



ALROSA

Investor presentation

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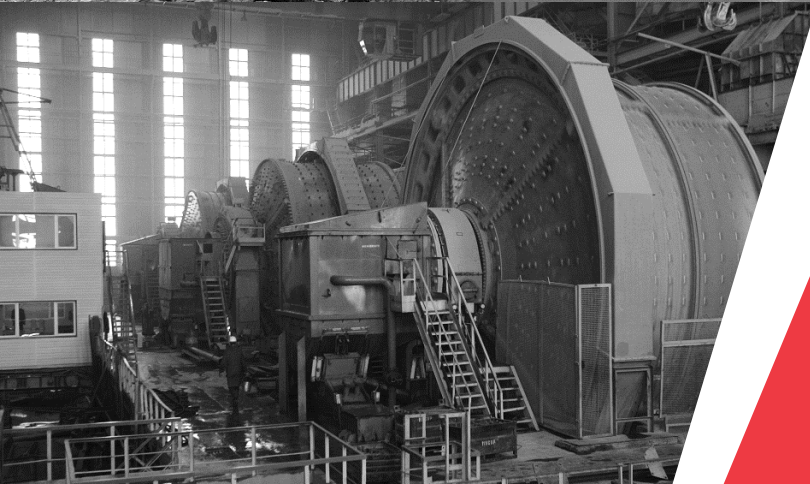
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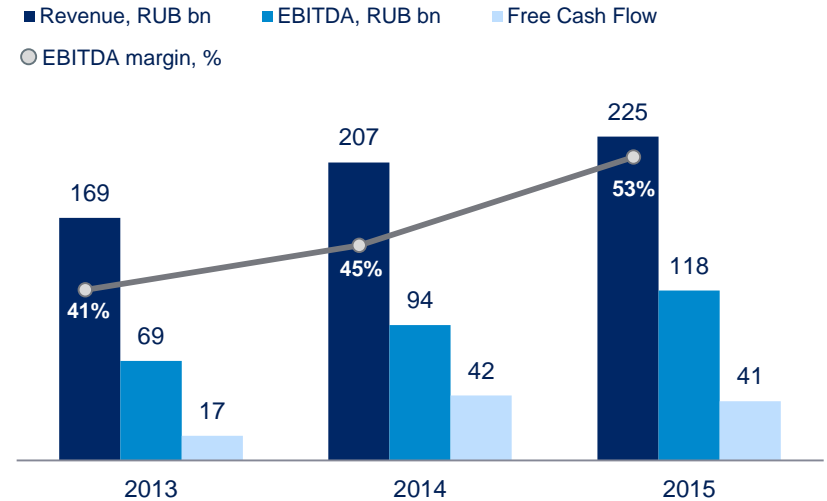


Market Overview

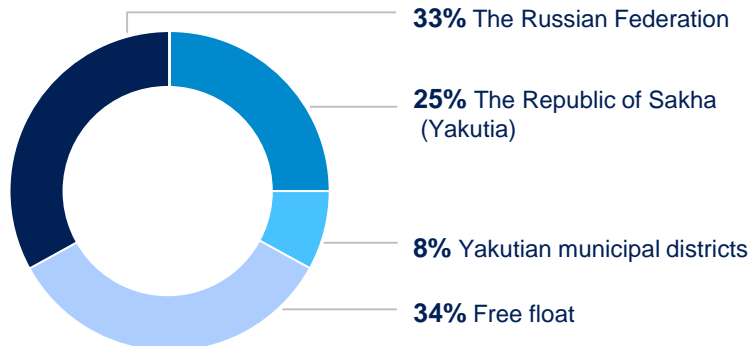
ALROSA is a global leader in rough diamond production with a strong financial profile

- ALROSA is a public diamond mining company with a 34% free-float on the Moscow Exchange
- ALROSA' production totaled 38.3 mln ct in 2015 representing 30% of global diamond output
- Strong financial performance resulting in 8% y-o-y revenue growth to RUB 225 bn, 25% y-o-y EBITDA growth to RUB 118 bn, EBITDA margin of 53% and robust free cash flow of RUB 41 bn

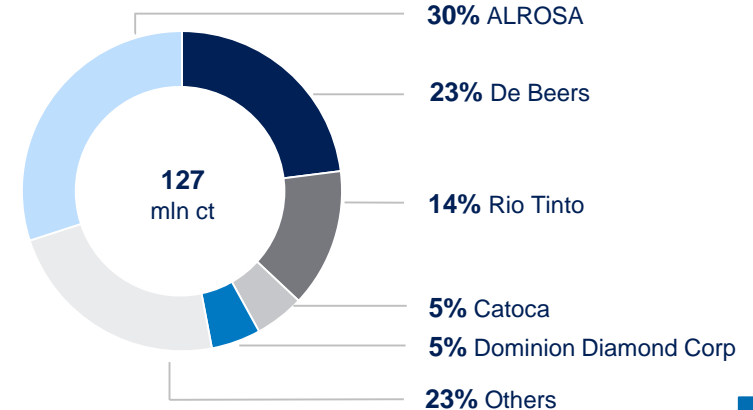
ALROSA financial results summary



ALROSA's shareholder structure



Global diamond production



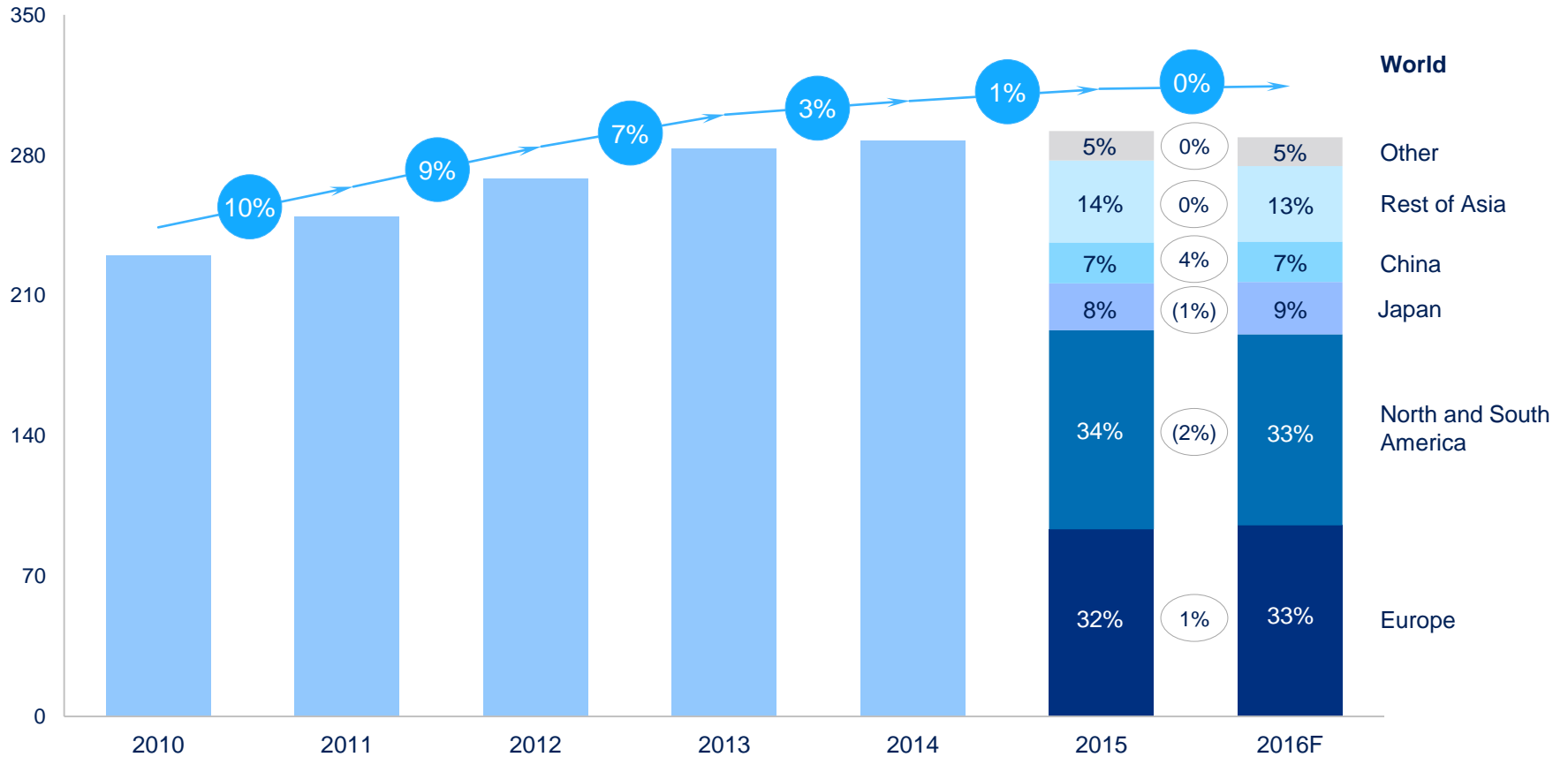
Rough diamond production is dominated by a few mining companies with the highest margins across diamond pipeline



Global luxury goods market growth slowed down after high single-digit growth in 2010-2013

Global luxury goods market (at constant exchange rates)

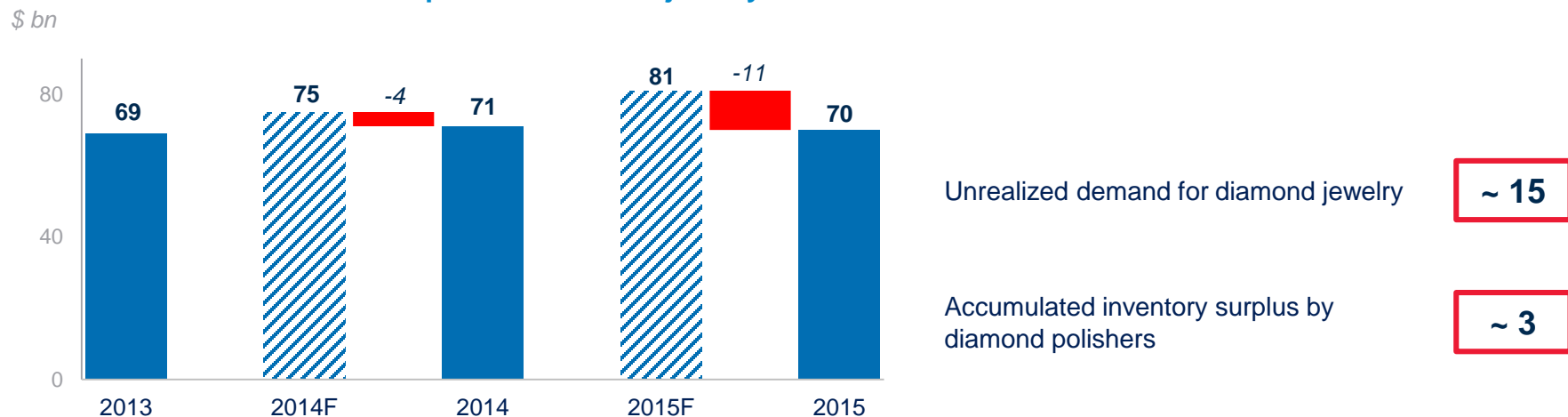
\$ bn



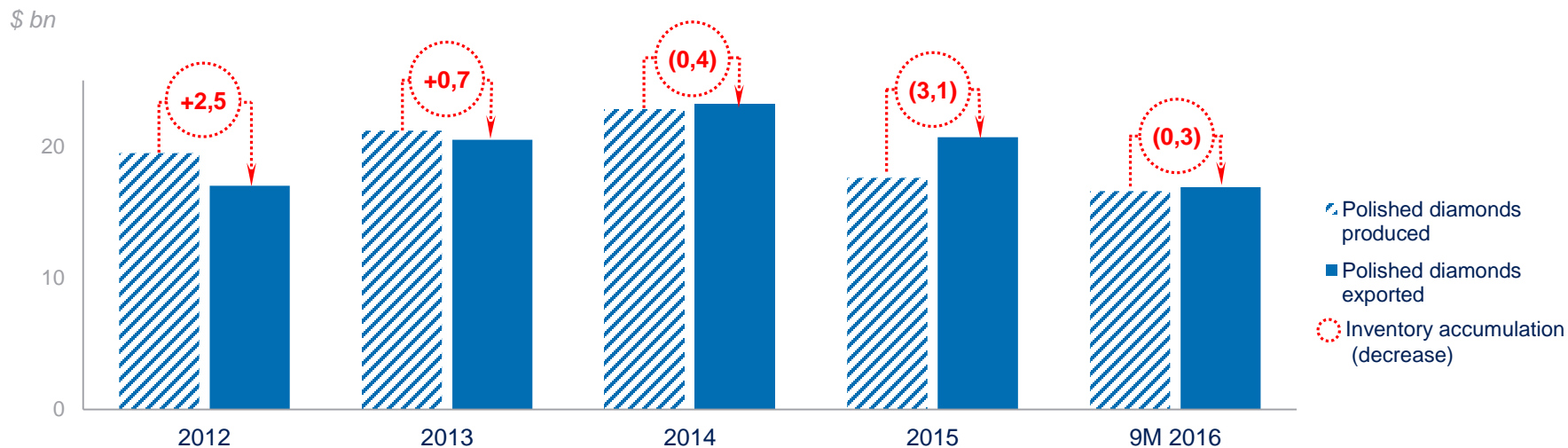
Source: Bain & Company's Altagamma 2016 Worldwide Luxury Market Monitor

Lower than expected consumption of diamond jewelry in 2014-2015 led to accumulation of inventory surplus by diamond polishers, which was almost depleted by the end of 2015

Forecasted and actual consumption of diamond jewelry in 2014-2015



Excess inventory of polishing segment in India started to decrease in 2015

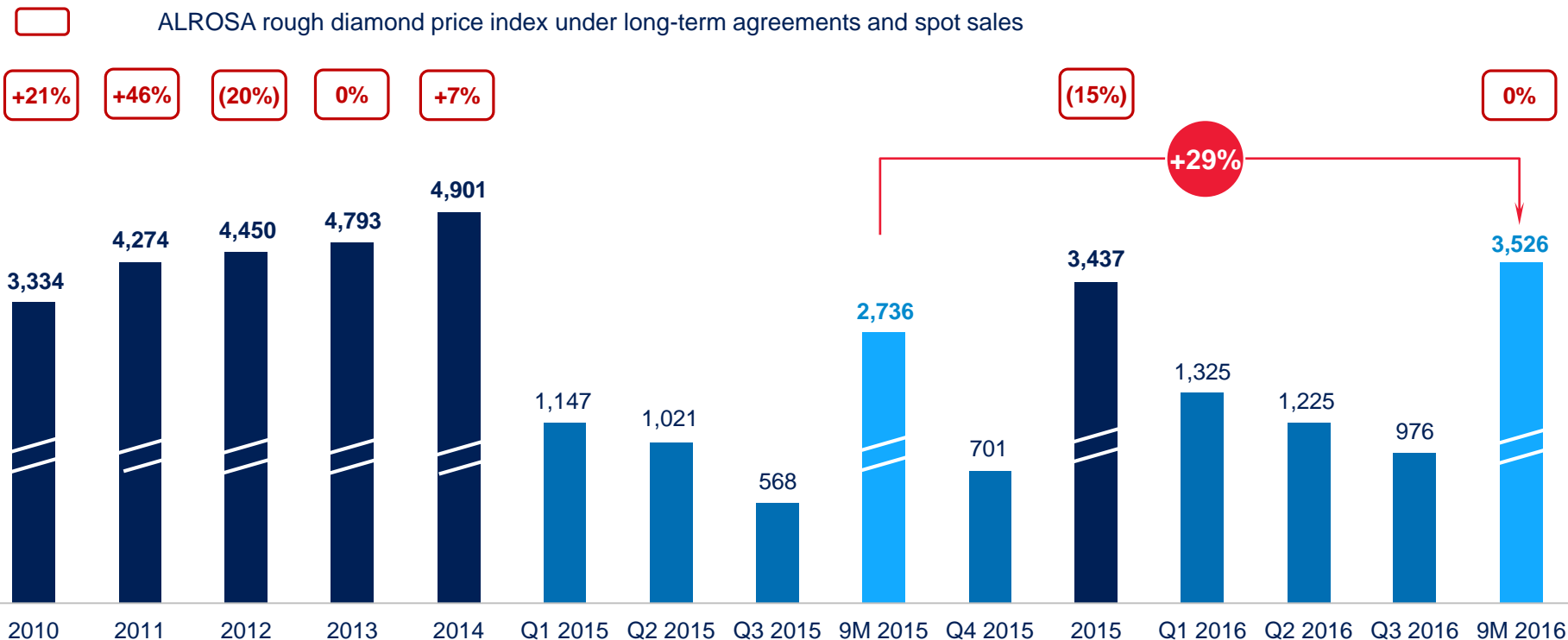


Source: Gem Jewellery Export Promotion Council, Company estimation

Demand for rough diamonds in 2016 exceeds demand in 2015 due to lower volumes sold by major diamond producers in H2 2015

ALROSA rough diamond sales

\$ mln



ALROSA rough diamond sales and production

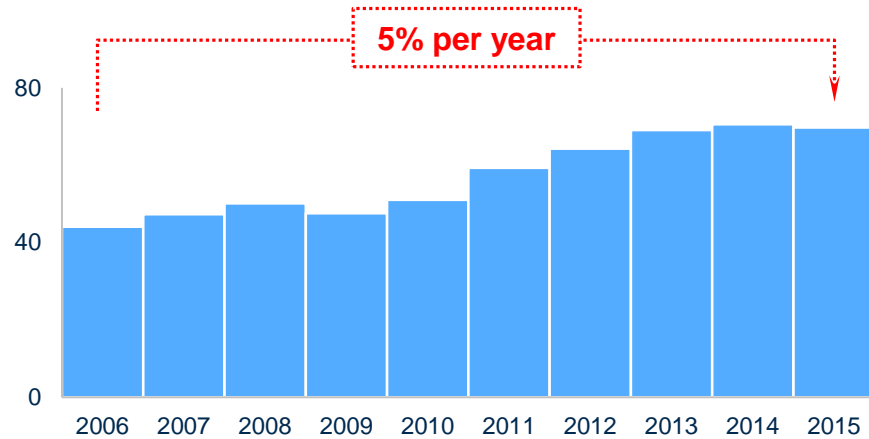
mln ct

	2010	2011	2012	2013	2014	2015	Q1 2015	Q2 2015	Q3 2015	9M 2015	Q1 2016	Q2 2016	Q3 2016	9M 2016
Sales	39.4	32.9	33.2	38.0	39.6	30.0	9.0	9.0	4.9	22.9	12.1	9.6	8.3	30.0
Production	34.3	34.6	34.4	36.9	36.2	38.3	8.4	9.6	11.6	29.6	8.2	8.7	11.0	27.9
Sales above/(below) production	5.1	(1.7)	(1.2)	1.1	3.4	(8.3)	0.6	(0.6)	(6.7)	(6.7)	3.9	0.9	(2.7)	2.1

Diamond industry grew 3-5% over the past decade

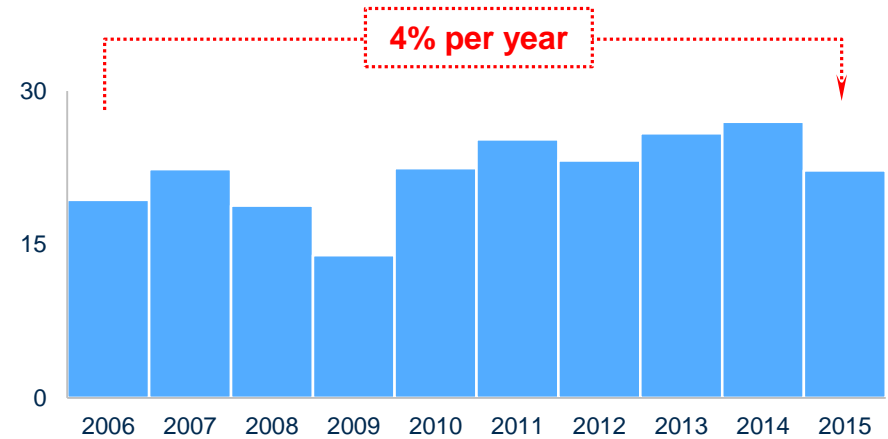
Global diamond jewelry sales

\$ bn



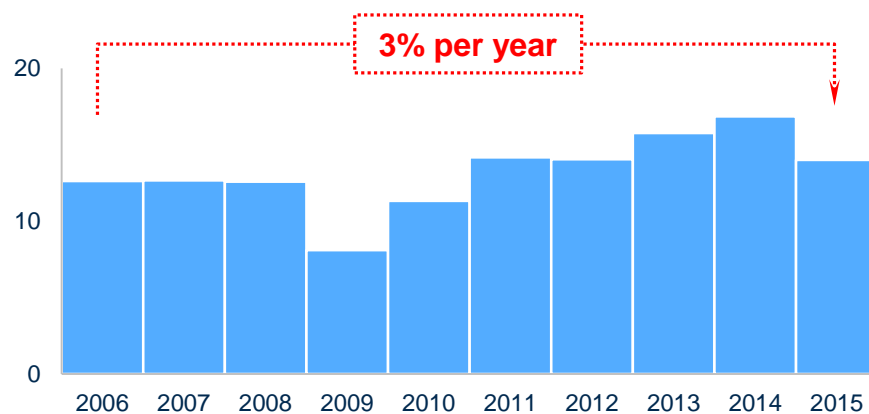
Global polished diamond sales

\$ bn



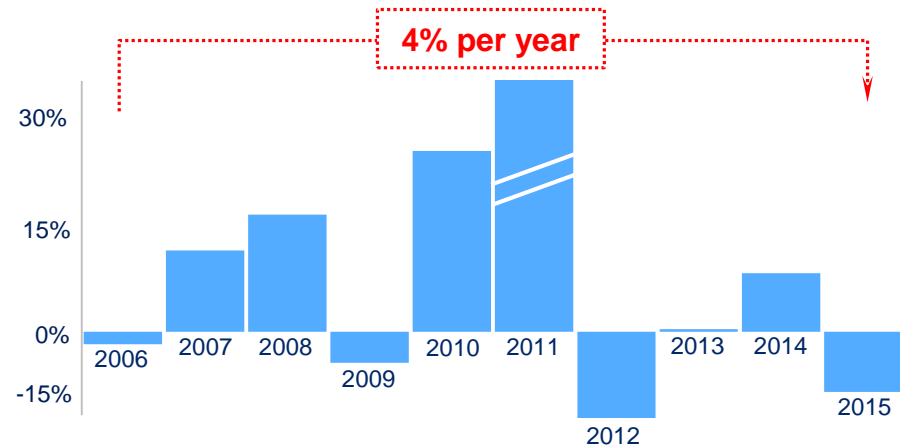
Global rough diamond sales

\$ bn



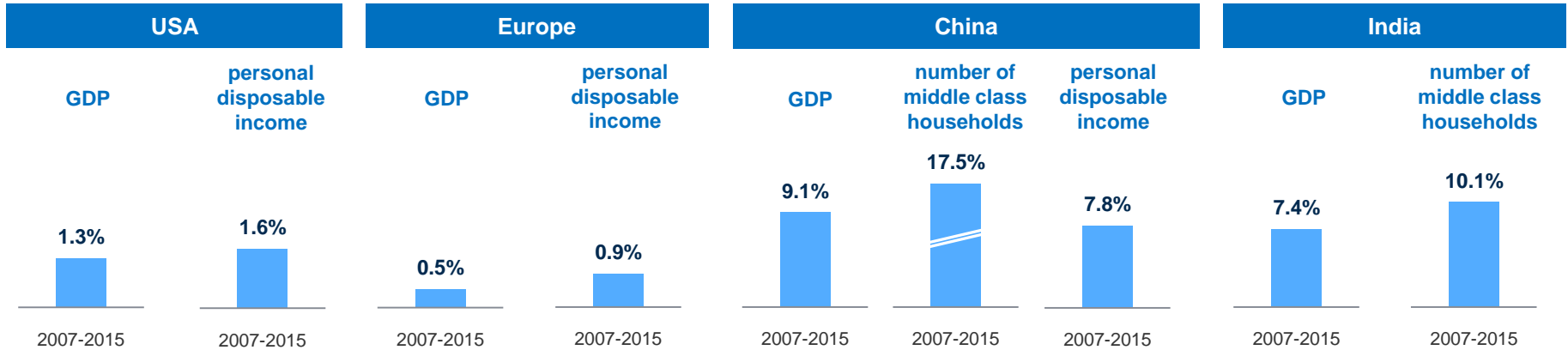
ALROSA rough diamond price index

%

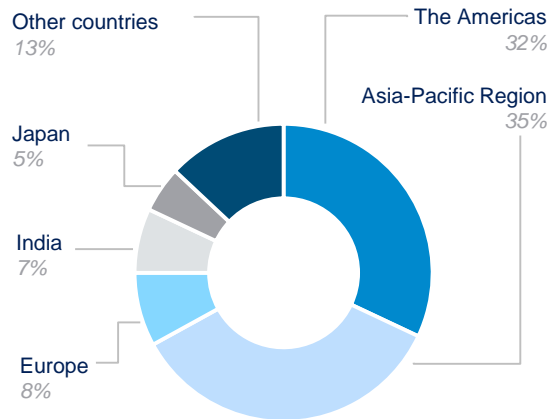


Demand for diamond jewelry is expected to grow at ~2-4% annually in the next decade

Key markets are driven by different macroeconomic indicators



Jewelry sales breakdown by region



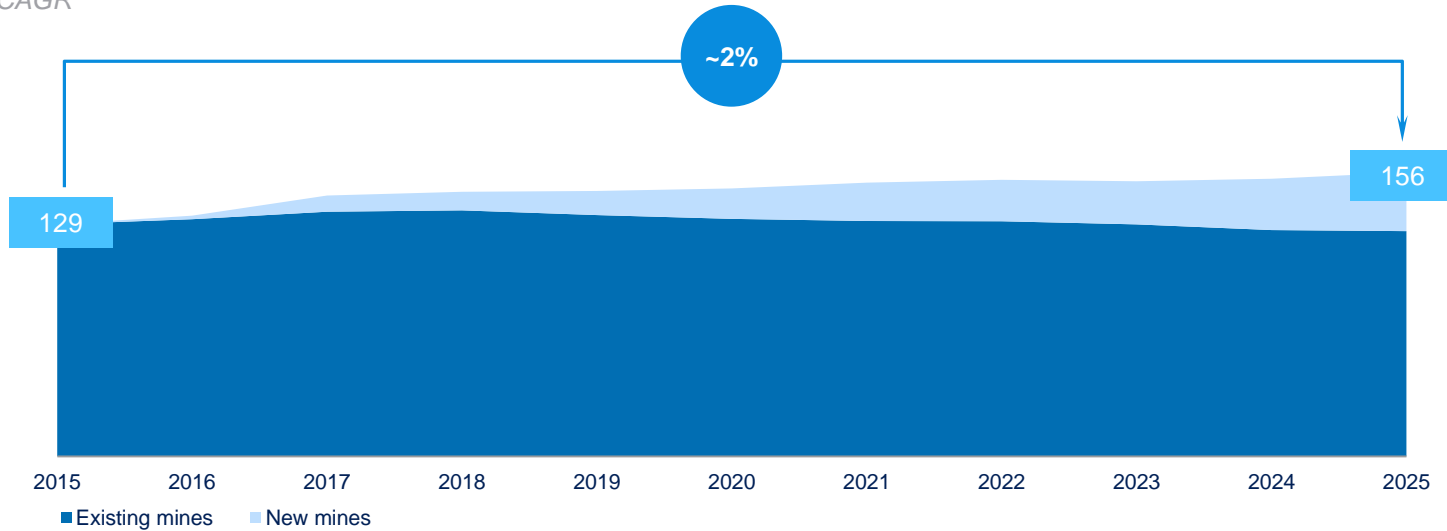
Key markets' expected long-term demand growth rates

- USA** moderate growth of **3-4%** annually
- Asia** **4-6%** annual growth with volatility in the short term
- Europe** conservative growth of **1%** annually
- Japan** growth of **less than 1%** annually

Despite production increases announced by mining companies in the recent years global rough diamond production has remained relatively flat

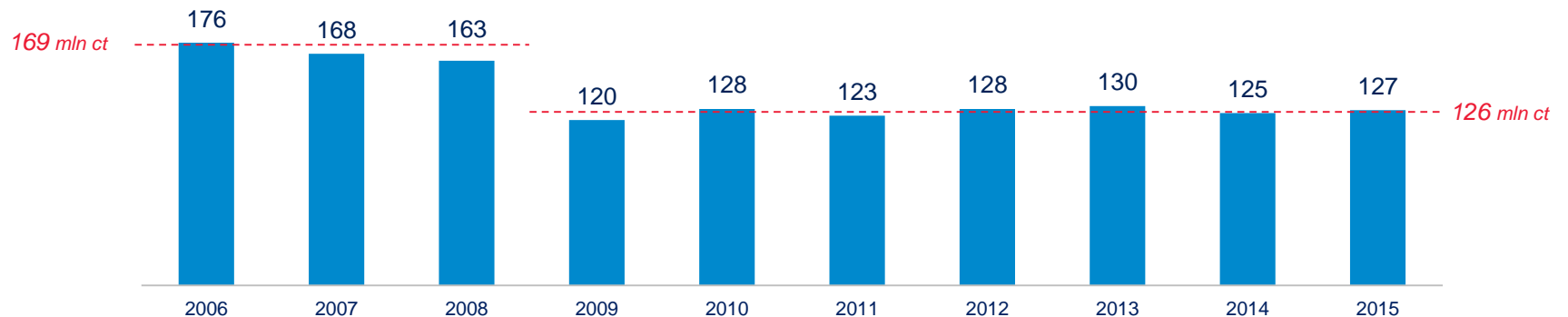
Global diamond production forecast (based on diamond producers' plans and life of mines periods)

mln ct, y-o-y CAGR



Global rough diamond production historical data

mln ct

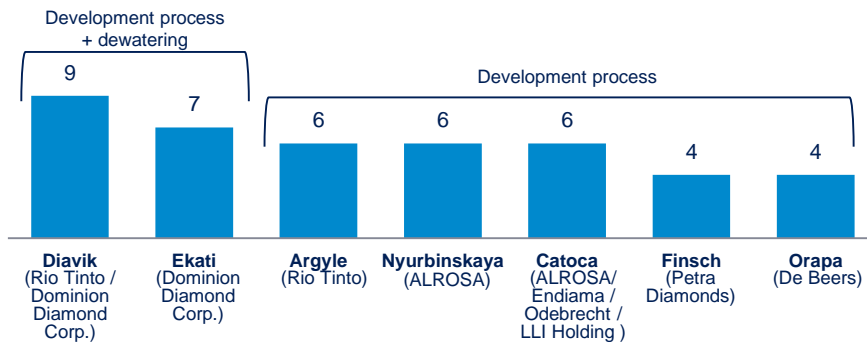


Diamond exploration becomes increasingly challenging

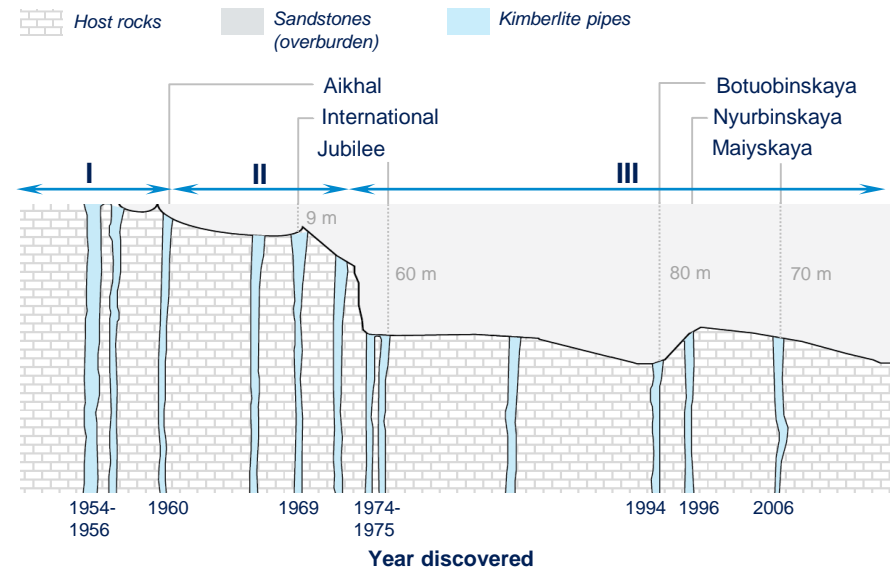
- Approximately 15% of kimberlites discovered are diamond-bearing, with 1% of these typically becoming producing mines
- Currently, the search of new kimberlite pipes is complicated due to overburden, all surface kimberlite pipes have already been discovered
- The average time from discovery to production for diamond mines is approximately 6 years

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

Discovery-to-production period, in years



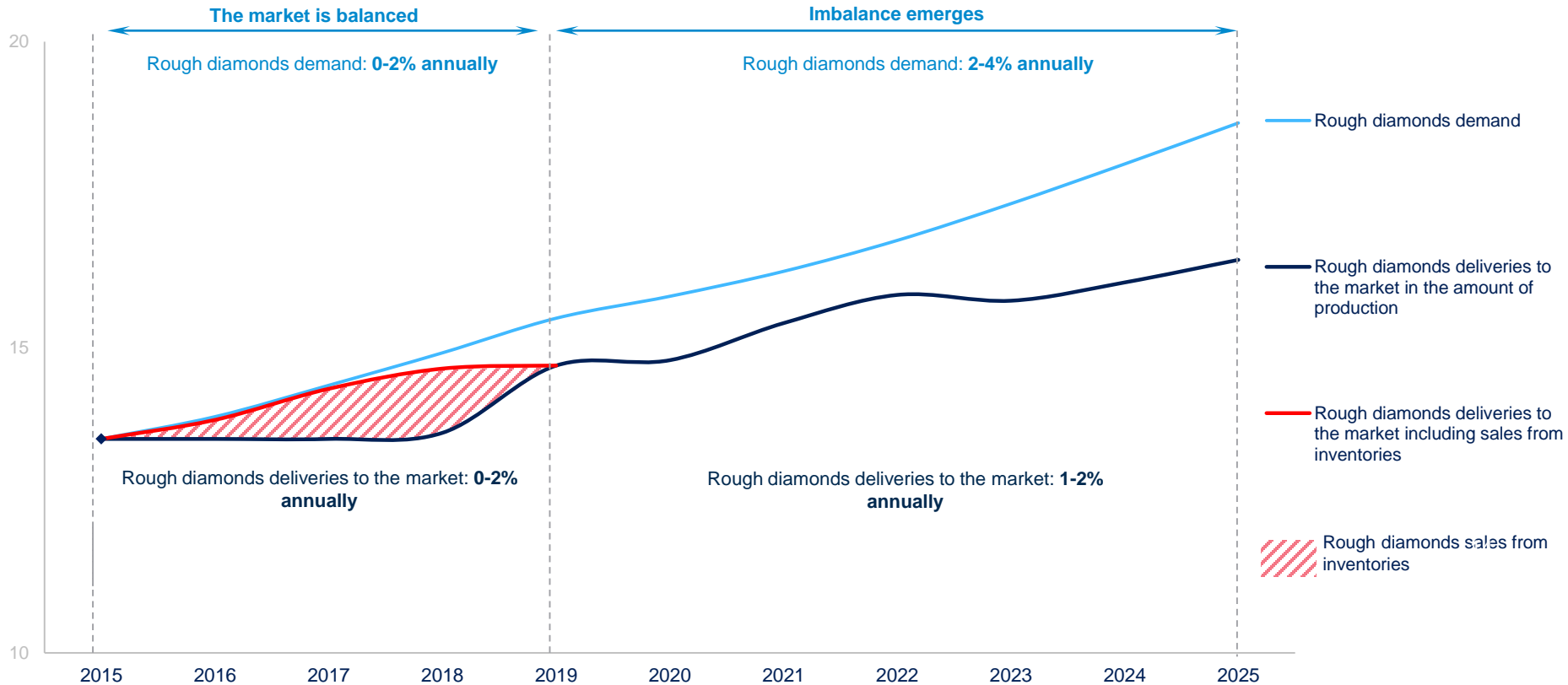
Discovery of new kimberlites is much more challenging now



Rough diamonds market is expected to be balanced in the mid-term; demand is expected to exceed supply after major diamond mining companies sell rough diamonds from inventories accumulated in 2015

Global demand and supply imbalance

\$ bn

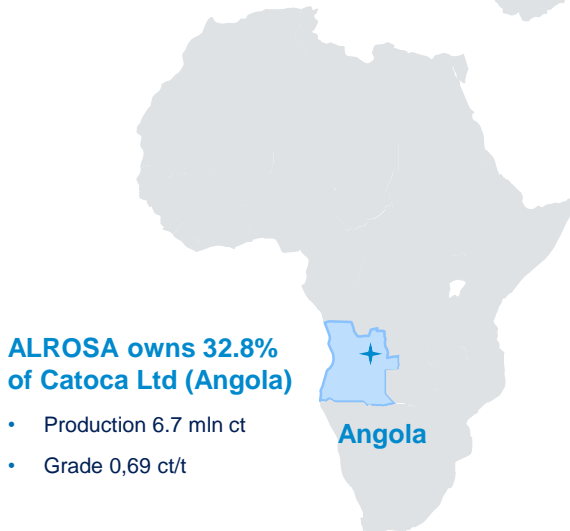
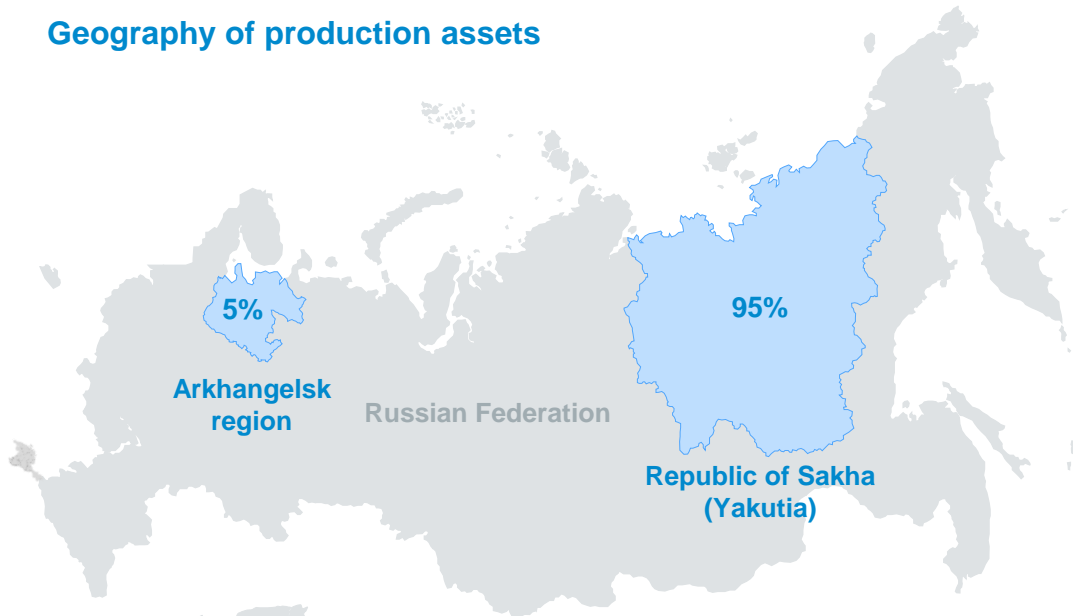




Long-Term Projections

ALROSA diamond production is well-diversified between divisions and types of mining

Geography of production assets




ALROSA owns 32.8% of Catoca Ltd (Angola)

- Production 6.7 mln ct
- Grade 0,69 ct/t




1,077 mln ct Total resources, incl. reserves
658 mln ct Total reserves


32% **Aikhmal Division**
 Aikhmal pipe
 Jubilee pipe
 Komsomolskaya pipe
12.3 mln ct




20% **Nyurba Division**
 Nyurbinskaya pipe
 Botuobinskaya pipe
 Alluvial deposits (1)
7.5 mln ct




18% **Mirny Division**
 Mir pipe
 International pipe
 Alluvial deposits (3)
6.9 mln ct




11% **Udachny Division**
 Udachny pipe
 Zarnitsa pipe
 Alluvial deposits (2)
4.3 mln ct




9% **Almazy Anabara**
 Alluvial deposits (7)
3.3 mln ct



5% **Nizhne-Lenskoe**
 Alluvial deposits (3)
2.0 mln ct

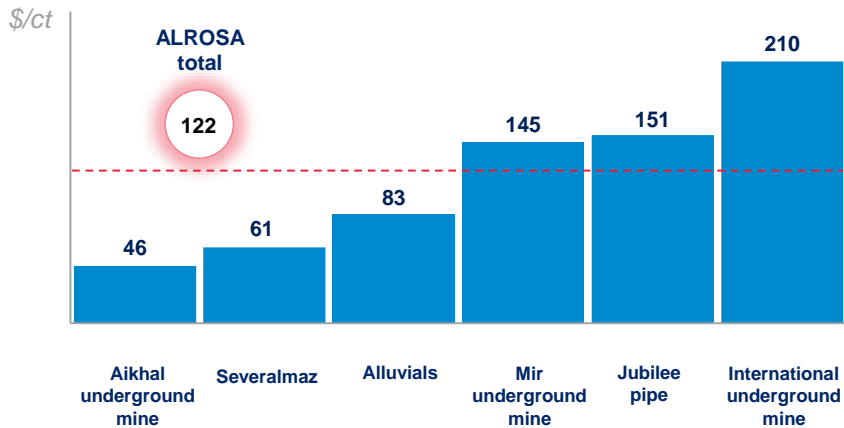


5% **Severalmaz**
 Arkhangelskaya pipe
 Karpinskogo-1 pipe
2.0 mln ct

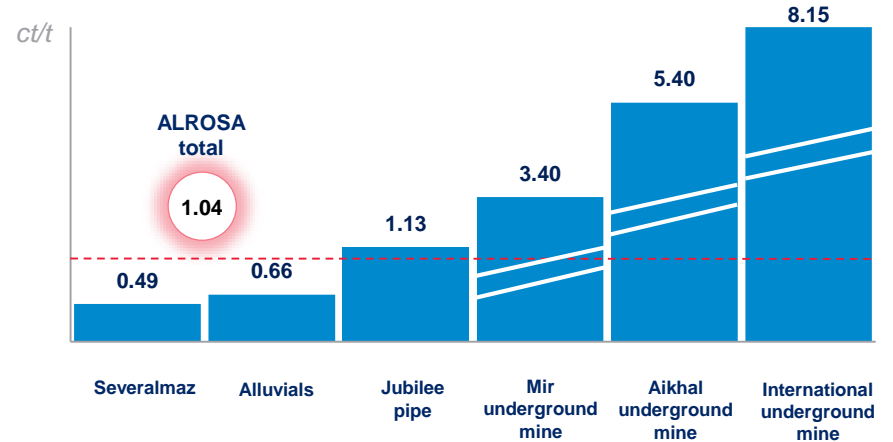


ALROSA diamond pipes vary by average diamond price and grade with underground mines being at the top-end of revenue per ton range

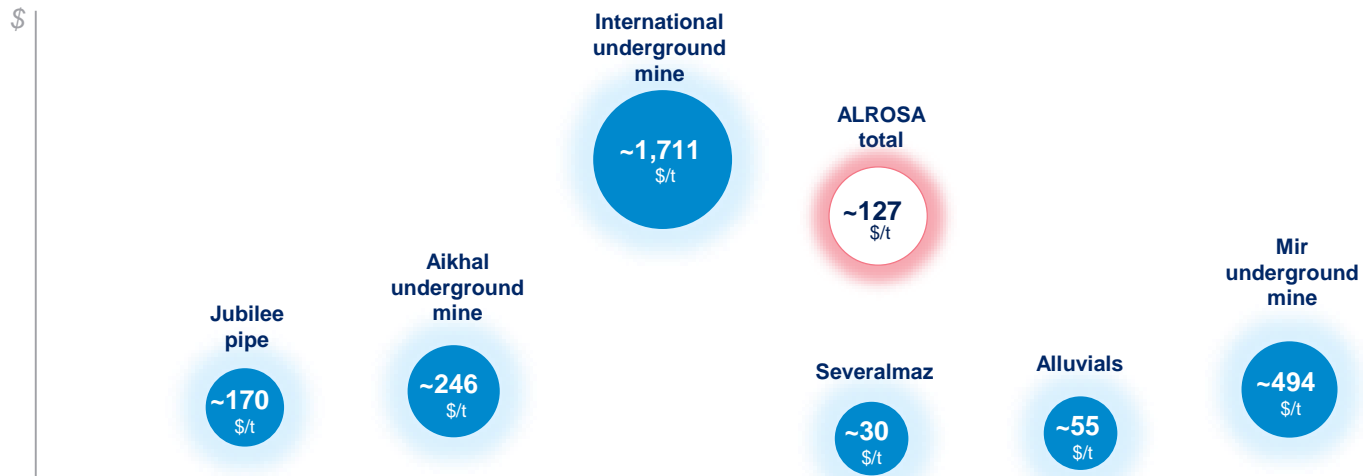
Range of average mined diamond value



Range of average mined diamond grade



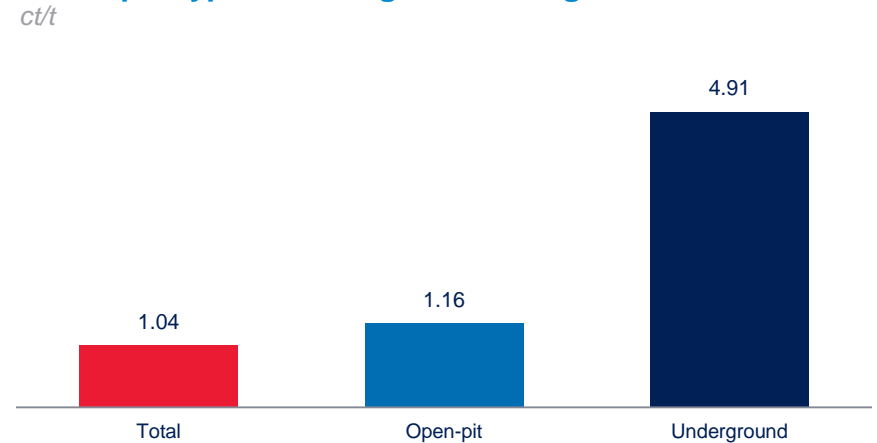
Revenue per ton of ore range



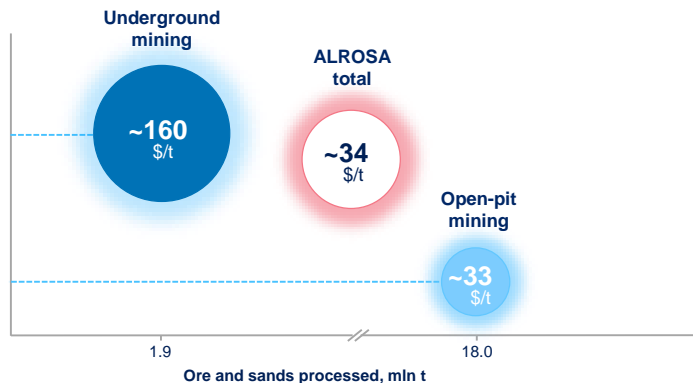
Cost of underground production per carat is close to open-pit mining due to higher grade at underground mines

- Underground mining cost of production per ton of ore is 5 times higher than open-pit mining cost of production
- Underground mining average grade is 4 times higher vs. open-pit mining
- Underground mining cost of production per carat is close to open-pit mining

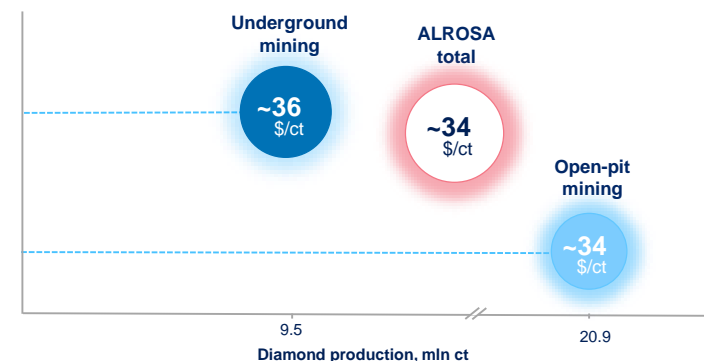
Grade per type of mining and underground mines



Cash cost of production per ton of ore



Cash cost of production per carat



ALROSA intends to increase diamond production to over 41 mln ct by 2019

Severalmaz and Udachny are the key production growth drivers

ALROSA production forecast

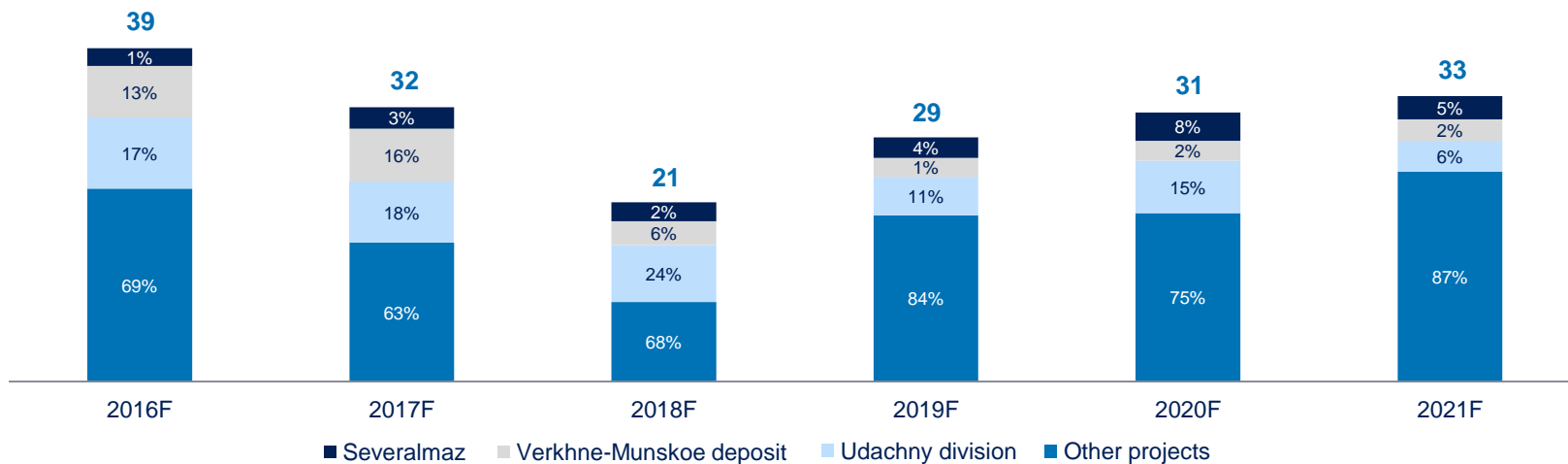
mln ct



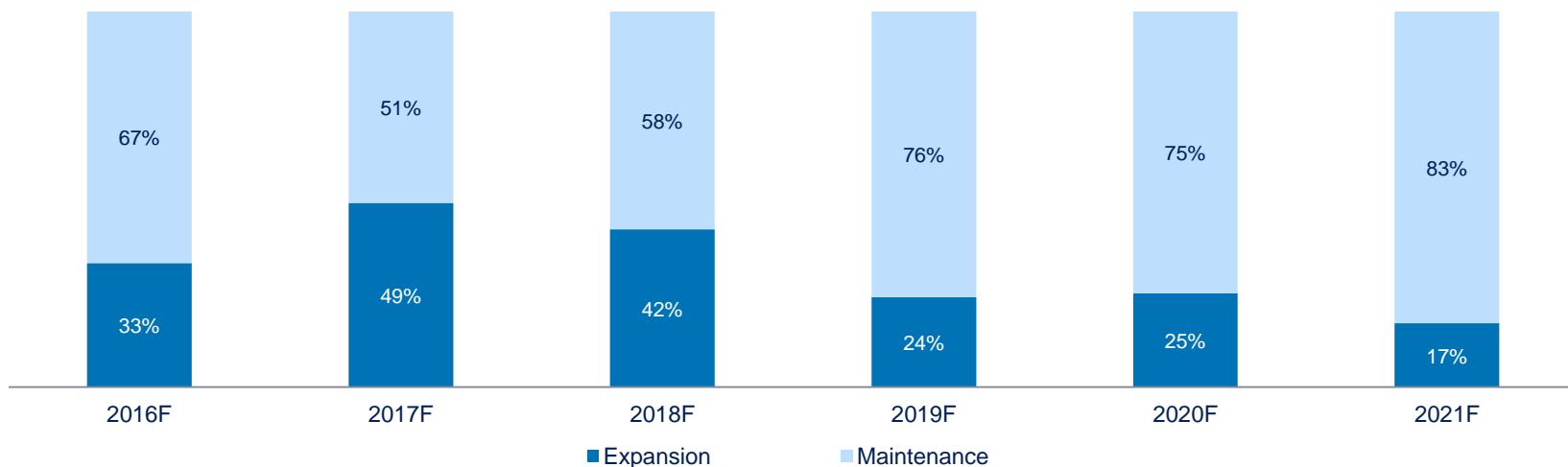
ALROSA's long-term capital expenditure forecast

CAPEX breakdown by key projects

RUB bn



Maintenance and expansion CAPEX breakdown



ALROSA continues developing its core growth projects

Udachny underground mine

On June 27, 2014 ALROSA started to mine ore from Udachny underground mine

	2014	2015	target capacity
Ore processed, mln t	0.1	0.3	4.0
Diamond production, mln ct	0.1	0.4	5.4
IRR			21%

Severalmaz

On March 14, 2014 a processing plant with an annual capacity of 3 mln tons of ore was put into operation, having increased total capacity up to 4 mln tons of ore a year

	2014	2015	target capacity
Ore processed, mln t	3.3	4.0	4.0
Diamond production, mln ct	1.6	2.0	4.3
IRR			33%

Verkhne-Munskoe deposit

In 2015, ALROSA started preparatory work for Verkhne-Munskoe deposit mining. Mining operations are expected to start in 2018

	target capacity
Ore processed, mln t	3.0
Diamond production, mln ct	1.7
IRR	22%



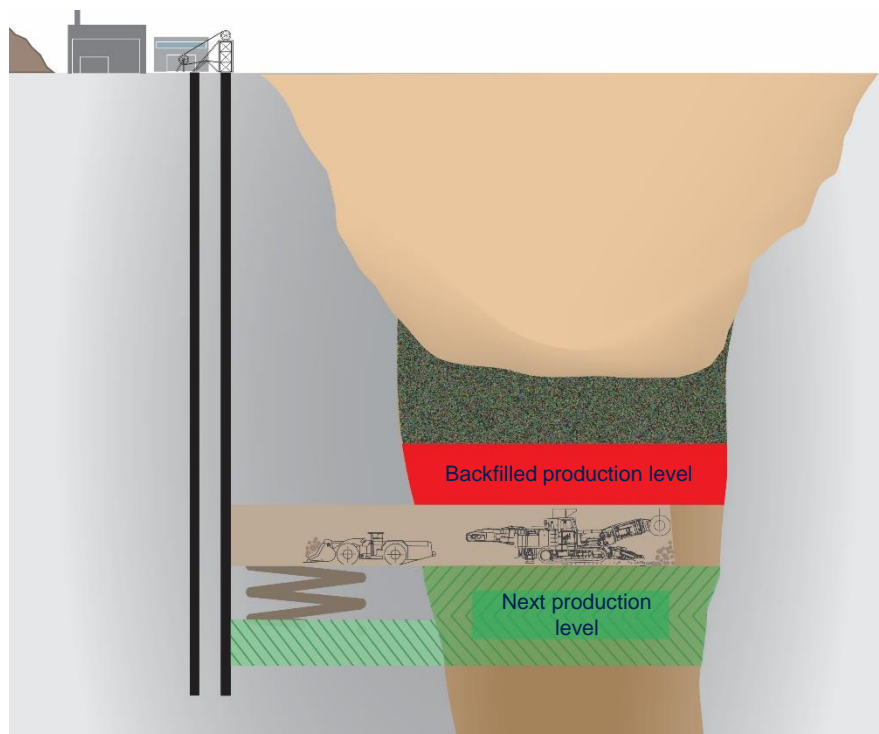
Economic efficiency of Udachny underground mine will be fostered by block caving mining method

Traditional cut-and-fill mining

Mir underground mine

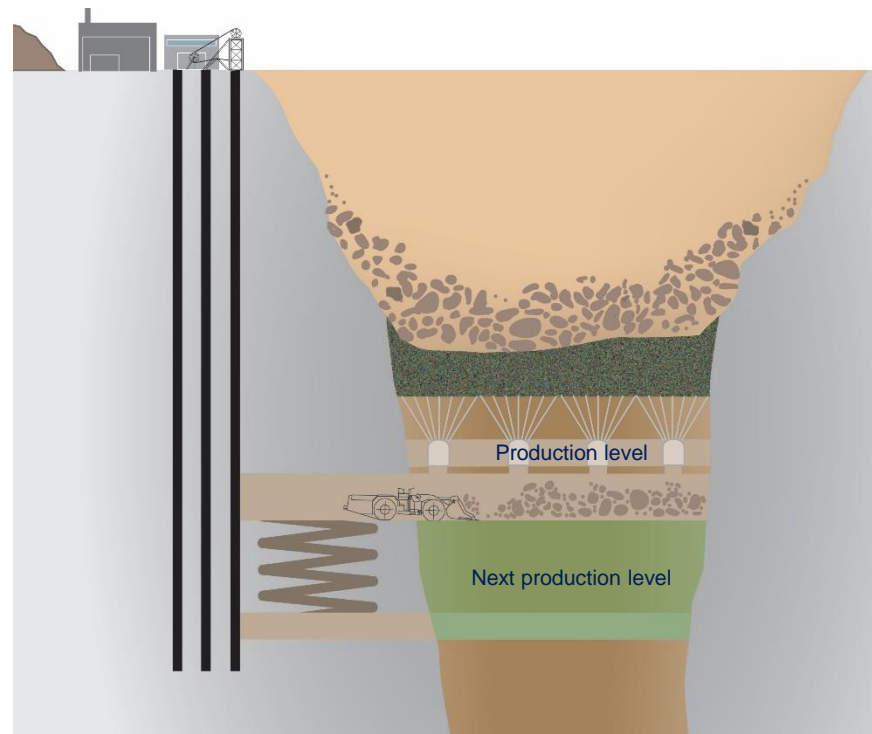
International underground mine

Aikhal underground mine



Block caving method

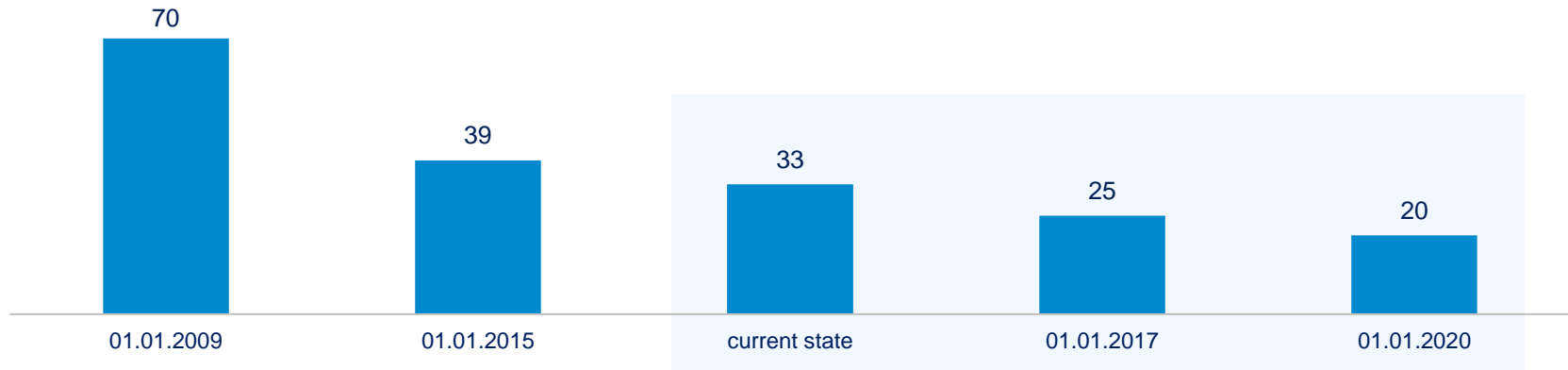
Udachny underground mine



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 continues to streamline its operations to focus on diamond mining

Number of subsidiaries



Prior to 2015, ALROSA sold 31 non-core assets with total proceeds of more than RUB 7 bn, incl.:

- Timir iron ore project
- Irelyakhneft oil project
- ALROSA Insurance Company

In 2015, ALROSA sold 5 non-core assets with total proceeds of RUB 0.3 bn, incl.:

- ALROSA-VGS
- MAK-Bank
- Nikonovka
- M&Diamond
- Suntarceolit

Major non-core assets ALROSA intends to sell, incl.:

- Geotransgaz
- Urengoy Gas Company
- Viluiskaya-3 HPP
- HIDROCHICAPA



ALROSA continues optimization and increase in efficiency of selected non-core businesses

1 Restructuring of airline operations

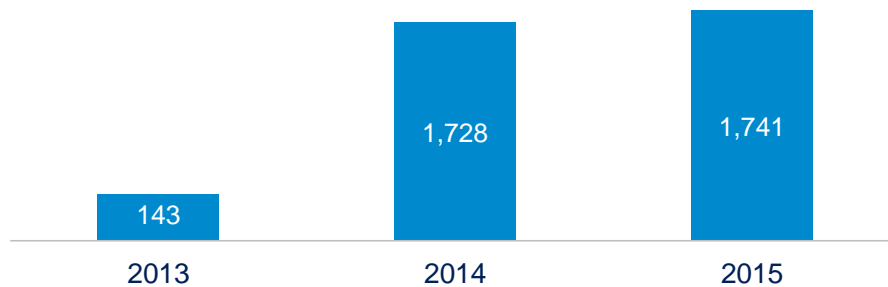
2 Restructuring of kindergarten education centers

3 Restructuring of housing services and utilities



Subsidies from Yakutian budget for housing and utilities, agriculture

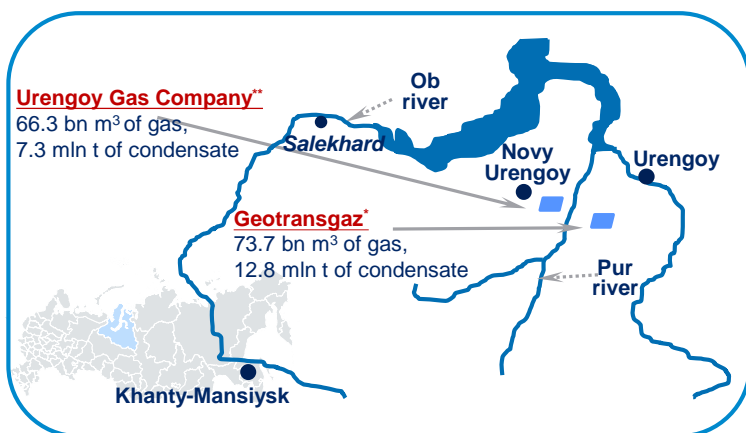
RUB mln



Geotransgaz is a production asset with an annual production of 1.6 bn m³ of gas and 0.3 mln t of condensate. Urengoy Gas Company is a greenfield project with all the CAPEX going to geological exploration

- Geotransgaz and Urengoy Gas Company completed additional geological studies of the gas assets as per the plan developed by Rosneft
- ALROSA and Rosneft will discuss the deal once again after the State Reserves Commission approves the reserves figures
- Geotransgaz continues to boost gas and gas condensate production: the number of production wells was increased by 5 to 23 wells in 2015

Location



Geotransgaz performance

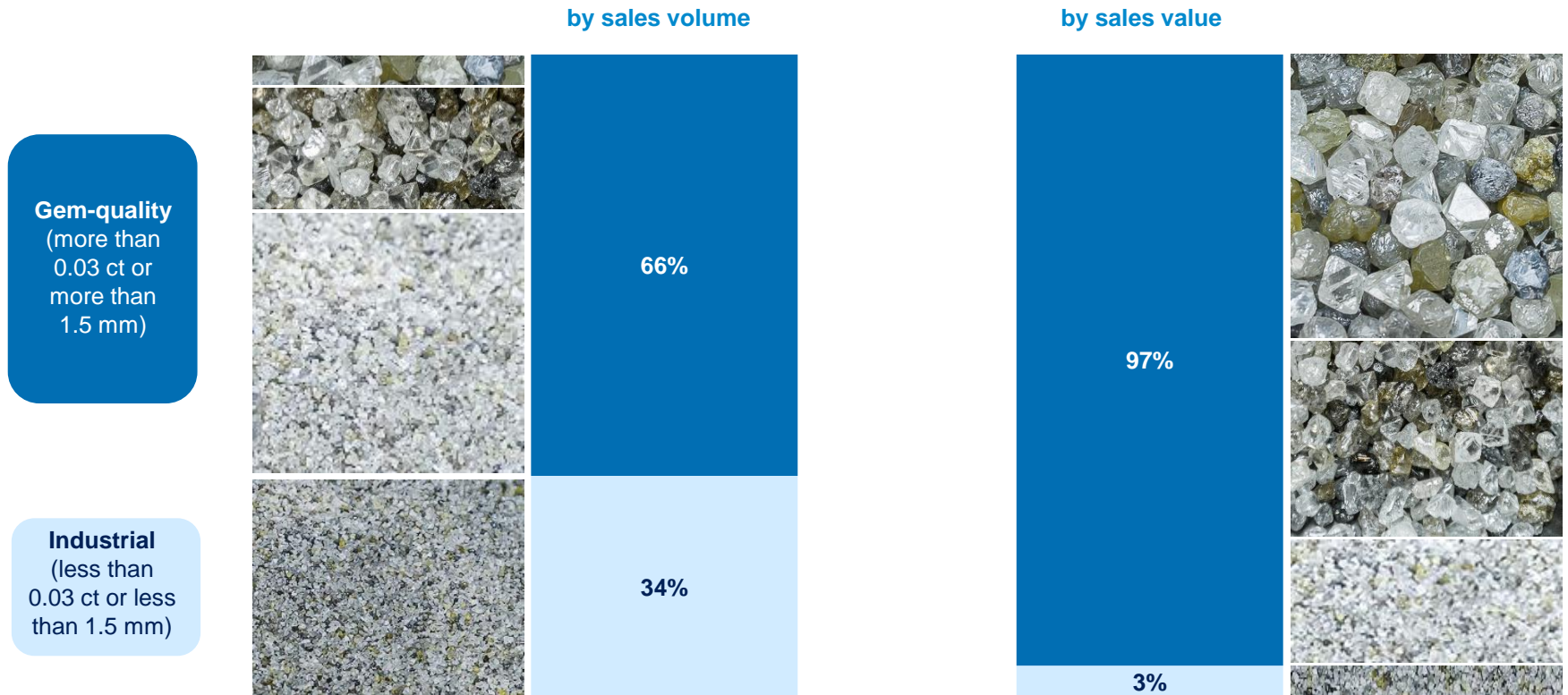
	2013	2014	2015
Gas sales, mln m ³	1,011	1,616	1,625
Condensate sales, '000 t	282	245	224
Gas price, RUB/'000 m ³	1,579	1,784	1,853
Condensate price, RUB/t	13,073	14,922	14,521
Revenue, RUB mln	5,429	6,543	6,309
MET, RUB mln	531	1,084	1,746
EBITDA, RUB mln	2,376	3,714	2,316
<i>margin</i>	44%	57%	37%
Net profit, RUB mln	1,679	1,241	902
<i>margin</i>	31%	19%	14%
CAPEX, RUB mln	1,820	875	2,048
# of wells in operation	18	18	23



Sales Overview

Gem-quality diamond sales account for 66% of total sales volume and 97% of sales value

Diamond sales breakdown

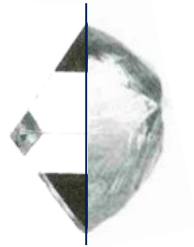


Rough diamonds are sorted by size, shape, clarity and color into 204 boxes

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



26 sizes



16 shapes



5 clarity categories



34 colors

...which are combined to build up **204** rough diamond boxes ready for sale

5-10CT Stones & Shapes Yellow



5-10CT Black Makeable White

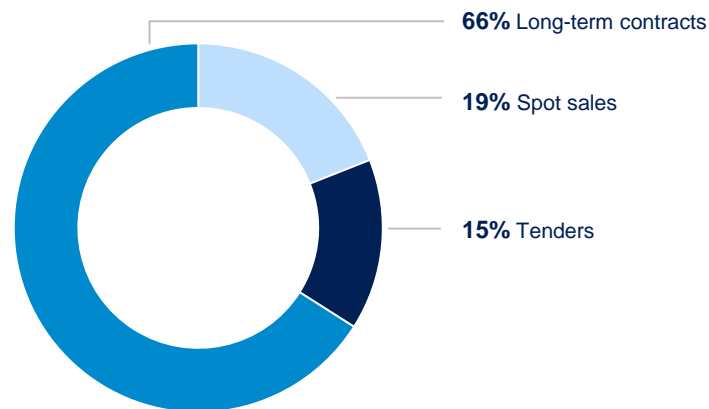


5-10CT Rejections Brown

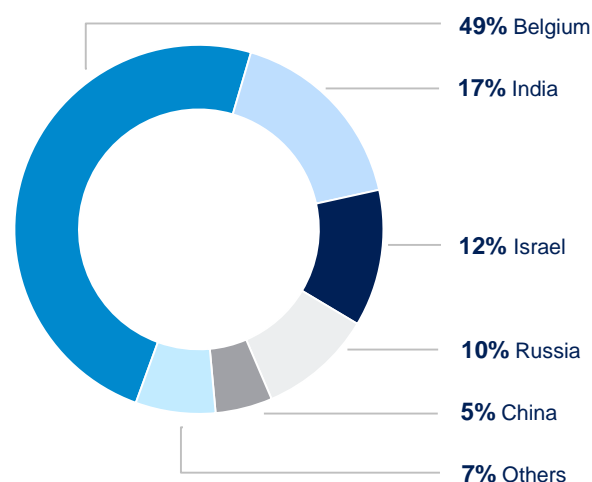


ALROSA sales strategy is based on long-term contracts supported by tenders and spot sales

Rough diamond sales by channel



Geography of sales



- ALROSA implements a three-channel distribution strategy focused on long-term contracts, tenders and spot sales
- Currently ALROSA has 71 clients under long-term contracts, including 57 for gem-quality diamonds, with committed volumes and assortment
- Spot and long-term clients are selected based on their financial position, reputation and track record

ALROSA has increased the number of clients due to responsible client policy

ALROSA pursues a responsible client policy, conducting a rigorous selection of clients...

Appropriate legal capacity

Sustainable financial position

Experience in diamond business

Sufficient level of solvency

Approval of a client with the following conditions:

- less than \$20 mln per month
- less than 5% of total monthly sales per client

...which has contributed to an increase in diversification and number of clients in all sales channels

Number of clients by sales channel

	2010	2015	Change
Long-term contracts	15	71	+56
Spot sales / tenders	176	299	+123
Total	191	370	+179

Sales to top clients

	<i>All clients</i>		<i>Top 20% clients</i>		<i>Top 5 clients</i>	
	2010	2015	2010	2015	2010	2015
Sales, \$ mln	3,334	3,437	2,790	2,931	791	607
Number of clients	191	370	38	74	5	5
Share in total sales	100%	100%	84%	85%	24%	18%
Average monthly sales per client, \$ mln	1.45	0.77	6.12	3.30	13.18	10.12



Financial Overview

H1 2016 key financial highlights

Revenue	186.7 RUB bn +42% H1 2015: RUB 131.9 bn	Diamond sales	21.7 mln ct +21% H1 2015: 18.0 mln ct
EBITDA	111.3 RUB bn +58% H1 2015: RUB 70.5 bn	Net profit	90.4 RUB bn 1.9x H1 2015: RUB 47.4 bn
EBITDA margin	60% H1 2015: 53%	Free cash flow	78.7 RUB bn 2.2x H1 2015: RUB 35.4 bn

ALROSA's H1 2016 y-o-y financial results were driven by an increase in diamond sales by 21% in carat terms and by depreciation of the Russian ruble against the US dollar by 23%

ALROSA benefits from increased revenue from sales of diamonds due to cancellation of 6.5% export duty on rough diamonds since September 1st, 2016

- In accordance with WTO rules, the Russian Federation cancelled 6.5% export duty on rough diamonds on September 1st, 2016
- Price level for overseas clients has remained unchanged, with ALROSA keeping the duties previously transferred to the budget of the Russian Federation
- Price level for domestic clients has been increased by 6.5%

	Overseas clients		Domestic clients	
	Before	After	Before	After
Price for client	106.5	106.5	100.0	106.5
ALROSA's revenue	100.0	106.5	100.0	106.5
Export duty paid	6.5	-	-	-

The table illustrates the impact of the 6.5% export duty cancellation on ALROSA's revenue and client prices. For overseas clients, the price remained at 106.5, and ALROSA's revenue increased from 100.0 to 106.5, with a 0% change in price and a +6.5% increase in revenue. For domestic clients, the price increased from 100.0 to 106.5, and ALROSA's revenue also increased from 100.0 to 106.5, with a +6.5% increase in both price and revenue. Export duty paid was 6.5 for overseas clients before the change and zero for both groups after the change.

ALROSA's financial results are impacted by foreign exchange rates fluctuations

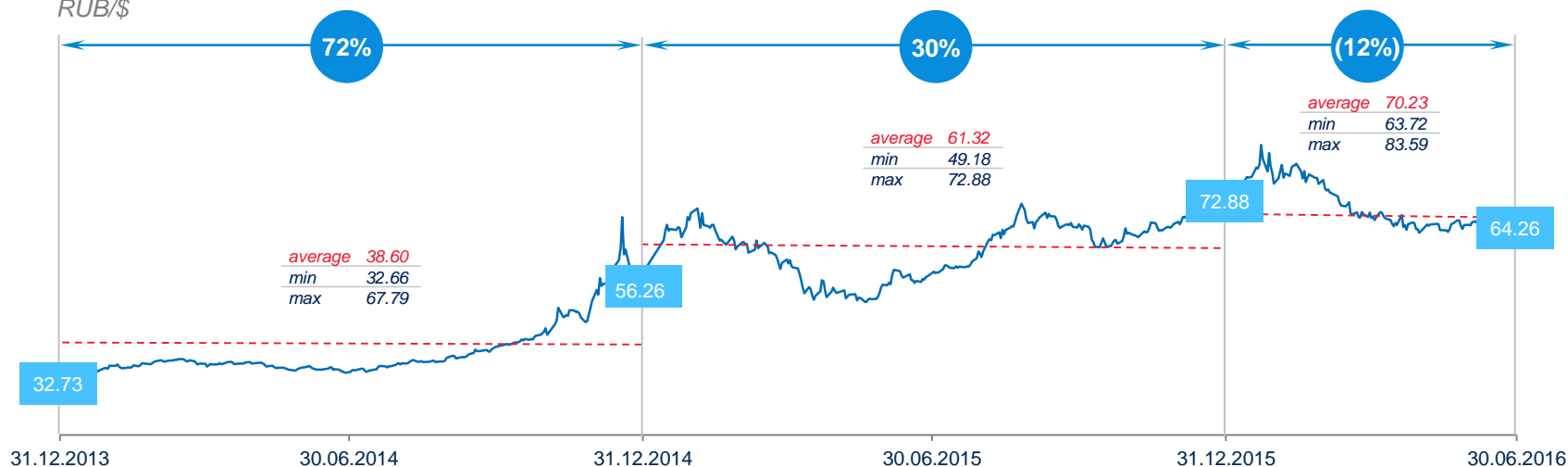
Sensitivity analysis

RUB mln

	-10 RUB/\$	2015	+10 RUB/\$		
Revenue	191,716 (14.61%)	224,524	257,332 +14.61%	90%	received in \$ as diamond prices are set in \$
Cost of sales	(90,330) (3.12%)	(93,240)	(96,150) +3.12%	20%	are driven by \$ as MET is based on \$ diamond prices
EBITDA	88,601 (25.23%)	118,498	148,395 +25.23%	70%	linked to \$
Capital expenditures	(33,794) (1.30%)	(34,241)	(34,688) +1.30%	<10%	\$-denominated

Exchange rate

RUB/\$



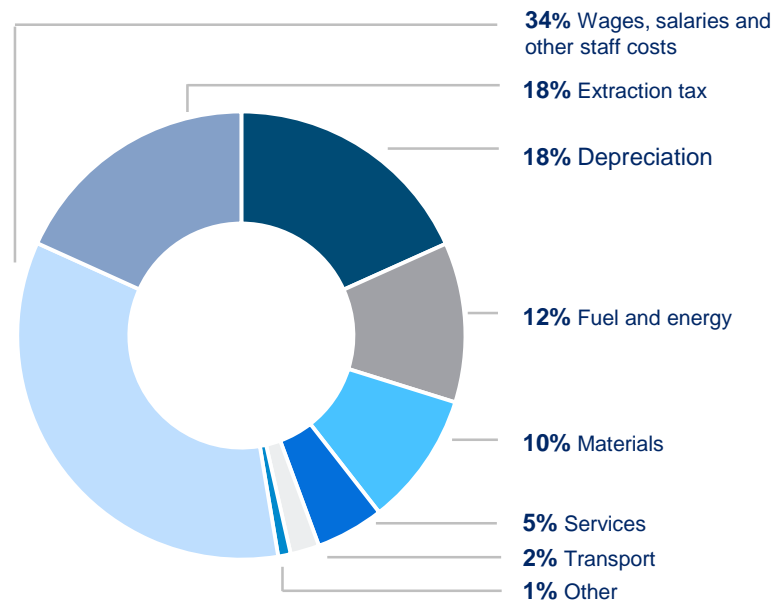
Cost of sales increased in H1 2016 y-o-y in line with sales volumes growth

Cost of sales

RUB mln

	H1 2016	H1 2015	H1 2016 vs H1 2015
Wages, salaries and other staff costs	22,002	20,910	5%
Depreciation	11,693	9,459	24%
Extraction tax	11,665	11,024	6%
Fuel and energy	7,381	8,556	-14%
Materials	6,169	4,667	32%
Services	3,144	2,074	52%
Transport	1,335	1,069	25%
Other	580	742	-22%
Cost of production	63,969	58,501	9%
Movement in inventory of diamonds, ores and concentrates	4,787	-4,136	-
Cost of diamonds for resale	497	515	-3%
Cost of sales	69,253	54,880	26%

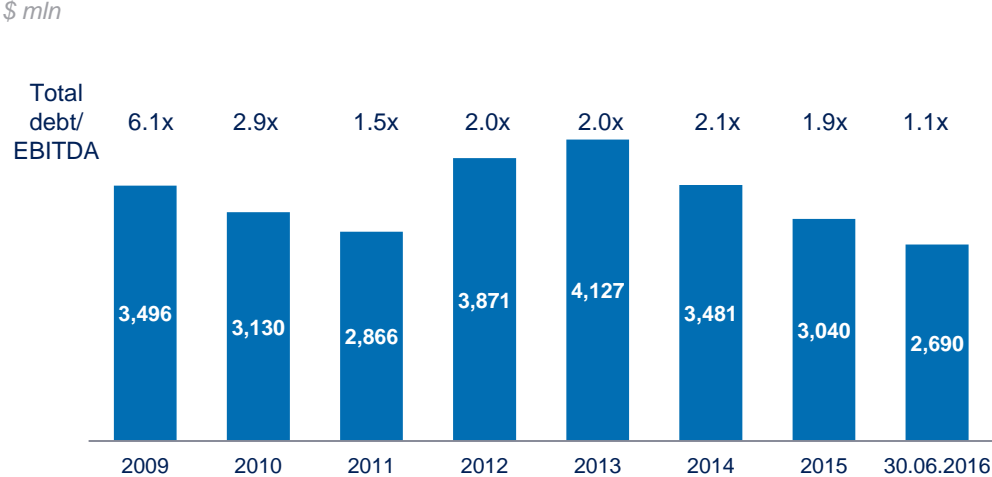
Production costs breakdown



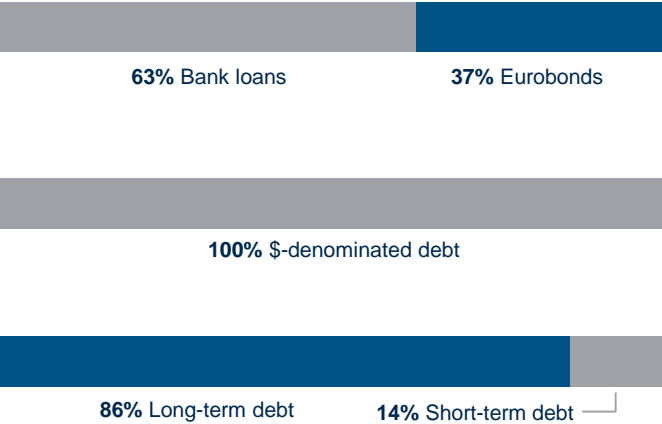
- Wages, salaries and other staff costs in H1 2016 y-o-y grew as a result of indexation in line with the inflation rate
- Growth of depreciation in H1 2016 y-o-y was due to production increases at the Komsomolskaya pipe and the Udachny underground mine, and also due to commencing of production at the Bolshaya Kuonamka alluvial placer of JSC Nizhne-Lenskoe
- H1 2016 costs of materials increased y-o-y mainly as a result of increases in material prices, launch of new equipment in the Udachny division and an increase in mining activities at JSC Almazly Anabara
- Decrease in fuel and energy costs in H1 2016 y-o-y was in line with an increase in costs of services due to the reclassification of electricity costs

ALROSA has been deleveraging for the last 5 years, keeping its loan portfolio balanced in structure and maturity profile

Loans and borrowings

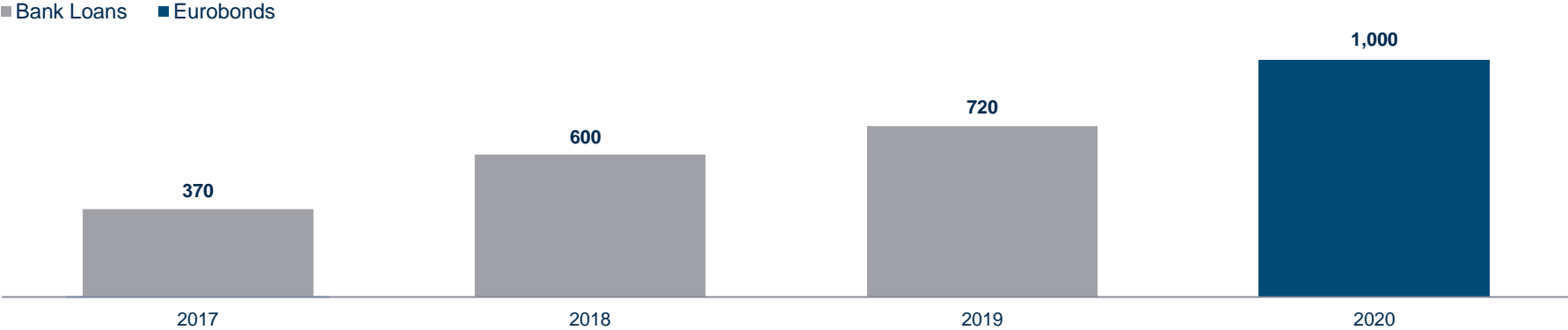


Loans and borrowings breakdown



Loans and borrowings maturity profile

As at 30 June 2016, \$ mln

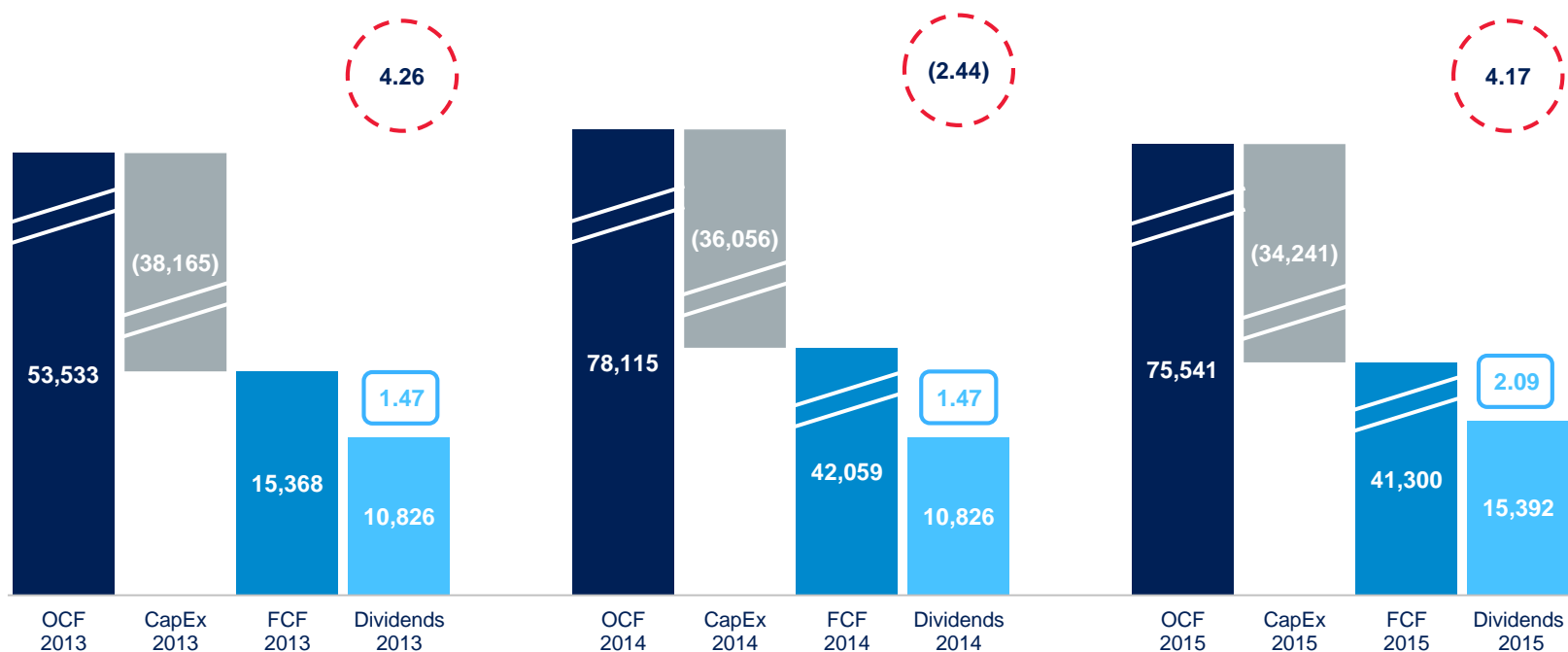


ALROSA has a track record of strong cash flows and dividend payouts

Operating cash flow, capital expenditures, free cash flow and dividends

RUB mln

□ Dividends per share, RUB ○ EPS, RUB



Appendix

Management team overview

Executive Team

CEO



Andrey Zharkov

President - chief executive officer

- Joined the Company in 2015
- Deputy head of Gokhran (2010–2015)
- Chief commercial officer at Prioksky non-ferrous metals plant (2009–2010)
- Held various management positions in Russian metals and mining companies, such as Norilsk Nickel and RUSAL (2001–2009)

COO



Igor Sobolev

First vice-president – chief operating officer

- Joined the Company in 2007
- Head of Capital construction division, mining & metallurgical directorate, Norilsk Nickel (2000-2007)

CFO



Igor Kulichik

Vice-president - chief financial officer

- Joined the Company in 2002
- Vice-president and CFO of ALROSA since August 2009

Economy



Elena Gangalo

Vice-president for economy

- Joined the Company in 2016
- Deputy Minister of agriculture of the Russian Federation (2015-2016)
- Deputy Head of the Federal service for hydrometeorology and environmental monitoring (Roshydromet) (2011-2015)

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

Mirny division



Mikhail Lopatinsky

Director, Mirny mining and processing division

- Joined the Company in 1992
- Over 23 years of industry experience

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



Igor Uvarov

Director, Nyurba mining and processing division

- Joined the Company in 1989
- Over 26 years of industry experience

Almazy Anabara



Pavel Marinychev

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)

<p>1</p>  <p>Anton Siluanov</p> <p>Finance Minister of the Russian Federation</p> <p>Chairman of the Board of directors</p> <p>Nominated by: Russian Federation</p>	<p>2</p>  <p>Yegor Borisov</p> <p>President of the Republic of Sakha (Yakutia)</p> <p>First Deputy Chairman of the Supervisory Board</p> <p>Nominated by: Republic of Sakha (Yakutia)</p>	<p>3</p>  <p>Alexander Galushka</p> <p>Minister for the Development of the Russian Far East</p> <p>Deputy Chairman of the Supervisory Board</p> <p>Nominated by: Russian Federation</p>	<p>4</p>  <p>Andrey Zharkov</p> <p>President (CEO) of ALROSA</p> <p>Nominated by: Russian Federation</p>
<p>Previously held positions include</p> <ul style="list-style-type: none"> • 2005 – 2011 – Deputy Minister of Finance of the Russian Federation • Since 2011 – Minister of Finance of the Russian Federation 	<p>Previously held positions include</p> <ul style="list-style-type: none"> • 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) 	<p>Previously held positions include:</p> <ul style="list-style-type: none"> • 2004 – 2010 – President of Non-Profit Partnership “Russian Collegium of Appraisers” • 2010 – 2012 – President, Co-chairman of All-Russian public organisation <i>Delovaya Rossiya</i> • 2011 – 2012 – member of state commission on the socio-economic development of the Far East, the Republic of Buryatia, the Zabaikalye and Irkutsk regions • Since 2013 – Minister of the Russian Federation for the Development of the Far East 	<p>Previously held positions include</p> <ul style="list-style-type: none"> • 2009 – 2010 – Chief Commercial Officer at Prioksky Non-Ferrous Metals Plant • 2010 – 2015 – Deputy Head of Gokhran under the Russian Ministry of Finance • Since 2015 – President (CEO) of ALROSA
<p>5</p>  <p>Oleg Fedorov</p> <p>Adviser to the Head of the Federal Agency for State Property Management</p> <p>Nominated by: Russian Federation</p>	<p>6</p>  <p>Sergey Barsukov</p> <p>Director, Financial Policy Department, Ministry of Finance of the Russian Federation</p> <p>Nominated by: Russian Federation</p>	<p>7</p>  <p>Maria Gordon</p> <p>Chief portfolio manager at Pacific Investment Management Co. (PIMCO) until 2014</p> <p>Nominated by: minority shareholders as an independent director</p>	<p>8</p>  <p>Alexey Chekunkov</p> <p>CEO of Far East and Baikal Region Development Fund</p> <p>Nominated by: Russian Federation</p>
<p>Previously held positions include:</p> <ul style="list-style-type: none"> • 2009 – 2012 – Head, Department for cooperation with governmental authorities and companies with government participation, department of investment and banking on global markets, VTB Capital • Since 2012 – Adviser to the Head of the Federal Agency for State Property Management 	<p>Previously held positions include</p> <ul style="list-style-type: none"> • 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 	<p>Previously held positions include</p> <ul style="list-style-type: none"> • 1998 – 2010 – Goldman Sachs, investment activity • 2010 – 2014 – PIMCO, investment activity 	<p>Previously held positions include</p> <ul style="list-style-type: none"> • 2009 – 2011 – Head of New Nations Capital Investment Company • 2011 – 2013 – Director, member of the board, member of investment committee of the Russian Direct Investment Fund • Since 2014 – Director of the Far East Development Fund

Supervisory Board overview (2/2)

9 **Oleg Grinko**
 Chairman of the Board of Directors at Sberinvest Asset Management



Nominated by: Russian Federation as an **independent director**

- Previously held positions include
- Since 2004 – Chairman of the Board of Directors at Sberinvest Asset Management
 - Since 2006 – Adviser to Director of investment and external communications in Peresvet-Invest group

10 **Pavel Ulyanov**
 Head of Energy Division at RUSAL Global Management B.V.



Nominated by: Russia Federation as an **independent director**

- Previously held positions include
- Since 2007 – Head of Energy Division at RUSAL Global Management B.V.

11 **Valentina Lemesheva**
 Chair of the State Committee for Pricing Policy – Regional Energy Commission of the Republic of Sakha (Yakutia) till 2014



Nominated by: Republic of Sakha (Yakutia) as an **independent director**

- Previously held positions include
- 2002-2014 – Chair of the State Committee for Pricing Policy – Regional Energy Commission of the Republic of Sakha (Yakutia)

12 **Galina Danchikova**
 Chairwoman of the Government of the Republic of Sakha (Yakutia)



Nominated by: Republic of Sakha (Yakutia)

- Previously held positions include:
- 2007 – 2010 – Deputy Chairman of the Government of the Republic of Sakha (Yakutia)
 - Since 2010 – Chairman of the Government of the Republic of Sakha (Yakutia)

13 **Yevgenia Grigoryeva**
 Minister of Property and Land Relations of the Republic of Sakha (Yakutia)



Nominated by: Republic of Sakha (Yakutia)

- Previously held positions include
- 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)


14 **Vasily Lukin**
 First Deputy Head of the Municipal District Vilyui Ulus (district) of the Republic of Sakha (Yakutia)



Nominated by: Republic of Sakha (Yakutia)

- Previously held positions include
- 2007-2011 – Head, Plant Cultivation and Procurement Department, Ministry of Agriculture and Food Policy of the Republic of Sakha (Yakutia)
 - 2011-2012 - Head, Arable Farming, Melioration and Procurement Department, Ministry of Agriculture and Food Policy of the Republic of Sakha (Yakutia)
 - Since 2012 – First Deputy Head of the Municipal District Vilyui Ulus (district) of the Republic of Sakha (Yakutia)

15 **Peter Alekseyev**
 CEO of Republican Investment Company



Nominated by: Republic of Sakha (Yakutia)

- Previously held positions include
- 2009 – 2013 – Deputy Head, Head of Department of state and legal affairs in Presidential Administration and the Government of the Republic of Sakha (Yakutia)
 - Since 2013 – CEO of OJSC Republican Investment Company

2015 financial results

RUB mln	2015	2014	2015 vs. 2014
Operating performance			
Production, mln ct	38.3	36.2	6%
Sales, mln ct, incl.:	30.0	39.6	(24%)
gem quality diamonds sales, mln ct	19.7	27.7	(29%)
industrial quality diamonds sales, mln ct	10.3	11.9	(13%)
IFRS income statement of profit or loss and other comprehensive income			
Revenue	224,524	207,159	8%
Cost of sales	(93,240)	(99,334)	(6%)
EBITDA	118,498	93,857	26%
EBITDA margin	53%	45%	-
Net profit / (loss)	32,192	(16,832)	-
Net profit margin	14%	-	-
EPS, RUB	4.17	(2.44)	-
IFRS statement of financial position			
Cash and cash equivalents	20,503	21,693	(5%)
Total debt	223,159	197,160	13%
Net debt	202,656	175,467	15%
Net debt / EBITDA	1.7x	1.9x	-
Equity attributable to owners of PJSC ALROSA	151,742	137,051	11%
IFRS statement of cash flows			
Cash inflow from operating activities before changes in working capital	119,980	94,840	27%
Income tax paid	(10,345)	(12,379)	(16%)
Changes in working capital	(34,094)	(4,346)	7.8x
Net cash inflow from operating activities	75,541	78,115	(3%)
Purchase of property, plant and equipment	(34,241)	(36,056)	(5%)
Free cash flow	41,300	42,059	(2%)
ROIC	27%	22%	-

2015 operational results

		Ore and sands processing ('000 t)	Diamond production ('000 ct)	Grade (ct/t)	Revenue per ton of ore, (RUB)	Revenue per carat, (RUB)	Cash costs per ton of ore, (RUB)	Cash costs per carat, (RUB)
Type of mining								
Aikhal Division		9,141	12,322	1.35	10,246	7,601	2,487	1,845
Jubilee pipe	open-pit	8,355	9,405	1.13	10,155	9,021	2,014	1,789
Aikhal underground mine	underground	526	2,841	5.40	14,711	2,724	8,193	1,517
Komsomolskaya pipe	open-pit	260	77	0.29	4,161	14,114	6,166	20,915
Mirny Division		5,706	6,908	1.21	14,739	11,320	3,342	2,567
International underground mine	underground	486	4,024	8.28	102,354	12,557	16,303	2,000
Mir underground mine	underground	647	2,198	3.40	29,530	8,690	10,680	3,143
Alluvial and technogenic deposits	alluvial	4,574	686	0.15	2,058	12,488	666	4,043
Udachny Division		5,377	4,297	0.80	5,438	6,804	2,714	3,396
Udachnaya pipe	open-pit	3,250	3,515	1.08	7,210	6,667	2,253	2,084
Udachnaya underground mine	underground	262	413	1.58	9,918	6,295	14,404	9,142
Zarnitsa pipe	open-pit	993	225	0.23	2,482	10,976	2,267	10,025
Alluvial deposits	alluvial	872	145	0.17	855	5,132	1,429	8,573
Nyurba Division		2,040	7,510	3.68	22,329	6,066	6,371	1,731
Nyurbinskaya pipe	open-pit	978	4,809	4.92	29,824	6,066	6,371	1,296
Botuobinskaya pipe	open-pit	135	942	6.97	42,326	6,066	6,371	913
Alluvial deposits	alluvial	927	1,759	1.90	11,510	6,066	6,371	3,358
Lomonosov Division (Severalmaz)		3,988	1,950	0.49	1,819	3,720	1,059	2,166
Almazy Anabara		5,222	3,309	0.63	2,453	3,871	817	1,290
Nizhne-Lenskoye		5,640	1,964	0.35	2,378	6,829	937	2,691
ALROSA		37,114	38,260	1.04	7,630	7,322	2,229	2,139
	<i>underground</i>	1,921	9,476	4.91	41,468	8,439	11,947	2,431
	<i>open-pit</i>	17,960	20,921	1.16	8,573	7,359	2,189	1,879
	<i>alluvial</i>	17,235	7,863	0.47	2,746	5,876	1,158	2,477

Thank you!



Corporate Finance
Investor Relations

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