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ALROSA is a global leader in rough diamond production with a strong financial profile

- ALROSA is a public diamond mining company with a 34% free-float on the Moscow Exchange
- ALROSA’s production totaled 37.4 mln ct in 2016 representing 28% of global diamond output
- 2016 financial performance resulted in EBITDA growth to $2,598 mln, EBITDA margin of 55% and robust free cash flow of $1,594 mln

ALROSA’s shareholder structure

- 33% The Russian Federation
- 25% The Republic of Sakha (Yakutia)
- 8% Yakutian municipal districts
- 34% Free float

ALROSA’s financial results summary

Global diamond production

- 28% ALROSA
- 20% De Beers
- 13% Rio Tinto
- 6% Dominion Diamond Corp
- 5% Catoca
- 28% Other

- 134 mln ct
Rough diamond production is dominated by a few mining companies with the highest margins across diamond pipeline.

- **Margins**: Rough diamond production - 18–22%, Sales of rough diamonds from major producers - 1–3%, Cutting & polishing of diamonds - < 1%, Diamond jewelry manufacturing - 3–5%, Retail sales of diamond jewelry - 4–11%.

- **Players**: Top 5 players control ~ 70% of the market, ~ 100 players, ~ 5,000 players, > 10,000 players, Major retailers control ~ 35% of the market.

- **Entry barriers**: High, High, Low, Medium, Medium.

Global diamond jewelry sales expanded by 4% annually over the past decade and are expected to show mid-single digit growth in the coming years.

Global diamond jewelry sales grew 4% annually over the past decade

$ bn

The Americas and Asia-Pacific comprise 70% of diamond jewelry market

Driven by macroeconomic indicators diamond jewelry consumption in key markets is expected to grow in mid-single digit numbers

Source: IMF, Economist Intelligence Unit
Global diamond production is expected to grow by 2% in the mid-term. However, historically global diamond production didn’t exceed the level of 134 mln ct despite production increases announced by mining companies.

Global diamond production forecast (based on diamond producers’ plans and life-of-mines periods)

*mln ct, y-o-y CAGR*

Global rough diamond production historical data

*mln ct*

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>mln ct</td>
<td>120</td>
<td>128</td>
<td>123</td>
<td>128</td>
<td>130</td>
<td>125</td>
<td>127</td>
<td>134</td>
</tr>
</tbody>
</table>

127 mln ct average
Rough diamond market is expected to be balanced in the mid-term, demand is supposed to exceed supply in the long run due to low probability of new kimberlites discoveries and depletion of existing diamond mines.

It takes around 6 years from discovery to start of production at a mine

<table>
<thead>
<tr>
<th>Development process + dewatering</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
</tr>
<tr>
<td>7</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>4</td>
</tr>
</tbody>
</table>

Discovery and development of new kimberlites are much more challenging now

<table>
<thead>
<tr>
<th>Host rocks</th>
<th>Sandstones (overburden)</th>
<th>Kimberlite pipes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Global demand and supply imbalance

<table>
<thead>
<tr>
<th>Year</th>
<th>Rough diamonds demand: +3% annually</th>
<th>Rough diamonds supply: +2% annually</th>
<th>Rough diamonds supply: 0% annually</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>10</td>
<td>13</td>
<td>15</td>
</tr>
<tr>
<td>2017F</td>
<td>13</td>
<td>15</td>
<td>16</td>
</tr>
<tr>
<td>2018F</td>
<td>15</td>
<td>16</td>
<td>17</td>
</tr>
<tr>
<td>2019F</td>
<td>17</td>
<td>17</td>
<td>18</td>
</tr>
<tr>
<td>2020F</td>
<td>18</td>
<td>18</td>
<td>19</td>
</tr>
<tr>
<td>2021F</td>
<td>19</td>
<td>19</td>
<td>20</td>
</tr>
<tr>
<td>2022F</td>
<td>20</td>
<td>20</td>
<td>21</td>
</tr>
<tr>
<td>2023F</td>
<td>21</td>
<td>21</td>
<td>22</td>
</tr>
<tr>
<td>2024F</td>
<td>22</td>
<td>22</td>
<td>23</td>
</tr>
<tr>
<td>2025F</td>
<td>23</td>
<td>23</td>
<td>24</td>
</tr>
</tbody>
</table>

Discovery-to-production period, years

- Diavik (Rio Tinto / Dominion Diamond Corp.)
- Ekati (Dominion Diamond Corp.)
- Argyle (Rio Tinto)
- Nyurbinskaya (ALROSA)
- Catoca (ALROSA / Endiama / Odebrecht / LLI Holding)
- Finsch (Petra Diamonds)
- Orapa (De Beers)
ALROSA’s sales in 2017 reflect normalized market demand

ALROSA’s rough diamond sales

ALROSA’s rough diamond price index under long-term agreements and spot sales

+21%  +46%  (20%)  0%  +7%  (15%)  0%  +2%

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales $ mln</td>
<td>3,334</td>
<td>4,274</td>
<td>4,450</td>
<td>4,793</td>
<td>4,901</td>
<td>3,437</td>
<td>1,325</td>
<td>1,225</td>
<td>976</td>
<td>3,526</td>
<td>849</td>
<td>4,375</td>
<td>1,309</td>
<td>1,132</td>
<td>848</td>
<td>3,289</td>
</tr>
<tr>
<td>Production mln ct</td>
<td>34.3</td>
<td>34.6</td>
<td>34.4</td>
<td>36.9</td>
<td>36.2</td>
<td>38.3</td>
<td>8.2</td>
<td>8.7</td>
<td>11.0</td>
<td>27.9</td>
<td>9.5</td>
<td>37.4</td>
<td>8.9</td>
<td>10.4</td>
<td>10.2</td>
<td>29.5</td>
</tr>
<tr>
<td>Sales above/(below) production</td>
<td>5.1</td>
<td>(1.7)</td>
<td>(1.2)</td>
<td>1.1</td>
<td>3.4</td>
<td>(8.3)</td>
<td>3.9</td>
<td>0.9</td>
<td>(2.7)</td>
<td>2.1</td>
<td>0.6</td>
<td>2.6</td>
<td>5.2</td>
<td>(0.2)</td>
<td>(2.7)</td>
<td>2.3</td>
</tr>
</tbody>
</table>
Gem-quality diamond sales account for 71% of total sales volume and 98% of sales value.

2016 diamond sales breakdown

- **Gem-quality** (more than 0.03 ct or more than 1.5 mm) - 71% by sales volume
- **Industrial** (less than 0.03 ct or less than 1.5 mm) - 29% by sales volume

- **Gem-quality** (more than 0.03 ct or more than 1.5 mm) - 98% by sales value
- **Industrial** (less than 0.03 ct or less than 1.5 mm) - 2% by sales value
Rough diamonds are sorted by size, shape, clarity and color into 204 boxes.

Rough diamonds are sorted by size, shape, clarity and color into 8,013 classification positions...

...which are combined to form 204 rough diamond boxes ready for sale.

<table>
<thead>
<tr>
<th>5-10CT Stones &amp; Shapes Yellow</th>
<th>5-10CT Black Makeable White</th>
<th>5-10CT Rejections Brown</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1.jpg" alt="Picture" /></td>
<td><img src="image2.jpg" alt="Picture" /></td>
<td><img src="image3.jpg" alt="Picture" /></td>
</tr>
</tbody>
</table>
ALROSA has a diverse distribution platform by channel and geography

- ALROSA has a three-channel distribution strategy focused on long-term contracts, tenders and spot sales
- Currently ALROSA has 58 clients under long-term contracts, including 55 for gem-quality diamonds, with committed volumes and assortment
- Long-term clients are selected based on their financial position, reputation and track record
ALROSA’s diamond production is well-diversified between divisions and types of mining

**Geography of production assets**

- **Arkhangelsk Region**: 6%
- **Republic of Sakha (Yakutia)**: 94%

**ALROSA owns 32.8% of Catoca Ltd (Angola)**
- Production 6.7 mln ct
- Grade 0.69 ct/t

**Note**: percentage and absolute figures indicate the share of division in 2016 ALROSA diamond production

<table>
<thead>
<tr>
<th>Division</th>
<th>Share of Production</th>
<th>Resources (mln ct)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aikhal Division</td>
<td>33%</td>
<td>12.2 mln ct</td>
</tr>
<tr>
<td>Nyurba Division</td>
<td>18%</td>
<td>6.8 mln ct</td>
</tr>
<tr>
<td>Mirny Division</td>
<td>21%</td>
<td>7.8 mln ct</td>
</tr>
<tr>
<td>Udachny Division</td>
<td>8%</td>
<td>3.2 mln ct</td>
</tr>
<tr>
<td>Almazy Anabara</td>
<td>9%</td>
<td>3.4 mln ct</td>
</tr>
<tr>
<td>Nizhne-Lenskoe</td>
<td>5%</td>
<td>1.8 mln ct</td>
</tr>
<tr>
<td>Severalmaz</td>
<td>6%</td>
<td>2.2 mln ct</td>
</tr>
</tbody>
</table>

- **Share of open-pit mining from 8 mines in 2016 production**: 51%
- **Share of underground mining from 4 mines in 2016 production**: 30%
- **Share of alluvial mining from 15 alluvial placers in 2016 production**: 19%

**Total resources, including reserves**: 1,030 mln ct
**Total reserves**: 653 mln ct
Cost of underground production per carat is close to open-pit mining due to higher grade at underground mines

- Underground mining cost of production per ton of ore is higher than open-pit mining cost of production.
- Due to the fact that underground mining average grade is also higher vs. open-pit mining, underground mining cost of production per carat is close to open-pit mining.

### Range of average mined diamond grade

<table>
<thead>
<tr>
<th></th>
<th>ct/t</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alluvials</td>
<td>0.43</td>
</tr>
<tr>
<td>Open-pit mines</td>
<td>1.01</td>
</tr>
<tr>
<td>Aikhal underground mine</td>
<td>5.36</td>
</tr>
<tr>
<td>International underground mine</td>
<td>7.96</td>
</tr>
</tbody>
</table>

### Cash cost of production per ton of ore

<table>
<thead>
<tr>
<th></th>
<th>$/t</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aikhal underground mine</td>
<td>~238</td>
</tr>
<tr>
<td>Open-pit mines</td>
<td>~15</td>
</tr>
<tr>
<td>Alluvials</td>
<td>~118</td>
</tr>
</tbody>
</table>

### Cash cost of production per carat

<table>
<thead>
<tr>
<th></th>
<th>$/ct</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aikhal underground mine</td>
<td>~22</td>
</tr>
<tr>
<td>Alluvials</td>
<td>~36</td>
</tr>
<tr>
<td>Open-pit mines</td>
<td>~35</td>
</tr>
<tr>
<td>ALROSA total</td>
<td>~36</td>
</tr>
</tbody>
</table>
Despite the accident at the Mir underground mine in August 2017, ALROSA confirms its previously announced diamond production target for 2017 and decreases 2017 CAPEX guidance to RUB 31.6 bn from RUB 36.5 bn.

ALROSA confirms its production target of 39.3 mln carats in 2017

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grade, ct/t</td>
<td>0.98</td>
<td>1.00</td>
</tr>
<tr>
<td>Ore and gravels processed, mln t</td>
<td>38.1</td>
<td>39.0</td>
</tr>
<tr>
<td>Production, mln ct</td>
<td>37.4</td>
<td>39.3</td>
</tr>
</tbody>
</table>

ALROSA continues developing its core growth projects

<table>
<thead>
<tr>
<th>Project</th>
<th>2016</th>
<th>Target capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Udachny underground mine, mln ct</td>
<td>2.2</td>
<td>5.7 in 2019</td>
</tr>
<tr>
<td>Open-pit mines at Severalmaz, mln ct</td>
<td>2.2</td>
<td>4.2 in 2020</td>
</tr>
<tr>
<td>Open-pit mines at Verkhne-Munskoe diamond deposit, mln ct</td>
<td>-</td>
<td>1.8 in 2020</td>
</tr>
</tbody>
</table>

The reduction of 2017 CAPEX guidance by RUB 4.9 bn to RUB 31.6 bn is driven by:

- the optimisation of costs by RUB 1.8 bn thanks to improved procurement procedures and other internal efficiencies;
- carrying over 3.1 bn worth of CAPEX to 2018.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017F</th>
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</thead>
<tbody>
<tr>
<td>CAPEX, RUB bn</td>
<td>31.8</td>
<td>31.6</td>
</tr>
<tr>
<td>Previous guidance</td>
<td>36.5</td>
<td></td>
</tr>
</tbody>
</table>
ALROSA runs operational excellence program which is expected to result in OPEX savings of around RUB 11 bn in 2017-2019

Key operational excellence targets

***Mining***
- Administrative costs
- Production development

***Processing***
- Organizational structure
- Energy use

***Transport***
- Maintenance
- Automation

In 2017 - 2019 ALROSA expects to save around RUB 11 bn from further improvement of operating efficiency including as follows:

- steeper mine ramps to cut down on stripping;
- road trains to replace mine trucks at the Zarnitsa pipe of Udachny Division;
- block caving at Udachny and Aikhal underground mines;
- gas and oil to reduce diesel fuel consumption.
Economic efficiency of Udachny underground mine will be fostered by block caving mining method

Traditional cut-and-fill mining

| Mir underground mine | International underground mine | Aikhal underground mine |

Block caving method

| Udachny underground mine |

Cut-and-fill mining method at Udachny underground mine would have required more than 330 thousand tons of cement a year (~ RUB 1bn in current prices), which is an equivalent of total cement output in the Republic of Sakha (Yakutia).
ALROSA continuously improves health and safety practices and focuses on the prevention of accidents

ALROSA constantly implements safety related systems and procedures:
• geotechnical monitoring and forecasting of dangerous zones in underground excavations;
• gas control system in underground mines to prevent accidents caused by methane outbursts;
• real-time system for active monitoring of vehicles;
• driver alert system to avoid collision with mining personnel.

Total number of accidents

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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Count</td>
<td>44</td>
<td>37</td>
<td>54</td>
<td>36</td>
<td>28</td>
<td>23</td>
<td>30</td>
</tr>
</tbody>
</table>

(32%)

Lost time injury frequency rate (LTIFR)

Number of lost time injuries per 1 mln hours worked

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</thead>
<tbody>
<tr>
<td>Rate</td>
<td>0.15</td>
<td>0.14</td>
<td>0.19</td>
<td>0.12</td>
<td>0.09</td>
<td>0.09</td>
<td>0.10</td>
</tr>
</tbody>
</table>
Diamond mining technology is significantly cleaner than the mining and production of metals and coal. ALROSA’s environmental impact is mostly limited to water intakes during the ore beneficiation and land disturbance during geological exploration.

ALROSA’s efforts to reduce its influence on the ecology are acknowledged by both international and national ESG ratings. 3rd place (out of 33) in the “First rating of environmental performance of mining companies in Russia” (held by the WWF and the Ministry of Natural Resources and Environment of Russian Federation).

- Water intake decreased by 26% since 2012 due to the implementation of closed cycle water circulation technology at processing plants.
- The area of annually disturbed land has decreased by 62% due to the higher efficiency of geological exploration.

### Water intake

<table>
<thead>
<tr>
<th>Year</th>
<th>Water intake, mln cubic m</th>
<th>Diamond production, mln ct</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>15.2</td>
<td>34.4</td>
</tr>
<tr>
<td>2013</td>
<td>13.3</td>
<td>36.9</td>
</tr>
<tr>
<td>2014</td>
<td>13.7</td>
<td>36.2</td>
</tr>
<tr>
<td>2015</td>
<td>12.5</td>
<td>38.3</td>
</tr>
<tr>
<td>2016</td>
<td>11.3</td>
<td>37.4</td>
</tr>
</tbody>
</table>

### Area of annually disturbed land, ha

<table>
<thead>
<tr>
<th>Year</th>
<th>Area, ha</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>2,853</td>
</tr>
<tr>
<td>2013</td>
<td>1,307</td>
</tr>
<tr>
<td>2014</td>
<td>1,443</td>
</tr>
<tr>
<td>2015</td>
<td>1,414</td>
</tr>
<tr>
<td>2016</td>
<td>1,080</td>
</tr>
</tbody>
</table>
ALROSA keeps streamlining its operations to focus on diamond mining

Number of subsidiaries

<table>
<thead>
<tr>
<th>Year</th>
<th>Subsidiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>01.01.2009</td>
<td>70</td>
</tr>
<tr>
<td>01.01.2015</td>
<td>39</td>
</tr>
<tr>
<td>01.01.2016</td>
<td>34</td>
</tr>
<tr>
<td>current state</td>
<td>31</td>
</tr>
<tr>
<td>01.01.2020</td>
<td>25</td>
</tr>
</tbody>
</table>

Prior to 2017, ALROSA sold 38 non-core assets with total proceeds of RUB 9.2 bn, including:

- Timir iron ore project
- Irelakhneft oil project
- ALROSA Insurance Company
- Arcos Ltd
- ALROSA-VGS
- MAK-Bank
- Nikonovka
- M&Diamond
- Suntarceolit

Major non-core assets ALROSA intends to sell, including:

- Geotransgaz
- Urengoy Gas Company
- Viluiskaya-3 HPP
- HIDROCHICAPA
9M 2017 and 2016 performance is substantially better than in 2014-2015 due to stronger diamond market and ALROSA's cost control initiatives.

<table>
<thead>
<tr>
<th></th>
<th>9M 2017</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Diamond production</strong></td>
<td><strong>29.5</strong> mln ct</td>
<td><strong>37.4</strong> mln ct</td>
<td><strong>38.3</strong> mln ct</td>
<td><strong>36.2</strong> mln ct</td>
</tr>
<tr>
<td><strong>Diamond sales</strong></td>
<td><strong>31.8</strong> mln ct</td>
<td><strong>40.0</strong> mln ct</td>
<td><strong>30.0</strong> mln ct</td>
<td><strong>39.6</strong> mln ct</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td><strong>214.5</strong> RUB bn</td>
<td><strong>317.1</strong> RUB bn</td>
<td><strong>224.5</strong> RUB bn</td>
<td><strong>207.1</strong> RUB bn</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td><strong>(105.3)</strong> RUB bn</td>
<td><strong>(129.8)</strong> RUB bn</td>
<td><strong>(93.2)</strong> RUB bn</td>
<td><strong>(99.3)</strong> RUB bn</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td><strong>100.0</strong> RUB bn</td>
<td><strong>176.4</strong> RUB bn</td>
<td><strong>118.5</strong> RUB bn</td>
<td><strong>93.9</strong> RUB bn</td>
</tr>
<tr>
<td>EBITDA margin: 47%</td>
<td></td>
<td>EBITDA margin: 56%</td>
<td>EBITDA margin: 53%</td>
<td>EBITDA margin: 45%</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td><strong>61.8</strong> RUB bn</td>
<td><strong>111.4</strong> RUB bn</td>
<td><strong>41.3</strong> RUB bn</td>
<td><strong>42.1</strong> RUB bn</td>
</tr>
</tbody>
</table>
ALROSA is in the middle of the diamond mining companies’ cost curve.

Cash cost of production per ton of ore processed (ALROSA vs. peers)

<table>
<thead>
<tr>
<th></th>
<th>African diamond mining companies</th>
<th>ALROSA</th>
<th>Canadian diamond mining companies</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$/t</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>17</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>29</td>
<td></td>
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<td></td>
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<tr>
<td>34</td>
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<td></td>
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<tr>
<td>35</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>56</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>72</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>72</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>87</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Companies’ data

9M 2017 production expenses

<table>
<thead>
<tr>
<th></th>
<th>9M 2017</th>
<th>9M 2016</th>
<th>Y-o-Y change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages, salaries and other staff costs</td>
<td>32,539</td>
<td>32,399</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>Extraction tax</td>
<td>16,724</td>
<td>17,404</td>
<td>(4%)</td>
</tr>
<tr>
<td>Materials</td>
<td>9,500</td>
<td>10,143</td>
<td>(6%)</td>
</tr>
<tr>
<td>Fuel and energy</td>
<td>9,269</td>
<td>10,255</td>
<td>(10%)</td>
</tr>
<tr>
<td>Services</td>
<td>5,686</td>
<td>5,378</td>
<td>6%</td>
</tr>
<tr>
<td>Transport</td>
<td>1,632</td>
<td>1,607</td>
<td>2%</td>
</tr>
<tr>
<td>Other</td>
<td>797</td>
<td>1,258</td>
<td>(37%)</td>
</tr>
<tr>
<td><strong>Production expenses</strong></td>
<td>76,147</td>
<td>78,444</td>
<td>(3%)</td>
</tr>
<tr>
<td>Movement in inventory of diamonds, ores and concentrates</td>
<td>10,545</td>
<td>781</td>
<td>13,5x</td>
</tr>
<tr>
<td>Cost of diamond for resale</td>
<td>16</td>
<td>763</td>
<td>(98%)</td>
</tr>
<tr>
<td><strong>Total costs</strong></td>
<td>86,708</td>
<td>79,988</td>
<td>8%</td>
</tr>
</tbody>
</table>

9M 2017 production expenses breakdown

- 43% Wages, salaries and other staff costs
- 22% Extraction tax
- 13% Materials
- 12% Fuel and energy
- 7% Services
- 2% Transport
- 1% Other
Loans and borrowings decreased by USD 388 mln during 9M 2017

Loans and borrowings

<table>
<thead>
<tr>
<th>Year</th>
<th>Total debt/EBITDA</th>
<th>Loans and borrowings breakdown</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>6.1x</td>
<td>49% Bank loans</td>
</tr>
<tr>
<td>2010</td>
<td>2.9x</td>
<td>51% Borrowings (including Eurobonds)</td>
</tr>
<tr>
<td>2011</td>
<td>1.5x</td>
<td>88% US dollar-denominated debt</td>
</tr>
<tr>
<td>2012</td>
<td>2.0x</td>
<td>11% Short-term debt</td>
</tr>
<tr>
<td>2013</td>
<td>2.0x</td>
<td>89% Long-term debt</td>
</tr>
<tr>
<td>2014</td>
<td>2.1x</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>1.9x</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>0.8x</td>
<td></td>
</tr>
<tr>
<td>30.09.2017</td>
<td>0.9x</td>
<td></td>
</tr>
</tbody>
</table>

Net debt / EBITDA as of 30 September 2017: 0.7x

Maturity profile of loans and borrowings

As of 30 September 2017, $ mln

- Bank loans
- Borrowings (including Eurobonds)
ALROSA has a track record of strong cash flows and dividend payouts

Operating cash flow, capital expenditures, free cash flow, net income attributable to shareholders and dividends

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Cash Flow</th>
<th>CAPEX</th>
<th>Free Cash Flow (FCF)</th>
<th>Net Income Attributable to Shareholders</th>
<th>Dividends</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>53,533</td>
<td>(38,165)</td>
<td>15,368</td>
<td>30,917</td>
<td>10,826</td>
</tr>
<tr>
<td>2015</td>
<td>75,541</td>
<td>(34,241)</td>
<td>41,300</td>
<td>30,674</td>
<td>15,392</td>
</tr>
<tr>
<td>2014</td>
<td>78,115</td>
<td>(36,056)</td>
<td>42,059</td>
<td>(17,952)</td>
<td>10,826</td>
</tr>
<tr>
<td>2016</td>
<td>143,138</td>
<td>(31,752)</td>
<td>111,386</td>
<td>131,392</td>
<td>65,769</td>
</tr>
</tbody>
</table>

Total shareholder return since 2013 SPO

ALROSA: +53%  
MSCI Russia Index: -13%

Total shareholder return since 2016 SPO

ALROSA: +59%  
MSCI Russia Index: +29%
Appendix
# Management team overview

## Executive Team

| CEO | Sergey Ivanov  
Chief Executive Officer  
• Joined the Company in 2017  
• Senior Vice President at Sberbank of Russia (2016–2017)  
• Chairman of the Management Board of SOGAZ (2011–2016)  
• Top management positions at Gazprombank (2005–2011) |
|----|---------------------------------------------------------------|
| COO | Igor Sobolev  
First Vice President – Chief Operating Officer  
• Joined the Company in 2007  
• Head of Capital construction division, mining & metallurgical directorate at Norilsk Nickel (2000–2007) |
| CFO | Alexey Philippovskiy  
Chief Financial Officer  
• Joined the Company in 2017  
• CFO of Sibur (2004–2013)  
| Sales | Yuri Okoyomov  
Vice President for sales  
• Joined the Company in 1993  
• Vice President of ALROSA for marketing and sales since August 2009 |

## Operational Team

| Udachny division | Alexander Makhrachev  
Director, Udachny mining and processing division  
• Joined the Company in 1979  
• Over 36 years of industry experience |
| Aikhal division | Ravil Sanatulov  
Director, Aikhal mining and processing division  
• Joined the Company in 1986  
• Over 29 years of industry experience |
| Nyurba division | Vasily Kurnev  
Director, Nyurba mining and processing division  
• Joined the Company in 1984  
• Over 32 years of industry experience |
| Almazy Anabara | Pavel Marinychchev  
CEO Almazy Anabara  
• Joined the Company in 2016  
• First deputy Prime Minister of the Republic of Sakha (Yakutia) (2014–2016)  
• Deputy Prime Minister of the Republic of Sakha (Yakutia) (2010–2014) |
| Severalmaz | Andrey Pismenny  
CEO Severalmaz  
• Joined the Company in 1997  
• Over 18 years of industry experience  
• Chief engineer of ALROSA in 2010–2015 |
## Supervisory Board overview (1/2)

<table>
<thead>
<tr>
<th></th>
<th>Name</th>
<th>Position</th>
<th>Nominated by:</th>
<th>Previously held positions include:</th>
</tr>
</thead>
</table>
|1  | Anton Siluanov                            | Finance Minister of the Russian Federation; Chairman of the Board of directors | the Russian Federation             | • 2005 – 2011 – Deputy Minister of Finance of the Russian Federation  
   |                                           |                                                                          | • Since 2011 – Minister of Finance of the Russian Federation                                                      |
|2  | Yegor Borisov                             | Head of the Republic of Sakha (Yakutia); First Deputy Chairman of the Supervisory Board | the Republic of Sakha (Yakutia)    | • 2003 – 2010 – Chairman of the Government of the Republic of Sakha (Yakutia)  
   |                                           |                                                                          | • 2010 – 2014 – President of the Republic of Sakha (Yakutia)  
   |                                           |                                                                          | • Since 2014 – Head of the Republic of Sakha (Yakutia)                                                             |
|3  | Alexander Galushka                        | Minister for the Development of the Russian Far East; Deputy Chairman of the Supervisory Board | the Russian Federation             | • 2010 – 2012 – President, Co-chairman of All-Russian public organisation *Delovaya Rossiya*  
   |                                           |                                                                          | • 2011 – 2012 – member of state commission on the socio-economic development of the Far East, the Republic of Buryatia, the Transbaikal and Irkutsk regions  
   |                                           |                                                                          | • 2013 – 2013 – Co-chairman, Central Headquarters of the All-Russian Public Movement People's Front – For Russia  
   |                                           |                                                                          | • Since 2013 – Minister for the Development of the Russian Far East                                                |
|4  | Sergey Barsukov                           | Director, Financial Policy Department, Ministry of Finance of the Russian Federation | the Russian Federation             | • 2007 – 2008 – First Deputy General Director, Agency for Housing Mortgage Lending (AHML)  
   |                                           |                                                                          | • 2008 – 2010 – Assistant to Vice Chairman of the Russian Federation Government – Russian Federation Minister of Finance  
   |                                           |                                                                          | • Since 2010 – Director, Financial Policy Department, Ministry of Finance of the Russian Federation                  |
|5  | Georgy Basharin                           | Deputy Head of Mirninsky Municipal District Administration of the Republic of Sakha (Yakutia) | Municipal Districts of the Republic of Sakha (Yakutia) | • Since 2008 – Deputy Head of Mirninsky Municipal District Administration of the Republic of Sakha (Yakutia) |
|6  | Maria Gordon                              | Independent director of the Supervisory Board, AK ALROSA PJSC            | minority shareholders as an independent director | • 1998 – 2010 – Goldman Sachs, investment activity  
   |                                           |                                                                          | • 2010 – 2014 – PIMCO, investment activity                                                                      |
|7  | Evgenia Grigorieva                        | Minister of Property and Land Relations of the Republic of Sakha (Yakutia) | the Republic of Sakha (Yakutia)    | • 2007 – 2011 – First Deputy Minister of Property Relations of the Republic of Sakha (Yakutia)  
   |                                           |                                                                          | • Since 2011 – Minister of Property and Land Relations of the Republic of Sakha (Yakutia)                         |
|8  | Galina Danchikova                         | Deputy at State Duma of the Russian Federation                           | the Republic of Sakha (Yakutia)    | • 2007 – 2010 – Deputy Chair of the Government of the Republic of Sakha (Yakutia)  
   |                                           |                                                                          | • 2010 – 2016 – Chair of the Government of the Republic of Sakha (Yakutia)                                       
<p>|                                           |                                                                          | • Since 2016 – Deputy at State Duma of the Russian Federation                                                    |</p>
<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Position</th>
<th>Nominated By</th>
<th>Previously Held Positions Include:</th>
</tr>
</thead>
</table>
| 9   | Kirill Dmitriev       | CEO of Russian Direct Investment Fund                                    | Nominated by: the Russian Federation                | • 2007–2011 – Development Director, President of Icon Private Equity Limited Representative Office  
• Since 2011 – CEO of Russian Direct Investment Fund |
| 10  | Sergey Ivanov         | President (CEO) of ALROSA                                               | Nominated by: the Russian Federation                | • 2011–2016 – Chairman of the Management Board of AO SOGAZ  
• 2016–2017 – Senior Vice President, Head of Wealth Management at Sberbank of Russia  
• Since 2017 – President (CEO) of ALROSA |
| 11  | Dmitry Konov          | Member of the Board of Directors, Chairman of the Management Board at SIBUR Holding | Nominated by: the Russian Federation as an independent director | • 2011–2016 – CEO of SIBUR  
• Since 2007 – Member of the Board of Directors, Chairman of the Management Board (since 2009) at SIBUR Holding |
| 12  | Valentina Lemesheva   | Independent director of the Supervisory Board, AK ALROSA PJSC            | Nominated by: the Republic of Sakha (Yakutia) as an independent director | • 2002 – 2014 – Chair of the State Committee for Pricing Policy – Regional Energy Commission of the Republic of Sakha (Yakutia) |
• 2012–2016 – First Deputy Minister of Property and Land Relations of the Republic of Sakha (Yakutia)  
• Since 2016 – CEO of Trust Fund for Future Generations of the Republic of Sakha (Yakutia) |
| 14  | Oleg Fedorov          | Independent director of the Supervisory Board, AK ALROSA PJSC            | Nominated by: minority shareholders as an independent director | • 1999 – 2002 – Executive Committee member, SRO NAUFOR  
• 2002 – 2010 – Deputy Head, Supervisory Board member, IPA  
• 2003 – 2009 – Executive Director, Corporate Finance (IB), UFG/Deutsche Bank Ltd  
• 2009 – 2012 – Head, Department of Investment and Banking, VTB Capital  
• 2012 – 2014 – Adviser to the Head of the Federal Agency for State Property Management |
• 2011 – 2013 – Director, member of the board, member of investment committee of the Russian Direct Investment Fund  
• Since 2014 – General Director of the Far East Development Fund |
## 2016 operational results

<table>
<thead>
<tr>
<th>Type of mining</th>
<th>Ore and gravels processing ('000 t)</th>
<th>Diamond production ('000 ct)</th>
<th>Grade (ct/t)</th>
<th>Value per ton of ore, (RUB)</th>
<th>Value per carat, (RUB)</th>
<th>Cash costs per ton of ore, (RUB)</th>
<th>Cash costs per carat, (RUB)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Aikhal Division</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jubilee pipe open-pit</td>
<td>9,950</td>
<td>12,228</td>
<td>1.23</td>
<td>9,593</td>
<td>7,808</td>
<td>2,464</td>
<td>2,006</td>
</tr>
<tr>
<td>Aikhal underground mine underground</td>
<td>8,450</td>
<td>9,231</td>
<td>1.09</td>
<td>9,706</td>
<td>8,885</td>
<td>1,878</td>
<td>1,719</td>
</tr>
<tr>
<td>Komsomolskaya pipe open-pit</td>
<td>486</td>
<td>2,608</td>
<td>5.37</td>
<td>15,313</td>
<td>2,855</td>
<td>7,882</td>
<td>1,470</td>
</tr>
<tr>
<td><strong>Mirny Division</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>International underground mine underground</td>
<td>497</td>
<td>3,948</td>
<td>7.96</td>
<td>102,003</td>
<td>12,814</td>
<td>15,896</td>
<td>2,002</td>
</tr>
<tr>
<td>Mir underground mine underground</td>
<td>957</td>
<td>3,191</td>
<td>3.33</td>
<td>29,316</td>
<td>8,783</td>
<td>9,805</td>
<td>2,938</td>
</tr>
<tr>
<td>Alluvial and technogenic deposits alluvial</td>
<td>3,364</td>
<td>669</td>
<td>0.20</td>
<td>2,325</td>
<td>11,690</td>
<td>635</td>
<td>3,196</td>
</tr>
<tr>
<td><strong>Udachny Division</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Udachnaya pipe open-pit</td>
<td>5,837</td>
<td>3,167</td>
<td>0.54</td>
<td>3,964</td>
<td>7,305</td>
<td>2,745</td>
<td>5,058</td>
</tr>
<tr>
<td>Udachnaya underground mine underground</td>
<td>1,519</td>
<td>888</td>
<td>0.58</td>
<td>3,897</td>
<td>6,660</td>
<td>1,562</td>
<td>2,669</td>
</tr>
<tr>
<td>Zarnitsa pipe open-pit</td>
<td>654</td>
<td>1,324</td>
<td>2.02</td>
<td>13,145</td>
<td>6,492</td>
<td>10,450</td>
<td>5,161</td>
</tr>
<tr>
<td>Alluvial deposits alluvial</td>
<td>2,777</td>
<td>734</td>
<td>0.26</td>
<td>2,659</td>
<td>10,073</td>
<td>1,949</td>
<td>7,384</td>
</tr>
<tr>
<td><strong>Nyurba Division</strong></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nyurbinskaya pipe open-pit</td>
<td>1,545</td>
<td>6,793</td>
<td>4.40</td>
<td>28,570</td>
<td>6,498</td>
<td>9,772</td>
<td>2,223</td>
</tr>
<tr>
<td>Botuobinskaya pipe open-pit</td>
<td>1,061</td>
<td>5,001</td>
<td>4.71</td>
<td>30,627</td>
<td>6,498</td>
<td>9,772</td>
<td>2,073</td>
</tr>
<tr>
<td>Alluvial deposits alluvial</td>
<td>146</td>
<td>684</td>
<td>4.68</td>
<td>30,441</td>
<td>6,498</td>
<td>9,772</td>
<td>2,086</td>
</tr>
<tr>
<td><strong>Lomonosov Division (Severalmaz)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>open-pit</td>
<td>4,015</td>
<td>2,217</td>
<td>0.55</td>
<td>1,764</td>
<td>3,194</td>
<td>1,134</td>
<td>2,054</td>
</tr>
<tr>
<td><strong>Almazy Anabara</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>alluvial</td>
<td>38,071</td>
<td>37,358</td>
<td>0.98</td>
<td>7,406</td>
<td>7,547</td>
<td>2,359</td>
<td>2,405</td>
</tr>
<tr>
<td><strong>Nizhne-Lenskoye</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>alluvial</td>
<td>2,594</td>
<td>11,071</td>
<td>4.27</td>
<td>36,487</td>
<td>8,551</td>
<td>10,776</td>
<td>2,524</td>
</tr>
<tr>
<td><strong>ALROSA</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>underground</td>
<td>18,982</td>
<td>19,144</td>
<td>1.01</td>
<td>7,657</td>
<td>7,592</td>
<td>2,361</td>
<td>2,341</td>
</tr>
<tr>
<td>open-pit</td>
<td>16,495</td>
<td>7,143</td>
<td>0.43</td>
<td>2,543</td>
<td>5,871</td>
<td>1,034</td>
<td>2,388</td>
</tr>
</tbody>
</table>
Thank you!