



NORILSK NICKEL



Unveiling New Strategy

October 4, 2013

London

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Agenda

- **Unveiling New Norilsk**
- **Strategic Priorities**
- **HSE and Operating Update**
- **Markets and Distribution**
- **Financial Performance**
- **Corporate Governance**



NORILSK NICKEL



Unveiling New Norilsk

Vladimir POTANIN

Chief Executive Officer

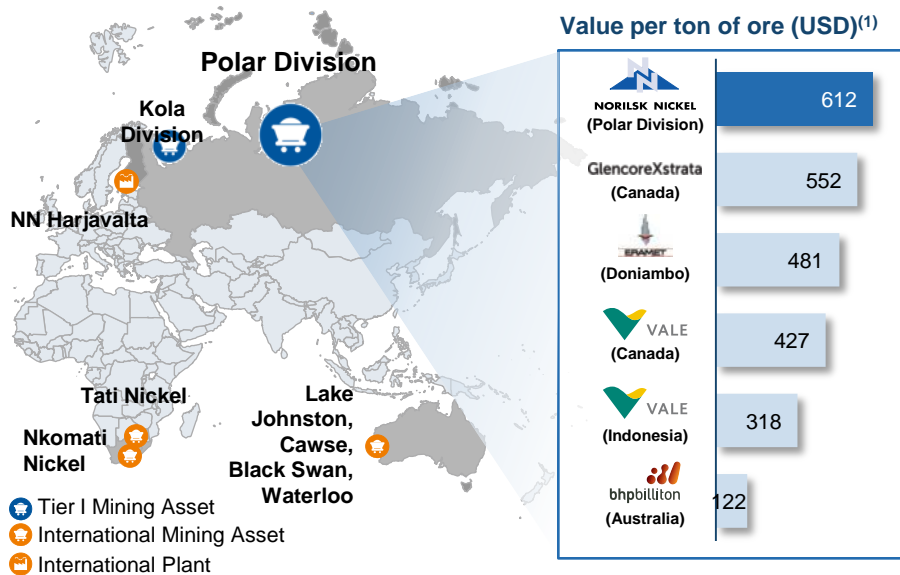
Chairman of the Management Board

Leading Nickel and PGM Mining Major

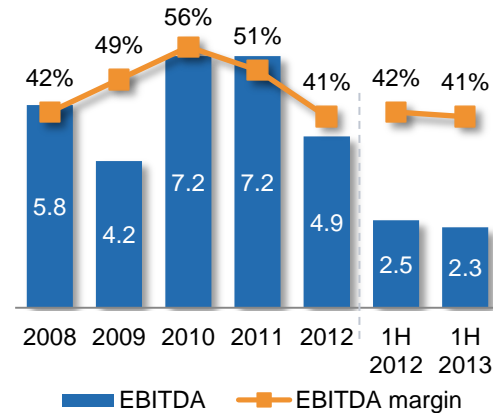
Key Highlights

- World's largest producer of nickel and palladium with strong positions in copper, platinum, cobalt and rhodium
- World's best polymetallic reserve base
- Lowest cash cost nickel producer worldwide
- Sustainably high EBITDA margin through the cycle
- Strong balance sheet with investment grade credit rating (Moody's: Baa2)

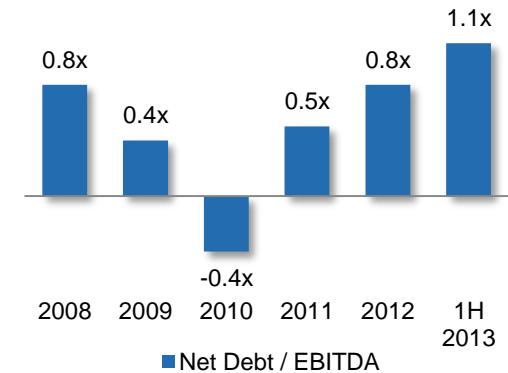
Industry's Best Tier I Assets



Strong Through the Cycle Margins...

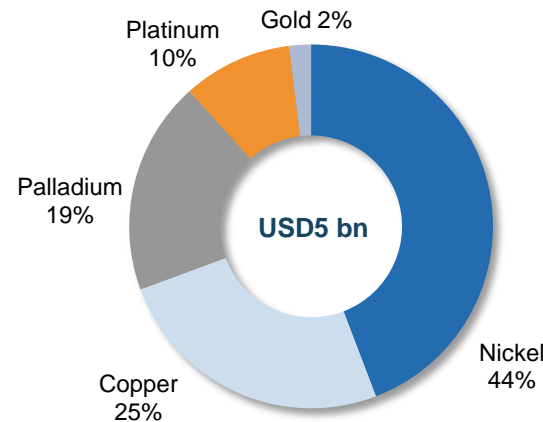


... and Conservative Balance Sheet

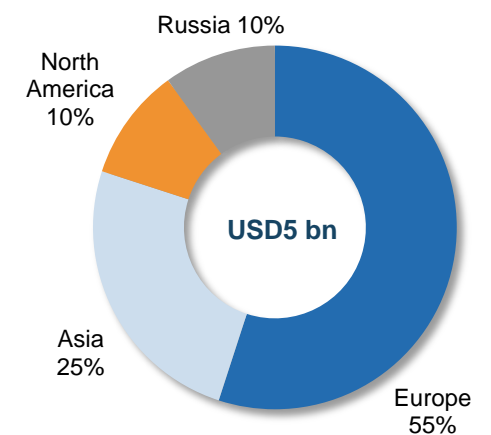


Diversified Revenue Mix (1H 2013)

Sales by Metal



Sales by Region



Source: Norilsk Nickel annual reports and 1H 2013 consolidated financial statements, AME, LME, Ratings Reports, Companies reporting
 Notes: (1) Proven and probable reserves before recovery; Calculated using broker consensus' long term metal prices: USD17,878/t nickel, USD6,474/t copper, USD1,760/oz platinum, USD810/oz palladium, USD1,250/oz gold

New Management Team



Vladimir POTANIN

Chief Executive Officer
Chairman of the Management Board

Operations



Sergey DYACHENKO

- COO of Kazakhmys
- 30 years of experience in the mining industry
- Held senior positions at Rio Tinto and De Beers

Finance



Sergey MALYSHEV

- 20 years of experience in finance
- Held senior positions at LUKOIL and other large Russian companies

Strategy and Development



Pavel FEDOROV

- Deputy Minister of Energy of the Russian Federation
- First Vice-President of Rosneft
- 14 years in investment banking with Morgan Stanley and UBS

Investor and Government Relations



Andrei BOUGROV

- Held senior positions at EBRD and World Bank
- Member of Norilsk Nickel's Board since 2002

Sales and Markets



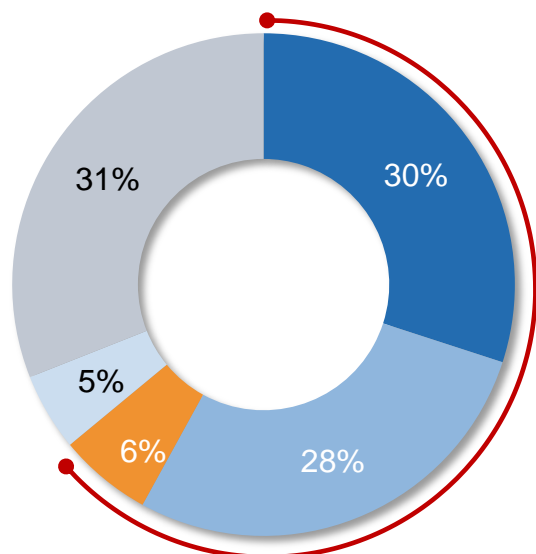
Anton BERLIN

- 14 years of experience with Norilsk Nickel and commodity markets



Strong Anchor Shareholder Support

Shareholder Structure



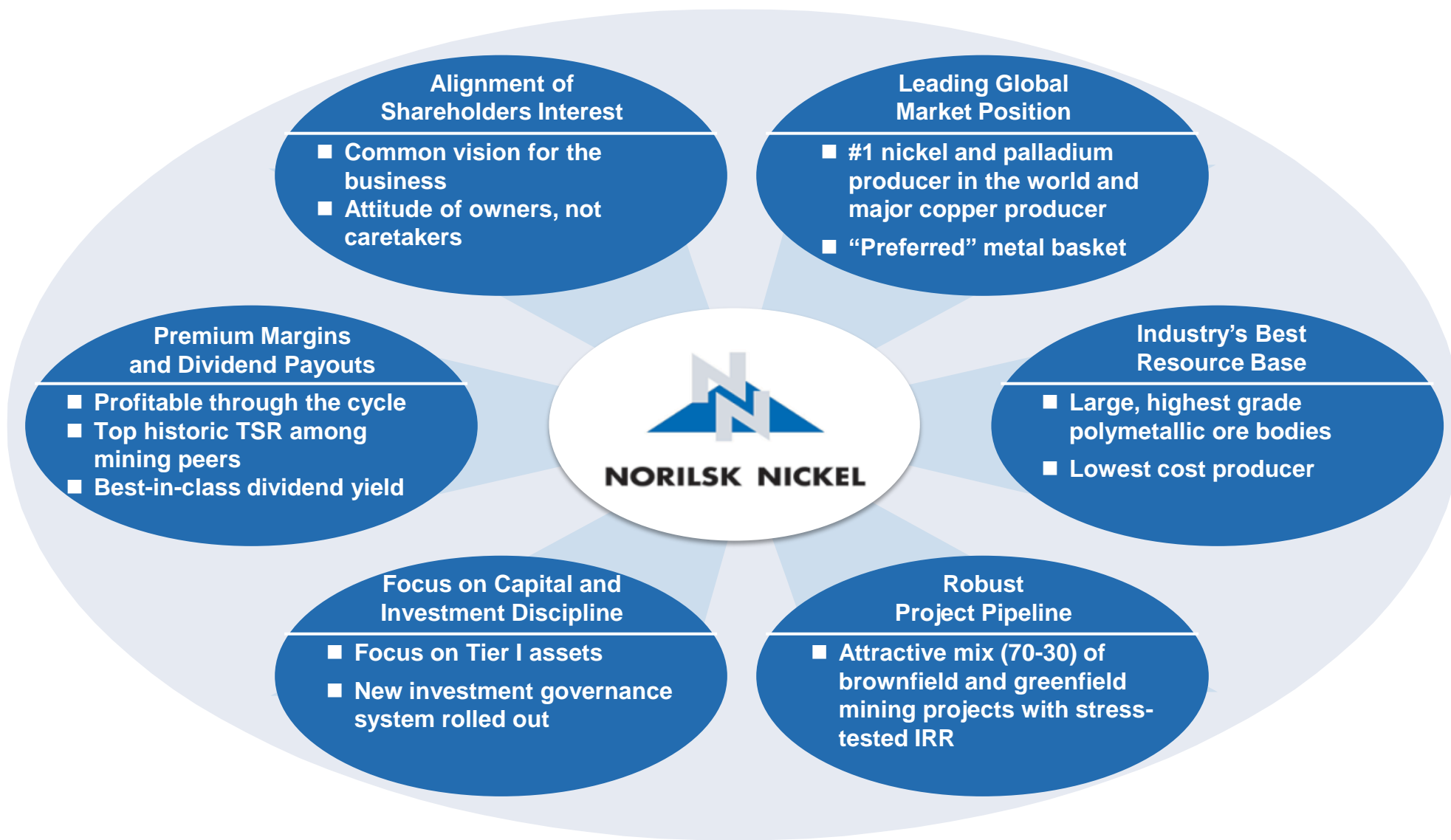
64%
of the shares
owned by the
parties to the
Shareholder
Agreement

- Interros
- Rusal
- Crispian Investments Limited⁽¹⁾
- Metalloinvest
- Free Float

- ✓ Firm long-term shareholder agreement signed, consensus-based governance system introduced and functioning
- ✓ New corporate strategy vetted by all anchor shareholders, approved by the Board of Directors in September 2013
- ✓ All treasury stock cancelled, free float increased from 26% to 31%
- ✓ New dividend targets approved in October 2013

Notes: 1. An affiliate of Mr. Roman A. Abramovich

New Norilsk – A Compelling Investment Proposition



New Strategy: Focus on Tier I Assets, Value and Investment Discipline

New Vision:

Norilsk Nickel to deliver sustainably high **return on capital** by owning and efficiently operating **Tier I metals and mining assets** located in **regions** with high geological potential, where the Company can build on its competitive edge

**Approved by
the Board of
Directors of
Norilsk Nickel
on September
12, 2013**



**Focus on Tier I
Assets**



**Optimal Value
Chain Footprint**



**Capital and
Investment
Discipline**



**Social
Responsibility**



Delivery Under Way: Interim Results and Outlook

Key Achievements in 2013

- ✓ The implementation of the shareholder agreement is on track
- ✓ New management team appointed
- ✓ Investment governance system revamped
- ✓ New corporate strategy developed and approved by the Board
- ✓ New dividend targets in place

Looking Forward...

- Focus on Polar Division upstream projects
- Target “on time / on budget” execution of key investment projects
- EBITDA@risk initiative for stay-in-business capex
- Continued optimization of asset footprint and disposal of non-core assets
- Comprehensive cost cutting program in place
- Turnaround of Kola Division
- Optimal smelting and metallurgy configuration defined in 2014
- Further strengthening of the management team, new KPIs and performance management
- Regular strategy updates and a step-change in the quality of investor dialogue





NORILSK NICKEL



Strategic Priorities

Pavel FEDOROV

Deputy CEO

Strategy and Development

Key Strategic Priorities

Asset Development

Focus on Tier I Assets

Maximizing the Potential of Polar's High-Margin Upstream

Introduction of the 'First Marketable Product' Approach

Increasing Focus of Existing Portfolio on PGMs and Copper

Exploration as an Efficient Business



NORILSK NICKEL

Organizational Development

Building a Return on Capital-Centered Organization

Sustainable Development and Socially Responsible Management

Promoting Transparency, Competition of Ideas and Projects

Building an Adaptive and Dynamic Organizational Culture

Developing Organizational Competences for Building Successful Partnerships



Paradigm Shift – Focus on Returns and Capital Discipline

	2010 Production Plan	2013 Corporate Strategy
Strategic Focus	<ul style="list-style-type: none"> Downstream-driven metal production growth 	<ul style="list-style-type: none"> Upstream- focused margin maximization
Product Portfolio	<ul style="list-style-type: none"> Broad diversification 	<ul style="list-style-type: none"> Clear focus on nickel, PGMs and copper
Geographic Diversification	<ul style="list-style-type: none"> Wide portfolio of international assets 	<ul style="list-style-type: none"> Focus on Tier I assets in Russia
Value Chain	<ul style="list-style-type: none"> Full vertical integration 	<ul style="list-style-type: none"> “First Marketable Product” principle, no vertical integration is taken for granted
Exploration	<ul style="list-style-type: none"> Not an explicit priority 	<ul style="list-style-type: none"> Development of exploration into an efficient business
Capital Expenditure	<ul style="list-style-type: none"> Firm long-term capital commitment to fully fund production growth 	<ul style="list-style-type: none"> Best-in-class investment governance, ROIC-driven phased investments

Focus on Tier I

Tier I Asset Criteria

- ✓ **Large Scale:** > USD1bn revenue
- ✓ **High Margins:** >40% EBITDA margin
- ✓ **Long Reserve Life:** >20 years

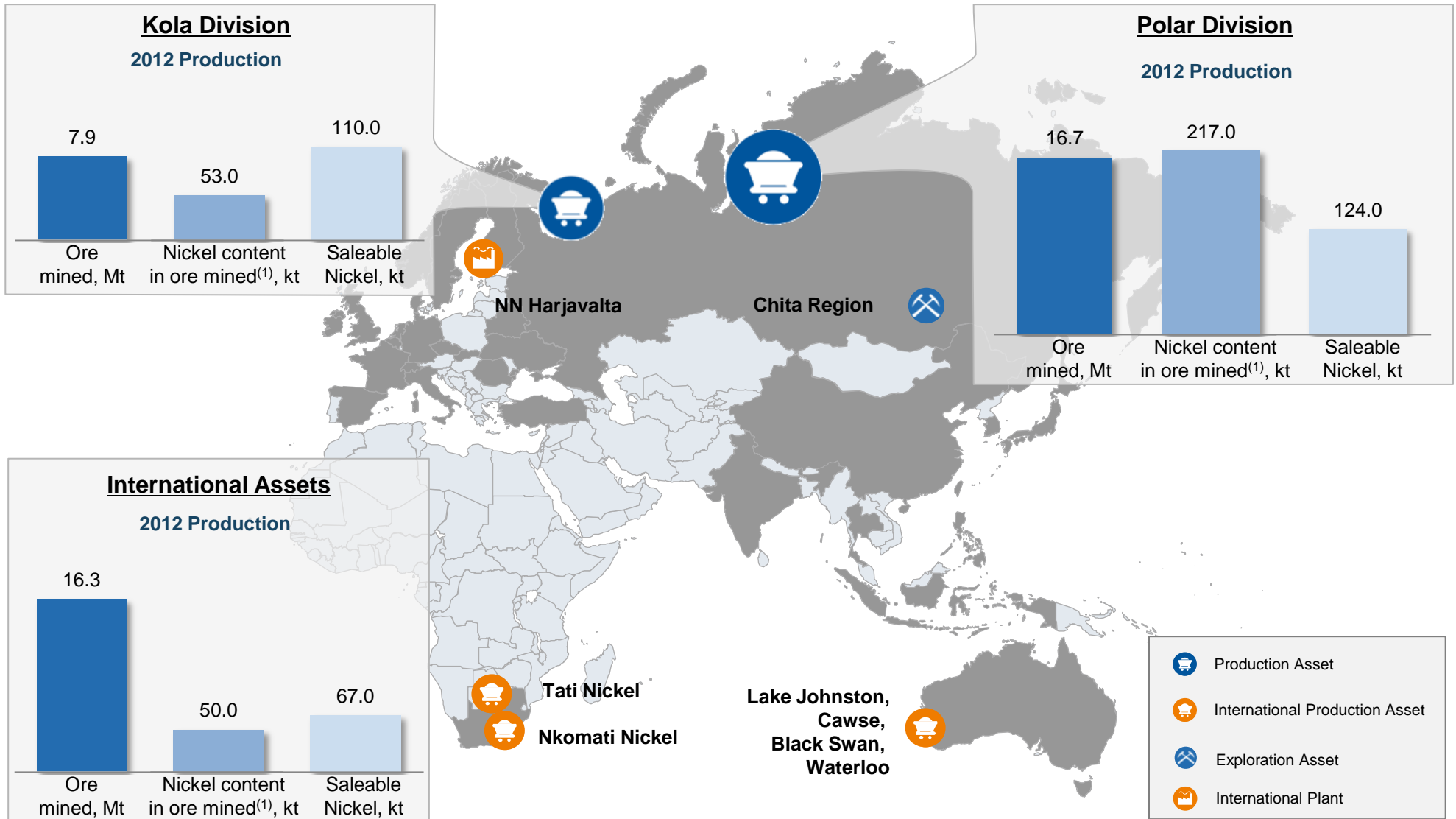
Rationale for Tier I Assets Focus

- Concentration of management focus and human capital
- Utilization of the existing infrastructure
- Strong geological and technical expertise
- Economies of scale
- Healthy margins through the cycle

Key Targets and Initiatives

- Increased business focus on mining and production assets meeting the requirements of Tier I assets
- All production assets in the Company's portfolio to meet Tier I asset criteria by 2015

Focus on Tier I - Existing Asset Footprint

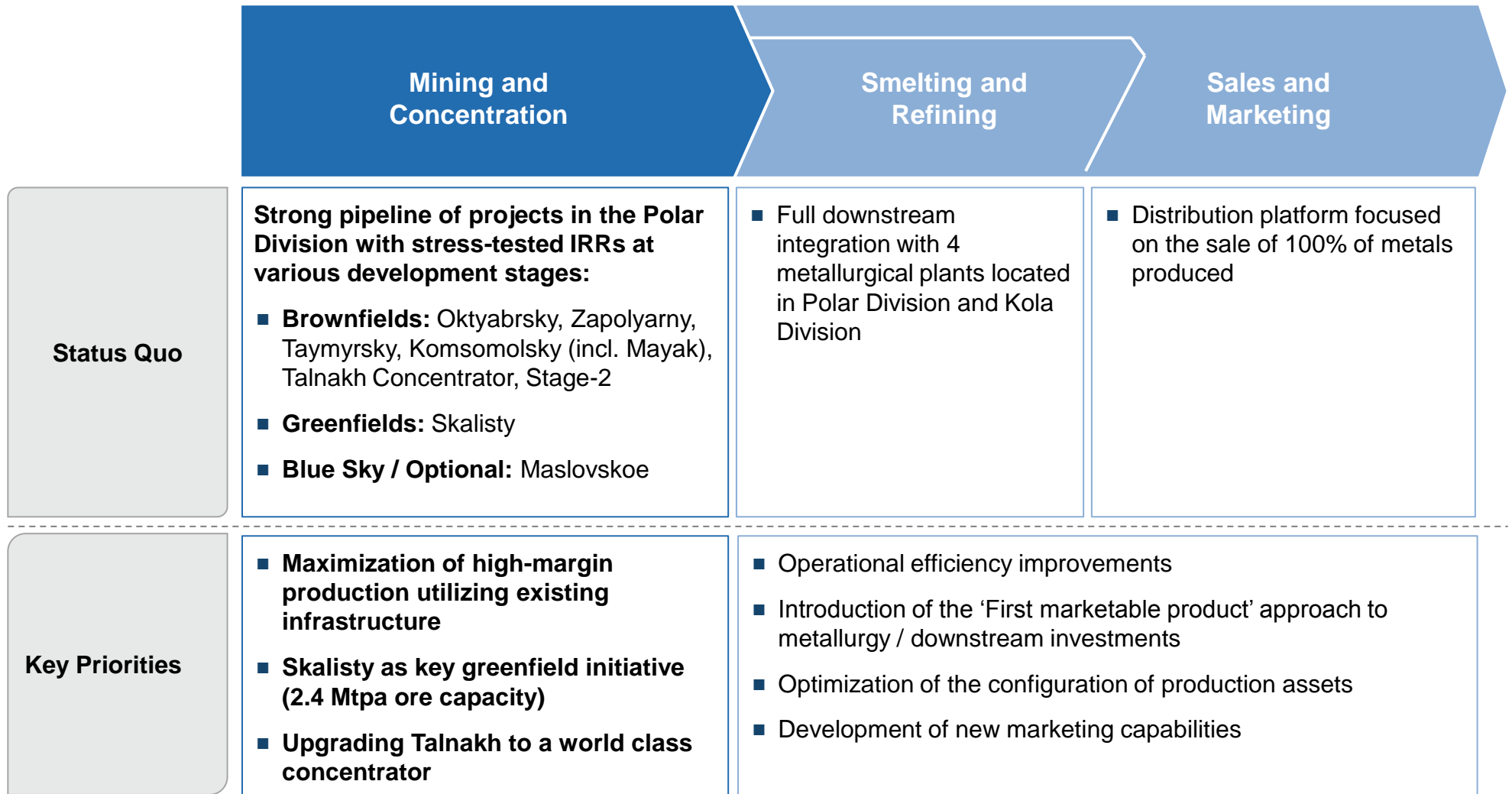


Source: Norilsk Nickel
Notes: 1. Calculated as 2012 ore production multiplied by average run-of-mine Ni grades

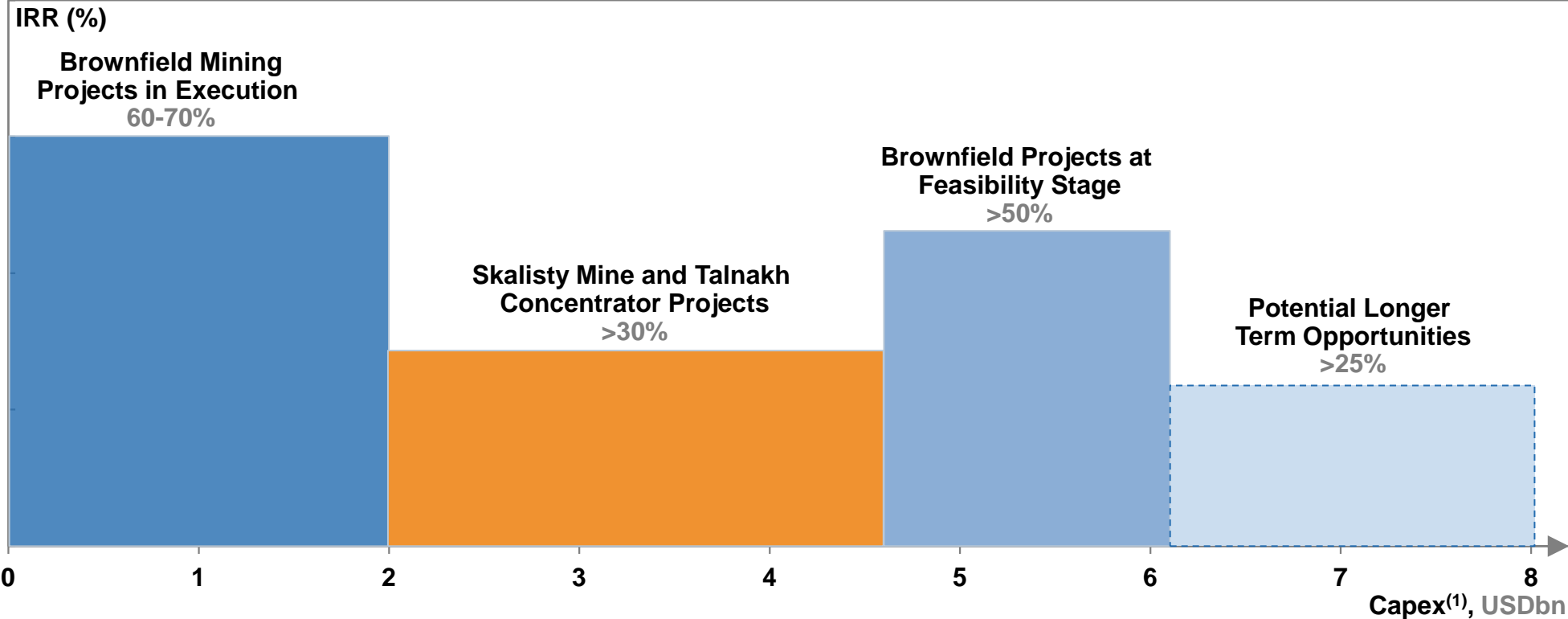
Focus on Tier I - Strategic Portfolio Review

	Tier I Asset Criteria			Geological Potential of the Region	Strategy
	Large Scale (>USD1bn Revenues)	High Margins (>40% EBITDA margin)	Long Reserve Life (>20 years)		
Polar Division (Taymyr peninsula)	✓	✓	✓	✓	<ul style="list-style-type: none"> Active development of brownfields and profitable greenfield projects Intensified regional exploration
Kola Division (Kola peninsula)	✓	?	✓	?	<ul style="list-style-type: none"> Turnaround in 2014
Bystrinsky project (Chita region)	?	?	✓	✓	<ul style="list-style-type: none"> Final investment decision subject to ongoing project audit and Board approvals
International Assets	✗	✗	✗	?	<ul style="list-style-type: none"> Exit in 2014-2016
Non-Core Assets	✗	✗	✗	✗	<ul style="list-style-type: none"> Exit in 2014-2016

Focus on Tier I - Prioritizing High Margin Projects



Focus on Tier I - Focused and Profitable Capex Profile



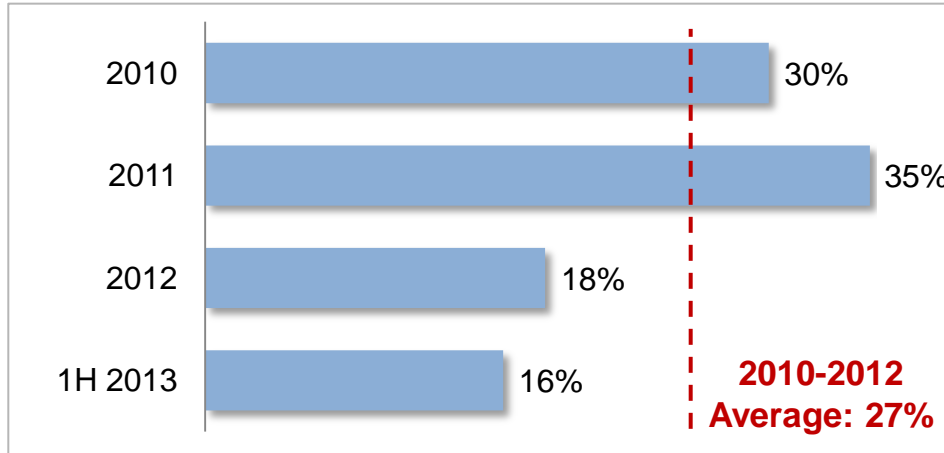
Best-in-Class Investment Governance System

Source: Norilsk Nickel estimates
 Notes: 1. Identified upstream growth capex for the Polar Division

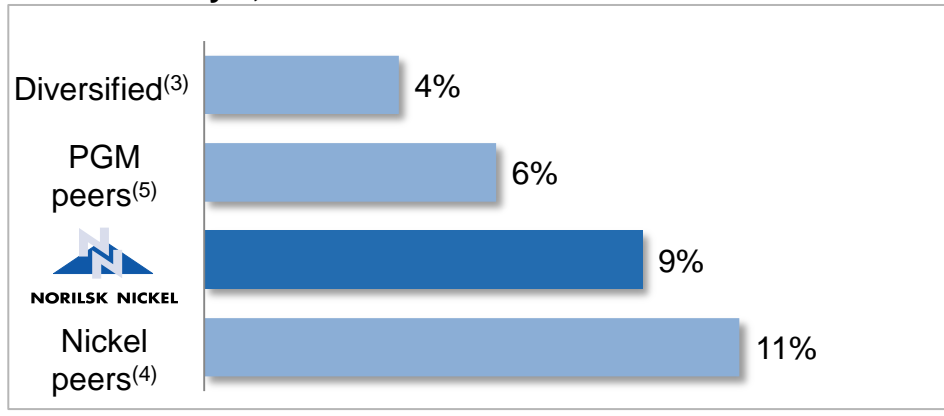
Focus on Return on Invested Capital

Historical ROIC

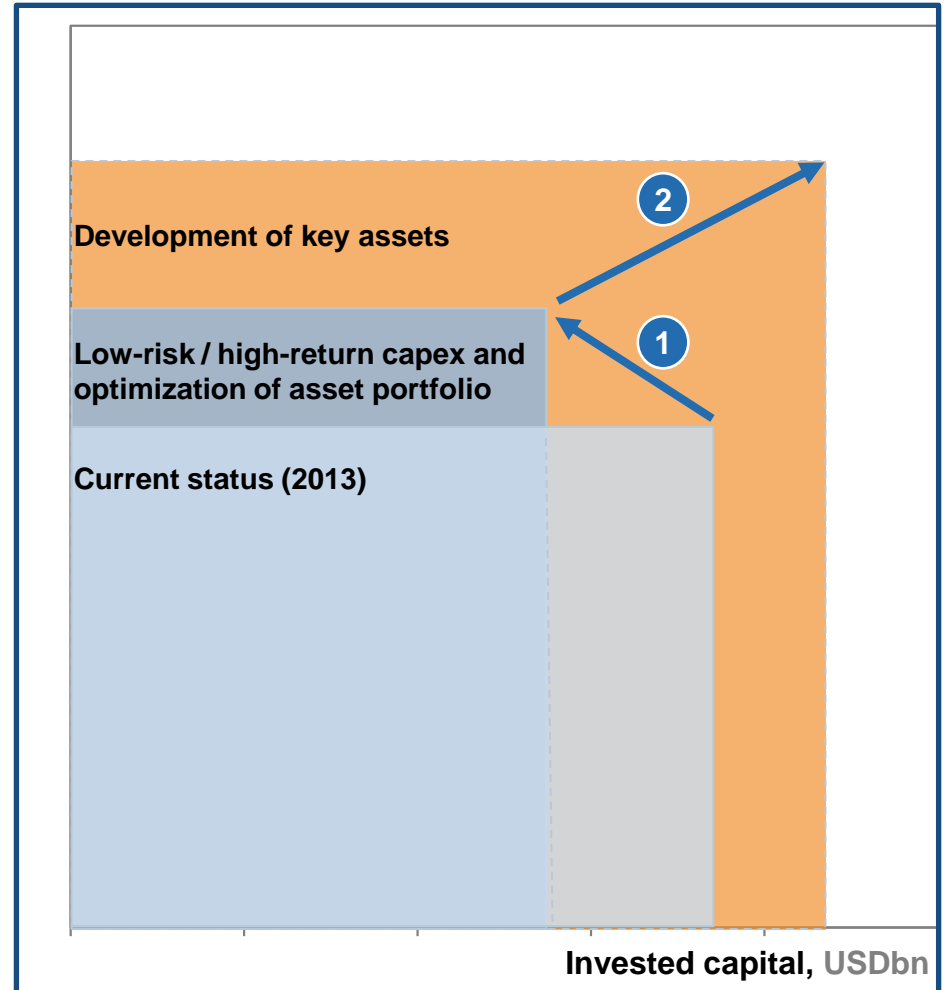
Norilsk Nickel's Historical ROIC⁽¹⁾



ROIC Volatility⁽²⁾, 2010-2012



ROIC Expansion

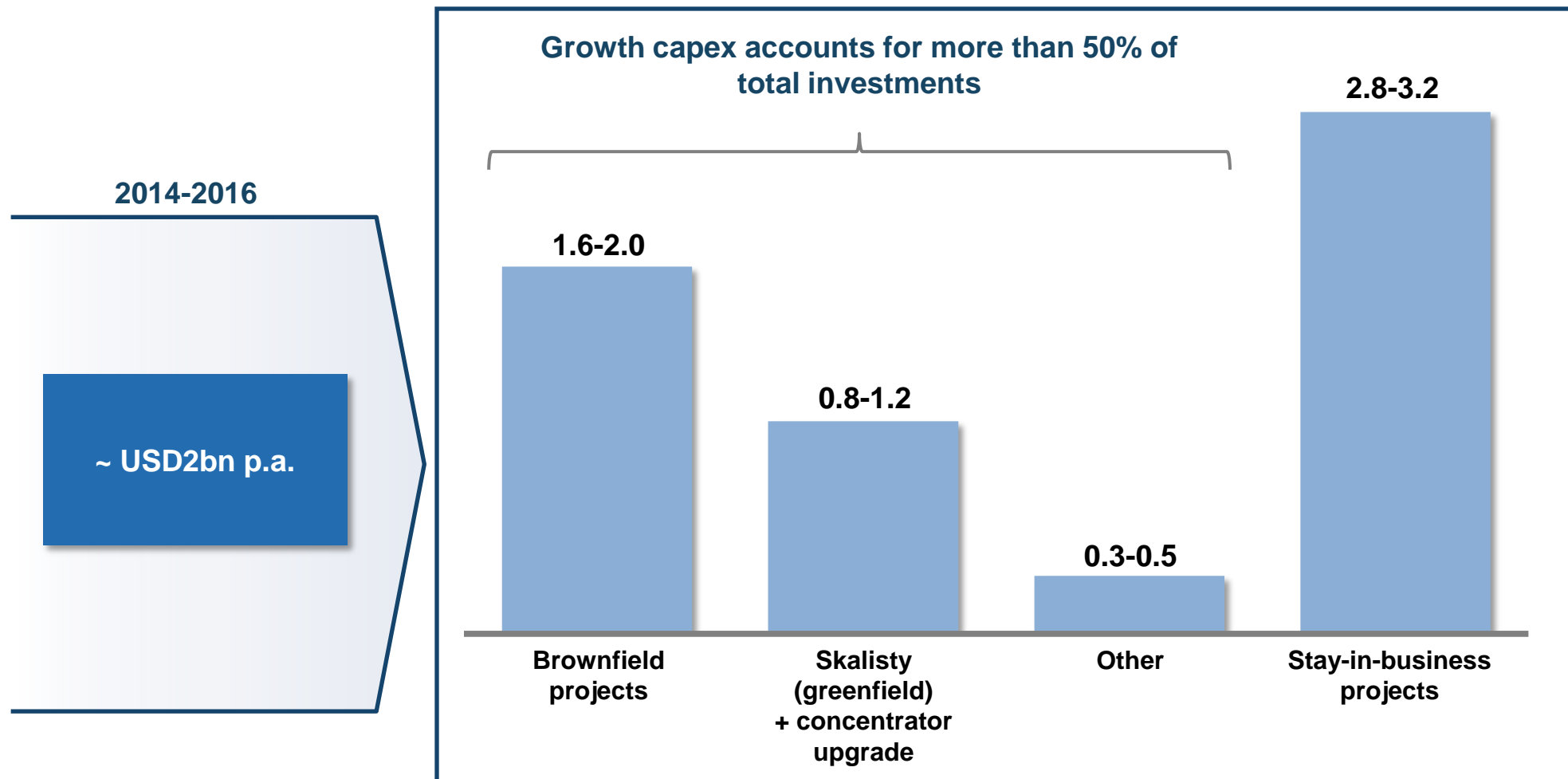


Source: Norilsk Nickel; Companies reports

Notes: 1. $ROIC_t = \text{Earnings Before Interest and Taxes from Continuing Operations} \times (1 + \text{Actual Effective Tax Rate}_t) / \text{Invested Capital}_{t-1}$. Invested Capital = Non-Current Assets + Net Operating Working Capital; 2. ROIC Volatility calculated as average sample standard deviation of 2010-2012 ROICs for selected company/group of companies; 3. Diversified include BHP Billiton, Vale, Rio Tinto, Anglo American; 4. Nickel peers include Eramet, Aneka Tambak, Vale Indonesia, Independence; 5. PGM peers include Anglo American Platinum, Impala, Lonmin, Northam, Aquarius, Stillwater Mining



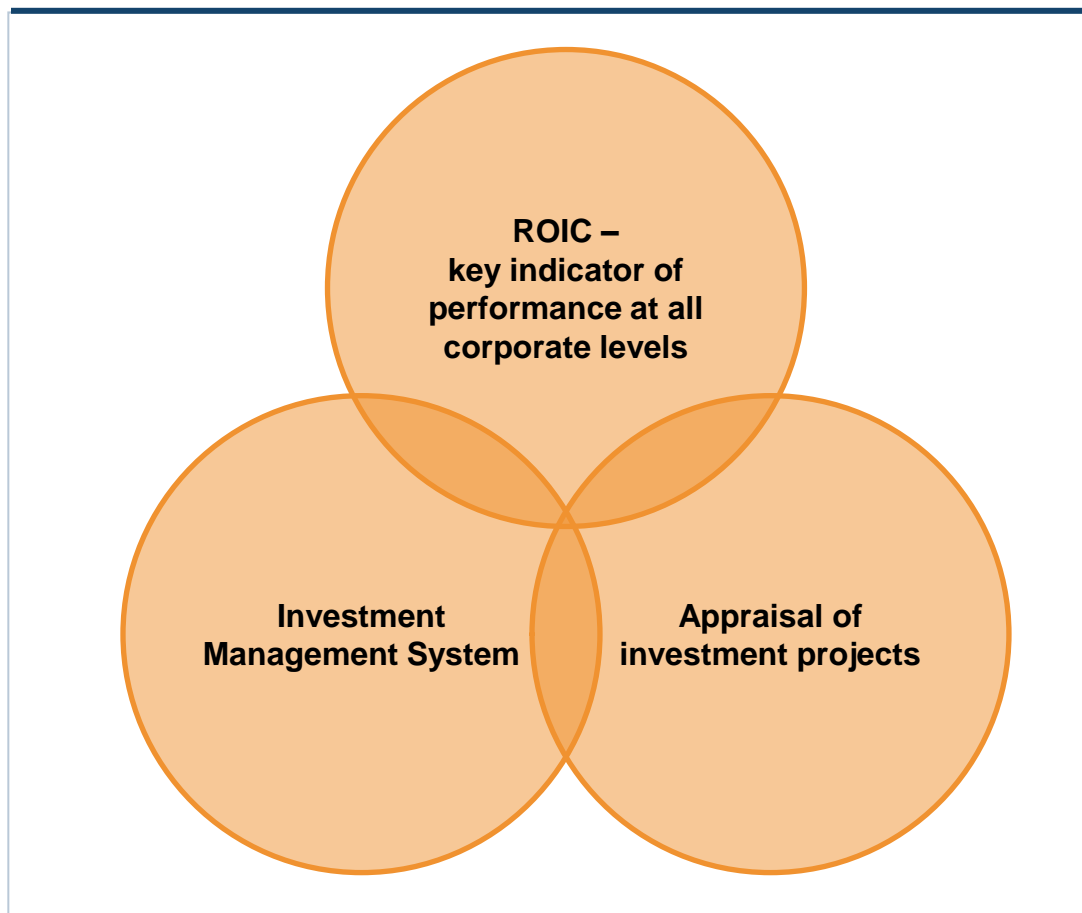
Low-Risk / High-Return Capex Profile



Source: Norilsk Nickel estimates

Focus on ROIC - Building a ROIC-Centered Organization

Culture of 'Responsibility for Capital'



Investment Management Policy Targets for 2014-2015

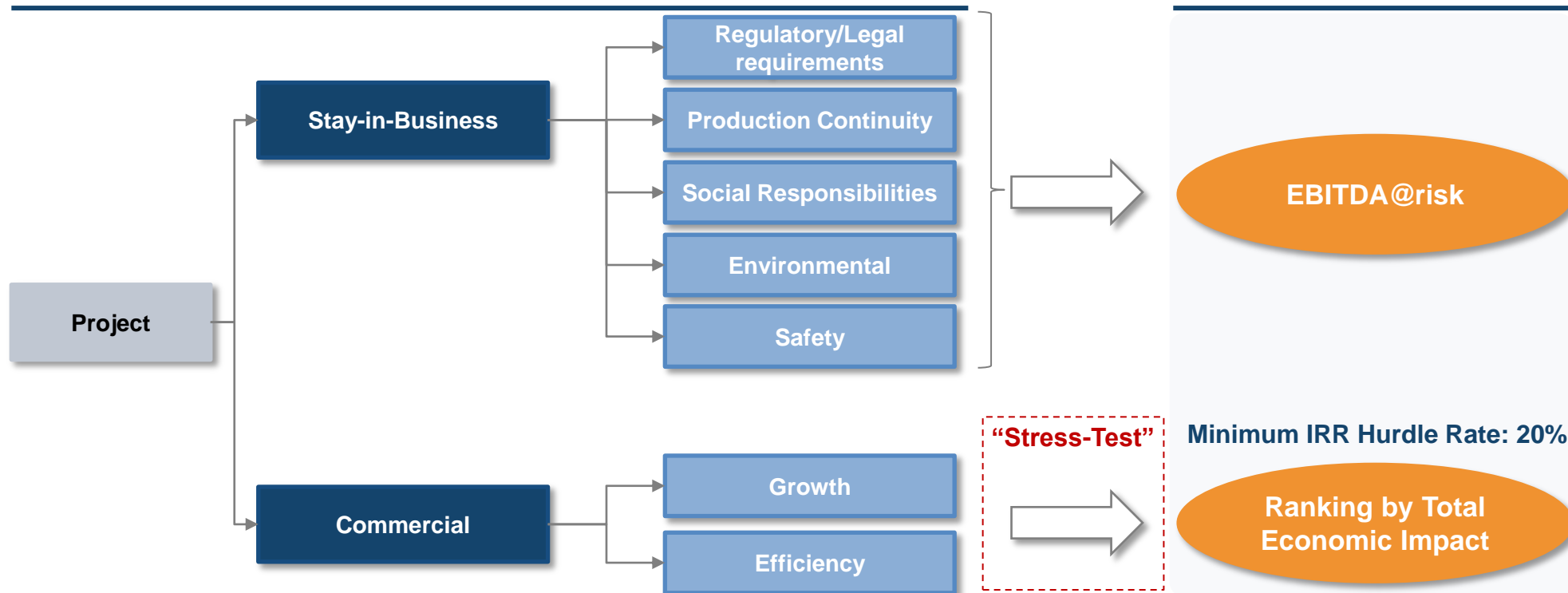
- Introduce investment committee system for all investment decisions
- Introduce EBITDA@risk concept for all stay-in-business capex projects
- Complete TOP-25 investment projects for existing assets on budget and on time
- Frontload designing and technological audit for big new projects – Skalisty, Talnakh Concentrator

Source: Norilsk Nickel

Focus on ROIC - New Approach to Investment Process

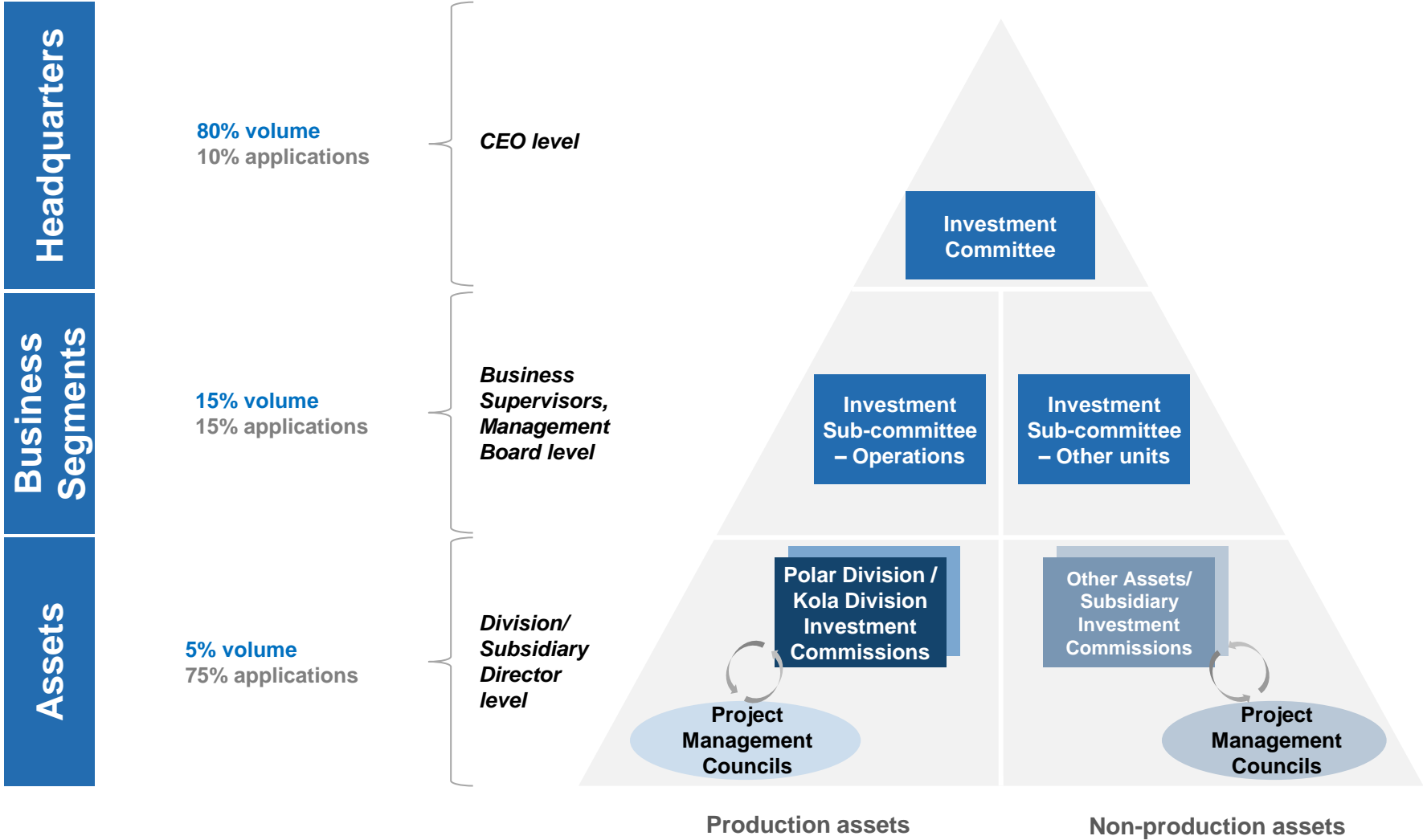
Classification

Ranking



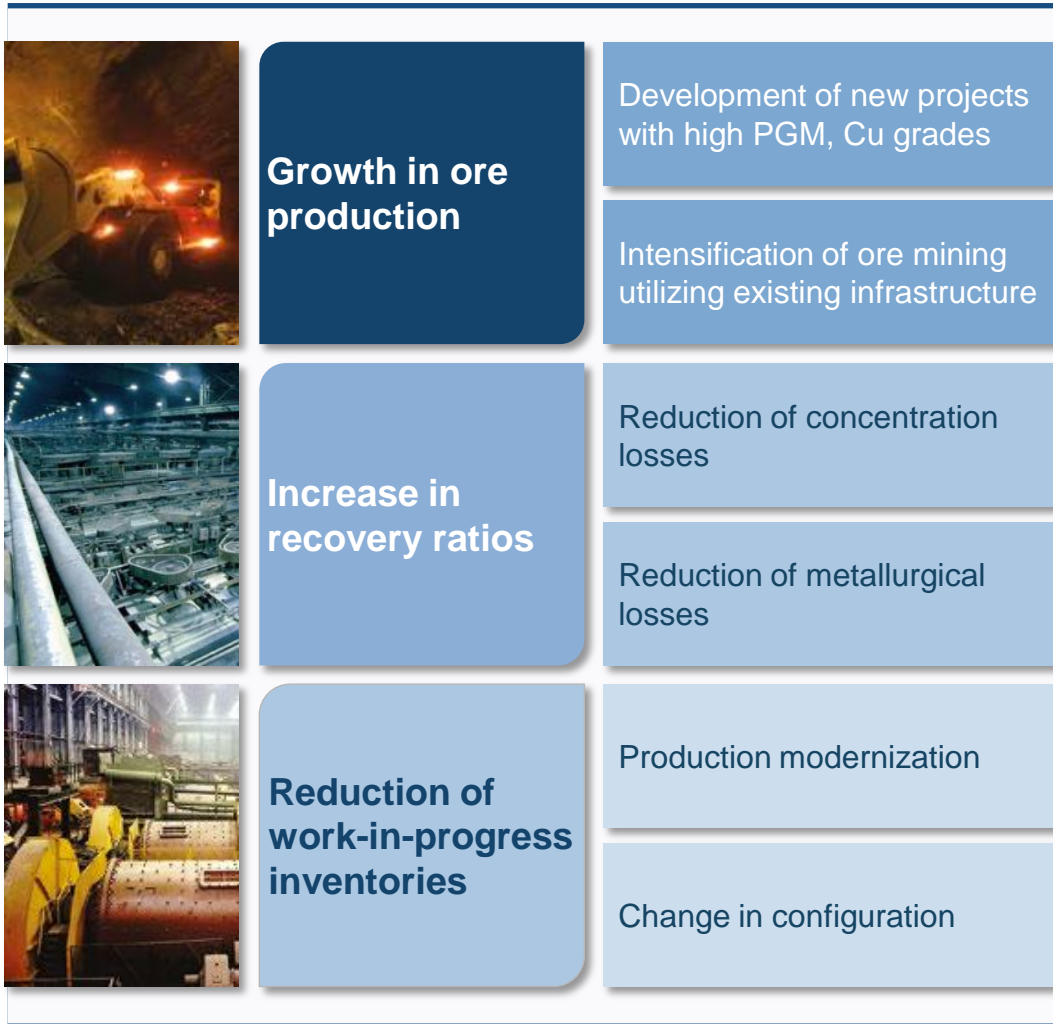
- ✓ Competition of the investment projects and programs for financial resources
- ✓ Uniform method of ranking growth and stay-in-business investments
- ✓ Conservative approach to evaluation of project parameters
- ✓ Cross-sectional design review/assurance

Focus on ROIC - Investment Governance System

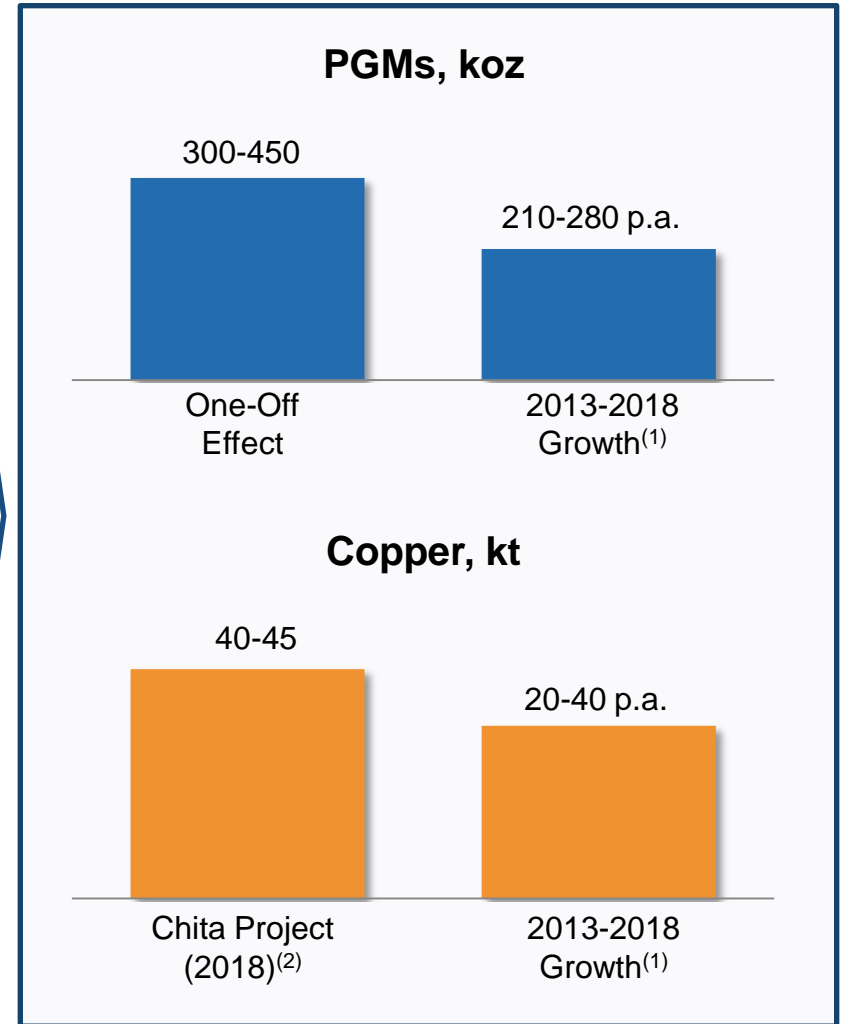


Focus on PGMs and Copper within the Existing Portfolio

Key Initiatives



Expected Growth in Production



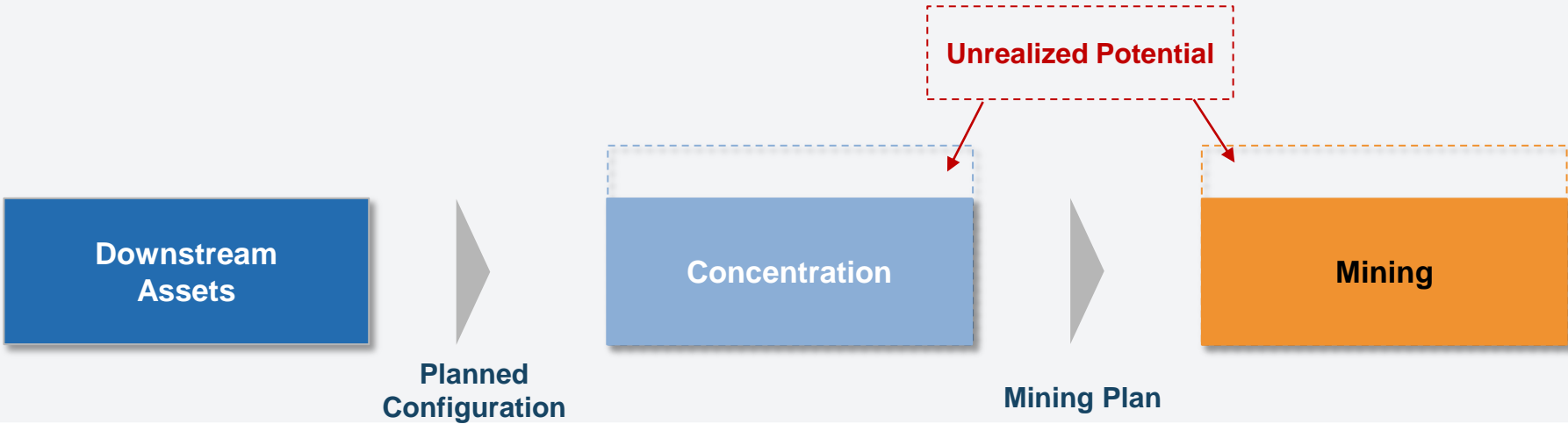
Source: Norilsk Nickel estimates

Note: 1. Estimated difference between 2018 and 2013 planned annual production; 2. Full ramp up to 60-65ktpa after 2018

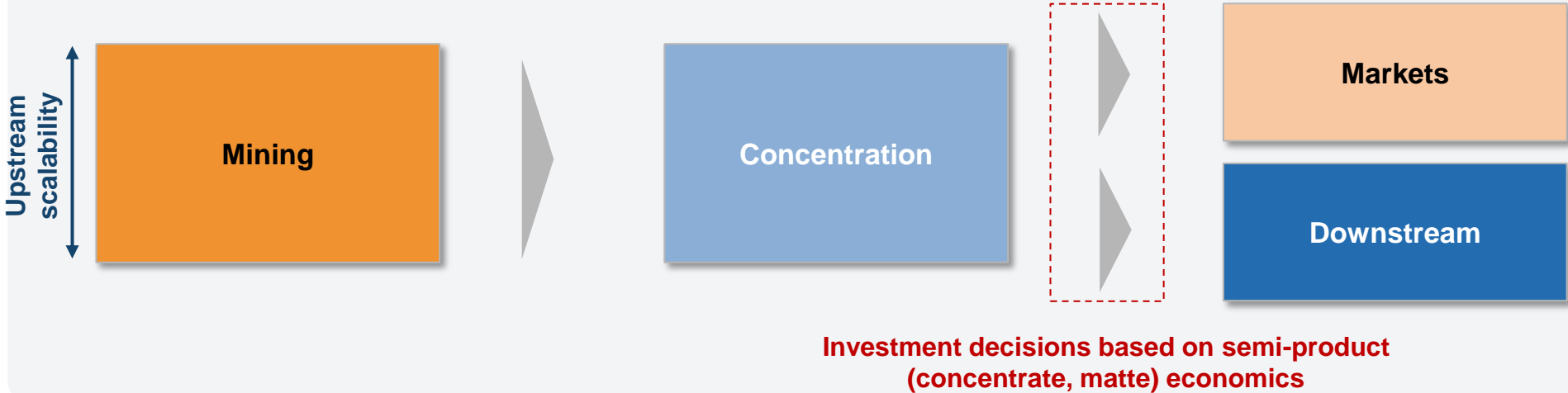


Longer-Term Growth – “First Marketable Product” Principle

Legacy Business Model



New Business Model



Key Strategic Initiatives

Short- and Mid-term Goals (2013-16)

Long-term Goals

Initiatives not Requiring Financing

- "Frontloading" of project expertise for six large new projects
- Implementation of EBITDA@risk for stay-in-business capital projects from 2014
- Reduction of operating costs and working capital
- Reduction of capital employed
- High-priority measures for increasing energy efficiency

- Building an organization with a "responsibility for capital" culture: decision making principles, accounting systems, KPIs
- Developing marketing business: coverage of first saleable products, commercial logistics
- Improving HR capabilities: HR reserve, change leaders, results transparency

Initiatives Requiring Financing

- Implementation of high-priority mining projects (Top-25) on the basis of the existing infrastructure of the Polar Division within the timeframes and budget
- Streamlining the concentration facilities on the basis of the Talnakh plant to reach >10M t of concentration capacities
- "Debottlenecking" the Polar Division mines

- Development of Skalisty mine: long-term base for rich ore extraction
- New approach to project financing
- Development of geologic exploration as a business area



In a Few Words...

1

More of profitable upstream in the Polar Division

2

“Fit to Size” downstream optimization

3

Exploration as an efficient business

4

Marketing across the entire value chain



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Best-in-class shareholder returns and dividend yield



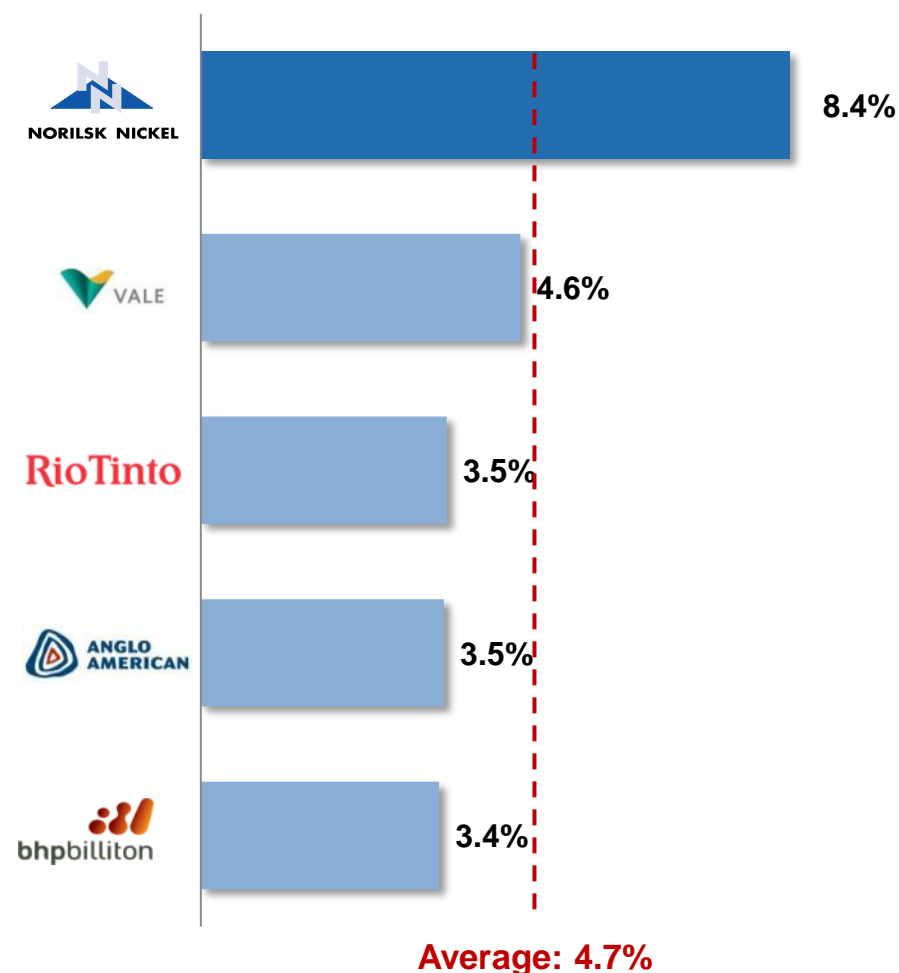
Target Dividend Payout

New Dividend Targets

On October 1, Norilsk Nickel's Board of Directors approved the Company's new dividend targets:

- Dividends for FY2013 and FY2014 to be calculated as 50% of EBITDA for the relevant year, but not less than USD2.0bn
- The annual dividend payment in respect of FY2015 will comprise 50% of EBITDA for 2015 plus the difference between USD7.0bn and the total aggregated actual dividend payments (including any special dividends) in 2014 and 2015 (with a potential deferral in payment of up to 20% of such amount until the following year)
- For FY2016 and onwards, 50% of EBITDA for the relevant year
- Proceeds from the disposal of non-core assets will be paid out in 2014-2015 as a special dividend in the aggregate amount of up to USD 1.0 billion

2013 Dividend Yield Benchmarking⁽¹⁾



Source: Norilsk Nickel estimates, Bloomberg consensus

Note: 1. Dividend for FY2013 to be paid in 2014. Dividend yield calculated as 2014 forecasted dividend divided by Market Capitalization as of 26.09.2013. Norilsk Nickel dividend assumed at USD2.0bn



Balancing the Long-Term Financial Model

Uses

Profitable Capex

3 years

5 years

~USD 6bn

~USD 10bn

Best-In-Class Dividend Payout

- 50% of EBITDA (minimum USD2bn in 2014-2015)
- Up to USD1.0bn proceeds from non-core asset disposals to be paid as special dividends in 2014-2015
- USD7bn less dividends paid in 2014-2015 (including any special dividends) to be paid in 2016

Strict adherence to investment grade credit profile

Sources

- Operating cash flow
- Margin improvement
- SG&A optimization
- Working capital reduction
- Debt financing
- Sale of non-core assets

Source: Norilsk Nickel estimates



NORILSK NICKEL



HSE and Operating Update

Sergey DYACHENKO

Deputy CEO

Chief Operating Officer

Increased Focus on Health and Safety

Health and Safety

- **Life protection is the key priority – target zero fatalities**
- Zero tolerance to any unsafe acts
- Maintain Lost Time Injury Frequency Rate (LTIFR) in line with the global industry average standards
- LTIFR in 2012 was 1.3

Source: Norilsk Nickel

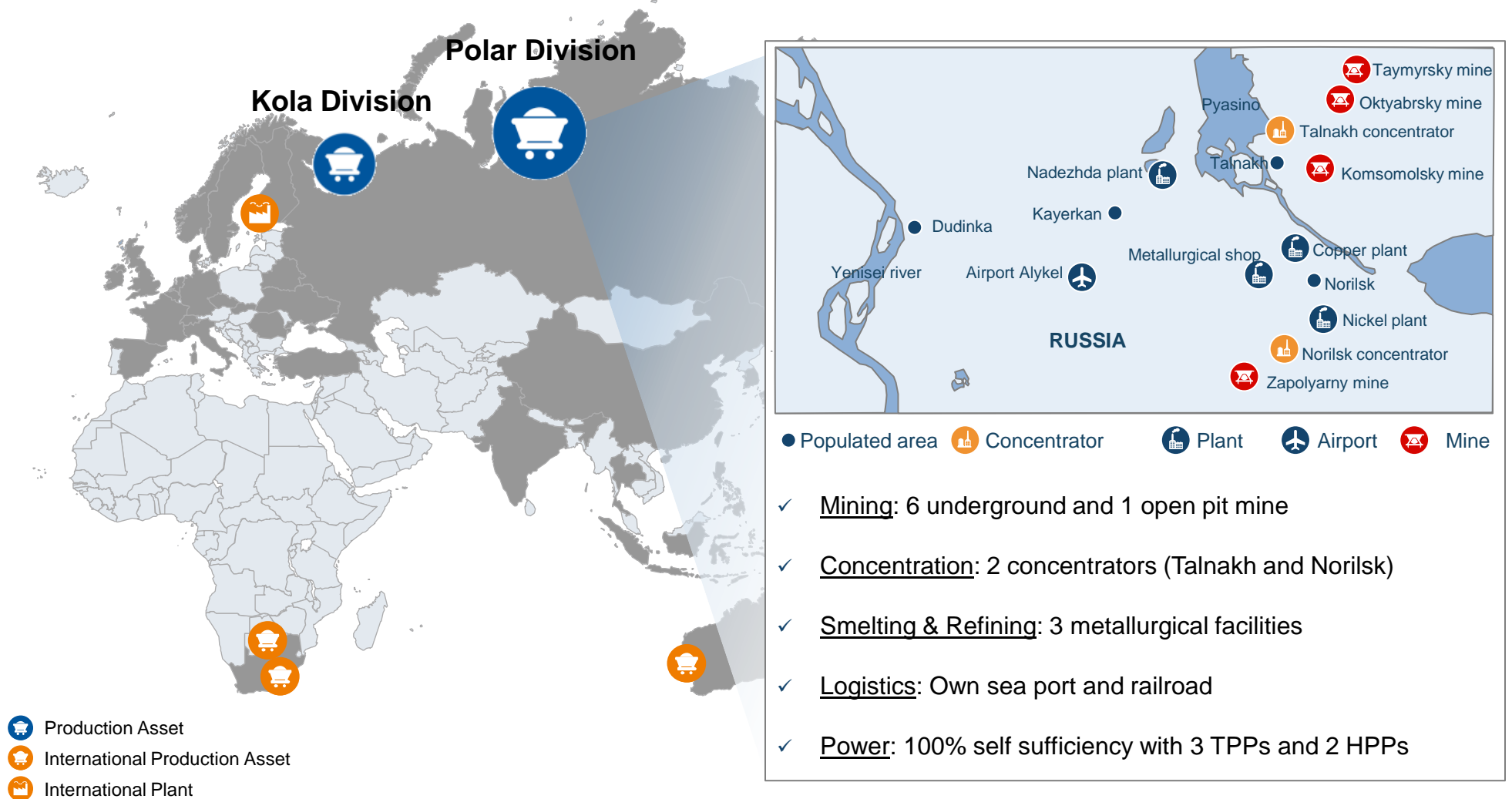
Focus on Environmental Performance

Environmental Protection

- **To achieve full compliance with the requirements of the legislation of the Russian Federation related to environmental protection and emission standards**
- **Action Plan:**
 - Introduction of new technologies for nickel and copper smelting and refining
 - Introduction of new SO₂ capturing technologies at nickel and copper smelters in the Polar Division
 - Concentration of smelting and refining capacities and decommissioning of obsolete capacities
- **The action plan is aimed at significant reduction in SO₂ emissions at Polar and Kola Divisions**



Polar Division is a World Class Tier I Asset



Source: Norilsk Nickel

Unique Polymetallic Mineral Resource Base in the Polar Division

Nickel (Mt), 2012

4.3
Proven and probable
7.9
Measured and indicated

Copper (Mt), 2012

7.4
Proven and probable
15.3
Measured and indicated

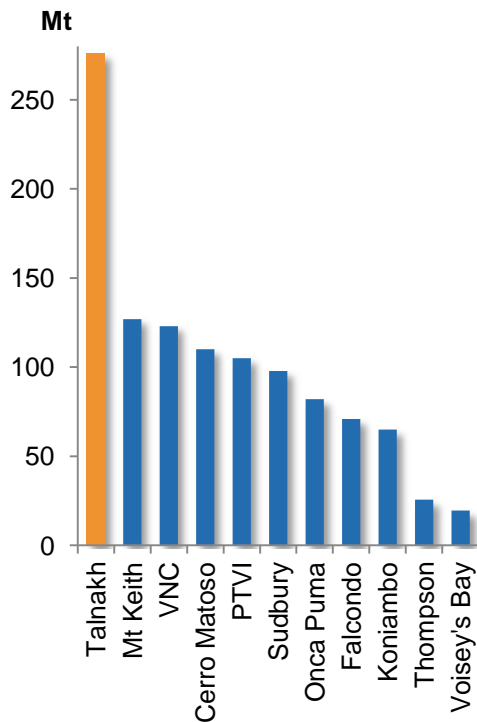
Palladium (Moz), 2012

56.4
Proven and probable
136.2
Measured and indicated

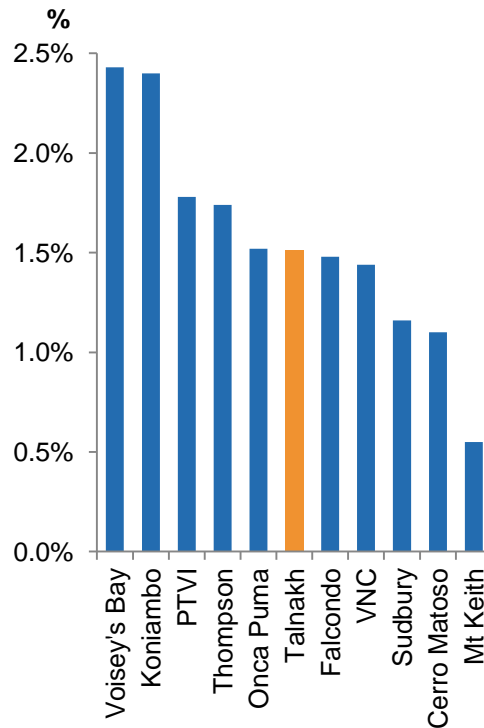
Platinum (Moz), 2012

14.9
Proven and probable
38.6
Measured and indicated

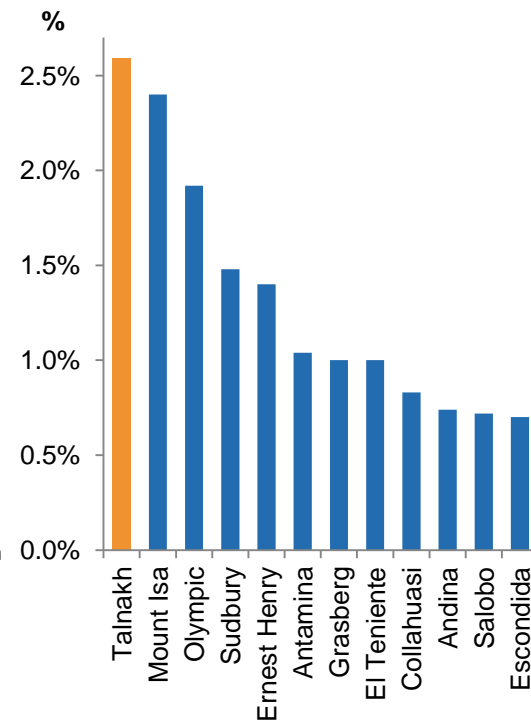
P&P Ore Reserves⁽¹⁾



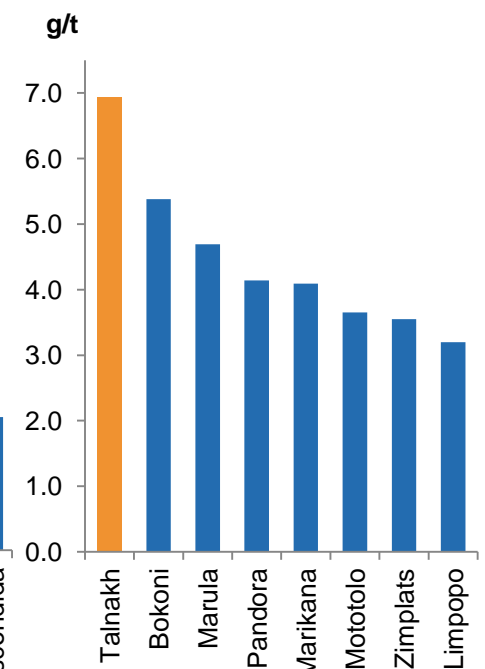
Nickel Grades⁽¹⁾



Copper Grades⁽¹⁾



PGM Grades⁽¹⁾



Source: Norilsk Nickel calculations, companies' reports

Data for Norilsk Nickel Group includes 4.5Mt of nickel attributable to Polar Division

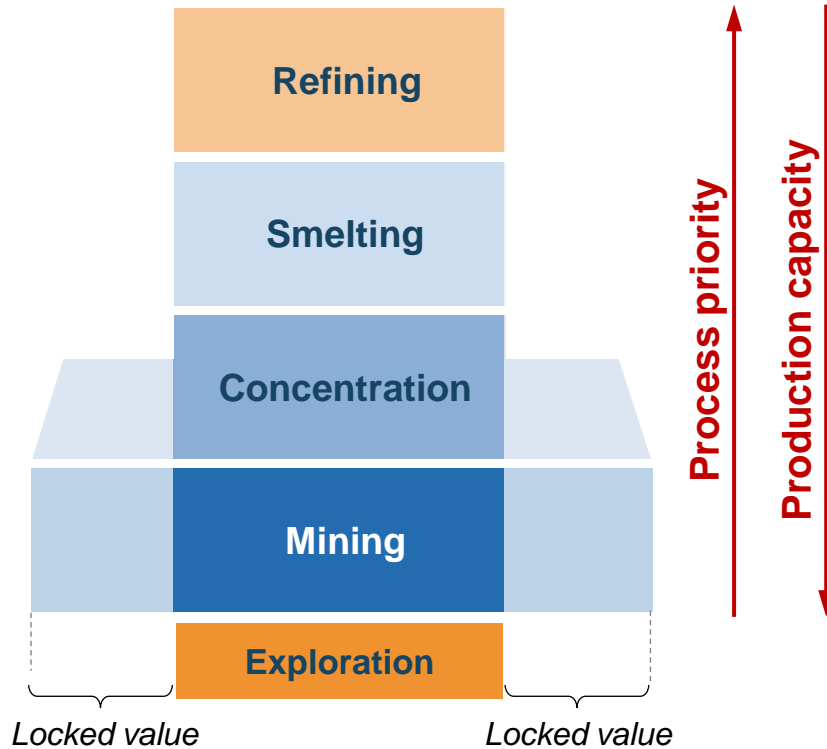
Proven and Probable Reserves and additional Measured, Indicated and Inferred resources are stated on 100% consolidated basis

Note 1. Based on Proven and Probable reserves, 2012



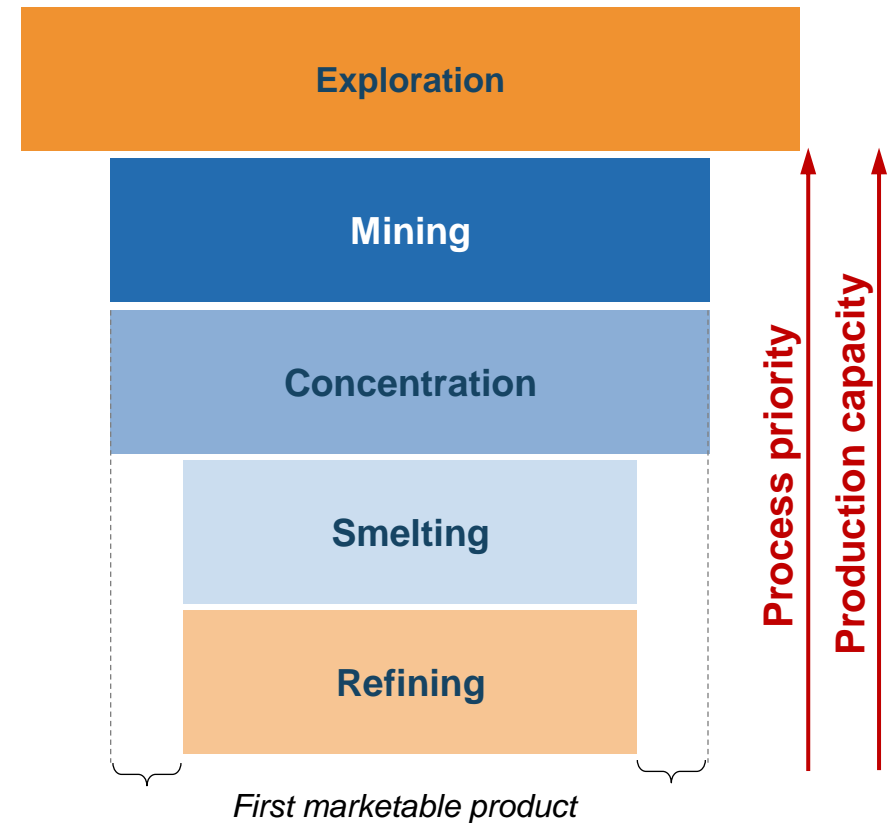
Unlocking Upstream Potential

Status Quo Approach



- Refining needs drive output levels in mining and concentration
- Concentration bottleneck not resolved
- Exploration is not a priority

New Paradigm

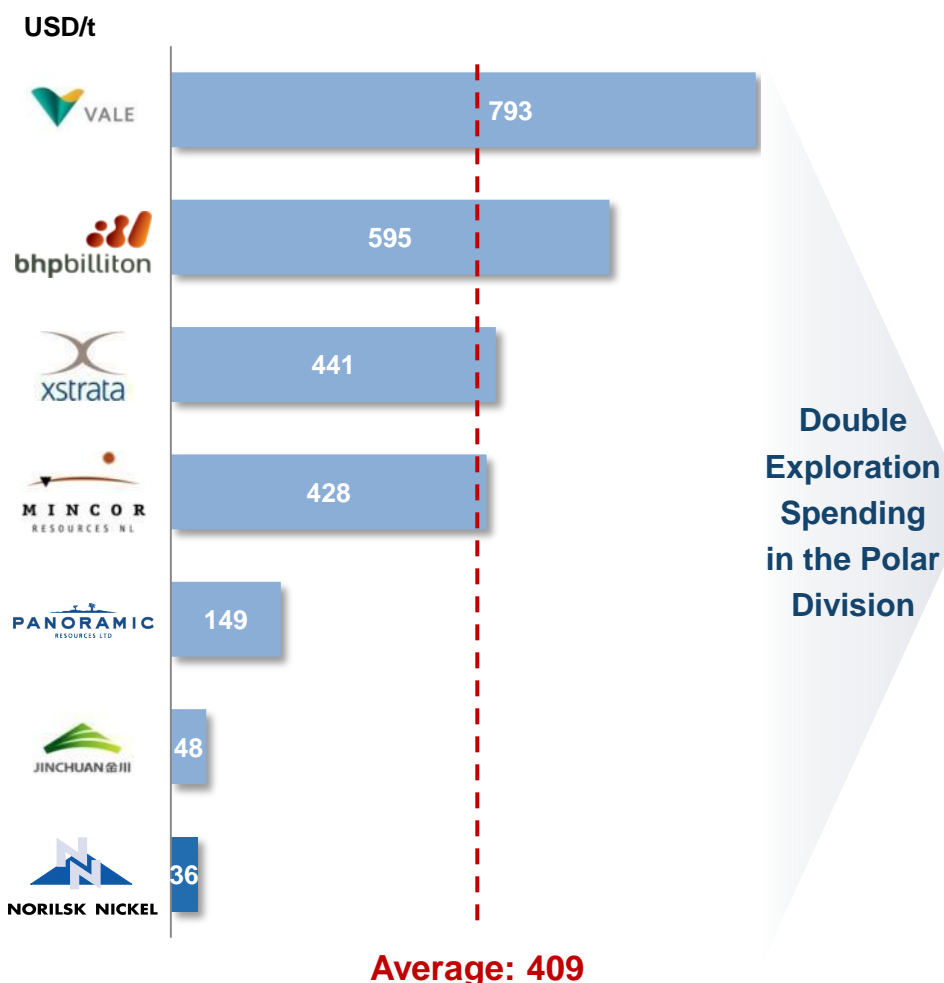


- Utilization of the geological potential
- Increase in mining production by leveraging existing growth
- Priority investment in best-in-class concentration and mining growth regardless of metallurgical capacity



Scale Up Exploration in the Polar Division

Norilsk Nickel Benefits from the Lowest Resource Replacement Costs⁽¹⁾



Exploration – Key Initiatives

Resource Extension

- Focus on 'brownfield' projects to replace high-grade reserves
- Application for exploration and production licenses for discovered deposits and areas adjacent to the existing licenses

Access to New Prospecting Areas

- Key focus on Taymyr Peninsula
- Extension of the existing production licenses
- Intensification of prospecting activities in the 100-150 km radius from existing mines
- Zabaikalsky Krai (Chita Region) – potential new area of interest

Portfolio Optimization

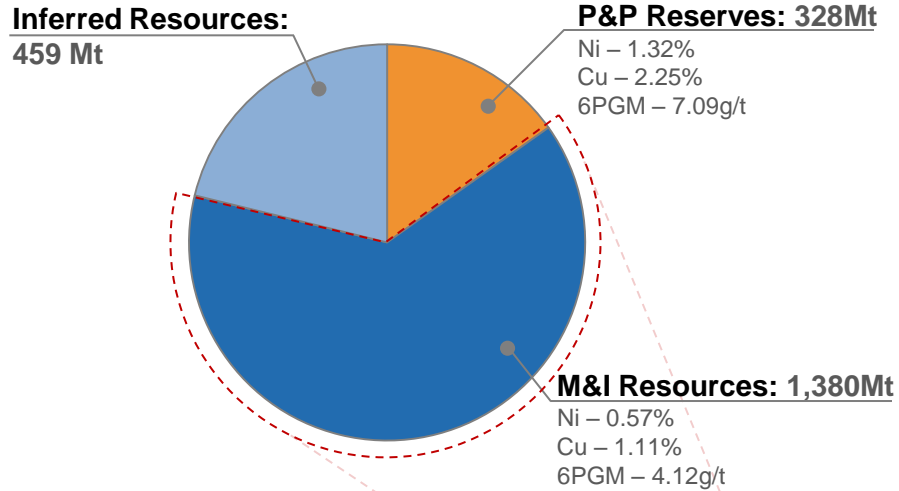
- Joint development with a potential partner or project financing
- Exit from assets not meeting criteria of size, metal content and location

Source: Norilsk Nickel estimates based on industry reports, companies' annual reports and press releases

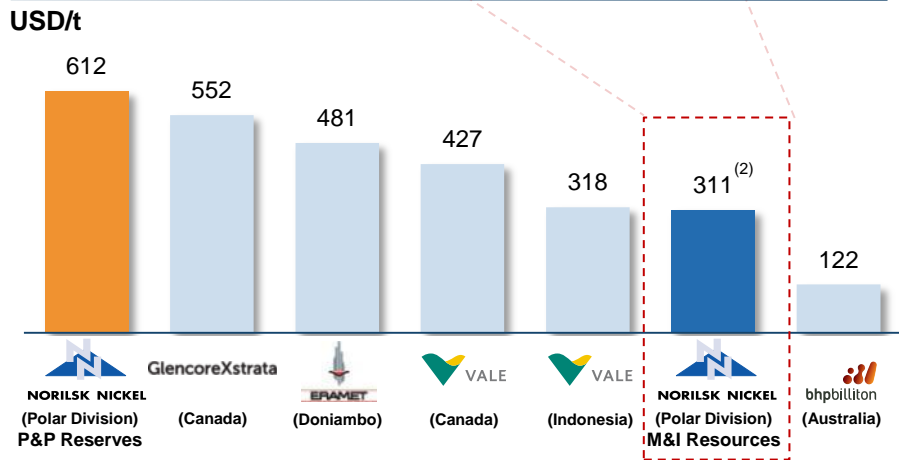
Notes: 1. Calculated as total exploration budget for nickel projects divided by incremental nickel reserves, does not include acquisitions. Data for 2000-2009

Resource Base Extension with Current Infrastructure

Polar Division Reserves and Resources



Value per Ton of Ore⁽¹⁾



- ✓ Improvement in mine planning
- ✓ Improvement in operational efficiency:
 - Utilization of fixed plants and mobile equipment
 - Reduction in operating costs
- ✓ Utilization of current infrastructure to unlock ore reserves with value of more than USD300/t
- ✓ Capitalize on current experience and skill base

Source: Norilsk Nickel annual reports, AME, LME, Ratings Reports, Companies reporting

Notes: 1. Proven and probable reserves before recovery; Calculated using broker consensus' long term metal prices: USD17,878/t nickel, USD6,474/t copper, USD1,760/oz platinum, USD810/oz palladium, USD1,250/oz gold; (2) Measured and Indicated resources before recovery; Calculated using broker consensus' long term metal prices: USD17,878/t nickel, USD6,474/t copper, USD1,760/oz platinum, USD810/oz palladium, USD1,250/oz gold



Priority Mining Projects in the Polar Division with 25%+ IRR

Brownfields



Oktyabrsky

- 7 projects to increase life of mine by more than 5 years (25 Mt of ore, including 12 Mt of rich ore)

Capex
(2013-2025)

USD1.0bn

Status

Construction



Taymyrsky

- 4 projects to increase life of mine by almost 5 years (16 Mt of rich ore)

USD0.7bn

Construction



Komsomolsky

- 3 projects to increase life of mine by 4 years (23 Mt of rich ore)

USD0.8bn

Construction

Source: Norilsk Nickel estimates, including estimated IRR

Note: 1. Does not include projects on Mayak, Zapolyarny, Medvezhy Ruchey; 2. Including approved projects and projects in the feasibility stage



Taymyrsky Mine



Project Overview

- Resource extension project
- Ore reserve: 63.5Mt
- Production capacity: 3.9 Mtpa
- Construction commenced in 2009
- First run of mine in 2014
- Life of mine - 25 years
- Total capex: ~USD650m (2014-2022)

Average metal grades (Life of mine):

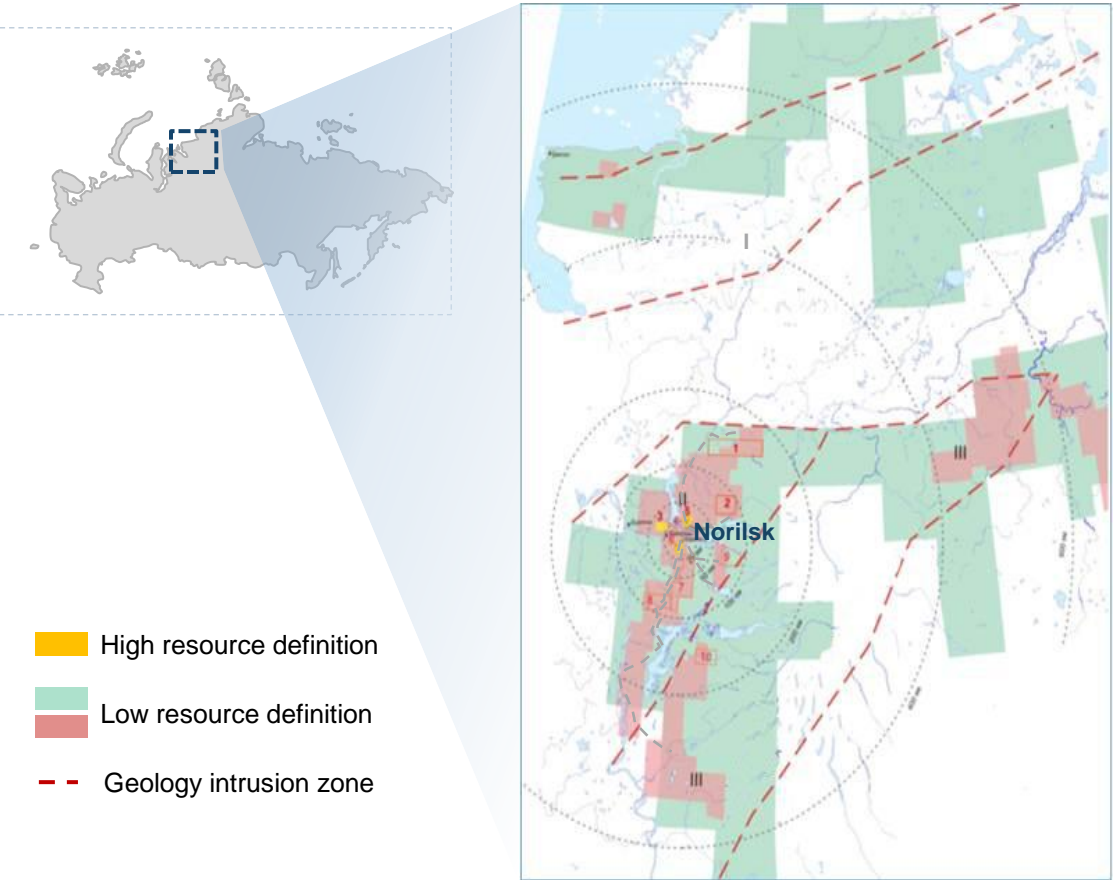
- Ni – 1.8%
- Cu – 2.4%
- Pt – 0.9 g/t
- Pd – 4.0 g/t



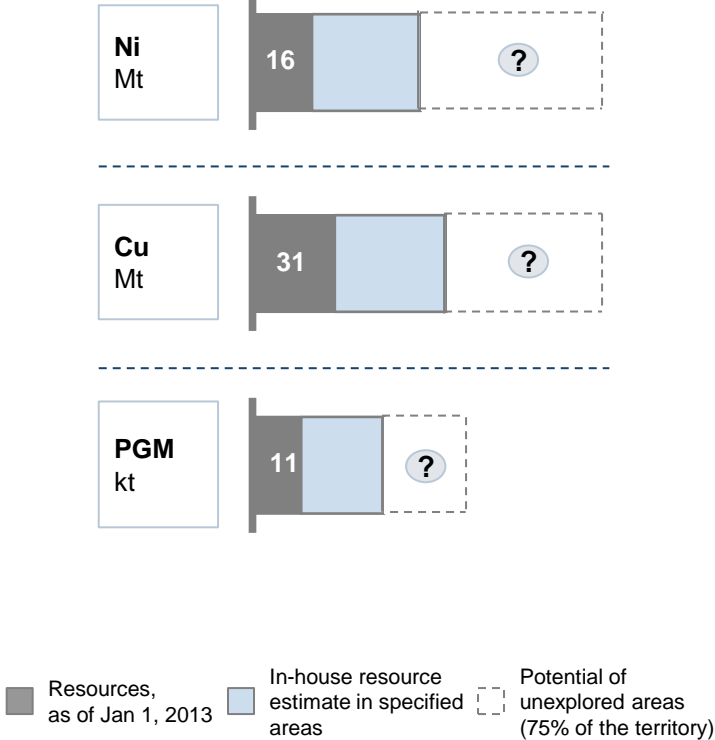
Source: Norilsk Nickel

Polar Division Exploration Upside

Prospective Areas of the Polar Division



Evaluation of the Resource Potential



Source: Norilsk Nickel. Taymyrgeolkom

Confirmed / In-Progress – Skalisty Mine



Project Overview

- Greenfield project
- Production capacity – 2.4Mtpa
- Ore reserves: 58Mt
- Life of mine – 30 years
- Total capex: ~USD1.9bn (2014-2022)
- Construction in progress (28% completed)
- First run of mine production in 2014

Average metal grades:

- Ni – 2.8%
- Cu – 3.3%
- Pt – 1.7 g/t
- Pd – 7.8 g/t



Source: Norilsk Nickel estimates

Potential – Maslovskoe Project



Project Overview

- Stage: advanced exploration
- In-house reserves estimate: 215Mt of ore⁽¹⁾

Key milestones:

- Production license: 2014
- Pre-feasibility study: 2015
- Feasibility study: 2017
- Construction: 2017-2023

Average metal grades:

- Ni – 0.3%
- Cu – 0.6%
- Pt – 1.1 g/t
- Pd – 4.9 g/t

Source: Norilsk Nickel
Notes: 1. C1 + C2 reserves according to Russian classification, 2012

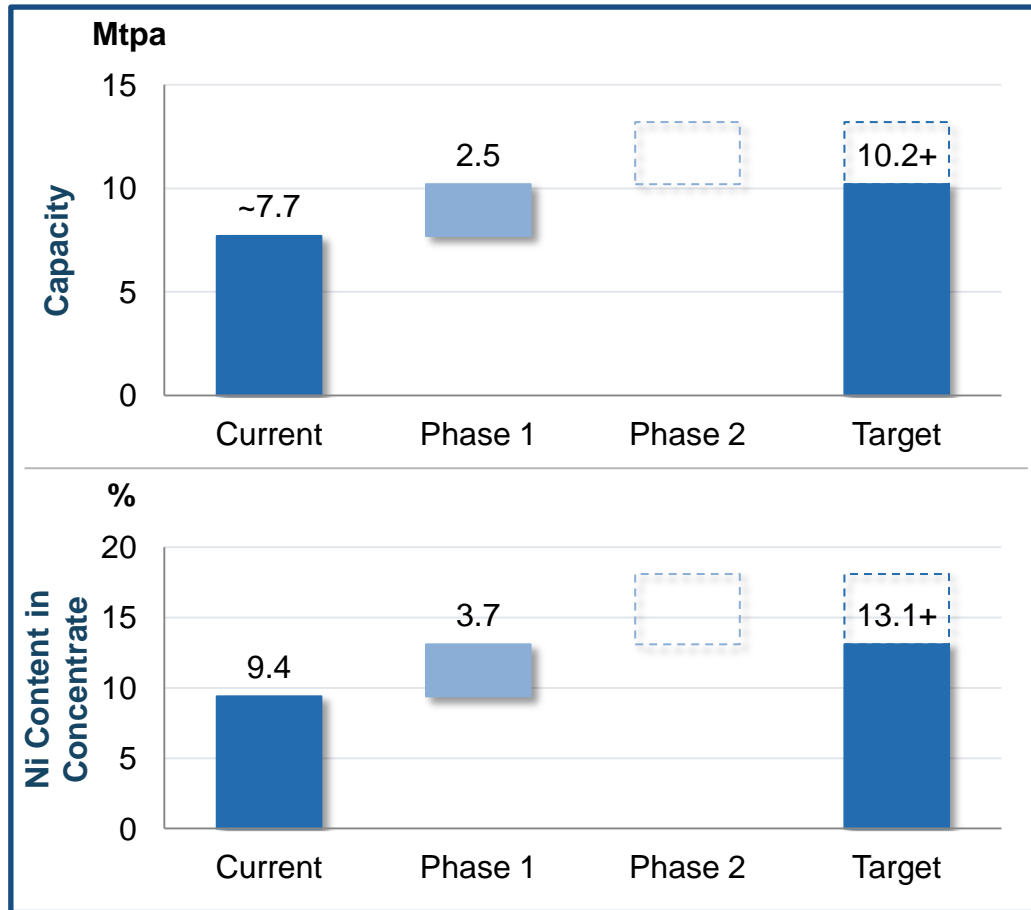
Implementation of a New Concentration Technology

Talnakh Concentrator Upgrade

Major Benefits

Current State of Concentration

- Bottleneck for high margin mining projects
- Low efficiency
- Poor concentration quality



- ✓ Earlier implementation of mining projects
- ✓ Increase in nickel and copper production
- ✓ Reduced processing costs due to economy of scale and higher efficiency
- ✓ Reduced smelting costs due to increased metal content in the concentrate
- ✓ Reduced volumes of sulfur in the concentrate supplied for smelting by 20-25%

- Optimization of the investment amount into Talnakh concentrator by April 2014
- Decision on optimal configuration of concentrators by December 2014
- Upgrade ratio increase with limited recovery growth

Source: Norilsk Nickel estimates



Talnakh Concentrator



Project Overview

- Throughput: 10.2 Mtpa of ore
- Nickel content in concentrate: 13.11%
- Feasibility study completed in 2013
- Engineering design is in progress
- Total capex estimate (2014-2018): ~USD0.8bn
- Equipment procurement in progress (long lead items)
- Construction will commence in 2014
- Commissioning in 2017
- Full production in 2018



Source: Norilsk Nickel

Key Development Steps for Metallurgical Assets

Key Targets

- ✓ **Optimize redundant capacity**
- ✓ **Minimize pollution**
- ✓ **Consolidate production on most efficient and modern facilities**
- ✓ **Consider all new big investment projects (>USD100m) using first marketable product alternative as opportunity cost**

Action Plan

- Concentration of nickel smelting activities at Nadezhda Smelter (shutdown of the Nickel Smelter)
- Upgrade of the Copper Smelter to improve converting efficiency
- New technology of ore concentration will make redundant the hydrometallurgical section at the Nadezhda Smelter
- Concentration of the copper refining capacities at the Polar Division and of nickel refining at the Kola Division

Source: Norilsk Nickel

Key Initiatives to Improve Kola Division Profitability

Kola Division Asset Map



Key Initiatives

- Optimization of the mining operations
 - Reduction of general and administrative expenses
 - Improvement of mine planning and recovery rates
 - Opex reduction
- Improve concentrator efficiency:
 - Increased recovery rate
 - Opex reduction
- Smelting efficiency:
 - Upgrade of smelter to eradicate ecological problems
 - Opportunity of shutting down redundant processes and facilities
 - Explore synergy with Polar Division regarding converter slag from the Copper Smelter
 - Opportunity of smelting historical resource of high grade work-in-progress material
 - Opex reduction
- Expand refining capacity based on new technology
 - Phase I: by 10ktpa of nickel in 2014
 - Potential Phase II: by 100ktpa of nickel to phase out nickel plant refining in the Polar Division

Production Targets for the Russian Assets

	2013 (plan)	3-year target (2016)	5-year target (2018)
Nickel, kt	229	230 - 240	225 - 235
Copper, kt	358	360 - 375	420 – 445 (380-400) ⁽¹⁾
Platinum, koz	626	615 - 640	665 - 690
Palladium, koz	2,576	2,530 – 2,630	2,730 – 2,840

- Increase in ore production in Polar division up to 18.5-19Mt by 2018
- Contribution of profitable commercial projects in Polar division expected to be 5Mt of ore by 2018

Source: Norilsk Nickel estimates
 Notes: 1. Excluding the effect of launching the Bystrinsky project



NORILSK NICKEL



Markets and Distribution

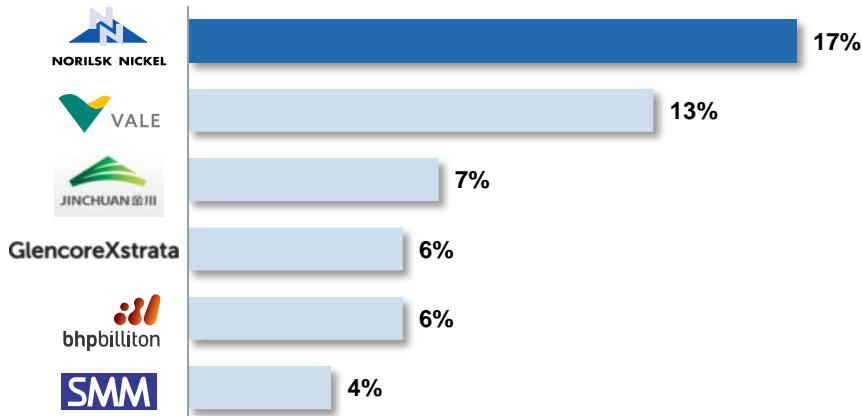
Anton BERLIN

Head of Strategic Marketing

World's Largest Producer of Nickel and Palladium

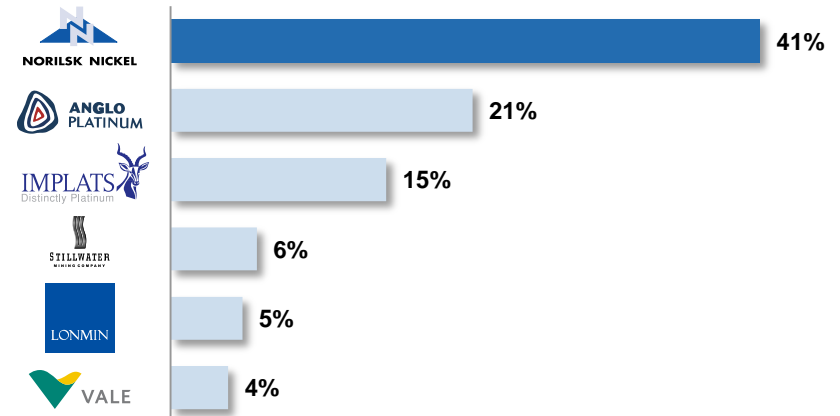
#1 in Nickel

100% = 1,760 kt



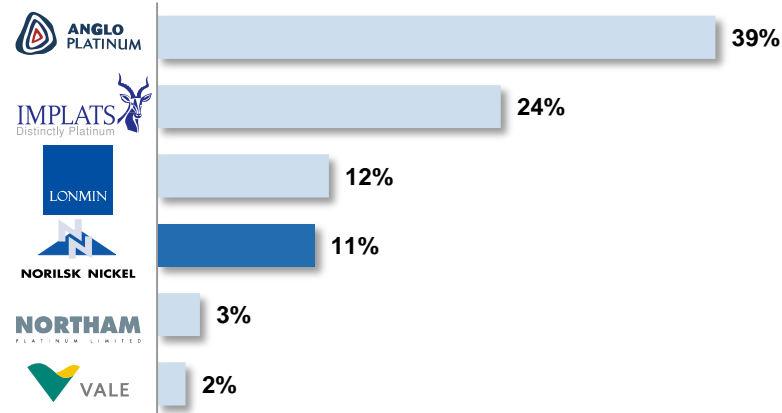
#1 in Palladium

100% = 6,653 koz



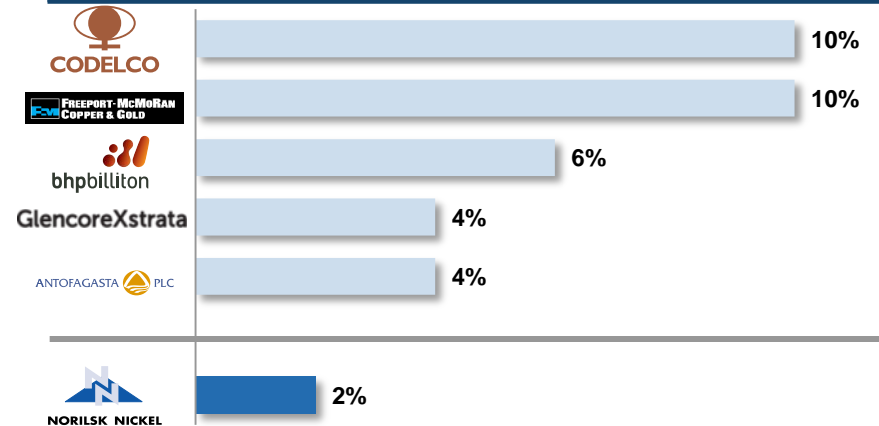
#4 in Platinum

100% = 6,081 koz



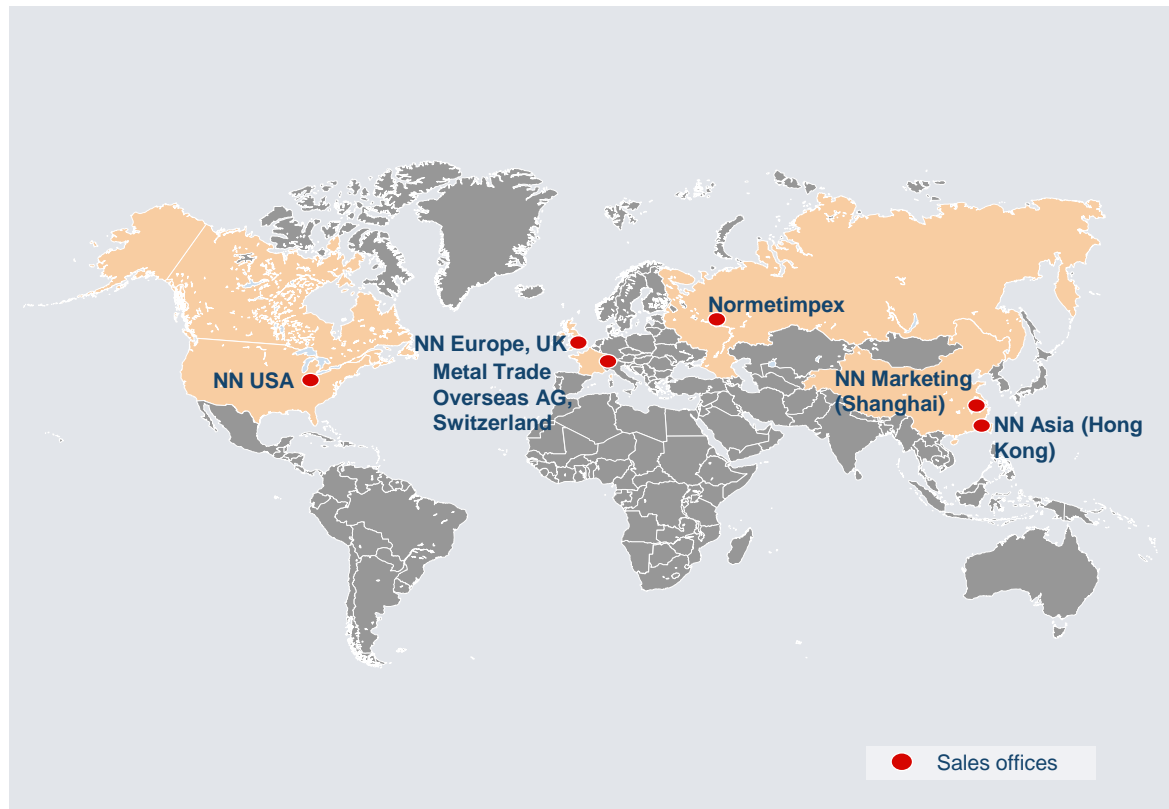
#12 in Copper

100% = 16,720 kt

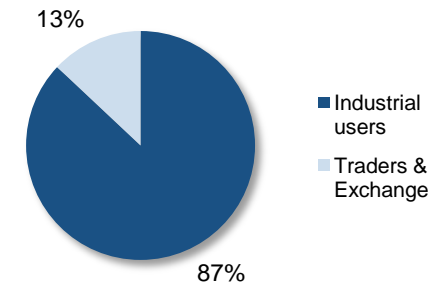


Source: GFMS, Brook Hunt, CRU, companies' results announcements, Norilsk Nickel Marketing Department, estimates from company reports. Data for 2012FY

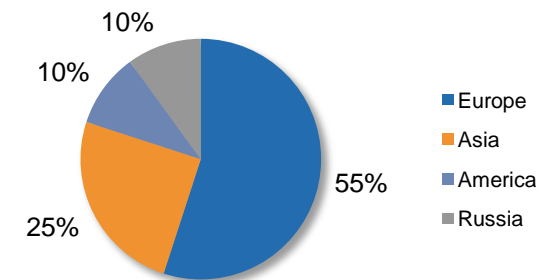
Global Reach: Regions and Clients



Sales Structure by Type of Client (2012)



Metal Revenue Structure by Region (1H 2013)

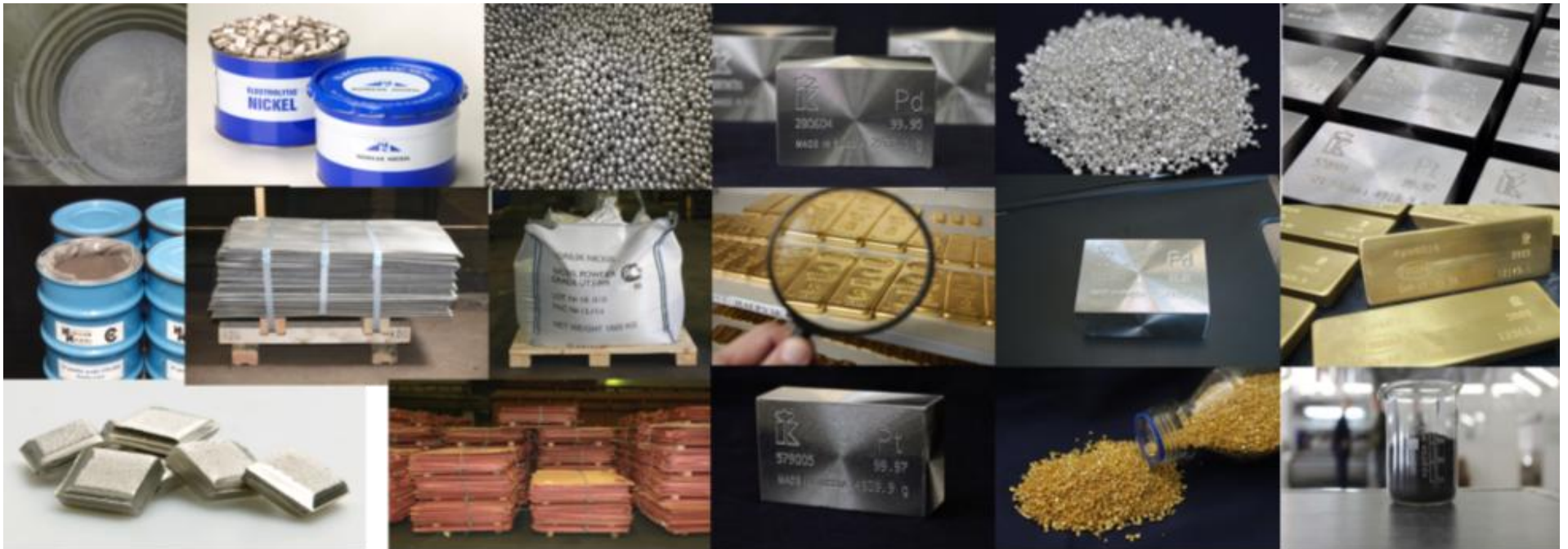


- Strong in-house distribution platform (142 employees) in 5 international offices and Moscow headquarters
- Cover all major markets (40+ countries) and customers (500+)

Source: Norilsk Nickel

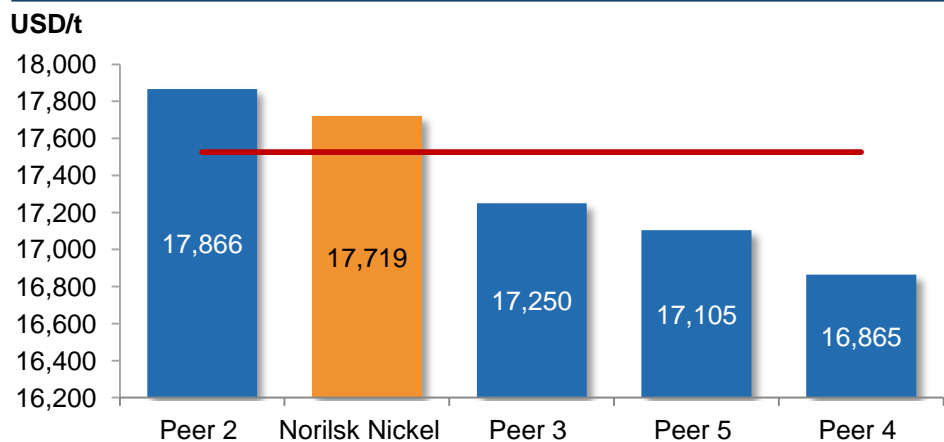
Transparent Sales Policy

- Sale of 100% of metals produced
- Target pricing - average global indices
- Focus on long term contracts
- Focus on sales to industrial users
- Direct access to the main markets

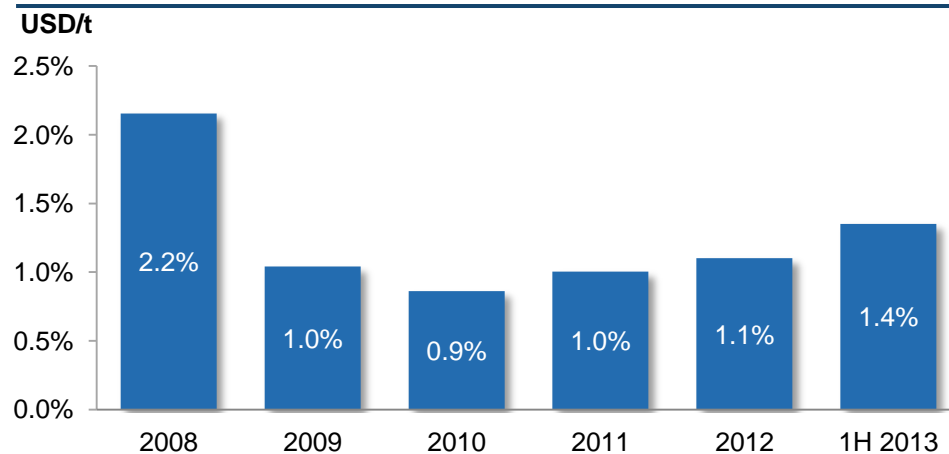


Premium Realized Prices

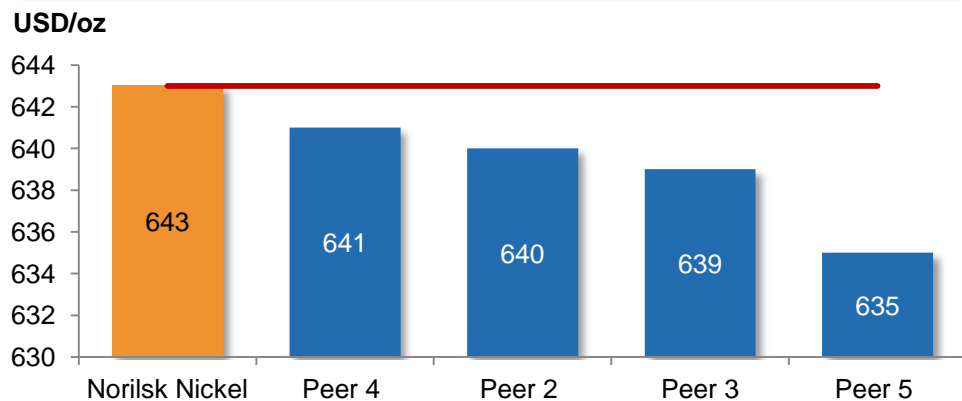
Nickel, 1H 2013



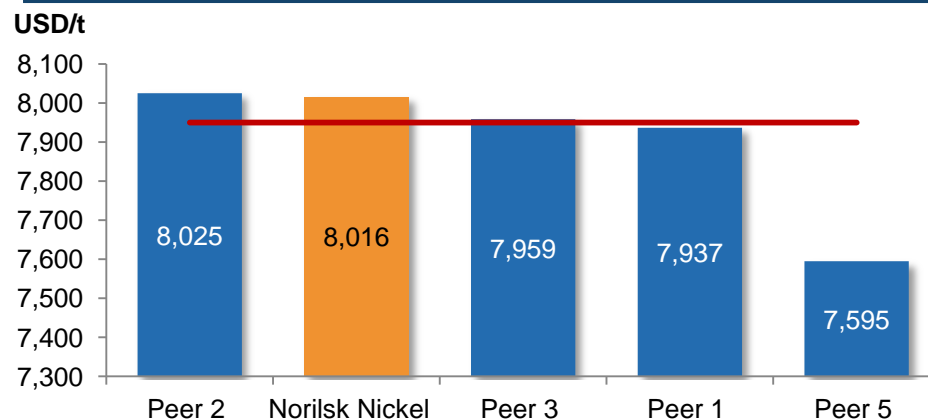
Norilsk's Realized Nickel Premium over LME



Palladium, 1H 2013



Copper, 1H 2013



— Average market price 2012

Source: Norilsk Nickel

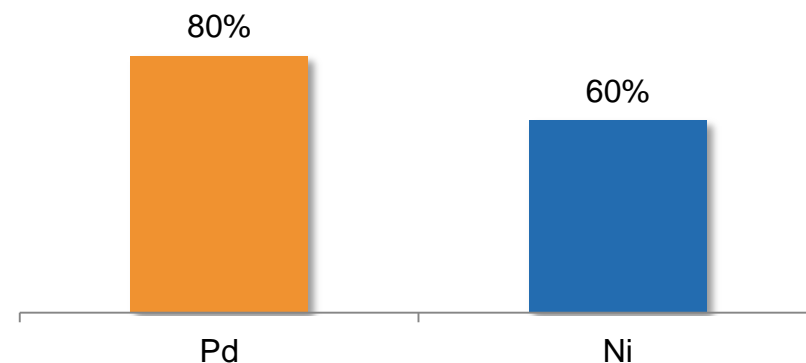
Notes: Peers' realized prices calculated based on publicly available information by dividing reported revenues from the sale of metals by reported production in the respective period



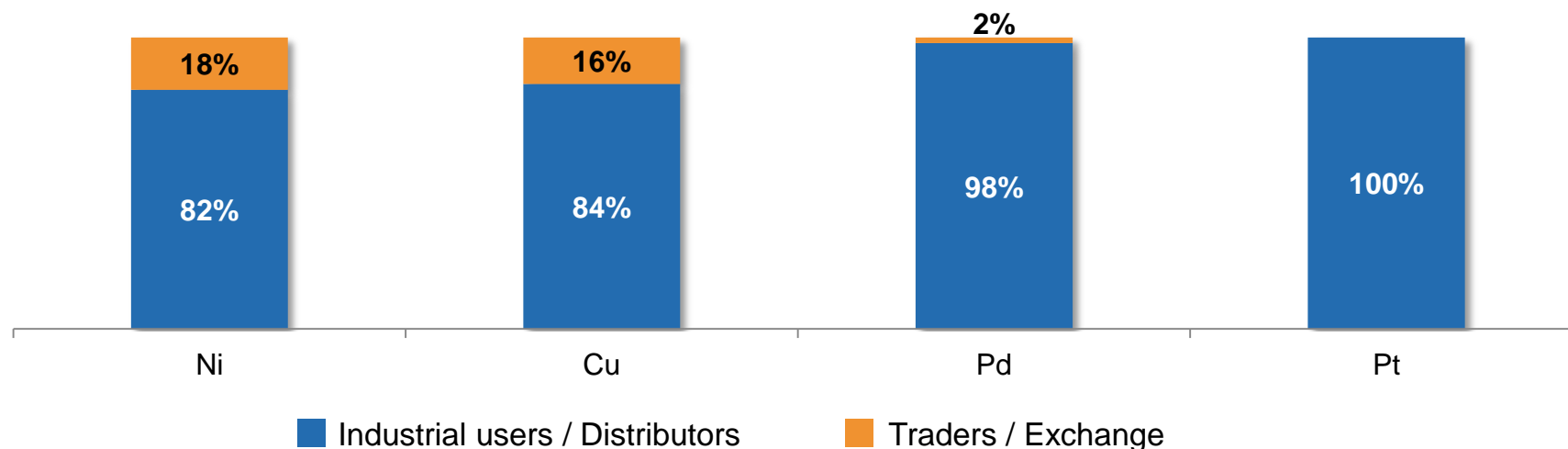
Profound Knowledge of Markets

- Extensive knowledge of the market resting on:
 - Large market share (in some metals bigger than OPEC in oil)
 - Large client portfolio covering the major part of metals global consumption
- Real-time view on demand trends

Share of Norilsk Nickel's Customers in Global Demand⁽¹⁾, 2012



Direct Access to End Users, 1H 2013



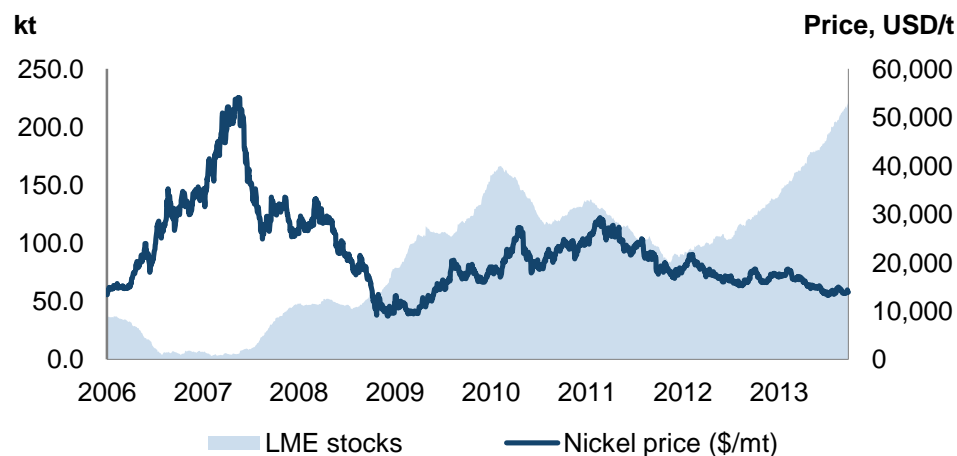
Source: Norilsk Nickel, Wood Mackenzie
 Notes: 1. Estimated by Norilsk Nickel based on publicly available information

The Primary Nickel Market Remains in Surplus

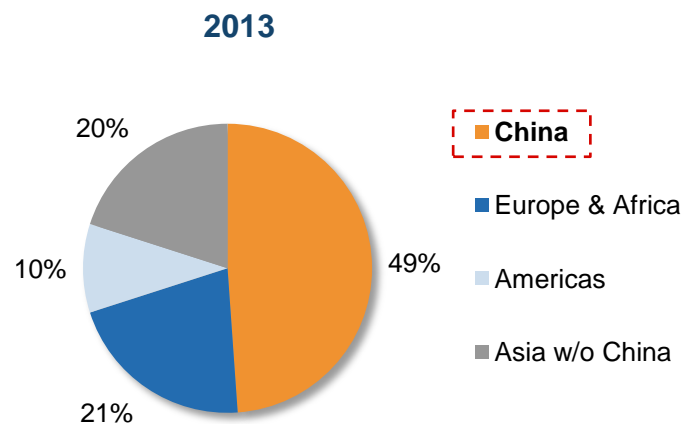
Major Market Themes

- Nickel supply outstrips demand, LME nickel inventories rising, surplus negatively affects prices
- Nickel market surplus driven mostly by growing Chinese NPI
- Ore from Indonesia feeds 70% of Chinese NPI production
- Indonesian ban (if enforced) holds the key to the 2014 market balance
- Rapid growth in Indonesian ore production is non-sustainable

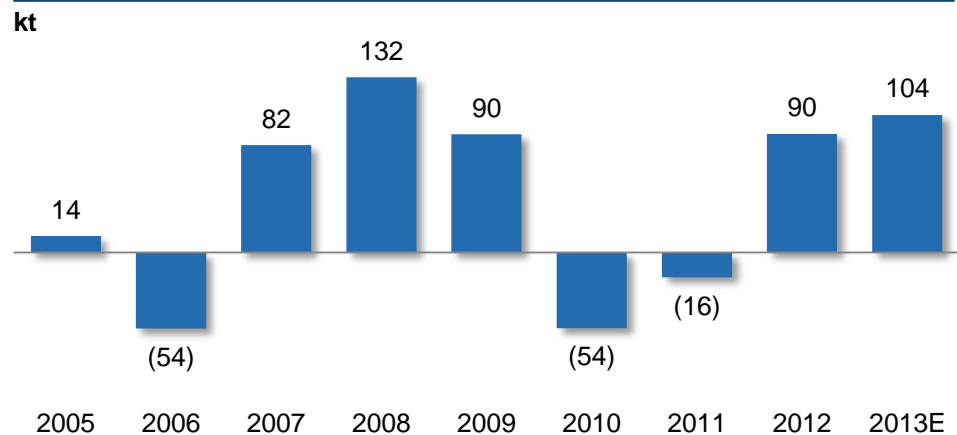
LME Nickel Price and Stocks



Nickel Consumption by Region



Nickel Market Surplus Likely to Remain

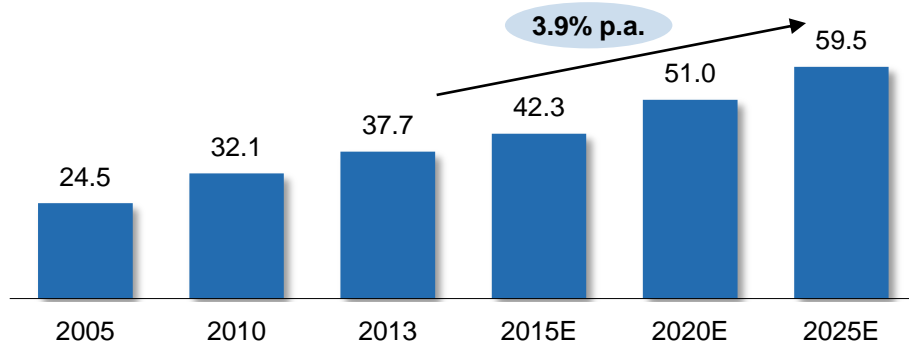


Source: Norilsk Nickel, Wood Mackenzie, Bloomberg

Subdued Nickel Demand in the Near-term?

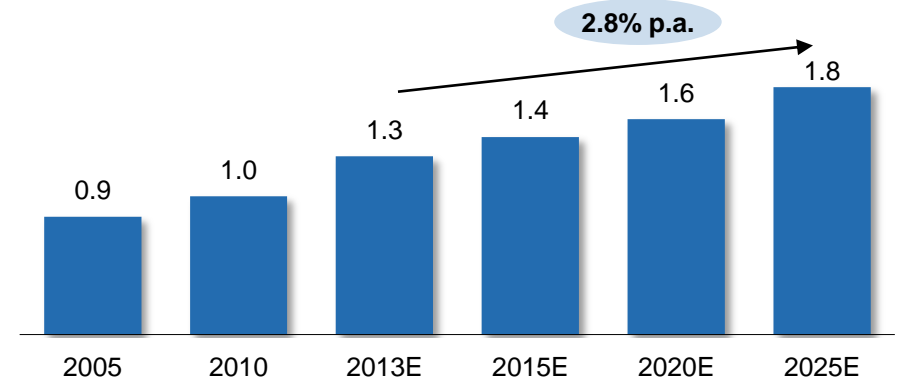
Global Stainless Steel Melting Output

Mt

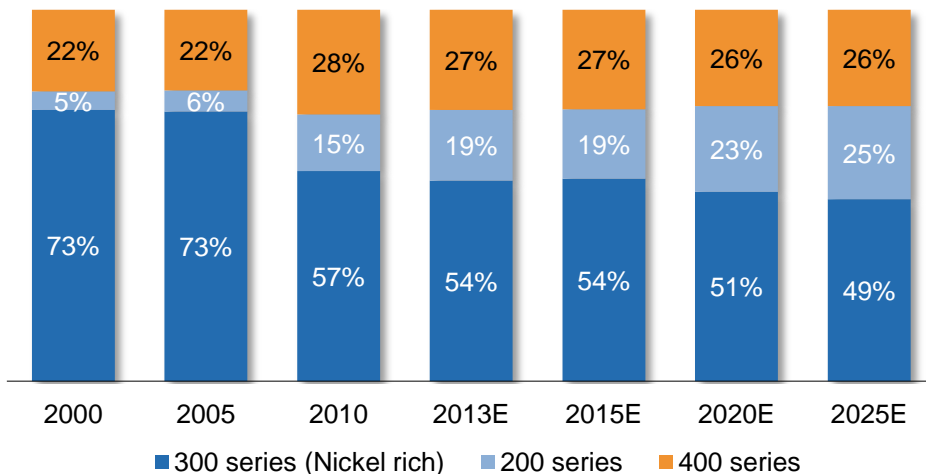


Demand for Primary Nickel from Stainless Steel

Mt



Stainless Steel Production by Type



- The management expects the nickel demand in the stainless steel sector to increase by ~2.8% p.a. from 2012 to 2025 driven by stable growth in stainless steel output (~3.9% p.a.)
- Substitution of 300 series by 200 series already happened in 2005-2012 and is not likely to impact demand in the long term

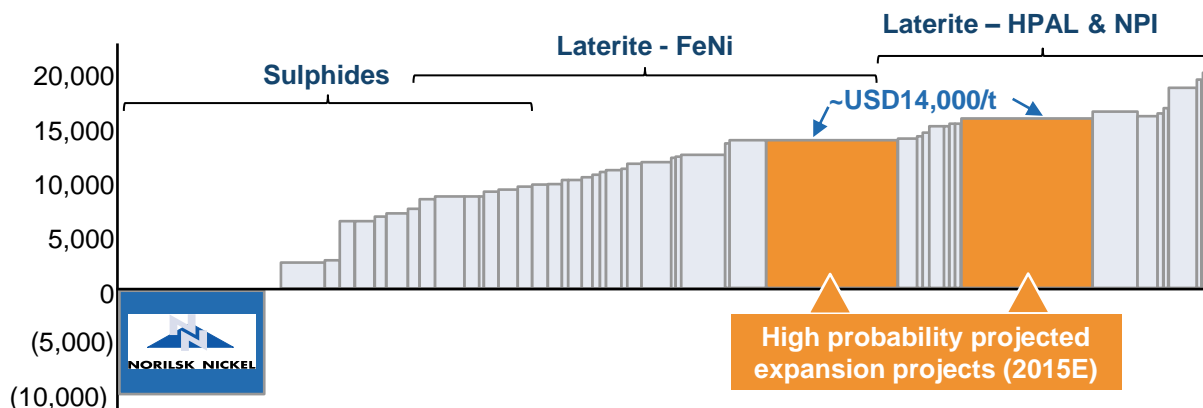
Source: Wood Mackenzie, Norilsk Nickel estimates



Adding New Nickel Capacity Requires Higher Metal Price

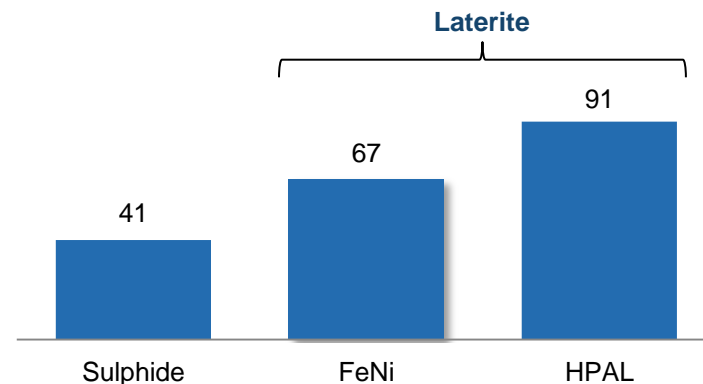
Nickel Production Growth Driven by Laterite Projects

Nickel cash cost curve (2010 based), USD/t



Capex Intensity is Rising...

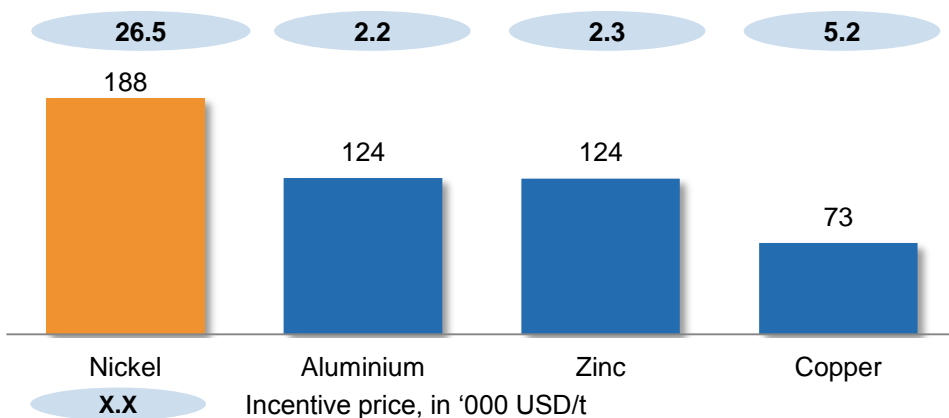
New projects, '000 USD/t Ni capacity p.a.



...Which Requires LT Price Above Spot

Incentive prices rebased (100 = spot prices)

'000 USD/t



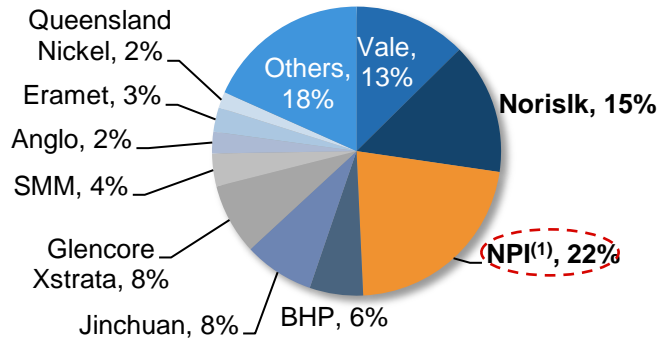
- Majority of the greenfield projects coming on stream are laterite deposits (Koniambo, VNC, Ambatovy) with high cash operating costs and capital intensity
- A long-term nickel price of ~USD26.5k/t is required in order to stimulate sufficient growth of mined nickel supply

Source: Wood Mackenzie

NPI: Critical Factor in Nickel Market Equation

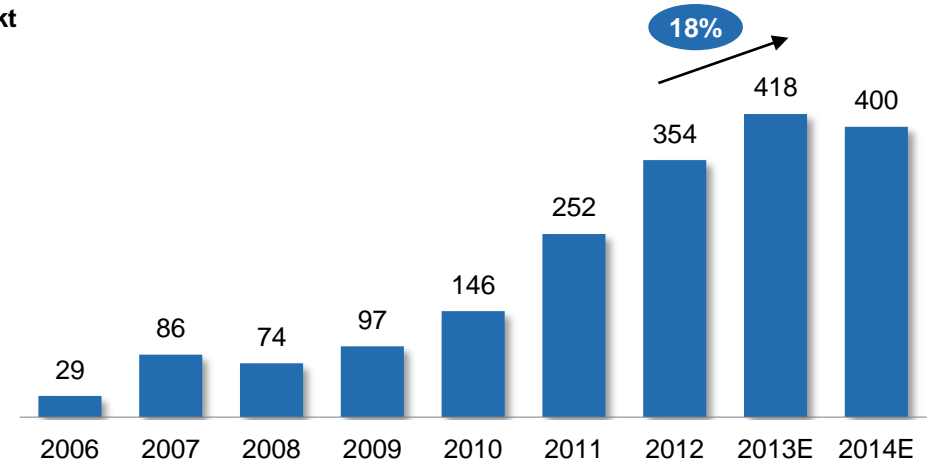
NPI has Emerged as a Major Source of Nickel...

Share of nickel processing capacity, 2013



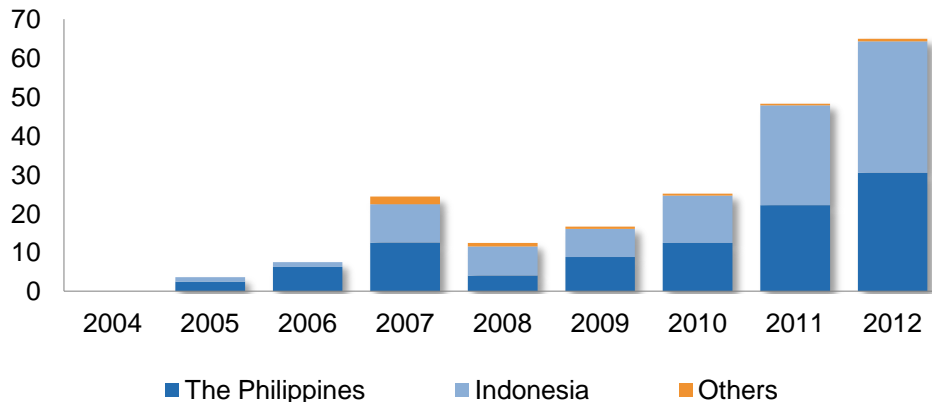
...but its Supply could Peak out in the Near Term

kt



Strong Reliance on Indonesia and the Philippines

Chinese nickel ore imports by country, Mt



- NPI production launched in 2007 as an innovative response to nickel price hikes
- Cheaper / easier alternative as compared to greenfield mining projects
- Export ban on nickel ore from Indonesia (if enforced) from January 2014 onwards may curtail NPI growth
- Even if the ban is not introduced, future NPI output is at risk due to:
 - Non-sustainable approach to mining in Indonesia
 - Increase of NPI production costs

Source: Norilsk Nickel, Wood Mackenzie, Rio Tinto
Note: 1. Actual production

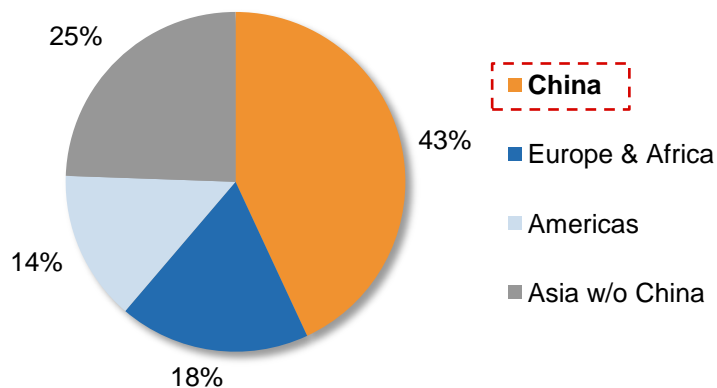


Copper Market Remains Balanced

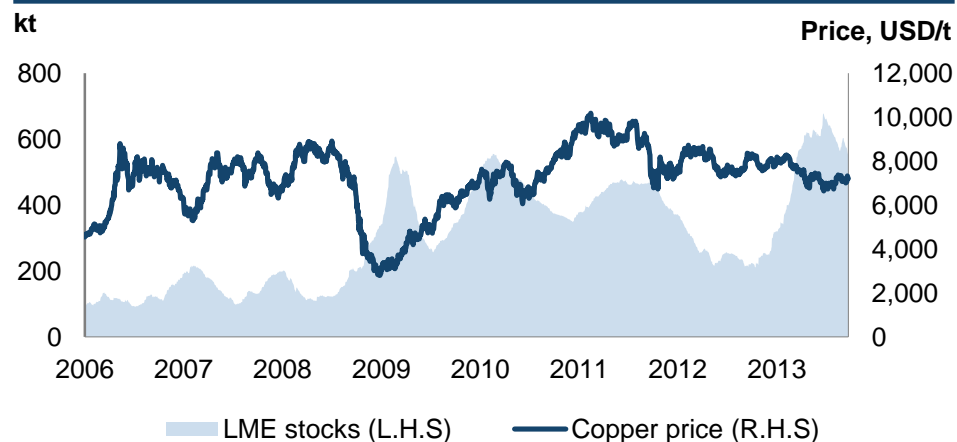
Major Market Themes

- Rising inventories in 2013 as a result of slower than expected global economic growth
- Recent strong set of economic data from the US and China is underpinning copper price momentum
- Mine supply growth is accelerating due to restarts and new projects
- China is driving copper consumption growth

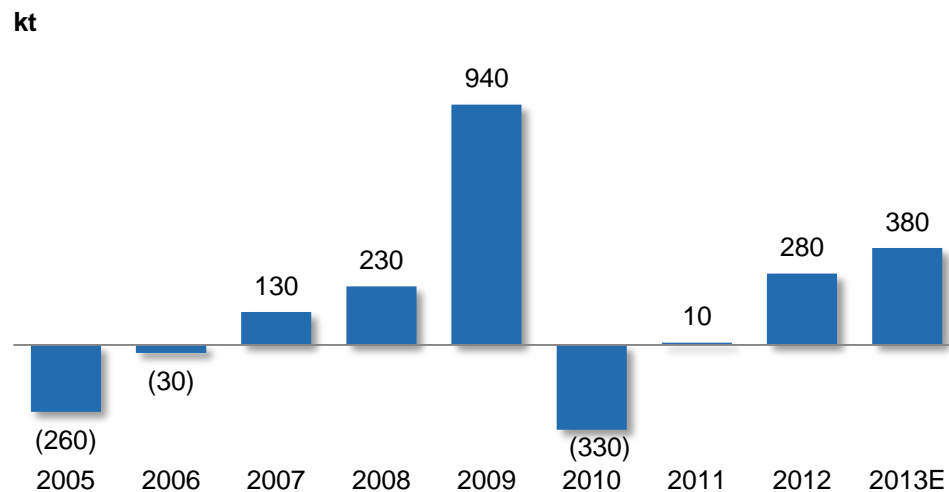
Copper Consumption by Region, 2013



LME Copper Price and Stocks



Copper Supply / Demand Balance

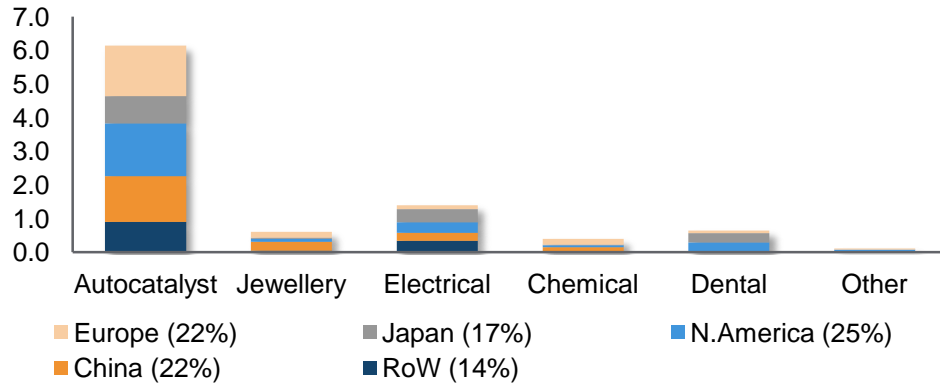


Source: Norilsk Nickel estimates, Datastream, Wood Mackenzie

Robust Demand is Expected to Drive the Palladium Market

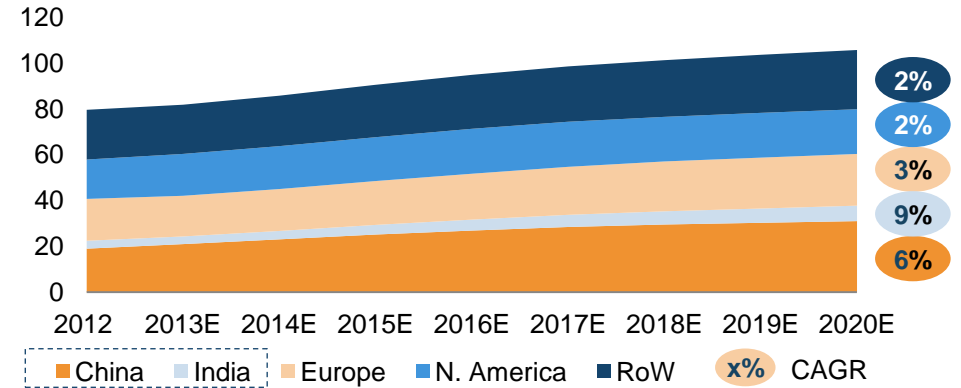
Auto Catalyst is the Primary Demand Driver

2013 Pd consumption, Moz



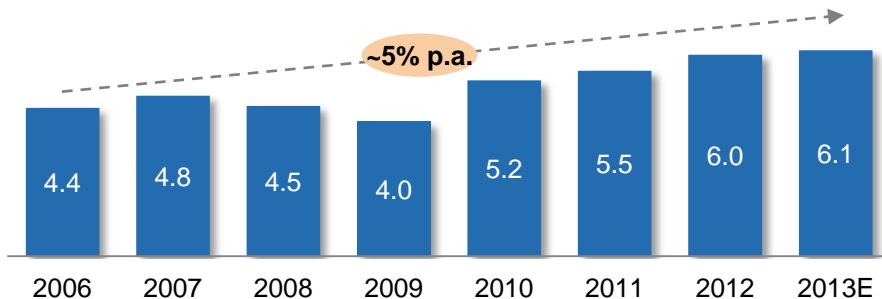
Growth in Light Vehicle Sales Spurring Demand

Global light vehicle sales, m units



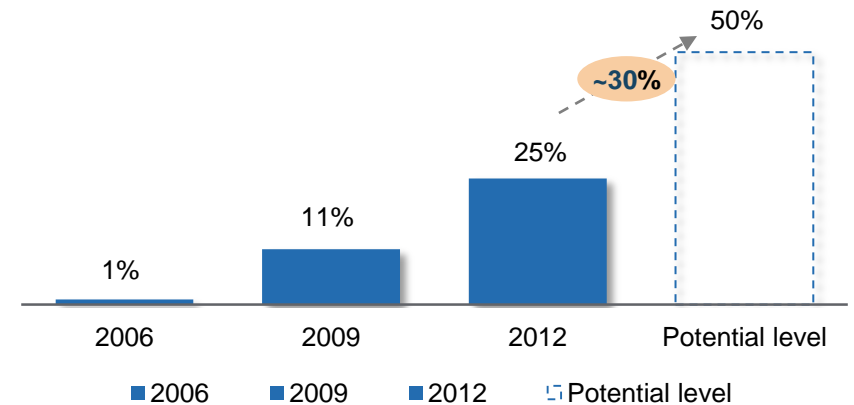
Rising Usage of Palladium in Auto Catalysts

Pd demand in emissions control catalysts, Moz



Technology Allows Further Room for Growth

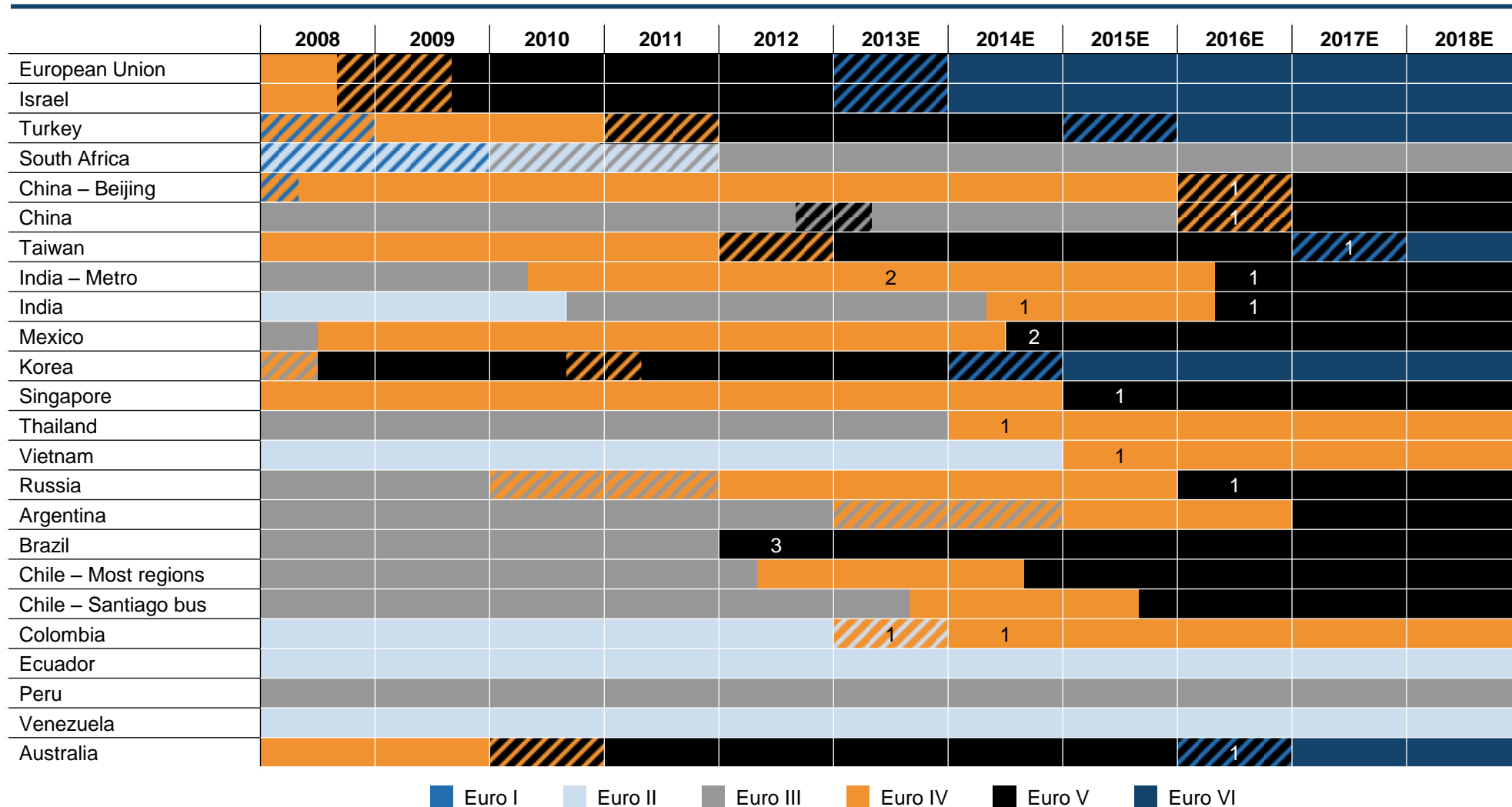
Pd substitution for Pt in light duty diesel vehicles, %



Source: Norilsk Nickel estimates, IHS, Johnson Matthey

Global Tightening of Car Emission Standards

Adoption of the European Car Emission Standards



Source: Norilsk Nickel, IHS

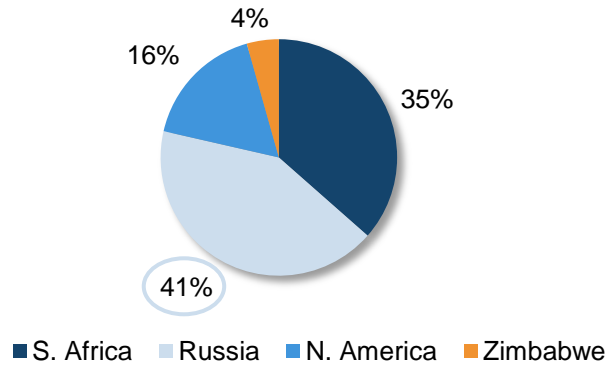
1. Projected or proposed. 2. For India metro, Euro IV in 2010 without On-Board Diagnostics (OBD), Q2 2013 with OBD; 2. For Mexico, Q4 2014 Euro V is contingent upon Ultra-Low Sulphur Diesel (ULSD), Euro VI also possible; 3. For Brazil, PROCONVE P7, Motor Vehicles Air Pollution Control Program



Palladium Market Deficit is Likely to Expand

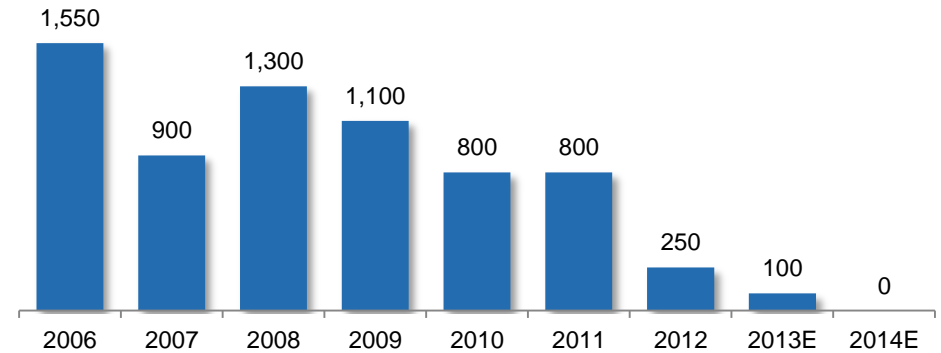
Russia & S. Africa Account for ~80% of Pd Supply

2013 Palladium supply



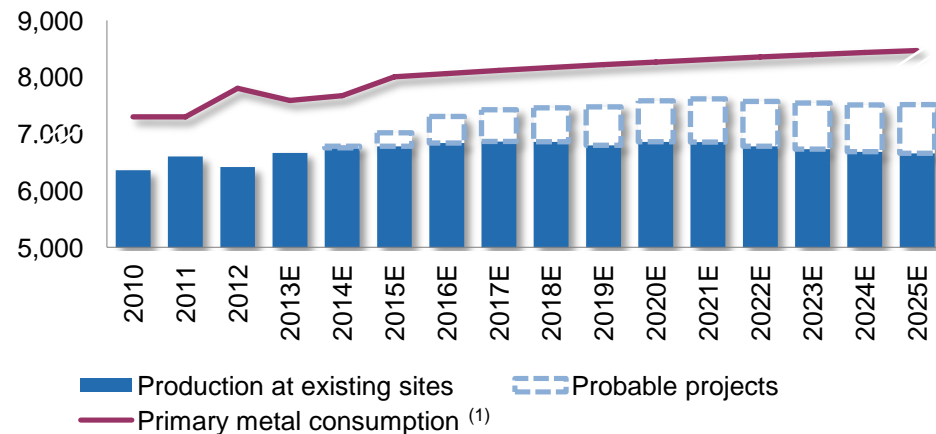
Russian Stockpiles Have Dried Out

Deliveries from Russian state stockpiles, koz



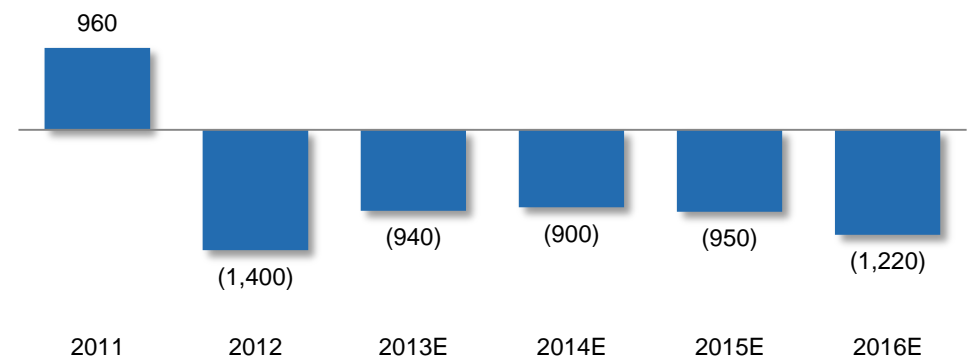
Most of Possible Projects Require Feasibility Study

Supply outlook by expansion type, koz



Palladium Market Deficit to Widen

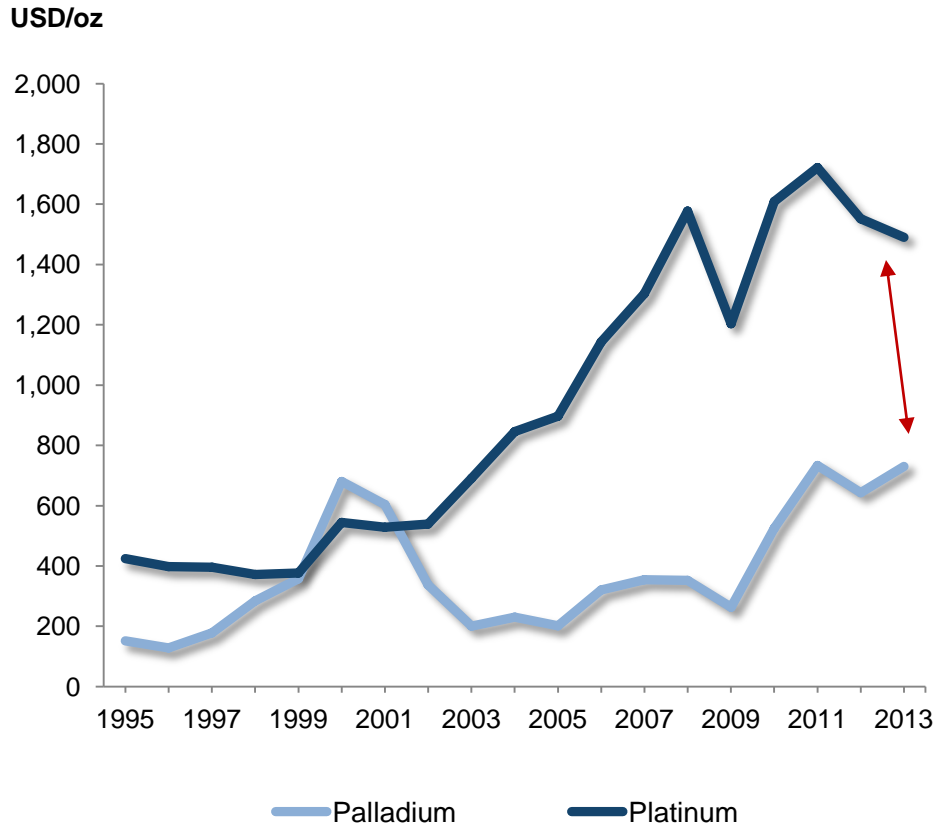
Surplus / (deficit), koz



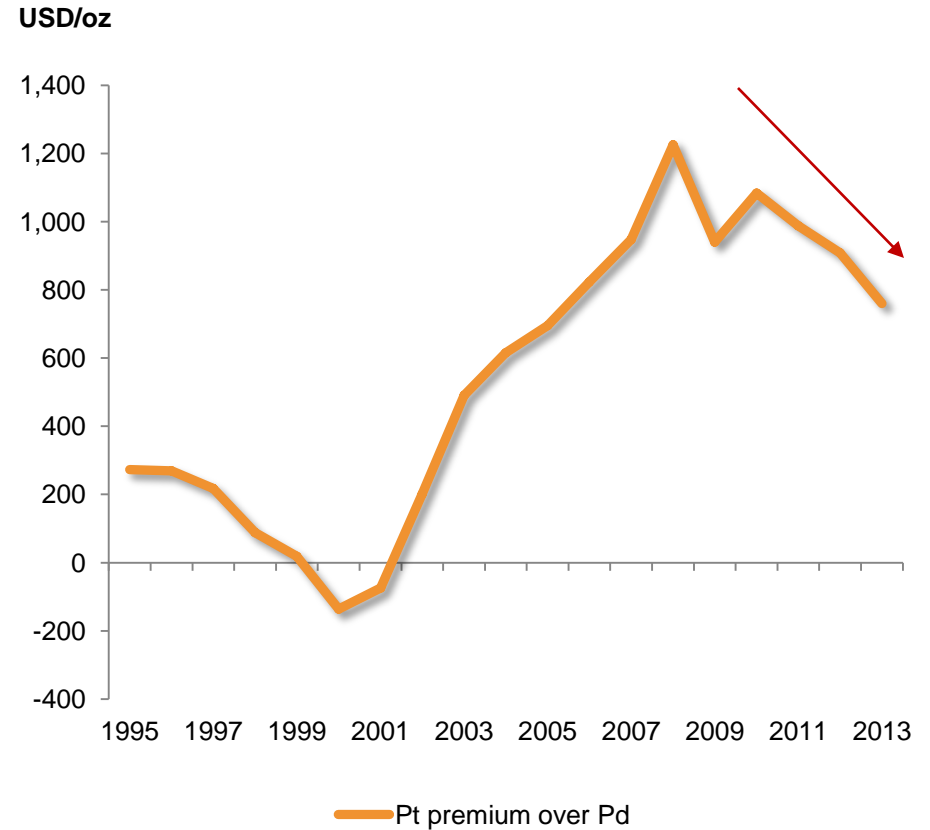
Source: Companies' results announcements, GFMS, Swiss customs data, SFA Oxford, Norilsk Nickel estimates
 Note: 1. Gross metal consumption less recycling

Discount of Palladium to Platinum may not be Sustainable

Palladium is Undervalued Relative to Platinum



The Price Gap is Narrowing



- Palladium and platinum come from the same mines, with similar processing costs
- Both metals have almost equal importance to the automotive sector, which represents 70% of the PGM demand
- The current discount of palladium to platinum has limited justification based on fundamentals; this discount has been reducing since 2008

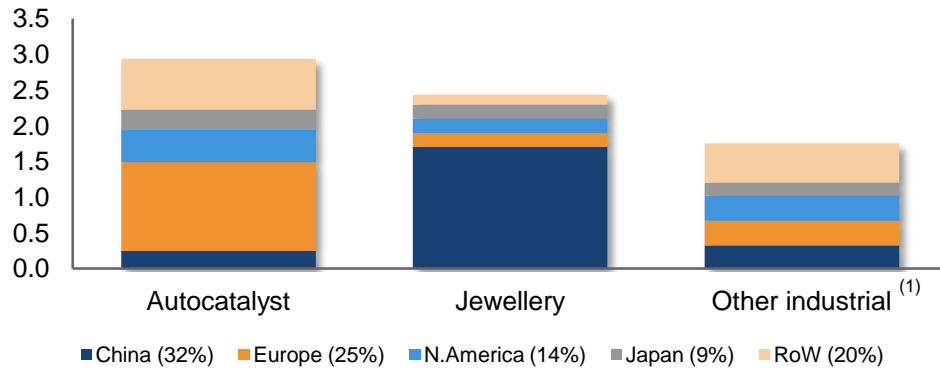
Source: Bloomberg, Norilsk Nickel



Mixed Impact from Macro on Platinum Demand

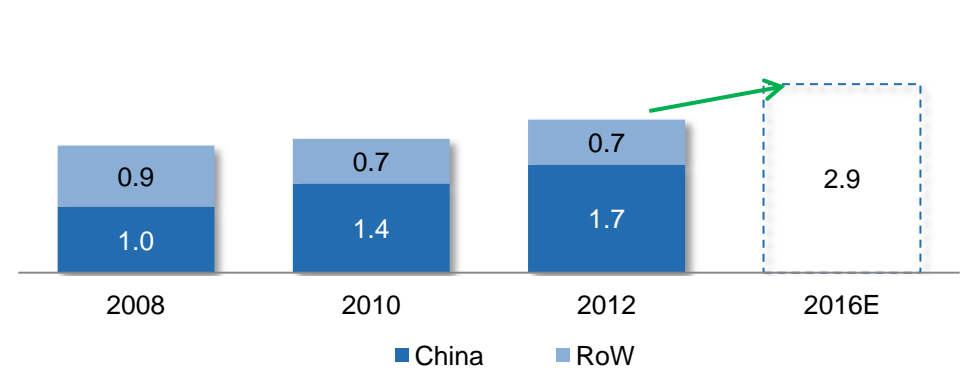
Auto, Jewellery are Primary Demand Drivers

2013 Pt consumption, Moz



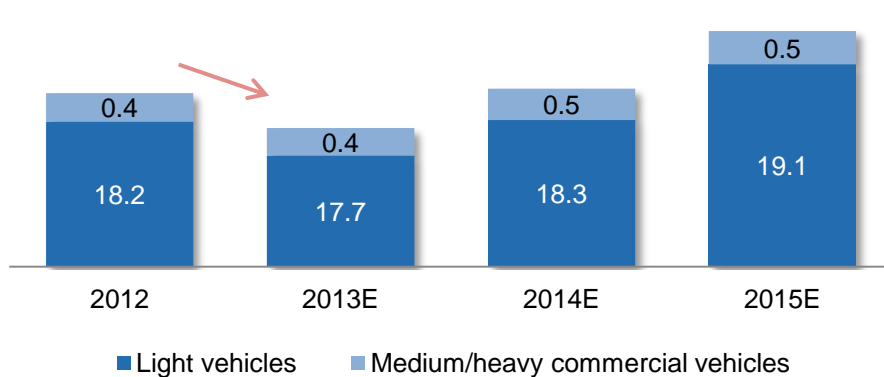
Chinese Jewellery Demand Expected to Grow

Platinum jewellery demand, Moz



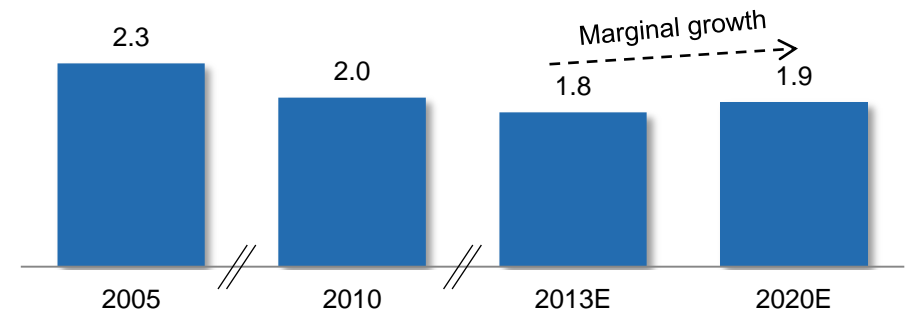
Weak Automotive Demand (Diesel) in Europe...

Vehicle sales in Europe, m units



...Is Impacting Platinum Demand Growth

Refined platinum demand in Europe, Moz

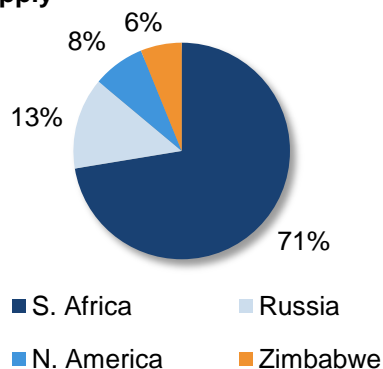


Source: Companies' results announcements, GFMS, Swiss customs data, SFA Oxford, Norilsk Nickel estimates
 Note: 1. Other industrial includes uses in chemical, electrical, glass, medical, petroleum

Supply Side Issues in South Africa

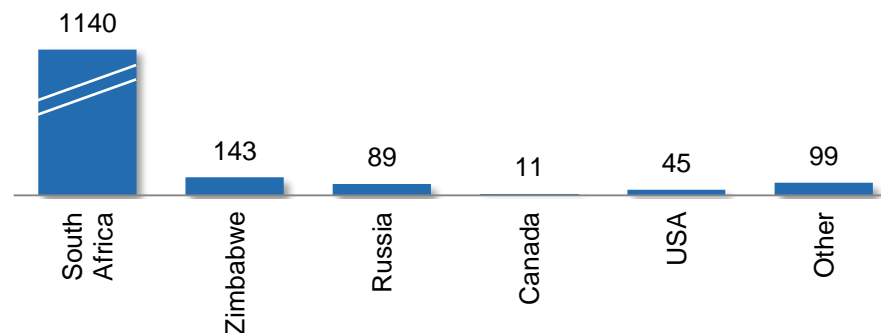
South Africa Controls 70%+ of Pt Supply...

2013E Pt mine supply



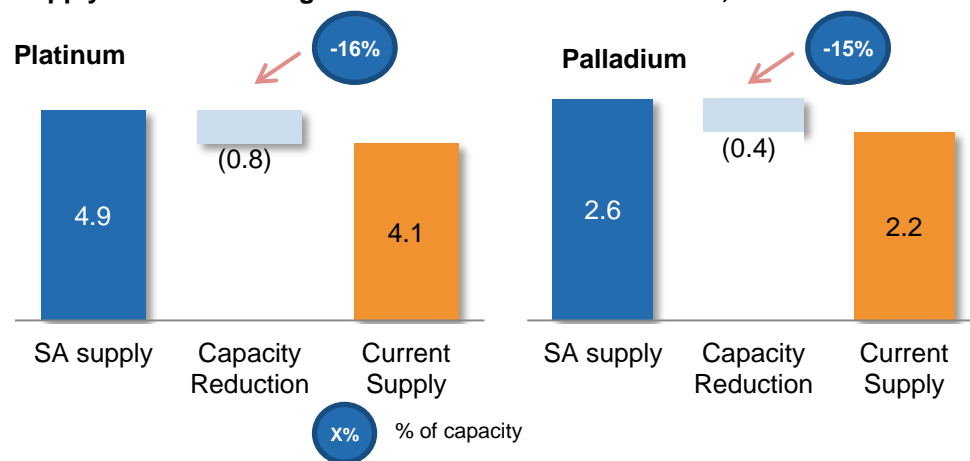
...Which is Expected to Continue

Platinum resources and reserves, contained Pt (Moz)



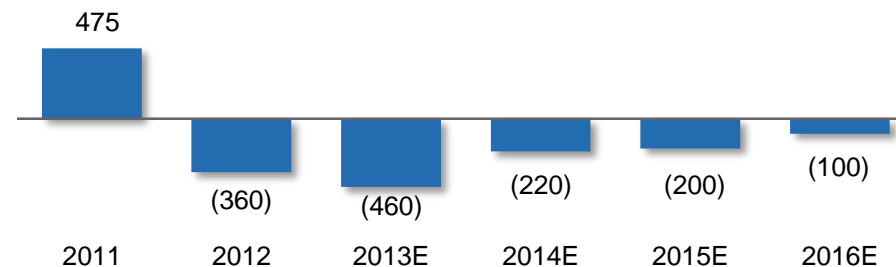
Supply is Tightening Owing to Mine Closures...

Supply reduction owing to closures and strikes vs. 2011, Moz



...Will Keep the Pt Market in Deficit

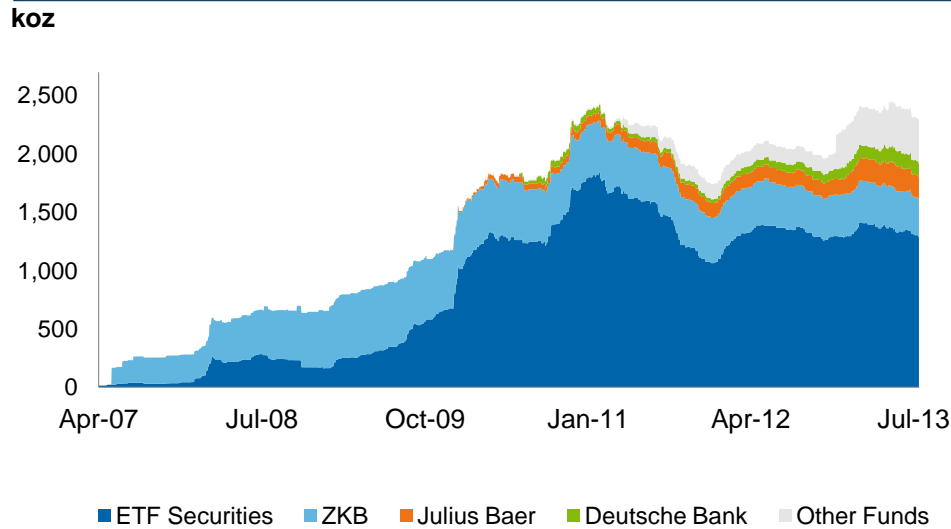
Surplus / (deficit), koz



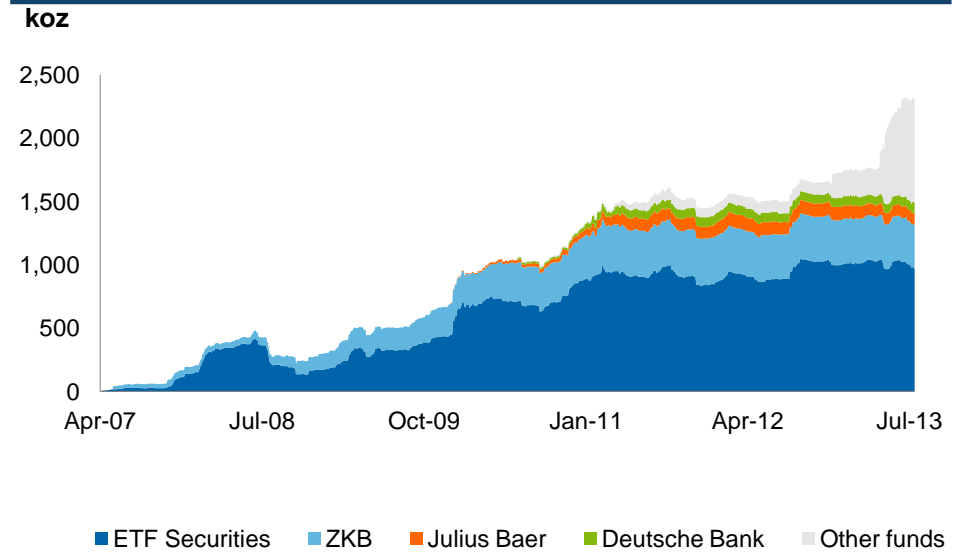
Source: Companies' results announcements, GFMS, Swiss customs data, SFA Oxford, Norilsk Nickel estimates

Palladium and Platinum Physical Investments on the Rise

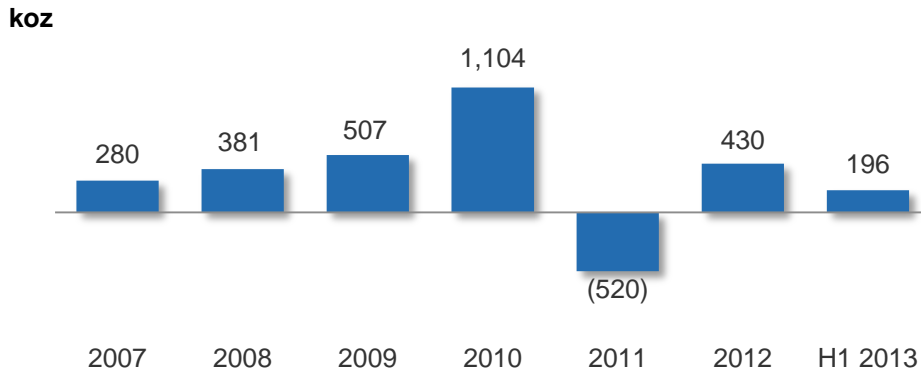
Palladium ETFs Holdings



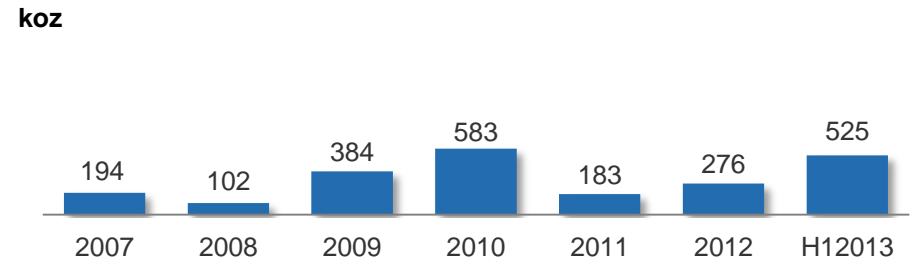
Platinum ETFs Holdings



Palladium ETFs Holdings Change, y-o-y



Platinum ETFs Holdings Change, y-o-y



Source: Bloomberg, Companies' results reports





NORILSK NICKEL



Financial Performance

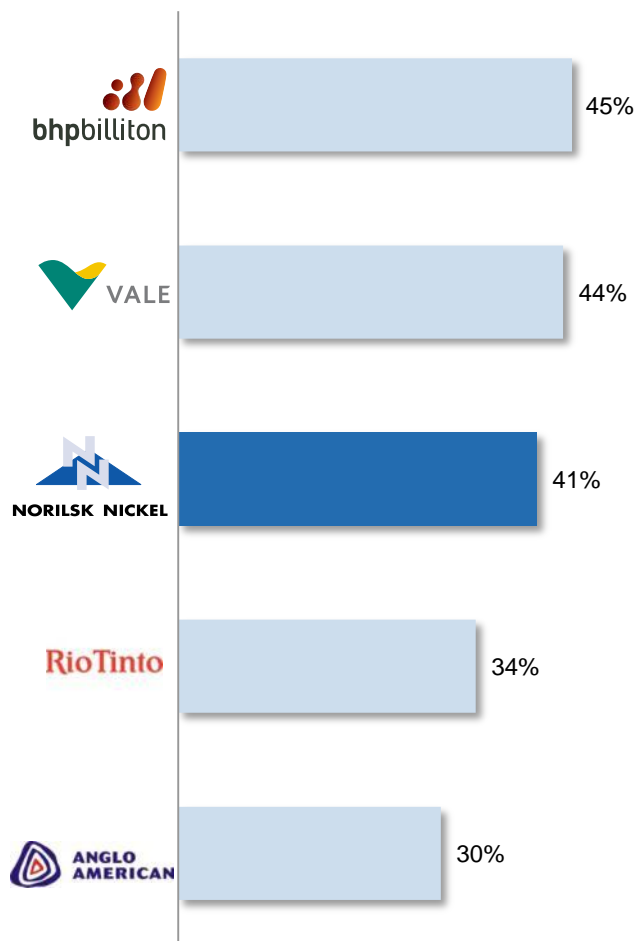
Sergey MALYSHEV

Deputy CEO

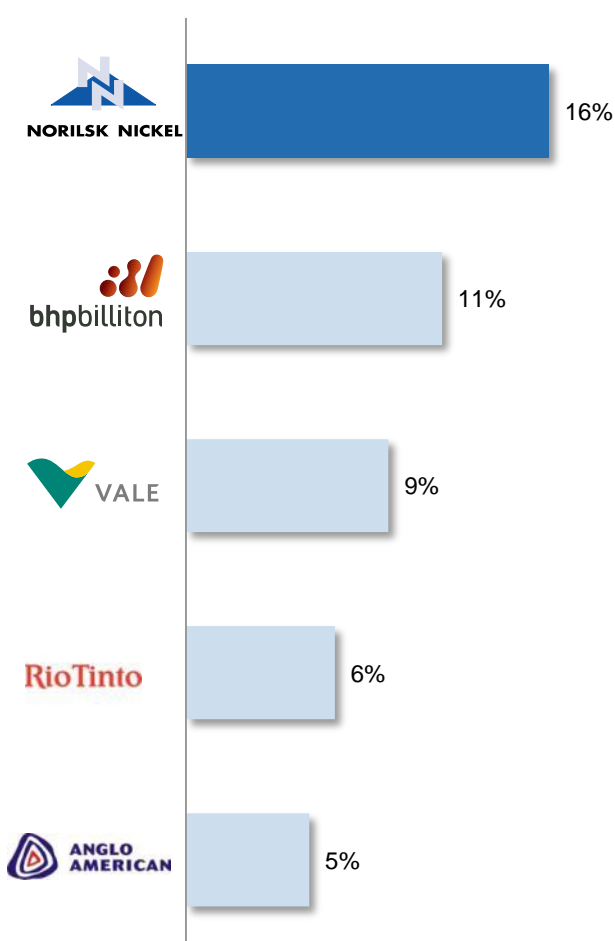
Chief Financial Officer

Solid Financial Performance vs. Global Peers

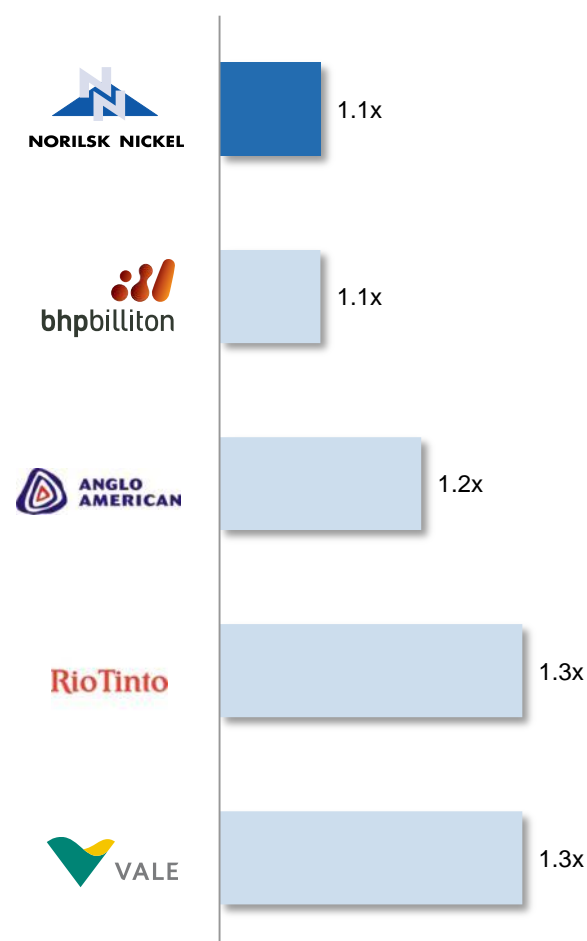
EBITDA Margin⁽¹⁾



Return on Invested Capital⁽²⁾



Net Debt to Adjusted EBITDA⁽³⁾



Source: Norilsk Nickel, companies' financial reports

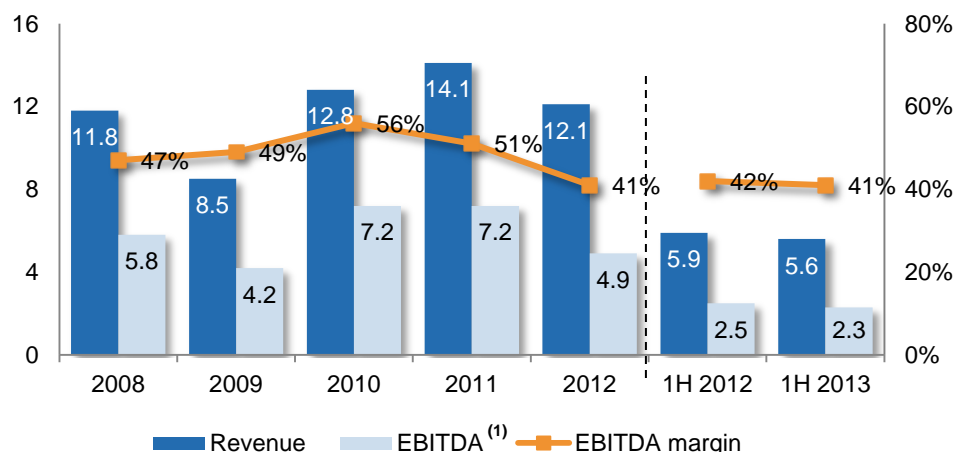
Note: 1. Adjusted EBITDA for 1H2013. Adjusted EBITDA excludes impairments and non-recurring items.

2. Data for 1H 2013. $ROIC_t = (\text{Adjusted EBIT LTM}_t * (1 - \text{Actual Effective Tax rate}_t)) / (\text{Non-current Assets}_{t-1} + \text{Net Operating Working Capital}_{t-1})$. Adjusted EBIT excludes impairments and non-recurring items. Actual Effective Tax Rate is as of 1H 2013.

3. Net debt to Adjusted EBITDA for 1H 2013. Calculated as net debt as at the end of the relevant period divided by Adjusted EBITDA for the last 12 consecutive months

“Through the Cycle” Asset

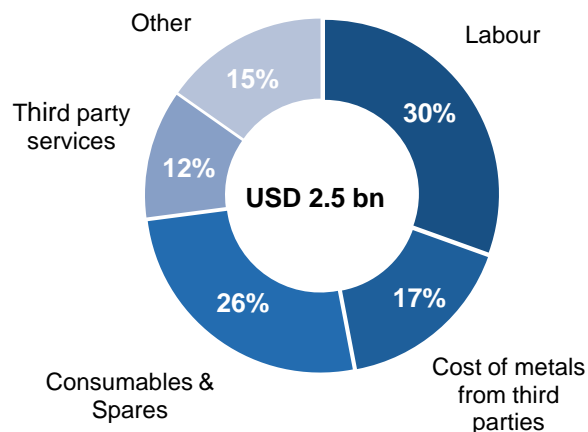
Revenue, EBITDA⁽¹⁾ and EBITDA Margin



Profitability

- EBITDA margin above 40% through the cycle
- Healthy EBITDA of USD2.3bn in 1H 2013, with 41% margin, despite adverse commodity price environment
- Strong free cash flow generation in 1H 2013 due to capex savings and working capital optimization

Cash Operating Cost Breakdown for 1H 2013⁽²⁾



1H 2013 Cash Cost Dynamics

- Cash costs before by-product credits were down by almost 8% y-o-y due to the following factors:
 - Labour cost was flat y-o-y supported by RUB depreciation against USD
 - Cost of metals from third parties decreased 36% y-o-y
 - Third party services were down 6% y-o-y
- Sales and distribution expenses declined 46% on lower export duties

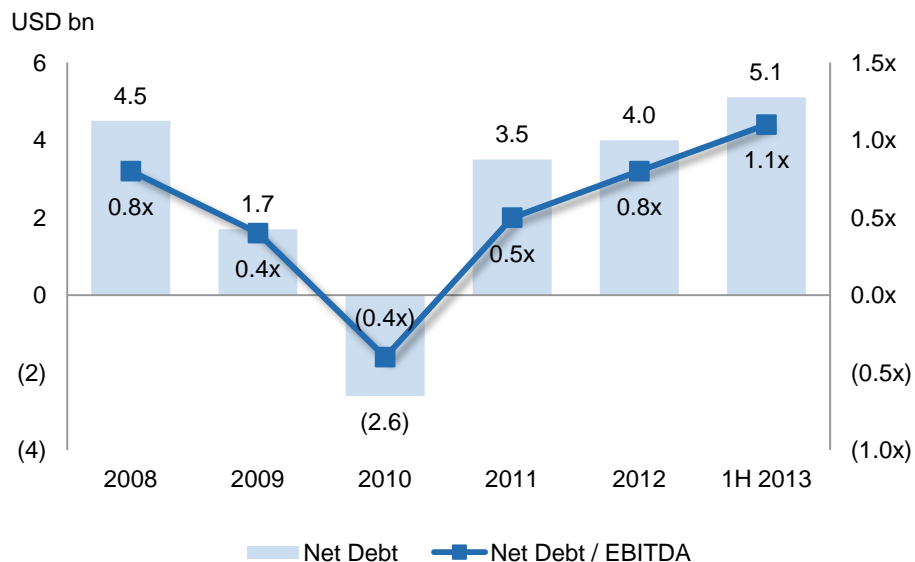
Source: Norilsk Nickel

Note: 1. Adjusted EBITDA excludes impairments and non-recurring items.
2. Cash operating cost excluding impact of sales of by-products



Historically Strong Balance Sheet

Historical Leverage



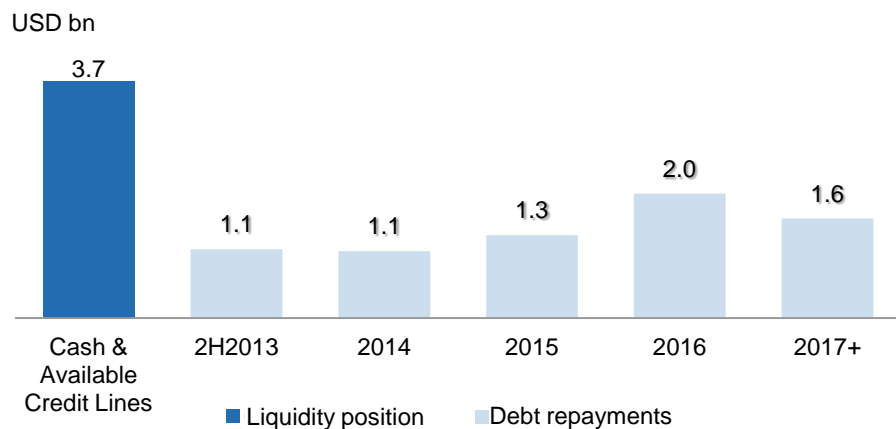
Strong Liquidity Position as of 1H 2013

- Strong liquidity supported by USD1.8bn of cash and cash equivalents
- Available credit lines of USD1.9bn
- Overall liquidity comfortably covers short-term refinancing needs (USD1.3bn)

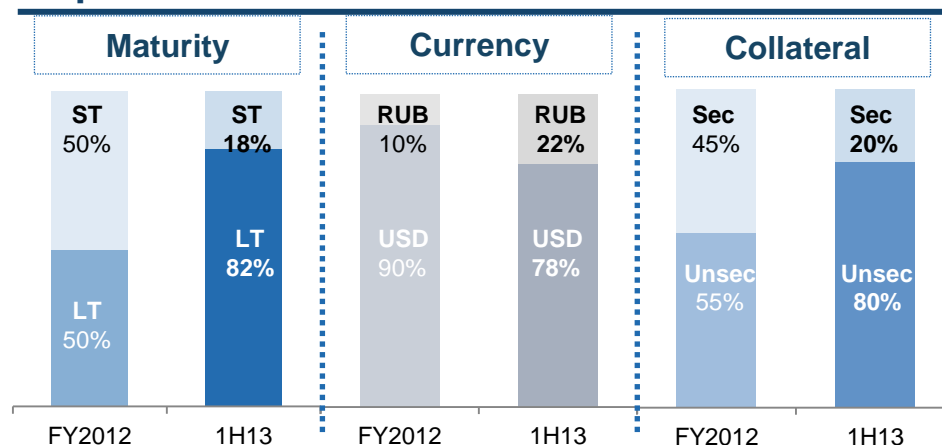
Proactive Debt & Leverage Management

- Low to negative leverage maintained through the cycle
- Comfortable leverage⁽¹⁾ (1.1x) as of 1H 2013 despite challenging market conditions
- Debt diversification with good access to capital markets
 - RUB bonds and Eurobonds have been successfully issued

Liquidity and Debt Repayment Schedule⁽²⁾



Improved Debt Structure⁽³⁾



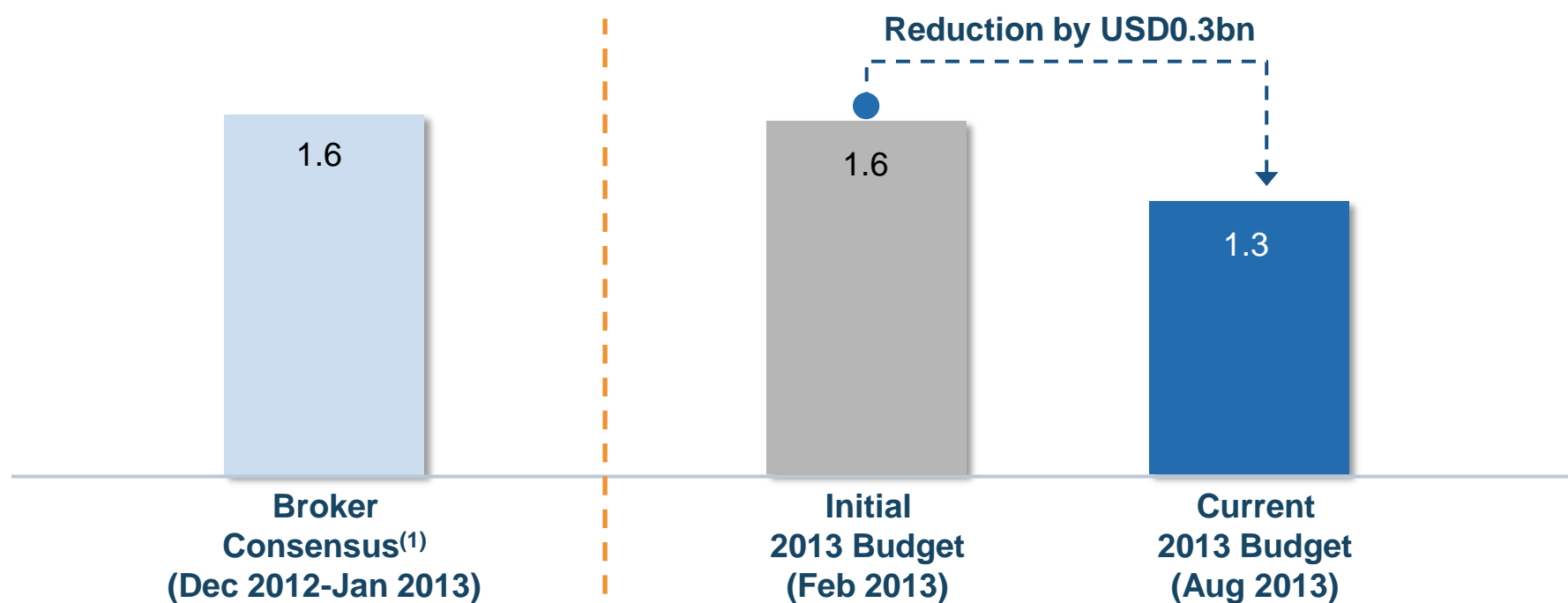
Source: Norilsk Nickel
 Note: 1. Net Debt to Adjusted EBITDA
 2,3 As of June 30, 2013



First Results of the Optimization of Stay-in-Business Capex

Optimization of 2013 Stay-in-Business Capex

2013 Stay-in-business capex, USD bn

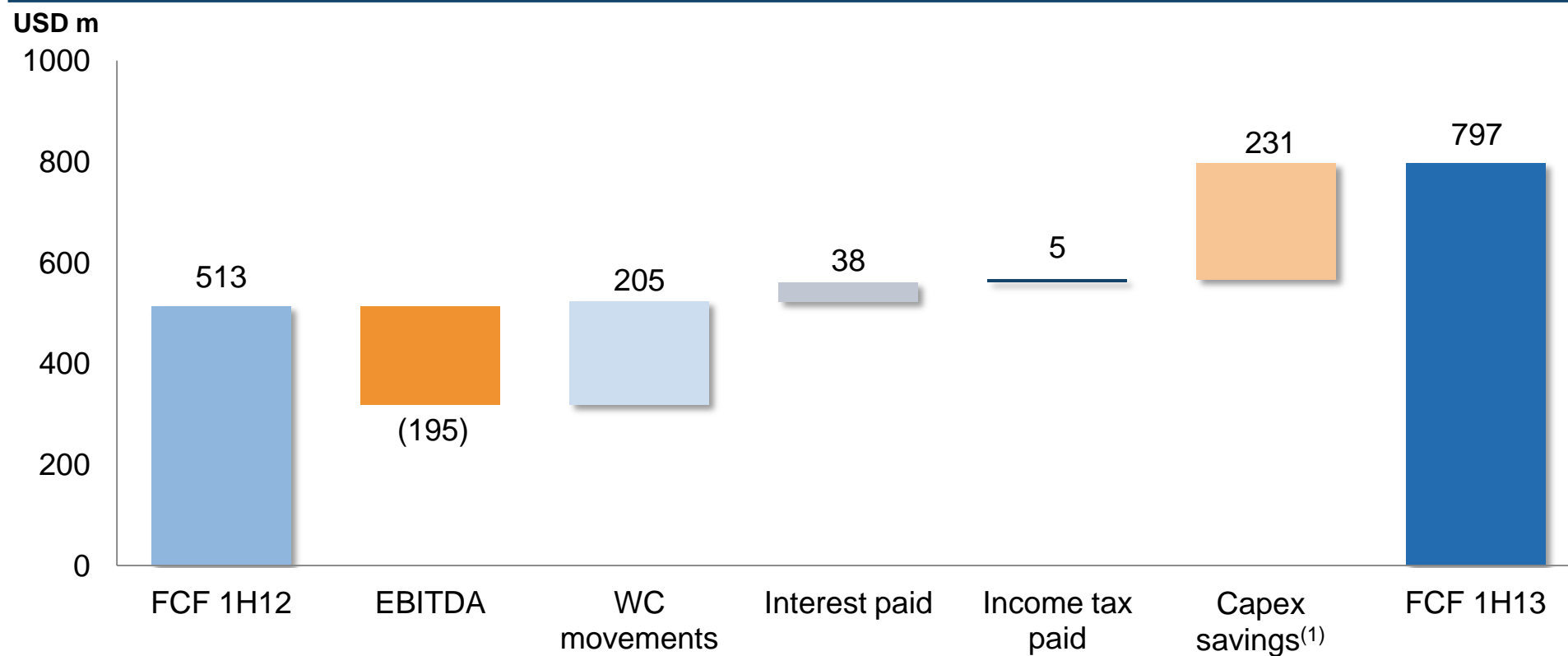


Source: Broker consensus, Norilsk Nickel
Notes: 1. Broker consensus of Stay-in-Business capex for 2013

First Results: Strong FCF Generation in 1H 2013

- 1H 2013 free cash flow increased by 55% y-o-y driven by:
 - Working capital reduction due to introduction of new procurement practices and improved VAT returns
 - Disciplined approach to capital allocation which resulted in capex savings of USD231m

FCF Generation



Source: Norilsk Nickel
Notes:1. Capex reduction compared to 1H 2012 capex

Financial Policy Summary

	Financial Policy Goals	2013 YTD Achievements
Profitability	<ul style="list-style-type: none"> Delivering zero cost inflation in 2014 and additional cost savings in 2015-2016 Reducing SG&A expenses through optimization of head office headcount and other measures 	<ul style="list-style-type: none"> 1H 2013 EBITDA margin at 41%, despite lower commodity prices 1H 2013 cash costs down by 8% year-on-year
Prudent Balance Sheet Management	<ul style="list-style-type: none"> Maintaining investment grade credit ratings from at least two rating agencies Commitment to Net Debt / EBITDA below 2.0x Balanced debt structure in terms of currencies, maturities, and financing sources 	<ul style="list-style-type: none"> Re-entered the public debt market, significantly extending average debt maturity Maintained significant liquidity and comfortable leverage ratios
Capex Optimization	<ul style="list-style-type: none"> New project approval procedures involving stringent stress tests 20% IRR hurdle rate for new projects 	<ul style="list-style-type: none"> USD0.3bn stay-in-business capex savings identified in 2013 budget
Working Capital Management	<ul style="list-style-type: none"> Tighter working capital control 	<ul style="list-style-type: none"> Significant decrease in VAT receivables
Financial Disclosure	<ul style="list-style-type: none"> Full compliance with international disclosure standards Fast close: IFRS accounts to be published within 60 days after period end New approach to segmental reporting 	<ul style="list-style-type: none"> Interim accounts published 59 days after the end of the reporting period
Dividends	<ul style="list-style-type: none"> Superior dividend yield 	<ul style="list-style-type: none"> New dividend targets approved in October 2013



NORILSK NICKEL



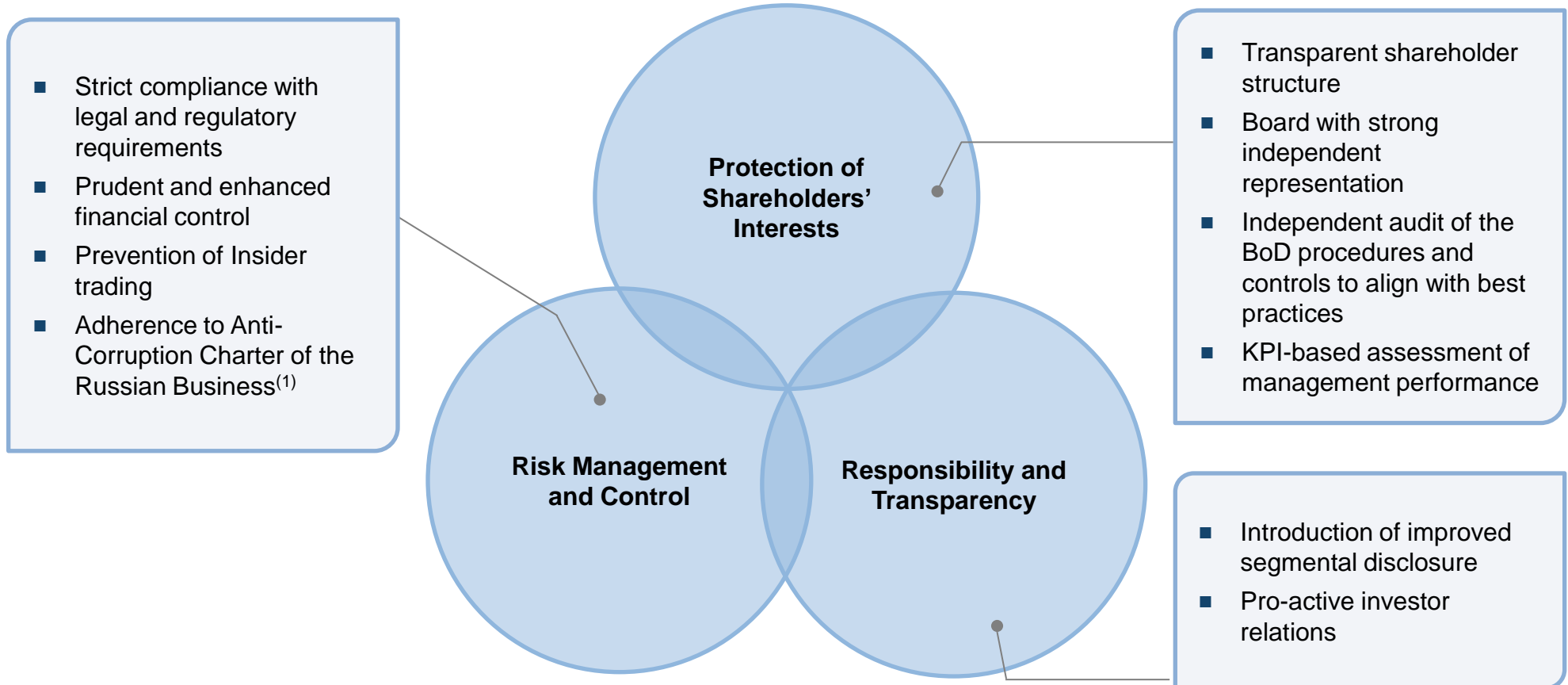
Corporate Governance

Andrei BOUGROV

Deputy Chairman of the Board,
Deputy CEO

Key Corporate Governance Principles

**Main goal of our corporate governance system –
introduction of the best international practices**



Note: 1. Available on www.tppf.ru

Interim Results: Delivering on Corporate Governance

Transparent Ownership

- All treasury shares have been cancelled
- Disclosure of major shareholders (Interros – 30%, UC Rusal – 28%, Crispian – 6%, Metalloinvest – 5%)
- Increased free float (31%)

Increased Board Independence

- Independent Chairman of the Board
- 5 independent non-executive directors (out of 13)

Improving Disclosure

- Ongoing work on improving financial disclosure (segmental reporting)
- Quicker release of IFRS results to the public; proper MD&A and a conference calls with analysts
- Commitment to further improvement in timing and content of the disclosure

Improved Investor Relations

- Strengthened IR team
- Strategy Days in London and New York
- Involvement of Senior Management in IR on a regular basis
- Expanding coverage of investors universe (by instruments and geographies)



Balanced and Reputable Board of Directors

Gareth Peter Penny
Non-Executive Independent Chairman



“I believe that Norilsk Nickel has great potential for development. We, as board members, will do our best to ensure stability of the Company's operations and increase its long-term value for shareholders”

- 22 years of mining experience with De Beers and Anglo American
- CEO of De Beers in 2006-2011
- Non-executive Board member of Julius Baer Holdings Limited

5
Independent
Directors⁽¹⁾



4
Interros
Directors



4
Rusal
Directors

Source: Norilsk Nickel

Note: 1. Including Chairman of the Board of Directors. In accordance with the criteria set out in the Russian Federal law “On Joint Stock Companies” No. 208-FZ dated 26 December 1995, as amended, and the Company's own criteria, which differ in certain respects from the criteria for independent directors that are set out in the U.K. Corporate Governance Code.



New Investor Relations Team

Vladimir Zhukov, PhD
Head of Investor Relations



- 12 years of experience in the metals and mining industry
- Metals and mining equity research analyst at HSBC and Lehman Brothers/Nomura
- Investor relations/corporate development at Norilsk Nickel

Mikhail Borovikov
Deputy Head of Investor Relations



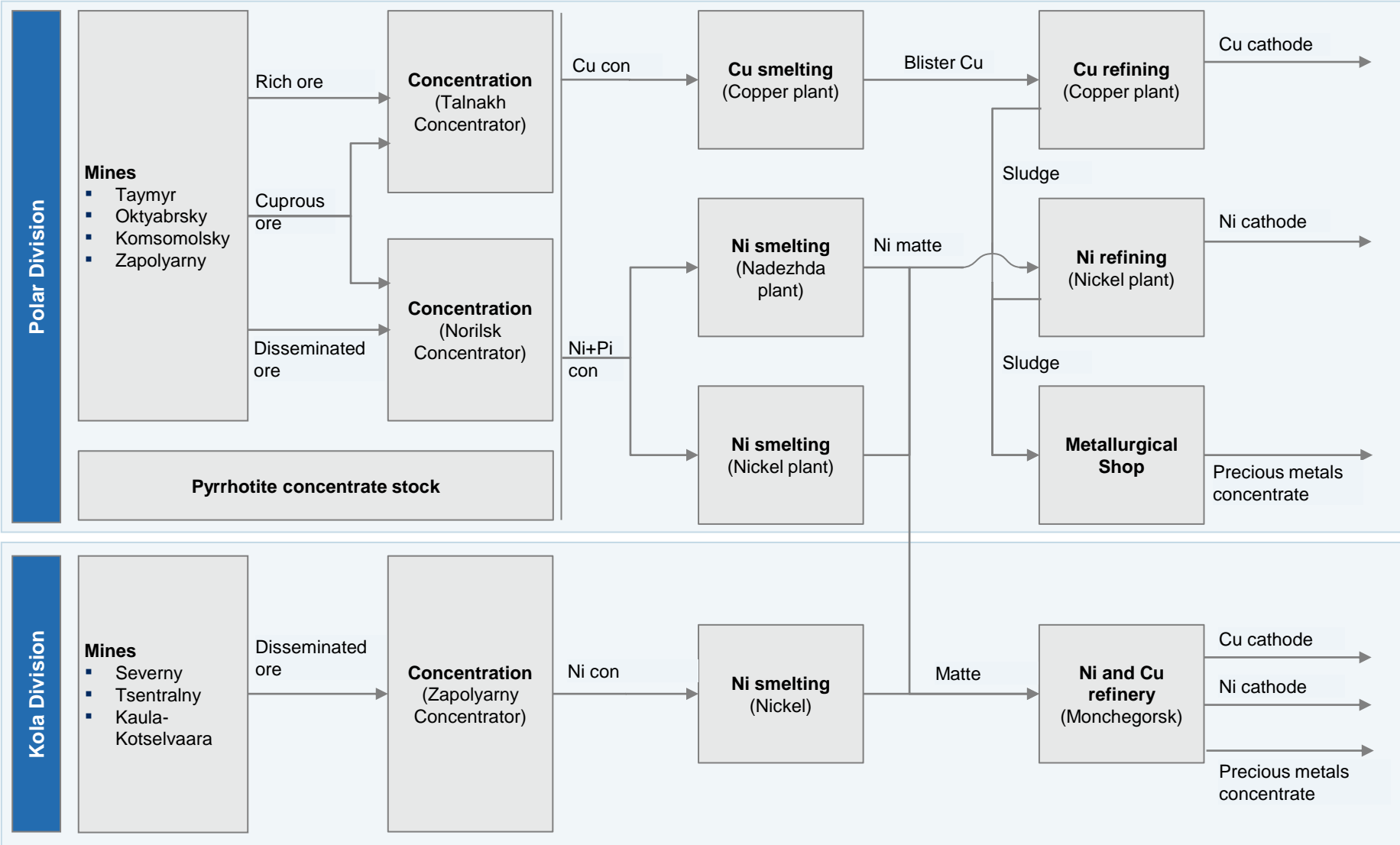
- 7 years of investor relations experience with VimpelCom and other large Russian public companies
- Numerous Best IR awards



NORILSK NICKEL

Appendices

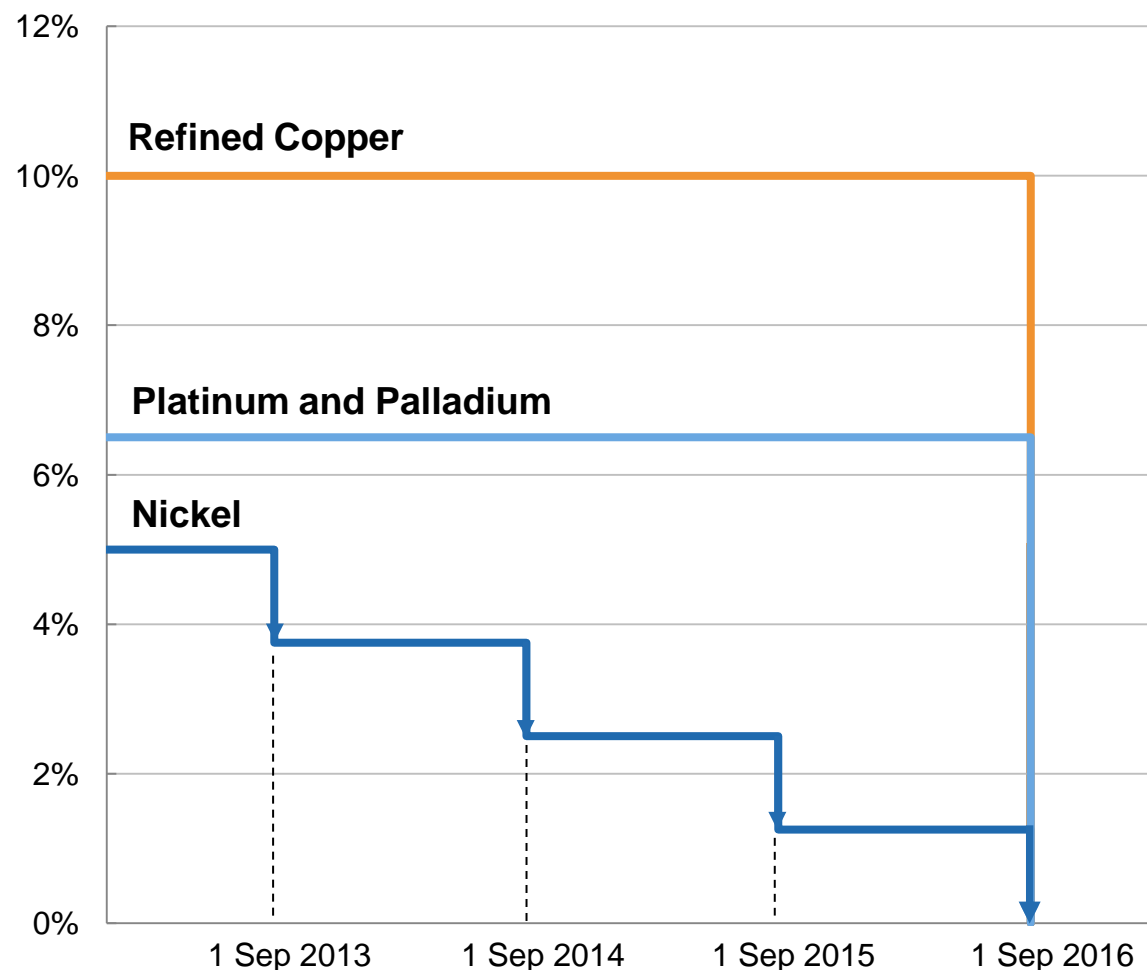
Production Assets Footprint



Source: Norilsk Nickel

Lower Export Duties to Support Selling Cost Reduction

Export Duties on Nickel, Copper and PGMs to be Phased Out by September 2016



- Following Russia's accession to the WTO, the export duties on base metals and PGMs are to be gradually eliminated
- Nickel export duty rate will be lowered from 5% to 0% in four 125 bps steps. The duty has been already reduced to 3.75% on September 1, 2013
- PGM and refined copper duties (currently 6.5% and 10%, respectively) are to be abolished effective September 1, 2016
- The abolition of export duties will significantly reduce Norilsk Nickel's selling costs (total duties stood at USD144m in 1H2013)

Source: Norilsk Nickel

Selected Norilsk Nickel Financials

USDm	2009	2010	2011	2012	1H 2012	1H 2013
Income statement						
Revenues	8,542	12,775	14,122	12,065	5,929	5,565
Operating expenses	4,977	6,223	7,887	8,201	3,819	3,770
EBITDA	4,198	7,209	7,240	4,932	2,494	2,299
Tax expenses	802	1,548	1,460	1,000	554	344
Profit	2,651	3,089	3,626	2,143	1,481	545
Balance sheet						
Cash and cash equivalents	3,632	5,405	1,627	1,037	995	1,809
Inventories	1,990	2,246	2,623	3,197	2,985	3,195
Property, plant and equipment	11,017	9,153	9,585	11,927	10,137	11,502
Total assets	22,760	23,909	18,912	20,974	18,823	20,226
Short-term debt ⁽¹⁾	2,986	1,256	2,754	2,526	1,617	1,250
Total debt ⁽¹⁾	5,364	2,831	5,155	5,023	4,125	6,874
Total liabilities	8,005	5,935	7,690	8,034	7,757	9,593
Equity attributed to shareholders of the parent company	13,675	17,376	11,102	12,831	10,959	10,502
Total equity	14,755	17,974	11,222	12,940	11,066	10,633
Cash flow statement						
Net Cash flow from operations (CFO)	3,401	5,514	4,702	3,434	1,658	1,615
Capex	1,061	1,728	2,201	2,692	1,115	884
Dividends paid	0	1,217	1,238	976	1	1,914
Key ratios						
EBITDA margin ⁽²⁾	49.1%	56.4%	51.3%	40.9%	42%	41%
Net debt / EBITDA ⁽²⁾	0.4	-0.4	0.5	0.8	0.8	1.1
EBITDA interest coverage	33x	83x	75x	21x	22x	17x
FOCF / Net debt	1.4x	-1.5x	0.7x	0.2x	0.1x	0.2x

Source: Annual reports, financial statements

Note: 1. Debt adjusted for financial leases in 2009, 2010 and 2011, but no impact reflected on Liabilities; 2. EBITDA adjusted for non-current or exceptional items. Net debt computed as a difference between gross financial debt and cash and cash equivalents.





NORILSK NICKEL