



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 ANNOUNCES PRELIMINARY CONSOLIDATED PRODUCTION RESULTS FOR 4Q AND FY2018, AND REITERATES PRODUCTION OUTLOOK FOR 2019

Moscow - PJSC MMC Norilsk Nickel, the world's largest refined nickel and palladium producer, announces today preliminary consolidated production results for the fourth quarter and the full year of 2018 and reiterates its production outlook for the full year 2019.

First Vice-President - Chief Operating Officer, Sergey Dyachenko commented on the 2018 production results,

«**In 2018, the output of all our key metals**, especially copper, exceeded our production guidance owing to an increase in processed volumes of concentrate purchased from Rostec and productivity improvements. Following the completion of downstream reconfiguration program we stopped low-margin processing of the third-party feed and **increased the production of nickel from own Russian feed by 3% and copper by 19%**. The output of platinum group metals from own Russian feed remained practically unchanged, but was also above our production guidance.

In 2018, Bystrinsky GOK (Chita Copper Project) started the production ramp-up. Unfortunately, owing to the issues with the equipment at the concentrator, metals' output was slightly below the production guidance. Most of these issues had been fixed by the end of the last year, and in 2019 we are planning to ramp up production to 40-46 kt of copper (in concentrate).

We reiterate our production guidance from own Russian feed for FY2019 announced at the Capital Markets Day in November 2018».

NORILSK NICKEL GROUP

Nickel

In 4Q18, consolidated nickel production increased 16% quarter-on-quarter (q-o-q) to **62 kt**, almost all of which was produced from own Russian feed. The growth was attributed to expansion of carbonyl nickel production capacities at Kola MMC and increase in production of nickel concentrate for sale to third parties.

In 2018, consolidated nickel production increased 1% year-on-year (y-o-y) to **219 kt**. Nickel output from the Company's own Russian feed amounted to **217 kt**, up 3% y-o-y and above the **210-215 kt** production guidance.

Copper

In 4Q18, consolidated copper production increased 3% q-o-q to **124 kt**, almost all of which was produced from own Russian feed. The growth of output owed to an increase in processed volumes of ore with higher copper content.

In 2018, consolidated copper production increased 18% y-o-y to **474 kt**, almost all of which was produced from own Russian feed. The growth was driven by the ramp up of Bystrinsky Project, increase in processed volumes of concentrate purchased from Rostec and reduced metal losses in recovery of copper into copper concentrate as a result of Talnakh Concentrator reaching its design parameters after modernization. Copper output from own Russian feed (excluding

Bystrinsky Project) amounted to **454 kt**, above the **400-420 kt** production guidance mostly due to an increase in processed volumes of concentrate purchased from Rostec. Copper output at Bystrinsky GOK amounted to **19 kt**, which was slightly below the **20-25 kt** production guidance due to equipment issues at concentrator during the ramp up.

Platinum Group Metals

In 4Q18, both palladium and platinum were produced solely from the Company's own Russian feed, with their output amounted to **632 koz** (-10% q-o-q) and **140 koz** (-22% q-o-q), respectively. The decrease of PGM output was attributed to a build-up of work-in-progress inventory at Krasnoyarsk Precious Metals Refinery.

In 2018, both palladium and platinum were produced solely from the Company's own Russian feed. Palladium output amounted to **2,729 koz** (-2% y-o-y) above the **2,630 – 2,725 koz** production target, while platinum output reached **653 koz** (-3% y-o-y), which was also above the **600-650 koz** production target. The slight decrease of PGM output resulted from the reduction of third parties feed, which the Company almost ceased processing in 2018. PGM output from the Company's own Russian feed remained practically unchanged y-o-y.

RUSSIAN OPERATIONS

In 2018, all saleable metals were produced by the Company in Russia from its own feed.

Nickel

In 4Q18, nickel output at Kola MMC increased by 22% q-o-q to **45 kt**. **In 2018**, nickel output at Kola MMC amounted to **158 kt**, which was slightly above the previous year level. Substantial increase of nickel output in 4Q18 was attributed to expansion of carbonyl nickel production capacities at Kola MMC and increase in production of nickel concentrate for sale to third parties.

Copper

In 4Q18, copper output at the Company's operations in Russia increased 3% q-o-q to **119 kt**. The growth was attributed to an increase in processed volumes of mined ore with higher metal grades and an increase in high copper content Polar Division's nickel matte volume, which was processed at Kola MMC. The decrease of copper output at Bystrinsky GOK was due temporary production stoppages at the concentrator due to technical issues with the ramp up of equipment.

In 2018, the Company's copper output in Russia increased 18% y-o-y to **456 kt**. This increase was mainly attributed to the ramp up of Bystrinsky Project, increase of processed volumes of concentrate purchased from Rostec and Talnakh Concentrator reaching its design parameters after modernization.

Platinum Group Metals

In 4Q18, palladium and platinum output of the Company in Russia decreased 10% q-o-q to **616 koz** and 22% q-o-q to **137 koz**, respectively. **In 2018**, palladium and platinum output decreased 2% y-o-y to **2,671 koz** and 3% y-o-y to **642 koz**, respectively. The PGM production volumes reduced primarily owing to the reduction of third party feed, processing of which was ceased by the Company at its Russian plants as a low-margin business, and a build-up of work-in-progress inventories at Krasnoyarsk Precious Metals Refinery.

NORILSK NICKEL HARJAVALTA (FINLAND)

Nickel

In 4Q18, nickel production at Norilsk Nickel Harjavalta increased 2% q-o-q to **17 kt**. Nickel output from the Company's own Russian feed also increased 3% q-o-q to **16 kt**. The increase was attributed to higher processing volumes of Russian feed. **In 2018**, nickel output at Harjavalta increased 2% y-o-y to **61 kt**, almost all of which were produced from the Company's own Russian

feed. The growth was attributed to the increase in processed volumes of Russian feed as a result of downstream reconfiguration and processing of accumulated work-in-progress inventories.

Copper

In 4Q18, copper output at Norilsk Nickel Harjavalta increased 1% q-o-q to **5kt**. **In 2018**, copper output at Harjavalta increased 34% y-o-y to **18 kt**, almost all of which were produced from the Company's own Russian feed. The increase was attributed to higher processing volumes of Russian feed (concentrate made from nickel matte produced at the Polar division) following the completion of downstream reconfiguration as well as processing of accumulated work-in-progress inventories.

Platinum Group Metals

In 4Q18, output of saleable palladium and platinum (both contained in copper cake) amounted to **16 koz** (up 14% q-o-q) and **3 koz** (down 25% q-o-q), respectively. The increase in palladium and decreased in platinum output were attributed to higher palladium content and lower platinum content in processed Russian feed in the reported quarter. **In 2018**, output of palladium and platinum increased 39% y-o-y to **58 koz** and 10% y-o-y to **11 koz**, respectively. The growth of PGM output at Harjavalta was attributed to the increase in processing of Russian feed as a result of downstream reconfiguration.

NKOMATI (SOUTH AFRICA)

In 2018, output at Nkomati (50% - owned by Norilsk Nickel) amounted to **7 kt** of nickel (down 18% y-o-y), **3 kt** of copper (down 32% y-o-y), **33 koz** of palladium (down 28% y-o-y) and **13 koz** of platinum (down 35% y-o-y). The decrease was attributed to lower metal grades in the mined ore as well as temporary production stoppages due to labor strikes at contractors.

2019 Production Guidance from Russian feedstock:

Metals	Volume
Norilsk Nickel Group (excluding Chita)	
Ni, kt	220-225
Cu, kt	430-450
Pd, koz	2,770-2,800
Pt, koz	646-670
Bystrinsky (Chita) Copper Project ⁽¹⁾	
Cu, kt	40-46
Au, koz	192-212

Note: 1. Norilsk Nickel owns 50.01% of Bystrinsky (Chita Copper) Project. Production results are shown on a 100% basis and are fully consolidated in the Company's financial and operating results.

NORILSK NICKEL GROUP SALEABLE METALS PRODUCTION ¹		4Q 2018	3Q 2018	Q-o-Q	FY 2018	FY 2017	Y-o-Y
Total nickel	t	61,977	53,270	16%	218,770	217,112	1%
including from own Russian feed	t	61,688	52,807	17%	216,856	210,131	3%
Total copper	t	123,746	120,339	3%	473,654	401,081	18%
including from own Russian feed	t	123,744	120,304	3%	473,515	397,774	19%
Total palladium	koz	632	702	-10%	2,729	2,780	-2%
including from own Russian feed	koz	632	702	-10%	2,729	2,728	0%
Total platinum	koz	140	178	-22%	653	670	-3%
including from own Russian feed	koz	140	178	-22%	653	650	0%
Polar division and Kola MMC (Russia)							
Nickel	t	45,398	37,066	22%	158,005	157,396	0%
Kola MMC, including	t	45,398	37,066	22%	158,005	157,396	0%
<i>refined Ni from own Russian feed</i>	t	<i>38,634</i>	<i>35,351</i>	<i>9%</i>	<i>148,839</i>	<i>152,359</i>	<i>-2%</i>
<i>Ni in saleable concentrate from own Russian feed</i>	t	<i>6,764</i>	<i>1,715</i>	<i>294%</i>	<i>8,680</i>	<i>2,751</i>	<i>216%</i>
<i>from 3d parties feed</i>	t	<i>0</i>	<i>0</i>	<i>-</i>	<i>486</i>	<i>2,286</i>	<i>-79%</i>
Copper	t	113,117	107,603	5%	436,201	387,640	13%
Polar division	t	90,446	86,755	4%	353,131	306,859	15%
Kola MMC, including	t	22,671	20,848	9%	83,070	80,781	3%
<i>Cu cathodes from own Russian feed</i>	t	<i>18,635</i>	<i>17,922</i>	<i>4%</i>	<i>72,826</i>	<i>71,751</i>	<i>1%</i>
<i>Cu in saleable concentrate from own Russian feed</i>	t	<i>4,036</i>	<i>2,926</i>	<i>38%</i>	<i>10,161</i>	<i>6,836</i>	<i>49%</i>
<i>from 3d parties feed</i>	t	<i>0</i>	<i>0</i>	<i>-</i>	<i>83</i>	<i>2,194</i>	<i>-96%</i>
Palladium	koz	616	688	-10%	2,671	2,738	-2%
Polar division	koz	256	299	-14%	987	956	3%
Kola MMC, including	koz	360	389	-7%	1,684	1,782	-5%
<i>from own Russian feed</i>	koz	<i>360</i>	<i>389</i>	<i>-7%</i>	<i>1,684</i>	<i>1,737</i>	<i>-3%</i>
<i>from 3d parties feed</i>	koz	<i>0</i>	<i>0</i>	<i>-</i>	<i>0</i>	<i>45</i>	<i>-100%</i>
Platinum	koz	137	174	-22%	642	660	-3%
Polar division	koz	70	79	-11%	260	259	0%
Kola MMC, including	koz	67	95	-30%	381	401	-5%
<i>from own Russian feed</i>	koz	<i>67</i>	<i>95</i>	<i>-30%</i>	<i>381</i>	<i>385</i>	<i>-1%</i>
<i>from 3d parties feed</i>	koz	<i>0</i>	<i>0</i>	<i>-</i>	<i>0</i>	<i>16</i>	<i>-100%</i>
GRK Bystrinskoye (Zabaykalsky Krai) ²							
Copper	t	6,127	8,268	-26%	19,417	0	-
Gold	koz	28	40	-30%	90	0	-
Iron ore concentrate	kt	211	110	92%	346	0	-
Norilsk Nickel Harjavalta (Finland)							
Nickel, including	t	16,579	16,204	2%	60,765	59,716	2%
<i>from own Russian feed</i>	t	<i>16,290</i>	<i>15,741</i>	<i>3%</i>	<i>59,337</i>	<i>55,021</i>	<i>8%</i>
<i>from 3d parties feed</i>	t	<i>289</i>	<i>463</i>	<i>-38%</i>	<i>1,428</i>	<i>4,695</i>	<i>-70%</i>
Copper, including	t	4,502	4,468	1%	18,036	13,441	34%
<i>from own Russian feed</i>	t	<i>4,500</i>	<i>4,433</i>	<i>2%</i>	<i>17,980</i>	<i>12,328</i>	<i>46%</i>
<i>from 3d parties feed</i>	t	<i>2</i>	<i>35</i>	<i>-94%</i>	<i>56</i>	<i>1,113</i>	<i>-95%</i>
Palladium, including	koz	16	14	14%	58	42	39%
<i>from own Russian feed</i>	koz	<i>16</i>	<i>14</i>	<i>14%</i>	<i>58</i>	<i>35</i>	<i>67%</i>
<i>from 3d parties feed</i>	koz	<i>0</i>	<i>0</i>	<i>-</i>	<i>0</i>	<i>7</i>	<i>-100%</i>
Platinum, including	koz	3	4	-25%	11	10	10%
<i>from own Russian feed</i>	koz	<i>3</i>	<i>4</i>	<i>-25%</i>	<i>11</i>	<i>6</i>	<i>83%</i>
<i>from 3d parties feed</i>	koz	<i>0</i>	<i>0</i>	<i>-</i>	<i>0</i>	<i>4</i>	<i>-100%</i>
Nkomati (South Africa) ³							
Nickel	t	1,931	1,381	40%	6,597	8,006	-18%
Copper	t	856	755	13%	3,055	4,504	-32%
Palladium	koz	10	8	25%	33	46	-28%
Platinum	koz	4	3	33%	13	20	-35%

Notes:

- 1. Total amounts may vary from the sum of numbers due to arithmetical rounding. The production results of Nkomati are not included in the total amounts of the Group.*
- 2. Norilsk Nickel Group owns 50.01% of Bystrinsky GOK (Chita Copper Project). Production results are reported as metal contained in saleable concentrate on a 100% basis and are fully consolidated in the Group's total operating results. The hot commissioning of the project started on October 31, 2017.*
- 3. Norilsk Nickel Group 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.*

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,
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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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