



**ALROSA**

**Investor presentation**

# Disclaimer

---

The information contained herein has been prepared for the use in this Presentation (the “Presentation”) and has not been independently verified. Such information is confidential and is being provided to you solely for your information and may not be reproduced, retransmitted, further distributed to any other person or published, in whole or in part, for any purpose.

The opinions presented herein are based on general information gathered at the time of writing and are subject to change without notice. Certain industry, market and competitive position data contained in this Presentation come from official or third party sources believed to be reliable but ALROSA does not guarantee its accuracy or completeness.

This Presentation contains statements about future events and expectations that are forward-looking statements. Any statement in this Presentation that is not a statement of historical fact is a forward-looking statement that involves known and unknown risks, uncertainties and other factors which may cause the ALROSA’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Past performance should not be taken as an indication or guarantee of future results, and no representation or warranty, express or implied, is made regarding future performance. ALROSA assumes no obligation to update, supplement or revise forward-looking or any other statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting these statements. ALROSA does not intend or have any duty or obligation to update or to keep current any information contained in this Presentation.

The diamond resources and reserves estimates provided in this Presentation have been prepared and presented in accordance with the standards and classifications of the JORC Code (the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves as promulgated by the Australasian Joint Ore Reserves Committee), which differ in significant respects from the standards and classifications applicable to the disclosure of mineral resources and reserves under the laws and regulations of certain other jurisdictions, including the regulations of the U.S. Securities Exchange Commission (the “SEC”) with respect to registration statements and other documents filed with the SEC. Among other things, in accordance with the JORC Code, this Presentation provides certain mineral resources estimates classified as “inferred”, “indicated” or “measured”, which differ in significant respects from “probable” and “proven” mineral reserves estimates and are not disclosed in certain jurisdictions, including in SEC filings. There can be significant uncertainty as to whether mineral resources can ever be feasibly and commercially mined. For further explanation of the JORC Code, see the JORC website at [www.jorc.org](http://www.jorc.org).

This Presentation does not constitute an offer to sell, or any solicitation of any offer to subscribe for or purchase, any securities. No part of this Presentation, nor the fact of its distribution, should form any basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever.

The information in this Presentation is subject to verification, completion and change. No representation or warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the accuracy or completeness of the information or opinions contained in this Presentation. None of ALROSA nor any of its shareholders, directors, officers or employees, affiliates, advisors, representatives nor any other person accepts any liability whatsoever for any loss howsoever arising from any use of this Presentation or its contents or otherwise arising in connection therewith.

This Presentation is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction.

This Presentation is not for distribution, directly or indirectly, to the public in the United States (including its territories and possessions, any State of the United States and the District of Columbia). These materials are not an offer or solicitation to purchase or subscribe for securities in the United States or any other jurisdiction. Securities may not be offered or sold in the United States absent registration with the U.S. Securities and Exchange Commission or an exemption from registration under the U.S. Securities Act of 1933, as amended. ALROSA does not intend to register any part of any offering in the United States or to conduct a public offering of any of its securities in the United States.

By attending a meeting where this Presentation is made or reviewing this Presentation you acknowledge and agree to be bound by the foregoing.

# Contents

---



1

Market Overview

4

2

Long-Term Projections

15

3

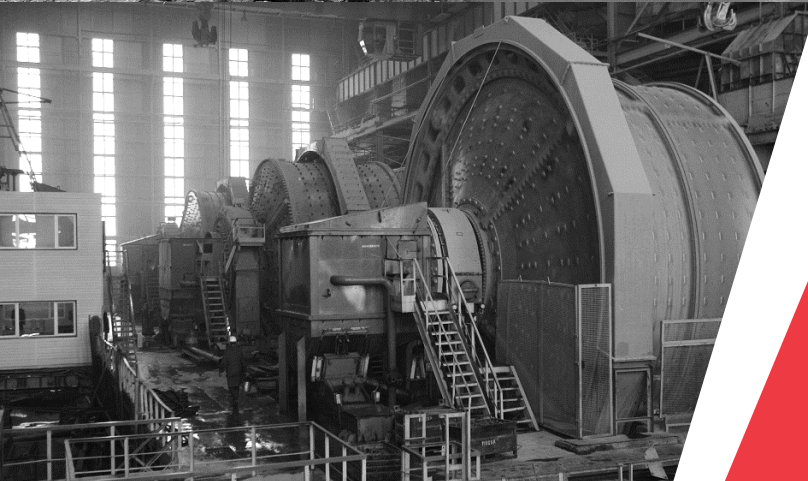
Sales Overview

24

4

Financial Overview

29

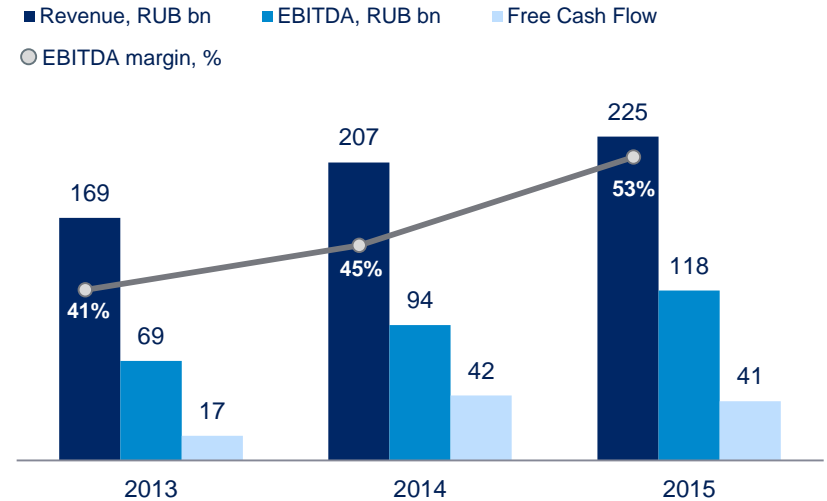


## Market Overview

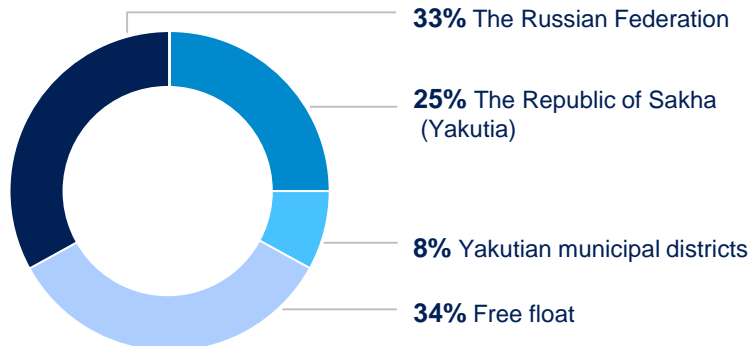
# ALROSA is a global leader in rough diamond production with a strong financial profile

- 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

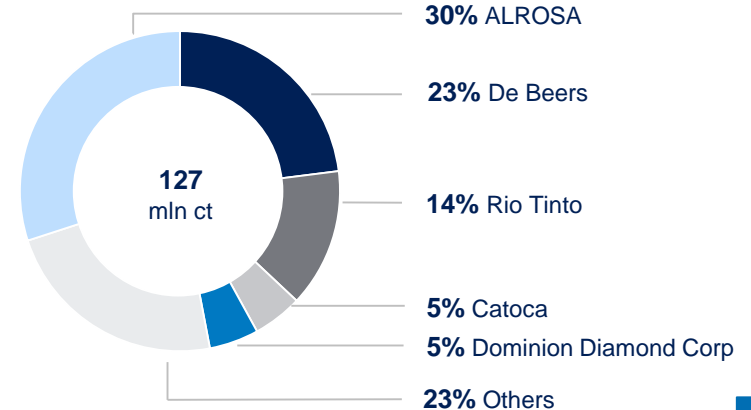
## ALROSA financial results summary



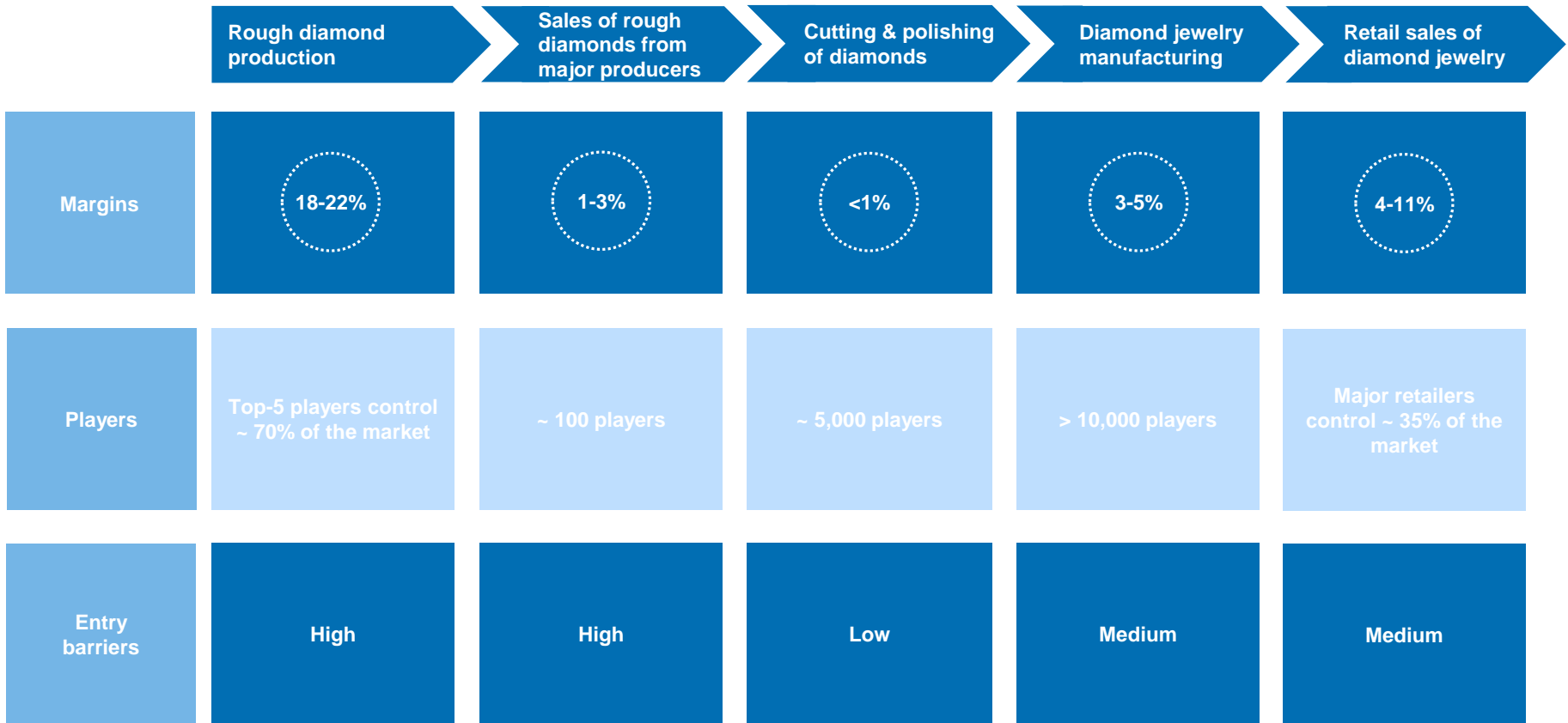
## ALROSA's shareholder structure



## Global diamond production



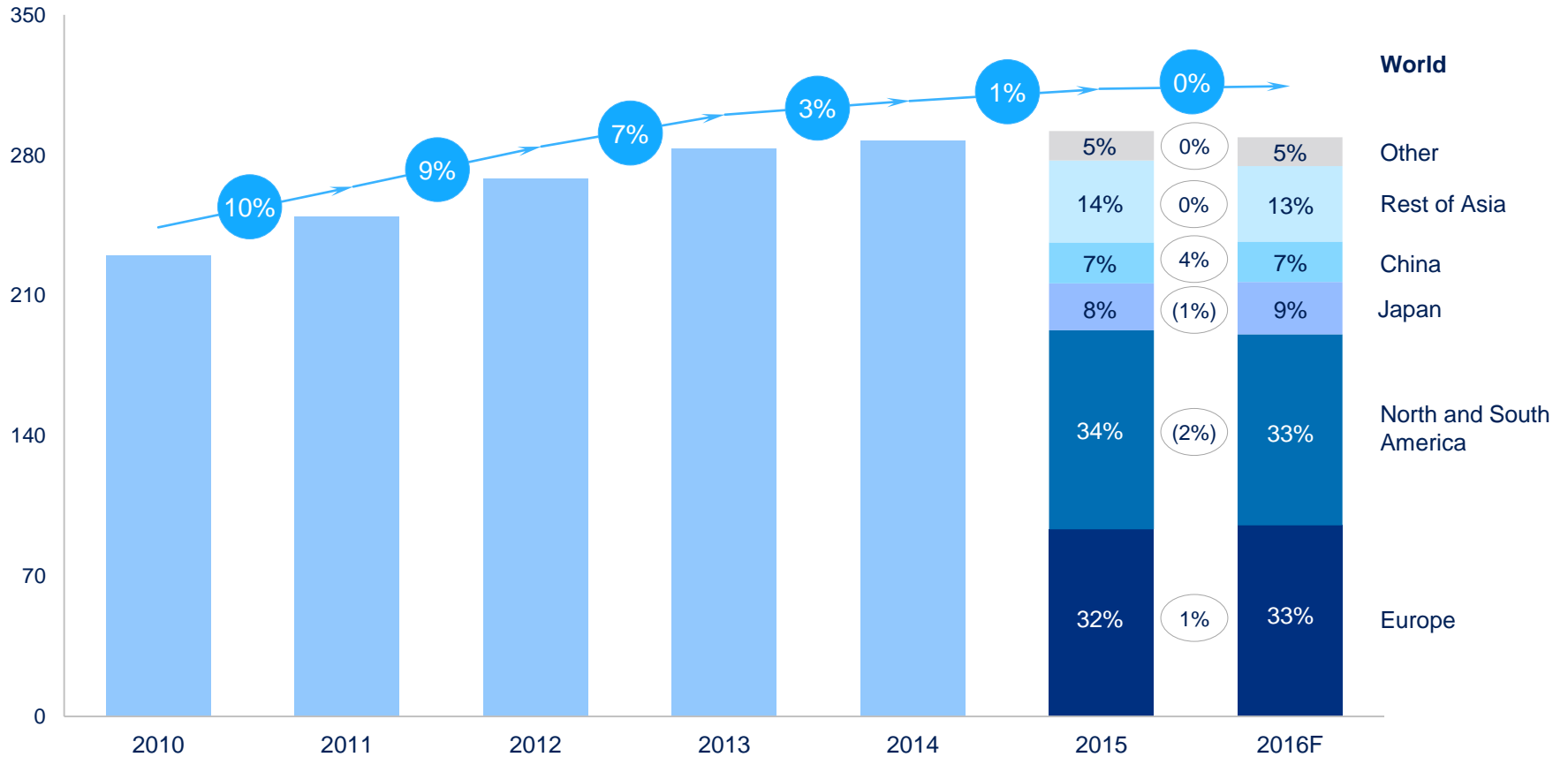
# Rough diamond production is dominated by a few mining companies with the highest margins across diamond pipeline



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

## Global luxury goods market (at constant exchange rates)

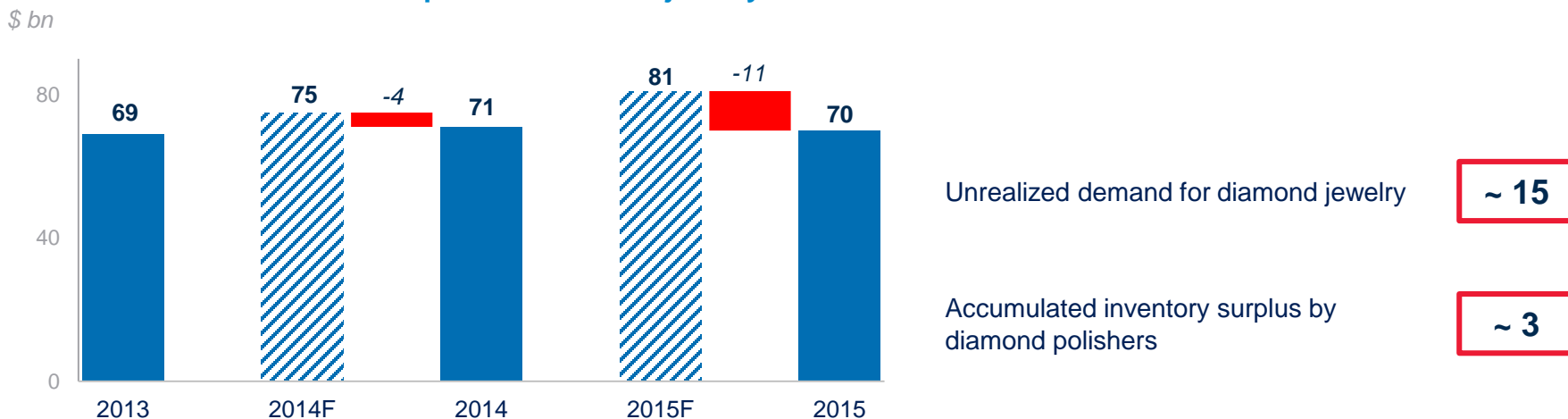
\$ bn



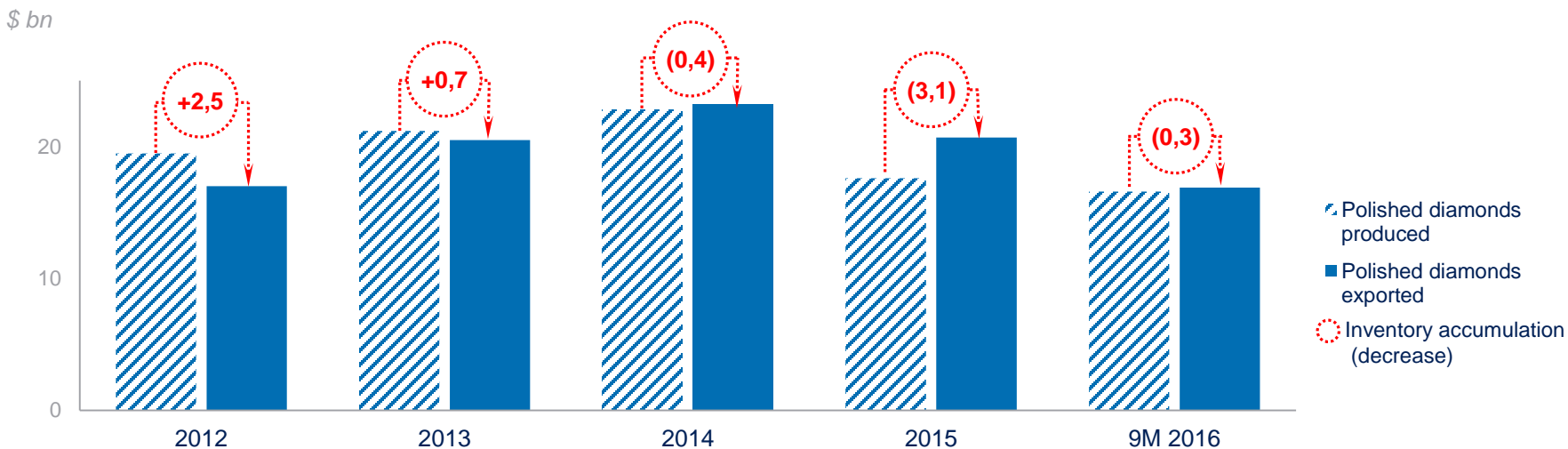
Source: Bain & Company's Altagamma 2016 Worldwide Luxury Market Monitor

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

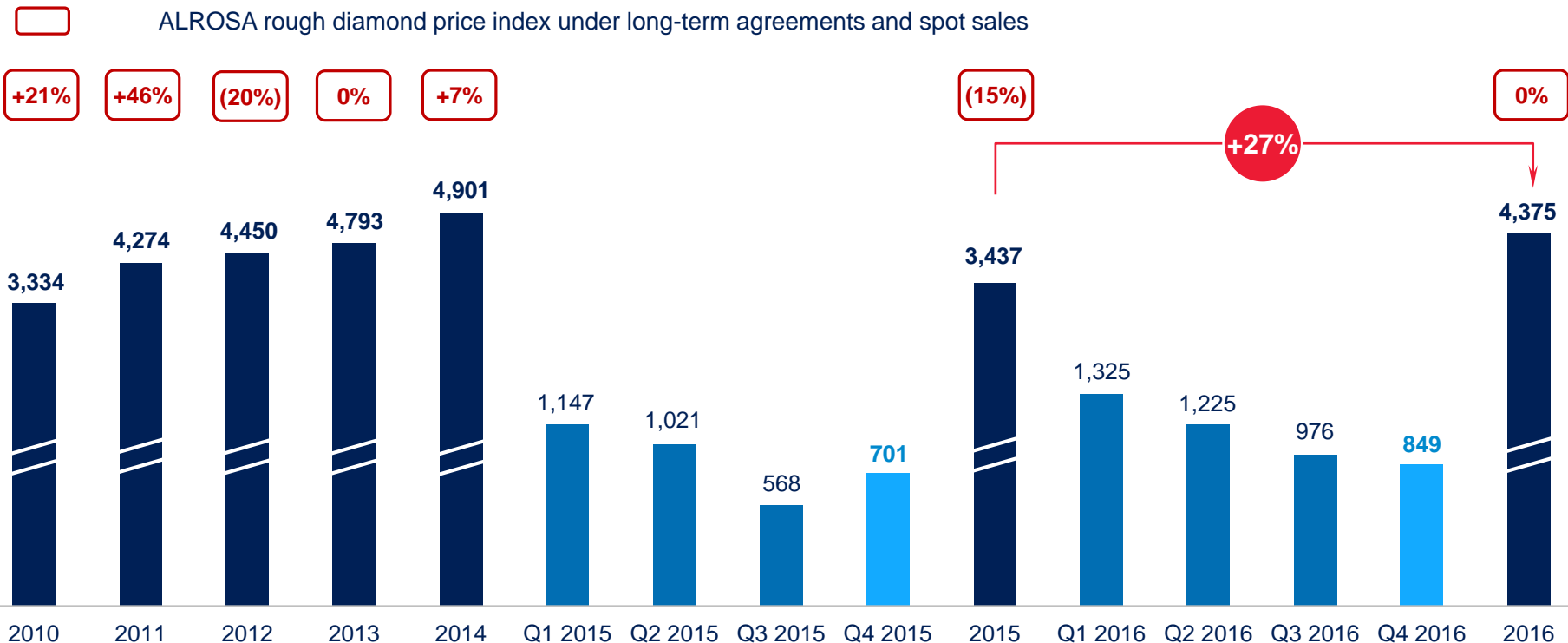


Source: Gem Jewellery Export Promotion Council, Company estimation

# 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

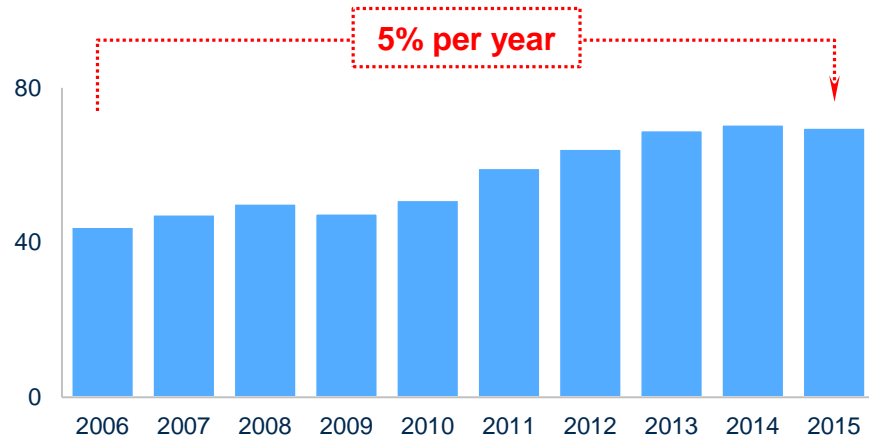
mln ct

	2010	2011	2012	2013	2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016E	FY 2016E
Sales	39.4	32.9	33.2	38.0	39.6	9.0	9.0	4.9	7.1	30.0	12.1	9.6	8.3	10.1	40.1
Production	34.3	34.6	34.4	36.9	36.2	8.4	9.6	11.6	8.6	38.3	8.2	8.7	11.0	9.3	37.2
Sales above/(below) production	5.1	(1.7)	(1.2)	1.1	3.4	0.6	(0.6)	(6.7)	(1.5)	(8.3)	3.9	0.9	(2.7)	0.8	2.9

# Diamond industry grew 3-5% over the past decade

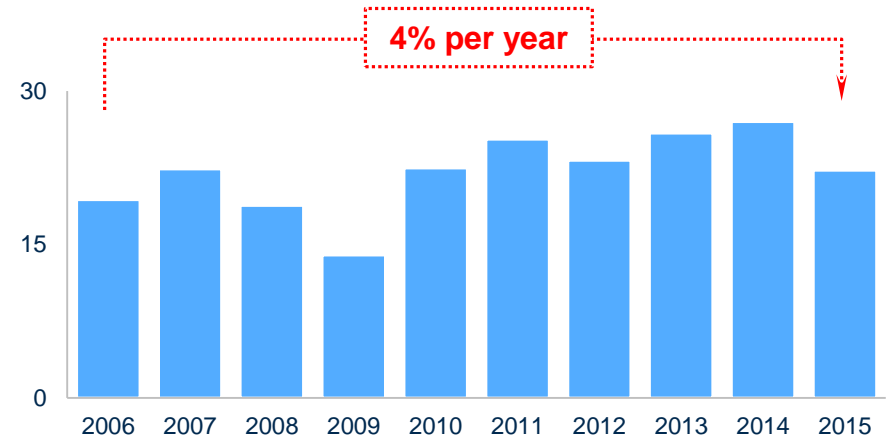
### Global diamond jewelry sales

\$ bn



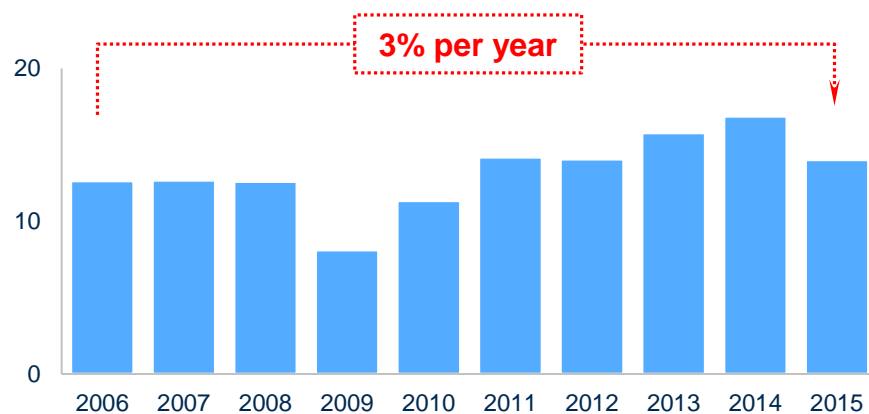
### Global polished diamond sales

\$ bn



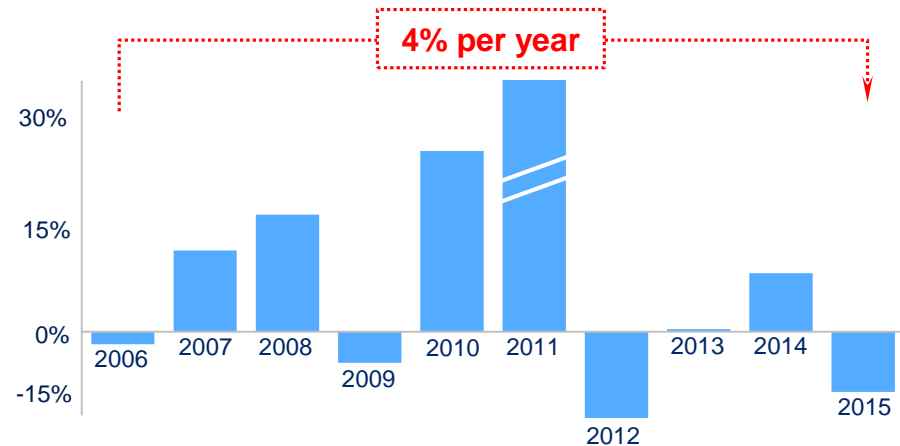
### Global rough diamond sales

\$ bn



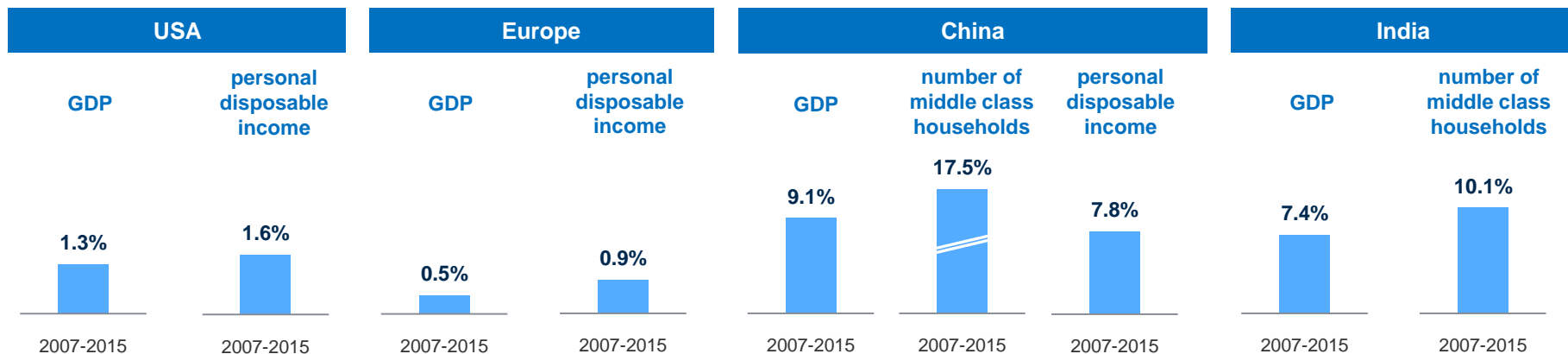
### ALROSA rough diamond price index

%

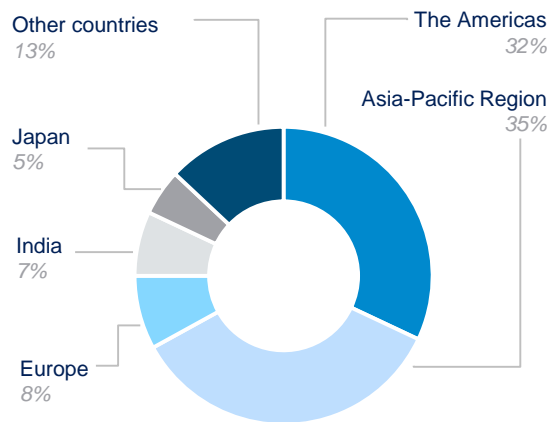


# Demand for diamond jewelry is expected to grow at ~2-4% annually in the next decade

## Key markets are driven by different macroeconomic indicators



## Jewelry sales breakdown by region



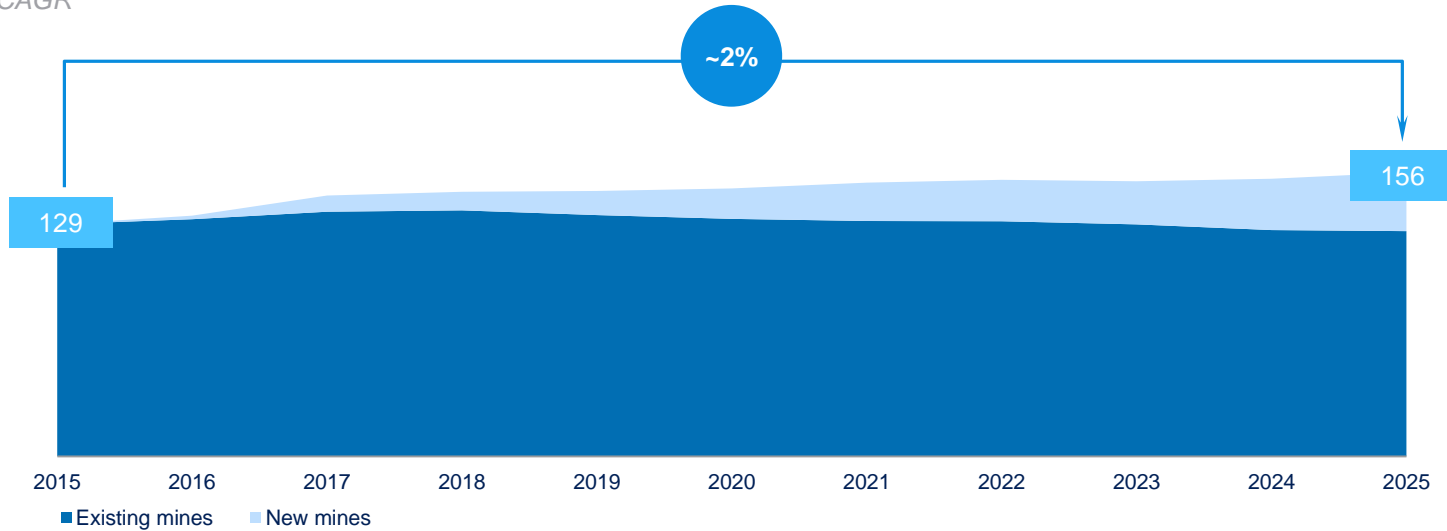
## Key markets' expected long-term demand growth rates

- 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

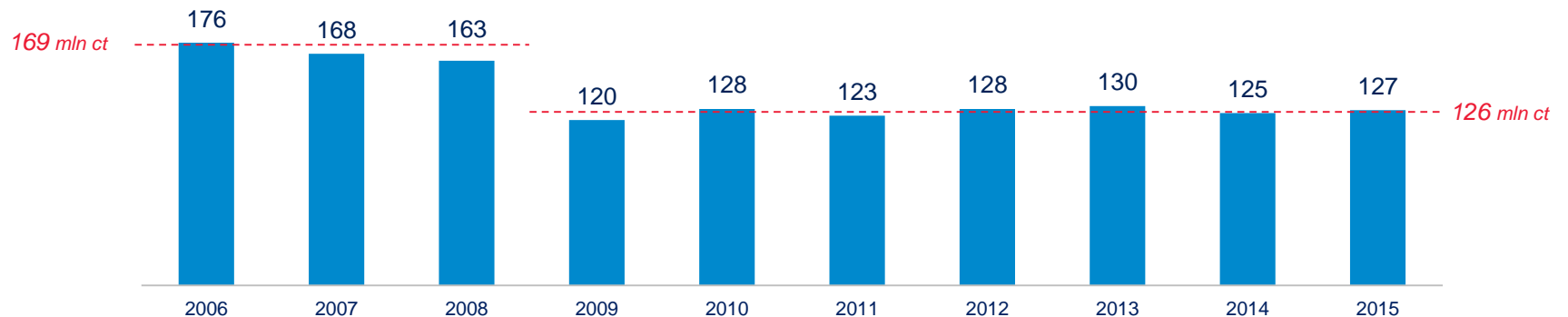
## Global diamond production forecast (based on diamond producers' plans and life of mines periods)

mln ct, y-o-y CAGR



## Global rough diamond production historical data

mln ct

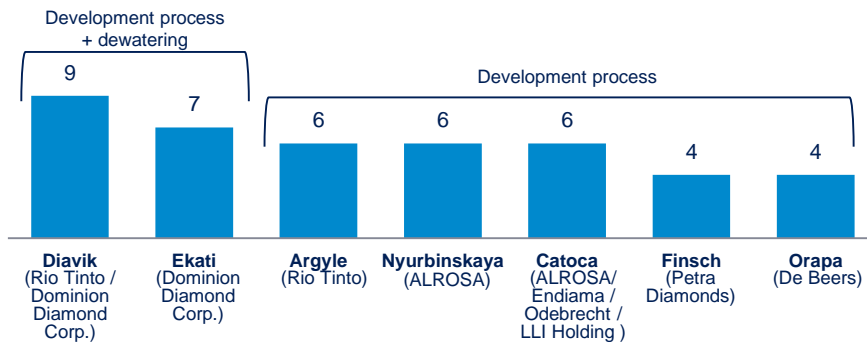


# Diamond exploration becomes increasingly challenging

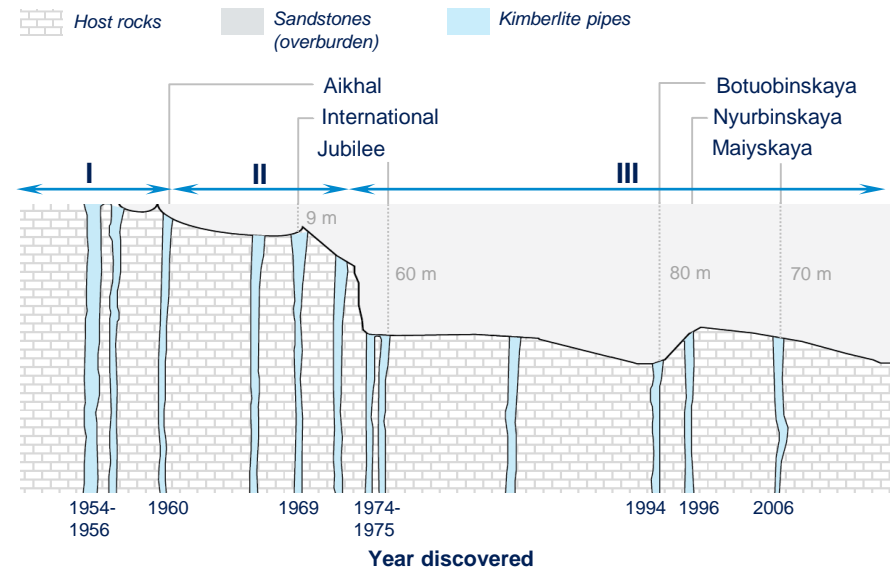
- Approximately 15% of kimberlites discovered are diamond-bearing, with 1% of these typically becoming producing mines
- Currently, the search of new kimberlite pipes is complicated due to overburden, all surface kimberlite pipes have already been discovered
- The average time from discovery to production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



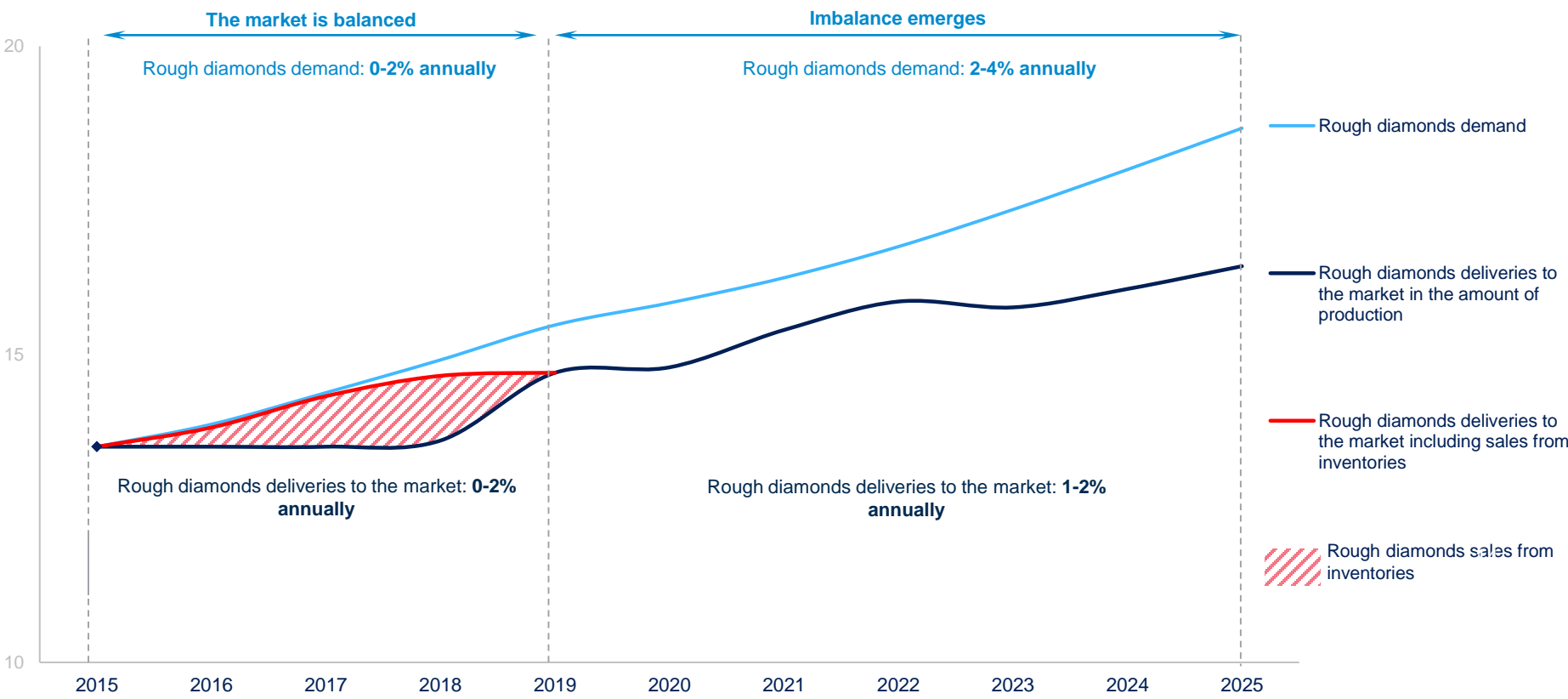
## Discovery of new kimberlites is much more challenging now



# 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

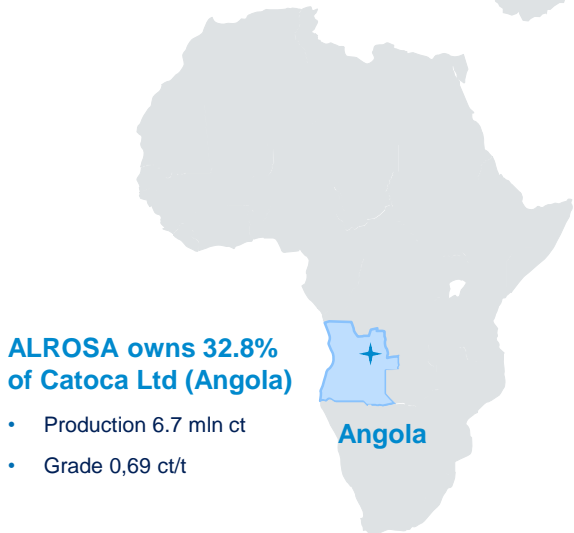
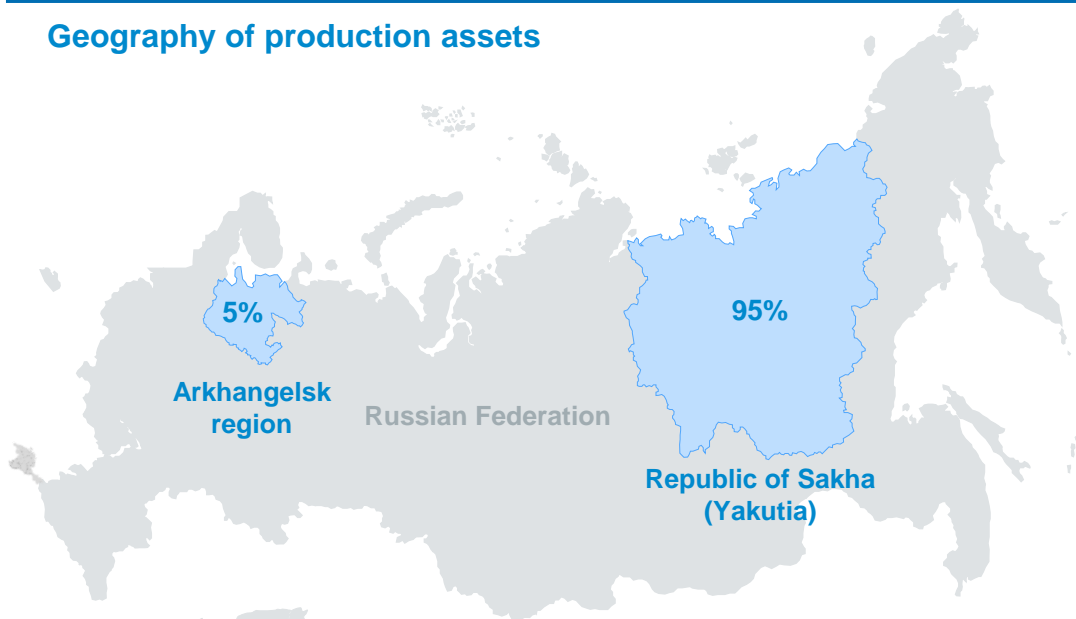




Long-Term Projections

# 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

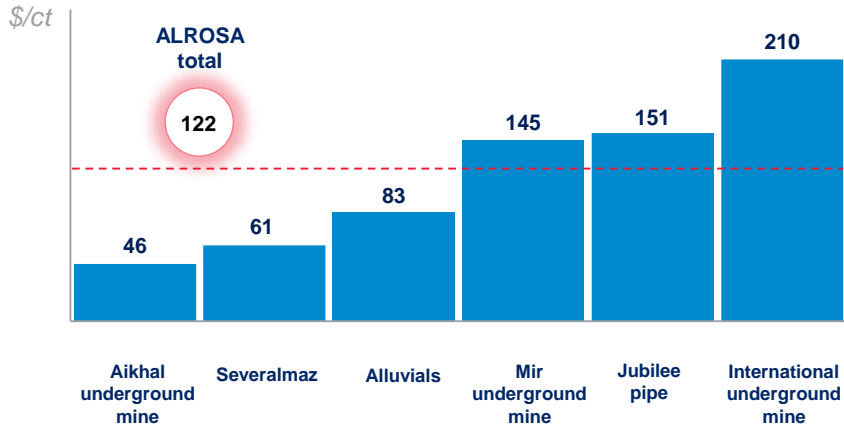


**1,030 mln ct** Total resources, incl. reserves  
**653 mln ct** Total reserves

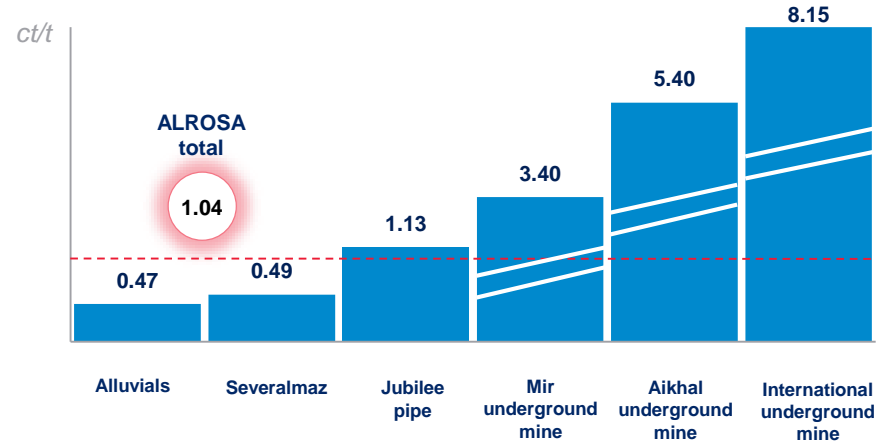


# ALROSA diamond pipes vary by average diamond price and grade with underground mines being at the top-end of revenue per ton range

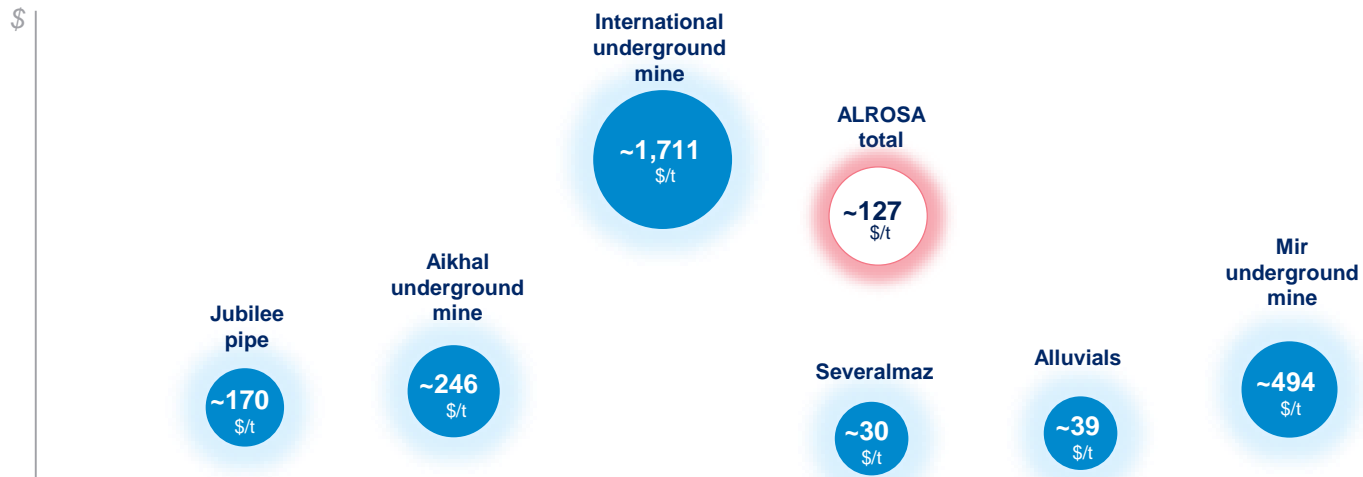
## Range of average mined diamond value



## Range of average mined diamond grade



## Revenue per ton of ore range

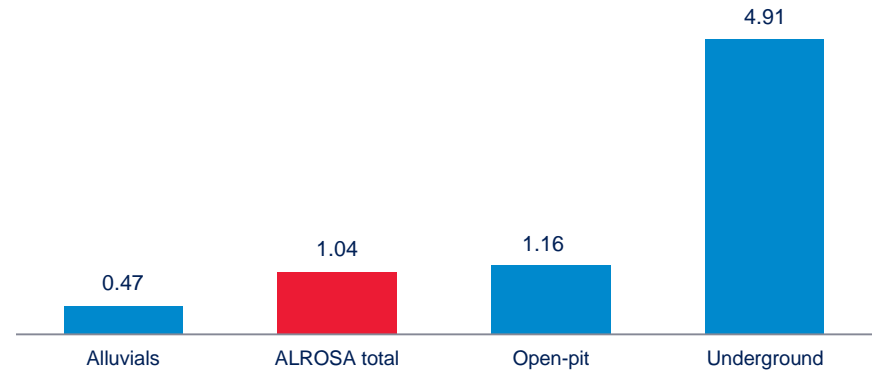


# Cost of underground production per carat is close to open-pit mining due to higher grade at underground mines

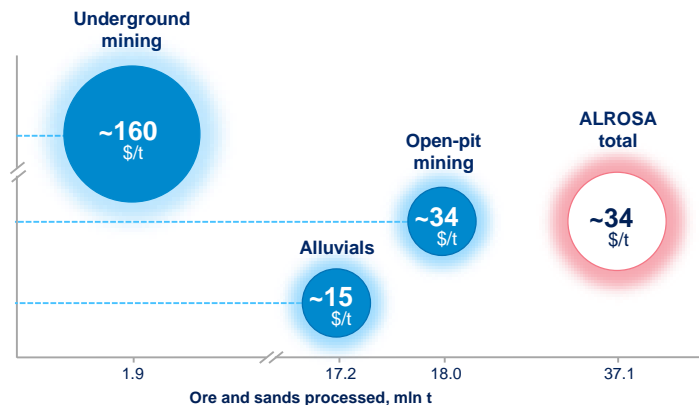
- Underground mining cost of production per ton of ore is 5 times higher than open-pit mining cost of production
- Underground mining average grade is 4 times higher vs. open-pit mining
- Underground mining cost of production per carat is close to open-pit mining

## Grade per type of mining and underground mines

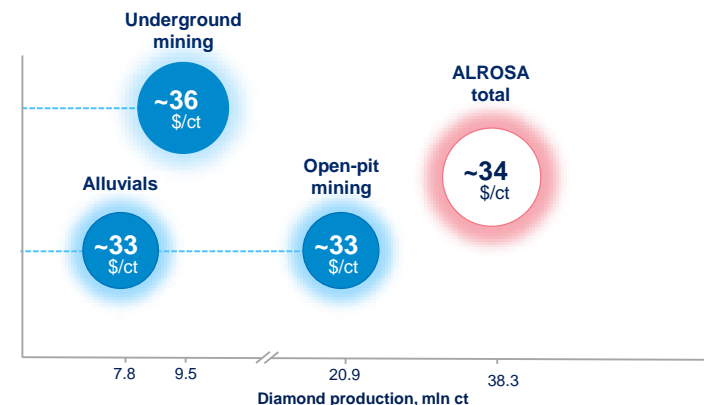
ct/t



## Cash cost of production per ton of ore



## Cash cost of production per carat

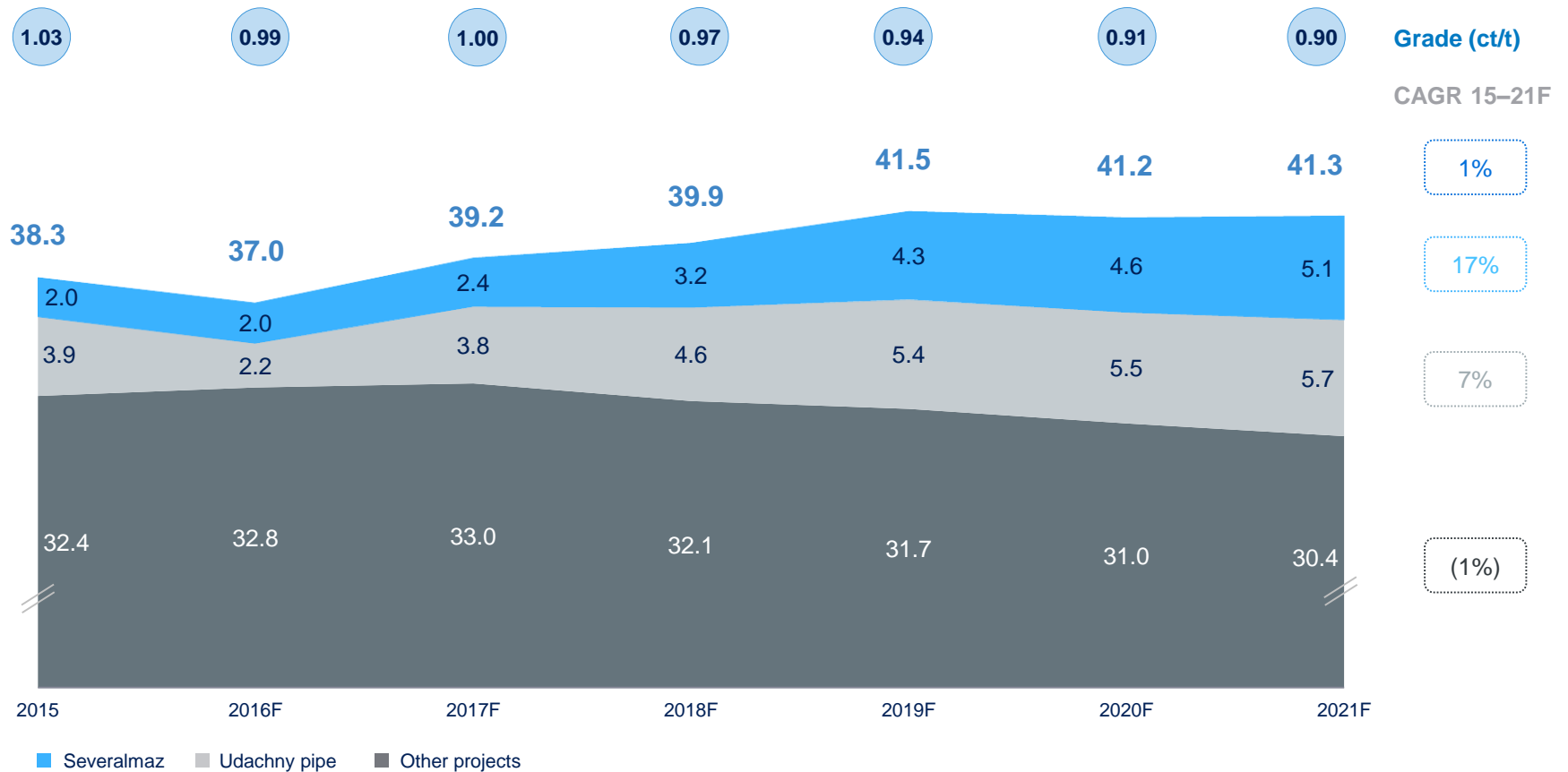


# ALROSA intends to increase diamond production to over 41 mln ct by 2019

## Severalmaz and Udachny are the key production growth drivers

### ALROSA production forecast

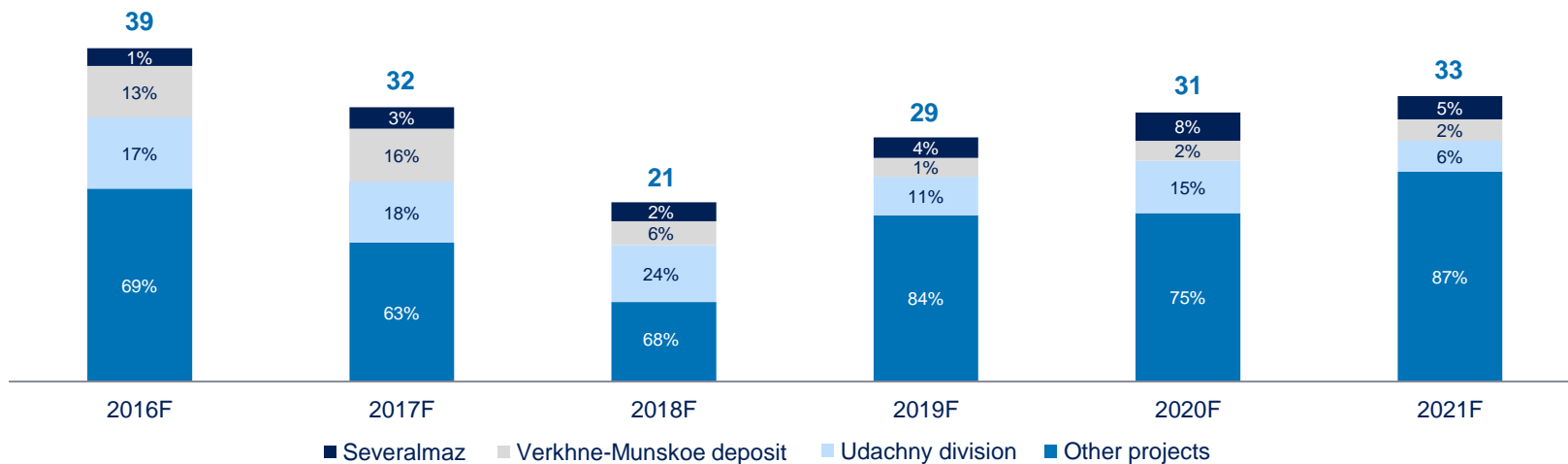
mln ct



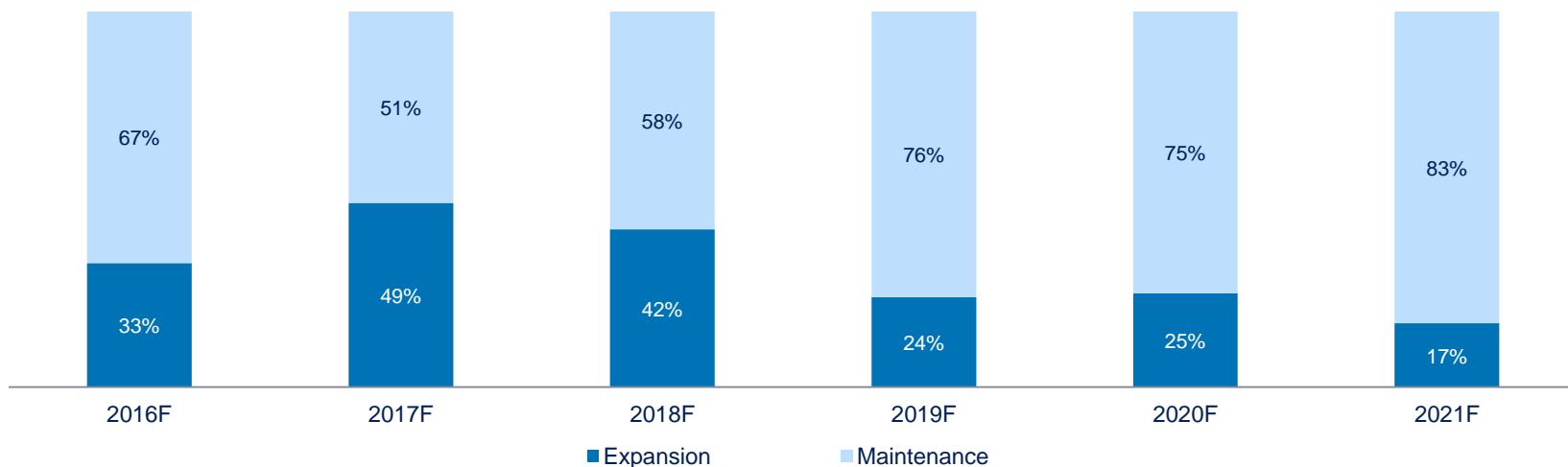
# ALROSA's long-term capital expenditure forecast

## 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%



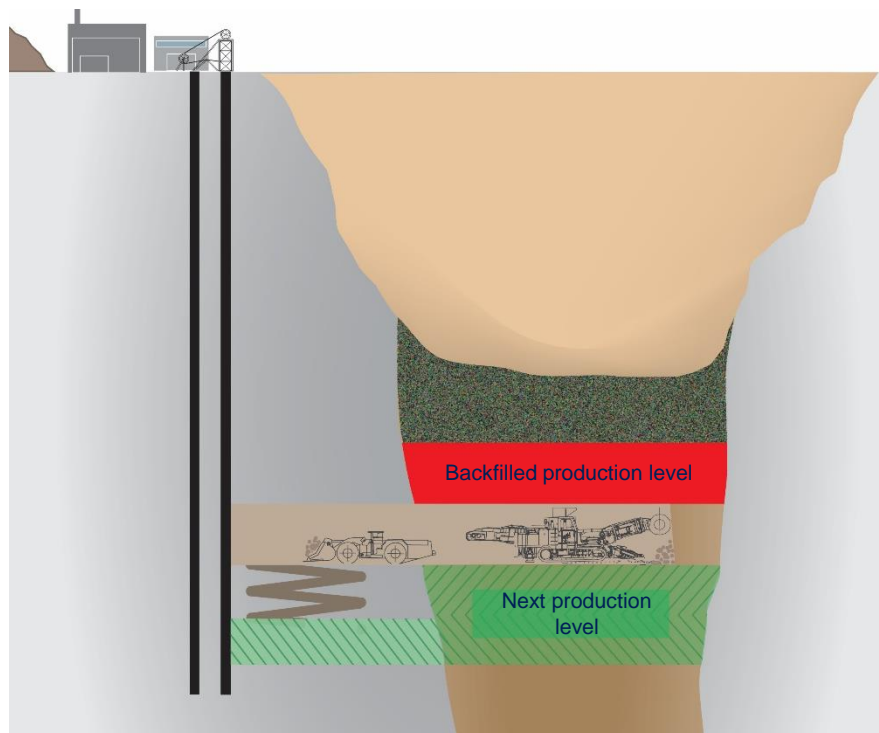
# Economic efficiency of Udachny underground mine will be fostered by block caving mining method

## Traditional cut-and-fill mining

Mir underground mine

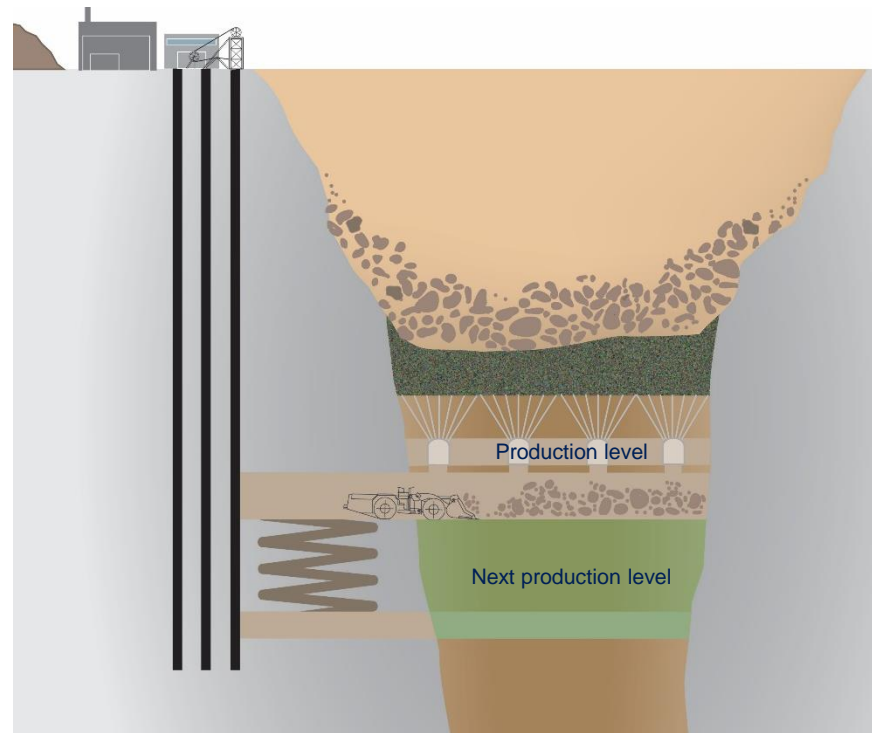
International underground mine

Aikhal underground mine



## Block caving method

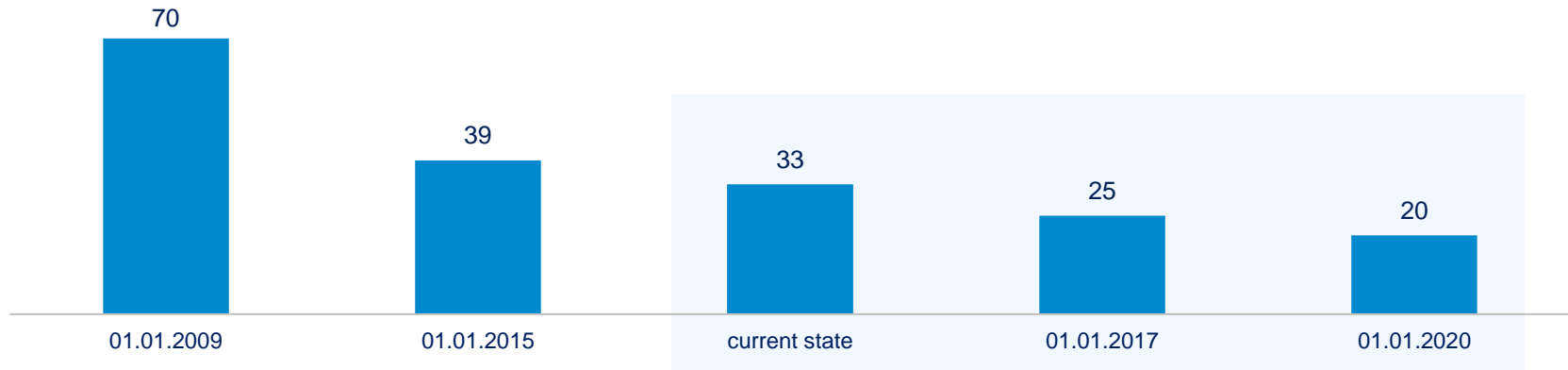
Udachny underground mine



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

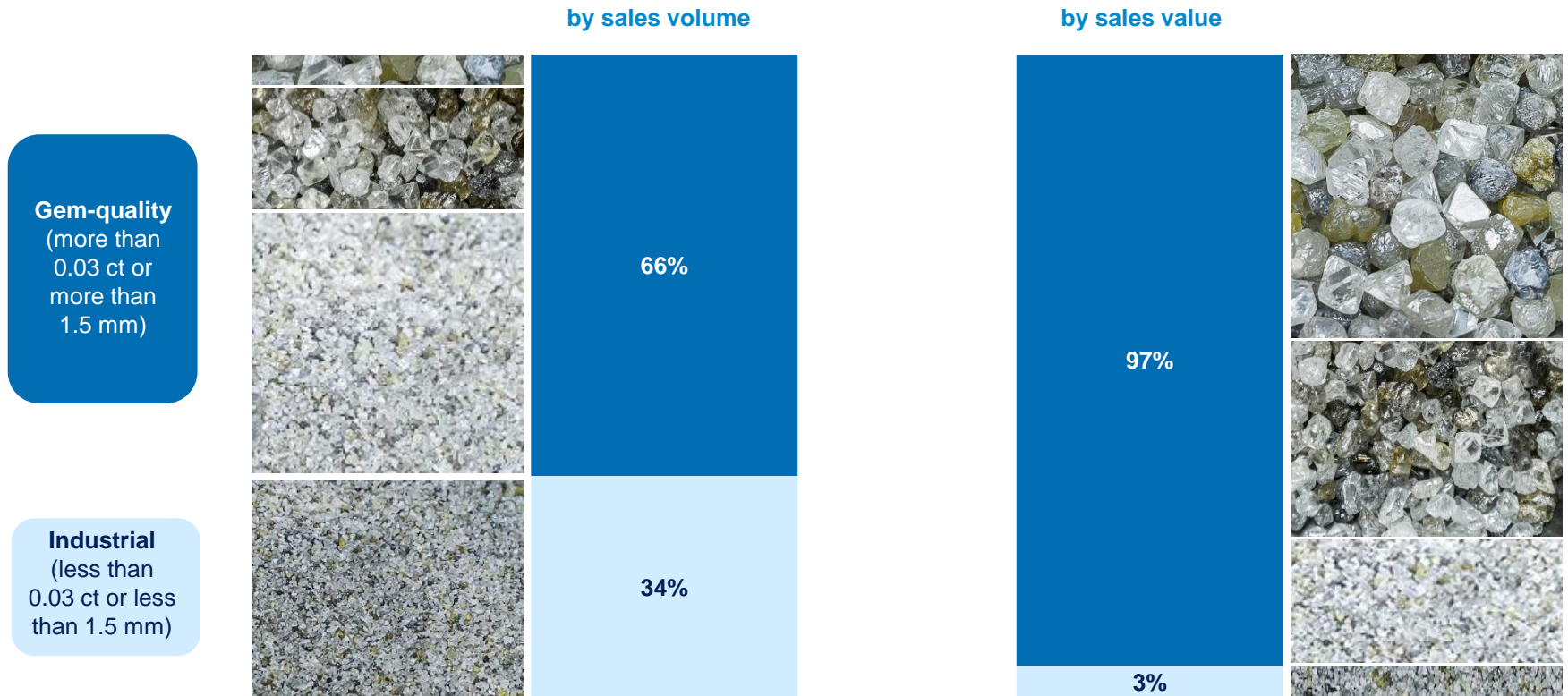




## Sales Overview

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

## Diamond sales breakdown

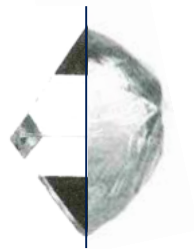


# Rough diamonds are sorted by size, shape, clarity and color into 204 boxes

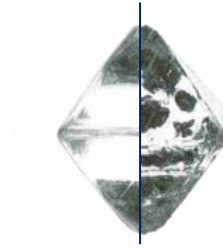
Rough diamonds are sorted by size, shape, clarity and color into **8,013** classification positions...



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

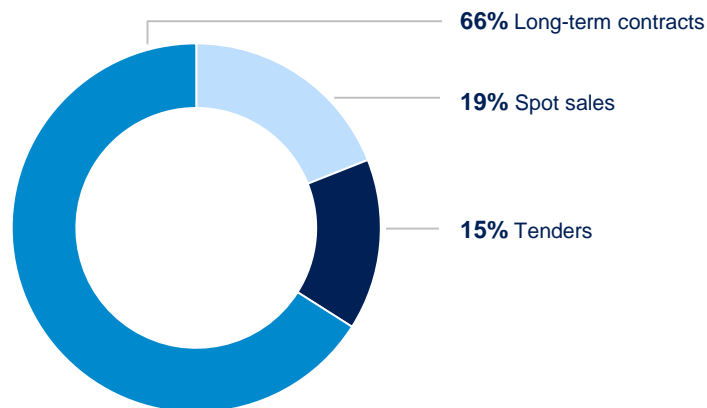


5-10CT Rejections Brown

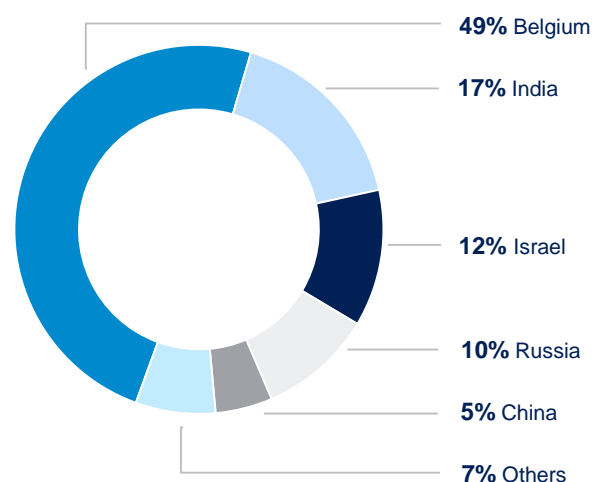


# ALROSA sales strategy is based on long-term contracts supported by tenders and spot sales

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

### Approval of clients with the following conditions:

- appropriate legal capacity
- sustainable financial position
- experience in diamond business
- sufficient level of solvency

### Sales diversification conditions:

- no more than \$20 mln per month per client
- no more than 5% of total monthly sales per client

### Number of clients by sales channel

	2010	2015	Change
Long-term contracts	15	71	+56
Spot sales / tenders	176	299	+123
Total number of clients	191	370	+179
Average monthly sales per client, \$ mln	1.45	0.77	(47)%
Top 5 clients share in total sales	24%	18%	(6)pp
Top 5 clients average monthly sales per client, \$ mln	13.18	10.12	(23)%



# Financial Overview

## 9M 2016 financial results substantially exceed results of 2015 and 2014

	9M 2016	12M 2015	12M 2014
Diamond production	<b>27.9</b> mln cts	38.3 mln cts	36.2 mln cts
Diamond sales	<b>30.0</b> mln cts	30.0 mln cts	39.6 mln cts
Revenue	<b>255.6</b> RUB bn	224.5 RUB bn	207.1 RUB bn
Cost of sales	<b>(96.5)</b> RUB bn	(93.2) RUB bn	(99.3) RUB bn
EBITDA	<b>150.0</b> RUB bn EBITDA margin: 59%	118.5 RUB bn EBITDA margin: 53%	93.9 RUB bn EBITDA margin: 45%
Free cash flow	<b>104.1</b> RUB bn	41.3 RUB bn	42.1 RUB bn

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

## Sensitivity analysis

RUB mln

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

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

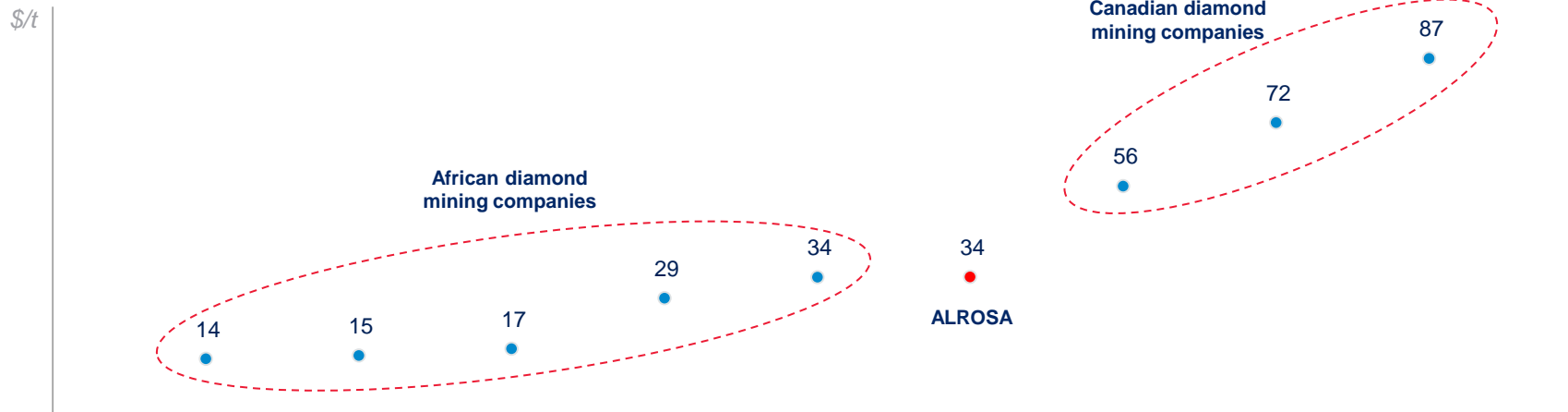
- In accordance with WTO rules, the Russian Federation cancelled 6.5% export duty on rough diamonds on September 1<sup>st</sup>, 2016
- Price level for overseas clients has remained unchanged, with ALROSA keeping the duties previously transferred to the budget of the Russian Federation
- Price level 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 financial impact of the 6.5% export duty cancellation. For overseas clients, the price for the client remains at 106.5 (0% change), ALROSA's revenue increases from 100.0 to 106.5 (+6.5%), and the export duty paid drops from 6.5 to 0. For domestic clients, the price for the client increases from 100.0 to 106.5 (+6.5%), ALROSA's revenue also increases from 100.0 to 106.5 (+6.5%), and the export duty paid drops from 6.5 to 0.

# ALROSA is in the middle of the diamond mining companies' cost curve

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



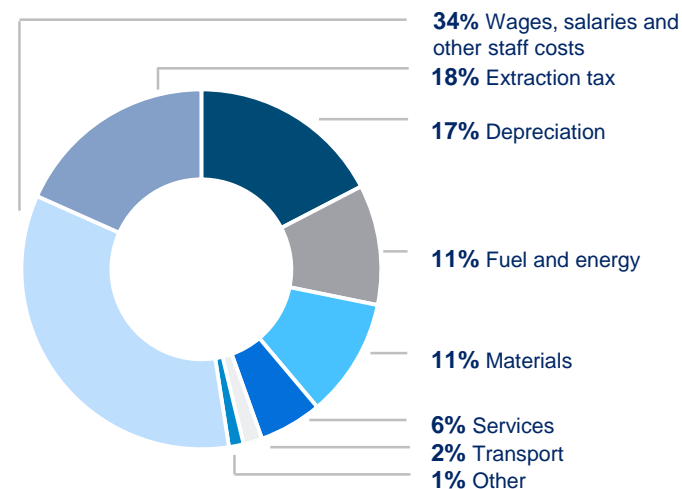
Source: Companies' data

## Cost of sales

RUB mln

	9M 2016	9M 2015	9M 2016 vs 9M 2015
Wages, salaries and other staff costs	32,399	31,266	4%
Extraction tax	17,404	17,340	0%
Depreciation	16,508	13,988	18%
Fuel and energy	10,255	12,390	(17%)
Materials	10,143	8,300	22%
Services	5,378	3,977	35%
Transport	1,607	1,484	8%
Other	1,258	1,299	(3%)
<b>Cost of production</b>	<b>94,952</b>	<b>90,044</b>	<b>5%</b>
Movement in inventory of diamonds, ores and concentrates	781	(17,406)	-
Cost of diamonds for resale	763	942	(19%)
<b>Cost of sales</b>	<b>96,496</b>	<b>73,580</b>	<b>31%</b>

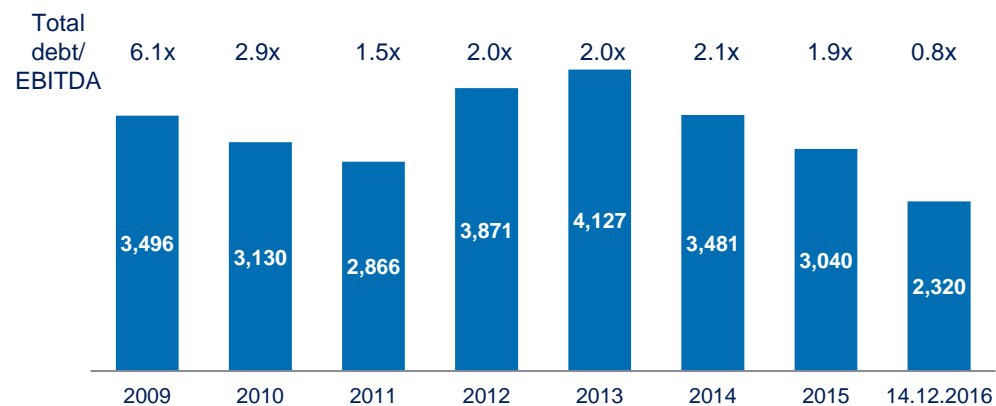
## Breakdown of 9M 2016 production costs



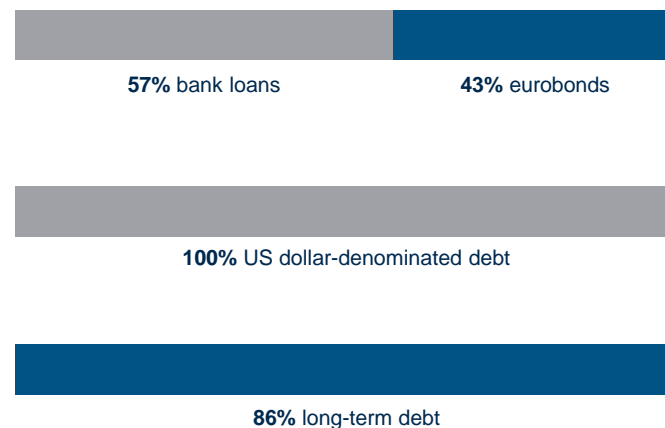
# ALROSA repaid \$370 mln bank loan to JSC UniCredit Bank with cash from operations, thus reducing debt down to \$2.3 bln

## Loans and borrowings

\$ mln



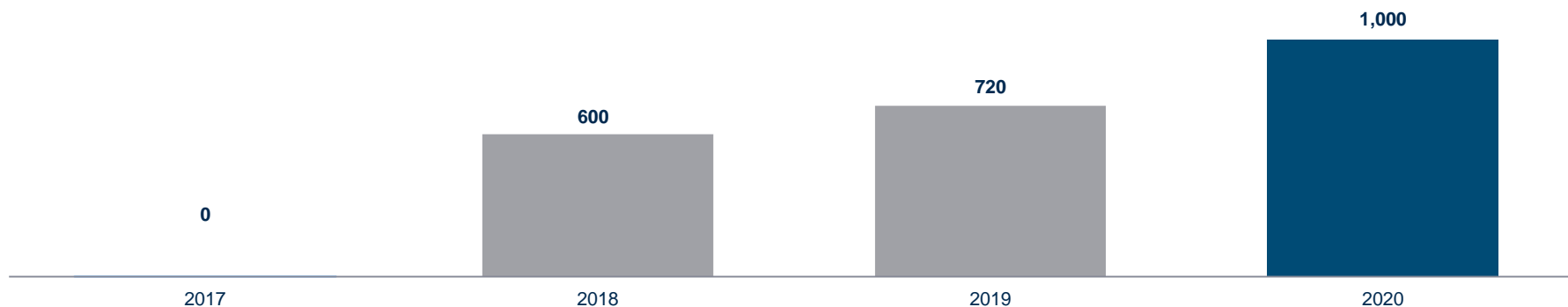
## Loans and borrowings breakdown



## Maturity profile of loans and borrowings

As of 14 December 2016, \$ mln

■ Bank Loans ■ Eurobonds

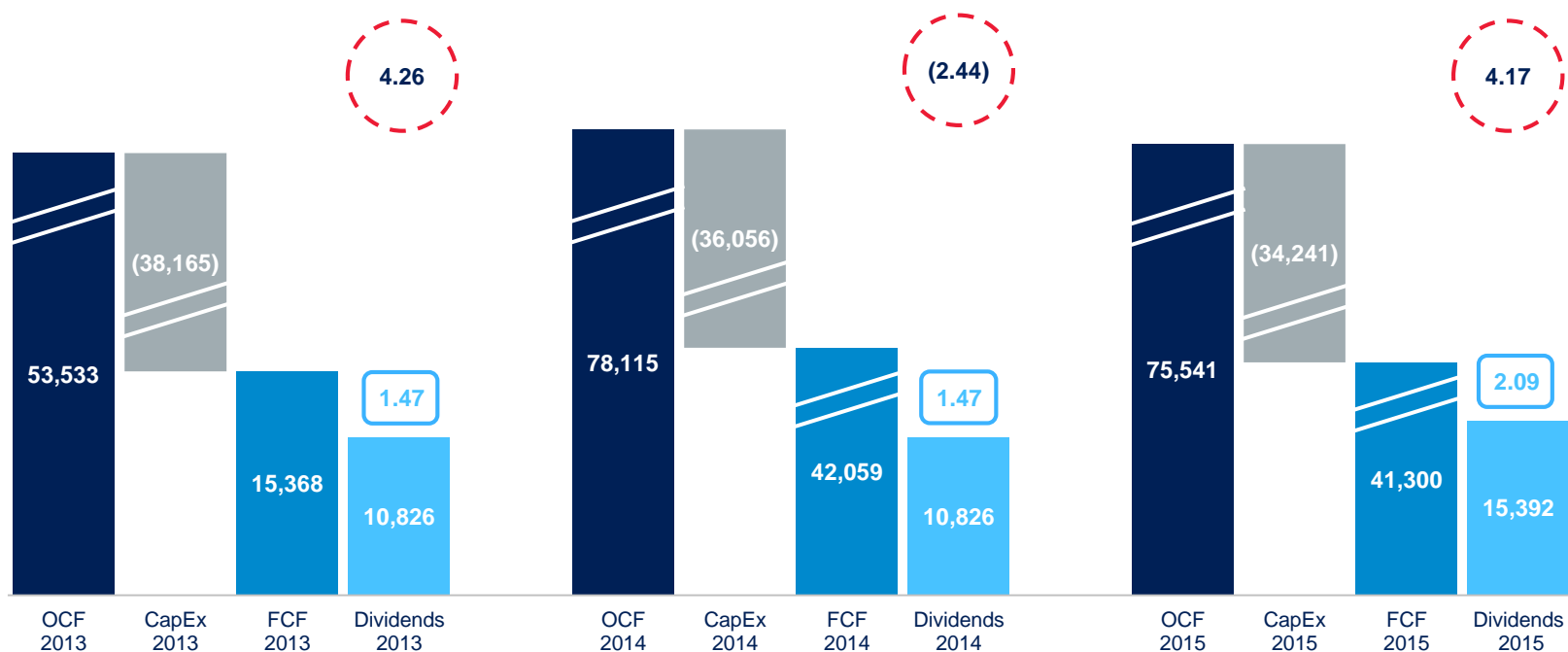


# ALROSA has a track record of strong cash flows and dividend payouts

## 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><b>1</b></p>  <p><b>Anton Siluanov</b></p> <p>Finance Minister of the Russian Federation</p> <p>Chairman of the Board of directors</p>	<p><b>2</b></p>  <p><b>Yegor Borisov</b></p> <p>President of the Republic of Sakha (Yakutia)</p> <p>First Deputy Chairman of the Supervisory Board</p>	<p><b>3</b></p>  <p><b>Alexander Galushka</b></p> <p>Minister for the Development of the Russian Far East</p> <p>Deputy Chairman of the Supervisory Board</p>	<p><b>4</b></p>  <p><b>Andrey Zharkov</b></p> <p>President (CEO) of ALROSA</p>				
<p>Nominated by: Russian Federation</p>		<p>Nominated by: Republic of Sakha (Yakutia)</p>		<p>Nominated by: Russian Federation</p>		<p>Nominated by: Russian Federation</p>	
<p>Previously held positions include</p> <ul style="list-style-type: none"> <li>• 2005 – 2011 – Deputy Minister of Finance of the Russian Federation</li> <li>• Since 2011 – Minister of Finance of the Russian Federation</li> </ul>	<p>Previously held positions include</p> <ul style="list-style-type: none"> <li>• 2003 – 2010 – Chairman of the Government of the Republic of Sakha (Yakutia)</li> <li>• 2010 – 2014 – President of the Republic of Sakha (Yakutia)</li> <li>• Since 2014 – Head of the Republic of Sakha (Yakutia)</li> </ul>	<p>Previously held positions include:</p> <ul style="list-style-type: none"> <li>• 2004 – 2010 – President of Non-Profit Partnership “Russian Collegium of Appraisers”</li> <li>• 2010 – 2012 – President, Co-chairman of All-Russian public organisation <i>Delovaya Rossiya</i></li> <li>• 2011 – 2012 – member of state commission on the socio-economic development of the Far East, the Republic of Buryatia, the Zabaikalye and Irkutsk regions</li> <li>• Since 2013 – Minister of the Russian Federation for the Development of the Far East</li> </ul>	<p>Previously held positions include</p> <ul style="list-style-type: none"> <li>• 2009 – 2010 – Chief Commercial Officer at Prioksky Non-Ferrous Metals Plant</li> <li>• 2010 – 2015 – Deputy Head of Gokhran under the Russian Ministry of Finance</li> <li>• Since 2015 – President (CEO) of ALROSA</li> </ul>				
<p><b>5</b></p>  <p><b>Oleg Fedorov</b></p> <p>Adviser to the Head of the Federal Agency for State Property Management</p>	<p><b>6</b></p>  <p><b>Sergey Barsukov</b></p> <p>Director, Financial Policy Department, Ministry of Finance of the Russian Federation</p>	<p><b>7</b></p>  <p><b>Maria Gordon</b></p> <p>Chief portfolio manager at Pacific Investment Management Co. (PIMCO) until 2014</p>	<p><b>8</b></p>  <p><b>Alexey Chekunkov</b></p> <p>CEO of Far East and Baikal Region Development Fund</p>				
<p>Nominated by: Russian Federation</p>		<p>Nominated by: Russian Federation</p>		<p>Nominated by: minority shareholders as an <b>independent director</b></p>		<p>Nominated by: Russian Federation</p>	
<p>Previously held positions include:</p> <ul style="list-style-type: none"> <li>• 2009 – 2012 – Head, Department for cooperation with governmental authorities and companies with government participation, department of investment and banking on global markets, VTB Capital</li> <li>• Since 2012 – Adviser to the Head of the Federal Agency for State Property Management</li> </ul>	<p>Previously held positions include</p> <ul style="list-style-type: none"> <li>• 2007 – 2008 – First Deputy General Director, Agency for Housing Mortgage Lending (AHML)</li> <li>• 2008 – 2010 – Assistant to Vice Chairman of the Russian Federation Government – Russian Federation Minister of Finance</li> <li>• Since 2010 – Director, Financial Policy Department, Ministry of Finance of the Russian Federation</li> </ul>	<p>Previously held positions include</p> <ul style="list-style-type: none"> <li>• 1998 – 2010 – Goldman Sachs, investment activity</li> <li>• 2010 – 2014 – PIMCO, investment activity</li> </ul>	<p>Previously held positions include</p> <ul style="list-style-type: none"> <li>• 2009 – 2011 – Head of New Nations Capital Investment Company</li> <li>• 2011 – 2013 – Director, member of the board, member of investment committee of the Russian Direct Investment Fund</li> <li>• Since 2014 – Director of the Far East Development Fund</li> </ul>				

## 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**  
State Duma Deputy from 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 operational results

	Type of mining	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)
<b>Aikhal Division</b>		<b>9,141</b>	<b>12,322</b>	<b>1.35</b>	<b>10,246</b>	<b>7,601</b>	<b>2,487</b>	<b>1,845</b>
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
<b>Mirny Division</b>		<b>5,706</b>	<b>6,908</b>	<b>1.21</b>	<b>14,739</b>	<b>11,320</b>	<b>3,342</b>	<b>2,567</b>
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
<b>Udachny Division</b>		<b>5,377</b>	<b>4,297</b>	<b>0.80</b>	<b>5,438</b>	<b>6,804</b>	<b>2,714</b>	<b>3,396</b>
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
<b>Nyurba Division</b>		<b>2,040</b>	<b>7,510</b>	<b>3.68</b>	<b>22,329</b>	<b>6,066</b>	<b>6,371</b>	<b>1,731</b>
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
<b>Lomonosov Division (Severalmaz)</b>	open-pit	<b>3,988</b>	<b>1,950</b>	<b>0.49</b>	<b>1,819</b>	<b>3,720</b>	<b>1,059</b>	<b>2,166</b>
<b>Almazy Anabara</b>	alluvial	<b>5,222</b>	<b>3,309</b>	<b>0.63</b>	<b>2,453</b>	<b>3,871</b>	<b>817</b>	<b>1,290</b>
<b>Nizhne-Lenskoye</b>	alluvial	<b>5,640</b>	<b>1,964</b>	<b>0.35</b>	<b>2,378</b>	<b>6,829</b>	<b>937</b>	<b>2,691</b>
<b>ALROSA</b>		<b>37,114</b>	<b>38,260</b>	<b>1.04</b>	<b>7,630</b>	<b>7,322</b>	<b>2,229</b>	<b>2,139</b>
	<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

Ozerkovskaya emb., 24/1  
Moscow 115184  
Russia

Tel.: +7 495 745 58 72  
[ir@alrosa.ru](mailto:ir@alrosa.ru)

---