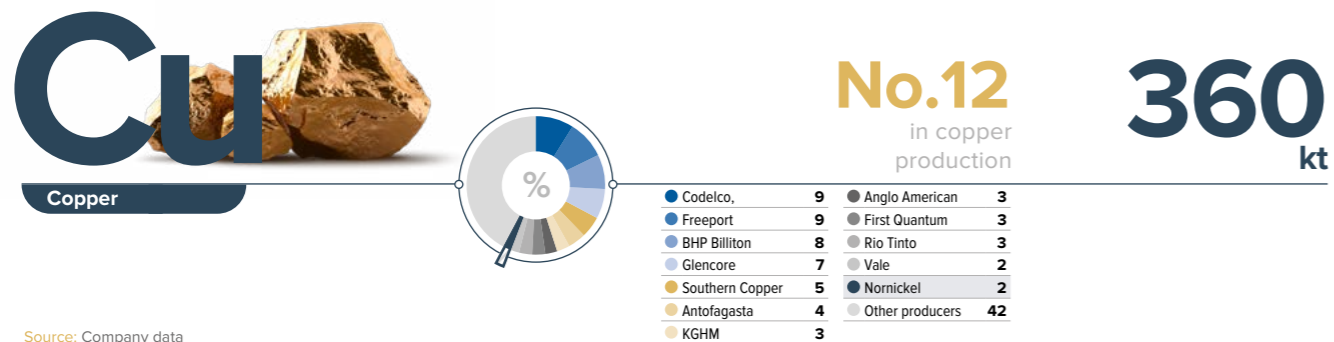
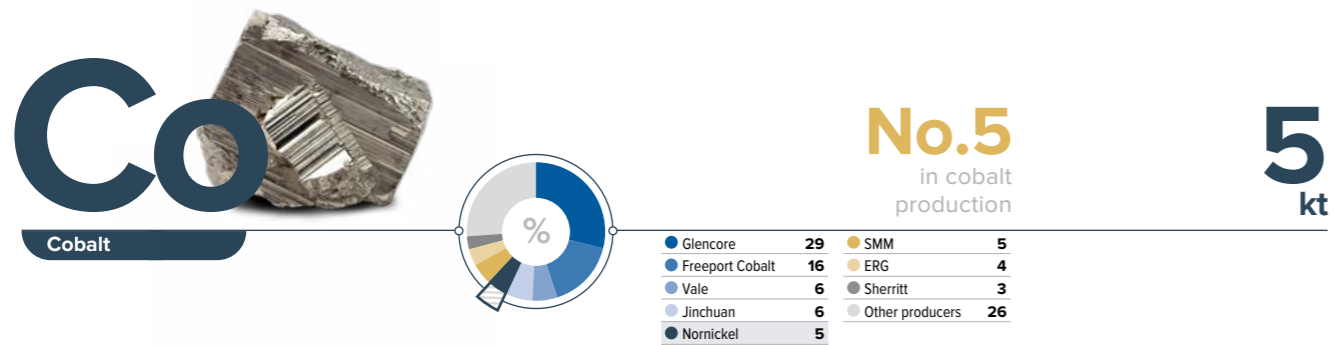
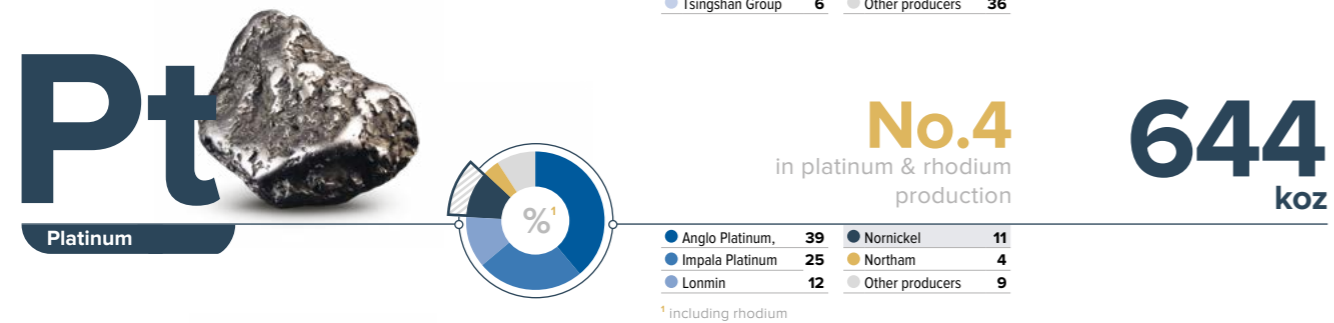
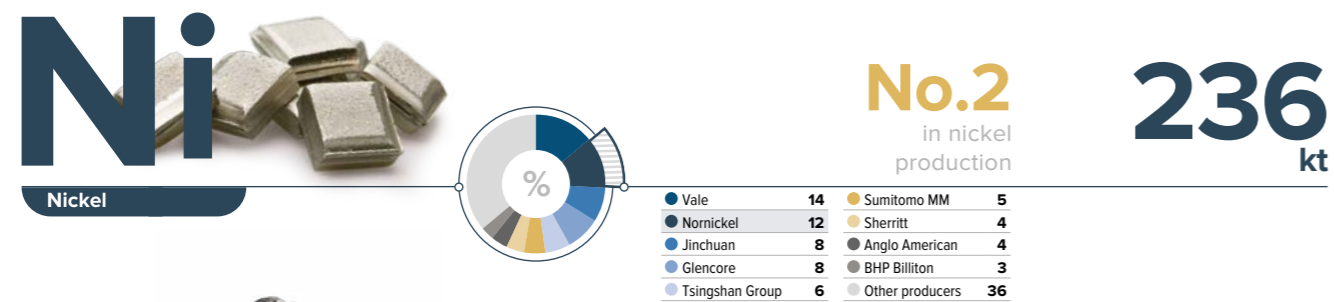
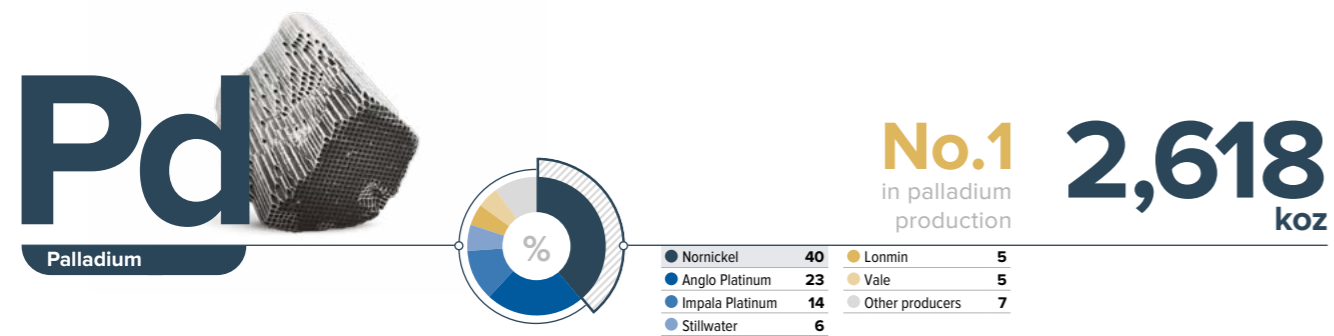


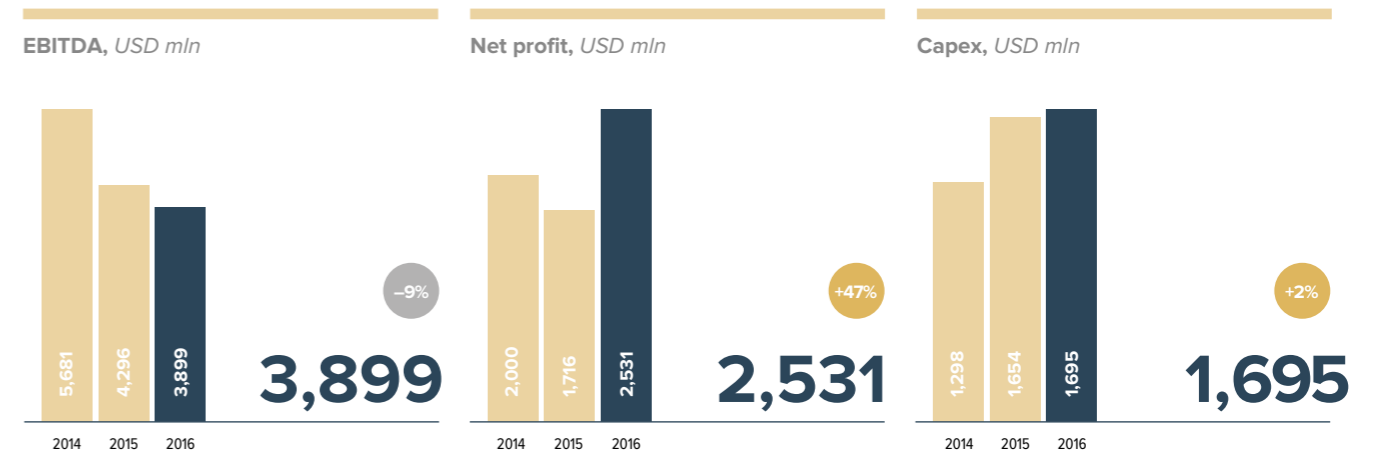
HIGHLIGHTS

POSITION IN THE GLOBAL INDUSTRY AND OPERATING HIGHLIGHTS



Source: Company data

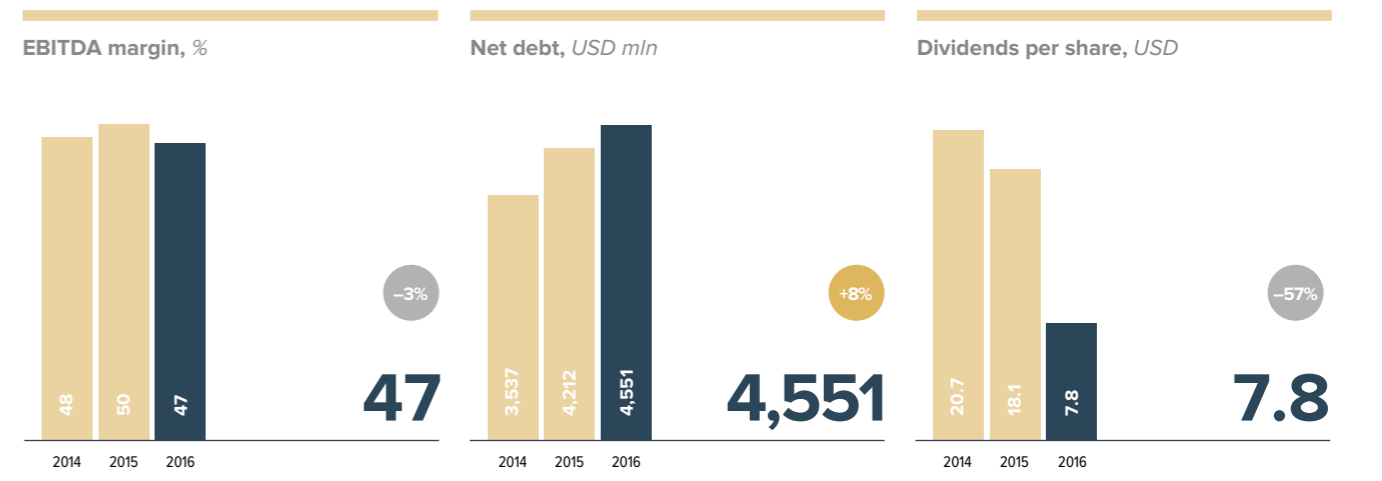
FINANCIAL HIGHLIGHTS



The reduction was mostly driven by lower metal prices and cost inflation, partly offset by the sale of metal stocks and effect of RUB depreciation on cash costs.

Net profit increased mainly due to appreciation of RUB as of the end of the reported period.

Major investments in 2016 included projects related to the shutdown of Nickel Plant, capacity expansion and modernization of Talnakh Concentrator and Nadezhda Plant as well as an active construction phase of the Bystrinsky (Chita) project.



EBITDA margin is one of the highest in the global mining industry.

Balance sheet remained conservative with net debt/EBITDA ratio of 1.2x as of December 31, 2016. Solid financial position is confirmed by investment grade credit ratings from Standard & Poor's and Fitch rating agencies.

One of the highest dividend-yielding stocks in the global industry, with interim dividend for 9M 2016 of a total USD 1.2 bn or USD 7.4 per share paid in February 2017.