



## ALROSA Q2 and 6M 2020 operating results

Moscow, 16 July 2020 – ALROSA, a global leader in diamond production, reports its Q2 2020 reduced diamond production of 5.7 m carats and sales of 0.6 m carats. 6M 2020 diamond production declined to 13.7 m carats, and sales amounted to 10.1 m carats.

- Due to the economic crisis on the key markets caused by COVID-19, in Q2 ALROSA implemented measures to **optimise production** by reducing plan for 2020 to 28-31 m cts and to **balance supply and demand through a flexible sales strategy** – selling diamonds only if there is real demand and allowing customers to defer contract volumes to subsequent periods (for more details, see the press release dated 29 May [here](#)). These factors were the key drivers behind Q2 and 1H 2020 operating results.
- **Diamond production in Q2** decreased 29% q-o-q (down 42% y-o-y) to **5.7 m cts**. **6M** production declined 22% to **13.7 m cts**.
- **Q2 ore and gravels processing** seasonally grew 24% q-o-q to **7.4 mt** mainly due to resumed production at alluvial deposits. The indicator declined 30% compared to Q2 2019. The total for **6M** number came in at **13.3 mt** (-21%).
- **Q2 average diamond grade** went down 43% q-o-q to **0.77 cpt** due to the seasonal increase in the share of lower-grade ore produced at alluvial deposits. **6M** average diamond grade remained virtually flat at **1.03 cpt**.
- **Sales:** as a result of ALROSA's decision to offer flexible terms, **Q2 diamond sales** decreased to **634,000 cts**, including 361,000 cts of gem-quality diamonds. **6M** sales declined 47% to **10.1 m cts**.
- **Diamond inventories as at the end of Q2** increased 25% q-o-q to **26.3 m cts**.
- **Q2 average realised price for gem-quality diamonds** increased to **\$200/ct** (up 63% q-o-q and 54% y-o-y) amid stronger demand for large-size diamonds in the sales mix. The same indicator for **6M** came in at **\$127/ct** (up 1%).
- **Q2 diamond price index** was just 1.4% q-o-q lower as the Company continued to implement its "price-over-volume" strategy. YTD the index was down 2%.
- **Proceeds from rough and polished diamond sales in Q2** came in at **\$87 m** (down 90% q-o-q and 89% y-o-y), including \$74 m from rough diamond sales and \$13 m in revenue from polished diamond sales. Sales for **6M** were **\$991 m**.

### Diamond market overview

- Most mining companies halted diamond production due to the pandemic and subsequent lockdowns between March and April/May, and several deposits remain closed pending the recovery of market activity. In the face of uncertainty, some companies withdrew their 2020 production plans, while others lowered their forecasts by 7–22%.
- The global diamond industry began to stir in May–June, when the global diamond exchanges resumed activities in strict compliance with the restrictions caused by COVID-19. The cutting centre in Surat, India, resumed limited operations in late May, but was suspended again in July to contain the spread of the disease.
- Retail markets of China followed by the US began to show promising signs of recovery. China coped with the pandemic ahead of other countries, which accelerated the recovery of demand for diamond jewellery in the country. Major jewellery retailers in China reported higher than expected May sales. In May–June, jewellery stores began to reopen in other countries and regions, primarily in the United States, EU, Japan and South Korea. At the end of Q2, the recovery of the US market was negatively affected by protests.
- On the back of weak demand, ALROSA remains committed to its “price-over-volume” policy and satisfies only the real demand while maintaining a stable price. The policy is aimed at supporting long-term customers and the entire diamond industry.

*Hereinafter, data on Q2 and 6M 2020 production, sales, prices, and inventories is preliminary and may be updated. Data on the diamond market is the Company’s estimate.*

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#### Key events in the next three months (*Investor calendar*)

<b>10 August</b>	July 2020 sales results
<b>14 August</b>	Q2 2020 IFRS results
<b>10 September</b>	August 2020 sales results
<b>9 October</b>	September 2020 sales results
<b>16 October</b>	Q3 and 9M 2020 operating results

## PRELIMINARY SALES RESULTS

### Sales

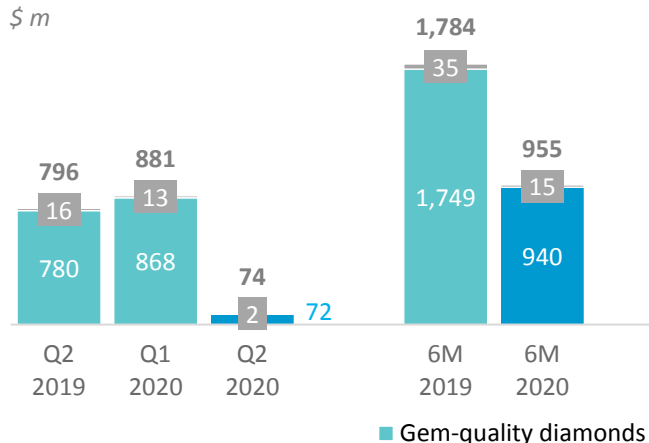
Q2: 634,000 cts

6M: 10.1 m cts

- In Q2, due to the economic crisis on its key markets caused by the spread of COVID-19, ALROSA took steps to **optimise production** by cutting down its output for 2020 to 28-31 m cts and **balance supply and demand through a flexible sales strategy**, which means selling diamonds only if there is a real demand and allowing customers to defer contract volumes to later periods (for more details see the press release dated 29 May [here](#)). These factors were the key drivers behind Q2 and 1H 2020 operating results.
  - Q2 diamond sales** dropped to **634,000 cts** (down 93% q-o-q and 92% y-o-y), including 361,000 cts of gem-quality diamonds. Industrial diamond sales amounted to 273,000 cts.
- 6M sales** declined by 47% to **10.1 m cts**, including 7.4 m cts of gem-quality diamonds and 2.6 m cts of industrial diamonds.
- After having reviewed the current market situation, ALROSA decided to change dates for its trading sessions in July and August to support its customers that expressed the potential interest in purchasing rough in this period (for more details see the press release dated 9 July [here](#)).

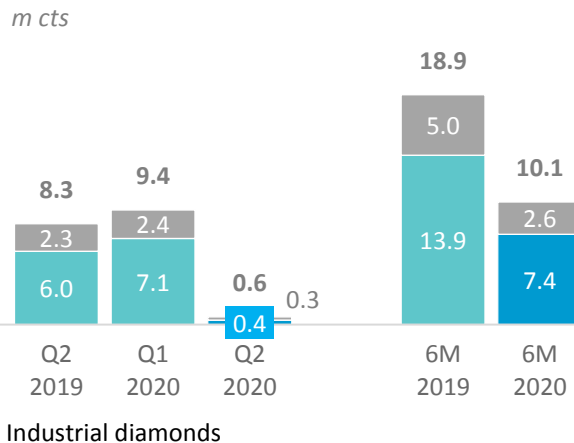
### Diamond sales

\$ m



### Diamond sales

m cts



### Inventories:

26.3 m cts

### Total sales

(incl. polished diamonds)

Q2: \$87 m

6M: \$991 m

### Diamond sales

Q2: \$74 m

6M: \$955 m

- Diamond inventories as at the end of Q2 increased to 26.3 m cts** (up 25% or 5.2 m cts q-o-q) due to a significant decline in sales. Thanks to its timely decisions to reduce output (down 29% q-o-q), the Company managed to moderate growth of inventory build-up.
  - As expected, allowing customers to refrain from buying in Q2 led to a sales decrease to \$87 m**, including \$74 m in rough diamond sales (excl. polished) (down 92% q-o-q and 91% y-o-y).
- 6M total sales amounted to \$991 m** (down 45% y-o-y), including \$955 m in rough diamond sales (excl. polished) (down 46%).
- Q2 polished diamond sales** amounted to \$13 m (down 44% q-o-q and up 16% y-o-y). **6M polished diamond sales** increased by 31% to **\$36 m**, among other things due to the consolidation of PO "Kristall" in October 2019.

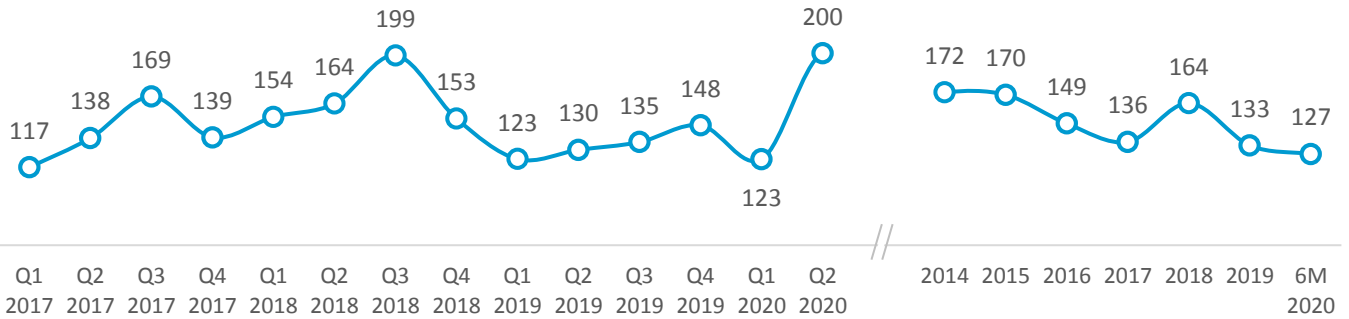
**Average realised prices for gem-quality diamonds**

Q2: \$200/ct  
6M: \$127/ct

- **Q2 average realised price for gem-quality diamonds** totalled **\$200/ct** (up 63% q-o-q and 54% y-o-y) amid stronger demand for large-size diamonds in the sales mix.
- **6M average realised prices** increased marginally to **\$127/ct** (up 1%).

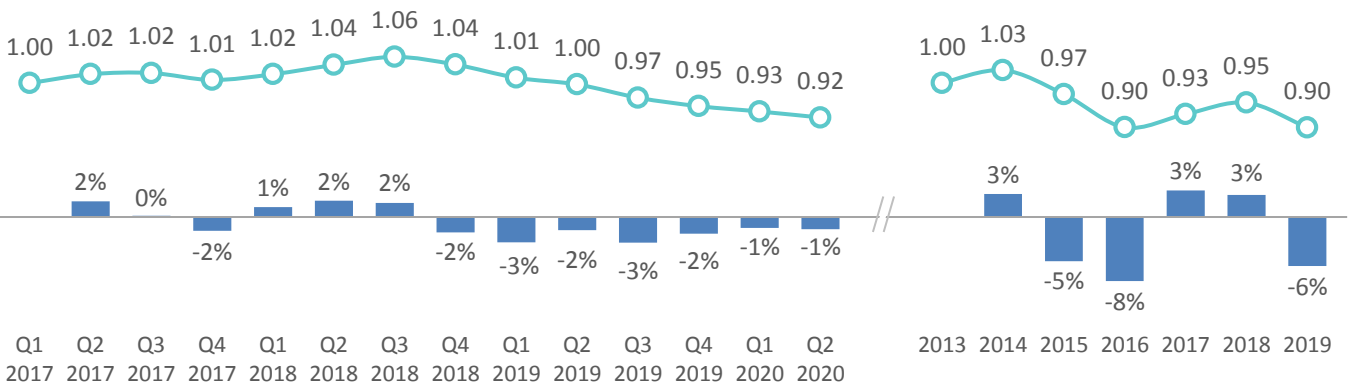
**Average realised prices for gem-quality diamonds**

\$/cts



- **In Q2 2020, the diamond price index** lost -1.4% q-o-q as a result of pursuing the “price-over-volume” strategy and fixing prices at the March level. The diamond price index lost 2% year-to-date.

**Gem-quality diamond price indices**



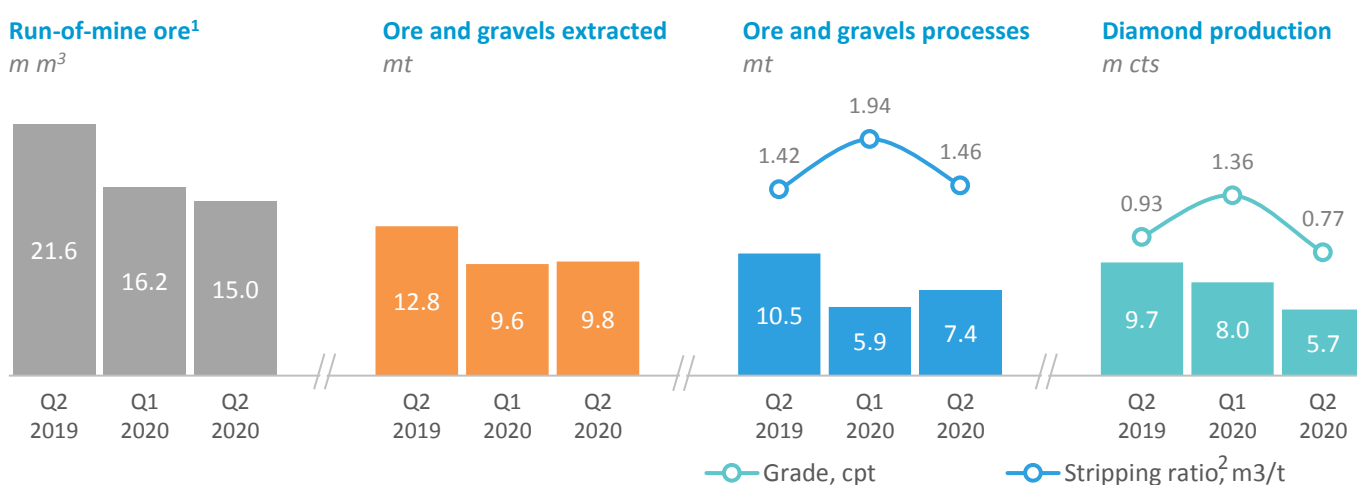
## PRODUCTION

- In Q2, due to the economic crisis in its key markets caused by the spread of COVID-19, ALROSA took steps to further reduce its output for 2020 to 28-31 m cts. Earlier, in November 2019, the Company cut down its 2020 production outlook from 38 m cts to 34.2 m cts.

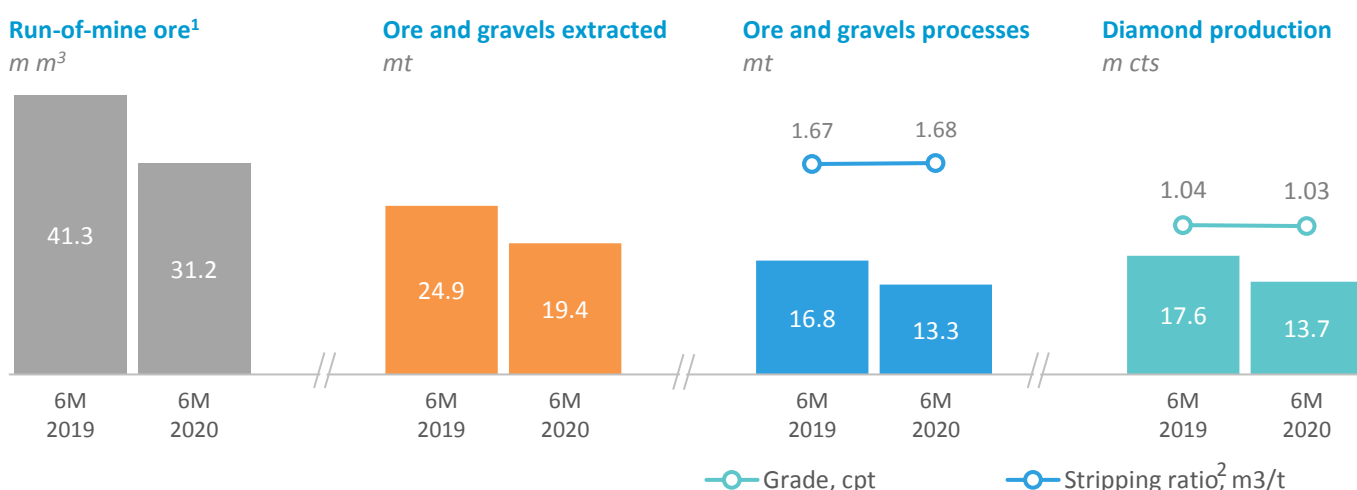
For more details see: (1) the press release on temporary suspending of mining at Aikhal and Zarya pipes dated 5 May [here](#), (2) the press release on the downward revision of the 2020 production guidance dated 22 May [here](#), (3) the press release on cutting production at Severalmaz dated 4 June [here](#).

The q-o-q and y-o-y change in Q2 and 6M 2020 operating results was mainly driven by these decisions.

### • Key highlights for Q2



### • Key highlights for 6M



#### Production:

Q2: 5.7 m cts

6M: 13.7 m cts

- Diamond production in Q2** was down 29% q-o-q (down 42% y-o-y) to **5.7 m cts**. A q-o-q decline of production was seen across all assets, excluding

<sup>1</sup> Less pre-stripping.

<sup>2</sup> The stripping ratio is calculated as rock moved in cubic metres (less pre-stripping) divided by ore and gravels processed (in tonnes).

Almazy Anabara and Nyurba Division alluvial deposits, which resumed seasonal production in Q2 2020.

**6M production** declined by 22% to **13.7 m cts**, among other things, on the back of a decrease in output mainly in Q2 2020 caused by the revised guidance for 2020. A 6M production growth y-o-y was seen only at the Aikhal underground mine (up 11% y-o-y) driven by increased ore processing in Q1 2020, with the average diamond grade going down due to the processing of lower-grade blocks.

- **Q2 ore and gravels inventories** delivered a growth of 8% q-o-q (up 3% y-o-y) to **32.7 mt**, as production exceeded processing following the decision to reduce the 2020 output and suspend operations at processing plants No. 3 (Mirny Division), No. 12 (Udachny Division) and No. 1 (Severalmaz) (for more details see pages 9, 10 and 12, respectively).
- **Q2 and 6M run-of-mine ore** declined by 7% q-o-q (31% y-o-y) to **15 m m<sup>3</sup>** and by 24% to **31.2 m m<sup>3</sup>**, respectively, also due to the production cutting decision.
- **Q2 stripping ratio<sup>3</sup>** went down 25% q-o-q to 1.46 m<sup>3</sup>/t due to a 6% decrease in stripping and a 24% increase in processing. 6M stripping ratio remained largely unchanged at 1.68 m<sup>3</sup>/t.
- **Q2 open-pit mining** decreased by 47% q-o-q (down 44% y-o-y) to **3.1 m cts** due to an overall production cut and a seasonal return to production at alluvial deposits. In Q2 and 6M, open-pit mining accounted for 55% and 66% of the Group's total production, respectively.
- A 63% q-o-q **decline in underground mining in Q2** to 0.7 m cts (down 67% y-o-y) was associated with suspended operations at the Aikhal underground mine and halted ore processing from the Udachnaya and International underground mines. In Q2 and 6M, underground mining accounted for 13% and 20% of the Group's total production.
- **Q2 alluvial mining** saw a seasonal q-o-q increase to 1.8 m cts. A 5% y-o-y decrease is mainly due to a production decline at Almazy Anabara (down 30% y-o-y) associated with the processing of lower-grade blocks. In Q2, the share of alluvial deposits in total production increased to 32% compared to 19% in Q2 2019 as a result of lower production volumes at other assets.

6M alluvials share went up to 14% due to lower output from other types of mining on the back of optimised production for 2020.

- **Q2 average diamond grade** saw a 43% q-o-q decrease to **0.77 cpt** due to a seasonal return to production at alluvial deposits and decreased processing of higher-grade ore (as part of 2020 output optimisation, plants processing ore from the Udachnaya and International underground mines were suspended for four and five months, respectively). A 17% y-o-y decrease is also due to the processing of less high-grade ore from the International and Aikhal underground mines, Botuobinskaya pipe and other deposits.

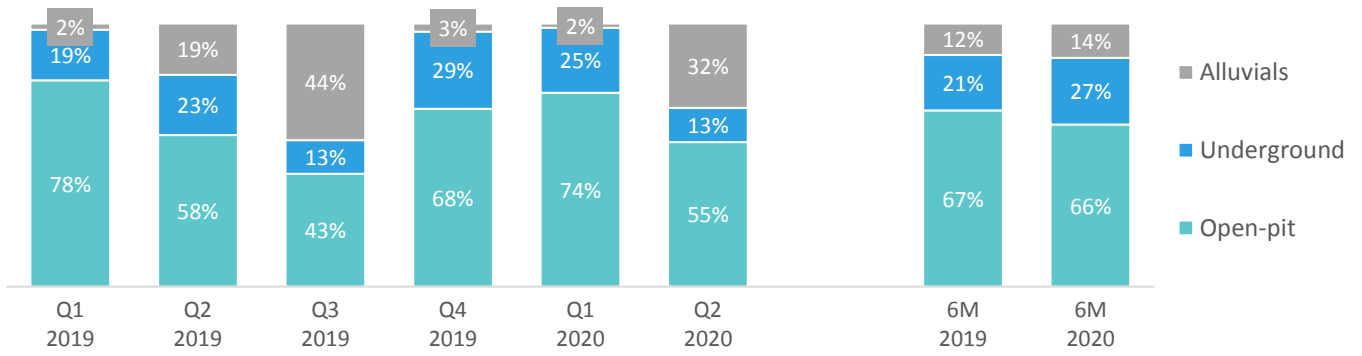
**6M average diamond grade** saw a slight decline by 1% to **1.03 cpt**.

**Run-of-mine ore**  
Q2: 15 m m<sup>3</sup>  
6M: 31.2 m m<sup>3</sup>

**Average diamond grade**  
Q2: 0.77 cpt  
6M: 1.03 cpt

<sup>3</sup> The stripping ratio is calculated as rock moved in cubic metres (less pre-stripping) divided by ore and gravels processed (in tonnes).

**Diamond production by mining type**



## PERFORMANCE BY DIVISION

### Aikhal Division operational overview

Accounted for 39% and 38% in ALROSA Group's total diamond production in Q2 and 6M, respectively.

	Q2 2020	Q1 2020	q-o-q	Q2 2019	y-o-y
Ore processing, '000 t	2,103	2,231	(6%)	2,627	(20%)
Grade, cpt	1.05	1.35	(5%)	1.10	(5%)
Diamond production, '000 cts	2,214	3,018	(27%)	2,896	(24%)

#### Aikhal Division:

- Jubilee pipe
- Aikhal pipe
- Zarya pipe
- Komsomolskaya pipe  
(mining completed in 2019)

Location: Republic of Sakha (Yakutia), near Aikhal settlement, 485 km away from Mirny town

**Q2 diamond production** decreased by 27% q-o-q (down 24% y-o-y) to **2,214,000 cts**. Ore processed in this period amounted to **2,103,000 t**, down 6% q-o-q (down 20% y-o-y).

#### Open-pit mining

Jubilee:

- A 38% q-o-q (down 31% y-o-y) decrease was associated with a lower average grade due to the processing of lower-grade blocks and lower volumes of ore from Jubilee at the plant No. 14, which partially switched to ore from Aikhal and Zarya pipes.

Zarya:

- Q2 saw the processing of ore mined in Q1 2020 (no ore from this pipe was processed during Q1), with production for this period amounting to 139,000 cts. Processing of Zarya ore started in Q4 2019, and in May 2020 the Company decided to suspend mining from 15 May to 31 December 2020 (for more details see the press release dated 5 May [here](#)).

#### Underground mining

Aikhal:

- A 6% q-o-q (down 9% y-o-y) decrease was due to the decision to suspend mining from 15 May to 30 September 2020.



## Mirny Division operational overview

Accounted for 2% and 6% in ALROSA Group's total diamond production in Q2 and 6M, respectively.

	Q2 2020	Q1 2020	q-o-q	Q2 2019	y-o-y
Ore and gravels processing, '000 t	1,006	412	144%	1,545	(35%)
Grade, cpt	0.10	1.62	(94%)	0.65	(84%)
Diamond production, '000 cts	103	669	(85%)	1,003	(90%)

### Mirny Division:

- Mir pipe
- International pipe
- Alluvial deposits

Location: Republic of Sakha (Yakutia), Mirny town, 220 km south of the Arctic Circle

**Q2 diamond production** totalled **103,000 cts** (down 85% q-o-q and 90% y-o-y).

**Ore and gravels processed** in this period amounted to **1,006,000 t**, up 85% q-o-q (down 90% y-o-y).

### Underground mining

International:

- In Q2, no ore from the International underground mine was processed following the decision to suspend operations at processing plant No. 3 from 1 April to 1 September 2020 as part of measures to cut the 2020 output.

### Alluvial mining

- A 19% q-o-q decrease in production to 103,000 cts despite a 2.4-fold increase in processing was due to a more active processing of low-grade dredging dumps, with an average diamond grade down 74% q-o-q. The y-o-y production went down 40% due to a 28% decrease in gravels processing and a 17% decline in the average diamond grade.

## Udachny Division operational overview

Accounted for 6% and 11% in ALROSA Group's total diamond production in Q2 and 6M, respectively.

	Q2 2020	Q1 2020	q-o-q	Q2 2019	y-o-y
Ore and gravels processing, '000 t	539	1,830	(71%)	1,977	(73%)
Grade, cpt	0.60	0.66	(9%)	0.66	(10%)
Diamond production, '000 cts	321	1,204	(73%)	1,303	(75%)

### Udachny Division:

- Udachnaya pipe
- Zarnitsa pipe
- V.Munskoye deposit
- Mining at the alluvial deposits was completed in 2019.

Location: Republic of Sakha (Yakutia), 550 km north of Mirny town

**Q2 diamond production** was down 73% q-o-q (down -75% y-o-y) to **321,000 cts**. **Ore and gravels processed** in this period amounted to **539,000 t**, a decrease of 71% q-o-q (73% y-o-y).

The decrease in diamond production at all Udachny Division deposits was due to the suspension of operations at processing plant No. 12 from 1 May to 1 September 2020 as part of measures to cut the 2020 output.

### Open-pit mining

Zarnitsa:

- A 59% q-o-q reduction (down 51% y-o-y) in diamond production to 83,000 cts. In 2019, the Company decided to suspend mining at this deposit from 1 May to 31 December 2020.

Zapolyarnaya (V.Munskoye deposit):

- Diamond production declined by 52% q-o-q (down 73% y-o-y), among other things due to the decision to suspend mining from 1 June to 1 October 2020 (for details see the press release dated 22 May [here](#)).

### Underground mining

Udachnaya:

- A 81% q-o-q decrease (down 80% y-o-y) in diamond production to 151,000 cts.

## Nyurba Division operational overview

Accounted for 29% and 27% in ALROSA Group's total diamond production in Q2 and 6M, respectively.

	Q2 2020	Q1 2020	q-o-q	Q2 2019	y-o-y
Ore and gravels processing, '000 t	571	497	15%	634	(10%)
Grade, cpt	2.92	4.19	(30%)	3.73	(22%)
Diamond production, '000 cts	1,665	2,084	(20%)	2,364	(30%)

### Nyurba Division:

- Nyurbinskaya pipe
- Botuobinskaya pipe
- Alluvial deposits

Location: Republic of Sakha (Yakutia), 200 km north-west of Nyurba town and 320 km north-east of Mirny town

**Q2 diamond production** was down 20% q-o-q (down -30% y-o-y) to **1,665,000 cts**.

Ore and gravels processed in this period amounted to **571,000 t**, an increase of 15% q-o-q and a decrease of 10% y-o-y.

### Open-pit mining

Nyurbinskaya:

- In Q2, a 67% q-o-q reduction (down to 410,000 cts) was associated with a seasonal decrease in ore processed at plant No. 16 due to the processing of gravels from the Nyurbinskaya placer. Compared to last year, production was up 3%, despite a 31% decrease in processing due to the processing of ore from higher-grade blocks.

Botuobinskaya:

- A 52% q-o-q decline in production (down to 405,000 cts) was caused by a seasonal decrease in the processing of ore from this deposit due to the processing of gravels from the Nyurbinskaya placer. Compared to last year, production was down 74% as a result of the high base effect, as only ore had been processed at the Nyurba Division in Q2 2019 as part of a project to improve operational efficiency.

**Alluvial mining** in Q2 amounted to 851,000 cts. There was no alluvial mining in Q1 2020. Compared to last year, the output doubled because no gravels had been processed at plant No. 16 in 2019.

### Severalmaz operational overview

Accounted for 9% and 11% in ALROSA Group's total diamond production in Q2 and 6M, respectively.

	Q2 2020	Q1 2020	q-o-q	Q2 2019	y-o-y
Ore processing, '000 t	335	941	(64%)	901	(63%)
Grade, cpt	1.59	1.11	44%	1.05	51%
Diamond production, '000 cts	532	1,040	(49%)	947	(44%)

#### Severalmaz

##### (Lomonosov Division):

- Arkhangelskaya pipe
- Karpinskogo-1 pipe
- Karpinskogo-2 pipe

Location: Arkhangelsk  
Region, Russian  
Federation

**Q2 diamond production** was down 49% q-o-q (down 44% y-o-y) to **532,000 cts**. Ore processing decreased by 64% q-o-q (down 63% y-o-y) to **335,000 t**.

The decline in Q2 was associated with the decision to reduce the 2020 output. On May 16, the processing was temporarily suspended before the operations at the plant resumed for three months on 8 July. The mining was suspended for the period from 16 May to 1 November.

For more details see: (1) the press release on cutting production dated 4 June ([here](#)), (2) the press release on the processing plant resuming operations dated 9 July ([here](#)).

Severalmaz is exclusively engaged in open pit operations.

### Almazy Anabara operational overview

Accounted for 15% and 6% in ALROSA Group's total diamond production in Q2 and 6M, respectively.

	Q2 2020	Q1 2020	q-o-q	Q2 2019	y-o-y
Gravels processing, '000 t	2,800	–	–	2,800	0%
Grade, cpt	0.31	–	–	0.44	(30%)
Diamond production, '000 cts	856	–	–	1,222	(30%)

*Almazy Anabara: several alluvial deposits located in the north-west of the Republic of Sakha (Yakutia)*

**Diamond production in Q2** amounted to **856,000 cts**, down 30% y-o-y due to the processing of lower-grade blocks. Gravels processing remained flat at 2,800,000 cts.

Almazy Anabara conducts mining operations from May/June to September (weather permitting).

## APPENDICES

## Appendix 1. Diamond production

'000 cts	Production method	Q2 2020	Q1 2020	q-o-q	Q2 2019	y-o-y
<b>Aikhal Division</b>		<b>2,214</b>	<b>3,018</b>	<b>(27%)</b>	<b>2,896</b>	<b>(24%)</b>
Jubilee pipe	Open pit	1,484	2,391	(38%)	2,143	(31%)
Komsomolskaya pipe	Open pit	–	–	–	102	–
Aikhal mine	Underground	590	628	(6%)	651	(9%)
Zarya pipe	Open pit	139	–	–	–	–
<b>Mirny Division</b>		<b>103</b>	<b>669</b>	<b>(85%)</b>	<b>1,003</b>	<b>(90%)</b>
International mine	Underground	–	541	–	831	(100%)
Alluvial and technogenic deposits	Alluvials	103	128	(19%)	172	(40%)
<b>Udachny Division</b>		<b>321</b>	<b>1,204</b>	<b>(73%)</b>	<b>1,303</b>	<b>(75%)</b>
Zarnitsa pipe	Open pit	83	204	(59%)	169	(51%)
Zapolyarnaya pipe (V.Munskoye)	Open pit	87	183	(52%)	320	(73%)
Udachnaya mine	Underground	–	–	–	–	–
Alluvial deposits	Alluvials	–	–	–	71	–
<b>Nyurba Division</b>		<b>1,665</b>	<b>2,084</b>	<b>(20%)</b>	<b>2,364</b>	<b>(30%)</b>
Nyurbinskaya pipe	Open pit	410	1,243	(67%)	399	3%
Botuobinskaya pipe	Open pit	405	841	(52%)	1,533	(74%)
Alluvial deposits	Alluvials	851	–	–	432	97%
<b>Severalmaz</b>		<b>532</b>	<b>1,040</b>	<b>(49%)</b>	<b>947</b>	<b>(44%)</b>
Arkhangelskaya pipe	Open pit	247	525	(53%)	560	(56%)
Karpinskogo-1 pipe	Open pit	285	515	(45%)	342	(17%)
Karpinskogo-2 pipe	Open pit	–	–	–	44.62	–
<b>Almazy Anabara</b>	Alluvials	<b>856</b>	–	–	<b>1,222</b>	<b>(30%)</b>
<b>Total</b>		<b>5,691</b>	<b>8,016</b>	<b>(29%)</b>	<b>9,735</b>	<b>(42%)</b>

## Appendix 2. Ore and gravels processing

'000 cts	Production method	Q2 2020	Q1 2020	q-o-q	Q2 2019	y-o-y
<b>Aikhal Division</b>		<b>2,103</b>	<b>2,231</b>	<b>(6%)</b>	<b>2,627</b>	<b>(20%)</b>
Jubilee pipe	Open-pit	1,470	2,085	(29%)	2,225	(34%)
Komsomolskaya pipe	Open-pit	–	–	–	278	–
Aikhal mine	Underground	100	146	(32%)	124	(19%)
Zarya pipe	Open pit	533	–	–	–	–
<b>Mirny Division</b>		<b>1,006</b>	<b>412</b>	<b>144%</b>	<b>1,545</b>	<b>(35%)</b>
International mine	Underground		92	–	156	–
Alluvial and technogenic deposits	Alluvials	1,006	320	214%	1,389	(28%)
<b>Udachny Division</b>		<b>539</b>	<b>1,830</b>	<b>(71%)</b>	<b>1,977</b>	<b>(73%)</b>
Zarnitsa pipe	Open pit	298	881	(66%)	662	(55%)
Zapolyarnaya pipe (V.Munskoye)	Open pit	145	285	(49%)	512	(72%)
Udachnaya mine	Underground	96	664	(86%)	589	(84%)
Alluvial deposits	Alluvials	–	–	–	214	–
<b>Nyurba Division</b>		<b>571</b>	<b>497</b>	<b>15%</b>	<b>634</b>	<b>(10%)</b>
Nyurbinskaya pipe	Open pit	89	310	(71%)	129	(31%)
Botuobinskaya pipe	Open pit	76	187	(59%)	306	(75%)
Alluvial deposits	Alluvials	406	–	–	199	(104%)
<b>Severalmaz</b>		<b>335</b>	<b>941</b>	<b>(64%)</b>	<b>901</b>	<b>(63%)</b>
Arkhangelskaya pipe	Open pit	190	520	(64%)	513	(63%)
Karpinskogo-1 pipe	Open pit	146	422	(65%)	279	(48%)
Karpinskogo-2 pipe	Open pit	–	–	–	110	–
<b>Almazy Anabara</b>	Alluvials	<b>2,800</b>	–	–	<b>2,800</b>	<b>0%</b>
<b>Total</b>		<b>7,354</b>	<b>5,911</b>	<b>24%</b>	<b>10,484</b>	<b>(30%)</b>

## Appendix 3. Grade

'000 cts	Production method	Q2 2020	Q1 2020	q-o-q	Q2 2019	y-o-y
<b>Aikhal Division</b>		<b>1.05</b>	<b>1.35</b>	<b>(22%)</b>	<b>1.10</b>	<b>(5%)</b>
Jubilee pipe	Open pit	1.01	1.15	(12%)	0.96	5%
Komsomolskaya pipe	Open pit	–	–	–	0.37	–
Aikhal mine	Underground	5.90	4.30	37%	5.25	12%
Zarya pipe	Open pit	0.26	–	–	–	–
<b>Mirny Division</b>		<b>0.10</b>	<b>1.62</b>	<b>(94%)</b>	<b>0.65</b>	<b>(84%)</b>
International mine	Underground	–	5.88	–	5.33	–
Alluvial and technogenic deposits	Alluvials	0.10	0.40	(74%)	0.12	(17%)
<b>Udachny Division</b>		<b>0.60</b>	<b>0.66</b>	<b>(9%)</b>	<b>0.66</b>	<b>(10%)</b>
Zarnitsa pipe	Open pit	0.28	0.23	20%	0.26	9%
Zapolyarnaya pipe (V.Munskoye)	Open pit	0.60	0.64	(6%)	0.62	(4%)
Udachnaya mine	Underground	1.57	1.23	28%	1.26	25%
Alluvial deposits	Alluvials	–	–	–	0.33	–
<b>Nyurba Division</b>		<b>2.92</b>	<b>4.19</b>	<b>(30%)</b>	<b>3.73</b>	<b>(22%)</b>
Nyurbinskaya pipe	Open pit	4.60	4.01	15%	3.09	49%
Botuobinskaya pipe	Open pit	5.33	4.50	18%	5.01	6%
Alluvial deposits	Alluvials	2.09	–	–	2.17	(3%)
<b>Severalmaz</b>		<b>1.59</b>	<b>1.11</b>	<b>44%</b>	<b>1.05</b>	<b>51%</b>
Arkhangelskaya pipe	Open pit	1.30	1.01	29%	1.09	19%
Karpinskogo-1 pipe	Open pit	1.96	1.22	61%	1.23	60%
Karpinskogo-2 pipe	Open pit	–	–	–	0.41	–
<b>Almazy Anabara</b>	Alluvials	<b>0.31</b>	<b>–</b>	<b>–</b>	<b>0.44</b>	<b>(30%)</b>
<b>Total</b>		<b>0.77</b>	<b>1.36</b>	<b>(43%)</b>	<b>0.93</b>	<b>(17%)</b>



## Appendix 4. Diamond, ore and gravels inventories

<b>Inventories as at the end of the period</b>	<b>Q2 2020</b>	<b>Q1 2020</b>	<b>Q4 2019</b>	<b>Q3 2019</b>	<b>Q2 2019</b>	<b>Q1 2019</b>	<b>Q4 2018</b>	<b>Q3 2018</b>	<b>Q2 2018</b>
Diamonds, m cts	26.3	21.1	22.6	21.7	15.9	14.3	17.0	15.5	11.7
Ore and gravels, mt	32.7	30.2	26.5	23.6	31.8	29.6	23.9	21.7	29.8

**GLOSSARY**

**gem-quality diamonds** – diamonds used in jewellery

**V.Munskoye deposit** – the Udachny Division’s Verkhne-Munskoye deposit

**ct, cts** – carat, unit of mass (weight) equal to 200 mg; one of the 4Cs of diamond quality along with colour, cut and clarity

**stripping ratio** is calculated as rock moved in cubic metres (less pre-stripping) divided by ore and gravels processed (in tonnes)

**p.p.** – percentage point

**diamond price index** helps track changes in average diamond prices on a like-for-like basis (excluding 10.8+ cts stones)

**average realised price** is sales revenue in US dollars divided by sales volume in carats

**t** – tonne