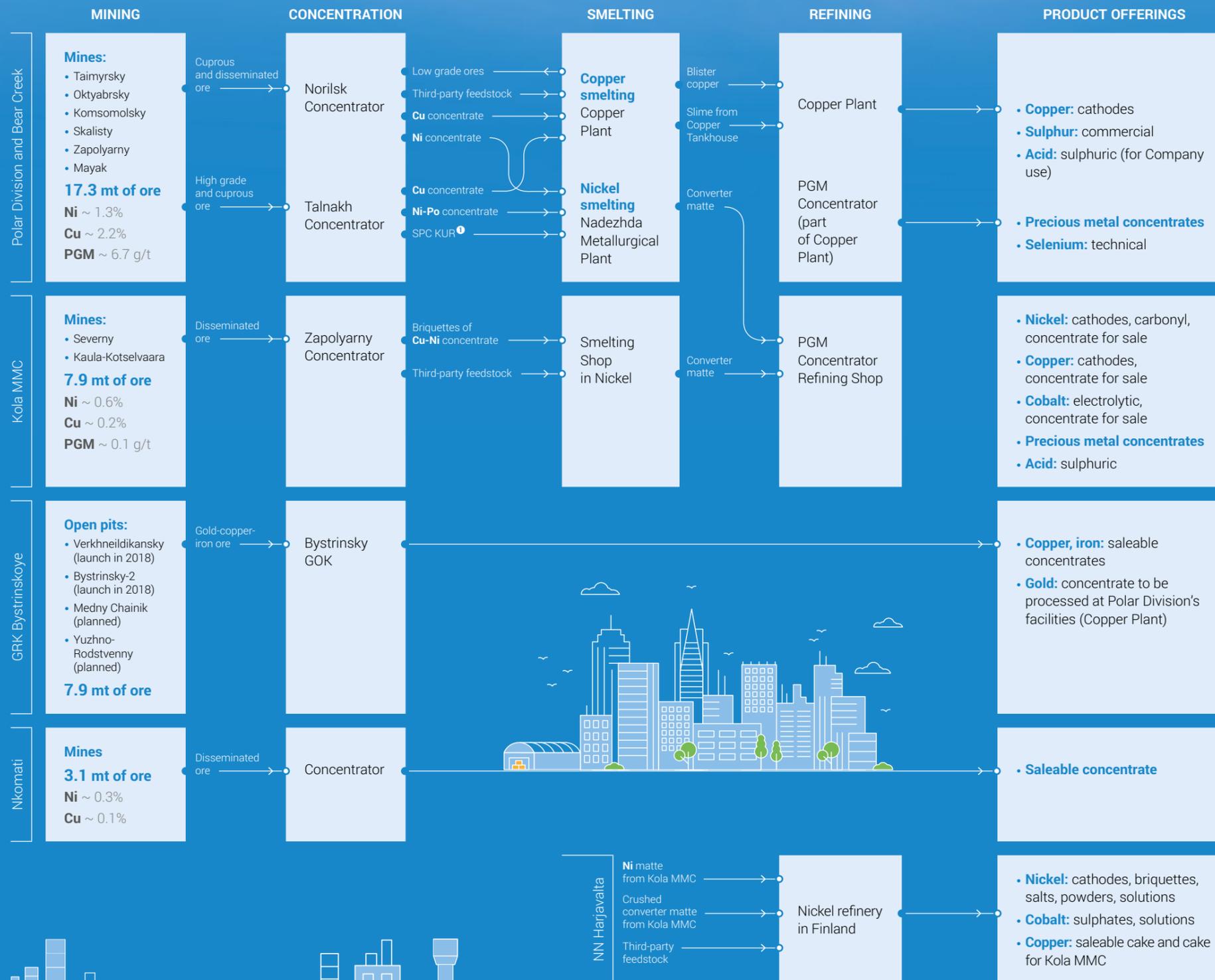
² Data regarding the mineral resources and ore reserves of the deposits of the Taimyr and Kola peninsulas were classified according to the Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC code), created by the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists, and the Minerals Council of Australia, subject to the terminology recommended by the Russian Code for Public Reporting of Exploration Results, Mineral Resources, Mineral Reserves (NAEN Code). Data regarding the reserves and resources is based on the balance-sheet reserves of A, B, C1 and C2, categories (according to the terminology of the State Committee for Mineral Reserves) as of the end of the given calendar year.

Figures given as "Total" may differ from the sum of individual numbers due to rounding. Certain values may in some instances vary slightly from previously published values. The six platinum group metals (PGMs) are platinum, palladium, rhodium, ruthenium, osmium, and iridium. Hereafter in the annual report, troy ounces are used as a weight measure for PGMs and gold.

Proven and probable ore reserves are included in mineral resources. Ore losses applied ranged from 1.6% to 26% and dilution from 6% to 31.9%. Excluding deposits in Zabaykalsky Region.

³ The Company owns 50% of Nkomati, a nickel mine developed jointly with African Rainbow Minerals. Nkomati's performance is reflected in financial results using prorata consolidation and are not included in other Group's total amounts.

OPERATING PERFORMANCE



Production assets overview

Ore output (mt)

Asset	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Russian assets (copper-nickel sulphide ores), including										
Polar Division	23.2	24.5	24.7	24.6	24.8	25.2	25.3	24.9	25.0	25.2
Bear Creek (Medvezhy Ruchey) ²									1.6	1.7
Kola MMC	7.9	8.3	8.1	7.9	8.0	8.1	8.0	7.6	7.6	7.9
Bystrinsky GOK (gold-copper-iron ore)										7.9
South Africa (Nkomati) ³	1.0	2.5	3.2	5.8	4.4	4.3	4.2	2.8	3.5	3.1

Average mined grades

Commodity / Asset	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
NICKEL										
Polar Division & Bear Creek	1.5%	1.4%	1.4%	1.3%	1.3%	1.3%	1.3%	1.2%	1.3%	1.3%
Kola MMC	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.6%	0.5%	0.5%	0.6%
Nkomati (South Africa)	0.5%	0.4%	0.3%	0.3%	0.4%	0.4%	0.3%	0.4%	0.3%	0.3%
COPPER										
Polar Division & Bear Creek	2.6%	2.3%	2.2%	2.1%	2.1%	2.1%	2.1%	2.1%	2.2%	2.2%
Kola MMC	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%
Bystrinsky GOK	n.a.	0.4%								
Nkomati (South Africa)	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
PGMs, g/t										
Polar Division & Bear Creek	8.1	7.5	7.1	7.4	7.1	6.8	6.9	6.8	6.8	6.7
Kola MMC	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Nkomati (South Africa)	0.4	0.8	0.7	n.a.						

Saleable metal production

Commodity	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Nickel, kt	280	296	295	300	285	274	266	236	217	219
Copper ⁴ , kt	401	388	378	364	371	368	369	360	401	474
Palladium, koz	2,794	2,855	2,806	2,732	2,662	2,752	2,689	2,618	2,780	2,729
Platinum, koz	658	692	696	683	650	662	656	644	670	653

¹ SPC KUR – stored pyrrhotite concentrate from Kayerkansky Open Pit Coal Mine.

² In 2H 2017, Nornickel established Bear Creek, a subsidiary that operates part of the assets of Polar Division.

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

⁴ From 2018 copper volumes includes 100% of Bystrinsky GOK production.

POLAR DIVISION AND BEAR CREEK

Polar Division overview

Polar Division is the Group's flagship wholly-owned subsidiary operating a full upstream-integrated metals production cycle starting from ore mining and finishing with the metals refining and shipment of end products to customers. Polar Division operates the Company's largest ore field, Talnakh deposit, with a total mined volume of 16 mtpa.

Mining: The Talnakh and Oktyabrskoye deposits (copper-nickel sulphide ores)

Concentration: Talnakh Concentrator

Smelting: Nadezhda Metallurgical Plant, Copper Plant, PGM Concentrate Shop (part of Copper Plant)

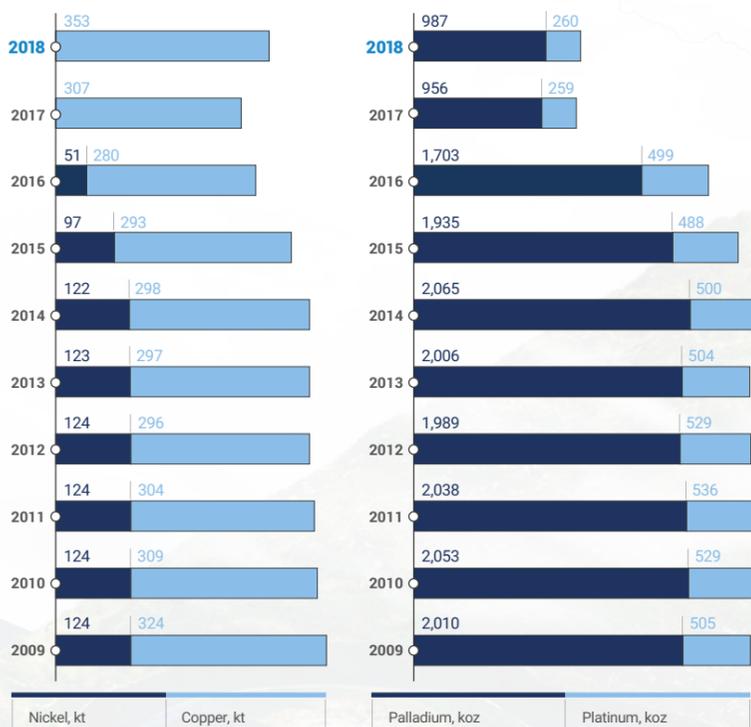
Refining: Copper Plant

Location

Polar Division and Bear Creek (Medvezhy Ruchey) are located above the Arctic Circle on the Taimyr Peninsula in the north of the Krasnoyarsk region in Russia. They are linked to «mainland» Russia only by river transportation via the Yenisey River, sea transportation via the Northern Sea Route and by air, with no ground transportation connection with other parts of Russia available.



Saleable metal production¹



¹ Due to reconfiguration of downstream facilities, Nickel Plant (of Polar Division) located in the city of Norilsk was shutdown in 2016, so that production of refined nickel at Polar Division was fully ceased and production of PGMs reduced. Since then all nickel refining was moved to Kola MMC and Harjavalta.

Bear Creek (Medvezhy Ruchey) overview

Bear Creek (100%-owned) operates Norilsk-1 deposit with mined ore volume of 1.7 mt in 2018.

Mining: The Norilsk-1 deposit (copper-nickel sulphide ores)

Concentration: Norilsk Concentrator

In 2018, Polar Division and Bear Creek combined accounted for 75% and 37% of the Group's total copper and PGMs end products, respectively.

Products

- copper cathodes;
- nickel converter matte (containing Cu and PGMs) for processing at Kola MMC;
- precious metals concentrate;
- sulphur acid;
- technical selenium.



Selected Facts about Norilsk

- 45 days** (November 30 - January 13) the average duration of the polar night
- 8 months** average monthly temperature below zero
- 68 days** (May 19 - July 25) the average duration of the polar day
- 2 mt** snow falls in winter

Home to 5 Indigenous ethnic groups on the Taimyr Peninsula.



The number of employees^e **54.3 k**

The population of Norilsk city **178 k**

^e Polar Division & auxiliary assets.

KOLA MMC

Overview

Kola MMC is Nornickel's wholly-owned subsidiary that is fully integrated upstream into Polar Division operations. In 2018, Kola MMC accounted for 72%, 18% and 61% of the Group's total nickel, copper and PGMs end products, respectively.

Mining: Zhdanovskoye, Zapolyarnoye, Kotselvaara and Semiletka Deposits.

Concentration: Zapolyarny Concentrator

Smelting: Smelting Shop (located in Nickel settlement), Briquetting Shop (located in Zapolyarny town), Metallurgical Shop (located in Monchegorsk town)

Refining: Nickel refining Tank Houses #1 and #2 (located in Monchegorsk town)

Location

Kola MMC is located on the Kola Peninsula in Russia's Murmansk Region.



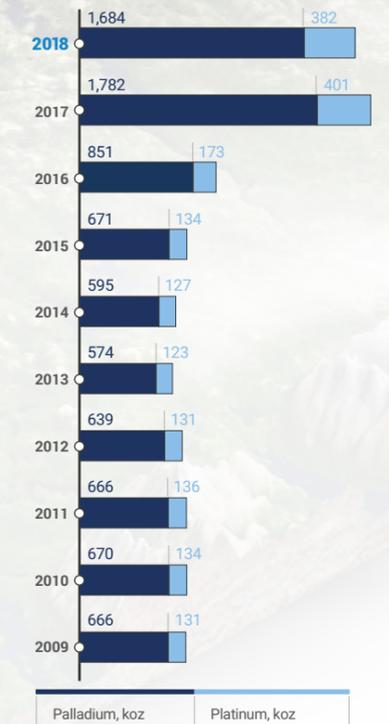
Products

- nickel cathodes and carbonyl;
- saleable nickel concentrate;
- copper cathodes;
- saleable copper concentrate;
- electrolytic cobalt;
- cobalt concentrate;
- precious metal concentrates;
- sulphur acid;
- crushed converter matte for processing at Harjavalta.

Mined ore (mt)



Saleable metal production



Refining facilities in Monchegorsk process converter matte from Polar Division.



The number of employees^o

12.6_k

^o Kola MMC & auxiliary assets.

GRK BYSTRINSKOYE

Overview

GRK Bystrinskoye (50.01%-owned) is Nornickel's new mining and processing project, which produces copper and gold (as well as iron) concentrates. In 2018, Bystrinsky GOK accounted for 4% of the Group's total copper end products.

Mining: Open-pit mining at the Bystrinskoye deposit

Concentration: Concentrator with a capacity of 10.0 mtpa

Average metal grades

Cu	Fe ₃ O ₄ (magnetite)	Au ^⓪
0.7%	23%	0.9 g/t

Products

- copper concentrate;
- gold concentrate;
- magnetite concentrate.

Ore reserves
326 mt

The number of employees^⓪

3.4 k

^⓪ GRK Bystrinskoye & auxiliary assets.

2018

Mined ore
7.9 mt

Gold (in concentrate)
90 koz

Copper (in concentrate)
19 kt

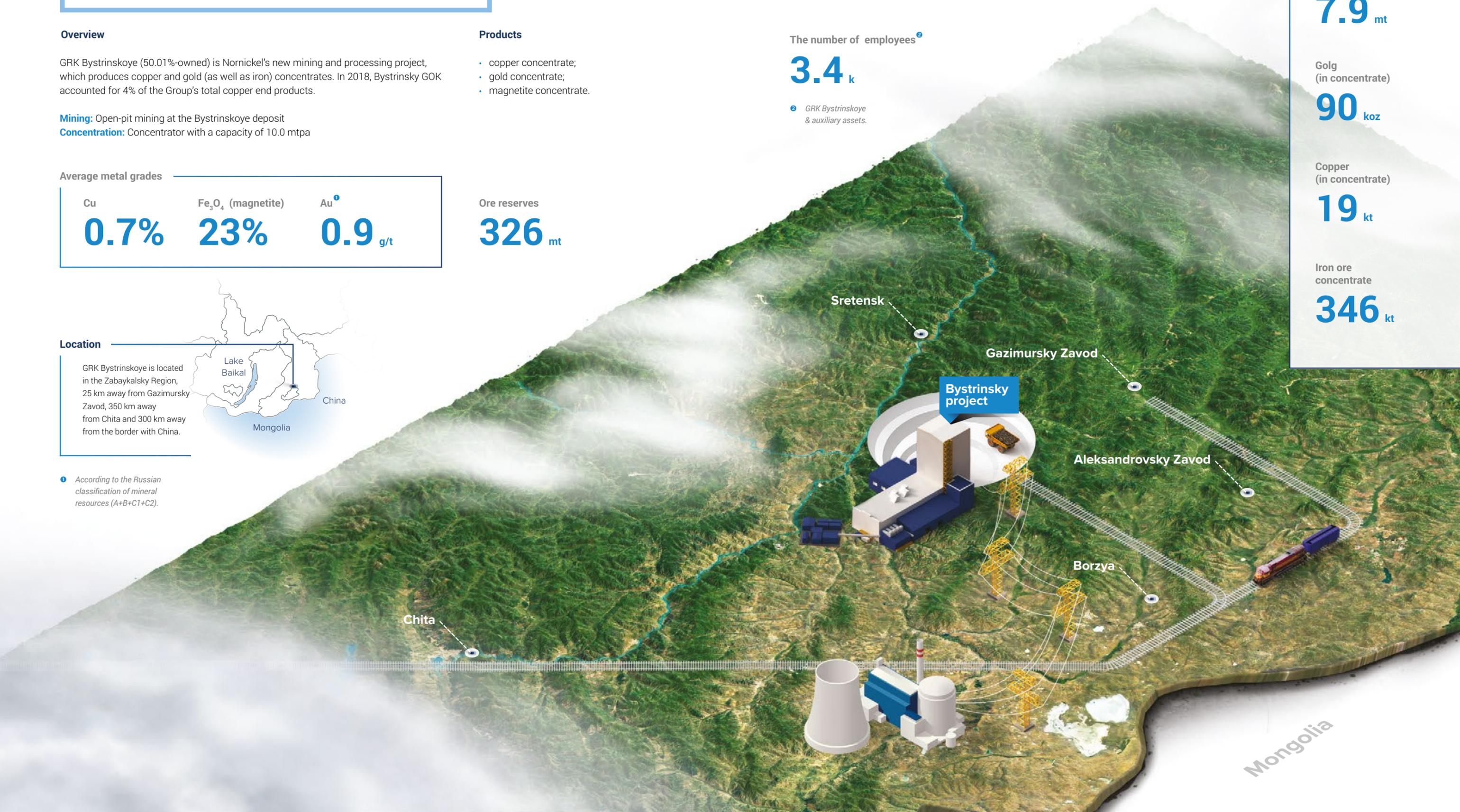
Iron ore concentrate
346 kt

Location

GRK Bystrinskoye is located in the Zabaykalsky Region, 25 km away from Gazimursky Zavod, 350 km away from Chita and 300 km away from the border with China.



^⓪ According to the Russian classification of mineral resources (A+B+C1+C2).



NORILSK NICKEL HARJAVALTA

Overview

Harjavalta nickel refinery was acquired by the Group in 2007 (100%-owned). Harjavalta facility processes the Company's Russian feedstock and nickel-bearing raw materials sourced from third-party suppliers. Founded in 1960, Harjavalta is the only nickel refinery in Finland and one of the largest in Europe with a total capacity of 66 ktpa of nickel products.

The facility uses sulphur acid leaching, the best-in-class technology with the metal recovery rates of above 98%.

In October 2018, BASF and Nornickel signed an agreement to create the first integrated platform for manufacturing battery components in Europe to meet the growing demand for electric vehicle (EV) batteries. Under the agreement, Norilsk Nickel Harjavalta will supply

nickel and cobalt feedstock to a BASF precursor (semifinished product for battery cathodes) production facility which is to be built adjacent to Harjavalta's site. The facility is expected to come on stream by the end 2020 with the capacity to supply battery components for some 300,000 EVs per year.

In 2018, Norilsk Nickel Harjavalta accounted for 28%, 4% and 2% of the Group's total nickel, copper and PGMs end products, respectively.

Location

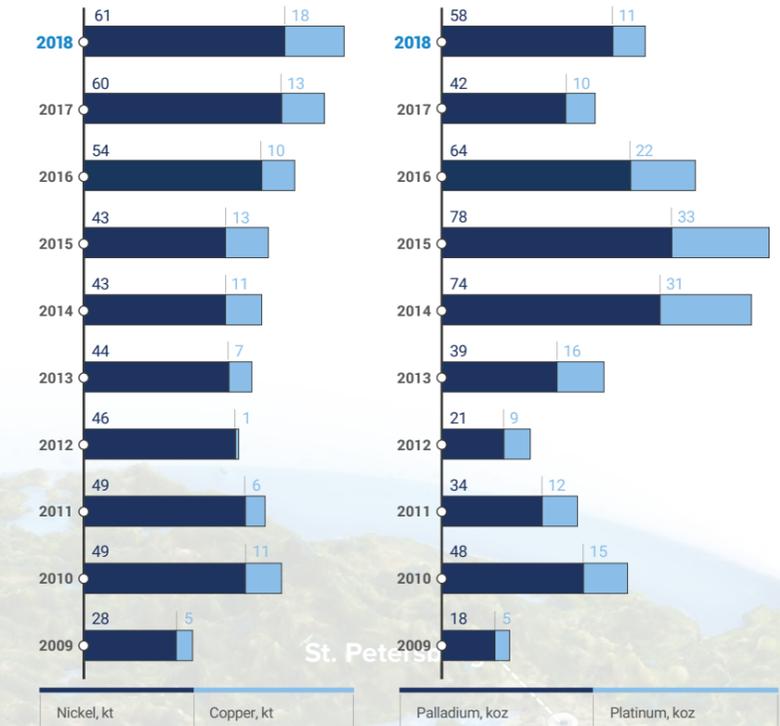
Norilsk Nickel Harjavalta is located in 212 km away north-west from Helsinki, Finland.



Products

- nickel cathodes and briquettes;
- nickel salts, solutions, powders;
- cobalt sulphate and solutions;
- PGM-bearing copper cake.

Saleable metal production



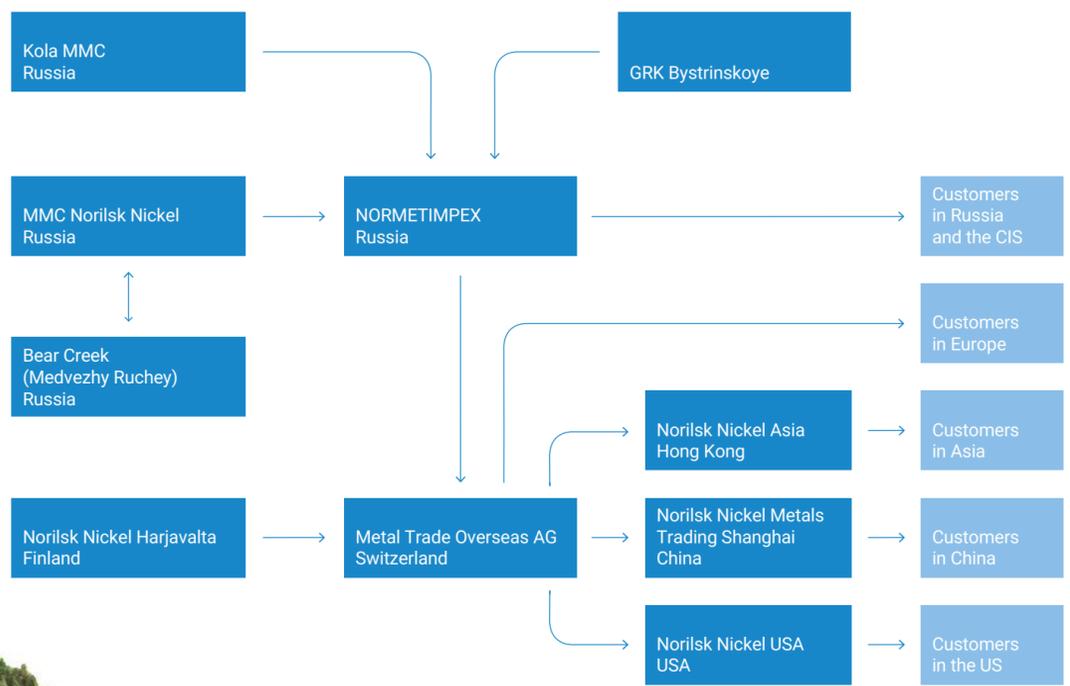
The number of employees
286

PRODUCTS AND DISTRIBUTION

For many decades, Nornickel holds the reputation of reliable supplier of high quality products to its customers. The Company supplies its products to more than 430 customers in 34 countries.



Distribution network



Sales by region, %



Norilsk Nickel's transportation and logistics assets include:

- **sea fleet** — 6 heavy-duty ice-class vessels;
- **river fleet** — 556 vessels, including 161 self-propelled and 395 towed vessels;
- **rail car and locomotive fleet** — 118 container flatcars, 1 switch locomotive, 1 Yermak electric locomotive, and 1 2M62 diesel locomotive;
- **aircraft fleet** — 16 helicopters operated by Norilsk Avia and 15 planes operated by NordStar Airlines.

PRODUCT RANGE

In 2018, Nornickel maintained its reputation as a reliable supplier of high quality products. The integrated index of customer satisfaction with the Company's products and services matched the criterion for positive performance.

The Company aims to make sure its product range is in line with the current and prospective global metals demand.

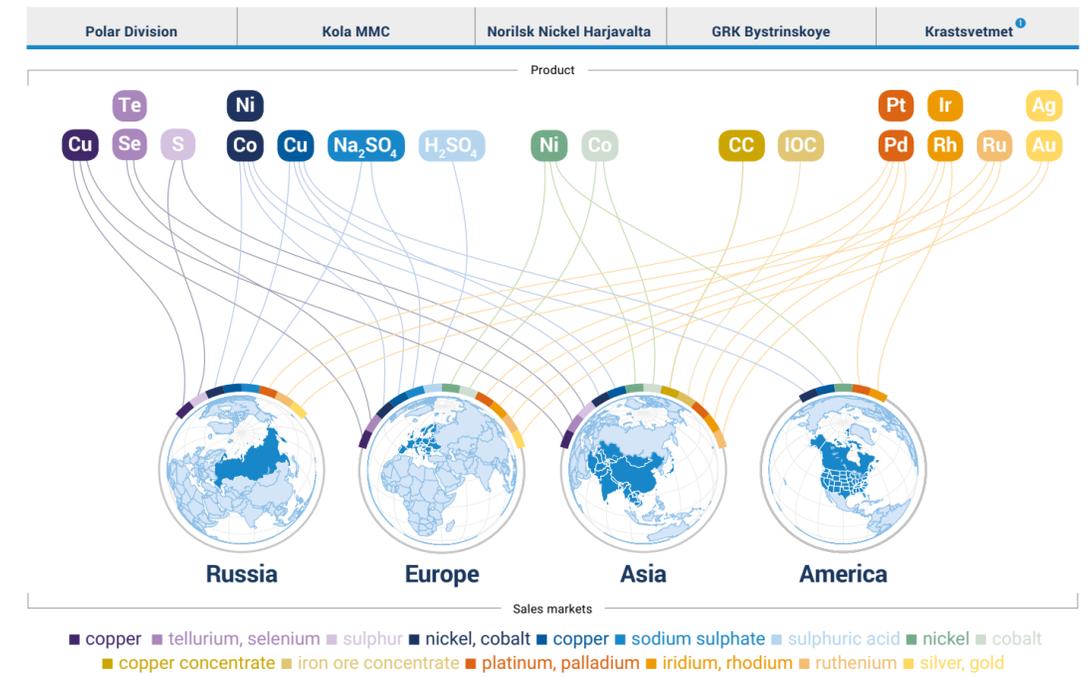
The Company considers value-added products containing nickel and cobalt for the battery industry as a prospective market for expanding production and product offering. Nornickel is holding

discussions with potential partners in the battery market to expand its product offering.

Norilsk Nickel Harjalvalta is considered as one of world's leading producers of nickel materials suitable for precursors (semi-products for manufacturing of the cathode material for batteries). Norilsk Nickel Harjalvalta's nickel and cobalt sulphates are considered the industry's benchmark and are widely used in battery manufacturing. Norilsk Nickel Harjalvalta has a unique to manufacturing flexibility, which enables it to tailor products in line with consumer preferences.

In response to strong growth of demand by battery manufacturers, the Company is upgrading its nickel powder packaging capacities in order to broaden the range of packages and create individual solutions based on consumer preferences.

Production of saleable products



¹ 100% government-owned precious metal refinery. Precious metals are refined from raw materials supplied by Polar Division and Kola MMC under a tolling agreement.

ENERGY INFRASTRUCTURE

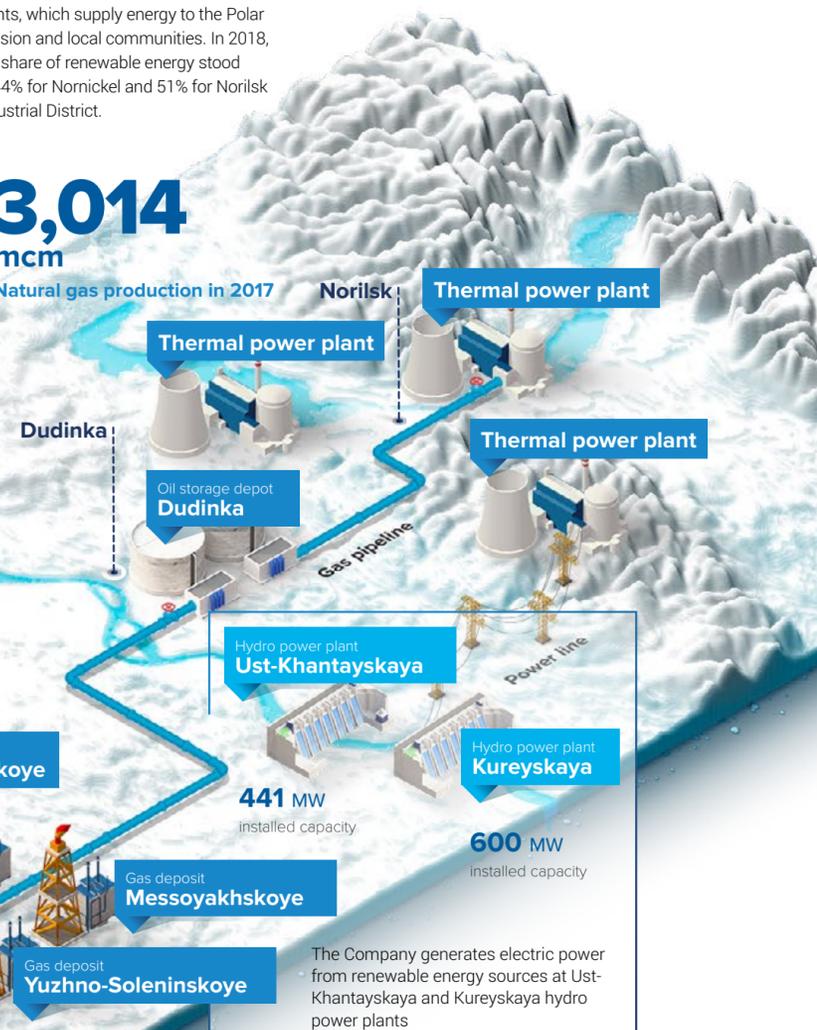
The Company operates captive gas and power assets in Taimyr Peninsula. Gas assets produce raw hydrocarbons – natural gas and condensate. The Company manages its power assets through wholly owned subsidiaries, Taimyrgaz, Norilsktransgaz and Norilsk-Taimyr Energy Company, which are engaged in gas power and heat generation, transmission and distribution. The energy sources include renewables (hydropower) and gas.

Nornickel's major production assets are located above the Arctic Circle where the winter lasts eight months a year. It is critical for the Group to ensure reliable energy supplies to its production and infrastructure facilities and communities in the regions where it operates.

The Company generates electric power from renewable energy sources at Ust-Khantayskaya and Kureyskaya hydro power plants, which supply energy to the Polar Division and local communities. In 2018, the share of renewable energy stood at 44% for Nornickel and 51% for Norilsk Industrial District.

3,014 mcm

Natural gas production in 2017



The Company generates electric power from renewable energy sources at Ust-Khantayskaya and Kureyskaya hydro power plants

In 2017, the share of renewable energy stood at 38% for Nornickel and 44% for its Polar Division.

SHAREHOLDER INFORMATION

The Company has investment grade credit ratings from all the three major global rating agencies:

Fitch	BBB- Stable
Standard & Poor's	BBB- Stable
Moody's	Baa3 Stable

SECURITIES

As of 31 December 2018, the authorised capital of MMC Norilsk Nickel was comprised of 158,245,476 ordinary shares with a par value of RUB 1 each. The Company had no preferred shares outstanding.

Shares

The Company's ordinary shares have been listed on Moscow Exchange (MOEX, ticker symbol: GMKN) since 2001 and are included in the MOEX Blue Chip Index.

ADRs

Nornickel has ADR program since 2001. Shares are convertible into ADRs at a ratio of 1:10. Depository services for ADR transactions are provided by the Bank of New York Mellon, and custody services are provided by VTB Bank. ADRs are traded in the electronic trading system of OTC

markets of the London Stock Exchange (LSE, ticker: MNOD), on the US OTC market (ticker: NILSY), and several other exchanges.

Bonds

As of year-end 2018, the Company had four Eurobond issues outstanding for a total amount of USD 3.5 bn with maturities in 2020, 2022 and 2023, and one issue of rouble exchange-traded bonds for RUB 15 bn due in 2026. In April 2018, Nornickel redeemed the Eurobond issue for USD 750 mln.

In November 2018, the Company registered a 30-year exchange-traded bond programme on the Moscow Exchange. The programme for exchange-traded bond issues was registered for a total amount of up to RUB 300 bn or equivalent in a foreign currency.

Breakdown of outstanding shares and ADRs as of 31 December 2018

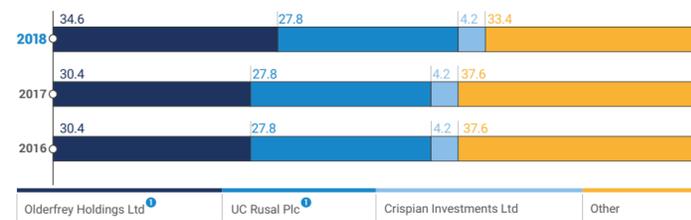


Shares	59.1
ADRs	40.9

The Company's market capitalisation was of

USD 29.7 bn

Shareholders' structure as of year-end



Indirect ownership via controlled entities.

Rouble bond

Instrument	Exchange-traded bonds, BO-05
ISIN	RU000A0JW5C7
Offering date	19 February 2016
Maturity date	6 February 2026
Issue size	RUB 15 bn
Coupon rate	11.6%
Coupon dates	Each 182 days starting from the offering date

Eurobonds

Instrument	Eurobonds 2020 (LPN)	Eurobonds 2022 (LPN)	Eurobonds 2022 (LPN)	Eurobonds 2023 (LPN)
Issue size	USD 1,000 mln	USD 500 mln	USD 1,000 mln	USD 1,000 mln
Coupon rate	5.55%	3.849%	6.625%	4.10%
Offering date	28 October 2013	8 June 2017	14 October 2015	11 April 2017
Maturity date	28 October 2020	8 April 2022	14 October 2022	11 April 2023
Issue rating	BBB-/Baa2/BBB-	BBB-/ /BBB-	BBB-/Baa2/BBB-	BBB-/ /BBB-

DIVIDENDS

Developing world's best Tier-1 mining assets, Nornickel has been able to provide an industry-leading dividend yield to its shareholders over the last five years.

Dividend yield



Dividends paid per share in the reporting period (USD) | Dividend yield (%)

Dividend history

Period	Declared dividends		Dividend per share/ADR	
	RUB mln	USD mln	RUB	USD
Total for 2018	248,214	3,739	1,569	23.63
FY2018	125,413	1,939	793	12.25
6M 2018	122,802	1,800	776	11.37
Total for 2017	131,689	2,162	832	13.66
FY2017	96,210	1,562	608	9.87
6M 2017	35,479	600	224	3.79
Total for 2016	140,894	2,339	890	14.78
FY2016	70,593	1,239	446	7.83
9M 2016	70,301	1,100	444	6.95
Total for 2015	135,642	2,148	857	13.57
FY2015	36,419	548	230	3.46
9M 2015	50,947	800	322	5.06
6M 2015	48,276	800	305	5.06
Total for 2014	226,668	4,798	1,432	30.32
FY2014	106,031	2,018	670	12.75
9M 2014	120,637	2,780	762	17.57

Dividend yield was calculated on the basis of dividends recommendation announced by the Board and average price of Nornickel ADRs (as reported by Bloomberg) in each calendar year.

Earlier dividend history is available on the Company's website: <https://www.nornickel.com/investors/dividends/>.

Calculated using the Bank of Russia's exchange rate as of the date of the Board of Directors' dividend recommendation.

On 26 April 2019, the Board of Directors recommended final dividends for 2018 for AGM approval.

METAL PRODUCTS AND USES



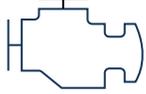
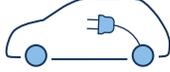
CONSUMPTION TRENDS

LONG TERM TRENDS SUPPORTING CONSUMPTION GROWTH FOR NORILSK NICKEL METAL BASKET



METALS CONTENT IN VEHICLES

METALS CONTENT BY LIGHT VEHICLE TYPE

	 Gasoline	 Diesel	 Hybrid incl. PHEV	 BEV	 FCEV
CAGR^①	0%	0%	+27%	+26%	+21%
Market Share^②	61%	17%	17%	6%	<1%
Ni	Stainless Steel & Parts		+Batteries		
	2-4 kg	2-4 kg	5-15 kg	30-110 kg	2-3 kg
Cu	Wires & Parts		+Electric Motor, Generator Winding		
	20-25 kg	20-25 kg	45-50 kg	75-80 ^③ kg	70-75 kg
PGM	Catalysts				Fuel Cell
	2-5 kg	3-6 kg	2-6 kg		25-35 kg
Pt:Pd ratio	1:4	8:1	1:4		
Metal value per vehicle, US\$^④	\$340-560	\$330-520	\$680-970	Up to \$2,200	Up to \$1,900

Source: Company estimates, LMC Automotive, Bloomberg.

① CAGR for 2017-2025E.

② Expected market share in 2025 based on production.

③ Excluding additional infrastructure demand of 1-8 kg per charger.

④ Metal values calculated at spot prices as of November 1, 2018.