



Investor Presentation – 3Q and 9M 2011 Results

15 December 2011

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Key 3Q and 9M 2011 Highlights



◆ Continued leadership:

- ◆ ALROSA maintained #1 position among global diamond producers based on 9M 2011 results

◆ Strong operational results:

- ◆ During 9M 2011 ALROSA increased production by 4.5% vs. 9M 2010 and kept disciplined marketing approach, which helped the Company to navigate through market uncertainty in 3Q 2011

◆ Strong financial performance:

- ◆ The Company achieved 19% revenue increase in 9M 2011 vs. 9M 2010 and 13% revenue increase in 3Q 2011 vs. 2Q 2011, with EBITDA margin staying at c. 55% both for 9M 2011 and 3Q 2011

◆ Continued de-leveraging:

- ◆ Total Debt / EBITDA¹ reduced to 1.7x as of 30 September 2011 from 3.2x as of 30 September 2010 and 2.0x as of 30 June 2011

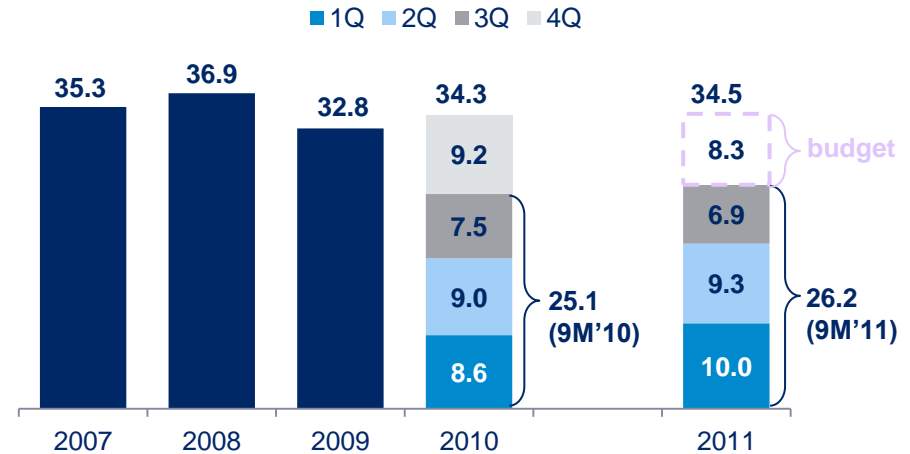
Note: ¹ Based on the Company's adjusted LTM EBITDA

Continued Leadership Among Diamond Producers

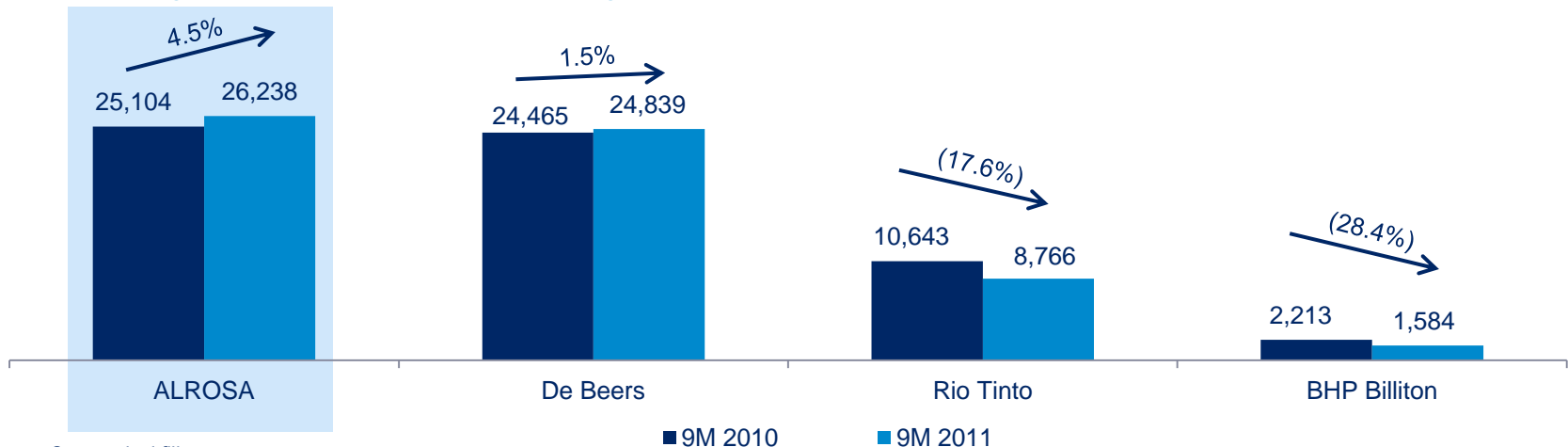


- Continued leadership – based on results for 9M 2011 ALROSA maintained #1 position among global diamond producers
- Production was up 4.5% in 9M 2011 compared to 9M 2010
- Consistent with the Company's budget for 2011, 3Q 2011 production was lower than that in 2Q 2011. We confirm our production guidance for 2011 at 34.5 mln cts

ALROSA Production Dynamics (mln cts)



Production Dynamics: ALROSA and Key Diamond Producers (000' cts)



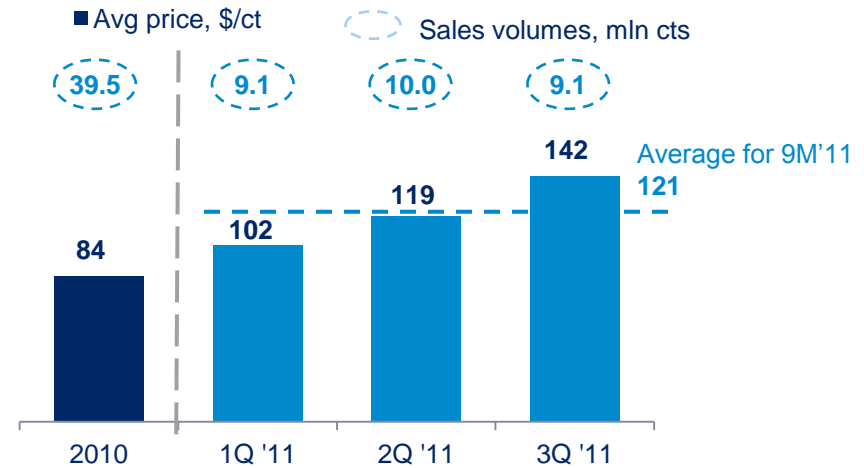
Source: Companies' filings

Efficient Marketing Strategy



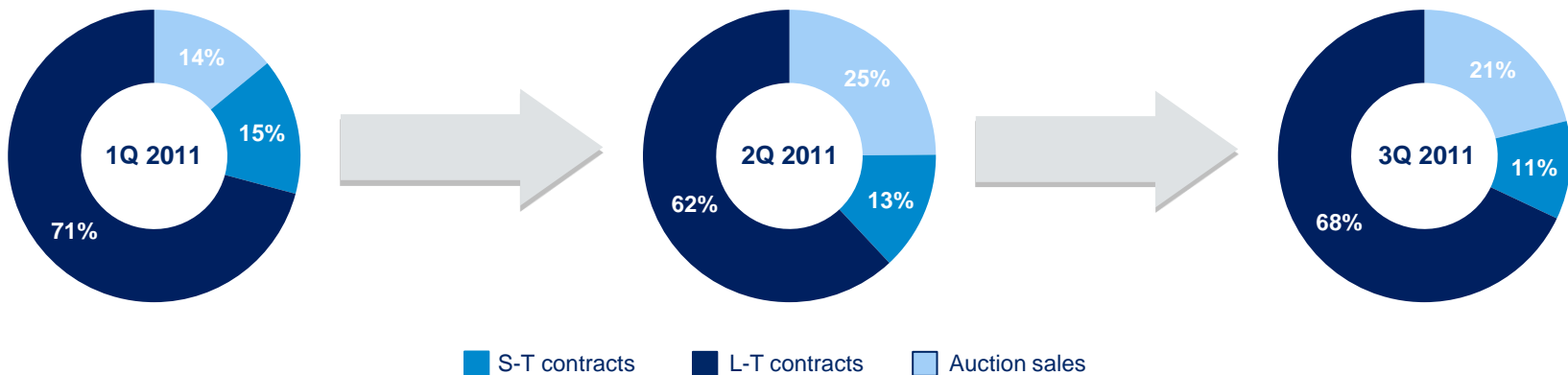
- ◆ Pricing continued to improve in 3Q 2011 with the average selling price reaching \$142/ct
- ◆ In 3Q 2011, ALROSA decreased sales through auctions and short termed contracts, which helped the Company to support average selling price despite market uncertainty

Price Dynamics and Sales Volumes



Diamond Revenue Structure

As % of revenue



Strong Financial Performance



Continued strong financial performance with EBITDA margin at c. 55% for both 9M 2011 and 3Q 2011

Strong revenue growth of 19% over 9M 2010 results and 13% over 2Q 2011

Net profit increased 3.2 times compared with 9M 2010 reaching RUB 35,528 mln, while net profit margin increased to 33%

Stronger balance sheet with cash balance increasing by 82% to RUB 22,749 mln, while reducing leverage to 1.7x² EBITDA level

Strong cash flow generation

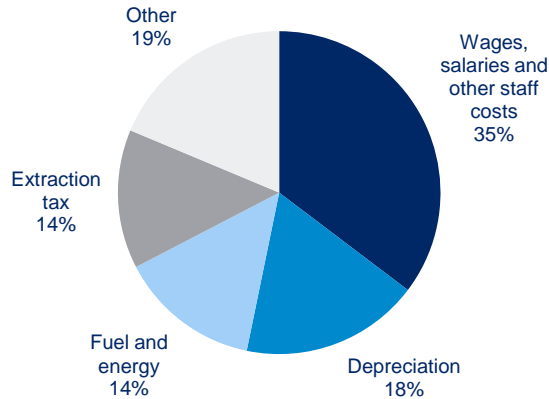
RUB mln	3Q 2011	2Q 2011	Change	9M 2011	9M 2010	Change
Operational Figures			(2Q11-3Q11)			(9M10-9M11)
Production, mln cts	6.9	9.3	(25.8%)	26.2	25.1	4.5%
Sales, mln cts	9.1	10.0	(9.7%)	28.2	32.3	(12.8%)
IFRS Income Statements						
Revenue	41,168	36,547	12.6%	107,315	90,333	18.8%
Cost of sales	(14,935)	(10,422)	43.3%	(38,054)	(51,939)	(26.7%)
Adj. EBITDA ¹	22,512	21,844	3.1%	58,390	29,174	2.0x
Adj. EBITDA margin	54.7%	59.8%		54.4%	32.3%	
Net profit	9,261	14,556	(36.4%)	35,528	10,989	3.2x
Net profit margin	22.5%	39.8%		33.1%	12.2%	
IFRS Balance Sheets						
Cash and cash equivalents	22,749	13,991	62.6%	22,749	12,485	82.2%
Total debt	107,483	99,302	8.2%	107,483	108,592	(1.0%)
Total debt / EBITDA ²	1.7x	2.0x		1.7x	3.2x	
Total equity	122,641	113,576	8.0%	122,641	92,678	32.3%
IFRS Cash Flow Statements						
Net cash inflow from operating activity ³	17,399	9,422	84.7%	40,022	32,495	23.2%
Purchase of PP&E	(5,253)	(3,230)	62.6%	(13,989)	(8,574)	63.2%

Note: ¹ Adjusted EBITDA represents EBITDA adjusted for loss on disposal of property plant and equipment, impairment / (reversal of impairment) of property, plant and equipment, gain on deconsolidation of OAO NNGK Sakhaneftegaz and OAO Lenaneftegaz, net (gain) / loss from cross currency interest rate swap contracts, (gain) / loss from change of fair value of put options granted by the Group to the buyers of ZAO Geotransgaz and OOO Urengoykaya Gazovaya Company, net (gain) / loss from foreign exchange forward contracts
² Based on Company adjusted LTM EBITDA for the respective period
³ Before interest paid and dividends received from associates

Cost of Sales Overview



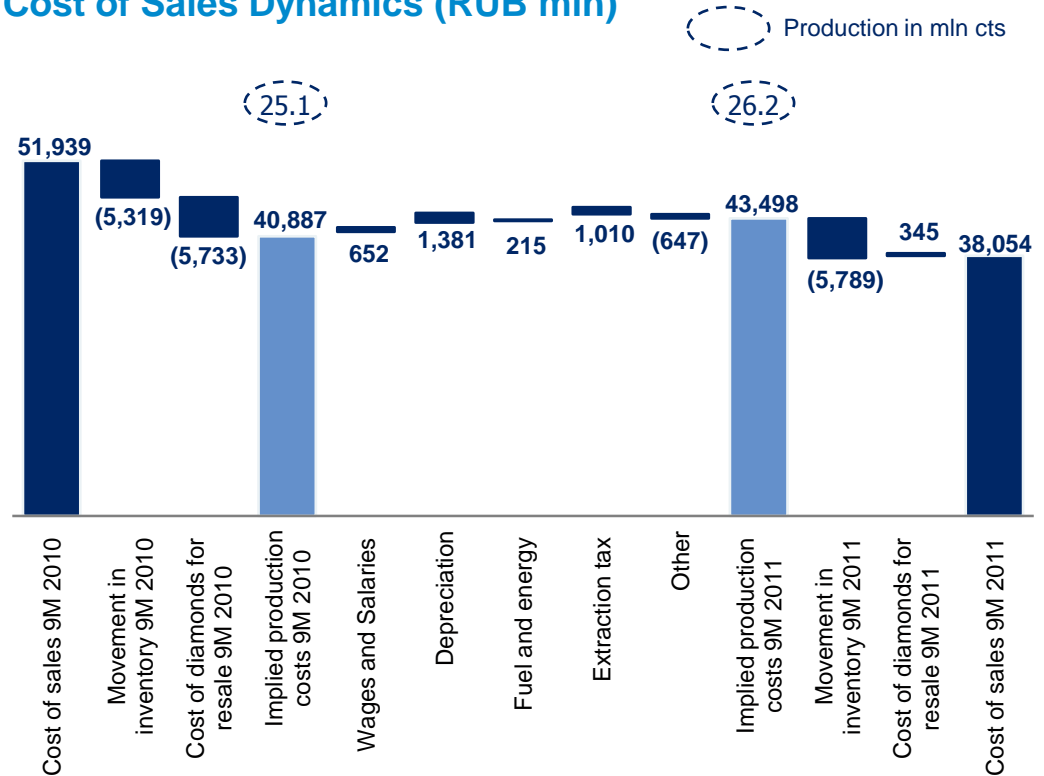
9M 2011 Production Costs Structure



9M 2011 Production Costs: RUB 43.5 bn¹

Note: ¹ Before adjustment for movement in inventory of diamonds, ores and concentrates (-RUB 5.789bn) and cost of diamonds for resale (RUB 0.345bn)

Cost of Sales Dynamics (RUB mln)



◆ Total implied cost of production increased by 6.4% in 9M 2011 vs. 9M 2010, which is in line with production growth of 4.5%

Continued De-leveraging

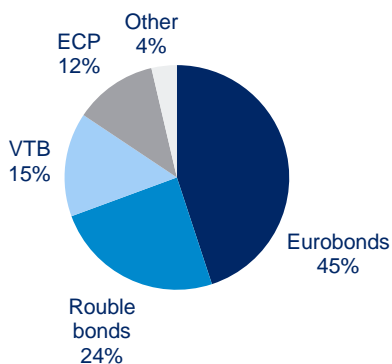


- ◆ Total Debt / EBITDA¹ reduced to 1.7x as of 30 September 2011 from 3.2x as of 30 September 2010 and 2.0x as of 30 June 2011
- ◆ Debt portfolio structure is weighted towards public debt instruments, accounting for 80% of the portfolio
- ◆ As of today 74% of our debt portfolio had mid- and long-term maturities

Note: ¹ Based on Company adjusted LTM EBITDA

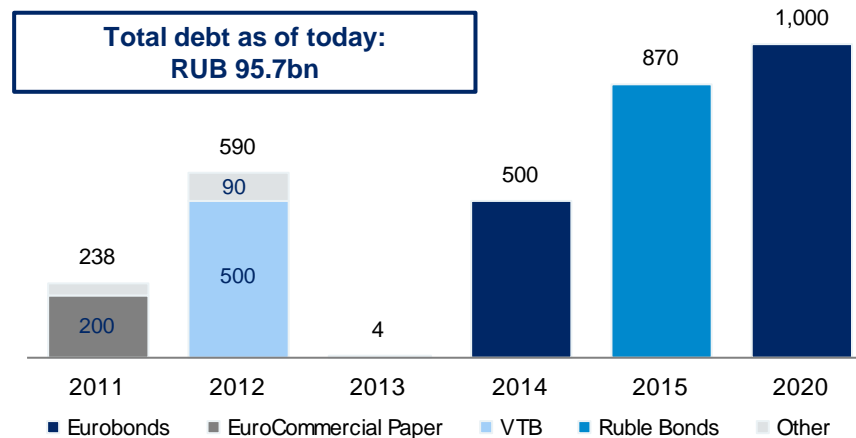
Debt Portfolio Structure

9M 2011



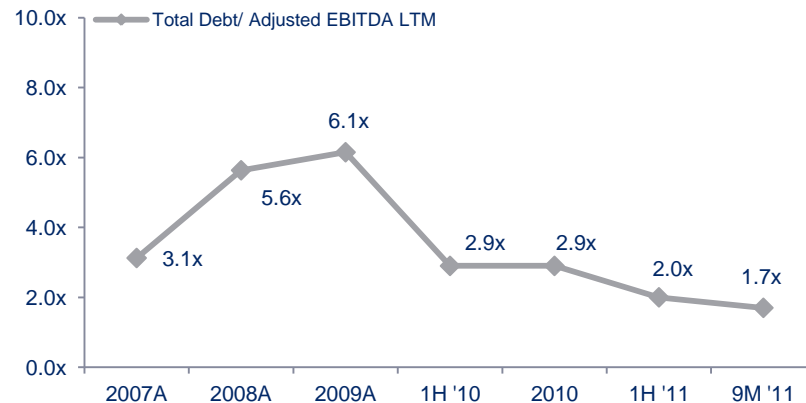
Total debt as of 30 September 2011:
RUB 107.5bn

Debt Maturity Profile as of Today (\$ mln)



Note: FX RUB/US\$ rate = 29.8977 used for RUB bonds

Leverage Evolution





- ◆ Maintaining leadership – ALROSA is the largest diamond producer in the world
- ◆ Strong operational and financial performance
- ◆ Balanced debt portfolio



Thank you!