

# PRODUCTION AND PRELIMINARY TRADING UPDATE

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## ALROSA reports Q1 2018 production and preliminary trading performance

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### Production performance

ALROSA Group's diamond production for Q1 2018 totalled 7.4 million carats, down by 17% year-on-year.

"The key factors behind the decline were reduced production at the Mirny Division, which was caused by the shutdown of the Mir underground mine following the August 2017 accident, processing of lower grade ore from the Jubilee pipe and termination of processing of ore from the Udachny open-pit after open-pit mining there was completed. At the same time, the Company continues growing production at its key expansion projects: in Q1 2018, output at the Udachny underground mine and Seversalmaz demonstrated an increase year-on-year. Production plan for FY 2018 is 36.6 million carats," – said Igor Sobolev, First Deputy CEO - Executive Director of ALROSA.

### Preliminary sales performance

Indicatively, in Q1 2018 ALROSA Group sold 13.3 million carats of diamonds, including 10.1 million carats of gem-quality diamonds at an average price of USD 154 per carat, and 3.2 million carats of industrial diamonds at an average price of USD 8.0 per carat. Rough and polished diamond sales amounted to USD 1.582 billion and USD 23.7 million respectively.

*The full version of ALROSA's Q1 2018 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 was RUB 275.4 billion.