

# PRODUCTION AND PRELIMINARY TRADING UPDATE

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ALROSA reports Q4 and FY 2017 production and preliminary trading performance

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## Production performance

ALROSA Group's FY 2017 diamond production totalled 39.6 million carats, up by 6% year-on-year.

"Despite shutdown of the Mir underground mine in view of the accident in August 2017, the Company delivered on the annual diamond production plan. The key drivers for diamond production growth were higher output at the Udachny underground mine, development of the richest part of the deposit at the Jubilee pipe, increased grade at the Arkhangelskaya and Karpinskogo-1 pipes operated by Severalmaz, as well as higher production at the Botuobinskaya pipe," – said Igor Sobolev, First Vice President of ALROSA.

## Preliminary sales performance

Indicatively, in 2017 ALROSA Group sold 41.2 million carats of diamonds, while rough and polished diamond sales amounted to USD 4.2 billion and USD 96.9 million, respectively.

Rough diamond sales in Q4 2017 amounted to 9.4 million carats, including 6.2 million carats of gem-quality diamonds at an average price of USD 139 per carat, and 3.2 million carats of industrial diamonds at an average price of USD 6.5 per carat. Rough diamond sales amounted to USD 881 million. Polished diamond sales for this period amounted to USD 28.7 million.

*The full version of ALROSA's Q4 and FY 2017 operational overview is available at ALROSA's website in the [Operational results](http://eng.alrosa.ru/documents/operational-results/) section (<http://eng.alrosa.ru/documents/operational-results/>).*

## Press Release

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## Reference

ALROSA is the world's largest producer of rough diamonds in carats. ALROSA is engaged in exploration, mining and sales of diamonds. The Company's operations are located in the Republic of Sakha (Yakutia) and the Arkhangelsk Region of Russia. In 2017, the Company produced 39.6 million carats of rough diamonds. 2017 revenue from sales of rough and polished diamonds was USD 4.3 billion.