



NORILSK NICKEL



2015 FINANCIAL RESULTS

March 15, 2016

Moscow

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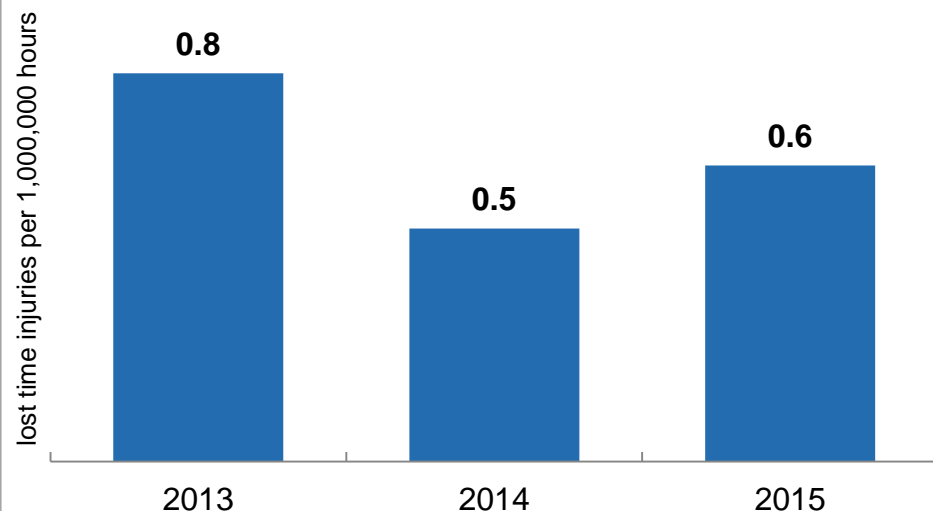
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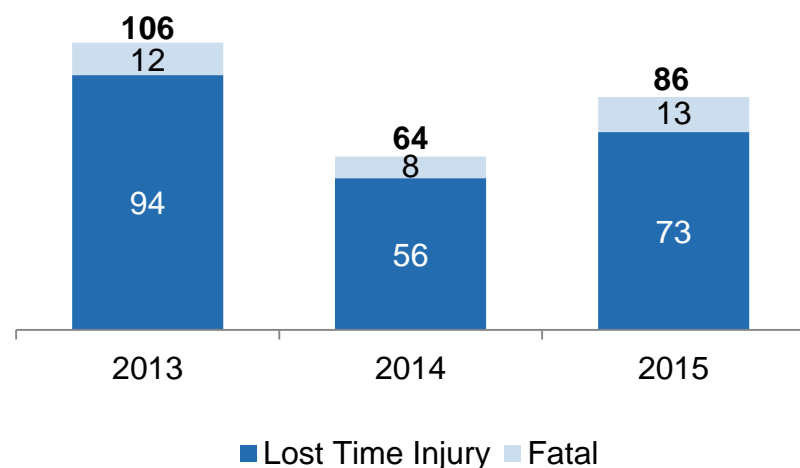
Improving Health & Safety – on Top of Management Priorities

Focus on HSE – Striving for World-class Standards

Lost Time Injury Frequency Rate (LTIFR) ⁽¹⁾



Accidents Statistics



- ❑ In 2015, Lost Time Injury Frequency Rate (LTIFR) increased marginally from 0.5 to 0.6 due to increase in the number of accidents at the contractor companies as well as a use of a stricter methodology for reporting injuries;
- ❑ **Suffered 13 fatal accidents in 2015:**
 - ✓ All accidents are being thoroughly investigated;
 - ✓ All accidents reported to the Board and have been reviewed;
 - ✓ Prompt response by the management to improve safety records was developed;
- ✓ LTIFR remains in line with the global mining industry average;
- ✓ We are committed to creating a strong safety culture at all levels of the organization;
- ✓ Life protection remains the critical priority – target zero fatalities;

Source: Company data, Note: 1. LTIFR is calculated as the number of lost-time injuries per million hours worked

Health & Safety Initiatives in 2015 and Plans for 2016

Focus on HSE – World-class Standards

2015: New “cardinal safety rules”, zero tolerance to unsafe acts

- ❑ Labour contracts and being amended to include «cardinal safety rules»;
- ❑ 134 employees fired for violating of safety rules;
- ❑ 35 operating managers were dismissed for the violation of safety requirements;
- ❑ 1 075 employees were tested on risk propensity at work;
- ❑ New policy, giving rights to employees to refuse assignments if their life and health are threatened;

2015: Focus on safety training

- ❑ Developed a new corporate standard "Working with contractors“;
- ❑ Continued training of new employees and employees with work experience of less than 3 years;
- ❑ DuPont is conducting an independent assessment of Health & Safety in line with the Bradley Curve, (latest score of 2.3 against 2.1 in March 2015 and 1.4 in 2014);

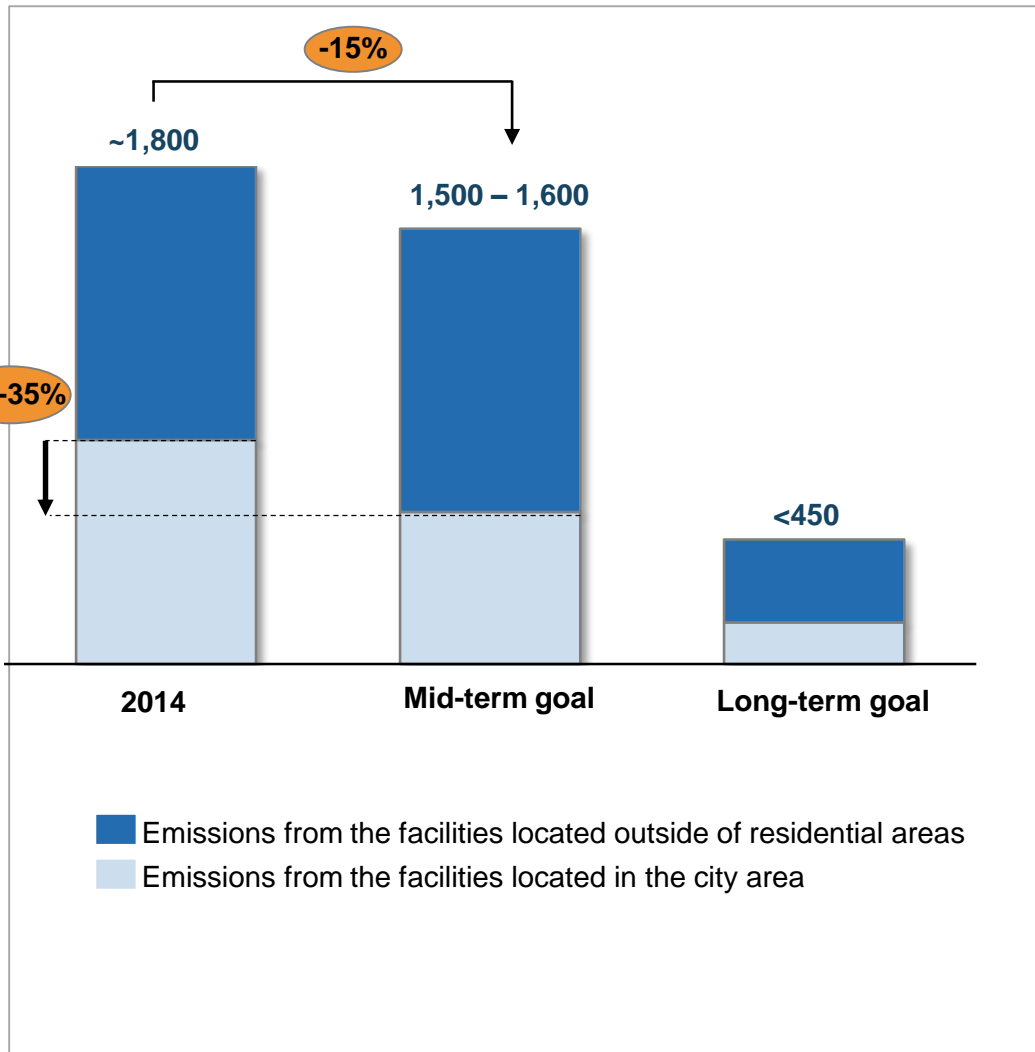
2016: Safety initiatives

- ❑ Rollout of new corporate H&S standards to operating subsidiaries;
- ❑ Test of newly-hired employees for their risk propensity at work;
- ❑ Development of personal Plans for unconditional and safe job performance for line managers;
- ❑ Development of an occupational health and safety assessment and incentives system for all levels of management;

Environment Initiatives – Project Developments on Track

Focus on HSE – World-class Standards

SO₂ Emission in Polar Division, '000 ton



Environmental compliance - emissions of pollutants into the atmosphere were maintained within legal limits;



Environmental improvements:

1. The Sulphur Capturing project ⁽¹⁾ at Nadezhda plant has been reviewed and received clearance by the government technical watchdog;
2. Talnakh concentrator upgrade at a final stage of completion;
3. Second briquetting line was launched at Kola division, while the roasting shop has been prepared for closure;



Nickel plant closure on track – all preparations are being completed on time. Shut-down by 4Q 2016 is on schedule;

Sources: Company data, Norilsk Nickel estimates

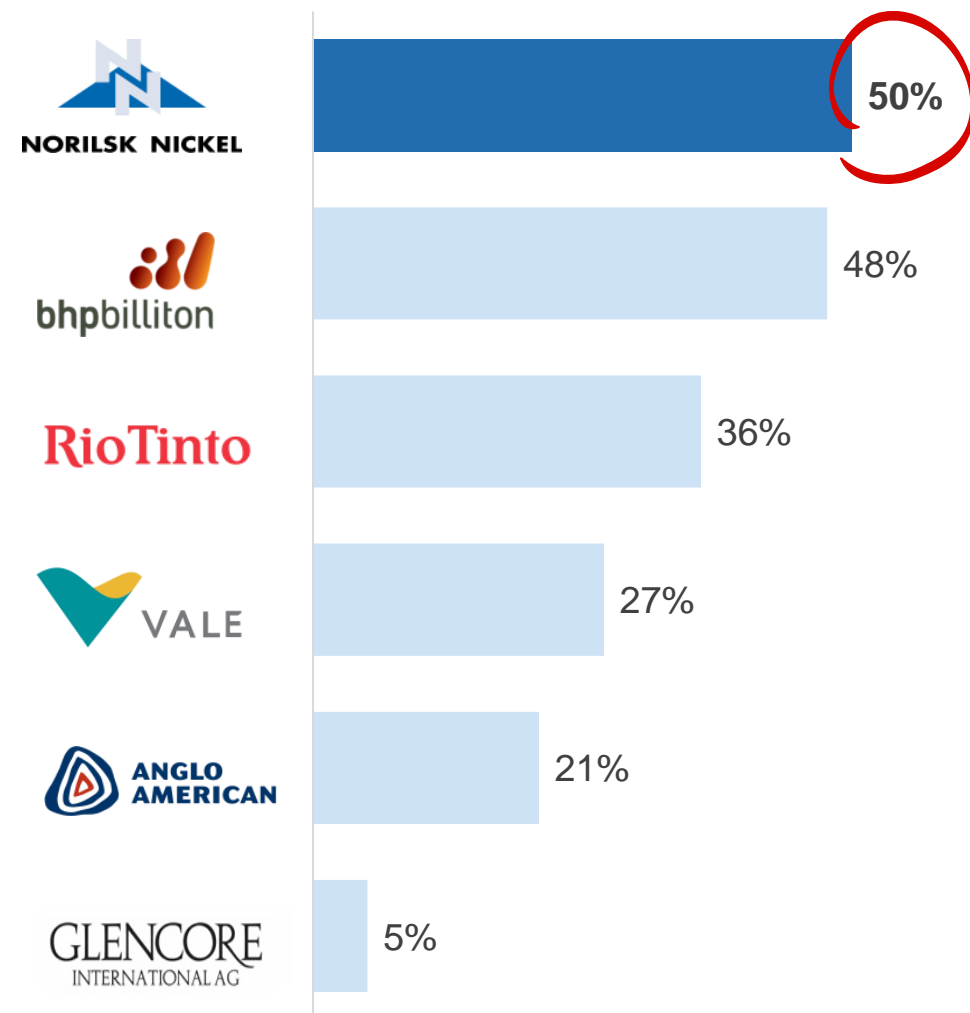
Notes: 1. Installation of a continuous converting unit and matte granulation unit at smelting facilities (based on Vanukov's furnace technology), which will allow for significant increase in concentration of SO₂ in gas emissions and subsequent reduction of overall SO₂ emission (at current utilization technology ~150-200kt SO₂ p.a. starting from 2019)

2015 Highlights

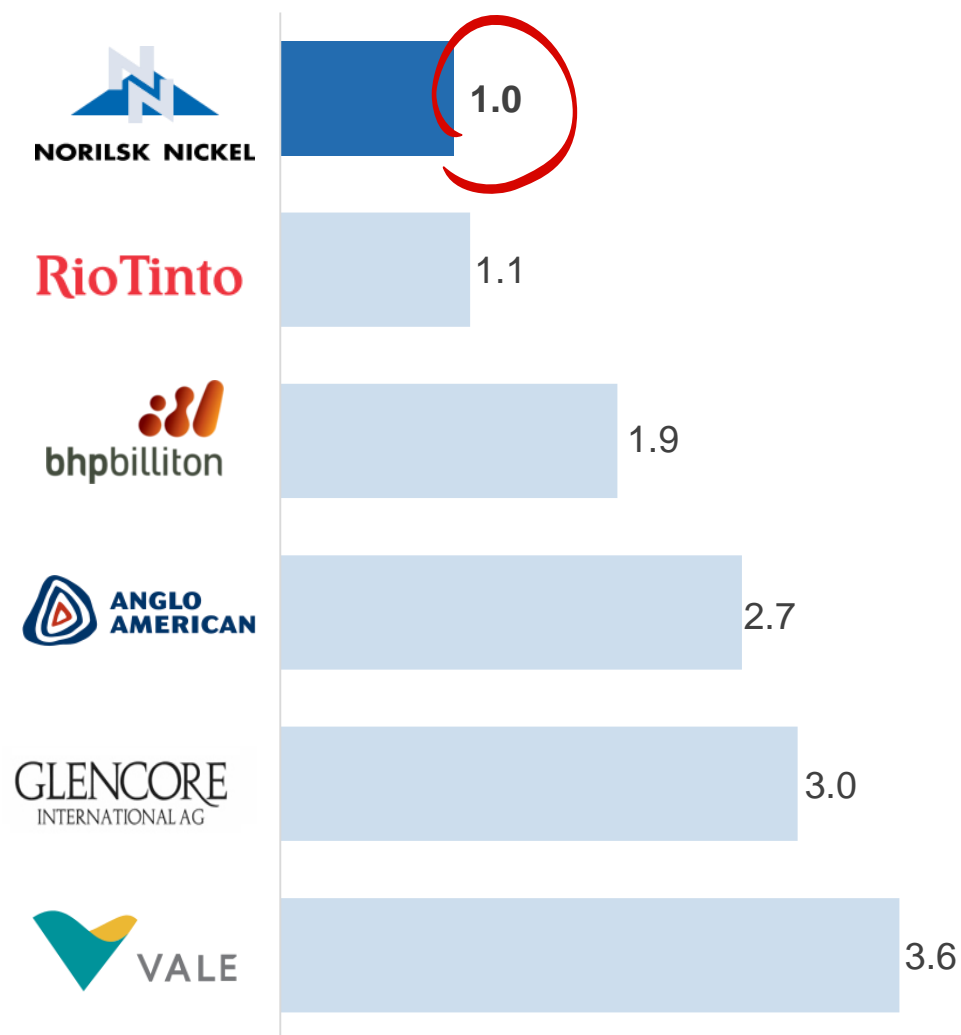
- ❑ **Consolidated revenue decreased 28% y-o-y to USD 8.5 billion** driven by lower metal prices, divestiture of international assets and one-off logistical and operational preparations for the shutdown of Norilsk nickel plant in 2016;
- ❑ **EBITDA was down 24% y-o-y to USD 4.3 billion** driven mainly by lower revenue;
- ❑ **EBITDA margin expanded from 48% in 2014 to an industry-leading 50%** supported by a 26% decrease in cash cost and a 40% decline in SG&A;
- ❑ **Net profit decreased 14% y-o-y to USD 1.7 billion**, while net profit adjusted for non-cash items reached USD 3.2 billion;
- ❑ **CAPEX increased 27% y-o-y to USD 1.7 billion** driven by the execution of the downstream reconfiguration programme, accelerated development of Skalisty underground mine and Bystrinsky (Chita) project having entered into an active construction phase. All major investment projects were on time and on budget;
- ❑ **FCF (before financing) decreased 49% y-o-y to USD 2.4 billion** owing to lower EBITDA, lower rate of release of working capital and increased Capex;
- ❑ **Net working capital** was down 5% y-o-y to **USD 1 billion** despite a material increase in saleable metals inventories;
- ❑ **Dividends** distributed to shareholders in 2015 amounted to **USD 18 per share** delivering an industry leading dividend yield;
- ❑ **Leverage** remained low with **Net Debt/ EBITDA** at **1.0x** as of December 31, 2015. Strong financial position of Norilsk Nickel is confirmed by investment grade credit ratings from S&P and Fitch rating agencies;

Financial Performance Relative to Global Peers

Leading Profitability in 2015, EBITDA Margin...



... and Conservative Leverage, Net Debt/EBITDA



Source: Bloomberg, Company data. Note: 1. BHP Billiton adjusted for calendar year;

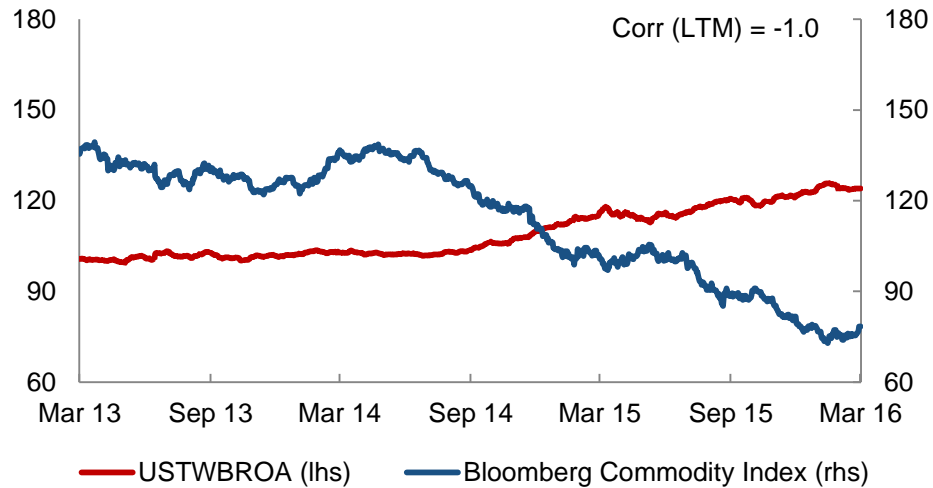


NORILSK NICKEL

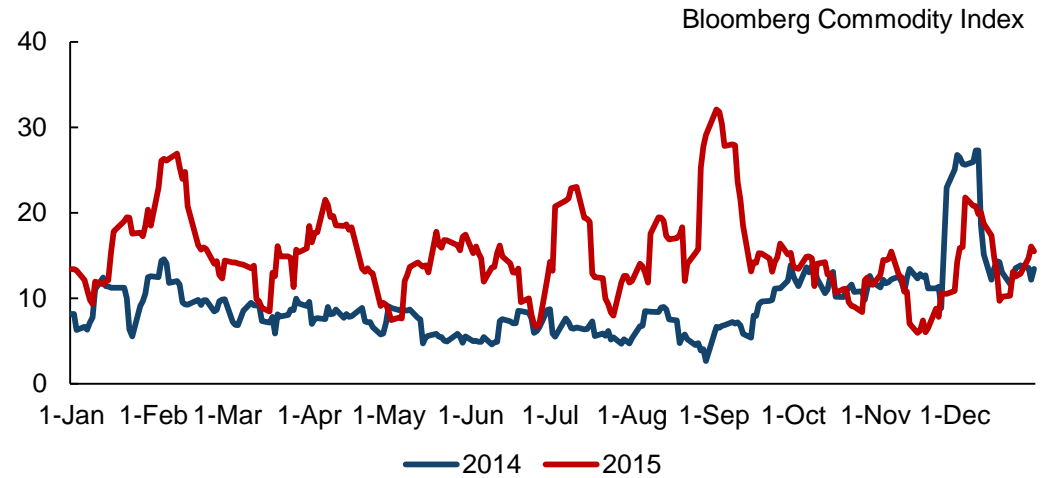
Markets Overview

Currencies and Oil Price Effect on Commodities Prices

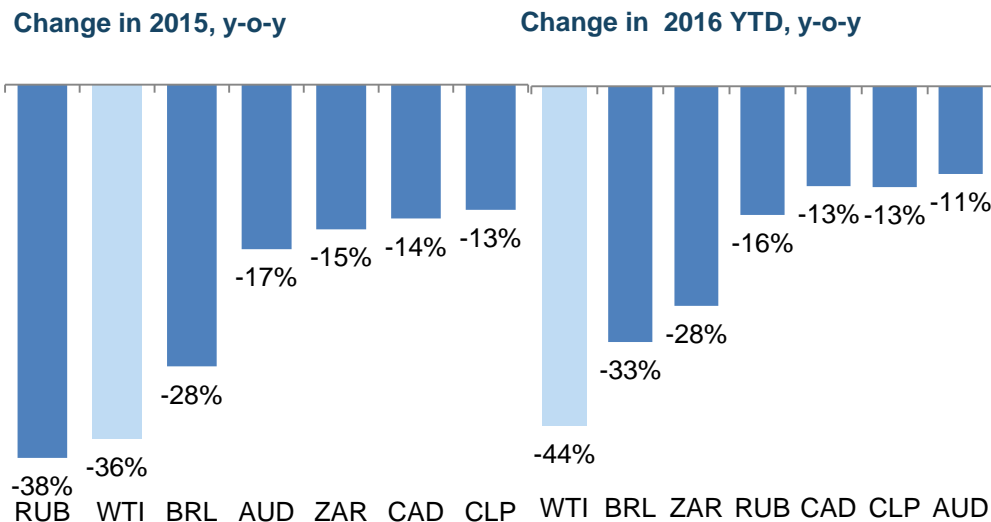
Commodity Prices are Inversely Correlated with Trade-Weighted US Dollar



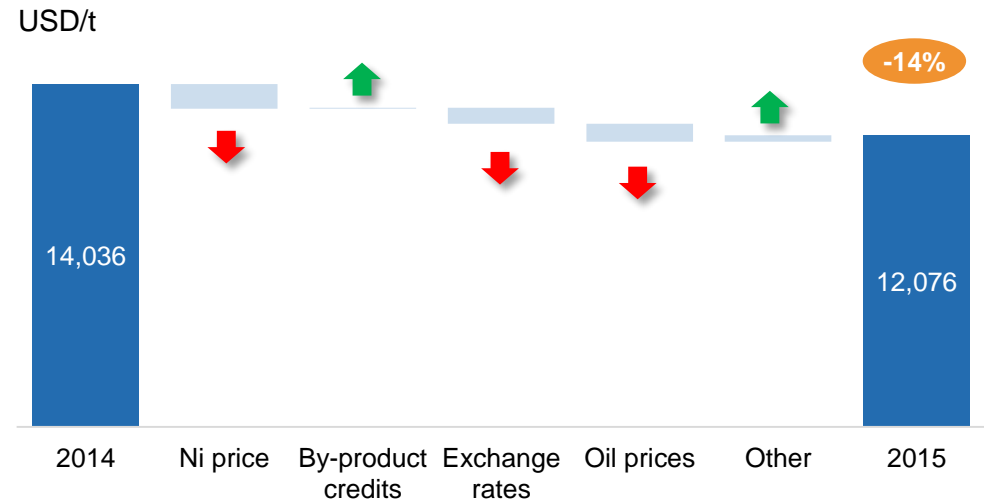
Commodity Price Volatility Increased in 2015



Mining Currencies and Oil Price Depreciation vs. USD



C1 Nickel Laterite Projects Cash Costs Down in 2015 14% y-o-y Driven by Oil & Currencies



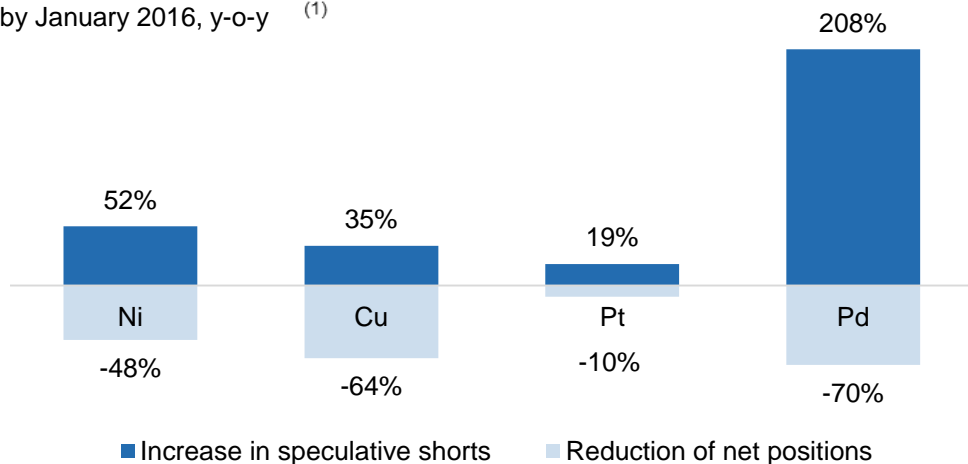
Source: Company data, Bloomberg, WoodMackenzie; As of March 10, 2016

Note: USTWBROA Index - is a broad trade-weighted USD index relative to other world currencies, as reported by the US Federal Reserve

Speculative Pressure Running High on Demand Concerns

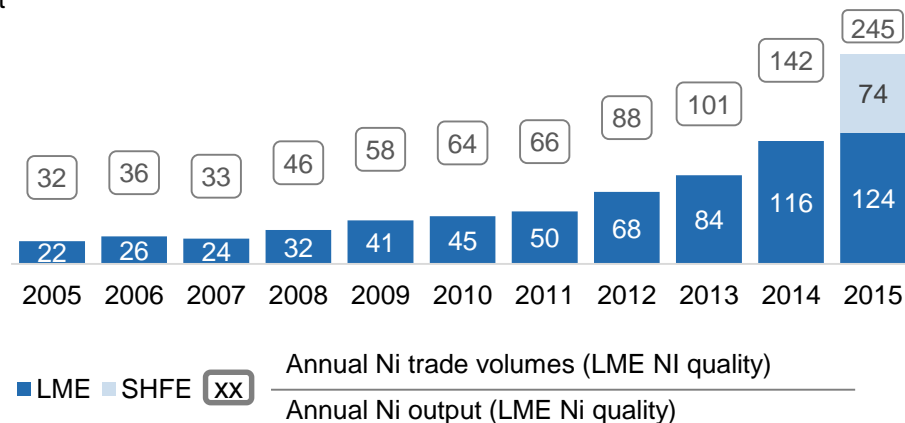
Rising Speculative Pressure on Metals: Change in Exchange Trading Positions

by January 2016, y-o-y ⁽¹⁾

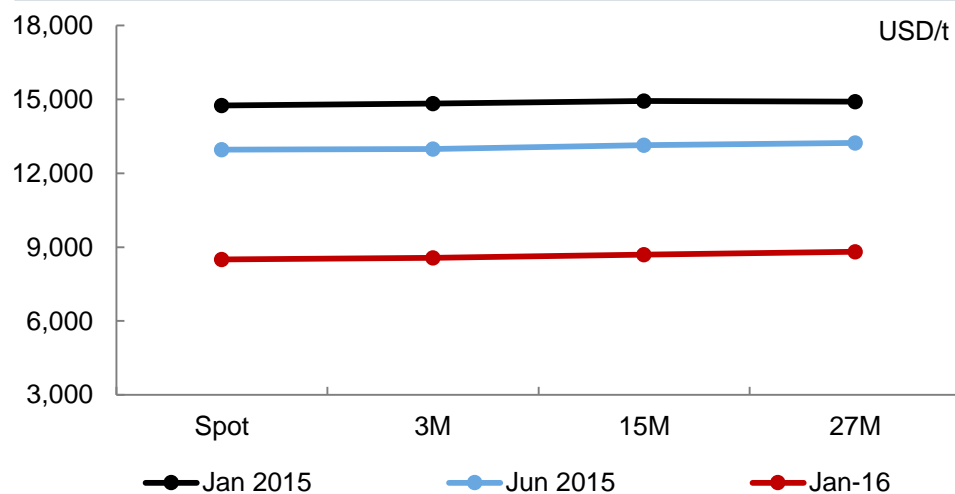


Ni Speculations at Record High Levels: LME Turnover Over 200x of Physical Market

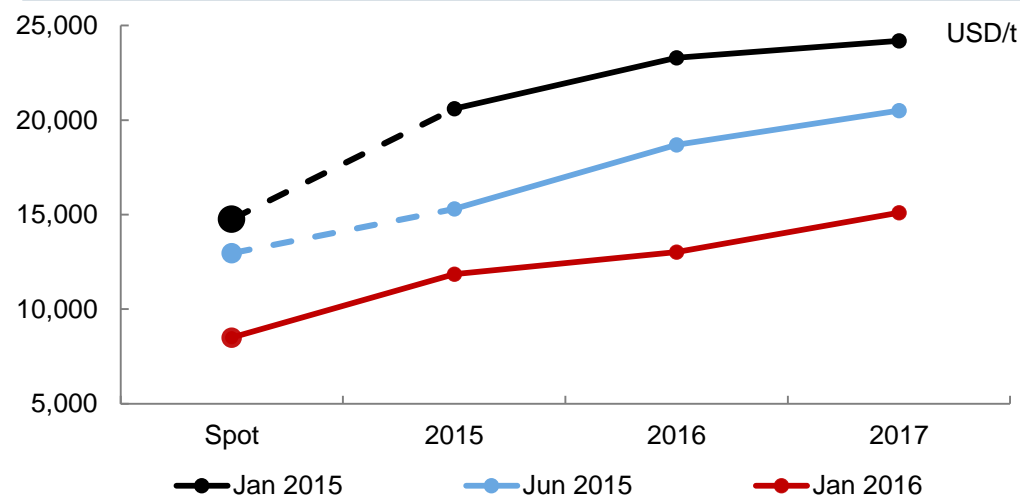
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Nickel LME Forward Curve: No Sense of Direction



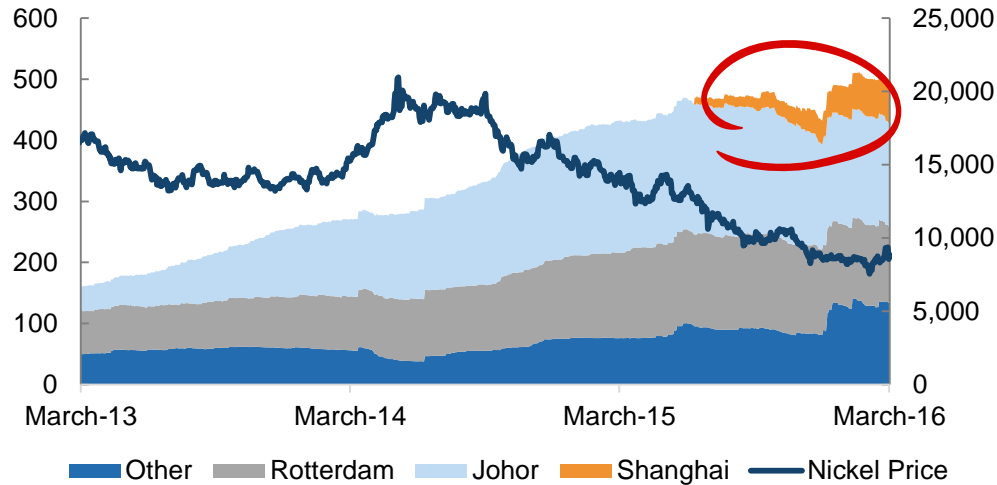
Analyst Consensus Ni Price Forecast: Persistent Bullish Outlook Despite Lower Spot



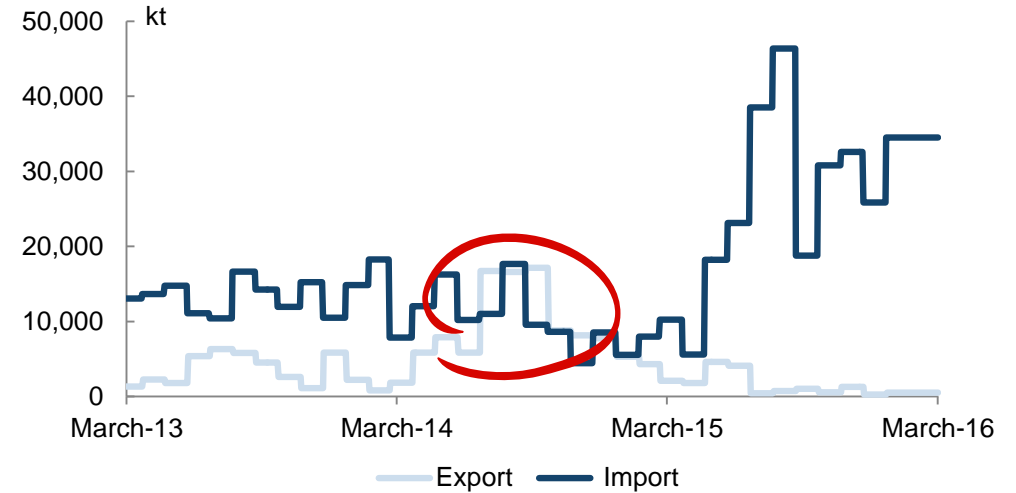
Source: Company data, as of March 10, 2016; Note: 1. NYMEX, LME data used for metal trading positions

Nickel Market: Little Guidance from Inventory Movements

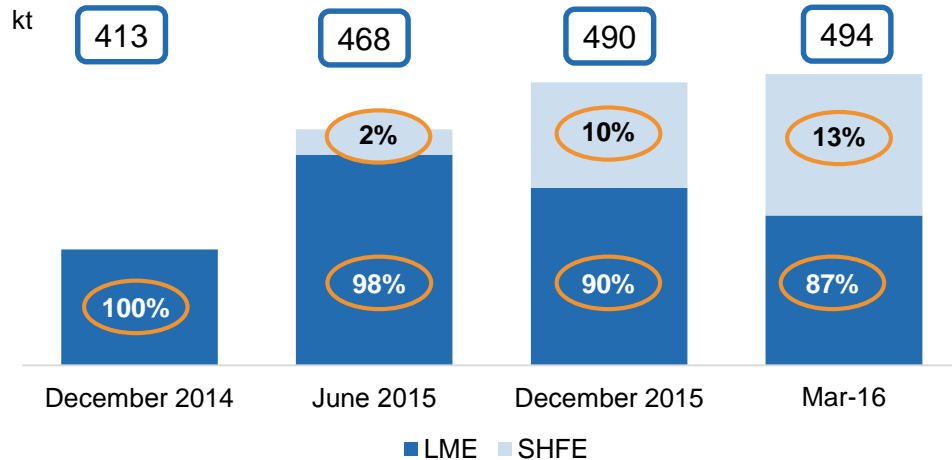
LME Nickel Price Down 42% in 2015, Exchange Inventories Up 19%



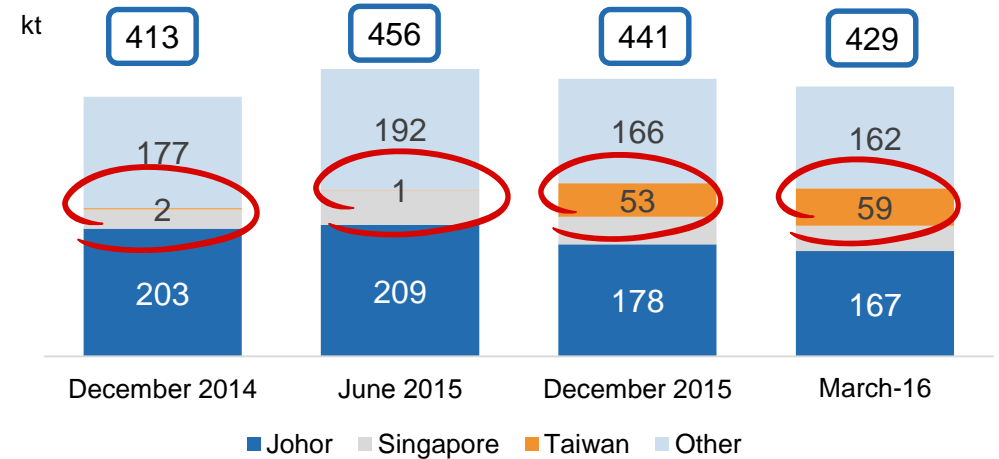
Ni Export from China - Net Nickel Importer: Temporary Jump After the Qingdao Port Scandal in 2014



Ni inventories: Reallocation from LME to SHFE Started in 2H 2015



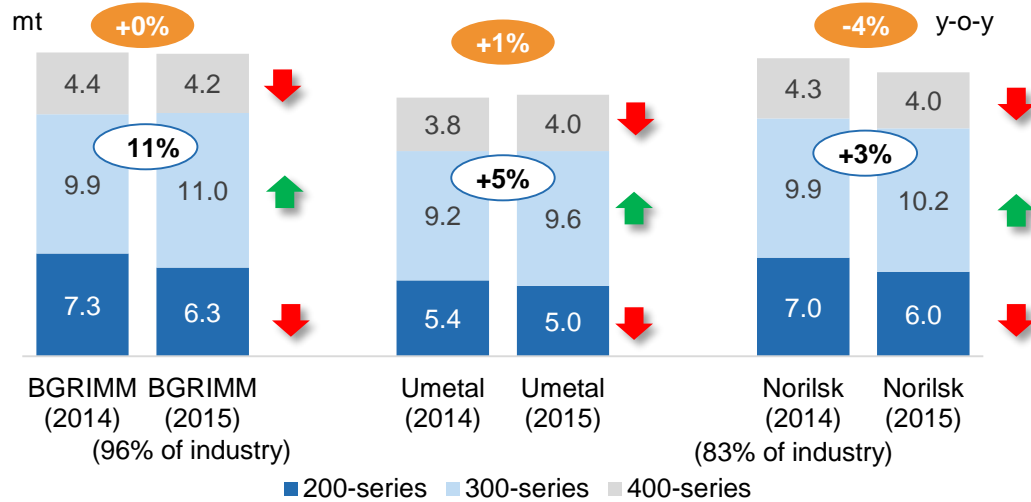
LME Inventories: Reallocation Between Asian Warehouses in 2015



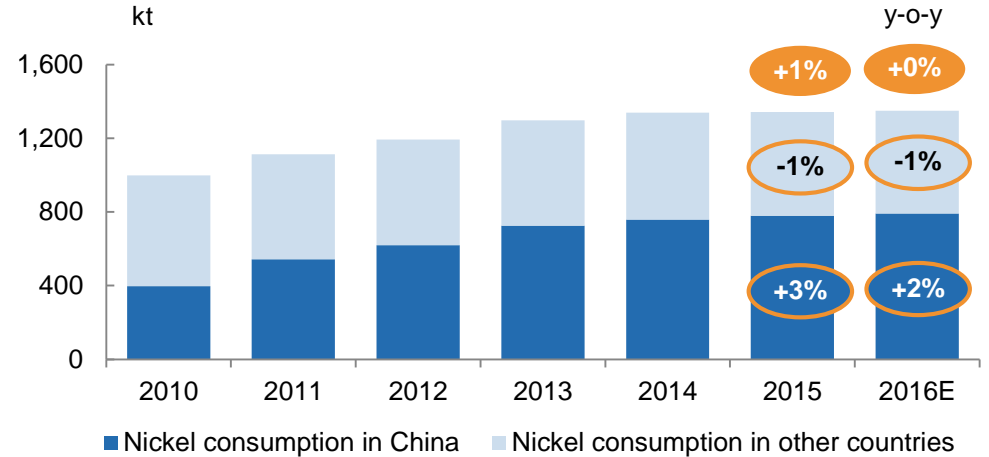
Source: Company data; As March 10, 2016

Ni-Intensive Stainless Steel in China – Proxy for Ni Consumption

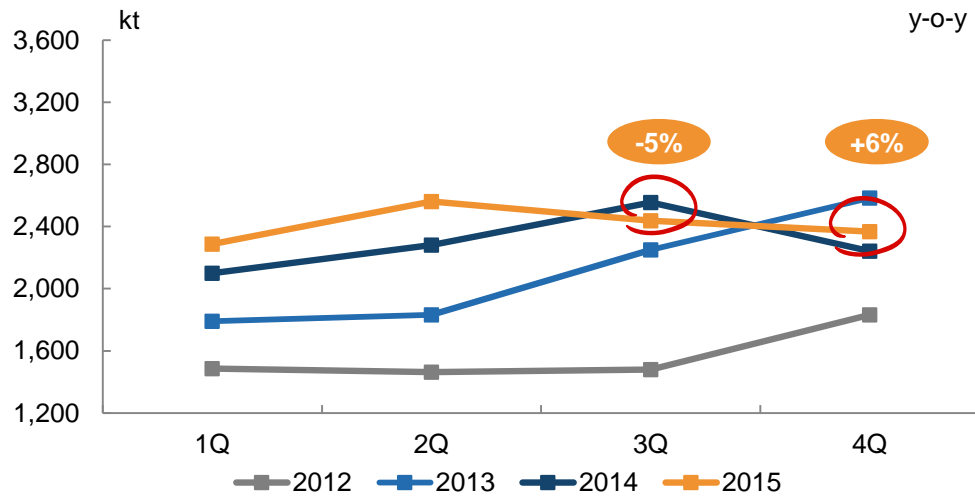
Variety of Chinese Sources: Ni-intensive Stainless Steel Production Up 5% - 11% in 2015



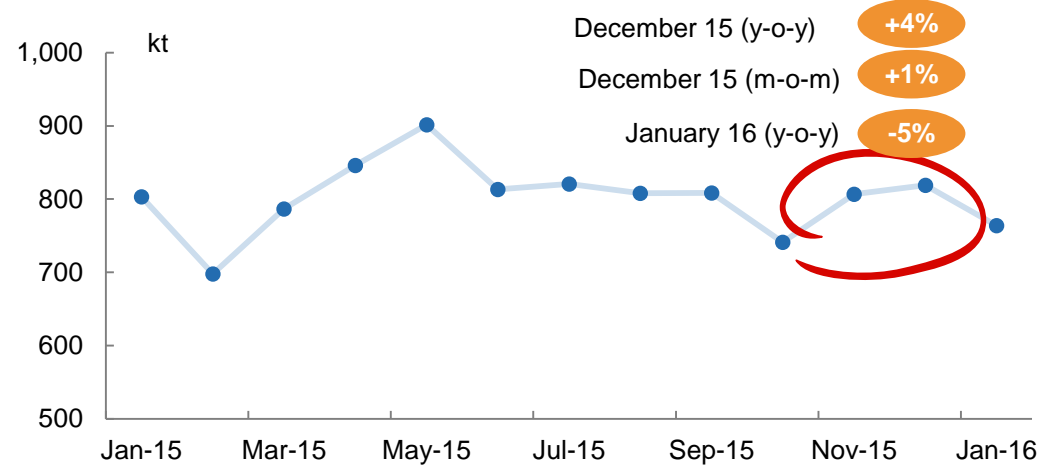
Primary Nickel Consumption (Stainless Steel)



300-series Stainless Steel Production in China Recovered After Weak 3Q 2015...



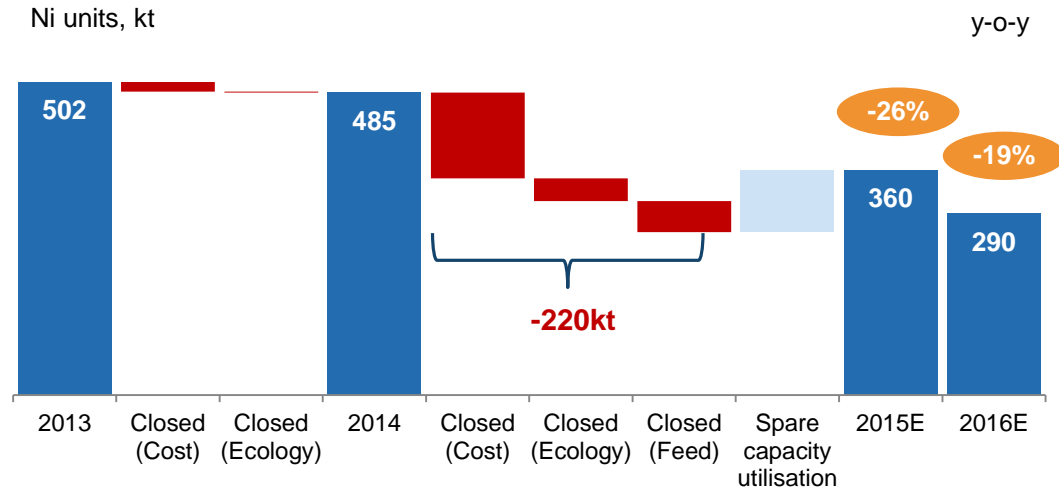
... with Modest Growth Rates Towards the Year-End



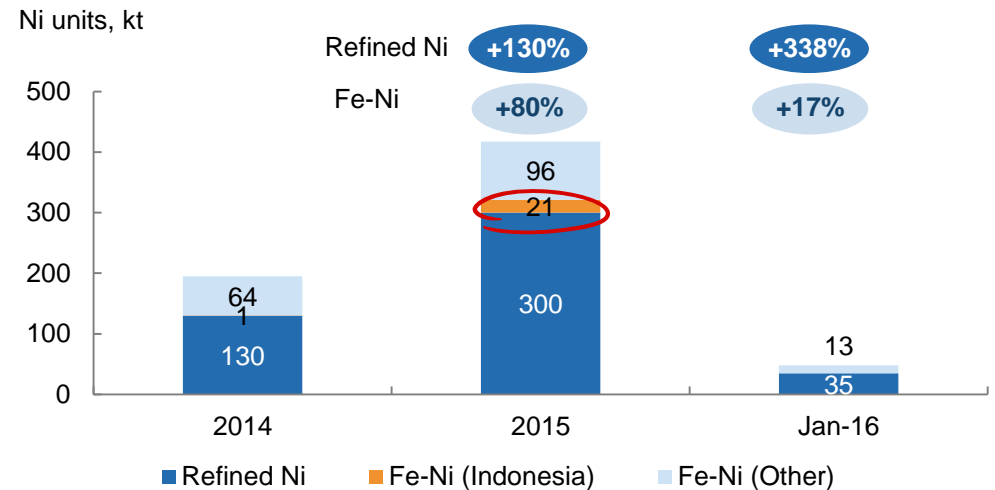
Source: Company data, Umetal, BGRIMM

China – Nickel Destocking in 2015

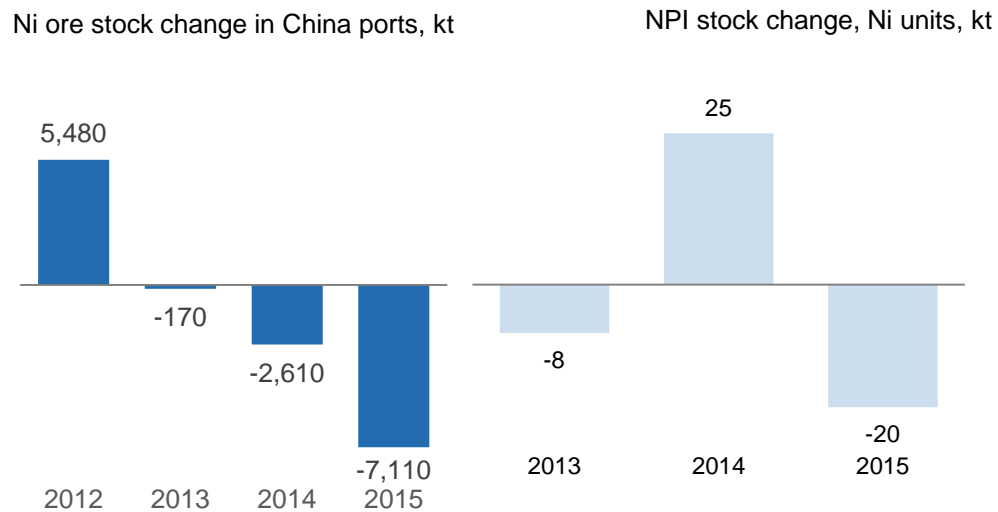
Significant NPI Closures in China due to High Costs, Environmental Pressure and Feed Shortage



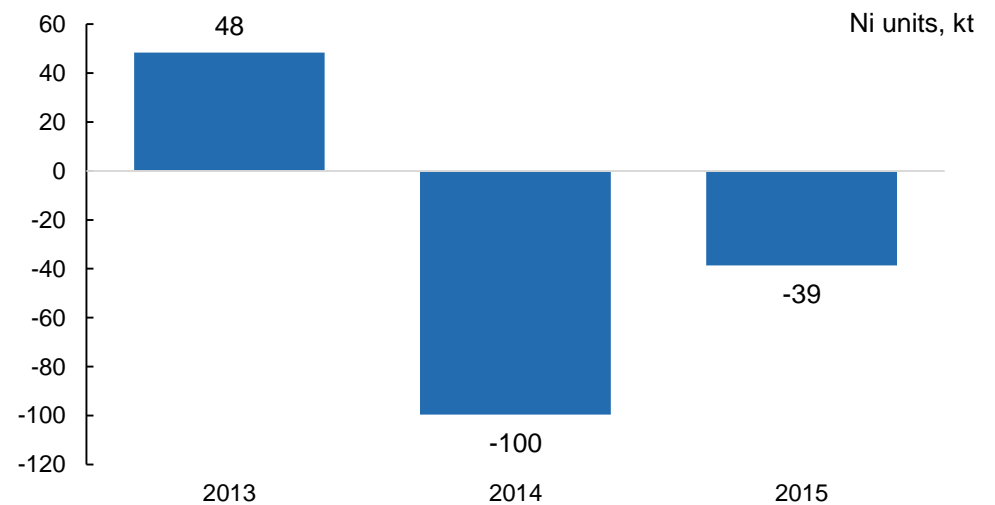
Strong Increase of Fe-Ni and Refined Ni Imports to China in 2015



Restocking/ (Destocking) of Ni ore and NPI



Implied Ni Units Restocking/(Destocking) in China Excluding Build Up of SHFE Inventory (48 kt) in 2015



Source: Company data, China custom statistics, Bloomberg, TSSINFO, UMETAL

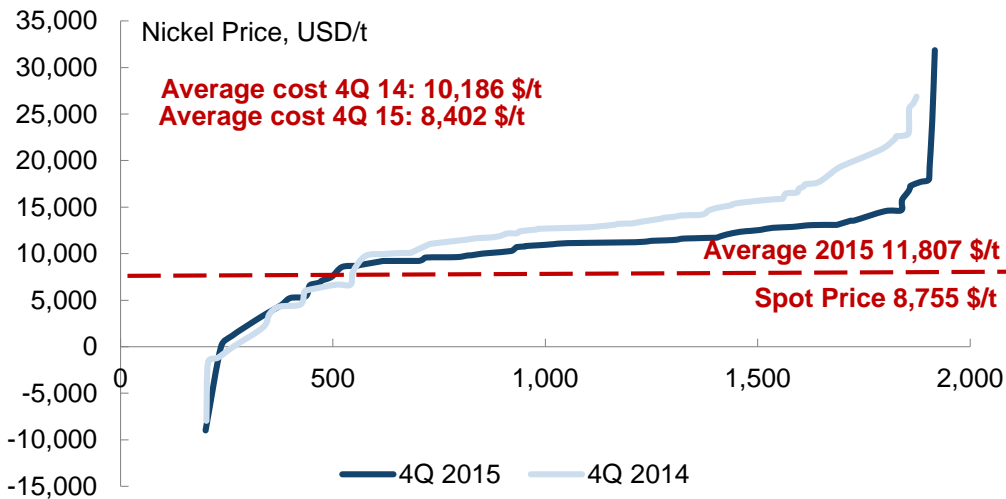
Y-o-Y% 2015 Y-o-Y

Supply Side Response is Slow so Far, but Inevitable

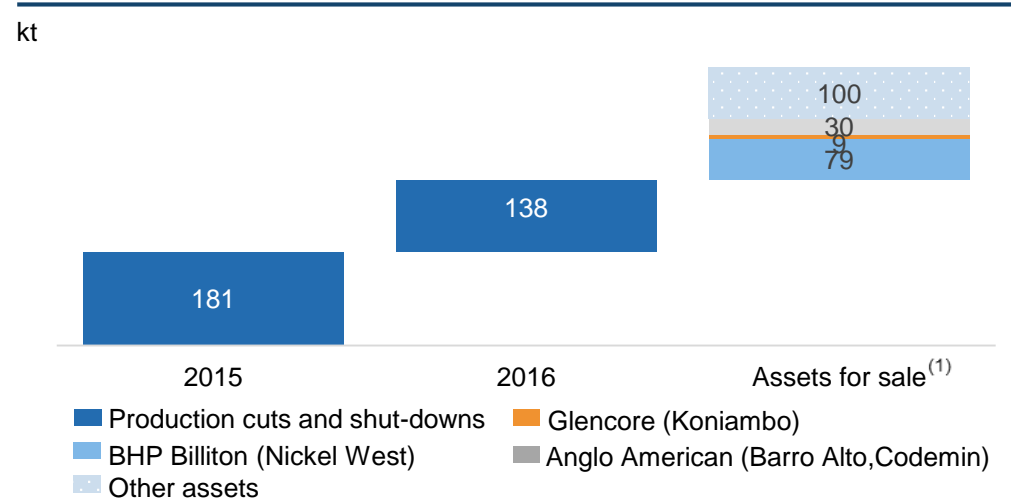
Announced Nickel Output Cuts and Capacity Shut-Downs in 2015-2016 - 16% of Supply

Operation	Reason	Output loss 2015, kt	Output loss 2016, kt
Glencore (Murrin Murrin, Australia)	Price / feed driven	~ 3	-
Jinchuan (China)	Price / feed driven	~5	~20
Cunico (Macedonia/Kosovo)	Price driven	~7	~7
Jiangxi Lithium (China)	Price driven	~9	-
Votorantim (Brazil)	Price driven	-	~16
NPI (China)	Price / feed driven	~125	~70
Others capacities	Technical issues	~32	~25
Total cuts and shut-downs		~181	~138

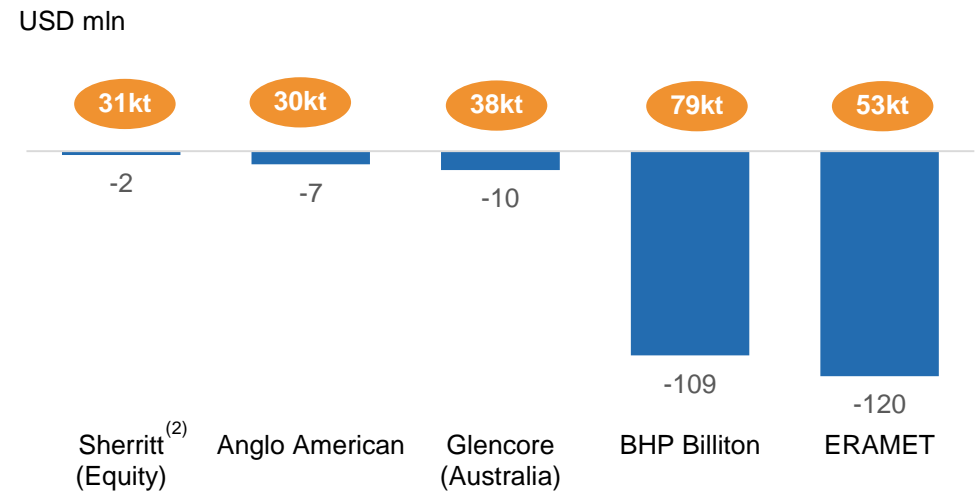
4Q15 Average Ni Cash Cost (C1) Down 17% y-o-y



Ni Industry Has Entered into a Major Restructuring



Last Reported Results: 2H 2015 EBITDA of Nickel Divisions

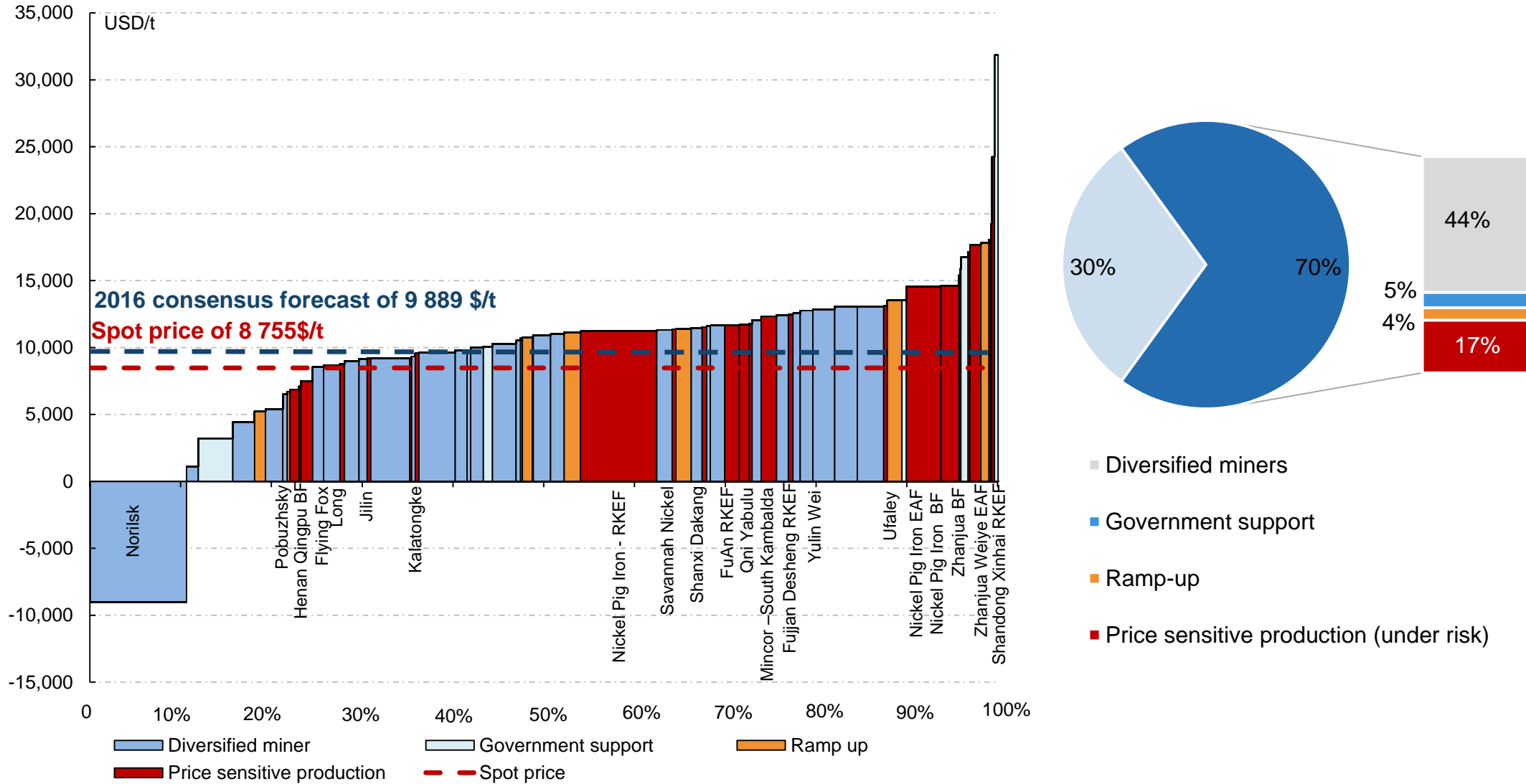


Source: Company data, Wood Mackenzie; As of March 10, 2016.

Note: 1. Based on company's public announcements and BMO estimates. Production data used for 2015; 2. Sherritt Equity - 50% Moa JV, Ambatovy JV 40%;

Only a Quarter of Loss Making Capacity Runs a Shut-Down Risk

At spot price over 70% of global nickel production is making cash loss, but only 17% run a shut-down risk



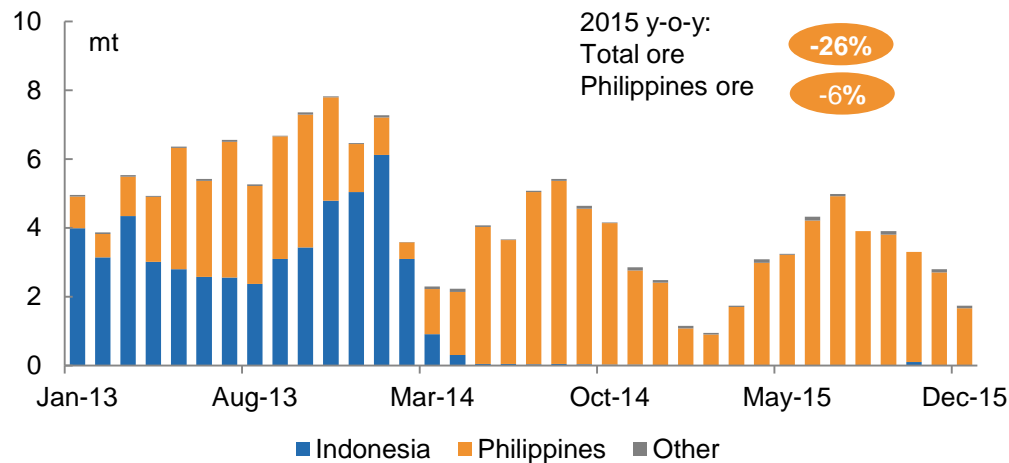
Source: WoodMackenzie, Bloomberg, as of March 10, 2016

Nickel Feed for China: Philippines and Indonesia

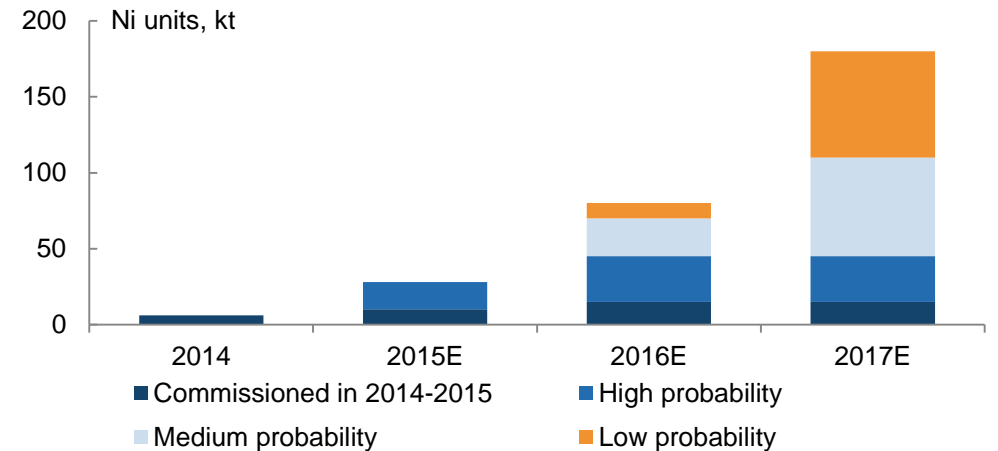
Only 3 Projects in Indonesia Have High Probability of Completion

Project name	Process	Status	Start year	Capacity, kt pa Ni
Indoferro	BF	Started	2013	18
PT Cahaya Modern Metal Industry	BF	Started	2014	4
Tsingshan	RKEF	Started	2015	30
Tsingshan 2-4 stages	RKEF	High	2015	60-90
9 projects	RKEF, BF	Medium	2016-2018	70
8 projects	RKEF, BF, Leach	Low	2016-2017	150

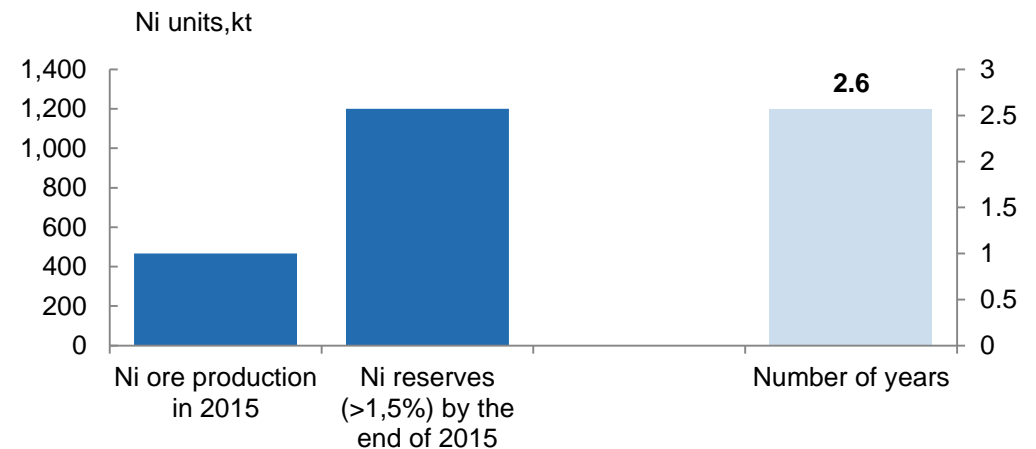
Nickel Ore Imports from Philippines to China Were Down in 2015



Indonesia NPI Output Forecast for 2015-2017



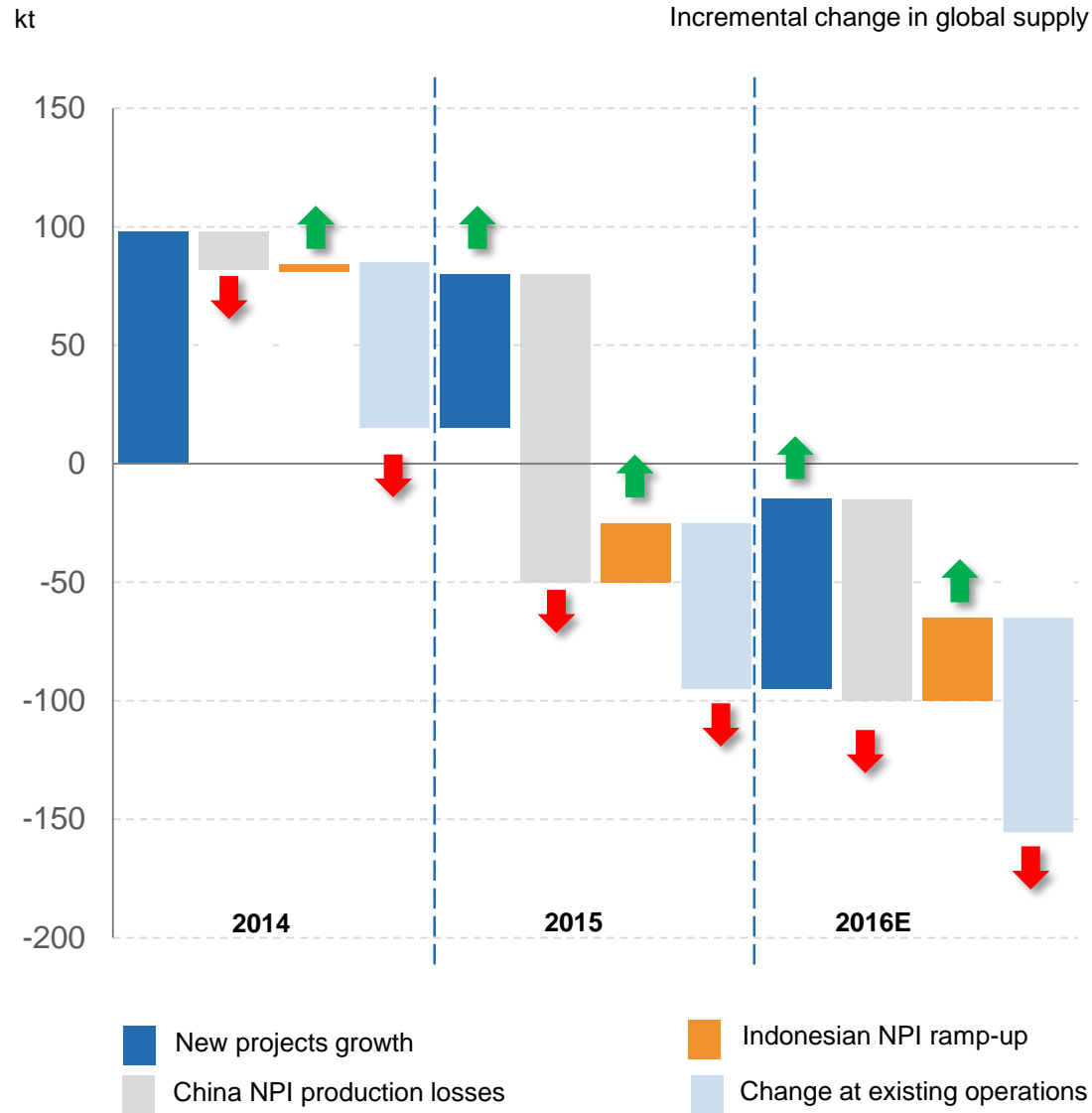
Mine Life of Nickel Ore Reserves with Ni Grade >1.5% in Philippines is Less than 3 Years



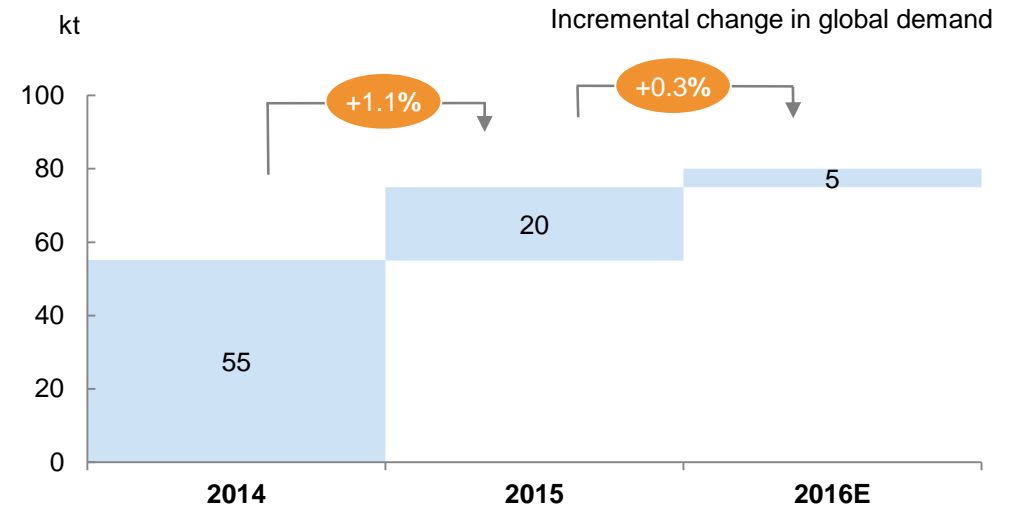
Source: Company data, China custom statistics, Bloomberg

Nickel Market is Entering a Deficit in 2016

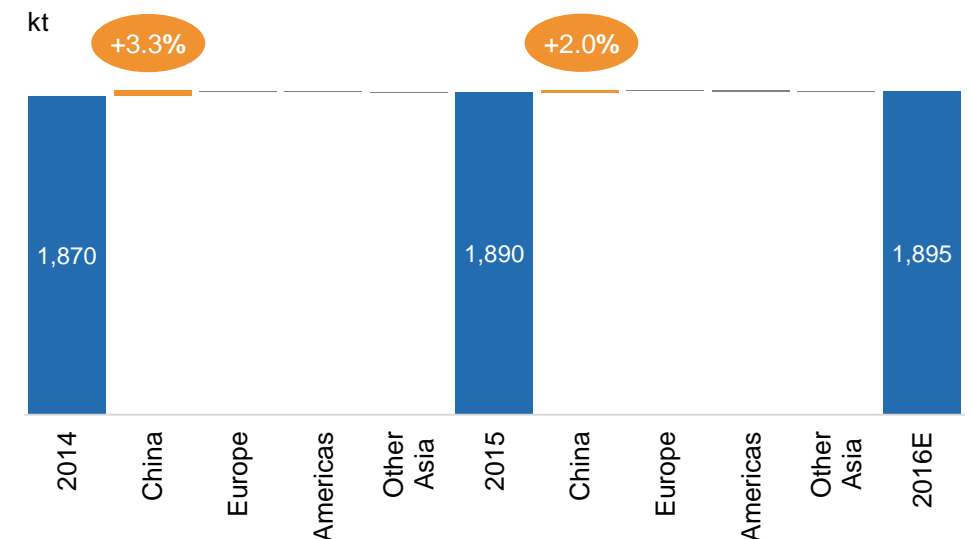
Moderate Supply Cuts Have Been Triggered...



... while Global Consumption Holds and..



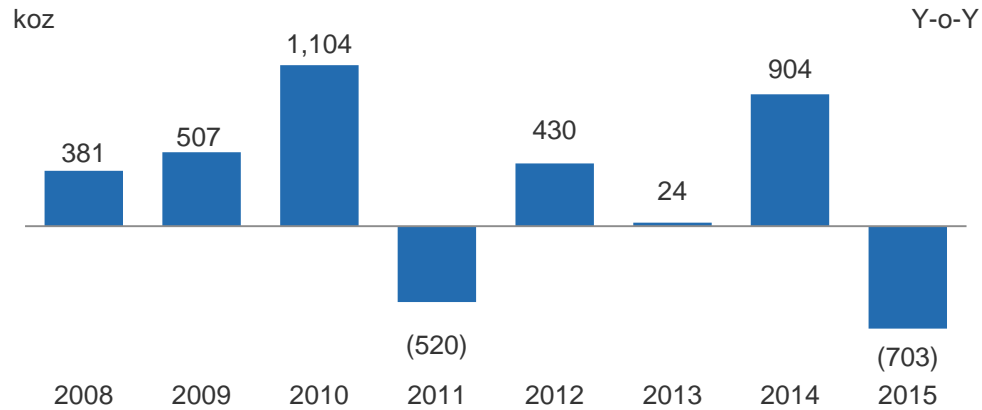
... Growth Reliant on China



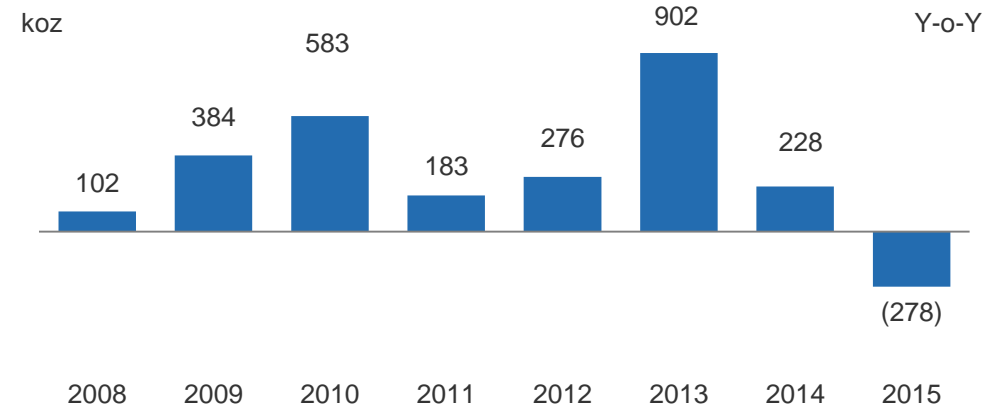
Source: Company data

Temporary Palladium Market Weakness in 2015 due to ETF Outflow

Palladium ETFs Holdings Change: Driven by the Macro Concerns

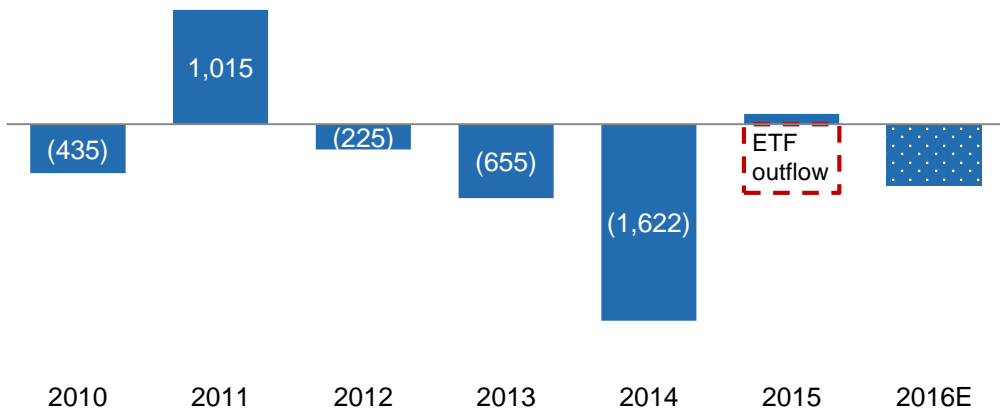


Platinum ETFs Holdings Change: 2015 Outflow – Rise of Risk Appetite?



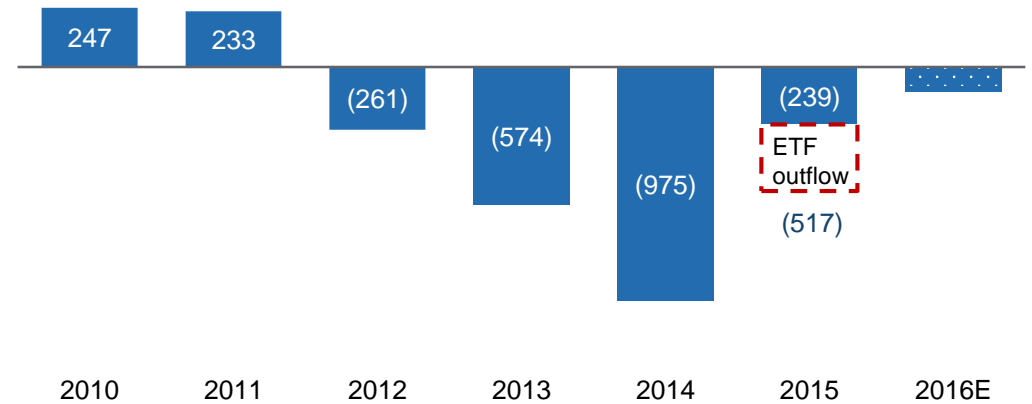
Global Palladium Market: Structural Deficit

Surplus / (deficit), koz



Global Platinum Market: Deficit Holds

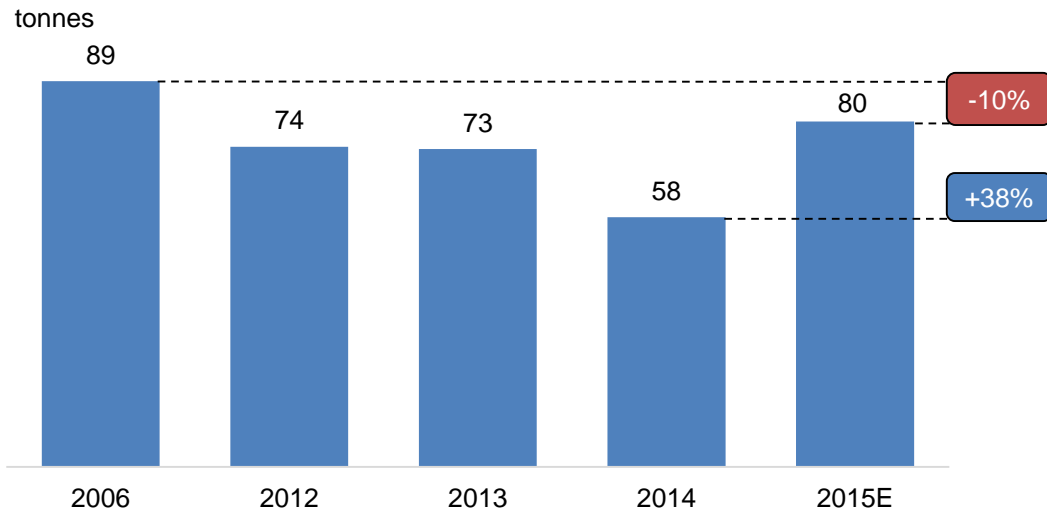
Surplus / (deficit), koz



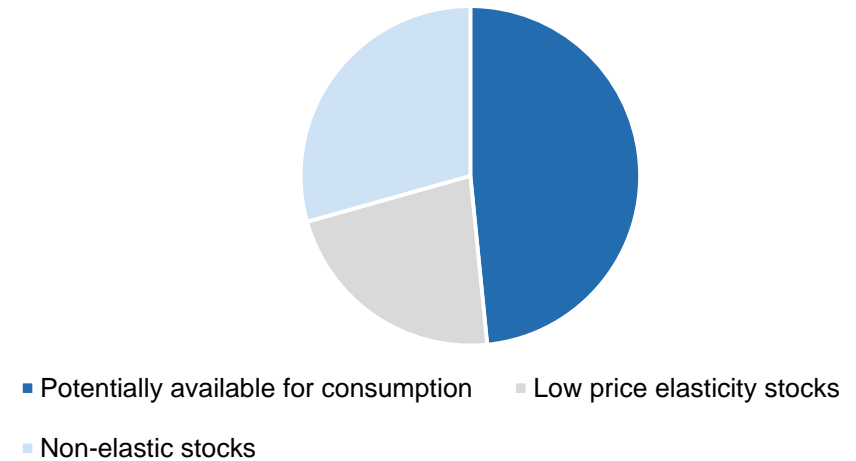
Source: Norilsk Nickel data

PGM Investment Demand: Limited Supply Growth Lags Healthy Demand

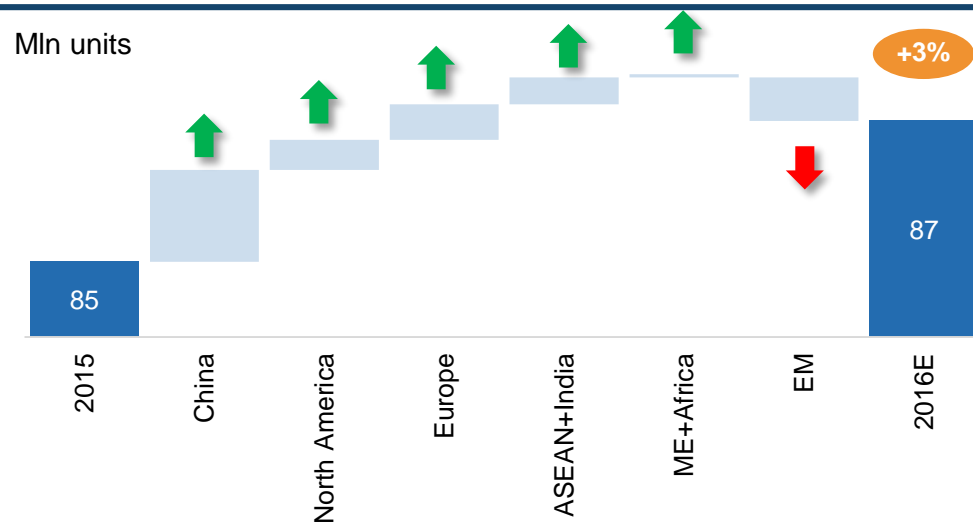
South Africa Production of Palladium Recovery After Strike is Over



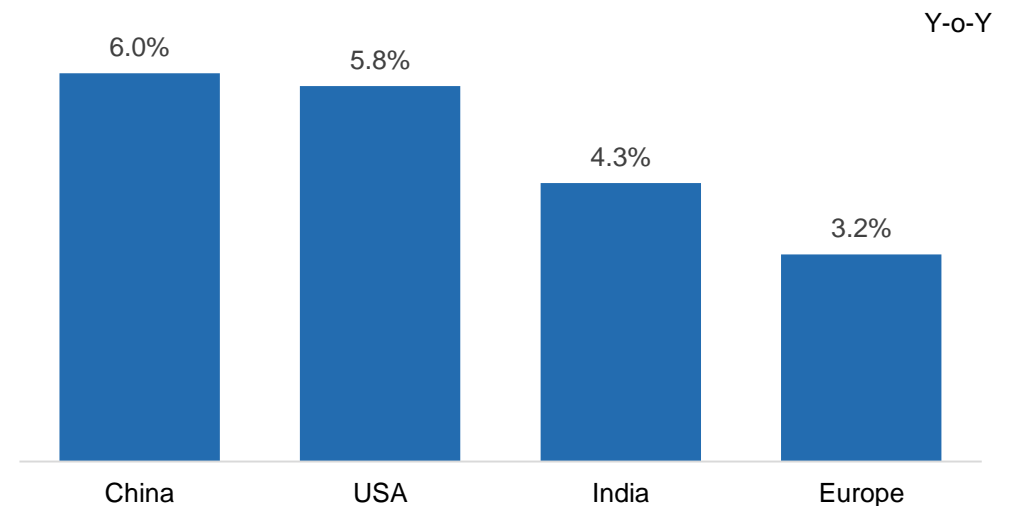
Not All Palladium Above-Ground Stocks Available



Global Light Vehicle Sales Expected to Grow in 2016 (1)



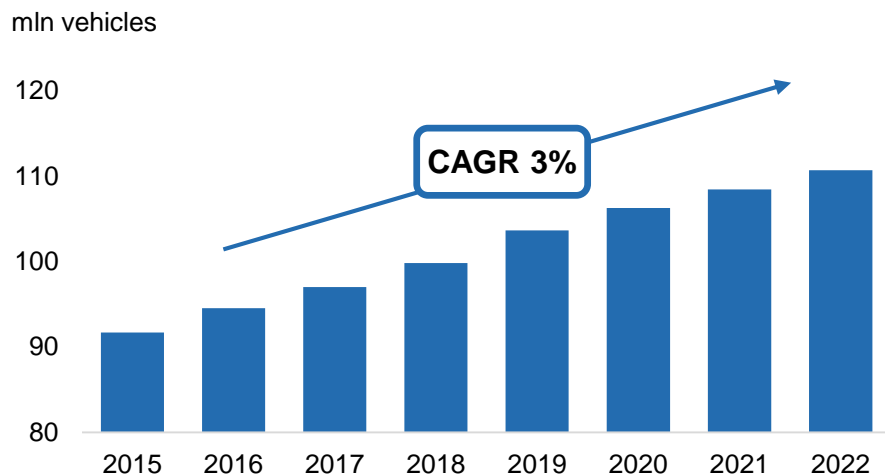
Light Vehicle Sales: Solid Growth Rates Driven by Chinese Market in 2015



Source: Norilsk Nickel data; Note: 1. ACEA, Autodata, Goldman Sachs Research, HSBC Research

PGM Demand Drivers In Automotive Industry

Total Number of Vehicles Forecasted to Increase⁽¹⁾



Increasing Complexity of Emission Systems and Powertrains Requires Higher PGM Loadings

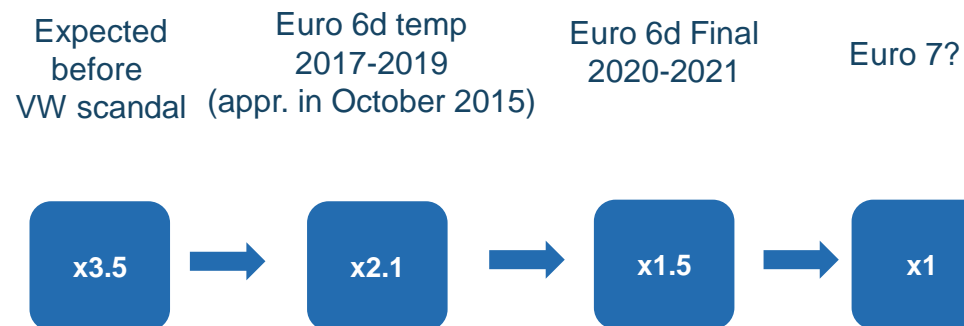
Gasoline	Requires soot (particulate matter) filter (Euro 6c) = more PGMs
Diesel	Requires advanced NOx control (SCR, LNT, SCR-LNT)
Hybrid	Smaller engines but frequent "cold start" requires more PGMs loadings
Direct injection	Cooler exhaust gas, higher HC and soot requires more PGMs in catalyst
Gasoline Lean burn	Requires LNT = more PGMs
Fuel Cell	Current ~30 g Pt per vehicle. Pd for hydrogen production and storage

Tightening Emission Legislation

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Europe	EU 6b	EU 6c / RDE Phase 1				RDE Phase 2 / 95 g/km CO ₂		EU 7?				
North America EPA	Tier 2		Tier 3 Phase In: NMOG + NOx, PM Tightening									
North America CARB	LEV III Phase In: NMOG + NOx, PM Tightening						LEV III Further Tightening					
Japan	JP09			JP18?								
South Korea (Gasoline)	K-ULEV	K-ULEV 70					K-SULEV?					
South Korea (Diesel)	EU 6b					EU 6c						
China (Beijing)	BJ5 (EU 5)		BJ6			BJ6 Phase 2						
China (Nationwide)	China 4 (EU 4)			China 5 (EU 5)			China 6					
India	BS4 (EU 4)					BS6 (Eu6)						
Indonesia	EU 2			EU 4								
Thailand	EU 4			EU5					EU6			

Real Drive Emission Regulation Should be Positive for PGM Demand

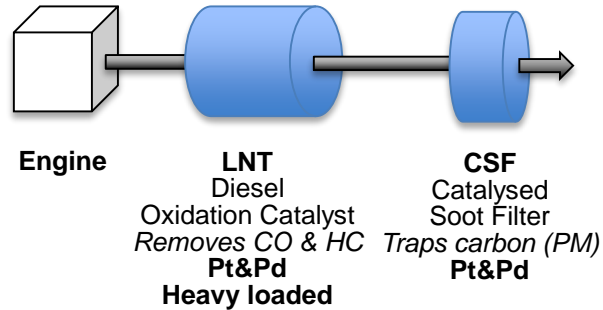
NOx conformity factor
Disparity between test (80 mg/km) and real emissions



Source: Norilsk Nickel analysis, Johnson Matthey, SFA Oxford, HIS; Note:1. According to HIS estimates

Diesel After-Treatment Systems (2016) – Euro 6b

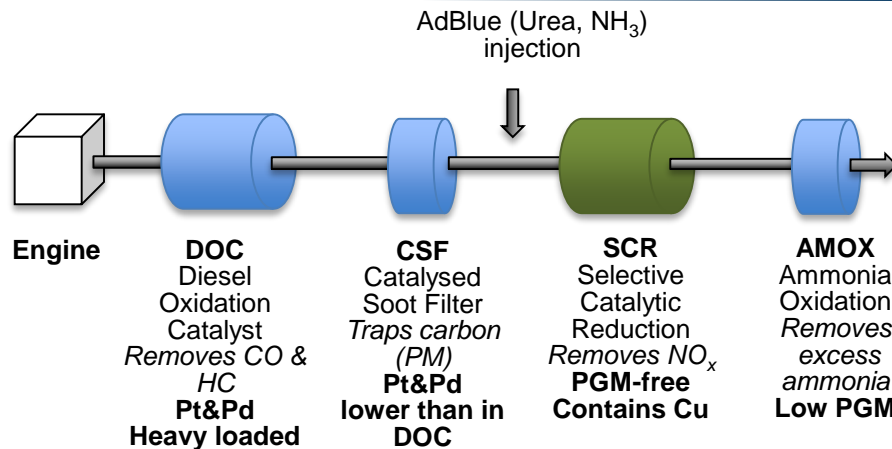
Lean NOx traps (LNT) for Diesel Engines



LNT bind the NO_x during lean engine operation, then under rich conditions the NO_x is reduced to nitrogen over the catalyst.

> Higher PGM Loadings vs. Euro 5

Selective Catalytic Reduction (SCR) for Diesel Engines



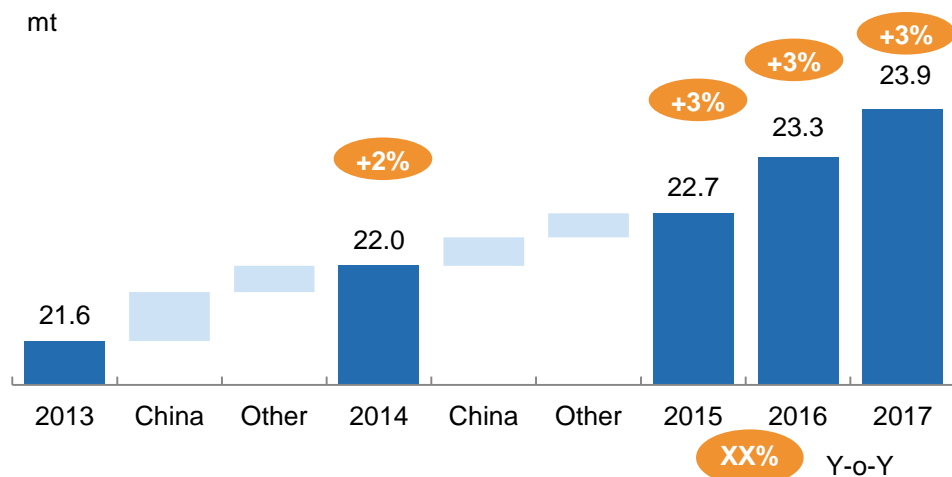
SCR uses urea which is injected into the exhaust. Urea reduces NO_x to nitrogen, water and CO₂

> Higher PGM Loadings vs. Euro 5

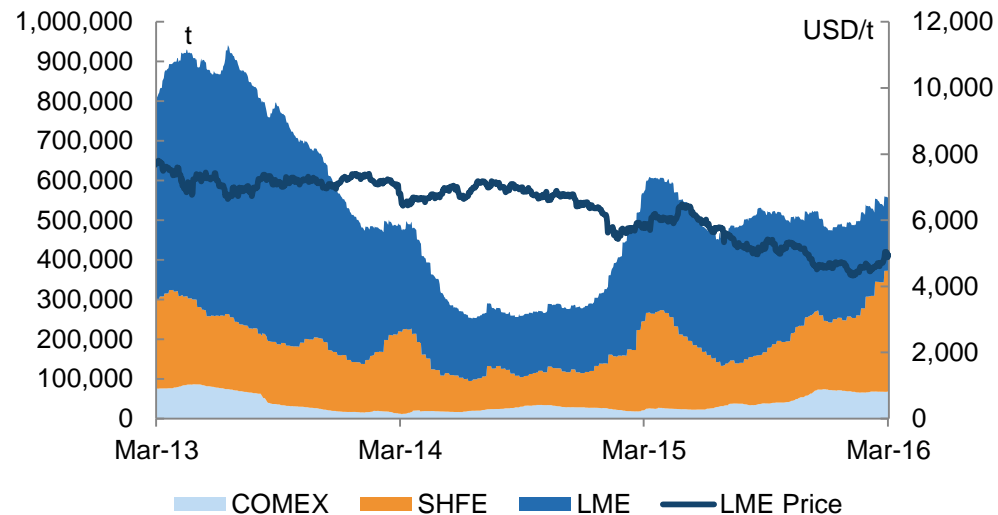
At Euro 6c (from 2017) the complexity of systems will increase substantially in order to considerably reduce NO_x emissions

Copper Market Remains Balanced, Inventories Low

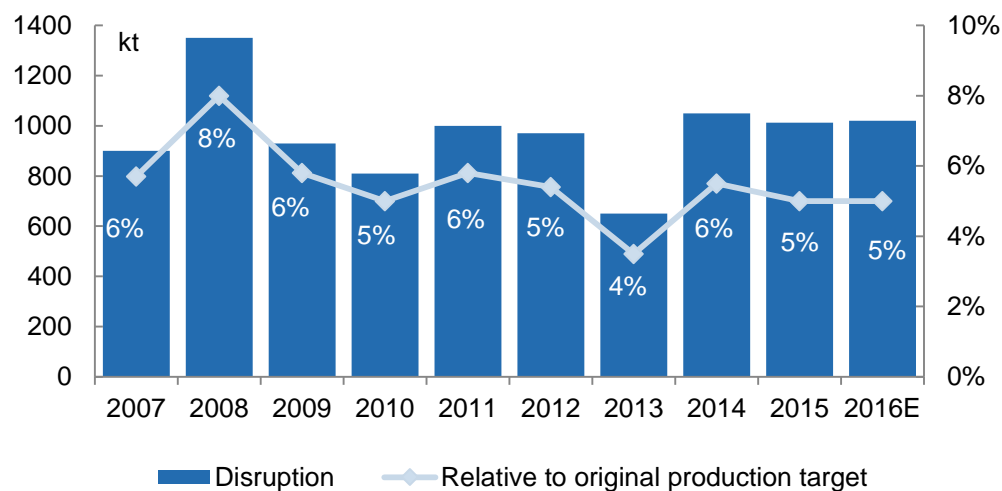
China Remains the Main Driver for Cu Consumption Growth



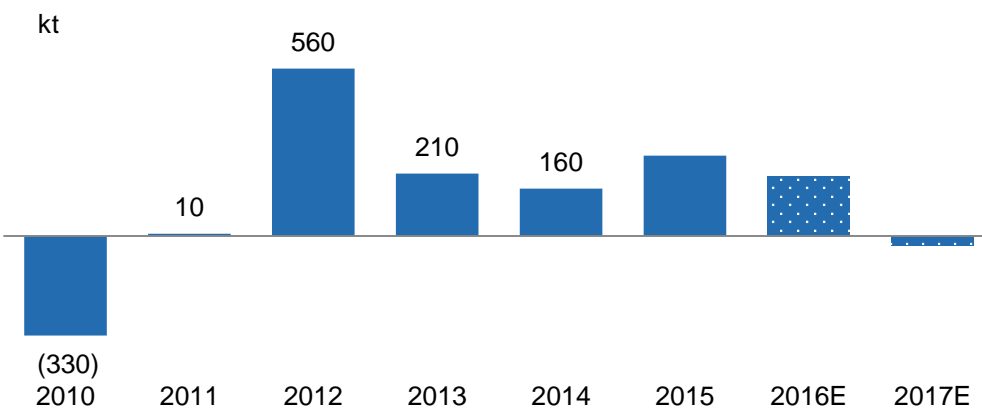
LME Copper Price Near Multi Year Lows, while Inventories Run Tight



Copper Supply Disruptions: Unfold in 2015 at 5% in Line with Historical Average



Copper Supply / Demand Balance



Source: Company data, Macquaire Research, Wood Mackenzie

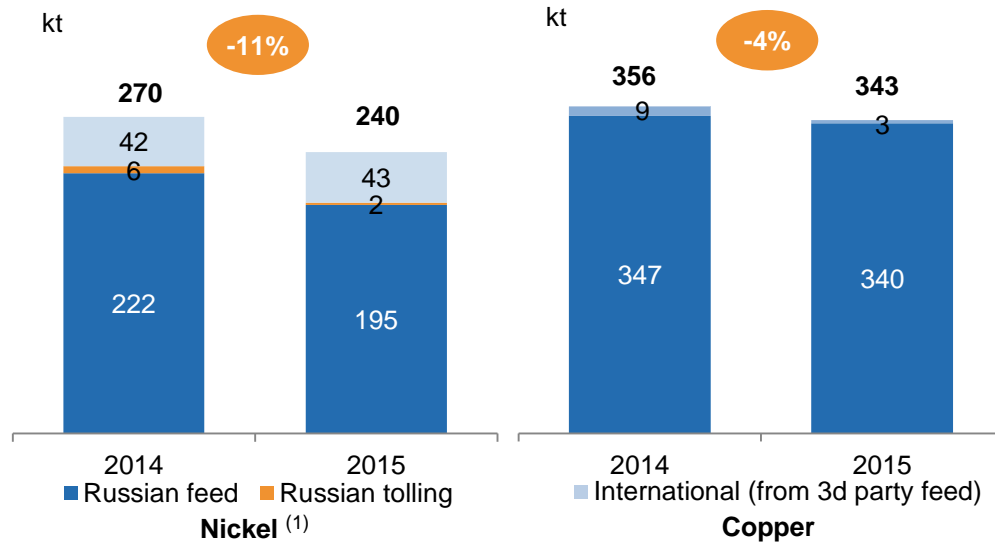


NORILSK NICKEL

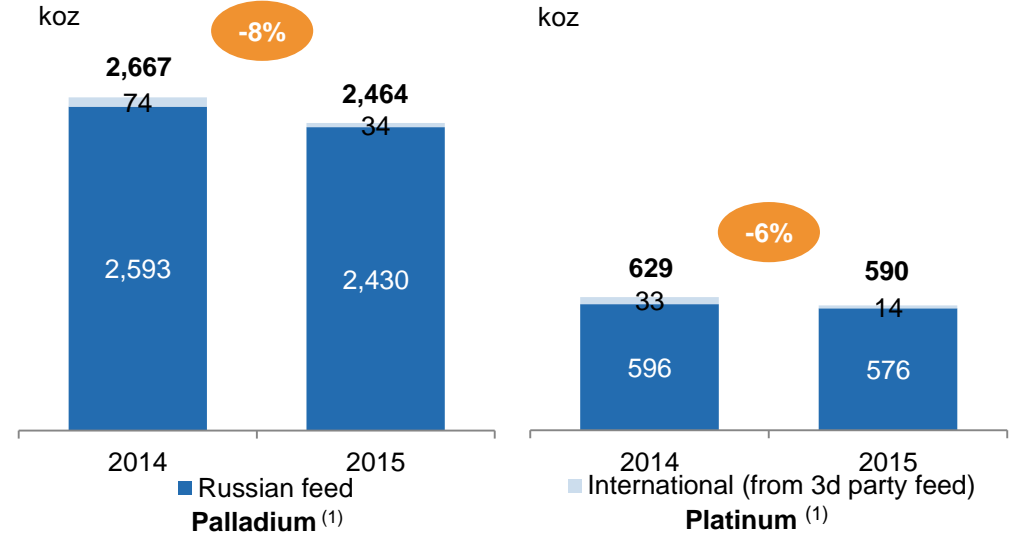
2015 Financial Results

Metal Sales Volumes: Decrease due to One-Offs

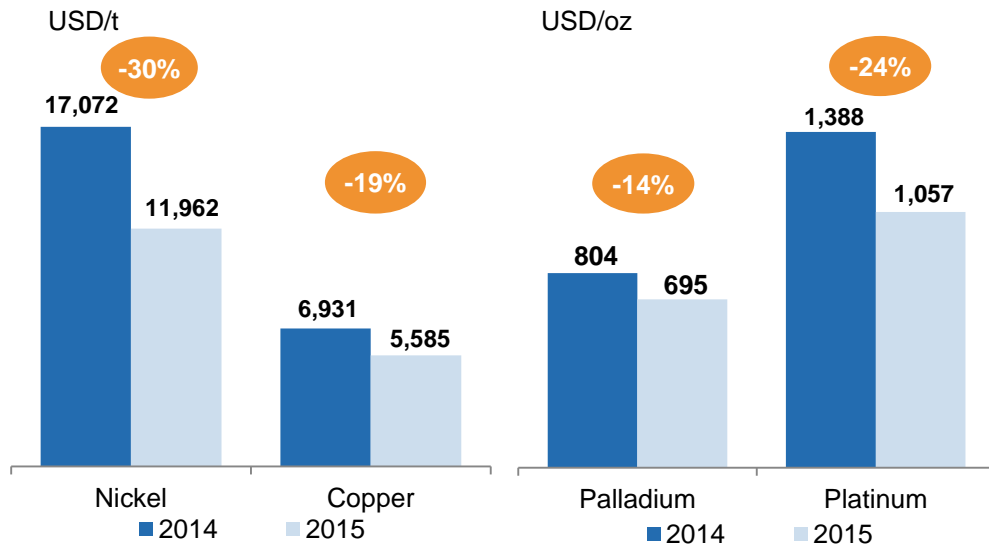
Base Metals Sales: Down due to One-Offs



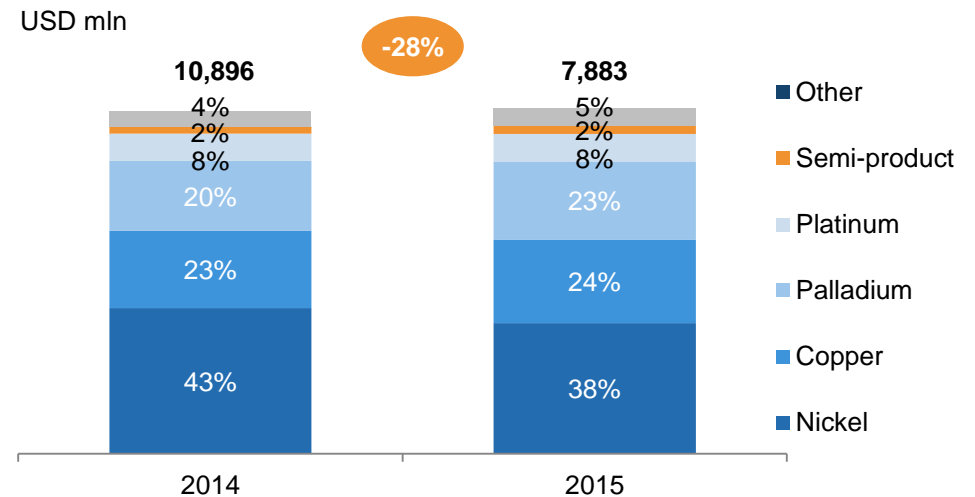
PGM Sales Volumes: Down due to One-Offs



Realized Metals Prices: Weak Markets



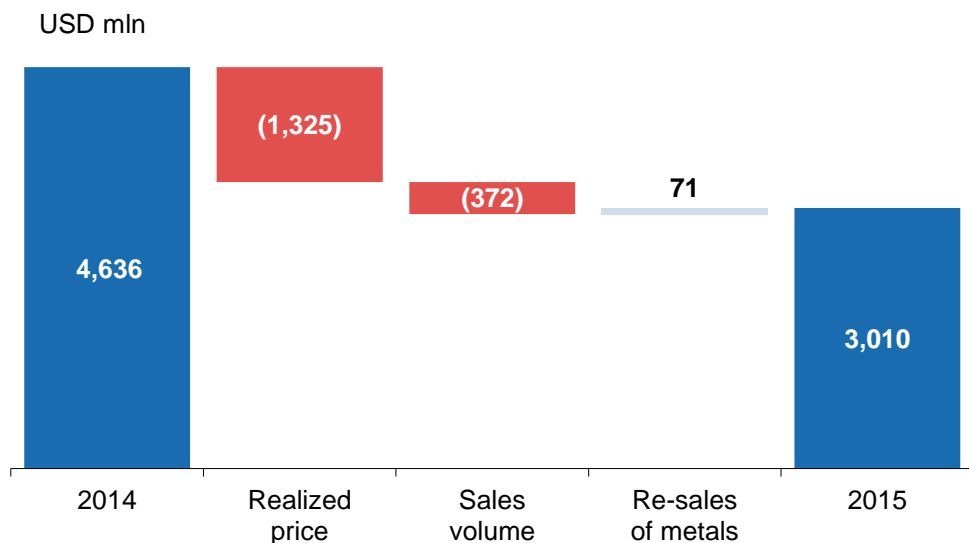
Metal Sales: Reduced Contribution from Nickel



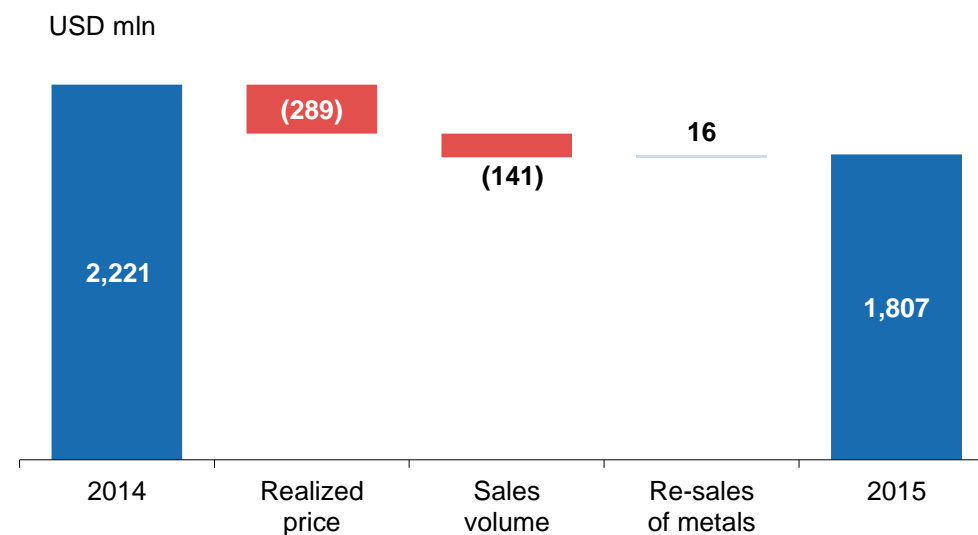
Note:1. Excluding sales of metals purchased from third parties

Revenue 2015: Driven down by Weak Markets and One-offs

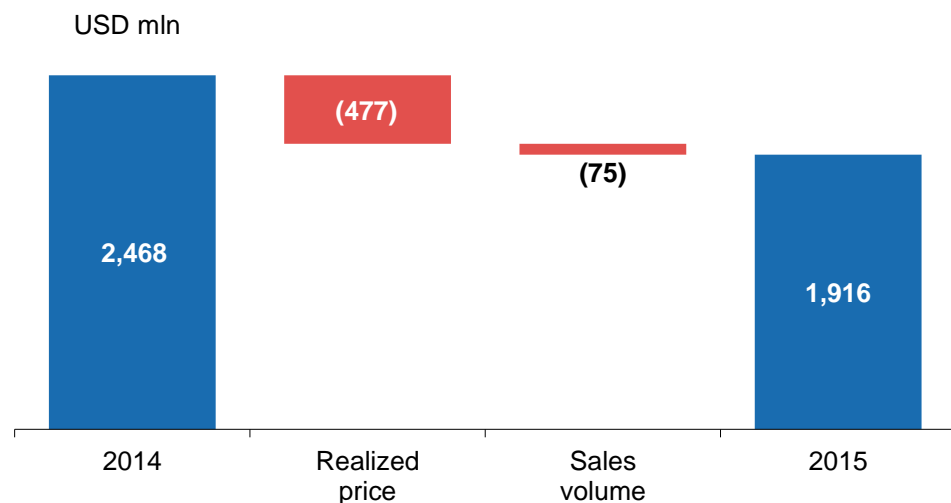
Nickel Revenue



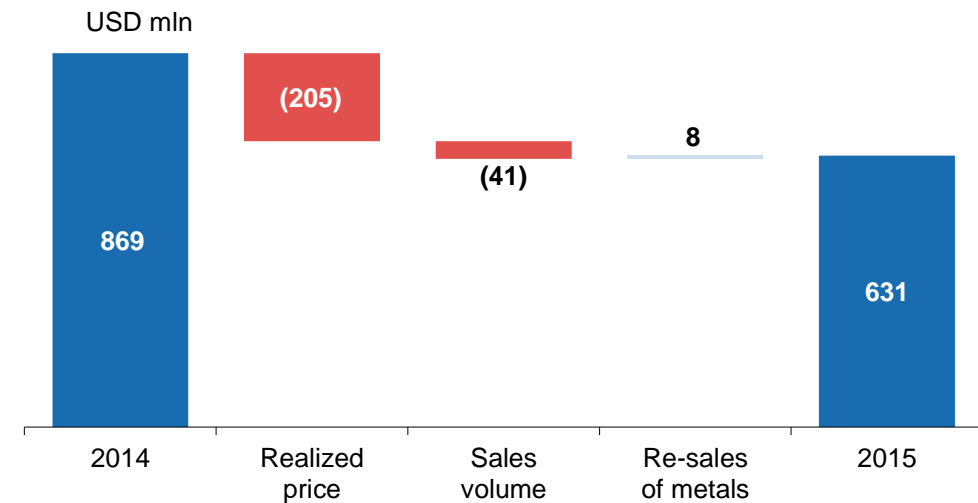
Palladium Revenue



Copper Revenue

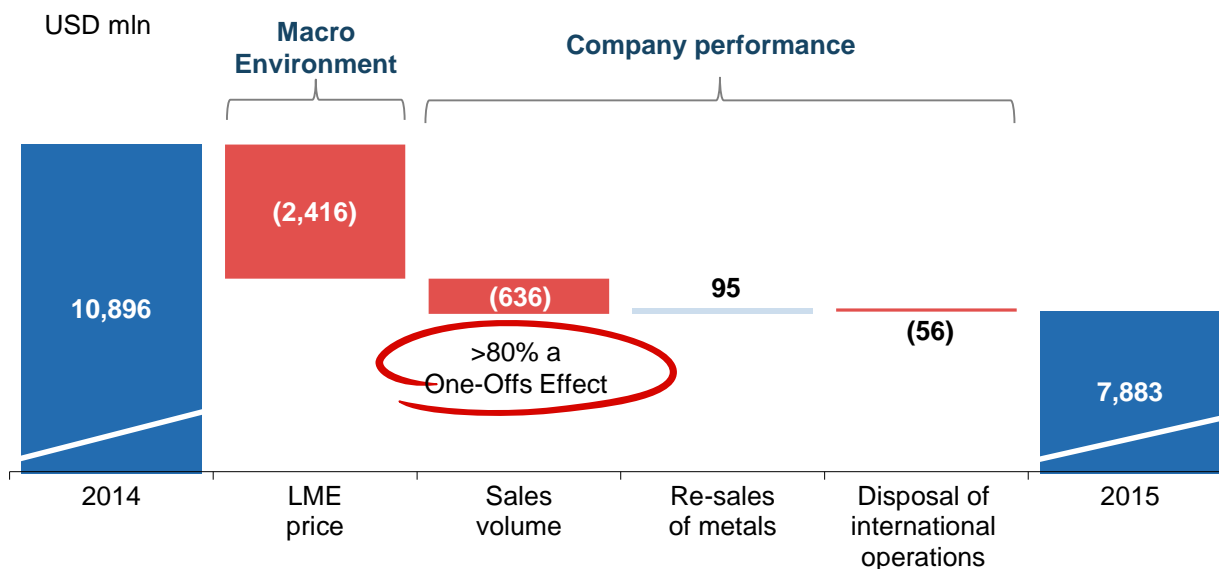


Platinum Revenue



2015 Revenue Under Pressure from Weak Markets

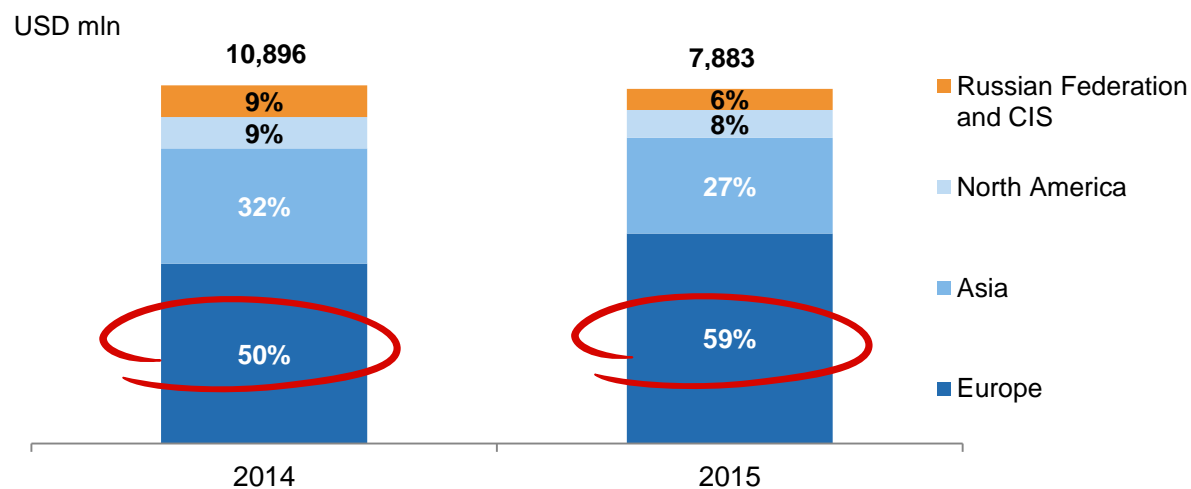
Revenue Bridge: Significant Impact of Macro Factors



Decrease of metal sales by 28% y-o-y to USD 7.9 bn due to:

- Decrease of realized prices (negative impact of USD 2.4 bn);
- A one off allocation of saleable metals to metal reserves driven by logistical and operational preparations for the shutdown of Norilsk nickel plant in 2016;
- Disposal of international operations (negative impact of USD 56 mln);

Metal Sales Breakdown: Europe is the largest market



Geographical mix remain stable:

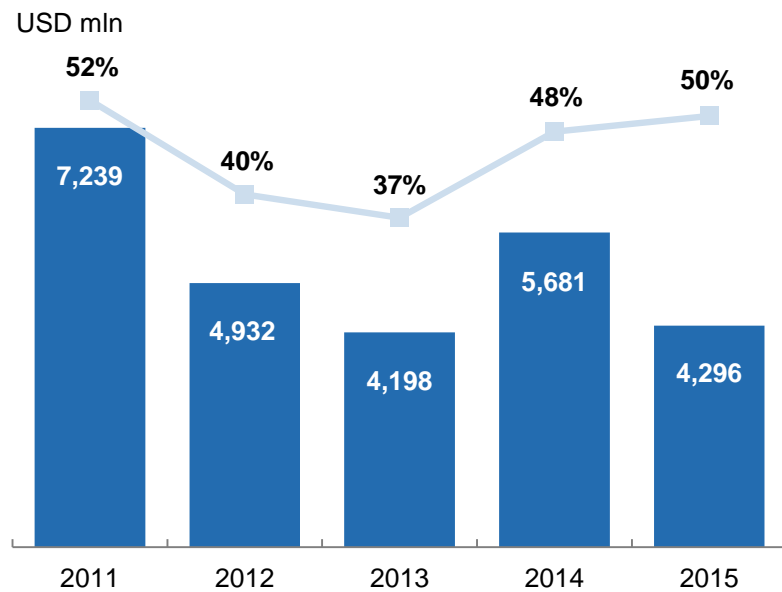
- Europe remains the largest market, up to 59%;
- Russia and CIS sales down to 6%;
- Asia sales down to 27% due to lower nickel prices and sales volumes;

Industry Leading EBITDA Margin

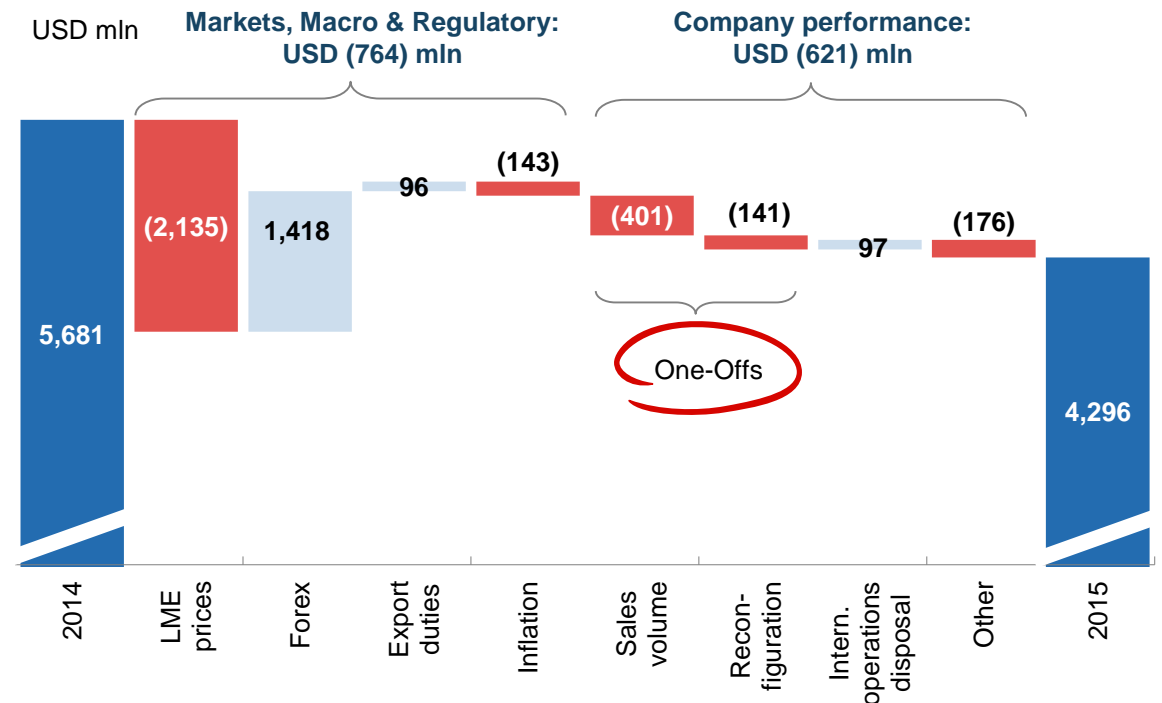
EBITDA decreased by 24% y-o-y to USD 4.3 bn, EBITDA margin up by 2 p.p to 50%:

- Main negative impact on EBITDA came from weak commodity prices (USD 2.1 bn);
- Depreciation of RUB against USD provided a substantial off-set to weak commodity prices in amount of USD 1.4 bn;
- Reduction in sales volumes (negative impact of USD 401 mln) was predominately a one-off and related to a build up of saleable metal reserve;
- Cancellation of nickel and copper export duties in August 2014 contributed positive USD 96 mln;
- Disposal of International operations contributed positive USD 97 mln;
- Preparation for the completion of downstream reconfiguration (Nickel plant closure etc.) had a one-off negative impact in amount of USD 141 mln;

EBITDA & EBITDA Margin (%)

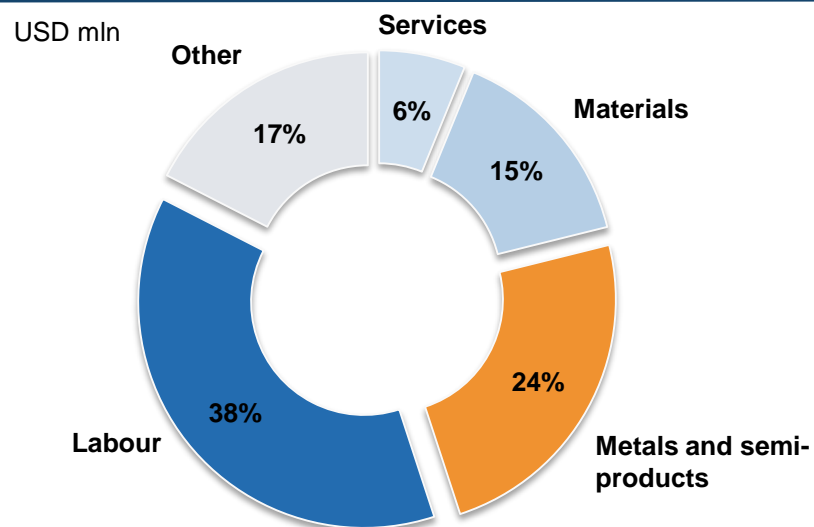


EBITDA Bridge: Effect of Markets and One-Offs

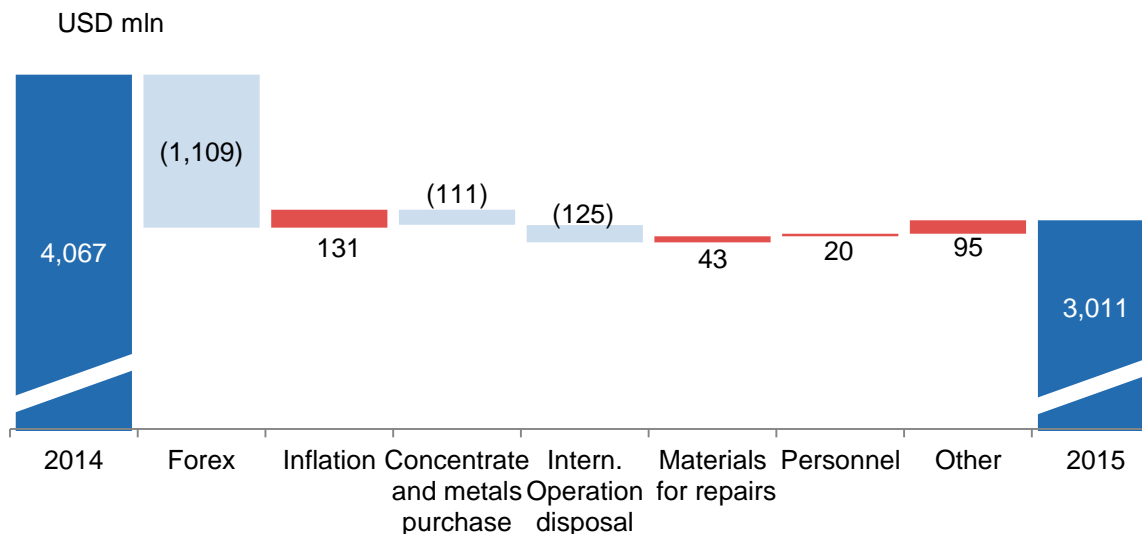


Stringent Control of Cash Costs

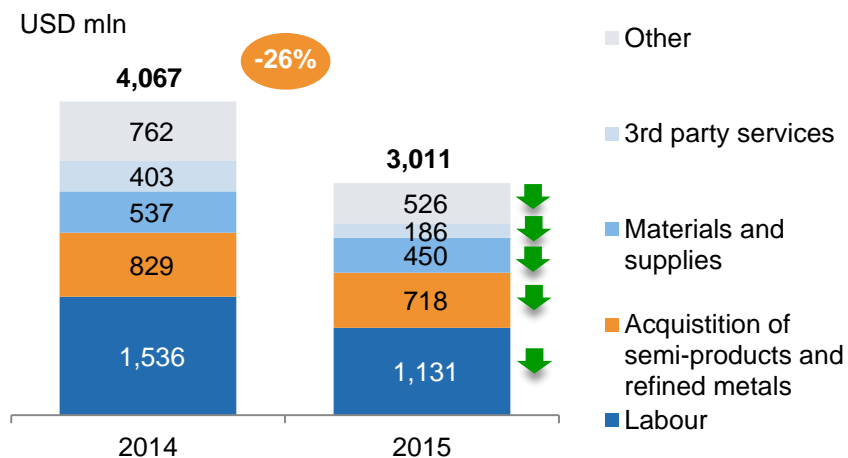
2015 Cash Costs Breakdown



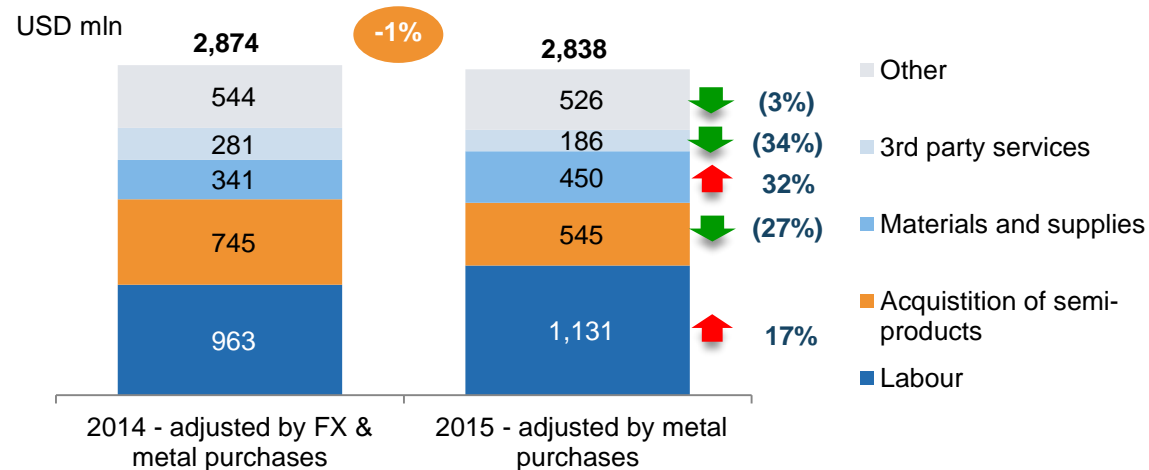
Cash Cost Reduction in 2015: Management Cost Controls and RUB Depreciation



Reported Cash Costs: Down 26% y-o-y



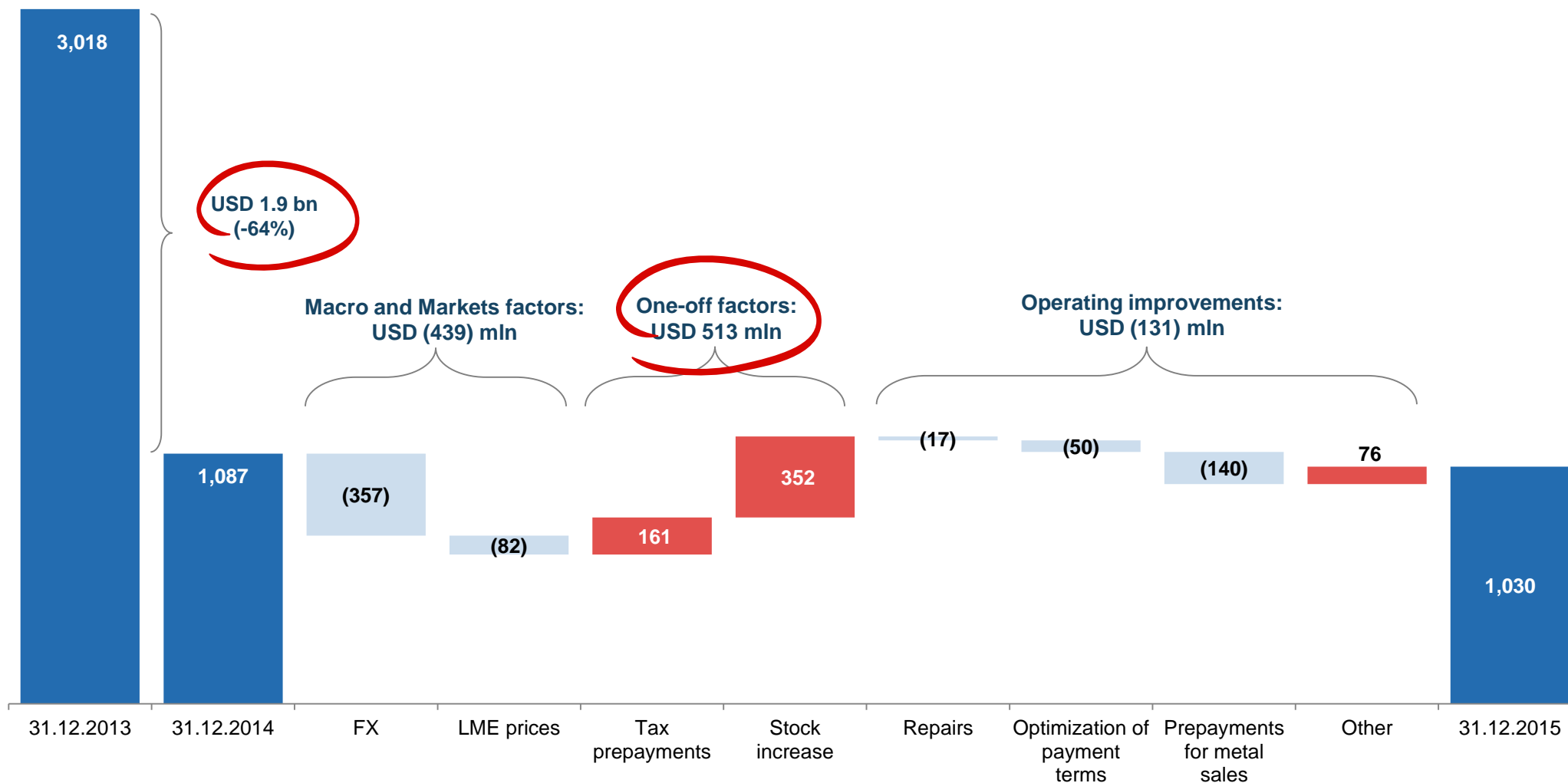
Cash Costs Adjusted by FX & Refined Metal Purchase: 1.2% reduction vs. 12.1% growth of domestic PPI



Net Working Capital: Maintained Despite Negative One-Offs

Working Capital Bridge: Excluding One-Offs Working Capital Was Down in 2015

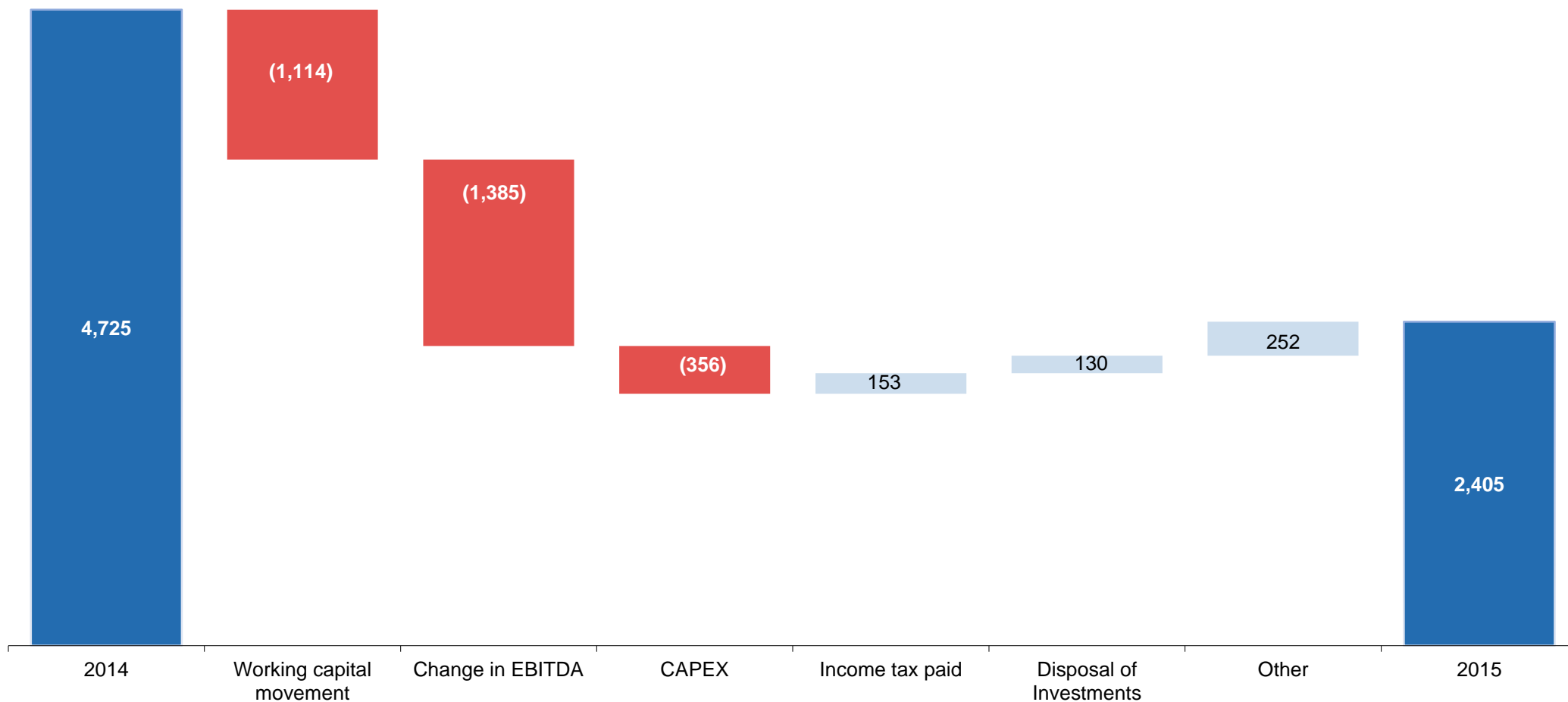
USD mln



Free Cash Flow Bridge: FCF / Revenue at 28% in 2015

FCF Reduction⁽¹⁾: Slow Down of Working Capital Release and Higher Capex

USD mln

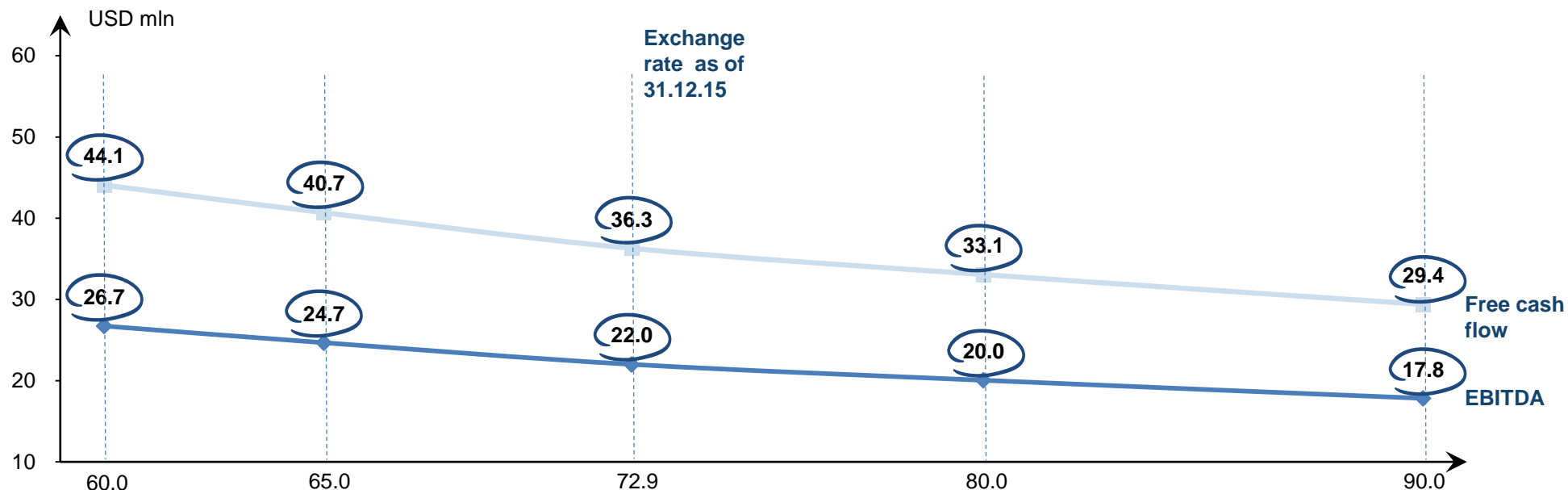


Note: 1. Free cash flow is a non-IFRS measure and is calculated as net cash generated from operating activities less net cash used in investing activities for the reported period

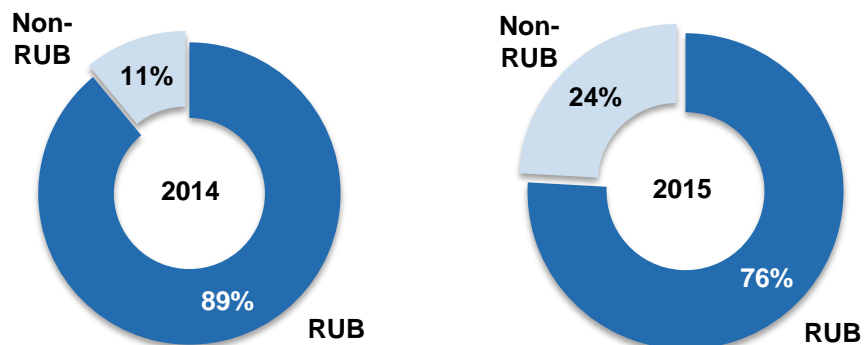
Financial Results Sensitivity to USD/RUB Rate

At the USD/RUB rate of 72.9, 1% change in exchange rate translates into:

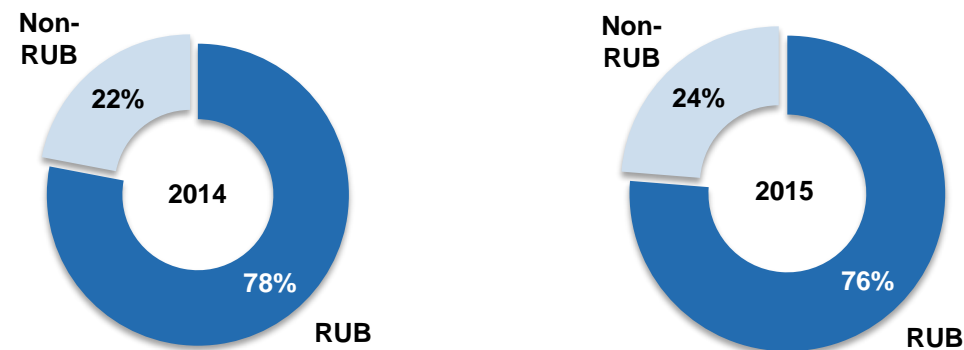
EBITDA change of USD 22.0 mln, FCF change of USD 36.3 mln



Share of Foreign Currency in Company CAPEX



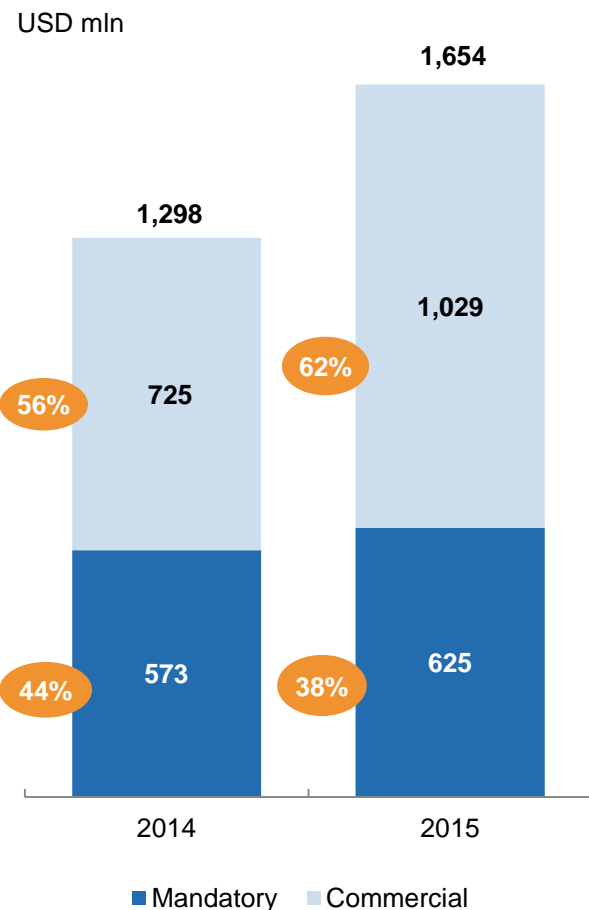
Share of Foreign Currency in Company OPEX



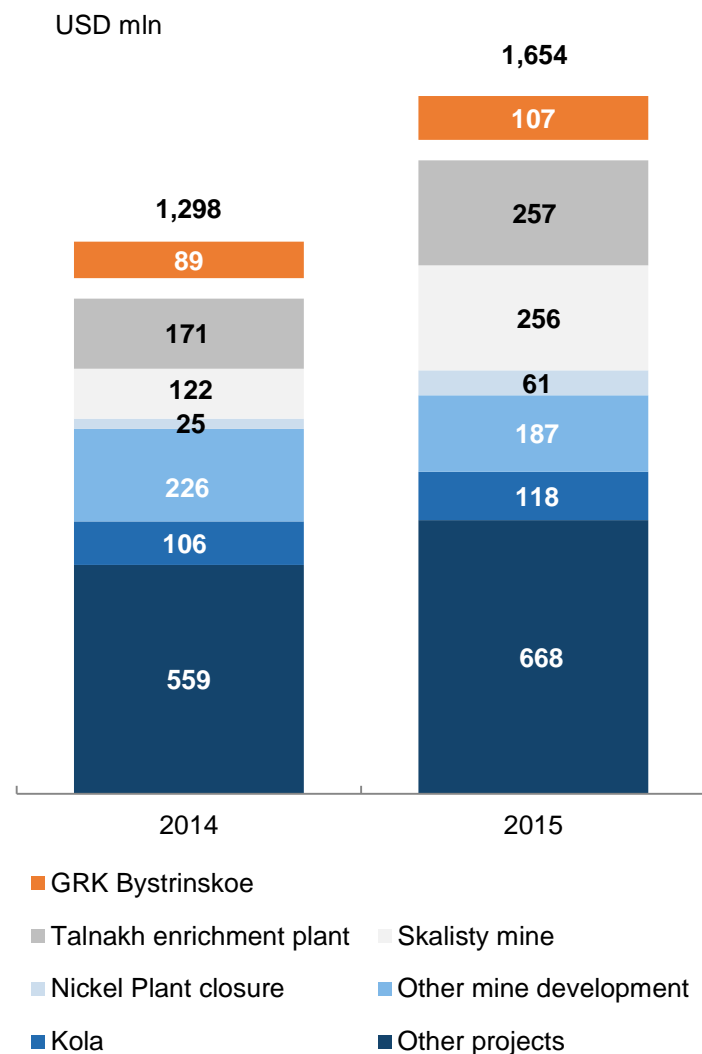
Source: Company data

Cash Capex⁽¹⁾: Key Project are on Time and on Budget

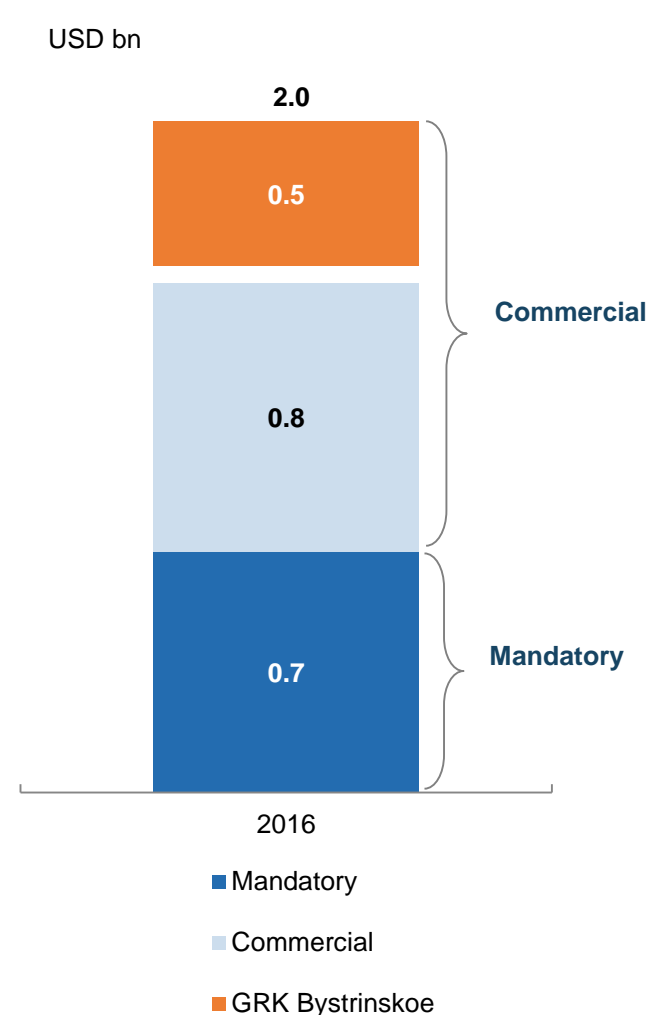
Mandatory vs. Commercial



Breakdown by Projects



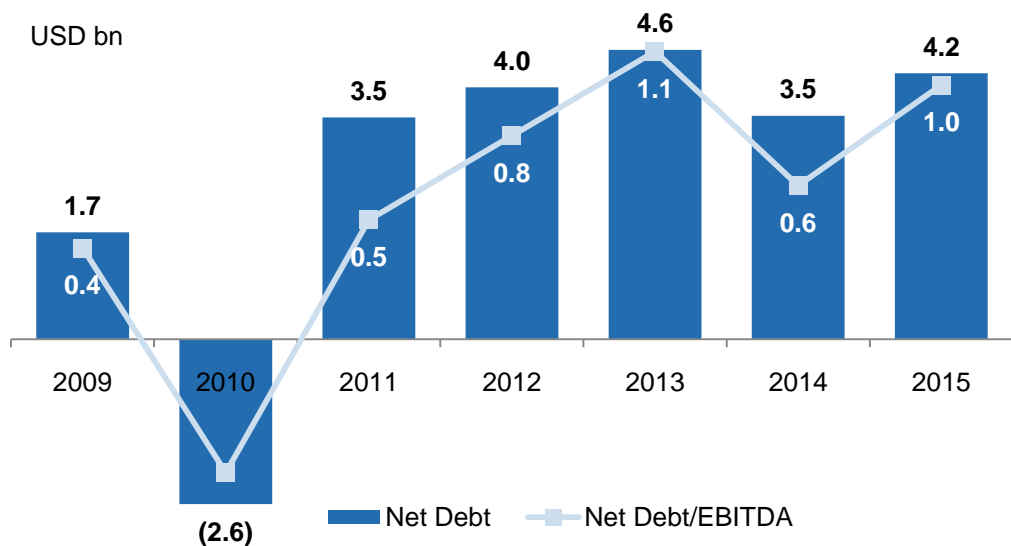
Capex Forecast



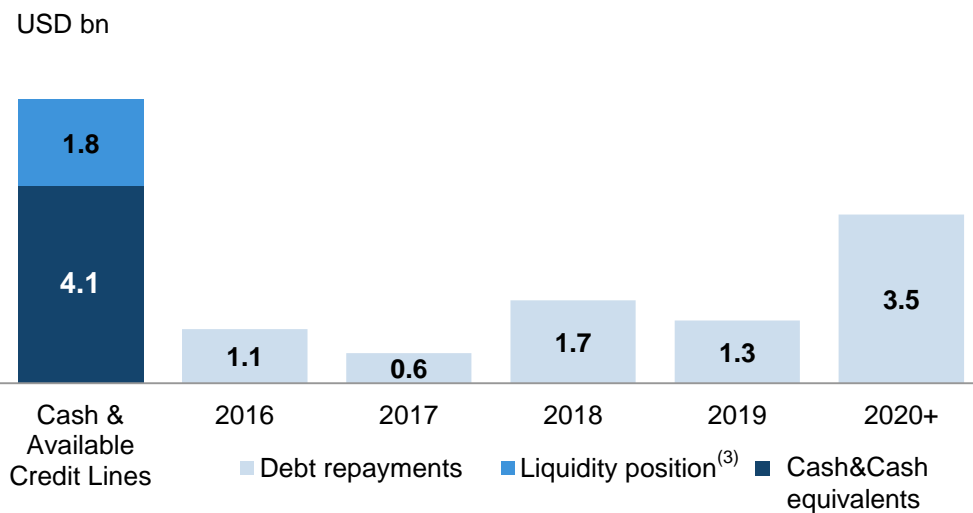
Note: 1. CAPEX per Cash Flow, net of VAT;

Preserving Strong Balance Sheet

Leverage Remained at Low Level: 1.0x Net Debt/EBITDA⁽¹⁾



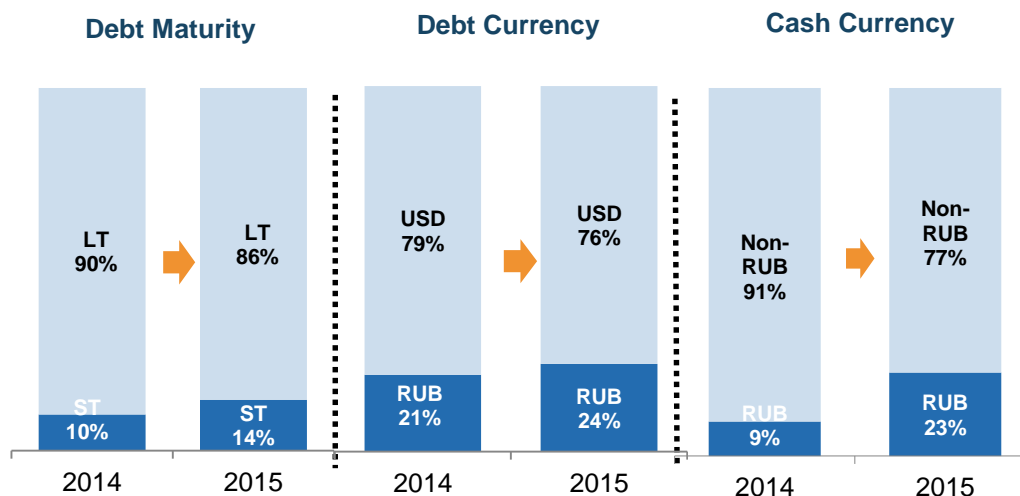
Liquidity and Debt Repayment Schedule



Proactive Liability Management

- ✓ In October 2015 the Company reopened the Russian Eurobond market with a 7-year USD 1.0 bn 144A/RegS Eurobond placement;
- ✓ New unsecured committed credit lines were executed with Russian banks for the total amount of USD 1.3 bn;
- ✓ As of December 31, 2015 the total limit of available committed credit lines amounted to USD 1.8 bn;
- ✓ In January 2016, the Company signed a 5-year committed revolving back-stop facility with a consortium of Chinese banks for the equivalent of USD 0.7 bn⁽²⁾;

Debt and Cash Structure



Note: 1. Net Debt to Adjusted EBITDA, 2. Under English law, 3. Committed credit lines

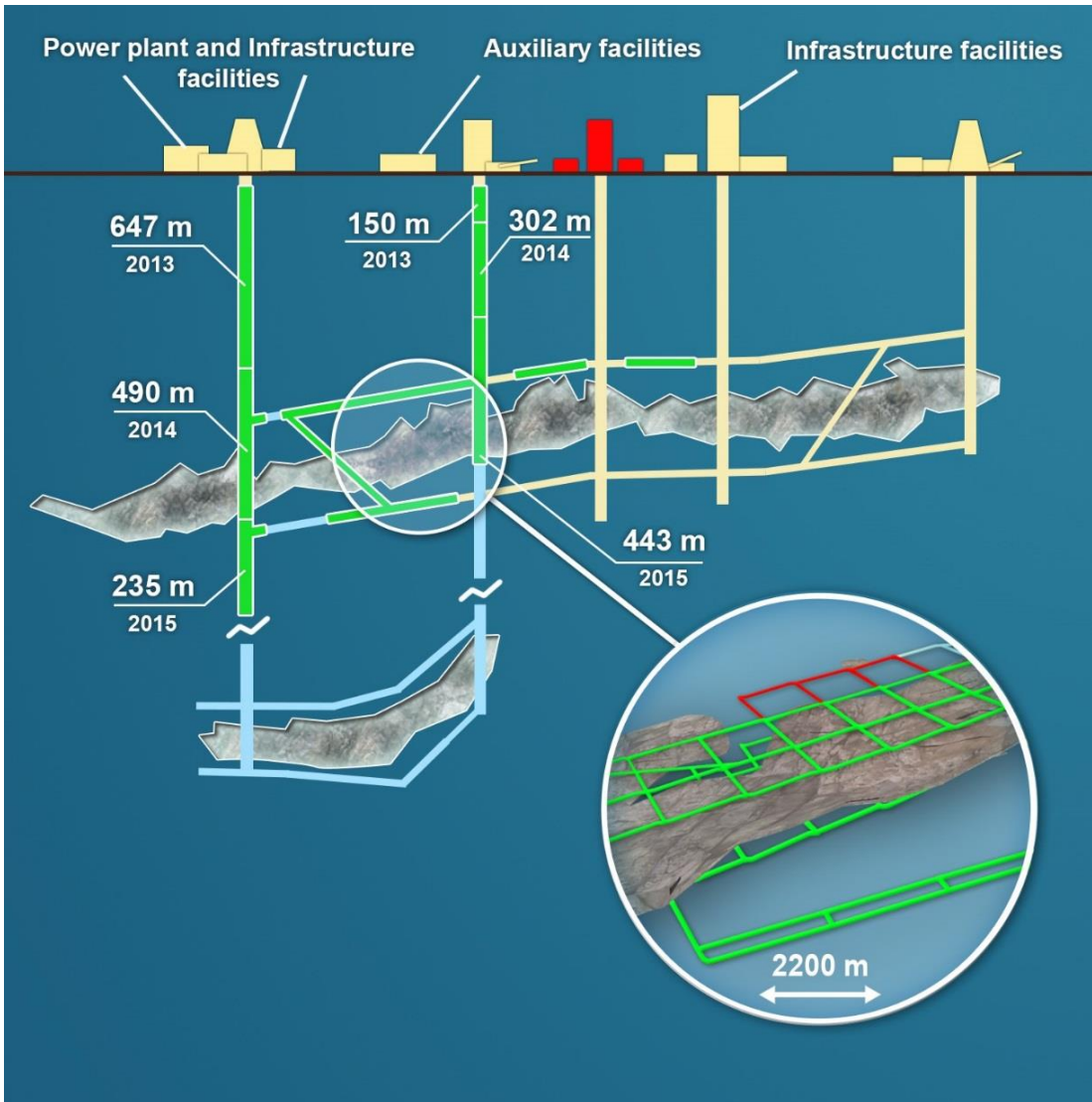


NORILSK NICKEL

Major Projects Update

Skalisty Mine: Project Development on Track

Project Highlight



Project overview

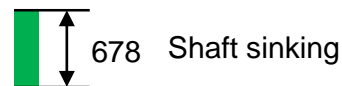
- ❑ Greenfield project
- ❑ Production capacity – 2.4Mtpa
- ❑ Ore reserves: 58Mt
- ❑ Estimated Project IRR > 50%
- ❑ Total Capex: ~ RUB42 bn (for 2016-2025)

Project timeline

- ❑ Mining launched (650kt) in 2015
- ❑ Ramp-up to 1.95 mt by 2017, to 2.4 mt by 2023
- ❑ Completion of ventilation shaft (VS-10) by 2017
- ❑ Completion of skip-cage shaft (SCS-1) by 2019

Project progress

- ❑ 2015 CapEx: USD 256 mln
- ❑ Progress in 2015:



Existing objects and shafts as at the beginning of 2015

Total capital mine works planned in 2016-2025

Construction completed in 2013-2015

Reconstruction works

Talnakh Concentrator: Modernization and Expansion

2015

Talnakh Stage 1 – 7.7 Mt capacity



✓ Stage 1 - Completed

- Replacement of flotation cells
- Capacity – 7.7 Mtpa (maintained)
- Completion – 2014

Stage: project completed on time / on budget, launched on January, 2015, ramp-up by 1Q 2016;

Impact: upgrade in flotation circuit resulted in Ni recovery improvement (by 1%);

Stage 2 – Progress



Stage 2 - Progress in 2015

- Installation of new flotation cells/grinding mills
- Construction of new shop completed

1st stage of the new tailings dump
~40% complete;

2015 Capex – USD 257 mln

2016

Talnakh Stage 2 – 10.2 Mt capacity

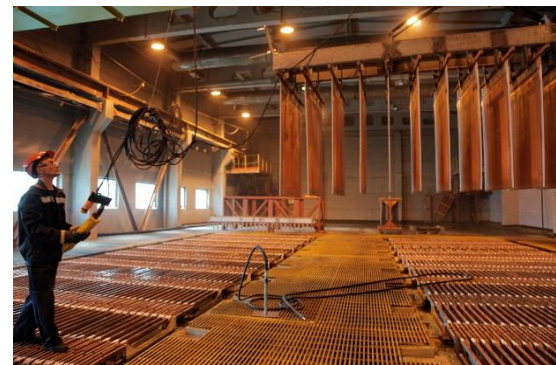


✓ Stage 2 – Launch April 2016

- Ramp-up by 1Q 2017
- Capacity expansion by 2.5 Mtpa to 10Mtpa
- Technology upgrade:
 - ✓ The content of nickel in nickel concentrates to grow from 8,6% to 13,5%;
 - ✓ Expenses on metallurgical extractions to reduce due to 12% decrease in Sulphur weight in concentrate;
 - ✓ Sulfur extraction in the final tailings to increase by 16%;

Production Reconfiguration Update: Upgrade of Smelting and Refining Facilities

Project Highlight



✓ Modernization and Expansion of Capacities at Nadezhda Smelter

Capital repairs of the flash smelter furnace №1 completed on time/on budget:

- ✓ Flash smelter furnace №2 – completed in 2014;
- ✓ Project capex RUB 2.4 bn (or USD 33 mln);

Increase of smelting capacities by 0.5 Mtpa to 2.4 Mtpa

- ✓ Scheduled for completion by 1Q 2016;
- ✓ Capex in 2015 RUB 2.9 bn (or USD 40 mln);

✓ Expansion of Capacity and Modernization of Kola Nickel Refinery

Industrial production of high-grade electrolytic commodity cobalt launched in December 2015:

- ✓ Total capacity 3 ktpa;
- ✓ Project capex RUB 3 bn (USD 42 mln);

Capital repairs at electrolysis shop №1 (45 ktpa) at final stage:

- ✓ Ramp-up to full capacity by 3Q 2016;
- ✓ Project capex RUB 0.9 bn (USD 13 mln);

Modernization of at electrolysis shop №2 (145 ktpa) ongoing (upgrade to chloride leaching technology):

- ✓ Total project capex RUB 9.7 bn (USD 134 mln);
- ✓ Ramp-up by the end of 2017;

Note: 1.Capex numbers provided in USD assuming current spot rate

Production Reconfiguration Update: Nickel Plant Shut Down

Project Highlight



Nickel Plant overview

- ❑ Smelting capacity: 1 000 kt of concentrate p.a., refining: 120 kt of nickel p.a.
- ❑ Ageing of equipment: 65%
- ❑ Number of employees: 3 500 people
- ❑ SO2 Emissions: up to 400 kt p.a. (in 2015)

Project timeline

- ❑ Shut down of smelting facilities in 1H 2016
- ❑ Phased out shut-down of refining facilities will be completed by 4Q 2016
- ❑ Site isolated and secured - 2016, gradual clean up in 2017-2021

Project impact

- ❑ Reduction of sulphur dioxide remissions by 15% in Polar Division, including 30-35% reduction in Norilsk city area

Chita Copper Project Progress : Completed by 45%

Project Highlight



De-risking the Bystrinsky project:

- The set of binding agreement signed with consortium of Chinese investors (Highland Fund) to purchase 13.33% stake in Bystrinsky project for USD100 mln;



Railway link to the project site is near completion (227 km, 3.7Mtpa capacity). Project financed in partnership with the Russian Government:

- Trial operation launched in December 2015, full commissioning in 2016;



An agreement reached with «FGC UES» regarding power line construction and operation:

- 220kv high –voltage line construction began. Commissioning is scheduled in 3Q 2017;



Waste stripping at the open pits Ildikanskyi and Bystrinsky-2 completed:

- 3mn m³ of waste rock were moved in 2015;

Construction of main facilities/ordering of equipment on track:

- Contractors have been hired for the construction works (enrichment plant, labour camp and etc.);
- Ongoing construction of more than 20 production units (complex for ore supply, warehouses and etc.);
- All of the concentrator equipment have been ordered (Outotec, FL Smidth);

Chita Copper Project Development Update

House of Crushed Ore



Warehouse for Crushed Ore



Administration Building



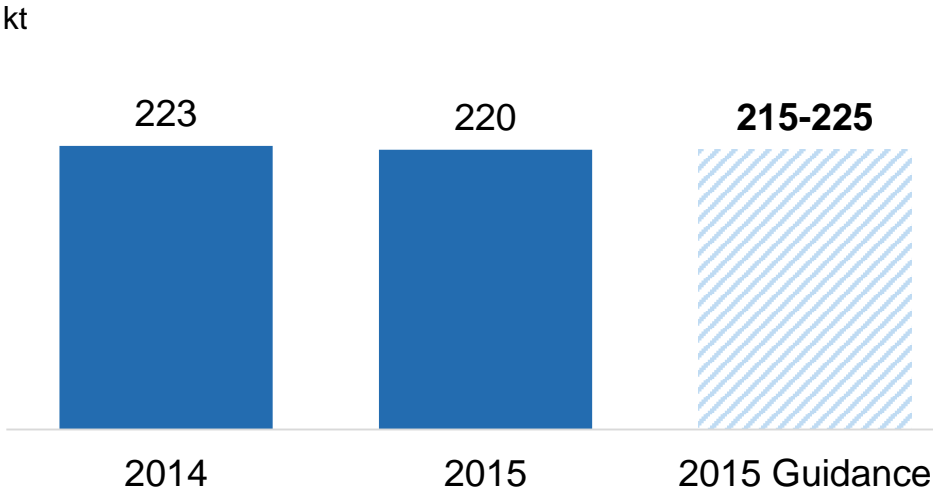
Mechanical Workshops



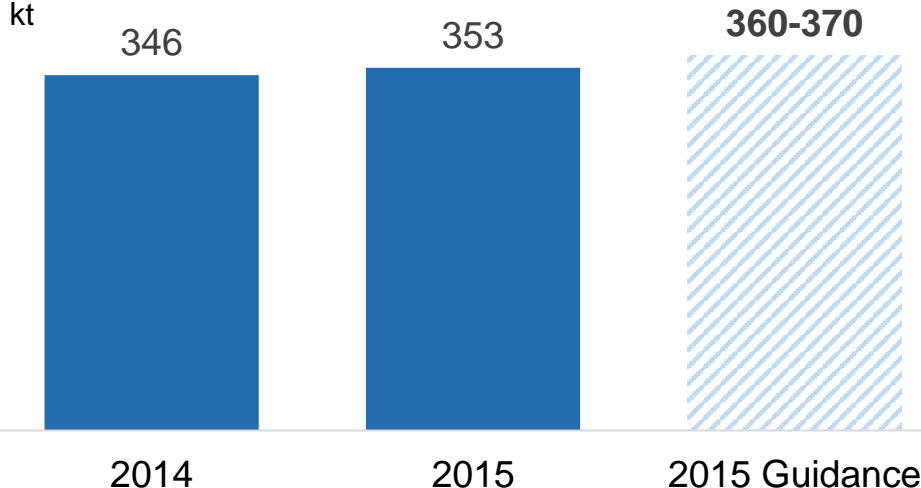
Source: Company data

2015 Production Results: in Line with the Guidance

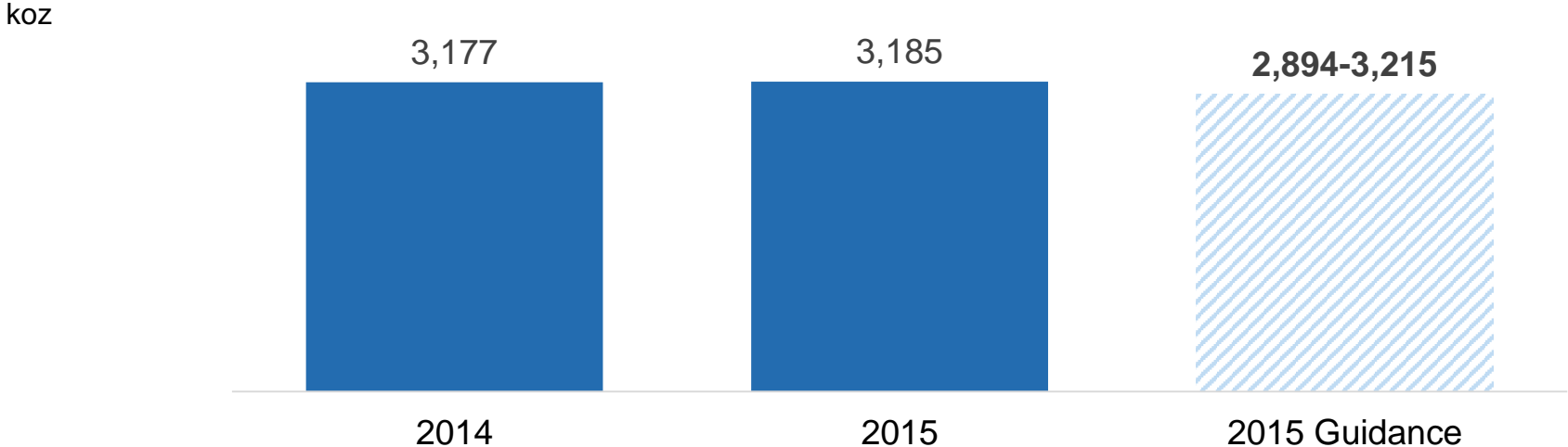
Nickel Production



Copper Production



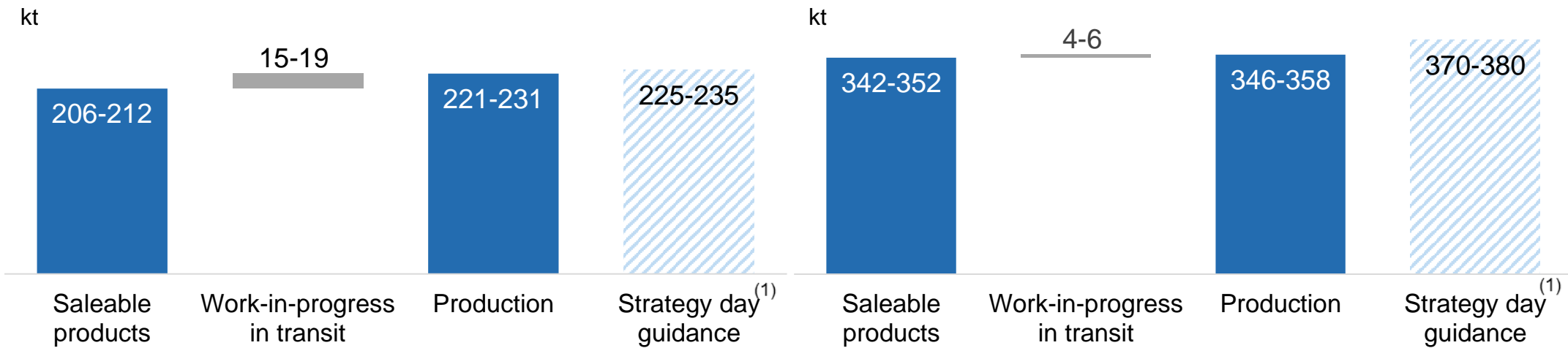
PGM Production



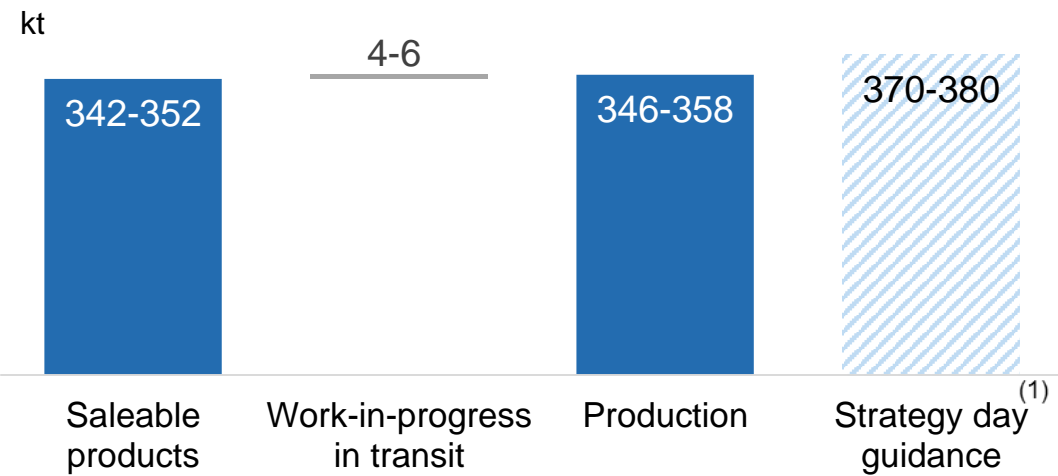
Note: Metal production volumes from Russian feed (including the processing of Russian feed at Norilsk Nickel Harjavalta in Finland)

2016 Production Guidance: Confirming Strategic Targets

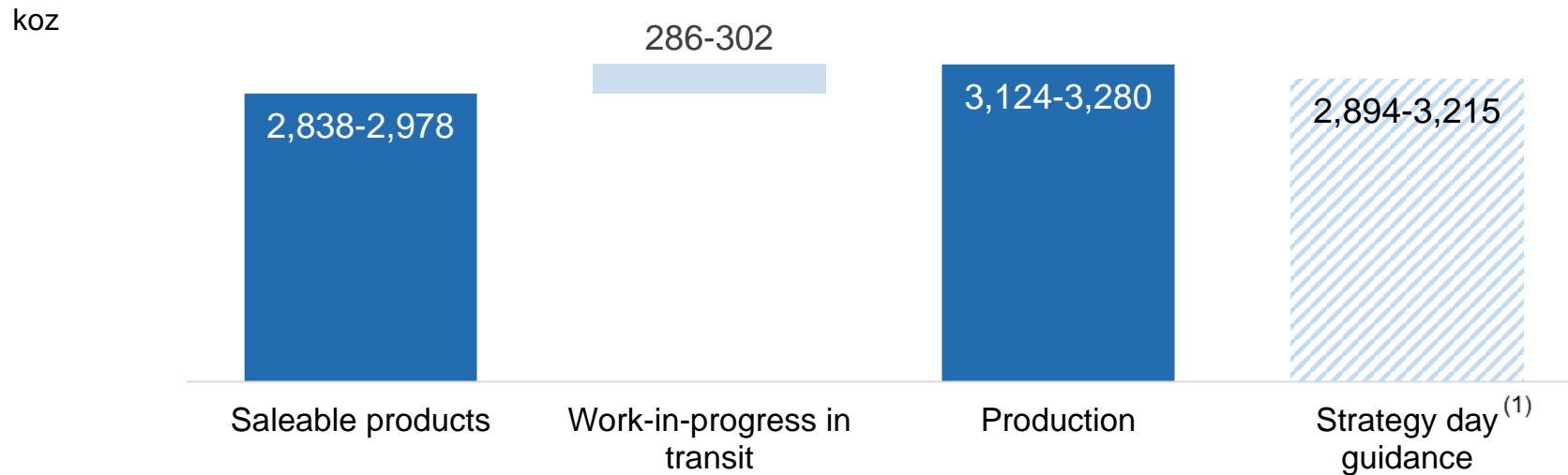
Nickel Production Guidance



Copper Production Guidance



PGM Production Guidance



Note: Metal production volumes from Russian feed (including the processing of Russian feed at Norilsk Nickel Harjavalta in Finland);
 1. Guidance presented at Strategy Day in May, 2015

2016 Outlook

- ❑ In general, we believe that global cost curves in Norilsk Nickel metals basket should stabilize in the current year as the impact from mining currencies depreciation and oil price, taking lower global costs, should be by and large done;
- ❑ We are cautious on nickel in the short run, but have a positive view in the medium term, as we believe that supply rationalization is imminent as over 70% of the industry has been generating cash losses for a prolonged period of time. The industry already entered into a major restructuring in 2015, which is picking up pace in 2016. However, any sustainable price recovery probable will also require a sizeable and sustainable drawdown of exchange inventory;
- ❑ We remain positive on PGM markets, especially on palladium. We expect that both platinum and palladium markets will be in deficit in the current year, as supply growth will be limited in platinum and there will be none in palladium. Global industrial consumption will be healthy driven by the demand from automobile sector, especially from gasoline autocatalysts for palladium. Investment demand will remain a major swing factor;
- ❑ We expect CAPEX for the 2016 at USD 2.0 billion ⁽¹⁾ (including capex approximately of USD 0.5 billion for Chita);
- ❑ Working capital is expected to reduce by approximately USD 150 million in 2016 subject to FX unchanged;
- ❑ Annual dividends are expected to be announced in late April 2016 less the interim dividends in amount of USD 1.6 billion ⁽²⁾;

Note: 1. Assuming exchange rate USD/RUB 65,

2. Dividends calculated in USD using the Bank of Russia's exchange rate for the date the Board of directors of Norilsk Nickel passes a resolution on the recommended amount of dividends.



NORILSK NICKEL

Q&A Session