

PRODUCTION AND PRELIMINARY TRADING UPDATE

ALROSA reports Q1 2017 production and preliminary trading performance

Production performance

ALROSA's Q1 2017 diamond production totalled 8.9 million carats, up by 9% year-on-year. In line with 2017 production plan of 39.2 million carats (+5% y-o-y increase). The growth in production is driven by ramping up diamond mining at Aikhal, Mir, International, Udachny underground mines and also by processing of higher grade ore from the Jubilee pipe.

Preliminary sales performance

Indicatively, in Q1 2017 ALROSA sold 14.1 million carats of diamonds, including 11.0 million carats of gem-quality diamonds at an average price of USD 117 per carat and 3.1 million carats of industrial diamonds at an average price of USD 7 per carat. In Q1 2017, revenue from rough diamond sales amounted to at least USD 1,309 million. Revenue from polished diamond sales totalled at least USD 32 million.

The full version of ALROSA's Q1 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 2016, the Company produced 37.4 million carats of rough diamonds; 2016 revenue was RUB 317.1 billion.