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Transportation and logistics

The Company's transportation and logistics assets



Own sea fleet

- 6 ice-class vessels



Own river fleet

- 555 vessels
 - 163 self-propelled vessels
 - 392 towed vessels



Own rail car and locomotive fleet

- 118 container flatcars
- 1 switch locomotive
- 1 Yermak electric locomotive
- 1 2M62 diesel locomotive



Operated aircraft fleet

- 31 aircraft
 - 16 helicopters (operated by Norilsk Avia)
 - 15 planes (operated by NordStar Airlines, former Moscow Branch of Taimyr Air Company)

The Company's transportation and logistics assets also include Norilsk Airport and port terminals in Murmansk, Dudinka, Krasnoyarsk and Lesosibirsk.

Norilsk Nickel has a unique Arctic cargo fleet comprising five Norilsk Nickel container vessels and one Yenisey heavy-duty ice-class tanker (ARC 7 under the PMPC classification). The vessels are able to break through 1.5 m thick Arctic ice without icebreaker support.

The Company's dry cargo fleet does not only ensure year-round service between Dudinka, Murmansk, Arkhangelsk, Rotterdam and Hamburg sea ports, but also offers commercial voyages to other destinations. In 2016, 69 voyages were made from Dudinka (vs 63 voyages in 2015), including 11 direct voyages to European ports.

The Yenisey tanker ensures export deliveries of gas condensate from the Pelyatkinskoye Gas Condensate Field to European ports and operates commercial voyages to other destinations.

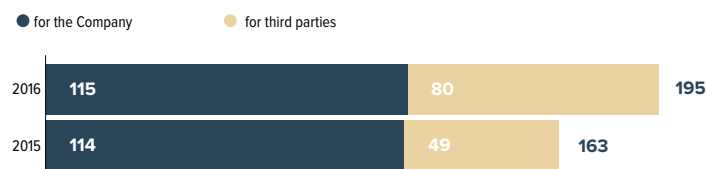
In 2016, the waterway cargo traffic at the Dudinka port (Polar Transportation Branch) totalled 3.9 mln t (vs 3.7 mln t in 2015), including 1.2 mln t along the Northern Sea Route and over 2.7 mln t along the Yenisey River.

The waterway cargo traffic at the Company's transfer terminal in Murmansk (Murmansk Transportation Branch) was 926.3 kt (vs 777.8 kt in 2015), with 139 vessels handled (vs 127 vessels in 2015), including 91 vessels on coastal voyages (vs 80 vessels in 2015) and 48 vessels on export and import voyages (vs 47 vessels in 2015). The Company's own rail car and locomotive fleet carried 456.7 kt of cargo (vs 337.7 kt in 2015). In the reporting period, the terminal handled 12.8 thousand rail cars (vs 9.8 thousand in 2015) and 10.9 thousand road cars (vs 7.4 thousand in 2015).

Dry cargo shipments by the Company's fleet, mln t



Shipments by the Yenisey tanker, kt



Waterway cargo traffic at Dudinka port, mln t



Waterway cargo traffic at Murmansk terminal, kt



In 2016, the Company sold its stake in Arkhangelsk Commercial Sea Port (the Company controlled 74.78% of the shares). The sale came as a step towards implementation of the Company's strategy to gradually dispose of its non-core assets.

Nornickel also sought to bring down the transshipment costs by moving some of its cargo flows to the new cargo transfer terminal in Murmansk.

In 2016, a new stage of the Norilsk Airport reconstruction programme was launched. As was ordered by the President of the Russian Federation, the 2010–2020 Russian Transport Development Federal Programme provides for the reconstruction of the Norilsk Airport and associated infrastructure maintenance works. The key objective is to reconstruct the airport's runway and apron. The project is implemented under the 2014–2018 public-private partnership agreements between MMC Norilsk Nickel and the Federal Air Transport Agency. The reconstruction funding has already been approved, with RUB 9 bn to be sourced from the federal budget and RUB 3 bn to be contributed by MMC Norilsk Nickel.

In 2016, the first stage of reconstruction of the 720 m long runway was completed, which helped maintain the established passenger traffic for Boeing 737 and similar aircraft across the existing route network from 3 June 2016 (start of the construction works) to 15 September 2016 (commissioning of the entire runway).

To keep Norilsk's air traffic going in the summer seasons of 2017 and 2018, the airport will also serve light aircraft. In addition, 2017 will see the launch of another project, reconstruction of the Norilsk Airport's apron.



Norilsk Avia responds to industrial and social needs of the Norilsk Industrial District and the Dolgano-Nenets Municipal District of the Taimyr Peninsula. The company provides air transportation related to:

- operations of Norilsk Nickel's production facilities;
- emergency air medical services and search-and-rescue operations;
- local passenger traffic



NordStar Airlines is a rapidly developing aviation project launched on 17 December 2008, when the Board of Directors of Taimyr Air Company (a wholly-owned subsidiary of MMC Norilsk Nickel) resolved to establish Moscow Branch of Taimyr Air Company along with the NordStar Airlines brand. The company's fleet comprises 15 aircraft, including nine Boeings 737-800, one Boeing 737-300 and five ATRs 42-500. With a passenger traffic in excess of 1 mln people per year, NordStar Airlines annually confirms the status of a major air carrier not only for the Siberian Federal District, but also nationwide. The air company's current route network covers over 30 cities in Russia and the CIS. Each year, NordStar operates seasonal charter flights from Moscow, St Petersburg and other cities.



In April 2016, the Company sold its 100% stake in Nordavia. Nordavia continues to operate flights, including in Murmansk and Arkhangelsk Regions.



Traffic volume of own rail car and locomotive fleet increasing

35%