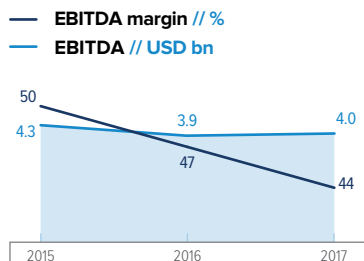


Key highlights

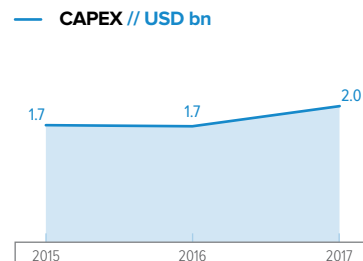
Financial stability

For more details on financial results, please see the Financial Results (MD&A) section and IFRS Financial Statements

[p. 147, 220](#)



In 2017, EBITDA increased by 2% mainly due to higher metal prices. Strong EBITDA margin remains among the highest in the global industry.



CAPEX increased in 2017 due to the active construction phase of Bystrinsky GOK and upgrade of refining capacities at Kola MMC.

Operating efficiency



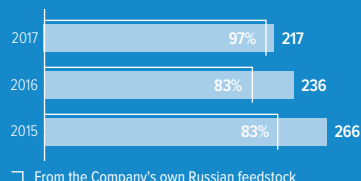
For more details on production outlook, please see the Strategy Day presentation (slide 26) available on the Company's website

For more details on historical production

[p. 268](#)

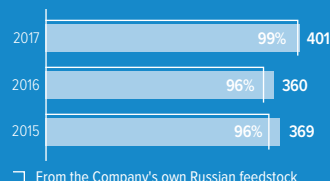
PRODUCTION RESULTS

Nickel // kt



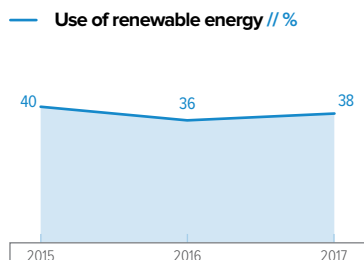
-8%
2017/2016

Copper // kt

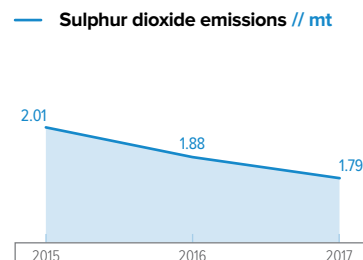


+11%
2017/2016

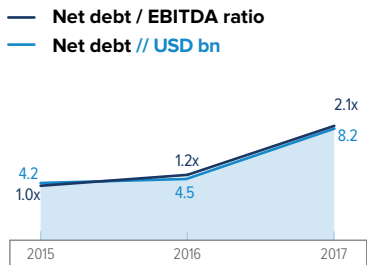
High level of social responsibility



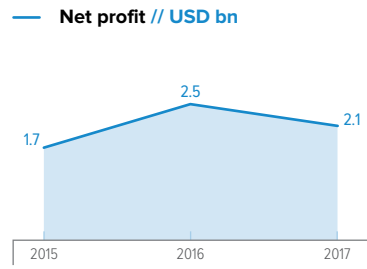
Nornickel's investment programme for 2018–2020 includes several large-scale energy projects aimed at modernizing the Company's captive hydroelectric power plants and enhancing the use of renewable energy sources.



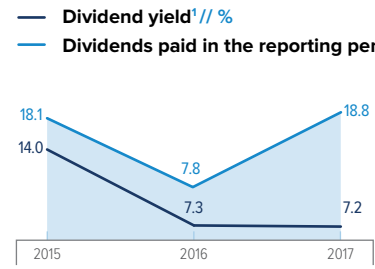
In 2017, sulphur dioxide emissions decreased by 11% from 2015. The decline came as a result of the Nickel Plant shutdown, upgrade of Talnakh Concentrator and the transition to hot briquetting technology at Kola MMC. The emissions within Norilsk city limits dropped by 30–35%.



An increase in net debt by 31 December 2017 was caused by dividend payments in the amount of USD 3 bn and one-off changes in the net working capital. The net debt to EBITDA ratio used to calculate final dividends for 2017 was at 1.88x.

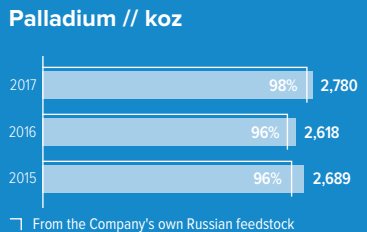


In 2017, Nornickel's net profit amounted to USD 2.1 bn.



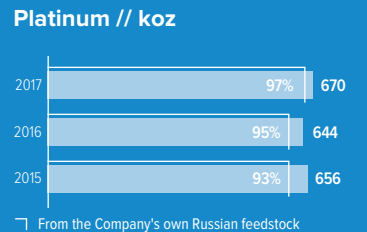
The Company paid the highest dividend yield in the global metals and mining industry.

¹ Dividend yield was calculated based on the amount of dividends recommended by the Board of Directors and the average ADR price sourced from Bloomberg for the calendar year.



From the Company's own Russian feedstock

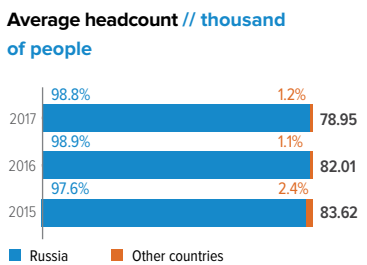
+6%
2017/2016



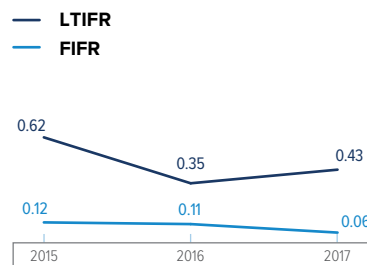
From the Company's own Russian feedstock

+4%
2017/2016

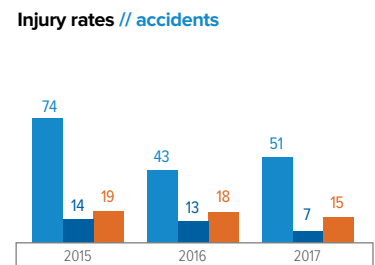
After completion of the main of production reconfiguration programme Talnakh Concentrator reached its design capacity and achieved target recovery rates in 2017. This also led to the normalisation of the work-in-progress inventory levels and helped Nornickel to increase output of all key metals from the Company's own Russian feedstock and meet the production targets for 2017. In addition, the Company substantially decreased low-margin processing of purchased from third parties.



The decrease in headcount in 2017 resulted from the disposal of noncore assets, implementation of a programme to improve labour productivity, and cost optimisation.



The 2017 LTIFR (Lost Time Injury Frequency Rate (non-fatal LTIs) / total number of hours worked•1,000,000) is in line with the industry average. The number of fatal injuries decreased by 46% thanks to the implementation of new safety standards and launch of the Risk Control project. The number of accidents among the contractors' employees also declined.



Company overview

Strategy overview

Market overview

Business overview

Corporate governance

Information for shareholders

Appendices