



Press Release

AWDC and Alrosa reinforce ties in new Cooperation Agreement

Antwerp, December 1st 2013 – In the margins of their annual client meeting in Antwerp ALROSA signed a Cooperation Agreement with the Antwerp World Diamond Centre that aims to further strengthen the unique relationships between the world's largest diamond producer and the world's leading diamond trading hub. The agreement was signed by ALROSA's President, Fyodor Andreev and AWDC's President Stéphane Fischler, in the presence of the Governor of the Province of Antwerp, Cathy Berx and Alderman for Diamond of the city of Antwerp, Ludo Van Campenhout.

The document formalizes the cooperation between AWDC and ALROSA over the next three years and includes the intention for both parties to contribute to the development of a competitive rough and polished diamond market in Russia and the promotion of Russian diamond production on the Belgian market. In addition, both parties commit to exchange information, such as market intelligence, and inform each other on industry events such as seminars and conferences, the development of new technologies or market opportunities. The cooperation also provides an opportunity to set up diamond grading and sorting courses for Russian students at HRD Antwerp. Furthermore, the Agreement stipulates that ALROSA and the Antwerp diamond sector will work more closely and exchange expertise and information regarding the implementation of the Kimberley Process Certification Scheme.

In terms of import, Russia remains one of the most important suppliers of rough diamonds for Antwerp; in 2012 Antwerp imported no less than 17 million carats, constituting nearly 20% of all Antwerp rough imports, equaling a value of nearly 2.5 billion US\$. In the first half of 2013, Antwerp accounted for an impressive 65% of all Russian rough exports, both in terms of volume and value, totaling 11.9 million carats or 1.49 billion US\$.

This year, ALROSA organized its annual client meeting in Antwerp, where most of ALROSA's customers under long-term agreements are based.

AWDC, short for Antwerp World Diamond Centre, is an industry-established foundation, whose mission is to serve and support the diamond business in Antwerp, the world's most important diamond trade hub. AWDC is the coordinating body and the official representative of the Antwerp diamond sector, and as such are recognized internationally as the host, spokesperson and intermediary for the Belgian diamond community. In this capacity, AWDC liaises on behalf of the Belgian diamond sector with governments and actively promotes support for the diamond sector at home and abroad.

84% of all rough diamonds and 50% of all polished diamonds pass through Antwerp. Diamonds represent 5% of the total Belgian exports and 15% of all Belgian exports outside the EU, making diamonds the most important export product outside the EU.

Press contact:

AWDC Communication Department - +32 3 222 05 41 / +32 497 83 80 35

Diamonds love Antwerp

Private Stichting – Antwerp World Diamond Centre (AWDC) ☐ Hoveniersstraat 22, BE-2018 Antwerpen, Belgium
T +32 3 222 05 11 ☐ F+32 3 222 05 99 ☐ info@awdc.be ☐ www.awdc.be ☐ BTW – BE 0885 969 987



ANTWERP DIAMOND FACT SHEET

Antwerp ended 2012 on a high note with a total value of traded diamonds of no less than \$51.9 billion, compared to \$56.6 billion in 2011, and \$41.9 billion in 2010, the second best result in the past decades.

Diamonds rank fourth of the major commodities for total Belgian international trade, and comes first when only trade outside the EU is taken into consideration. The diamond sector accounted for a positive trade balance of \$1.59 bn. in 2011, on a national total of € -0.99 billion in that same year.

With respect to total trade, diamonds occupy the 4th place in the ranking of trade goods. Moreover, in regard to the trade outside the EU, diamonds are the most important trade products, both for import and export transactions. Diamonds represent approximately 5 % of Belgian exports and about 15 % of all Belgian exports outside the EU. Each year, 28.000 Kimberley Process certificates are issued in Antwerp, or half of all the KP certificates issued worldwide. Over the past few years, the diamond sector has generated an added value of nearly 500 million €. The diamond sector accounts for a total of 34.000 jobs, 6,000 of them are direct jobs.

Demonstrated by the recent KP figures, Antwerp still remains the world's most important centre for the diamond trade. Approximately 84% of the total world production of rough diamonds is being traded in Antwerp, as is an estimated 50% of all polished diamonds worldwide.

Antwerp has over 550 years of illustrious heritage as diamond trading and manufacturing hub, embodied in the slogan 'Cut in Antwerp', which still is the diamond trademark for supreme quality and exquisite craftsmanship. With a financial, technical and intellectual infrastructure that is unrivalled in the industry, Antwerp is the centre from which a multinational industrial and commercial network is coordinated, enabling the transformation of rough diamonds into the sparkling showpieces sold in jewellery shops around the globe.

Antwerp is home to over 1700 registered diamond firms, including rough diamond producers and dealers, manufacturers, polished diamond wholesalers and some 2000 diamond and jewelry related businesses. The city also headquarters the industry's leading financial institutions, insurance companies, security, shipping and logistics providers, gem labs, etc. Its multicultural community of diamond dealers from various religious backgrounds in a politically stable and neutral setting is truly unique.

At the core of Antwerp's unique trade infrastructure lies Diamond Office, the in-house customs office that streamlines the vast flow of diamonds in and out of Antwerp. Through a sophisticated system of procedures and controls, Antwerp is continuously focused on maintaining internationally recognized high levels of compliance and transparency relating to AML, KP, and CSR. On top of the procedures that are customary in the diamond business, Antwerp is subject to an additional compliance layer as a result of EU legislation and regulations. The city is internationally recognized as the ethical benchmark and rolemodel for the entire diamond and jewellery industry.

For more information, visit www.awdc.be.

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ALROSA FACT SHEET

ALROSA is a Russian diamond mining company and the world's largest producer of diamonds by volume. ALROSA is engaged in exploration, mining, manufacturing and sales of diamonds. The Company's operations are located in the Republic of Sakha (Yakutia) and Archangelsk region of Russia. In 2012 the Company produced 34.4 million carats of rough diamonds; revenue in 2012 was USD 4.6 billion.

Shareholders:

- the Russian Federation represented by the Federal Agency for Management of State Property with 43.9256% of shares;
- the Republic of Sakha (Yakutia) represented by the Ministry of Property Relations of the Republic of Sakha (Yakutia) with 25.0002% of shares;
- Administrations of 8 municipal districts (uluses) of the Republic of Sakha (Yakutia) with 8.0003% of shares;
- other legal entities and individuals with 23.0739% of shares.

Market Position:

- ALROSA accounts for 27% in the global diamond production in terms of carats in 2012.
- ALROSA is among the top ten of Russia's most efficient enterprises.
- ALROSA accounts for 99% of Russia's overall diamond output.

Production:

- In 2012 ALROSA Group enterprises diamond production amounted to 34.4 million carats.
- At its production facilities ALROSA employs the most advanced achievements of international science and state-of-the art technology and relies on its own unique technological experience of mining in the harsh climate of the Russian Far North.
- About 95% of the ALROSA total diamond production (in terms of value) are gem and near-gem quality diamonds.
- ALROSA is pursuing a single product strategy with a focus on rough diamond exploration and production as the most attractive and high-margin segment of the diamond industry.
- ALROSA plans to increase diamond output to over 40 mln carats until 2021.

Marketing & Sales:

- ALROSA's sales strategy is aimed at long-term contracts for rough diamond supplies with large companies involved in cutting and polishing and jewelry manufacturing.
- The efficient sales system has enabled ALROSA to generate USD 4.6 billion of revenue in 2012.
- Long-term contracts account for more than 60% of ALROSA sales.

For more information on Alrosa, visit <http://eng.alrosa.ru/>

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