

ALROSA

IN-HOUSE PUBLICATION OF THE LARGEST DIAMOND MINING COMPANY  ALROSA

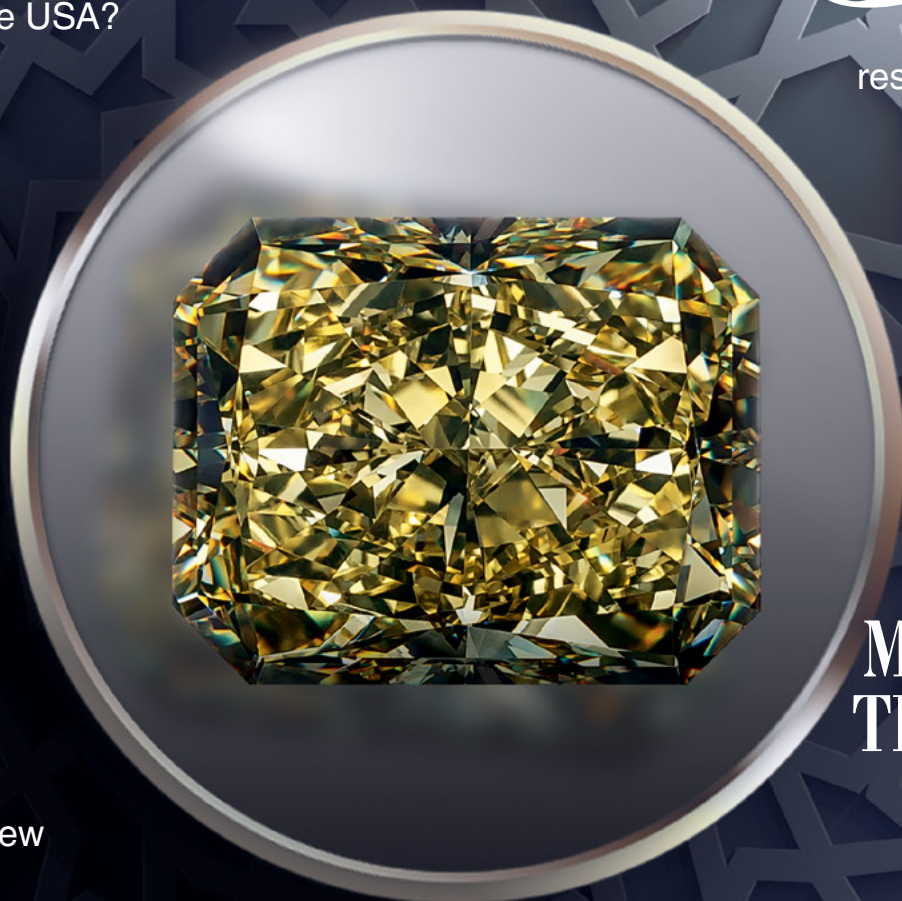
SEPTEMBER
2018

CARATS ON THE MAP

What is the difference between customers' profiles in China and the USA?

500

ALROSA social responsibility projects



Head of ALROSA

**SERGEY
IVANOV:**

"We change in response to new challenges"

**MATTER OF
TECHNIQUE**

New player in the diamond detection market

TRIUMPH OF COLOUR

Fancy colour rough and polished diamonds win the market



**SMART HELPER FOR PICKING
NATURAL DIAMONDS JEWELRY
PORTABLE DIAMOND DETECTOR –
INTELLIGENT AND USER-FRIENDLY**

ALROSA DIAMOND INSPECTOR IDENTIFIES:

- polished natural diamonds;
- enhanced/treated polished natural diamonds;
- non-diamond imitations/simulants (moissanite, cubic zirconia, etc.);
- polished synthetic/lab-created diamonds grown using HPHT or CVD methods



**ALROSA
TECHNOLOGY**

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Editorial note

STEPAN PISAKHOV, A XX CENTURY WRITER AND ARTIST FROM THE ARKHANGELSK REGION, which is world-famous for coloured diamonds minable there, in his fairytale “Frozen songs” (Morozheny pesni) tells how semiprecious stones came out of songs. The local people pronounced words in the freezing cold; the words remained frozen till thawing weather, and when it got warmer they thawed and sang again. “We have fences shored with strong words, and old men and women lean on warmly said words.” And delightful laces shining like diamonds were resulted from songs of maidens and women. Houses were decorated with these diamond laces; and venturers brought the frozen diamond songs to other countries.

This issue of the magazine is dedicated to the way in which the gems of unique hues appear by quaint plan of nature, about special aspects and possibilities of fancy colour diamonds market, and ALROSA colour gems mining and faceting. We also tell about selling of the most valuable diamond of the Company, about new development in diamond origin detection, about the most outstanding social responsibility projects of ALROSA.

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Diamond jewelry is not suitable only for special events but also it is appropriate for casual use. Through the example of celebrities' images we demonstrate how to make a fashion sport-chic style look



ALROSA in-house publication **ААРОСА**

Promotional booklet

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МАСТЕРСКАЯ ДОМ
MEDIA LINE

Magazine designed with the participation of PH "MediaLine"
www.medialine-pressa.ru

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Phone: (495) 640-08-38; (495) 640-08-39

Printed in accordance with the materials provided in the Mediicolor printing office
Printing Office address: bld.28, Volnaya str., Moscow

Signed to print: 03.09.2018

Date of release: 11.09.2018

For free distribution

On-line version is available on the website
www.alrosa.ru

WORLD

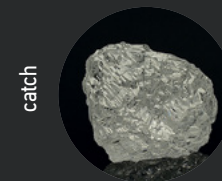
27%

ALROSA GROUP'S SHARE IN THE GLOBAL DIAMOND PRODUCTION

2017 2016

AIKHAL MINING AND PROCESSING DIVISION

Yubileynaya, Komsomolskaya and Aikhal pipes



catch

A diamond from the Yubileynaya kimberlite pipe where the most of ALROSA's large diamonds are mined. 129.9 carat transparent crystal with a yellowish tinge, mined in September 2017.

MIRNY MINING AND PROCESSING DIVISION

Mir and International kimberlite pipes, three placer deposits, one technogenic deposit



catch

76.53 carat transparent yellow diamond, mined in March 2017 at the International underground mine at the depth of more than 1 km.

ABSOLUTE RECORD

Diamond output

39.6 million carats*



* The largest diamond output in the company's modern history.

UDACHNY MINING AND PROCESSING DIVISION

Udachnaya and Zarnitsa pipes, Zapolyarny open-pit mine of the Verkhne-Munskoe kimberlite field, one placer deposit

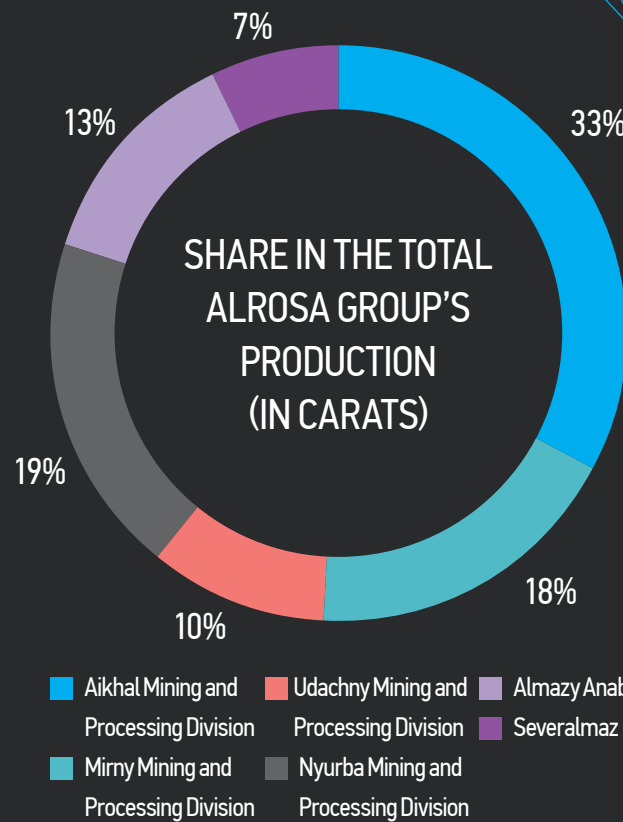


catch

54.32 carat diamond was mined at Zarnitsa pipe in March 2018. 29 tons of ore had to be processed in order to recover these 11 grams of precious mineral.

CHAMPION

ALROSA GROUP – WORLD LEADER IN DIAMOND MINING



1,172 billion carats

VOLUME OF DEPOSITS' RESERVES OWNED BY THE ALROSA GROUP AS OF JANUARY 1, 2018, ACCORDING TO THE STATE RESERVES COMMITTEE

NYURBA MINING AND PROCESSING DIVISION

Nyurbinsky and Botuobinsky pipes, two same-name placer deposits



catch

51.9 carat crystal was mined at the Nyurbinsky kimberlite pipe early in this year. The age of the Nyurbinsky pipe – an ancient diamondiferous volcano – exceeds 360 million years, the diamond itself was formed much earlier.

SEVERALMAZ

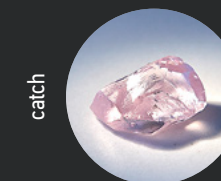
Arkhangelskaya and Karpinskogo-1 pipes



catch

Not the largest, yet a uniquely orange-coloured diamond of 1.76 carats was mined in December 2017. The specialists of the Diamond Sorting Center admit that they have never seen a diamond of such a deep orange colour and call it "a mandarin diamond" among themselves.

ALMAZY ANABARA



catch

A unique 27.85 carat pink diamond was mined in the summer of 2017 at the Ebelyakh placer deposit north of the Arctic Circle. It is the biggest pink diamond that has ever been recovered in the history of ALROSA Group. More information on the coloured diamonds recovered by ALROSA can be found in a special project on page 10.

S&P HAS INCREASED THE CREDIT RATING OF ALROSA TO “BBB-”

International Rating Agency S&P Global Ratings has increased the long-term credit rating of the Company to “BBB-”, the rating forecast – “stable”.



The Agency focuses on positive trends in the polished and rough diamond market, stable high return on business ratio of ALROSA, leading position in the global sector, significant improvement of financial stability, and gradual enhancement of the operational activity.

“We are pleased that the Agency highly appreciated our work that allow us to demonstrate a stable return on business ratio. Low leverage level and strict control over costs let the Company provide a positive cash flow for the key business



development, financial stability and distribution of dividends. To maintain comfortable leverage level we plan to keep the Net debt/EBITDA ratio within the range of 0.5x-1.0x,” told Alexey Philippovsky, ALROSA Deputy CEO.

Sergey Ivanov was named one of the best CEOs

The head of ALROSA, Sergey Ivanov, was ranked 2nd out of 34 companies' CEOs in the mining sector according to Institutional Investor ranking.

The issuers evaluated activities of CEOs in the mining sector of developing economies of Europe, the Middle East and Africa (EMEA region) in 2018. What's interesting is that Sergey Ivanov topped the ranking list based on the buy-side analysts votes.

Sergey Takhiev, ALROSA Head of Corporate Finance, topped the list of the Best IR Professionals based on all votes while



at his previous position with NLMK, Russia's largest steelmaker.

The Institutional Investor's ranking is based on the survey of 189 sell-side analysts, 328 portfolio managers and buy-side analysts conducted in February and March 2018. The Institutional Investor evaluated readiness of IR team empowered to speak authoritatively on the company's behalf, timely and appropriate level of financial disclosure, efficiency of meetings through road shows, conferences and reverse road shows, the quality of corporate documents and investor kit materials, delivery of insight and useful reports on ESG/SRI metrics, the quality of website, commitment to corporate governance standards, as well as other criteria.



ALROSA TO PAY DIVIDENDS TWICE A YEAR

In August, the Supervisory Board of the Company approved the new Dividend Policy.

The Supervisory Board recommended the stockholders to approve dividend payment to the stockholders to approve dividend payment for the first 6 months at a rate of 5.93 rubles per share. A total of 43.67 billion rubles may be spent to pay dividends.

According to the approved parameters, the new dividend policy will imply the change of the practice of payment frequency up to twice a year (for the first 6 months and for 12 months of the year net of dividends for the first 6 months paid previously). Previously dividends were paid once a year based on the Company's annual performance.

Free cash flow (FCF) which takes into account the operating cash flow net of capital expenditure is considered to be used as a new basis for calculating dividend payments.

According to the new policy, with a net debt/EBITDA ratio, the Supervisory Board will recommend dividends of more than 100% of FCF, with ratio of 0x-1x – from 70 to 100% FCF, and with ratio in the range of 1x-1.5x, the recommended amount of annual dividends will be from 50 to 70% of FCF. However, if the net debt/EBITDA ratio does not exceed 1.5x, the minimum dividend level will be 50% of net profit according to the international financial reporting standards.



Zarya open-pit reached 100 meters

The capital mining operations at ALROSA's new diamond deposit Zarya in Yakutia, which began in June 2016, are entering the final stage. For two years, 10 million cubic meters of overburden were carried out from the open-pit, and the depth of it has reached 100 meters. Diamond mining, as planned, will begin next year.

The mining operations at Zarya deposit are carried out by Aikhal Mining and Processing Division. Total diamond resources of the deposit are estimated at 3.5 million carats worth more than USD \$1 billion. Its development will allow replacing the falling-out reserves of Komsomolskaya pipe, where mining operations are due to complete.

The development of the deposit is planned to the depth of 300 meters with the production of 12 million tons of ore. The completion of the open-pit mining is planned in 2030. The average diamond grade is estimated at 0.28 carats per ton of ore. The cumulative investment volume will constitute around 12 billion rubles. About 130 people are involved in the open-pit mining.

Zarya pipe is located two kilometers away from the Aikhal settlement in Mirninsky District of Yakutia. On June 10th 2016, the first industrial explosion took place at Zarya pipe.

The output plan at the Internatsionalny underground mine to be revised



The changes will not affect the ALROSA Group production forecast for 2018.

Based on the audit of the design solutions, conducted at all ALROSA's production facilities following the Mir mine accident in 2017, the Company's management has revised the production project at the Internatsionalny underground mine of Mirninsky Mining and Processing Division. ALROSA decided to suspend the construction of deep mine levels below the level of minus

800 meters whereas it is necessary to carry out works to prevent gas-dynamic phenomena recorded there. Mining at lower levels is expected to resume at the end of 2018 when studies will be carried out and the expert recommendations will be received. However, it is conceivable that the intensity of mine footage will be reduced for safety reasons. According to preliminary estimates, mining operations below the level of minus 800 meters will be fully restored in 2023, after which the underground mine will return to its designed capacity of 500 thousand tons.

The solution will not have an impact on the ALROSA Group production plans in 2018 at 36.6 million carats. According to the Company's estimation, from 2019 to 2022, the decline in production at the Internatsionalny will be around 0.5-0.8 million carats per year.

"Our employees' safety and health are the absolute priority for us. Pace and output reduction is determined by safety and environment system and new stricter rules therein," said Sergey Ivanov, ALROSA CEO.

The Internatsionalny underground mine is located 16 km south-west from Mirny town; it was commissioned in 1999. As of the beginning of 2018, Internatsionalny pipe diamond resources under the standards of the National Reserves Committee were 51.3 million carats. In 2017, the underground mine produced 3.7 million carats of rough diamonds. The approved reserves of Internatsionalny pipe are characterized by a high diamond grades, on the average about 7-8 carats per ton.

LEADING POSITION IN TOTAL STOCKHOLDER RETURN



ALROSA ranked 2nd among global mining companies with a market capitalization over USD \$4 billion in terms of the total stockholder return (TSR) in the Boston Consulting Group 2018 Value creators ranking.

The average annual total stockholder return of ALROSA shareholders, according to the issuers, is 25.4% for the period from 2013 to 2017, which significantly exceeds the median value for the industry in the amount of minus

3.3%. The main growth factors that allowed entering the list of global leaders are sales growth, increase in profitability and growth in dividend payments.

Totally 2,425 companies with a free float of at least 20% of the share capital traded on the exchanges in the last 5 years were included in 2018 Value creators ranking. All companies were divided into 33 industries and ranked by the average annual total stockholder return for the period from 2013 to 2017. The total stockholder return is a key indicator of the assessment of the return on investments in companies' shares and takes into account both the change in stock quotes and the amount of dividends paid.

ALROSA SOLD RUSSIA'S MOST EXPENSIVE DIAMOND

Mouawad Group Jewelry House has acquired at the auction the 51.38 carat Dynasty diamond, the last from five gems, included into the collection of the same name.

The central diamond in the collection has a traditional round shape, and the highest colour and quality characteristics: D colour, VVS1 clarity. It is the purest of all large diamonds manufactured throughout the Russian jewelry history.

Four gems from Dynasty collection were sold before, in November 2017. The total revenue from five gems collection sales amounted to USD \$10 million.

Fred and Pascal Mouawad, co-owners of the jewelry firm, said: "We're very proud of this important acquisition. We will add it to our repertoire of historic diamonds. What attracted us to the Dynasty is not only its exceptional quality but the transparency of its history and the fact it's the most valuable diamond ever sold by ALROSA. It's a rare gem with a remarkable record."

The stones in the Dynasty collection are named after the famous Russian dynasties that made a significant contribution in the development of Russian Jewelry. The second by size, a 16.67 carat round brilliant-cut diamond was named the Sheremetevs; a 5.05 carat oval one is the Orlovs; a 1.73 carat pear-cut diamond is

the Vorontsovs; and the oval 1.39 carat diamond is the Yusupovs.

The Dynasty diamond as well as other four diamonds in the collection was created from a 179-carat rough diamond. The unique rough crystal was recovered from Nyurbinskaya kimberlite pipe in the Republic of Sakha (Yakutia) in 2015. The gems were cut by the craftsmen from DIAMONDS ALROSA.

REFERENCE:

Mouawad Group was created in Beirut (Lebanon) by Mouawad family. Currently the business is run by brothers Fred, Pascal and Alain. The Jewelry House owns 13 boutiques in Switzerland, Asia and the Middle East, and their products used by such celebrities as Christina Aguilera, Britney Spears, Kim Kardashian and others. Also the House successfully works, for example, in fashion industry. One of the most surprising projects became the project in collaboration with Victoria's Secret, within which there were produced several collections of the "diamond" lingerie decorated with natural jewels.



Restart in New York

ALROSA has reopened its office in New York on Fifth Avenue and held the first in two years auction.

50 companies from world's largest diamond trading centers, including 7 from the USA and 43 from Belgium, India, Israel and the United Arab Emirates, took part in the first in several

years auction for the sale of special size rough diamonds (weighing from 10.8 carats and over). 63 lots with a total weight of 1,040 carats were sold for a total amount of USD \$10.38 million.

At the polished diamond tender, 111 gems of standard colour with a total weight of 308.97 carats were sold. The total revenue from sales amounted to USD \$1.5 million.

ALROSA office in New York was opened in 2006, but since 2016 it has not been operating for organizational reasons. It resumed work in the spring of 2018.

Diamond is a rare mineral. There are even species ten thousand times more rare than the conventional, more familiar colourless crystals. Those are the diamonds of intense, fancy colours.

LIFE IN A NEW COLOUR



While a big colourful catch is always a sensation, a big coloured polished diamond at auction is a guarantee of attention and often a record price tag.

Coloured polished diamonds cannot be mistaken with any other natural coloured gems. With their strongest reflecting capacity that only diamonds have, the colour makes the gem truly singular.

The origin of colour in diamonds is varied. A colour may reveal much about the gem's history and provenance. Yellow, brown, pink, red, green, azure, in fact dozens of intricate diamond colour tints (70 basic colours in total) can be distinguished.

An unusual polished diamond enjoys highest attention of a cutter as well as a buyer since a coloured stone, unlike a colourless one, requires more care during cutting. Finally, fancy-coloured diamonds are priced according to their own standards forming a specific market that defies convention.

Amazing deep coloured diamonds are mined in different parts of the world including ALROSA's mines in Russia. Welcome to our special feature to learn more about the colouration of the precious gems, cutting techniques and the prospects of ALROSA in the market of polished diamonds.

Alrosa has something sensational up its sleeve for a largest trade show that will take place in Hong Kong this September. A big collection of coloured polished diamonds will be presented alongside with the conventional trade show exhibits for the first time.

PERSONALITY TINTS

Something That Everybody Wants

Since the beginning of the year, cutting division DIAMONDS ALROSA has been creating the collection destined for Hong Kong Gem & Jewelry Fair. ALROSA is busy developing its cutting division focusing on unique gems. One of the focus areas is coloured polished diamonds. For instance, the company will have its division to cut the most expensive 28-ct pink diamond ever found in Russia.

A deep purple 11-ct polished diamond is bound to become a star of the Hong Kong fair. Unique purple and pink gems will also be a part of the collection. Buyers from all over the world are signing up for the viewings.

The collection will be exhibited at True Colours, ALROSA'S own auction. The new polished diamonds collection will embody authenticity, self-realization and individual value, the qualities so much in public demand these days. The True Colours auction will become an annual event.

Full information about the polished diamonds will be made available to buyers through a specialized digital catalogue as soon as the diamonds are GIA certified.

A possibility to buy diamonds directly from ALROSA will be another market novelty. This step appears to have at least two

obvious advantages. Firstly, ALROSA is today one of the only two diamond-mining companies with an in-house gem-cutting business. This means that the company is capable of testifying to any diamond's history from its mining site to the buyer thus verifying its origin. Secondly, diamond jewelers and retailers will have an opportunity to save on dealer premiums. ALROSA offers considerable marketing support to its customers helping them to develop creative concepts and position brands.

Delicate Workmanship

With its capability potential today, ALROSA can become the biggest producer of coloured diamonds to achieve the annual target of 7000 ct or higher. Since the end of the last year, the company has started to grade the diamonds against the 19 colour tint scale. The colour specter ranging from the classic yellow tints to the less common pink and deep lilac tints can satisfy the most demanding buyer. These days the majority of such diamonds are delivered to ALROSA polishing branch. Russian craftsmen have years of manufacturing experience and are well aware of the true, world-famous Russian Cut, an embodiment of the cutting highest standards. ALROSA is determined to revive

True Colours is a well-known idiom referring to purity, sincerity, pursuit of self-identification. A famous song with this title dedicated to the value of individuality was later performed by Phil Collins and Justin Timberlake.

the traditions and prestige of the famous Russian jewelers renowned for their fine craftsmanship ever since the first cutting factory was established in early 1700-s, at the time of Peter the Great.

An important step towards such revival was made in 2017 when ALROSA presented The Dynasty, a unique collection of polished diamonds cut in-house. A 51.38 ct gem of the traditional round cut, the heart of the collection, is the clearest of all the large polished diamonds ever cut in the entire history of Russian jewelry.

Backed by strong reputation, Russian diamond brand awareness, compliance with all the ethical and environmental standards, highest cutting quality, world-renowned Russian jewelry traditions, ALROSA is capable of becoming a leader in the global market of polished diamonds.

RESOLVING A DIAMOND INTO ATOMS

What can colour tell about the adventures of a diamond on its way to the Earth surface? Which of them change their tint, do exposed gems retain the radiation? Galina Kriulina, expert gemologist, shares the unlikely secrets of the coloured diamonds.



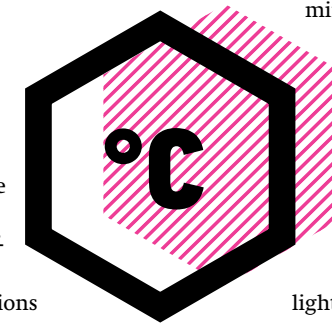
PERSONAL FILE

Galina Kriulina,
PhD in geology and mineralogy,
expert gemologist of Moscow
State University Gemology Centre,
research fellow of Moscow State
University Geology Department

Why Pink?

Pink diamonds have a special place in the coloured diamond variety. Despite the common opinion it is the most sought-after rather than the rarest colour of the natural diamonds. The romantic associations of the pink colour combined with the multitude of tints make the pink diamond truly popular among the connoisseurs. The way the diamonds 'come by' this colour is different from most others.

A diamond is a metastable crystalline state carbon. Usually the colour is caused by chemical impurities contaminating



the lattice. The pink colour is a quite different matter. Scientists realized that plastic deformation processes contributed to the pink colour of diamond crystals.

Two factors – the pressure inside the Earth's mantle and extremely high temperatures – appear to contribute to the occurrence of pink as well as brown diamond colour. Diamonds remain in semi-solid (plastic) state inside the mantle. Scientists surmise that the pressure is caused by the movement and metamorphism of the mantle rocks during the global diastrophic movement.

As parent rocks move closer to the Earth's surface, the plastic-state diamond travels together with the rock exposed to temperatures of 1200 degrees thus acquiring a brown colour. The pink colour is acquired at a lower temperature of 800 degrees when the diamond is already crystallized and solidified. Therefore, the pink diamonds experience harder deformation than the brown ones often acquiring a chunky, step-like surface. Many pink diamonds feature cracks and defects for just this reason. Grading diamonds for cutting is a laborious exercise. Cutting such diamonds isn't any easier since plastic deformation may cause the diamond to accumulate stress; when sawed and polished, the diamond may crack apart or 'explode'. This is why the share of cut pink diamonds among all the mined diamonds accounts for a fraction of percent.

The orange pink, vivid and purplish stones are the most highly appreciated colour tints. A fancy-coloured luster is their distinctive feature. Alexandrites turning red in the light of the day and green in artificial lighting are the nature's stone chameleons. While polished diamonds do not display the same contrasting colour change, the orange-pink gems do play with tints slightly changing their colour depending on the lighting intensity.

Fancy purplish red diamonds are the rarest, sporadic and hence the most expensive. Fancy intense, fancy vivid are the most valuable kinds of the pink diamonds. A brownish tint exhibited by red and pink diamonds can be a disturbing sign since it may lead to sharp devaluation. Contrariwise, the value of brown gems exhibiting orange tint may rise. →

“
INTENSE LUSTER, HIGH DISPERSION AND LIGHT REFRACTIVITY ENSURE MAXIMUM INSTANCES OF FLASHING BOTH IN SUNLIGHT AND ARTIFICIAL LIGHTING. WHENEVER A POLISHED DIAMOND IS COMPARED TO OTHER GEMS WITH SIMILAR OPTIC PROPERTIES REFERRED TO AS 'IMITATIONS', THE LUMINOSITY OF THE LATTER IS SAID TO BE 'LIFELESS'. THUS, AN EXPERT MAY TELL A MOISSANITE OR A PHIANITE FROM A COLOURLESS DIAMOND BY ITS LUSTER. NO NATURAL GEM COMPARES TO COLOURED DIAMOND IN TERMS OF THEIR LUSTER. OWNERS OF COLOURED DIAMOND ENJOY A DOUBLE BENEFIT. FIRSTLY, THEY ARE AWARE OF WEARING A UNIQUE GEM. SECONDLY, SUCH GEM IS CLEARLY A POLISHED DIAMOND THAT REQUIRES NO CREDENTIALS TO PRESENT

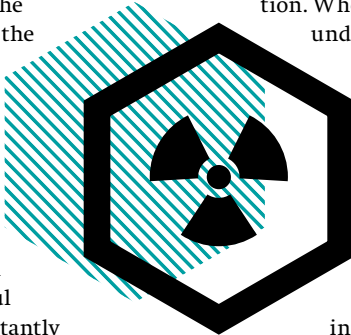
→ Why Green?

Natural radiation is the reason why certain diamonds acquire a green colour. Can a diamond emit radiation after it has been extracted from the mine? Let me reassure you: no, it can't.

The green colour occurs whenever a fully developed rather than a growing diamond is exposed to natural radiation; this colour is therefore epigenetic. A radioactive mineral residing in the same rock next to the diamond is the radiation source. For example, a charoite may be such source. The radiation process occurs whenever, for instance, the diamond finds itself near the Earth's surface inside the diamond pipe vent (into which the diamond is pushed up from the depth of 150–200 km by the erupting magma), or on the surface, at a secondary, placer deposit.

Millions of years of exposure under steady temperature conditions, – which is something that happens very rarely indeed, – can only give the diamond an intense green colour. Colour intensity and uniformity – from subdued green to black – depends from the intensity and duration of the radioactive exposure.

Gems that have this colour, i.e. those that have been exposed to radiation, often look black. Their principally green colour may only be detected when lit with a 6500 K or more powerful gemological lamp. Importantly for the brilliant-to-be, when the rough surface is polished off and the diamond is cut it becomes brighter and its rare natural greenish tint will be manifested in the best possible way.



The green colour of a diamond is deceptive. The colouring is superficial, very rarely are the diamond's insides coloured too. The colour may also be distributed unevenly, in chunks, or disappear altogether during cutting. This will degrade a coloured diamond to a plain, colourless diamond. Besides, the diamond's green colour is thermally unstable. The exotic green tint may turn brown when heated to 550°C.

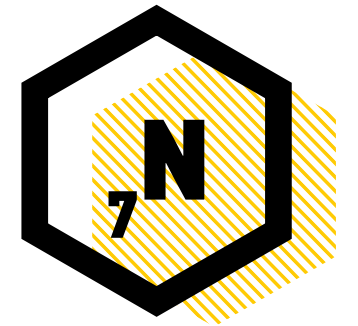
Such brown-coloured crystals used to be found, among other places, in the ancient placers of the Urals that had experienced metamorphism, i.e. global evolutionary processes. Developments such as the mountain formation occur under high temperatures. If diamonds happened to be a part of this process, those originally green subsequently turned brown. Such diamond contains a lot of information. When examined closely

under a magnifying glass brownish spots may be detected which tell that the diamond has originated from ancient placers. Thus a diamond may share its 'life story' as we succeed in determining the geological circumstances of its occurrence in exogenous (superficial) conditions. This attribute is very important for mineralogical exploration.



Why Yellow?

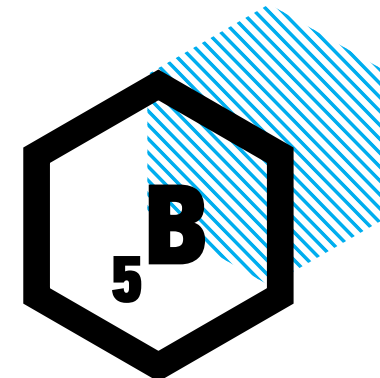
Diamonds of yellowish tint occur most often. It has been proven that such tint is caused by the nitrogen displacement of carbon atoms. Gems of the most attractive colours such as intense yellow, yellowish orange are a rare find.



Why Blue?

Blue and light blue tints are derived from boron impurities; thanks to this chemical element diamonds can conduct electric current (have semiconductor properties). However the story of blue diamond is not that simple. Blue diamonds mined from the Argyle pipe in Australia featured no boron in their crystalline lattices and hence had no semiconductor properties. Such diamonds often had a greyish tint thanks to the hydrogen impurities.

New research published in August, 2018 issue of Nature reveals boron bearing blue diamonds (type IIb) are "superdeep" diamonds, meaning they crystallized at least as deep as the transition zone (410–660 km). That's much deeper in the earth than most other gem diamonds. Remarkably, the boron atoms contained in these blue gems may have originally been derived from ancient oceans.



ALTHOUGH HISTORICALLY GREEN DIAMONDS MOST OFTEN OCCURRED ON THE WESTERN SLOPES OF THE URAL MOUNTAINS, THESE DEPOSITS HAVE LONG BEEN DEPLETED. BRAZILIAN PLACERS ARE THE WORLD'S MOST RENOWNED



WONDER MINES

Fancy coloured diamonds are found in various deposits in Africa, Brazil, Canada, Australia, Russia and other countries. The majority of these deposits may only boast a precious few finds of coloured gems in a year. There are however certain locations that become famous for the diamonds of rare colours. Let us tell about a few of them.

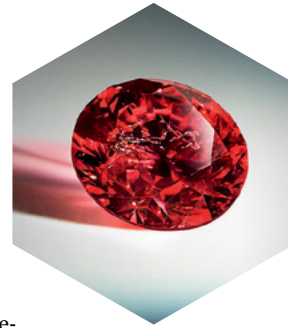
Australia

The world's most famous deposit of coloured diamonds is situated Down-Under. A lamproite pipe in Argyle in West Australia belongs to Rio Tinto. The deposit was discovered in 1979 and the mining started in 1983.

Two decades ago it was the world's largest diamond mine. Year 1994 witnessed the production peak as 42 mln ct of diamonds. In 2017, the yearly production amounted to 17 mln ct.

Many of Argyle pipe diamonds are brown-coloured. The pink diamonds, however, are the deposit's trademark. Only 0.1% of Argyle's total yearly output are graded as pink diamonds. These few amount to 90% of the world's entire pink diamond production.

The Argyle pipe deposit is depleting; according to Rio Tinto reports it might happen as early as in 2020.

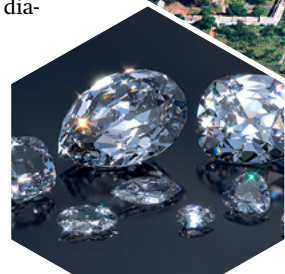


South Africa

Petra Diamonds Ltd, the majority shareholder in South Africa's Cullinan kimberlite pipe refers to this deposit as the world's main source of the rarest blue diamonds.

The deposit development started in 1903. Less than two years later a diamond of extraordinary size, clarity and colour was discovered there. Called Cullinan after the mine's owner, the 3107 ct diamond became the biggest clear diamond in history. It had a blueish tint despite the white diamond grading. 9 big polished diamonds weighing the total of 1056 ct and 96 smaller stones weighing the total of 7.55 ct were cut out of it. The two bigger ones, 530.2 ct Cullinan

I or the Great Star of Africa and 317.4 ct Cullinan II, the Second Star of Africa were mounted on the British Sovereign's scepter and the Imperial State Crown. Today these royal attributes are displayed at the Tower of London. Over the 10 years of Cullinan ownership, Petra Diamonds revealed five significant blue diamond finds. The latest, a 122,52 ct stone was found in June 2014. In the same year the unique diamond was sold for USD \$27.6 mln. Two years later the cost of only one 24.18 ct polished diamond cut from a blue rough (the largest of the four) amounted to the record-breaking USD \$25.4 mln at Christie's.



Russia

ALROSA mines diamonds in the two regions of Russia, Yakutiya, North-Eastern Siberia, and Europe's largest diamond deposit in Arkhangelsk Region. Almazy Anabara and Severalmaz, ALROSA's two affiliates produce most diamonds of rare colours.



Fields of Colour

Almazy Anabara mines diamonds from nine sites of Mayat placer and two sites of Molodo placer. Both placers are situated north of the Arctic Circle. The Mayat field comprises Ebelyakh River, Gusiny Stream, Talakhtakh and other placer deposits.

"Placer deposits have waited long to come to the spotlight. At the time of diamond deposit discoveries in Yakutia geologists and miners looked primarily for kimberlite pipes that were richer in deposits than placers. Placer deposits fell by the wayside in comparison to sweeping discoveries of primary deposits", Roman Zhelonkin, Chief Geologist of Almazy Anabara, explains.

While Ebelyakh alluvial deposits were discovered in 1965, their commercial development began only decades later in 1999. Today a stretch of the Ebelyakh River delivers more sensationally coloured diamonds than ever produced in this country.

Roman Zhelonkin continues: "These days we are exploring new alluvial areas within the bounds of Anabara deposit region. We explore in all the four directions off Ebelyakh. As we treat geological samples we come across fine size diamonds of rare colour tints testifying unmistakably that there are larger crystals in the offing as soon as full-scale exploration begins. The colour, prevalence of rhombic-dodecahedron shapes of the crystals



(octahedrons or octahedron-like shapes are more common in kimberlite pipes) suggest there are primary diamond deposits in the vicinity still to be discovered." →

SPECIAL PROJECT

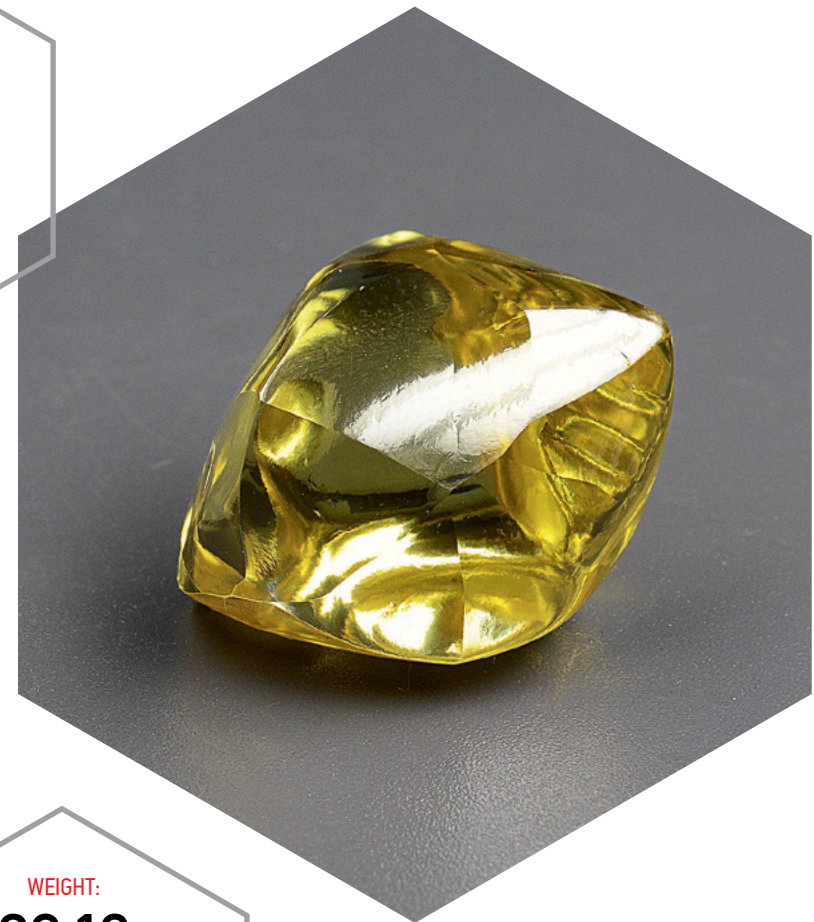


→ **The Stars of Anabar**
The three unique diamonds – the pink, the yellow and the lilac – were exhibited in Antwerp, Belgium, the world's diamond capital during the first meeting in the new three-year contract period between ALROSA and its long-term clients.

WEIGHT:
34.17
carat
DIMENSIONS:
20.17 x 19.65
x 15.1 mm

More Yellow Than Yellow

The pink record find was followed by the yellow find in 2017. A transparent 34.17 ct crystal of intense yellow colour was mined in the middle of September becoming the biggest fancy vivid discovered at ALROSA's deposits since the beginning of the year. The National Jeweler magazine, a New York City based industry portal nominated the yellow and the pink diamonds Best Diamond Discoveries of 2017.



Pink

WEIGHT:
27.85
carat
DIMENSIONS:
22.47 x 15.69
x 10.9 mm



ALROSA's last year was particularly rich in momentous and vivid events (pun intended). A 27.85 ct pink diamond became the headliner. Ludmila Demidova, head of the Chief Expert Office United Selling Organization of ALROSA, says: "I have never seen anything like this diamond for over 40 years that I've been here". She claims that the combination of the gem's colour, dimensions, clarity makes it a unique find. ALROSA's mining and processing plants are very rarely lucky to find a pink crystal. Most pink gems are mined by Almazny Anabara and Several-

maz. The previous find, the largest pink gem-grade diamond discovered at ALROSA's deposit weighed about four carat. The company decided against displaying the rough diamond at the auction. "We believe that we might add more value by cutting the diamond in-house, secure support of powerful partners and sell either a polished diamond or a finished jewel", Evgeny Agureev, Director of United Selling Organization, points out. Company experts estimate that the unique pink gem may become the most expensive polished diamond ever cut in-house by ALROSA.

STATISTICS

ACCORDING TO ALROSA'S UNITED SELLING ORGANIZATION DIAMOND GRADING FIGURES, ALMAZY ANABARA DEPOSITS ACCOUNT FOR 94% OF RARE COLOURED DIAMONDS (BY WEIGHT) PRODUCED BY ALROSA GROUP IN 2017.

2018 data may differ due to the product range adjustment, United Selling Organization sources point out.



WEIGHT:
20.18
carat
DIMENSIONS:
16.8 x 15.5
x 15.26 mm

The Most Delicate One

Another marvelous catch of Almazny Anabara anticipated this year's global trend. A transparent 20.18 delicate lilac crystal discovered at Ebelyakh could inspire any trendy person. It was mined in the middle of 2017 before lavender blue was declared the colour trend of 2018.

THE FIRST BLUE DIAMONDS

The first blue-shaded diamonds have been discovered at ALROSA's deposits. Notably, the diamonds were discovered at about the same time a wide geographic gap apart: two at Almazny Anabara's transpolar deposits, three other at Lomonosov deposit in Arkhangelsk Region. The diamonds were mined in 2017 and 2018. Almazny Anabara finds have a distinctive deep blue tint. It is a gem-quality 0.35 ct fragment of a crystal featuring a pronounced plastic deformation line and a near-gem 0.16 ct crystal.



SPECIAL PROJECT

→ The Treasures of the Pomors

Lomonosov deposit is Europe's first and largest diamond deposit. Severalmaz, ALROSA's affiliate is developing the deposit, coloured diamonds being the company's trademark.

According to the article of scientist Karen V. Smit and analyst Russell Shor, "unlike many diamond mines in South Africa, Canada, and Siberia, the Lomonosov deposit is not in a stable Archean geologic setting. Similar to the Argyle diamond mine in Australia, Lomonosov is in a younger Proterozoic orogenic (or mountain-building) region. Fancy pink



diamonds at both these localities likely relate to these Proterozoic tectonic processes".

The pink diamonds together with their purple relations are a noted feature of Lomonosov deposit. The entire selection of rare coloured diamonds include approximately 7% of purple diamonds of varied intensity (purple, light & fancy purple, intense purple) and 5% pink diamonds.

Severalmaz discoveries of extremely varied colours and tints are not limited to pink diamonds. Three blue diamonds weighing from 0.09 to 0.32 ct were discovered there in 2017 and 2018.

Yellow crystals are still the overwhelming majority (over 70%) among the rare coloured diamonds discovered at Lomonosov deposit. About 70% of all the coloured diamonds are intense yellow-green diamonds. Fancy brown gems amount to 11%.



Platinum necklace with coloured polished diamonds produced by Severalmaz in Arkhangelsk Region. 1.02 ct fancy vivid purple-pink, a 0.50 ct fancy intense pinkish purple, a 0.36 ct fancy vivid purplish pink. The necklace was sold at Sotheby's, NYC, in 2013.





A TRICKY CLIENT

Cutting coloured diamonds is an art in itself. Few cutters get involved with such tricky matter. A first-class cutter can work a true fancy (such is the name of intense coloured polished diamonds) out of a faintest diamond tint. DIAMONDS ALROSA experts explain which diamonds tints are the trickiest and less predictable and how one sets about cutting a coloured diamond.

Riding The Imagination

It takes much more time and effort to cut a coloured diamond than to cut a colourless one. The reason is that colourless diamonds are cut in accordance with long established standards based on the diamond's optic properties. Since the colour features of a coloured diamond have to be determined, their cutting requires an individual approach. By playing with the facet tilting angles and proportions one can succeed in making the gem's true colour to emerge.

Coloured diamonds are cut under continuous supervision of a process specialist 'steering' the gem throughout the entire working path from grading up to the final cutting stage. The specialist controls the cutter monitoring the latter's performance.

– A cutter may approach me 50 or more times for consultation before submitting the finished diamond for evaluation. All of these approaches are logged. I check the result at every stage to verify whether what we did was right, whether an angle may be further re-adjusted to emphasize the colour. A cutter's self-sufficiency is completely out of the question, says Vladimir Shibayev,

process specialist of a DIAMONDS ALROSA division. – Sometimes we receive intense colour diamonds and struggle real hard in order to preserve that particular vivid tint throughout the cutting process. Whenever we lay our hands upon a gem with a faint colour and a fancy potential, we are up against the task to emphasize the tint, make it 'stand out' by adding the facets.

A Pink Bomb

One other characteristic of coloured diamonds that makes a cutter's life difficult is the gem's internal stress. Vladimir Shibayev goes on to explain:

– Pink and brown gems are particularly noted for their internal stress. Almost all of them are stressed. The stress is given away by the iridescence spotted when examining the gem under a microscope.

The specialists tend to refer to such stressed gems as 'bombs'. They are extremely dangerous to work since they can virtually explode cracking into several fragments.

– How one deals with the 'bombs'? They require very delicate cutting. I repeat this to the cutters every day, Vladimir Shiba-



PERSONAL FILE

Vladimir Shibayev, process specialist, DIAMONDS ALROSA

Vladimir Shibayev started working as a cutter at Moscow's Kristall cutting plant in 1973. In 1981 he graduated from Geological Exploration Institute. He worked 18 years at the State Repository of Precious Metals; one of his assignments as a cutter was to cut a classic round shape 57-facet 26.13 ct diamond that is now stored in the Diamond Treasury of Moscow Kremlin.

In 1999, he joined ALROSA. In 2008, he joined DIAMONDS ALROSA's pilot project to cut colour diamonds as a process specialist.

His track record as a diamond cutter is 8 years.

yev points out. – Usually we never saw, either mechanically or by a laser saw, the stressed gems to avoid high temperature exposure. One polished diamond is usually produced from a single crystal. Such gems are referred to as makeable.

Ghostly Green

The green surprises. The colour of such diamonds is usually spread across the crystal surface in uneven spots (read more about the nature of green colour in the previous feature – Editor's Note).

These spots and the green tint disappear during cutting. The diamond is then downgraded to the white polished diamonds. Notably highly valued colourless diamonds with high colour properties are often cut from just these green diamonds.



Non-conventional diamond facet arrangements are also referred to as fancy. Cushion, radiant, oval, pear (drop-shape), marquise, heart are the most popular shapes of the coloured diamonds. These patterns allow to 'pull the colour together', that is, emphasize a rare tint by playing with the facets, adjusting the facet angles to the colour behavior during cutting. Besides, cutting a diamond

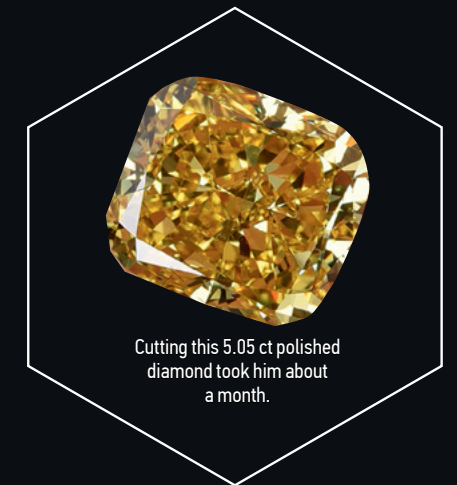
to a round shape will lose about half of its original weight, while fancy cuts allow retaining more of it.

Dmitry Boguslavsky, head of the production launch division, DIAMONDS ALROSA, explains:

– Until recently we have only chosen fancy cuts for coloured diamonds. Then we decided to cut a number of fancy coloured diamonds to a classic round cut as an experiment. Cutting a colour diamond, whether it's a classical 57-facet round shape or not, is still a non-conventional exercise. The process specialist and the cutter digress from the traditional proportions otherwise ideal for the colourless diamonds in order to empha-

Colour Vs. Cut

While the classic round cuts with its mathematically calculated proportions ensuring maximum luster is believed to be ideal for a colourless polished diamond, coloured stones abide by different rules.



Cutting this 5.05 ct polished diamond took him about a month.

size the colour. Usually, the colour still ends up subdued. Due to the specific character of facet refraction, a round shaped gem appears lighter than a rough gem. A cutter may benefit from this 'colouring down' a deep brown diamond.

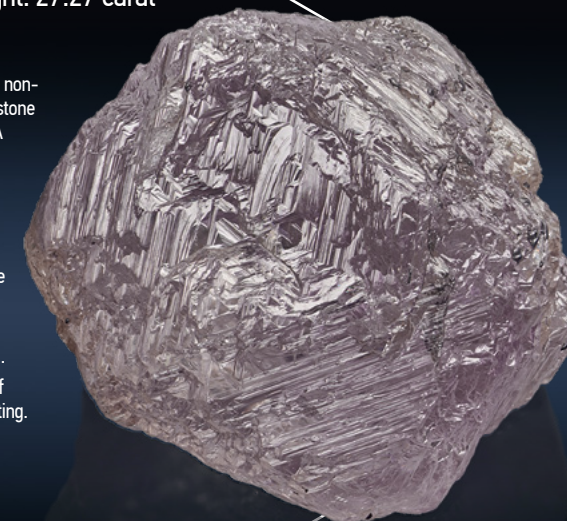
Today few manufacturing companies get involved with round fancy diamonds. Which is better, to end up with a classic round 0.37 cut of a rare colour or a 0.65 cushion, a more conventional shape for the coloured ones? The choice isn't easy.

– As soon as we have a fancy colour diamond, the next step is to decide what final product we want it to become, says Dmitry Boguslavsky.

The results of DIAMONDS ALROSA experiments will be exhibited at the Hong Kong fair in September. These will be diamonds of colours ranging from pink to greenish yellow and weights ranging from 0.04 to 3 ct.

A DIAMOND CHALLENGE

Before
Weight: 27.27 carat



A complicated-shape diamond with a non-transparent surface. To examine the stone the specialists of DIAMONDS ALROSA used a Galaxy scanner apart from cutting as many as 36 1 x 1 mm or smaller window-type facets across its entire surface. The facets served as 'ports' to examine the interior of the gem. The specialists looked inside the 'ports' using a 10-fold magnifier glass.

It took 1.5 months to cut the diamond. Working the diamond took the total of 5.5 months including grading and cutting.

After

Weight: 11 carat
Cutting shape: cushion



SPECIAL PROJECT



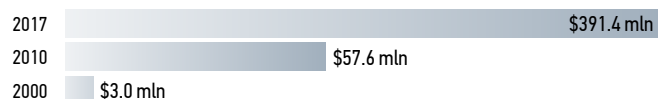
COLOURED INVESTMENT

Most consumers perceive diamonds as beautiful adornments, for many of them diamonds mean memory and a love token. And a few of them consider diamonds as an attractive target for investment.

Precious stones shining various shades of pink, yellow, blue, purple and other colours are the most desired for investors and collectors. The rarity of colour precious gems predetermines their superiority over colourless diamonds in price.

Since the 1980s largest auction houses have been offering their customers fancy colour diamonds both in jewelry and unmounted. Since 2011 a sharp increase in sales of colour gemstones has been noted.

Sales of coloured diamonds by Christie's and Sotheby's, two largest auction houses

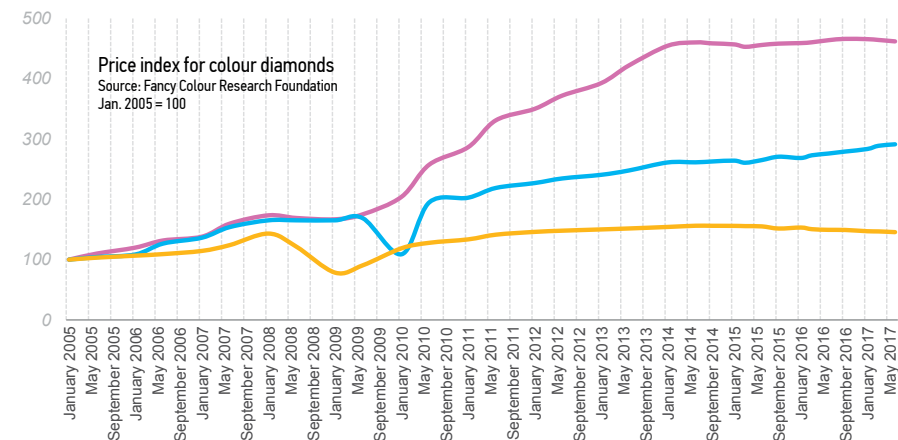


Sales volume:

2017 – 1855 carats, 20 times higher than in 2000

Among colour diamonds the principal demand is for yellow, pink, brown and blue diamonds

Pink diamond index Blue diamond index Yellow diamond index



Stability is about them

In 2014–2017, when due to high market volatility the prices for all categories of colourless diamonds dipped, the prices for fancy colour diamonds demonstrated their greater stability. And a longer-term assessment indicates that the demand for colour diamonds is escalating, thereby ensuring a rise in their prices at an annual average of 12% over the past 17 years.

In the jewelry category it is colour diamonds that surpass as gold and platinum along with colourless diamonds by the rate of return on investments.

THESE LUXURY GOODS ARE NOT ONLY ABLE TO DELIVER AN AESTHETIC DELIGHT BUT ALSO MULTIPLY THE WEALTH OF THEIR OWNERS. WHICH OF THEM COPEs BETTER?*

Colour diamond and a jewelry item



Retro cars

Vintage cars that demonstrated an annual price growth for the last 5 years have shown the first decline at the end of the 1Q 2018. Over the period of twelve months the prices for retro cars fell by 1%. *By comparison, the cost of colour diamonds has not changed and the jewelry*

has gone up in price by 4%. Accustomed to being at the rating top by annual price growth, classic cars receded from their position after the 2Q 2017 when showed the value growth not exceeding 2% and gave way to the jewelry. However, retro cars are ranked first by the price growth over the last 5 years – 91%. The most rapid price growth showed car makes of the 1950s–1960s. And 1962 Ferrari 250 GTO, sold for USD 38.1 million, held a world record for the cost of a classic car at auction till 2018.

Chinese ceramics



In the world of ceramics records for the price paid at auctions are fully comparable with Ferrari 250 GTO. For example, a Ming Dynasty porcelain cup decorated with images of a hen, cockerel and chickens (the cup diameter is 8 cm) was sold at auction for USD \$36.5 million in 2014. In spite of enormous passion of collectors, this category of luxury goods is among outsiders for investors. Over the period of 12 months the prices for Chinese ceramics fell by 2%, over 5 years – by 12%. *Over the same 5 years the price for colour diamonds increased by 9%, and for jewelry – by 41%.*



Paintings

Pieces of fine arts are often involved in auction sensations. Last year a new record price paid for paintings – \$450 million – was set. It is the price paid for Leonardo da Vinci's *Salvator Mundi*. And Vincent van Gogh's *Laboureur dans un champ*, the maximum expected price for which had been USD \$81.3 million. Over the period of 12 months among other luxury goods the fine arts items have shown the most rapid growth – by 21%. *Yet in the 10-year period they have lost by the price growth to colour diamonds and jewelry as the cost of coloured diamonds increased by 77%, and that of jewelry – by 138%.*

Collector-grade wines

In contrast with paintings, cars or antique furniture the collectible wines are gradually reducing in their number, as



they are used for their intended purpose. That is why the prices of the few that remain are shocking. Prices of the most expensive ones exceed much more than USD \$100 thousand. The market price of less rare items is \$5–20 thousand. As this price is much more affordable than a few million dollars, today the market of collectible wines is very attractive for investors. Over the last year, the price for wines increased by 9%, over 5 years – by 58%, over 10 years – by 174%. *The price growth of colour diamonds and jewelry has not been that fast. Yet, we have an argument in their favor: any wine, even the collectible one, will be drunk sooner or later, but a diamond will last forever.*

*The data are obtained from the report by Knight Frank – *Luxury Investment Index at 1Q-end 2018*. The index shows the investment behavior of ultra-high net worth individuals having a net worth of at least USD \$30 million for 10 categories of luxury goods. Knight Frank compares prices for luxury goods over periods of 12 months, 5 and 10 years.

One fancy-coloured diamond is able to reveal its investment potential even in a short period. A fancy vivid blue 3.32-carat diamond was sold in 2014 at auction for USD \$5.36 mln. It was up for auction in 2017 again and this time a new owner paid for it USD \$6.80 mln. The price increased by 27% for less than three years. Another fancy vivid blue diamond weighting 8 carats was sold at auction for USD \$12.78. Its owner brought him to auction in 2016 and got USD \$17.07 mln for it, 34% more than he paid.

Of course, the investors are not only interested in the rate of return but guarantees of investment safety as well. And colour diamonds have something to be proud of here too. According to Knight Frank, they are only ranked eighth in the volatility rating

of luxury goods. Gold is the first in this rating, and other most volatile goods are cars, stamps and paintings.

The rarer means the more expensive

Another potential reason for the prices of fancy colour diamonds to grow further is that the Argyle Diamond Mine, Australia, which accounts for more than 90% of world production of pink diamonds, is expected to exhaust by 2020. It is the world's most productive mine by its output and the main source of pink and red diamonds. The production shut-off will substantially reduce the number of colour diamonds in the market and will inevitably result in further increase in prices.

7 SENSATIONS

The demand for unique—large—colour is rocketing. Connoisseurs of the rarest fancy colour gemstones are ready to pay record-breaking prices buying exotic items at auctions.

\$31.86
mln



The Pink Promise

The Pink Promise is a 14.93-carat diamond sold at Christie's Magnificent Jewels Hong Kong auction. The platinum ring with the Pink Promise Diamond surrounded by smaller diamonds was sold at USD \$31.86 million. The gemstone colour is Fancy Vivid Pink.

When purchased by jeweler Stephen Silver, the diamond was originally a 16.21-carat stone. At that moment experts assessed its colour as Fancy Intense Pink. However, Silver believed that the stone could achieve a higher colour rating if it were cut differently. This experiment could have cost him a few millions of dollars. Eventually, it was worth the risk as the jeweler achieved the desired result.

\$39.3
mln

The Princie

The Princie is one of the world's largest pink diamonds. Its weight is 34.65 carats, cushion-cut, Fancy Intense Pink. The rough diamond

\$35.5
mln



The Orange

The Orange is the largest Fancy Vivid Orange diamond; its weight is 14.82 carats. This pear-shaped gemstone was sold at Christie's auction in November 2013.



cut into the Princie Diamond is said to be found almost 300 years ago in the Golconda diamond mines. The diamond was sold for USD \$39.3 million at Christie's auction in April 2013.

\$46.2
mln

The Graff Pink

A Fancy Intense Pink diamond weighing 24.78 carats was offered at Sotheby's auction in 2010 and for 7 years it held the title of the most expensive pink diamond.

It was sold for USD \$46.2 million to billionaire jeweler Laurence Graff.



\$48.4
mln



The Blue Moon of Josephine

The Blue Moon of Josephine is a 12.03-carat Fancy Vivid Blue diamond. In November 2015 the Blue Moon was sold at Sotheby's auction in Geneva for USD \$48.4 million. Hong Kong billionaire, property tycoon Joseph Lau bought this unique gemstone for his 7-year-old daughter Josephine.

The Oppenheimer Blue

The Oppenheimer Blue is a 14.62-carat Fancy Vivid Blue diamond.

The diamond was sold for USD \$57.5 million at Christie's auction in May 2016. The buyer was determined on the 25th minute of active bidding.



\$57.5
mln

\$71.2
mln

The Pink Star

The world's most expensive 59.6-carat diamond was sold for USD \$71.2 million at Sotheby's auction in Hong Kong in April 2017.

In 2013, the Pink Star was already auctioned by Sotheby's, and the sale price was USD \$83 million. The buyer was American jeweler Isaac Wolf; however, he could not settle the price, and the diamond was again added to the Sotheby's inventory.



SERGEY IVANOV:

“WE CHANGE IN RESPONSE TO NEW CHALLENGES”

“We must run as fast as we can, just to stay in place. And if you wish to go anywhere you must run twice as fast as that.” This quote from Alice in Wonderland is today a cornerstone of the revamped diamond-mining company’s philosophy. And one of the principles of Sergey Ivanov, its CEO. In the interview he talks about the direction the industry is taking, what is more difficult to change – processes or people, how to incentivize staff to grow and how to find new niches in an old market.

Adoption of new thinking

– The changes at ALROSA have been noticed by all market participants in all likelihood. Why didn’t they come earlier and what made them possible?

– They are happening because they are necessary. The modern market gives new challenges to the

industry – in the economy, in consumer preference changes, in new products and solutions. These challenges must be somehow met, and it is often not possible to respond to them by words alone or to control them. If you can’t change something, change yourself.

This is the first and foremost question of mentality. For a long time, the company used the same scenario: we produce diamonds, we sell diamonds, we make a profit. To be sure, the strategy worked. →

Photo: Carlos Folgoso





→ But the models that delivered in the mid-noughties cannot be expected to do as well nowadays, when the economy, market and technology change so fast. Moreover, the company isn't getting any younger either: the deposits are petering out, the equipment is becoming obsolete, the processes are losing their effectiveness fast. History knows quite a few examples of how successful companies found themselves on the sidelines for the simple reason that they had been muscled out overnight by young, tech-savvy businesses. It would be a great pity if the same thing happened to us.

And this isn't just about technology. Technology is used by people. What we faced is that, having got used to the way things were done for people simply didn't want to change anything. "Why change or improve anything if everything is all right as it is?" It took a determined effort here, to be sure, to persuade, "stir up", motivate the team.

— “ —

IN ORDER FOR THE COMPANY TO SUCCEED, IT IS NECESSARY FOR ALL THE TEAM MEMBERS — AND I MEAN NOT ONLY THE EXECUTIVE TEAM BUT THE WHITE-COLLAR STAFF — TO HAVE A CLEAR PICTURE OF WHERE WE ARE GOING, WHAT TASKS WE HAVE, WHY AND WHEREFORE THEY MUST BE ACCOMPLISHED, AND WHAT KNOW-HOW CAN BE USED TO DO THAT

It is much harder to change the way people think than to come up with new technological solutions.

— What steps to address these issues have you already taken?

— It is precisely the development of competencies and sharing of best practices that we are focusing on right now. In order for the company to succeed, it is necessary for all the team members — and I mean not only the executive team but the white-collar staff — to have a clear picture of where we are going, what tasks we have, why and wherefore they must be accomplished, and what know-how can be used to do that. To achieve this, among other things, we regularly hold large meetings of various-level executives, 100 or more people. In the meetings we discuss all central issues, invite people to share their experiences and ask colleagues for advice, do market case studies in our and related industries, and listen to guest speakers and business coaches so that they can introduce people to some new aspects of work or sides of their personality.

What I really like is that this activity shows the staff's thirst for knowledge. For example, we have set up a free online business library, and the staff maxed their accounts on the very first day, and we had to scale it up in a hurry. Colleagues from HR say that they've never seen anything like that in their lives. This is also a great incentive: if you see that people want to learn

and be better, this means they are indeed interested in what they do, what they make, the team, too, will become stronger.

There are some similar event formats available for young people. Generally, we are betting big on young employees now, enabling them to grow, setting up training programme, inviting them to propose their own projects and together see them through to implementation. Young people often come up with interesting ideas; they don't have a tunnel vision. This year, for example, we have given the first test drive to drones to make surveying measurements. Do you know who proposed it? It was indeed a young employee who was enthusiastic about the subject. The only thing young people quite often lack is backing. Unfortunately, the opinion of young people is not often heeded. But we find it valuable. In the final analysis, if we are talking about new modern challenges, then who if not young people should offer state-of-the-art solutions?

Real answers to questions about the synthetics
 — You mentioned the company's facing new challenges. Do you mean synthetic diamonds?

— This is one of the subjects that we actively discuss and find to be among the industry's risks. The share of synthetic jewellery in the market is still small, about 2 to 4 mln carats, compared to the global diamond production of more than 140 mln carats. But all experts agree that this share and demand for synthetics are surging, and we must definitely take it into account.

Generally speaking, the issue of synthetics falls into two parts. The first risk is attempts by bad-faith marketeers to pass off rough and cut synthetic diamonds as natural. According to expert estimates, the bulk of the synthetic diamonds being marketed, virtually 80%, are indeed undeclared. This must not be allowed

Sergey Ivanov:
 a guest of the Ananas [Pineapple] show, which is run by ALROSA's young professionals on the Almazny Kray [Diamond Territory] radio

because it involves bold-faced consumer fraud, which damages the reputation of the entire industry. You will agree that nobody is likely to enjoy buying a gem passed off and priced as the real thing, only to discover later that it is a fake. These days all industry players are looking for ways to tackle the problem by regulation and special-purpose equipment. ALROSA has also developed a detection tool, Diamond Inspector, which can identify synthetics and other simulant diamonds not only in stones but also in jewellery.

Another aspect of the issue is the open sales of synthetic diamonds. There are many players in the market, mostly in the USA, who sell artificial gems openly and energetically promote them. All things considered, we believe that natural gems and synthetics have totally different target audiences and buyer profiles. But there is no denying that synthetics are slowly gaining in popularity, and large-scale promotion and low prices can eventually devalue the very concept of diamond.

— When you say that, do you mean De Beers' initiative to launch Lightbox, a "lab-grown" line? Don't you think it will damage the market?

— It certainly doesn't help. The impact of this event on the market will take time to be felt; the industry has yet to evaluate it. As the largest diamond-mining company and a founder of the DPA [Diamond Producers Association], we certainly hope that this initiative has indeed been conceived as an attempt to "divide", differentiate natural and synthetic gems, place synthetics in a separate niche of low-end products, imitation jewellery. At the same time, there is no denying that this step can also damage demand for natural diamonds, particularly in the small segment. Consumers who are on a budget also want to buy diamonds, and now they have a down-market option, which is also supported by a marketing effort and a major brand.

At the same time, we don't want to, and shan't, fight this. The only thing the industry can and must do in this situation is redouble efforts to differentiate between these synthetics and natural gems, to explain the difference between these products to consumers. I hope the DPA will focus on this task.





Sergey Ivanov presents an award to an employee at the Khozaktiv (Business Asset)-2018 Forum

→ As for us, ALROSA does not plan to secure the niche of synthetic diamonds. We were and remain producers of natural diamonds, totally conflict-free and produced in accordance with all ethical standards. What is more, this is now becoming a sort of competitive edge for us: those customers who want to buy precisely such a product now know exactly where they can find it.

– Still on the subject of synthetics: how do you feel about the FTC’s recent decision, which essentially has equated synthetics with natural gems?

– It has not equated synthetics with natural diamonds; it gave recommendations about how to name and describe gems. But on the whole, the FTC’s new guidelines do indeed show a certain “softening” towards artificial gems: following this decision, they will be much easier to market.

I believe the effect of the decision will also take time to register. I believe I express the general consensus in saying that potentially it can give disreputable sellers another way to illegally sell stones masquerading as natural gems. As for marketing, it’s a

two-fold issue. The marketing of synthetics will surely become more aggressive. At the same time, customers have been hearing for many a year now that “synthetic gems are exactly the same as natural ones, only cheaper”. But somehow synthetics have not yet swamped our market; this means the consumer sees a difference after all. And the question of “the same or not” can be answered very simply: if synthetics were exactly the same as natural diamonds, the synthetics identification tools would see no difference between them.

From mine to marketing

– What steps can ALROSA take in promoting its products?

– We have already mentioned new challenges, and another one is that consumers are now more demanding and responsible. The modern consumer is much more attentive to what he is buying. In deciding what to buy, he doesn’t go by the price and look alone; he is also interested in the ethical aspect of the issue: where and how the stone was produced, whether it is involved in some conflict, whether child labour was used in the process, whether the miners were properly employed, whether the environment was polluted. Generally speaking, this trend is now applies to all products; the term “responsible consumption” has already gained a wide popularity in the world. Diamonds are no exception here; if anything, they are subject to more stringent controls than the rest. First, because it is not a bare necessity, and secondly, because our industry is still in the grip of negative stereotypes from the last century.

Speaking of stereotypes, I’ll give you a basic example. Many journalists, including those from major periodicals, often ask

questions about blood diamonds. The last question was: why do you think many reputable jewellery company prefer sourcing gems from countries in conflict-torn Africa? We give detailed explanations, but essentially such questions mean one thing: despite the industry’s years-long efforts to eradicate this problem, the public still believes that it exists.

We hear the enquiry from consumers and take steps to give them as much information as possible about the gems they are buying. About their provenance, about freedom from conflict, and about the social programmes that are made possible by these diamonds. It is, properly speaking, the line that the entire industry is following now.

– Will you be developing in-house cutting of diamonds?

– In-house diamond cutting is one of our priorities. Today ALROSA is one of the only two diamond-mining companies that has its own cutting, and this is our competitive advantage. This means that division can truly guarantee the natural provenance and authenticity of our gems. Also, Russia has her own cutting traditions, workmanship and high standards. The phrase “Russian-cut” is a synonym of quality worldwide, and we need to explore it.

Our cutting branch currently produces a variety of gems, but focuses on large, unusual and coloured diamonds.

– Such as Dynasty?

– Among others. The Dynasty collection was our first attempt at creating a whole line of unique diamonds. We sold four stones last year, and the fifth in August; it was bought by Mouawad Group. This is definitely a success story, so you will soon hear further news about large diamonds from ALROSA.

– Can we expect you to unveil more equally large coloured diamonds?

– Not as big as Dynasty, no, though we would not say no to such a large coloured gem if it turned up. On the brighter side, though, we have quite recently started cutting a pink diamond weighing about 28 carats, which was widely covered by the media last year. We will work in this direction together with a consultant brought in.



The development of coloured diamond cutting is one of our priorities. We’ve been hard at it since last year, and at the trade show in Hong Kong in September we will present the first results of our efforts – a collection of coloured diamonds. We expect we’ll be surprising the market with such stones every year, and there’s no reason why we can’t win a large share of it.

– You have also shown interest in acquiring the assets of Kristall Smolensk, a major gem cutter in Russia...

– The company’s supervisory board has looked at this acquisition and found that it made sense. But no final decision has yet been made; the owner of Kristall must first set the price and privatization method. ALROSA is indeed willing to consider purchasing Kristall if the price is right.

– Won’t it have a negative impact on the company or its customers?

– On the contrary, such a merger can create synergy under certain conditions. Specifically, with a larger processing business than what we have now, we will be able to get a better picture of the trends in rough and cut diamond market, promptly respond to changes in the economic situation, and create added value on a certain product line. But in general, even if the deal does go through, the cutting business will still be a sideline for us, taking into account Kristall’s turnover. Last year ALROSA’s earnings were \$4.3 bln, with cut diamonds share of \$100 mln.

As for customers, they will hardly find anything that has changed for them. Kristall has always sourced the bulk of its stock from ALROSA, sometimes as much as 90% of its total procurement, according to estimates. So the potential acquisition will not reduce the quantity of stock for customers. Also, the long-term contracts with customers set down the quantities and mix of diamonds that we supply to them, and by the same token we are a party to the contract and may not breach it.

“**THE MODERN CONSUMER IS MUCH MORE ATTENTIVE TO WHAT HE IS BUYING. IN DECIDING WHAT TO BUY, HE DOESN’T GO BY THE PRICE AND LOOK ALONE; HE IS ALSO INTERESTED IN THE ETHICAL ASPECT OF THE ISSUE. THE TERM “RESPONSIBLE CONSUMPTION” HAS ALREADY GAINED A WIDE POPULARITY IN THE WORLD. DIAMONDS ARE NO EXCEPTION HERE**”

TEST WORK

The ALROSA Diamond Inspector, a diamond detection tool, uses three methods to test the authenticity of a diamond. One of them is photoluminescence.



Given the glut of synthetic gems on the market and gaps in statutory regulation of commerce in them, buyers can get a lab-grown product instead of a natural gem with a provenance and as a result to overpay several times. The problem of adulteration of natural gems with synthetic ones is now aggravated by treated diamonds.

This year, ALROSA has unveiled a diamond authenticity tester, ALROSA Diamond Inspector, which helps collectors, jewellers, gemmologists and buyers of jewellery to check the provenance of a stone.

Synthetic manipulations

To make a synthetic diamond, that is, to grow it in the laboratory, is not cheap, but still cheaper than prospecting for and producing the genuine article.

The global production of synthetic diamonds is estimated at 7–10 bln carats per year. Almost 100% of them are industrial diamonds; only 2–4 mln carats is suitable for the manufacture of diamonds. By value, the lab-grown diamond market is estimated at \$250–500 mln. Yet only about 20%, 0.55–0.65 mln carats, of the synthetics are declared. What happens to the remaining 80% is unknown.

The smaller a diamond, the more likely it is to be lab-grown. According to expert estimates, adulteration mostly affects diamonds up to 0.2 carats, which are not laboratory-certified because the certification cost is high compared to the sale price.

Nor does gem certification provide a foolproof guarantee: swindlers use paperwork on natural gems for synthetic gems that are similar to them in parameters and characteristics. The natural gems are recertified, and the synthetic ones are sold as the genuine article, at twice the price. The fraud is not limited to certificate swap.

The Gemmological Centre of MGU [Moscow State University (MSU)], which, among other things, provides

THE GLOBAL OUTPUT OF SYNTHETIC
GEM-QUALITY DIAMONDS —

2-4 MLN

CARATS PER YEAR

ONLY

20%

IS DECLARED

OPINION



Svetlana Troitskaya,
optoelectronic instrument and system engineer
and member of the National Gemmological
Association

– About 20% of the Russian diamond market (in carats) is lab-grown diamonds. This is an expert opinion; there are no reliable statistics because there are bona fide sellers who sell lab-grown diamonds as synthetics and there are those who deceive.

expert assessment of gems, notes that they have also seen synthetic or refined gems with forged engraving on the girdle, which features a certificate number.

The Centre has also reviewed the diamond certificate database of GIA, one of the largest gemmological laboratories, and noted that the risk of forgery increases as the carat weight decreases: 10 times fewer certificates are available for a D-colour and IF-clarity diamond of 3.02 carats than for a gem weighing 1 carat, and 20 times fewer than for gems weighing 0.5 carat with the same parameters.

– Raw synthetics are normally easy to identify, but once they are cut, it becomes harder to ascertain whether they are lab-grown or natural, explains Svetlana Troitskaya, a lecturer at the Diamond-Based Technologies and Gemmology Centre of Moscow Business College No 11 and member of the National Gemmological Association.

Poor imitation

Imitations, or simulants, are materials that try their best to look like diamonds but are not. As late as the 19th century, well cut glass could be passed off as diamonds. Nowadays, knock-offs come in fine quality. For example, CZ, cubic zirconia, a zirconium dioxide grown in a laboratory. Such a “gemstone” costs about 100 roubles; it differs from a diamond in density and weight. Or moissanite, a synthetic gemstone (silicon carbide), which appeared on the knock-off market in the 1990s. →

→ Svetlana Troitskaya: “In my experience, one out of ten diamonds claimed by the seller to be natural turns out to be an imitation, for example moissanite, or a treated diamond. Synthetic stones are much rarer found out. In any of these cases the customer was misled and overpaid massively”.

Chemical upgrade

Treated gemstones are genuine minerals that have been upgraded. In an attempt to improve it, the gemstone is subjected to various treatments. Irradiation and annealing, application of high pressure and temperature (the HPHT process, which is also used to grow diamonds), application of films – to improve the colour, the introduction of acid through a laser-made hole to burn out inclusions, and filling-up of cracks with cement.

In 2015, the legislature made all manufacturers and retailers of jewellery to state on the tags that the gemstone has been treated and improved. But in practice, this is rarely done. And wholesale buyers are quite often unable to check all batches.

In identifying gemstones as knock-offs, one must be aware that some fakes fall into a grey area. They do not become fakes until they are sold to a buyer who has not been informed of the gemstone's origin or improvements, when they are passed off as a “diamond”. In this case, however, it is a challenge to identify a quality fake even for a specialist, and utterly impossible for a layman.

Truth detectors

Authenticity can be verified with diamond detectors, which check rough and polished diamonds using non-destructive methods: density



Vladimir Sklyaruk, CEO of Diamond Research and Technology Centre, believes that the cost-benefit calculations allow ALROSA Diamond Inspector to claim its share of the market



measurement, anisotropy, refraction index, crystal structure etc.

The diamond authenticity tester market offers compact and stationary tools. The down-market tools include hand-held devices and portable detectors that fit in a bag.

– Their advantage is size. However, they can misidentify a gemstone because cheap tools normally use but one detection method. And this is often not enough for vetting, explains Vladimir Sklyaruk, Candidate of Physical and Mathematical Sciences, CEO of OOO Almazny Nauchno-Tekhnologicheskyy Tsentri [Diamond Research and Technology Centre Ltd].

A stationary detector is a more sophisticated device. Their price and size differ depending on their capacity (screening of one gemstone or a batch) and on the number of authentication procedures available. Some are designed to identify moissanites only; others differentiate between imitation and natural

HOW IT WORKS: ALROSA DIAMOND INSPECTOR

The instrument tests the gemstone using three detection methods: the Raman effect, photoluminescence and visible spectroscopy. The last technique uses a special mathematical analysis of spectrum. – I use ALROSA Diamond Inspector in class: I study the properties of diamonds and their identification with my students.

One of its main advantages: the use of three identification methods. Before, I would have needed three instruments to test a gemstone. Because diamond testing is a multi-step process, and one method is not enough, Svetlana Troitskaya concurs.

The integration of three detection methods in a single instrument has

been patented at the international level. At the same time, the domestic detector is not difficult to operate. You don't need to be an expert gemmologist to use it. Ordinary shoppers can test both individual diamonds and batches of gemstones. It takes a mere 47 seconds for the detector to test a gemstone of 0.03 to 10 carats.

gemstones. The up-market detectors are user-unfriendly and are normally installed at major gemmological centres and laboratories.

ALROSA offers an instrument that can be used by professional gemmologists and ordinary shoppers alike.

Diamond Inspector

ALROSA unveiled its first detector of rough and polished diamonds in March 2018. The detector is marketed as ALROSA Diamond Inspector.

The instrument is a joint solution of ALROSA and the Technological Institute for Super Hard and Novel Carbon Materials (FGBNU TISNUM). The detector is manufactured and marketed by a joint venture, OOO Almazny Nauchno-Tekhnologicheskyy Tsentri [Diamond Research and Technology Centre Ltd].

– Our tool can identify any imitation. Screening reveals natural diamonds, synthetic diamonds, refined diamonds, as well as diamond simulants such as CZ and moissanites. All of the above is done using three optical detection methods rather than one used by similarly priced foreign-made instruments, says Vladimir Sklyaruk, CEO of Diamond Research and Technology Centre.

Can technology make mistakes?

– You have to understand that errors can happen anytime, anywhere, and are quite often due to the human factor. For example, if the gemstone is not positioned properly. I recommend making gemstone measurements two or three times using ALROSA Diamond Inspector, says Vladimir Sklyaruk. – In our experience, the instrument has not made a single misidentification of any gemstone.

There are, however, situations where a natural stone is so clear that it can be confused with a perfect synthetic specimen. In this case, ALROSA Diamond Inspector will suggest checking the gemstone using a professional spectrometer at a gemmological centre to make sure there is no mistake. Svetlana Troitskaya described a real-life example of using the detector:

– ALROSA Diamond Inspector is after all a desktop instrument; it is unable to tell you everything about a gemstone. But it will make authentication much easier whether you use it on an individual gemstone or a piece of jewellery. Sometimes further testing may be needed, and the instrument will warn you about it. For example, the detector identifies a diamond as Ila. Such gemstones occur naturally, but can also be grown in a laboratory. If the gemstone has no distinctive fluorescence, the only instrument in the world that can ascertain whether the diamond is natural or synthetic is a Raman spectroscope. It is a complex, far from portable machine that can only be used by trained technicians.

«FAKES HAVE ALREADY BEEN IDENTIFIED»

Vladimir Aust, CEO of the Di El [DL] company, Yekaterinburg:

– The core business of our company is the supply of precious stones for jewellery firms. We source diamonds from various countries, including India, Israel and Russia. We only use natural gemstones. We surveyed our customers: they are not willing to buy synthetics; they want to use natural diamonds. I've been in the jewellery business since 1995. The dump of synthetics in the market started in 2013. But the current quantity of synthetics passed off as natural gemstones is unprecedented. That is why we check the goods we acquire for resale to our customers. And we have also started buying rough diamonds from diamond producer directly in order to have them cut and thus to guarantee that our diamond is genuine.

Given the rising problem of adulteration, an instrument such as ALROSA Diamond Inspector comes in extremely useful. The instrument is a great help; it is smart. We've been using it since May, and have already succeeded in identifying a number of batches adulterated with refined or lab-grown diamonds. We will certainly drop the suppliers of those batches. By using ALROSA Diamond Inspector, we improve public awareness of gemstone authenticity. Many buyers of diamond jewellery know nothing about lab-grown diamonds and are very surprised when we discover them in their items using ALROSA Diamond Inspector. Before acquiring this detector, we used the services of gemmological laboratories in Moscow. It took a lot of time. Now we can do a test promptly without being dependent on anybody.

Cui bono

Diamond Research and Technology Centre believes that the detector will be used by jewellers, gemmologists, pawnshop valuers, online jewellery shops, customs officers and government agencies.

The Finance Ministry of the Republic of Belarus is considering buying the instrument. Gokhran [National Precious Metals Storage] of Russia also intends to order the instruments.

There is demand for the detector, Vladimir Sklyaruk says confidently, and this is due to a great extent to the balance between price and quality. ALROSA Diamond Inspector is a virtual mini laboratory, which can replace a number of imported instruments, each of which only uses one detection method. Yet its price is way below that of a foreign-made equipment package with similar functionality.

ALROSA plans to develop a family of instruments targeting various consumer groups.

“
THE PRICE AND SIZE OF STATIONARY DETECTORS DIFFER DEPENDING ON THEIR CAPACITY (FUNCTIONALITY FOR SCREENING ONE GEMSTONE OR A BATCH) AND ON THE NUMBER OF AUTHENTICATION PROCEDURES AVAILABLE

IMPORTANT

Since recently a customer may choose any diamond from the DIAMOND ALROSA store in Moscow and receive the desired jewel with an official certificate, confirming its characteristics, within an hour.



A MATTER OF 60 MINUTES



Warranty of genuineness

Previously the range of diamonds, presented to a visitor, a private customer, at the Moscow enterprise DIAMONDS ALROSA, was limited by only these gems that already have a certificate. In fact the access to other diamonds was closed.

“We revised this scheme. Now a potential customer, coming to us, may choose a diamond from all of the available in our store. After choosing a gem, we send it to the laboratory, which is situated in the same building, on Smolnaya street. In laboratory, the

gem is examined and the certificate is issued. A client has his diamond within an hour,” explains Pavel Vinikhin, the Director of DIAMONDS ALROSA.

According to the law, diamonds in Russia may be sold exceptionally when they have a certificate issued by independent laboratory.

The laboratory, issuing certificates for jewels of DIAMONDS ALROSA, has been working with the enterprise’s products for a long time. “They know well our manufacturing process that is why they have fewer questions.”

“In such a way,” says Pavel Vinikhin, a choice has increased thousandfold, as in fact we opened the whole store for a customer. Now anyone, who comes to us intending to buy a diamond, is ironclad guaranteed to find what he is searching for.”

In the branch of DIAMONDS ALROSA Company in Moscow, you can buy certificated diamonds of traditional round shape and all popular fancy shapes: from a cushion-cut to a marquise-cut, both colourless diamonds and rare fancy coloured stones.

ALROSA nowadays is one of the only two diamond-mining companies with

its own diamond-cutting division, which guarantees an absolute genuineness of a stone, its natural origin and mining satisfied the criteria of the highest standards of social and environmental responsibility.

DIAMONDS ALROSA combines unique Russian gem cutting traditions and application of the innovative technologies, creating diamonds of exceptional quality.

What a certificate can tell

Gem certification is conducted according to the technical specifications TU 117-4.2099-2002. A diamond certificate contains information on the stone’s main parameters such as cut, weight, colour, clarity and fluorescence.

In addition, the certificate contains an information about main dimensions of diamonds. It includes minimum and maximum diameter, table size, crown angle, girdle thickness, symmetry and polish quality, etc.

Also a customer may examine a detailed sketch of a diamond with an indication of all its internal and external defects.

ALROSA’s new faces in Dubai and Vladivostok

Roman Kondratiev took up this position according to the results of the ALROSA multiple-stage internal corporate contest. As a Director of ALROSA East DMCC, the new head will oversee the interaction with clients and local industry organizations of the United Arab Emirates; he will be responsible for auctions and tenders in Dubai, collecting, preparing and analyzing the latest updates on this market’s trends.

The sales office in Dubai was reopened in 2014 after suspension of operations in crisis 2009. Since 2014, the office works with Dubai Diamond Exchange (DDE) regarding the implementation of the Kimberly Process Certification Scheme; parties exchange information and forecasts on diamond market development.

In 2017, ALROSA sold rough diamonds worth about **\$35.3 million** at tenders and auctions in Dubai



PROFILE:

Roman Kondratiev was born in 1979 in Nyurba settlement in Yakut Autonomous Soviet Socialist Republic. He graduated from Glasgow Caledonian University and got the Bachelor of Arts (Hons) in Business Economics Degree, and also he graduated from Plekhanov Russian University of Economics and was awarded the Master’s Degree in Economics. He started his work activity in 2000 at Stock Exchange Department in the Vostok Capital Investment Company. He came to ALROSA in 2001; till 2008 he worked as a leading specialist at the Financial Management Department. Since 2008 till 2012, he was Deputy Head of Project Coordination and Administration Department in the executive office related to corporate capital, stockholders and investors. Since 2012, he headed Customer Policy Department of Subsidiaries and Affiliates Coordination Board.



In 2017, ALROSA’s total revenue from diamond sales at tenders and auctions in Vladivostok amounted over **\$70 million**

PROFILE:

Semen Lavrentiev was born in Pokrovsk settlement in Ordzhonikidzevsky Region of Yakut Autonomous Soviet Socialist Republic. He graduated from Yakutsk State University n.a. M.K. Ammosov qualified as technician engineer in diamond cutting work; Tyumen State University with a degree in Management; as well

as Russian Presidential Academy of National Economy and Public Administration with MBA degree. He started his career in 1999 as a layout specialist apprentice in Yakut company CHORON Diamond. In 2000, worked as a diamond sorter at the Pokrovsky cutting plant, till 2003 as a manufacturing technician in

Kristall-99 Company. He came to ALROSA in 2003 as a diamond sorter to the Diamond Sorting Center in Mirny; from 2005 till 2008 he held a position of diamond evaluation expert in the DSC. Since 2008, he worked in Kommerral, making the way from the leading expert to the director of the enterprise.

Semen Lavrentiev, formerly head of Kommerral enterprise, responsible for sorting and estimating of industrial diamonds, was appointed new Director of Vladivostok Branch of ALROSA. Semen Lavrentiev replaced Alexey Ivanov, whose contract expired on July 30.

The new Director will continue to develop the main activities of the Far Eastern site of ALROSA, including attracting customers from Asia-Pacific Region countries and expanding the Company’s activities in the Eurasian Diamond Center (EDC). He will also be engaged in building a full cycle of the functionality of the Company’s Branch and EDC.

ALROSA branch in Vladivostok was established in 2016 by the decision of the Company’s Supervisory Board with the purpose of development of the Eurasian Diamond Centre in the territory of the Free Port of Vladivostok. The branch sold the first diamonds at the EDC in August-September 2016.

OPENING



REACHING THE LAND OF SPICES AND JEWELLERY

ALROSA has opened a representative office in India, the world leader in the production of polished diamonds. The new office is located in Mumbai. Russian diamond giant intends to develop its brand in India and fight against illegal synthetic diamonds.

In the Metropolis of the Arabian Sea

In spring 2018, ALROSA has opened a new office on the territory of Bharat Diamond Bourse. The public opening was preceded by a traditional religious ritual conducted behind closed doors. The grand ceremony saw the participation of Anoop Mehta, President of Bharat Diamond Bourse (BDB), Mehul Shah, Vice-President of BDB, and Russell Mehta, Advisor to Chairman of the Gem & Jewellery Export Promotion Council (GJEPC). ALROSA representatives answered a number of journalists' questions and organized a Russian style guest-night featuring Russian folk music for clients and partners of the company.

Unlike other ALROSA's branches, the new office does not engage in trading activity. One of the priorities of the Mumbai office is to strengthen the ALROSA brand in India. As was mentioned by Evgeny Agureev, Member of the Executive committee and Director of the United Selling Organization of ALROSA, although the major players do know about ALROSA, the popularity of the brand in the Indian market is quite low, "We want our new office to engage in the development of joint





Mumbai office is engaged in expanding the client base, consulting, market analysis, monitoring risks and trends in order to be able to timely respond to various challenges

JIM VIMADALAL,
director of ALROSA's representative office in Mumbai

- Jim Vimadalal holds a degree Bachelor of Commerce from the Bombay University and a postgraduate degree in business management from the Welingkar Institute of Management.
- Prior to joining ALROSA, within three years Jim was with the sales and marketing team at Rio Tinto's Indian representative office, and before that, he headed up Swarovski's Western India business operations.

ACCORDING TO VARIOUS ESTIMATES, 70-90% OF ALL WORLD DIAMONDS COME TO INDIA FOR CUTTING. IN 2017, ALROSA DIRECTLY SUPPLIED INDIA WITH ROUGH DIAMONDS WORTH APPROXIMATELY USD \$700 MILLION AMOUNTING TO 16% OF THE COMPANY'S TOTAL SALES



From left to right: Jim Vimadalal, Milan Chokshi (GJEPC), Russell Mehta, Evgeny Agureev, Anoop Mehta, Mehul Shah

→ marketing programs with the Indian companies.” New office’s activities are specifically aimed at increasing brand visibility among retailers and retail consumers.

In addition to expanding the client base and consulting partners, the Mumbai office is focused on market analysis, monitoring risks and trends in order to be able to timely respond to various challenges. Among those challenges is the problem of synthetic diamonds.

“The majority of synthetic diamonds are produced in India. Therefore, this region requires the development of protective barriers and new technologies for the identification of the artificial diamonds,” Evgeny Agureev says. ALROSA discusses the problems regarding the mixing of synthetics and natural diamonds and measures aimed at establishing a separate trade in natural stones and synthetics, in conjunction with industry organizations, including GJEPC.

Precious Traditions

India is famous for its ancient tradition of wearing jewellery, which makes the country very promising due to the middle-class growth that allows more and more people to incorporate diamonds in their lives. This promising forecast is supported by the activities of the Diamond Producers Association (DPA), created in 2015 with the participation of seven major diamond mining companies, including ALROSA. DPA is developing programs for marketing of diamonds, one of which started in India last year. The main goal of DPA is to strengthen the demand for diamond jewellery, especially among young people, and restore the significance of the diamond as an emotional symbol.



According to industry experts, the demand for jewellery will grow by 1-4% annually, including due to an increase of consumer demand in India. Various initiatives within the framework of India’s political and economic reforms allow the local jewellery market to develop, creating new opportunities for productive cooperation.

ALROSA-India Ties

In 2017, ALROSA directly supplied India with rough diamonds worth approximately \$700 million (16% of the ALROSA’s total sales) on long-term and one-time contracts, as well as through international auctions and tenders in various trade missions around the world. Yet, taking into account that companies with Indian capital, which regularly buy diamonds from ALROSA, are present in other countries as well, the final sales result will be much higher.

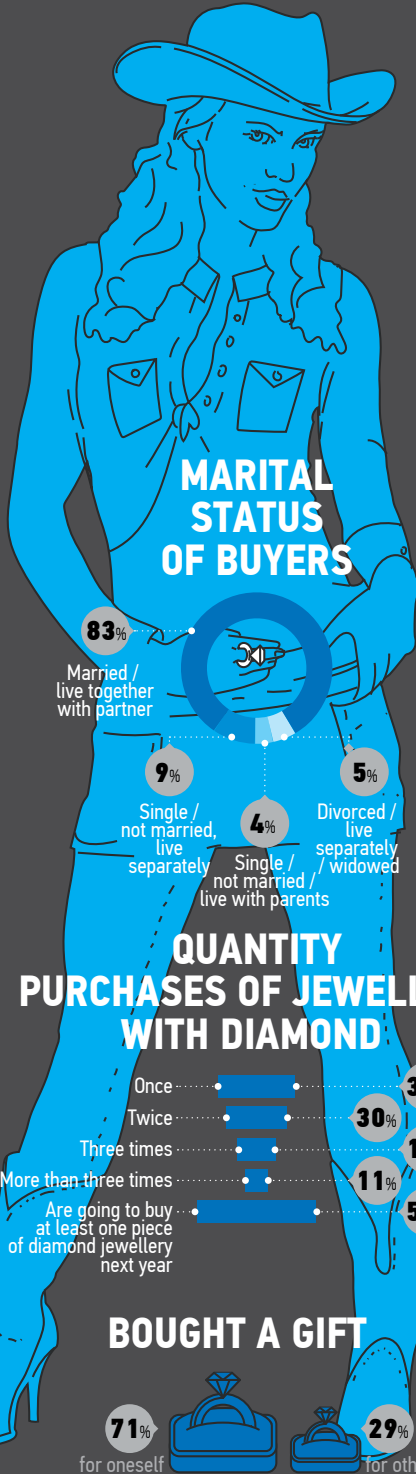
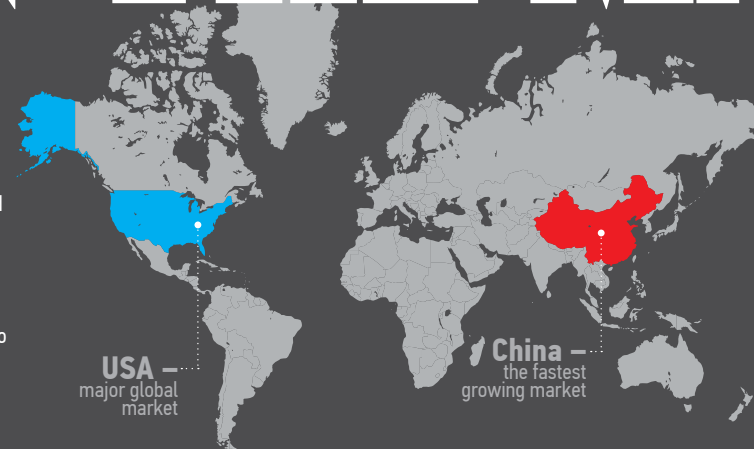
The list of ALROSA’s long-term clients includes 14 local companies. However, the actual sales go beyond these contracts, as more than 140 other companies buy diamonds from ALROSA at auctions and by making one time contracts. And Indians are permanent participants of ALROSA’s large diamond auctions (over 10.8 carats), regardless of their location.

CARATS

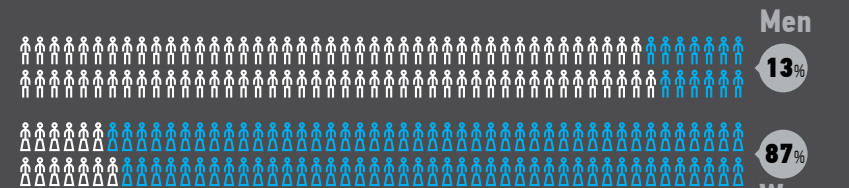
ON THE MAP

In the autumn of 2017, ALROSA completed a comprehensive study jointly with the company GfK. More than 4 thousand people from the USA and China – men and women aged 25 to 55 years, were surveyed. That was respondents who had bought or received diamond jewellery as a gift over the previous 12 months. The survey findings made it possible not only to investigate the markets in both states, but also to create a profile of the average consumer.

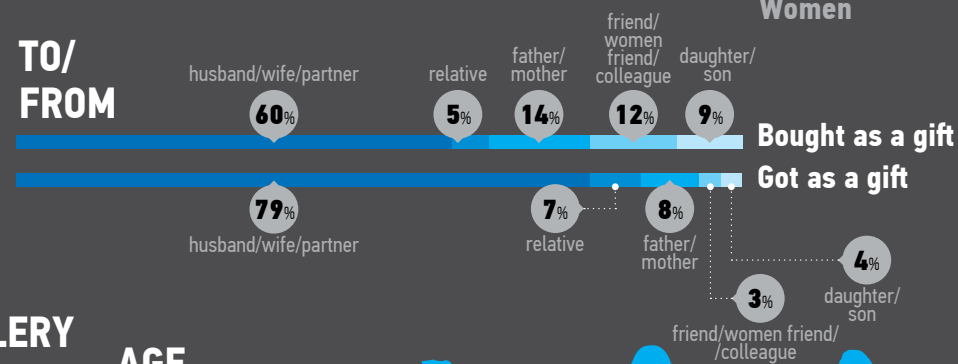
GfK (GROWTH FROM KNOWLEDGE) – an international group specializing in surveys and reviews of consumer behaviour and public opinion. GfK's innovative solutions and scientific survey methods help businesses find answers to key questions about consumers, markets, brands and media.



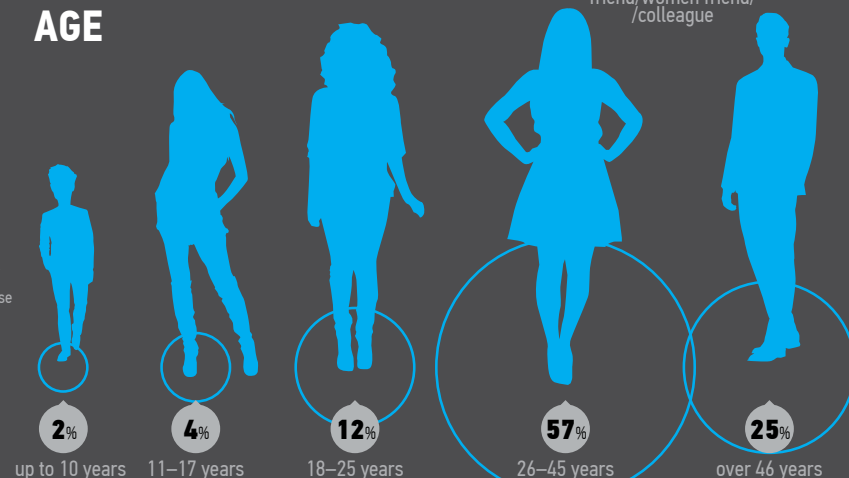
WHO RECEIVES DIAMOND JEWELRY AS A GIFT



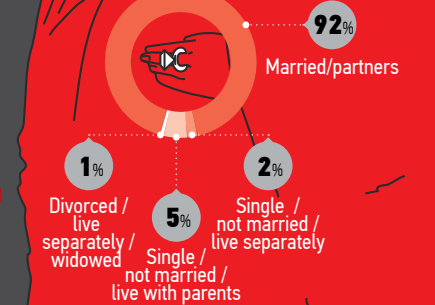
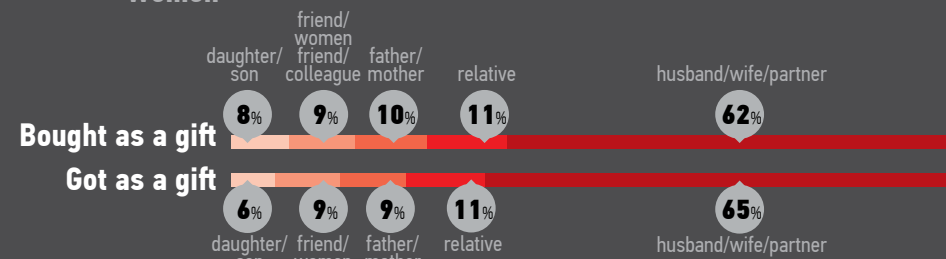
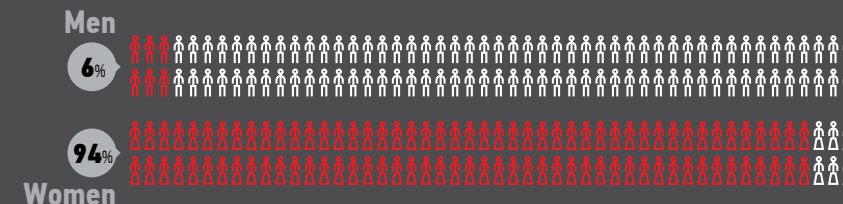
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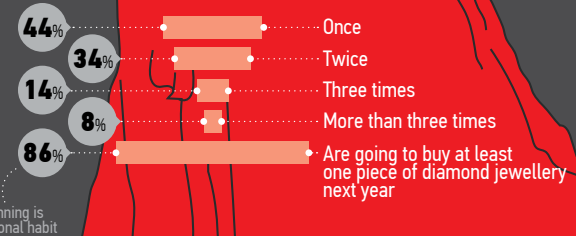
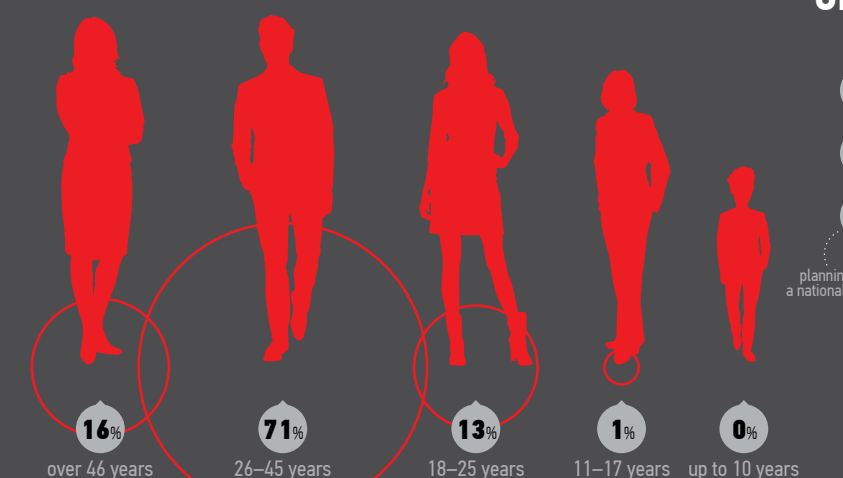
AGE



MARITAL STATUS OF BUYERS



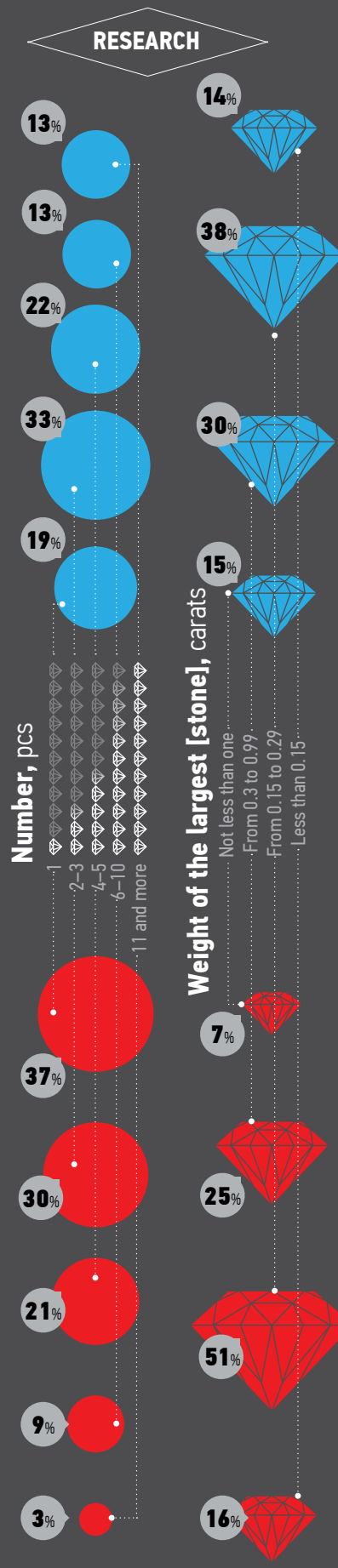
NUMBER OF DIAMOND JEWELLERY PURCHASES



BOUGHT A GIFT



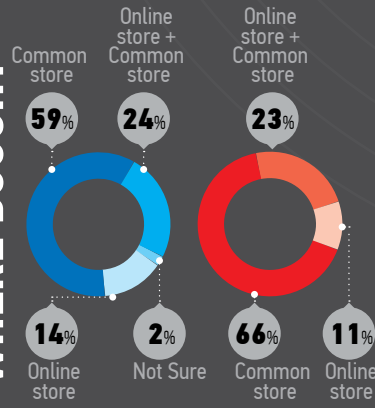
ABOUT DIAMONDS



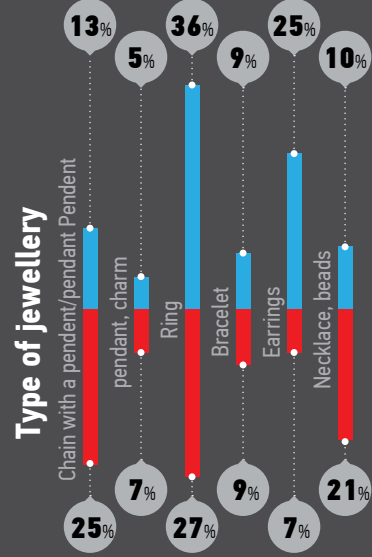
WHERE CHOSEN



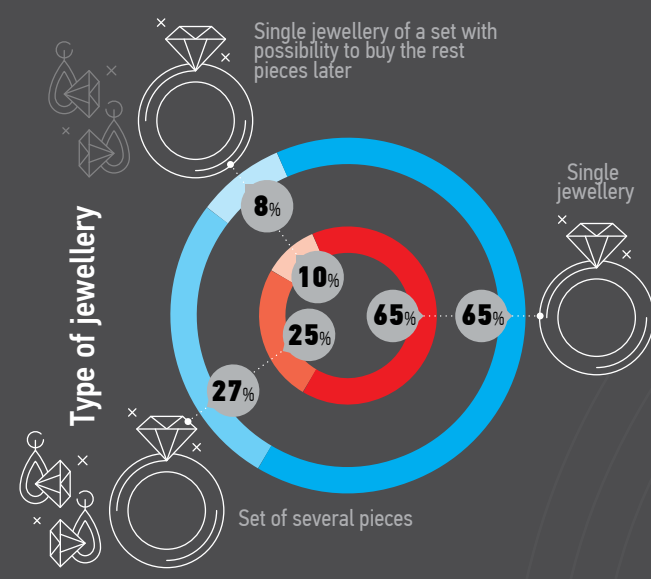
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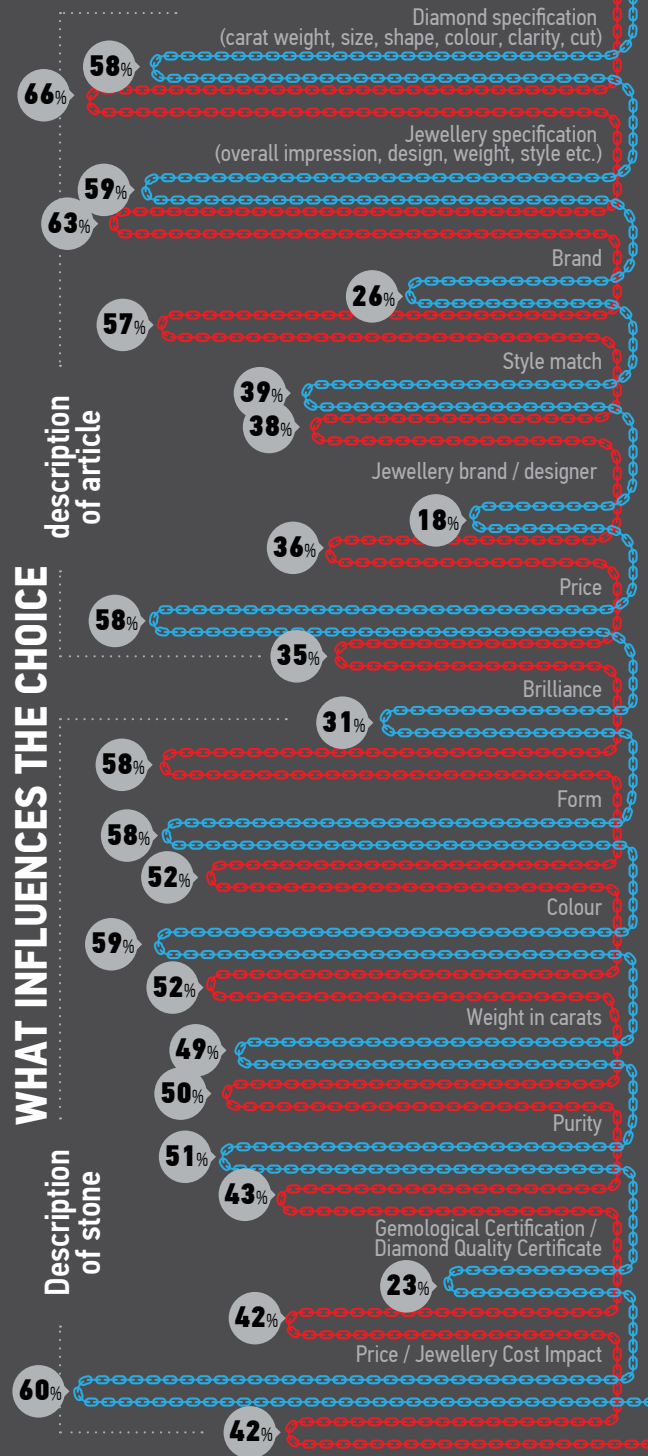
WHAT IS BOUGHT



WHAT IS THE BASIS FOR THE CHOICE



WHAT INFLUENCES THE CHOICE



SOCIAL STATUS

FOR WHAT PROJECTS ALROSA SPENDS 3% OF REVENUE

ALROSA Group, № 1 in global diamond production, is also the industry's absolute leader in social projects investments. Construction of apartment blocks, hospitals and rehabilitation centres, funding of roads repair, housing and utility sector facilities, charitable donations to universities, theatres, museums, temples and sports federations – and these are not all the social projects that the Company takes part in every year.



ALROSA continues funding 27 pre-school educational establishments in Yakutia

Diamond territory

The Republic of Sakha is a key region for ALROSA. And to a great extent the success of the Company's business depends on the living standards in the republic. That is why one of the primary areas of focus for ALROSA's social policy is the facilitation of comprehensive growth in Yakutia and its nine municipal districts.

ALROSA and Yakutia have signed an agreement for socioeconomic support to the republic, whereby the company annually provided funding to non-profit organization «Special Purpose Fund for Future Generations of the Sakha Republic (Yakutia)». The fund has discretion to spend the money as it sees fit. Over the past eight years, ALROSA has made more than 4.5 bln roubles available to the fund. Thanks to this money, uluses are building, repairing and remodelling kindergartens, schools, colleges and universities, hospitals, recreation grounds and leisure centres.

The Company continues financing 27 children's day centres, integrated into AN [Autonomous Non-profit] DOO [pre-school education establishment (PEE)] Almazik. This means that parents can enrol their children with ease of mind in state-of-the-art, well-furnished and fully supplied kindergartens, and the little Yakuts have the chance to complete their first educational step under the guidance of qualified carers.

In 2017, ALROSA provided corporate sponsorship and grants to about 200 non-governmental, municipal and state organizations and institutions. Also, the company engages directly with members of the public. The year saw free financial assistance provided in response to requests from more than 150 citizens of the republic who found themselves in a dire strait. Further, ALROSA subsidiaries responded to 100 requests for assistance from private persons and organizations.

A separate matter is housing development and utility services. In 2017, a new block of 130 flats was built in the town of Udachny as part of the housing programme. Resettlement of residents continued under the condemned housing demolition programme.

Contribution to human capital development

ALROSA and 17 of its subsidiaries are implementing four corporate social programmes each: Health improvement and recreation of workers and their children, Health, Culture and sports and Housing. Each of the programmes is an additional benefit of working for ALROSA and an effective means of managing HR potential: reduce staff turnover and retain qualified and competent professionals in all areas of the company's business operations.

The question of employee health is undoubtedly a priority. That is why ALROSA medical centre continued implementing the Health programme last year. The programme has contracts



The Company's young professionals visit ALROSA museum in Mirny

in place with more than 70 major medical treatment facilities in the Russian Federation and Yakutia. Apart from this programme, the company allocated in 2017 additional funding for free medical screening of staff in order to diagnose major diseases, including cancers, at an early stage.

Yet another reason to feel proud is ALROSA's sports facilities, which operate more than 175 sports clubs and associations. They are used by thousands of adults and children, and organize several thousand cultural, sports and health and fitness events every year.

BY THE WAY

In 2017, ALROSA implemented **500** social and charity projects. **70 %** of them in Yakutia

Eco responsibility

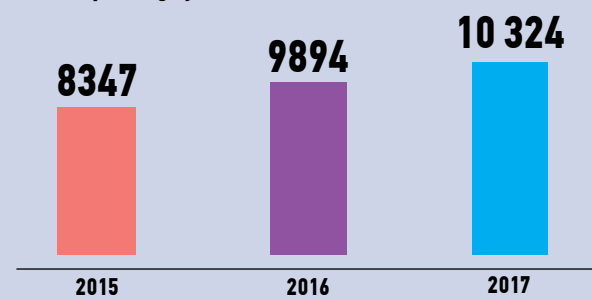
It is very important for any modern manufacturing operation to pay attention to environmental protection and minimize the harm caused to the environment. That is why ALROSA has developed a whole package of measures.

Financial support from ALROSA has helped set up and operate a unique natural park called «Live diamonds» →

2017 IN NUMBERS AND FACTS

According to the findings of Price Water House Cooper survey, made public last year, ALROSA made about **2.8% of its revenue** on average available for social spending in 2014–2016. This is approximately **3%** per carat of diamonds sold. The average level of social spending by the other companies ranked by PwC based on the results of the survey of sustainable growth indicators is **0.5% of their revenue**

Social spending dynamics, mln rbl.



ALROSA Group's social spending accounts for **3%** of its revenue



HEALTH IMPROVEMENT

- Over 1 bln rbl. on health improvement for workers, their families and pensioned veterans.
- 399 mln rbl. – the costs of the Health programme.
- 2.2 thou. people received diagnosis and treatment at the Company's expense at major medical treatment facilities and medical research centres of Russia and the Republic of Sakha (Yakutia).
- More than 5 thou. employees of the Group at the medical centre received free screening examinations aimed at timely identification and subsequent reduction of disease incidence.
- Nearly 14.5 thou. people enjoyed recreation and improved their health on subsidized holidays at local health farms, sanatoriums on the Black Sea coast and in the Altai, at children's suburban summer camps and day nurseries.



Photo: Carlos Folgoso

FEDERAL PROJECTS

- 983.5 mln rbl. – sponsorship and financial assistance for organizations and events in the area of culture, education, enlightenment, public health and sports.
- Sponsored establishments:**
 - The Lomonosov Northern (Arctic) Federal University (Arkhangelsk)
 - The Ammosov North-East Federal University
 - The Valery Gergiev Foundation
 - The Ilze Liepa Culture for Children Foundation for the Promotion of Dancing and Fine Arts and other organizations
- Sports sponsors:**
 - Russian Ice Hockey Federation
 - Russian Wrestling Federation
 - Russian Union of Martial Arts
 - Kyokushi Association of Russia
 - VTB United League, Federation of DanceSport and Acrobatic Rock'n'Roll



Photo: Carlos Folgoso

REGIONAL GROWTH

- 700 mln rbl. paid to the Special-Purpose Heritage Fund of the Republic of Sakha (Yakutia) NPA.
- Over 83 mln rbl. (as in 2016) – development programme for nine uluses in the diamond-rich province.
- Funding for the creation of the Republican Rehabilitation Centre in Yakutsk, where help will be provided annually to about 3 thou. children with locomotor dysfunctions and hearing, speech and vision impairments (for details, refer to page 42).



Photo: Carlos Folgoso

HOUSING AND INFRASTRUCTURE

- A 130-flat new build costing 647 mln rbl. was completed in the town of Udachny.
- 19.4 mln rbl. – a programme for the resettlement of the company's pensioners and veterans from the Extreme North, to which end contracts were made for 83 flats to be made available in the city of Oryol.
- 967 mln rbl. – to fund the operations of Almazik AN PEE, which runs 27 preschools.
- More than 400 people use the subsidized mortgage programme funded by the company.
- 1,382 mln rbl. – the funding for the Culture and Sports programme (2.8% up on 2016).
- 175 sports clubs and associations for adults and children operate at the company's sports facilities.



→ of Yakutia», situated near Mirny. The purpose of the park is to increase the populations of wild hoofed animals. Musk oxen, bison, moose, deer, elks and others live here in an environment approximating their natural habitat. Also among the environmental projects are initiatives to farm fish. The company has been since 2016 conducting monitoring of migrations

In 2017, ALROSA's environmentalists took about 1.5 thou. samples of water, air, soil and bottom sediments

of wild reindeer from the coast of the Arctic Ocean to towns in northern Yakutia. The traditional migration route crosses an access road connecting the Verkhne-Munskoye field with Udachninsky Mining and Processing Division. The monitoring, conducted using radio collars, makes it possible to track a herd and halt the traffic of utility vehicles in time in order to ensure the safety of animals.

ALROSA's costs of environmental projects total some 5 bln roubles annually, and the bulk of investment goes to build environmental facilities and sewage treatment facilities, to clean up land and to fund environmental research and development. In 2017, the Company scaled up its monitoring programme, which enables a more exact measurement of the environmental impact and adjustment of the environmental policy.

The high level of its environmental action allowed ALROSA to make the top three environmentally responsible miners and smelters operating within Russia. The comprehensive study, published in December 2017, was completed by the WWF, UN, the Global Environmental Facility and Minprirody [Ministry for the Protection of the Environment and Natural Resources] of the Russia.

Manufacturers were scored in three areas: environmental management, environmental impact and operational transparency. Everything was factored in – from field infrastructure engineering to polluting emissions and waste →

NUMBER

4.4 bln roubles is what ALROSA spent on environmental programmes in 2017



The migration of wild reindeer is monitored using radio collars



Photo: Carlos Folgoso

REPUTATION

→ recycling. The ALROSA Group came in third after the Kinross Gold, a gold mining company, and the Polymetal mining company. Note, however, that in terms of environmental impact, ALROSA's business operations were found to be safer than those of the higher scorers. Also, in April 2018, ALROSA won two concurrent awards in Russian competitions for environmental management and environmental disclosure.

Children are making sand drawings at a class in the ALROSA culture and sports complex in Aikhal

Russia on numerous occasions. E.g., PwC published in the autumn of 2017 the findings of a study of the indicators of sustainable growth of diamond- and gold-mining companies as the most comparable companies in terms of operating procedures, having reviewed the data in the public domain over a few years. PwC highlights the importance of social and environmental responsibility in terms of both best business practices and as the reputational and emotional component of the value of the end products in the diamond jewellery sector.

Based on the study findings, ALROSA is the absolute leader by volume of investment in social programmes. Apart from its financials, ALROSA has been ranked high by indirect parameters: the absolute leader by number of women employed, No. 2 in environmental awareness and protection.

"ALROSA will continue implementing its social and environmental policies in accordance with the company's bylaws. Despite our good results overall, we see areas where we can and must perform better. Specifically, ALROSA will seek to increase its industrial safety performance and implement energy-saving programmes," said Sergey Ivanov, the Company's CEO.

Nationwide and global scale

ALROSA's achievements in the area of social responsibility in the past year were recognized both in and outside

SUCCESSFUL REPUTATION AUDIT

ALROSA holds the certificate of conformance to the RJC (Responsible Jewellery Council) Code of Practices Board.

The Code regulates observance of ethical, social and environmental standards, as well as human rights, and is a token of international recognition of the company's impeccable reputation. The companies involved in the supply chain of diamonds, gold and platinum group metals undergo RJC certification in order to demonstrate their commitment to the ethical norms and responsible business practices.

A major third-party audit company was engaged to verify ALROSA's compliance with the Code of Responsible Practices. Experts studied ALROSA's operations across the board over several months. Representatives from the RJC and the auditing company visited ALROSA's locations, including the major production sites – the Mirninsky and Udachninsky Mining and Processing Divisions, as well as the company's subsidiaries – ALROSA-Nyurba, Almazy Anabara and Severalmaz, and Diamond Sorting Centres in Mirny and Arkhangelsk.

The comprehensive audit included an assessment of the social responsibility programme, environmental protection performance, principles of business ethics, anti-corruption drive, observance of human rights and compliance with workplace standards. Based on the audit findings, ALROSA received a certificate with the longest possible term – 3 years.

It is also noteworthy that ALROSA is included in the international FTSE4Good Index, which is evidence of conformity to the generally accepted standards in the area of corporate social responsibility. The company has also been assigned a BBB rating by MSCI ESG Research, which rates environmental performance, social responsibility and corporate governance.

RESPONSIBLE JEWELLERY COUNCIL

— The Responsible Jewellery Council is an international non-profit organization that provides certification and standards. The RJC membership includes more than 1100 companies that are part of the supply chain in the jewellery business – from the field to retail. RJC Members undergo third-party audit in accordance with the Code of Responsible Practices – an international standard for responsible business practices in the production of diamonds, gold and platinum group metals. The RJC is a full member of ISEAL Alliance – a global association for sustainable growth standards.



Peter Karakchiev, Head of International relations at ALROSA (left) and Andrew Bone, executive director at RJC (right). Peter was elected vice-chair of RJC at annual meeting



PWC 2014–2016 RANKING

HR POLICY



Ranked No 1 by the number of women employed

Share of women employed **34.9%**



ENVIRONMENT

Compared with the other companies in the sector:



Ranked No 2 by environmental spending

Lower greenhouse gas emissions – about **200 tonnes per USD \$1 mln of earnings**



Lower water consumption – **4.7 thou. cubic metres per USD \$1 mln of earnings**



The same level of electricity consumption – **4.55 per USD \$1 mln of earnings**



RJC CONGRATULATES ALROSA ON THE AWARD OF CERTIFICATE OF CONFORMANCE TO THE CODE OF RESPONSIBLE PRACTICES. THE PROVISIONS OF THE CODE COVER CRITICAL ASPECTS OF OPERATIONS OF OUR MEMBERS. WE ARE HAPPY TO SEE THAT MAJOR PLAYERS IN THE DIAMOND MARKET SUPPORT OUR INITIATIVES TO DEVELOP A SUSTAINABLE AND TRANSPARENT SUPPLY CHAIN AND RESPONSIBLE PROCUREMENT.

Andrew Bone, executive director, RJC

MAGIC SANDBOX, OWL-NANNY, PEARL WATER AND OTHER REHABILITATION WONDERS

Learning that a child has serious health problems is a great challenge for any family. Moms and dads are ready to move mountains to change the life of their baby for the better. In March 2018, Children's Rehabilitation Center was opened in the city of Yakutsk (Sakha Republic). Now the Republic has a place that can help parents who have children with sensory and mental disorders, or pathology of the musculoskeletal system. Our reporter visited the Center to learn more about its little patients and the people who help them.

Text: Irina Martynova Photo: Iakov Alekseev

Individual Approach

"Do you remember little Sasha you met in March? He has a severe form of cerebral palsy. At three he could not even sit without support. Now the boy is undergoing a second rehabilitation in our center. Sasha has begun to hold his back straight, smile, wave his hand; he even said, "Hello!" These are the words the manager of the rehabilitation center, Zinaida Maksimova, said when she met us. We already had made our acquaintance with her and some little patients when we had come to the opening of the center in the early spring. And we were pleasantly surprised to see that children's life was changing right in front of our eyes.

Experts are certain that this center has no analogues in the Russian Far East. So it is no wonder that ALROSA Group considers the opening of the center to be one of its main social projects. Their investment allowed Children's Rehabilitation Center to be provided with modern equipment and skilled personnel. In addition to medical offices, there is a swimming pool, gyms, playrooms, classrooms, a cafeteria, a dining room with home cuisine and even a small stable: horses are used for equine-assisted therapy sessions.

Zinaida Maksimova gives us a tour around the center, "Here is the room for music therapy. It is recommended not only for children with hearing and speech impairments, but also in case of problems with the musculoskeletal system. Next is the sensory room, then the relaxation room for patients with autism, verticalization equipment, and special massage baths."

The uniqueness of the center lies in the individual approach to each child. Everything is arranged in a way that allows to create closer contact between an expert and a small patient.



NOTE

More than 10,000 physically disabled children live in the Republic of Sakha, including 6,000 with permanent disability



The building of 12,400 m² surrounded by pine forest

Build Your World

"Give me your hand, please. Look what we got here: it's sand. You can pour it, or you can use it to make a beautiful house. Yes, like that! Good job! You're doing great!"

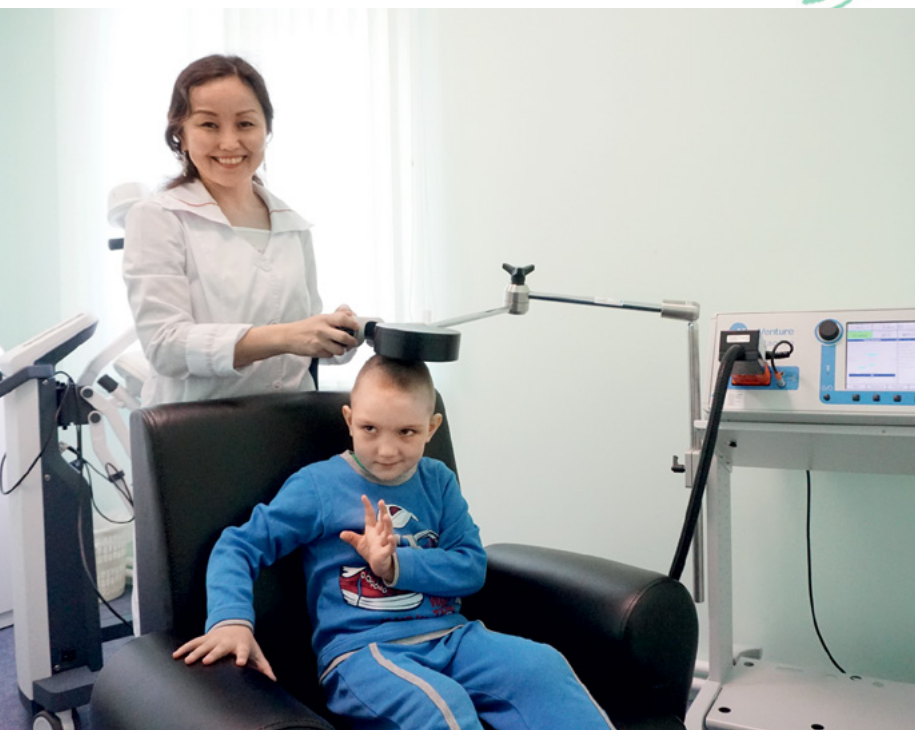
Psychotherapist Valentina Alekseeva plays with a five-year-old boy in a sandbox in her office. The child is smiling as he watches the sand flowing between his fingers with genuine joy.

"I approached Amir three times, but he did not want to communicate with me. Only the fourth attempt did it," says Valentina. "At first he did not communicate with anyone and refused to be examined. We did not interfere. Gradually Amir began to trust me, and we started our lessons."

"Sandbox is a toy model of the world. It allows you to build houses, and even whole cities and countries," comments the psychotherapist.

Amir was diagnosed with hearing loss only at the age of two, and as a result it caused a delay of speech development. Now he can hear thanks to the hearing aid. But there are difficulties in the emotional-volitional sphere: in a new situation everything seems hostile to him. At the same time the boy is mentally healthy and has no intellectual disability. The specialists at the center teach him not to be afraid of communicating with both adults and his peers.

"As a psychotherapist, I also work with parents, whose children come to us for rehabilitation. Often, moms and dads may have a difficult mental state. Most of them are depressed. Physical fatigue is aggravated by moral burnout. I'm trying to reach out to them. Those who join us in our work receive the desired effect," says Valentina Alekseeva.



Mag Pro allows stimulating the cerebral cortex with short magnetic impulses

→ “I advise moms and dads to take good care of themselves: rest or take walks in the woods. Their activities drain body’s resources and leave no strength to move forward. Therefore, one of my tasks is to teach parents to keep regular hours. They come to me looking like a compressed spring, always ready to rush somewhere, fight something. I teach them to let go of the situation.”

The rehabilitation center adheres to a firm position: a disabled child is not a sentence, but a child with its own individuality. A child has some difficulties, but it does not make him any worse. He is what he is.

Brain Push

Physiotherapist Kristina Gavrilieva showed us Mag Pro – the only transcranial magnetic stimulation (TMS) device existing in the Russian Far East. TMS is a new method of treating nervous system diseases with the stimulation of the cerebral cortex with short magnetic impulses.

“For example, if a child has a speech delay, then by stimulating a certain brain center you can get very good results,” shares the doctor. “The children who underwent physiotherapy using this device have made noticeable progress.”

NUMBERS

A new center can help **3,000** children in a year

In addition, the rehabilitation center uses an incredibly wide range of physiotherapy equipment and techniques: electrotherapy, paraffinotherapy, magnetotherapy, hydrotherapy, electrosleep, darsonvalization. There is also a device for underwater extension of the spine and a whole array of various baths, including whirlpool, pearl, herbal, and soothing ones. They are being installed right at the moment, and little patients will be able to lounge in pearl waters in the near future.

Common Problem

Alik and Arthur, two twins of four years, do not give any rest to their mother and aunt, climbing to their knees and running along the corridor. Ordinary boys, who don’t like sitting still. For an outsider it is virtually impossible to say who’s Alik, and who’s Arthur. Both have sharp black eyes, fashionable hairstyles; both run on tiptoes in the same way.

“They hadn’t celebrated their first birthday, when I noticed that they often stood on their tiptoes. I told to the neurologist of our out-patient clinic, that they may had hypertonia. But I was reassured that it’s was common thing for twins and they developed normally,” – their mom remembers. “But time passed, and other problems became apparent.

My boys were very restless and had troubles with speech. As a result, the doctors diagnosed them with physical disability that included psycho-speech delay and central nervous system damage. Now I understand that I should have gone all out from the start. My advice to every mother: in case of any abnormality, however small it is, contact the doctors immediately and make sure that the diagnosis is accurate.”

Before the opening of the center in Yakutsk, the twins visited the SUVAG Center for Hearing and Speech and the Cerebral Palsy Rehabilitation Center in the city of Neryungri. Now the boys have a speech therapist, a psychologist, a massage therapist, and a possibility to have the transcranial direct current stimulation procedure. According to their mother, first positive changes appeared right after the start of rehabilitation.

“Having our own car definitely helps. And I also have the opportunity to be out of work and dedicate a lot of time to my children,” says the mother of Arthur and Alik. “Many patients, especially from the uluses, are forced to get here by taxi, which is very expensive, or, upon arriving by bus, walk from the stop. And that can be quite a challenge for sick children. It would be great to have a bus stop at the center, or at least closer by.”

Visiting Owl-Nanny

In a room where all the colours of the rainbow seem to have gathered, an individual session with a small patient is underway. This room contains a set of training equipment called “Owl-Nanny.” The boy has an autistic spectrum disorder, and such children do not like when other people touch them. Tutor Egor Mironov helps the kid to overcome this problem.

“Owl-Nanny helps us to build a motivating environment for the development. Children can practice using the equipment themselves. Due to the activation of gross motor skills, they relax

NUMBERS

ALROSA Group donated about **1 billion** rubles for construction and equipment of a rehabilitation center

Owl-Nanny equipment complex creates a whole environment for development of children with autism spectrum disorders to develop



and perceive information better,” says Egor while pushing a colourful swing with a boy sitting on it.

The equipment increases children’s cognitive activity. For example, the special weighted blanket (“Owls”) works as a sensory simulator: it increases the information flow from touch and pressure receptors, situated on the surface and inside our body, into the brain. In other words, it improves the connection between two important types of brain and body receptors. Sleeping under this blanket creates a very pleasant and peaceful experience: a child feels himself wrapped in a solid cocoon, protected and serene.

Owl’s Egg is the children’s favorite. It is a soft ball-shaped bag, that allows a child to climb in it entirely. Being inside it makes them feel warm, as if in the mother’s tummy. Moreover, Owl’s Egg is a powerful sensory integration instrument that helps a child understand himself in relation to the outside world, feel the boundaries of his body and learn to control them, to relieve tension and stress.

“Intellectual activity is closely related to the sensory organs. If the mechanism for transmitting information from the body to the brain is disturbed, a child loses the motivation to experiment and investigate. This sensory room helps children to restore these functions,” explains Egor Mironov.

Hunting Sounds



During her classes with speech therapist Julia “helps” the hunter to get out of the forest.

Julia speaks poorly despite her age of seven. Speech therapist Mira Alexandrova gives her individual lessons. Julia still has a way before she can repeat the words and sounds of the nasty hunter who went into the woods and got lost. That said, not only he screams the usual “Yoo-Hoo”, but for some reason also “Yaa-Haa, Yee-Hee, Hay-Yay.” A weird hunter and his complex sound combinations.

Parents hope that their daughter will catch up in development and will be able to attend a regular school, as now she is home-schooled. Julia has a very busy schedule at the center: she has lessons not only with a speech therapist, but with a psychologist as well, participates in exercise therapy and rhythmic gymnastics. In the evening she returns home and repeats everything that she learned during the day.

Communication the Key

The construction of such a high-profile rehabilitation center required the investment of not millions, but hundreds of millions of rubles. Without extrabudgetary funds, it would have been a difficult task for the Republic.

ALROSA Group lent a helping hand. Thanks to the company, the construction was started in December 2014 in an ecologically clean area, located 11 kilometers away from Yakutsk. ALROSA donated 1 billion and 6 million rubles for the creation of the center. The money was transferred to the Trust Fund of Future Generations of the Republic of Sakha, which then financed the work. The funds were spent on design and estimate documentation, construction, technological connection, and equipment.

“When the center starts functioning at full capacity, we will be able provide rehabilitation for 250 children aged from 0 to 18 at the same time. Children from all over the Republic will be sent here. To get admission to the center, parents will have to apply to the social services department,” explains the institution’s manager.

At the moment, the center has 48 specialists, but it needs a lot more, including not only qualified doctors, but also technical workers. Vast areas, complex infrastructure and communication system require constant monitoring. In future, the center will be manned by 289 staff members.

Zinaida Maksimova believes that the main goal of the staff is to integrate children into the society. It is necessary to help little patients become full members of the community. Therefore, the unalterable rule of the new center is communication. “I say it everyone, even to our plumber: You should smile at the children, be kind to them. And that comes down to every detail,” says Zinaida Maksimova.

PROJECT

At the end of the last year, the diamond province of Yakutia was set swinging to the rhythm of basketball dribbling and acrobatic rock-n-roll: Aikhal, Mirny and Udachny for the first time witnessed the “Cheer” festival, featuring sports stars. Since then, the festival has settled by the Polar Circle and continues to surprise the residents of the Diamond Territory and give them unforgettable experiences of meeting sports and cultural celebrities in the flesh.

How's your mood? Cheer!

Diamond miners are mad about sports: the culture and sports centres that ALROSA has built and runs are fully booked with training sessions and competitions for children and adults. The company sponsors sports events of any scale: from local olympics to international competitions. After all, sports are life. And last year, the diamond-mining company with its sports partners decided to set up something totally out of the ordinary – a sports and music event, Cheer Festival.

The festival's programme is chock-full every time: it includes master classes, open PE classes, friendlies, concerts, and film screenings. It is open to all members of the public and is totally free of charge. The organizers put together a programme tailored both for children and for adults at various levels of training. The number of participants in each festival wave is as high as several thousand.

Who's better to motivate an athlete than their cult hero? Top figures in their sport share their experiences, success stories and “hacks” at the festival. They become mentors and inspirers for the residents of diamond towns. In their turn, the festival participants share their experiences on socials. You will find there about a thousand posts with the festival's hashtag #настроениеалроса (it means cheerALROSA).



Tall guys and high class

Cheer Festival opened in December 2017 by two very different sports. The first to come with their “Cheer” were two-metre guys: delegates from one of the best basketball leagues in Europe – the VTB United League. The delegation was headed by Sergey Bykov, former captain of Russian national basketball team and current incumbent coach of the national team, and Anatoly Laptev, head coach of Russian national male student basketball team.

The team of the VTB United League brought with them not only international level basketball but also a show. That was the responsibility of Aleksey Dudnik, lead commentator of the matches of Lokomotiv-Kuban club from Krasnodar, which made sure, as he himself put it, that “everything was beautiful”: light, music, and the commentator's performance. The locals noticed a difference in the presentation of the game to the spectators and, in the words of Filyus Faizullin, a coach at the cultural and sports centre in Mirny, they intended to implement the same competition format here too now.

The guests did not come to the festival empty-handed, they brought but bearing Cheer-branded T-shirts for the participants and balls for schools and sports centres. And Territory Music Festival: the basketball wave of the festival ended with a concert in Mirny featuring young stars of Helikon Opera.

THE FIRST TO COME WITH THEIR “CHEER” WERE TWO-METRE BLOKES: DELEGATES FROM VTB UNITED LEAGUE



@dear_murad

FOLLOW



Our thanks to the organizers, @sergei_bykov10 and for the exciting experiment in promoting the best ball game – basketball. The ALROSA's Cheer festival is yet another argument for choosing this game as a staple, and specifically for the young people. We are looking forward to seeing you again, bring Kirilenko. p.s. Almost blocked Bykov.



PROJECT



@dylanykovlev

FOLLOW



"That was super cool! I enjoyed no end the masterclass in acrobatic rock-n-roll! And at the end we were shown some footworks! I was scared for the girls, that they would fall down and hurt themselves. Words fail me! Thanks a million, guys!"



→ In flight mode

Hard on the heels of basketball came acrobatic rock-n-roll, and the audience's mood swung to: "How do they do that?!"

The planet's best athletes flew in to introduce this sports to the near Arctic. Among them were the 2017 World Boogie-Woogie Champions Alexey Gavrilov and Svetlana Gavrilova, and five-time World Acrobatic Rock-n-Roll Champions Olga Yudina and Ivan Yudin. ALROSA organized the festival's dance programme together with the Russian Federation of Dance Sport and Acrobatic Rock'n'Roll.

Cheer Festival is not just a memorable week of socializing with celebrities. The project is expected to help one find one's way in sports and arts and embrace Cheer ALROSA's Mood – the drive to grow and become stronger – in life. After organizing the festival, the acrobatic rock-n-rollers became mentors for the dancers of the diamond province and prepared them for the first ALROSA Cup in this sport and for all-Russian competitions of corporate clubs. They intend to grow athletes here and come to the northern territory again.



THE SPORTING FIGURES BECAME MENTORS FOR THE DANCERS OF THE DIAMOND PROVINCE, PREPARING THEM FOR THE FIRST ALROSA CUP

THE DELEGATES FROM THE RUSSIAN ICE HOCKEY FEDERATION BROUGHT SOUVENIR HOCKEY PUCKS AND STICKS SIGNED BY HOCKEY PLAYERS FOR THE PARTICIPANTS

Hockey passions

Having been sponsoring Russia's national hockey team for a number of years now, ALROSA could not disregard the favourite sport of the near-Arctic residents. Between two main hockey battles – the Olympics, where the Russian hockey players triumphed, and the World Hockey Championship – Udachny, Aikhal and Mirny saw Soviet and Russian hockey legends: Mikhail Vasilyev, the 1983 World Champion, the 1984 Olympic Champion and the 2001 World Junior Champion, Igor Grigorenko, the 2002 and 2003 World Junior Champion and many-time medallist at Russian Hockey Championship, and Aleksandr Boikov, a Match TV expert. The hockey aficionados had the opportunity not only to receive valuable advice, but also to hit the ice together with hockey luminaries and play a friendly. The delegates from the Russian Ice Hockey Federation brought souvenir hockey pucks and sticks signed by hockey players for the participants.



Ice hockey legends – Mikhail Vasilyev, Igor Grigorenko and Aleksandr Boikov – gave a number of masterclasses for near-Arctic young players



PROJECT

→ Olympians in the North

In May, the near-Arctic residents met medallists of the summer Olympics in Rio: Davit Chakvetadze, Graeco-Roman wrestling champion, Valeria Koblova, silver medallist in freestyle wrestling, Aniuar Geduev, freestyle silver medallist, and Sergey Semyonov, bronze medallist in Graeco-Roman wrestling.

Valeria Koblova about her impressions of the first town that hosted the festival, Udachny:

“We had a masterclass for three groups: from the youngest sporting novices to adults. Everything was a breeze, although it was my debut: never before had I given a master class. I am glad that I was asked relevant questions, and for myself, I realized that after leaving sports I was quite capable of coaching. To be sure, this will take a lot of learning, but I liked what I did.”



Stage is calling out

ALROSA Festival goes far beyond the limits of the rink and the workout mat. At the end of May, Cheer brought in those who dream of the theatre stage. The festival celebrated Yana Poplavskaya, a star and television presenter, and Olga Nasyrova, a ballet-mistress, director, dancer and musical actress.

The guests of the Diamond Territory arrived as ambassadors of Ilze Liepa's Culture for Children foundation, and apart from masterclasses, they held castings for a theatre and dance show that will be performed at ALROSA's traditional New Year's ball. Also, the festival heroes were selecting two gifted children to present them with vouchers for the summer dance period at the Artek camp.

Just in six months, the young festival had time to cover a number of different sports and the theatrical art and bring in their representatives, and the Cheer participants want it to go on. And it will. Share with us #НАСТРОЕНИЕАЛРОСА!



FOLLOW ...

@spice._of_life

Two days and two masterclasses that I will remember in a hurry. It's hard to express all my delight and awe of you, Yana Yevgenyevna. Meeting you was a new and memorable experience for me. So I want to say many thanks to all the organizers of #НАСТРОЕНИЕАЛРОСА for a chance for residents of our territory to talk to a maestro of such calibre.



THE ACTRESS AND TELEVISION PRESENTER YANA POPLAVSKAYA GAVE MASTERCLASSES IN UDACHNY, MIRNY AND AIKHAL

To be continued...

IN FOCUS

They are of different cloth. The first keeps the earth spinning travelling thousands of kilometres, the second tames fire, the third discovers the force of water. But adventurism, desire to succeed and commitment to own dreams unite them. Innokenty, Dmitry and Ekaterina open a new section in our magazine: the focus is on young ALROSA workers. →

By Ella Zakharova
Photo: Grigory Iftody,
Aleksandr Dovbnya

EARTH, FIRE, WATER



→ **Innokenty NOGOVITSYN,**
mine foreman, 30,
Internatsionalny mine

ABOUT MIR

I joined Mir mine right after graduation, and worked there for five years. I enjoyed time there: everything around me was familiar. But an accident occurred, and my life changed. I remember coming home from a night shift and going to bed. And on awakening I saw a news flash on WhatsApp and ran to the quarry. There was no water at the bottom of it: it all had went down into the mine. No one from our section was allowed to go underground on that day of the accident, we helped the rescuers on the surface.

ABOUT MEMORY

My acquaintances, colleagues and friends stayed in the mine for ever. In memory of them, Danil Solovyov, my friend, and I went on a bike ride across South-East Asia, crossing six countries: Vietnam, Laos, Thailand, Cambodia, Malaysia and Singapore. En route, we met a great number of the same bikers as us going around the world. There were mishaps on the road: Danil had his chain broken on a difficult stretch of road; there were also flats, and we had to change tyres more than once.



**“IN 9 DAYS
I TRAVELLED
MORE THAN
1000 KM AND
UNDERSTOOD
THAT I WOULD
SURVIVE
STRENUOUS
EXERCISE”**

ABOUT AN EXAMPLE

In Yakutia we have a legend – Pyotr Naumov, a runner. In his rather advanced age, he is not afraid of extreme distances: he ran, for example, 12,000 km from Kaliningrad to Vladivostok. I thought: why can't I do it? I'll try and cover great distances as well! And two years ago I left Mirny for Yakutsk. Alone, on a bicycle. In nine days I travelled more than 1,000 km and understood that I would survive strenuous exercise – not for nothing had I practiced sports since childhood.

ABOUT SPEED

Slow and steady wins the race, and I feel the same. There is no need to hurry. What I want to get there, eventually. Also, when travelling at a fast clip, you can hardly take in all the beauty of new countries and cities.

ABOUT FUTURE

I bound my future with ALROSA: for example, I want to work here until I retire on a miners pension. Then I will probably go home to Yakutsk – I was born there in one of the uluses.

Also, I have two children: my daughter is seven, my son is four, they need raising, be taught to stand on their own two feet.

As for sports, I plan a bike ride around Europe in 2019.



“WHAT I NEED IS RESPONSE, SUPPORT FROM THE AUDIENCE – THEY RECHARGE MY BATTERIES”



→ **Dmitry SLYUSAR, 29**
excavator operator, 29

ABOUT BASICS

I was born and finished school in Aikhal. Then I became an ALROSA scholar, graduated from the Belgorod Poly as a mechanical mining engineer and qualified as a machine operator in parallel. And returned to Aikhal. I followed in my father's footsteps: he also worked as a digger driver. At the Yubileiny quarry I'm also standing in for a shift mechanic. For this job, you need to know everything, from the basics.

ABOUT HOBBIES

While I attended university, I had a job at a night club and there I saw a fire show for the first time. I started learning: theory, video, watching performers, and practice, of course. First LED torches, then fire, pyrotechnicals, a laser show.

Frankly speaking: I love audiences, I enjoy attention, applause, shouting. What I need is response, support from the audience – they recharge my batteries.

My performances have many interesting stories. For example, for my laser show I have a special podium where I stand performing the show. We were carrying it to Mirny, to the festival. And the glass broke en route. Upon arrival, we searched every corner of the town for a super-strong glass. A motor depot saved our day – they cut out a glass and attached it to the podium.



ABOUT MOVEMENT

Ours is a small town: unless you come up with something, you will be bored to death here. Many people have work hours that leave them a lot of free time – that's why we try to set up events. Whatever takes place here, we're in. Some people may go fishing or browse the Internet, but I am for socializing. I only like it at work when there is movement – I don't like sitting in one place.

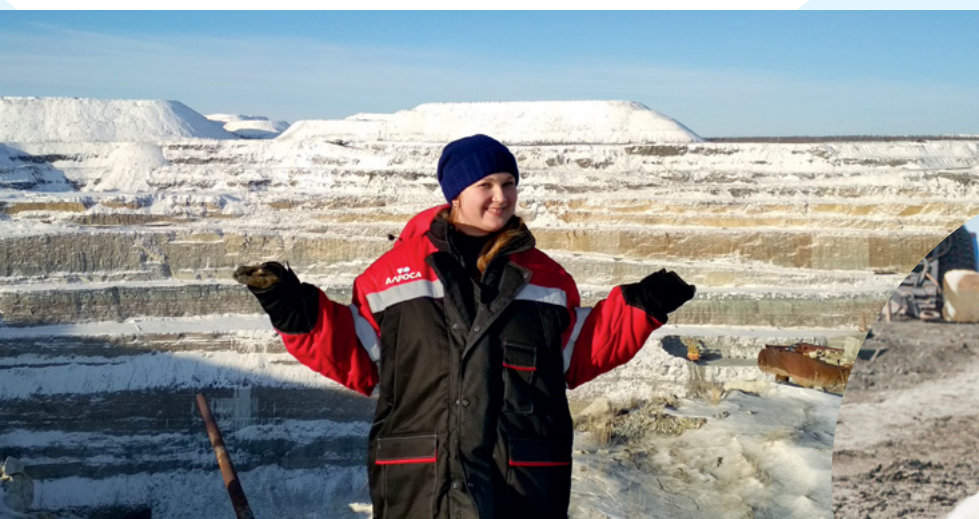
ABOUT FAMILY

My wife and I are a team: we provide tech support for one another at the show, and in the family we support each other on every issue. We have two children – a daughter, 2.5, and a son, Kirill, 9 months. We have time for everything – where there's a will, there is a way. I believe that if you want to do something, then you'll find the time too.

ABOUT LOYALTY

I'll never leave ALROSA! I'm proud of our company – nobody has such benefits nowadays. I value loyalty both in my job and in people, loyalty to each other, including keeping one's word. Our company is a great example: it justifies our trust, it never breaks its promises. →





Yekaterina SINCHUK,
hydrogeologist, 24



→ **ABOUT CHOOSING PROFESSION**

My grandmom is a geologist, and my granddad a driller; they lived in Nyurba for many years. And I was born in Dnepropetrovsk, Ukraine. After school, I went to the National Mining University – I had been interested in minerals since the sandpit. But my future tutor said: “Katya, what do you need geology for? Geologists are a dozen a dime. But water is the future.”

ABOUT OBJECTIVES

A hydrogeologist not only looks for groundwater, but also studies it and monitors its changes. I must understand how the water will affect the subsequent development of a quarry or a mine, what is needed to pump it out. All this is necessary to prevent the harm that water can cause – as it did at Mir.

ABOUT THE ROAD TO AIKHAL

I think every geologist wants to spend time in the North. I had been saying that I would go there since my second year, and that is what I did right after graduation. As an alien, I had problems with my paperwork, which took several months to complete, but eventually they were over.

I received my work permit on June 12, on Russia’s Day. I was so happy walking around Yakutsk! The following day I boarded a plane and flew to Aikhal. My job waited for me in 2016, and in the summer of 2017 it was no longer available. But I didn’t give up.

ABOUT SYMPATHY

Many people tried to help me. And they did help – with housing, interviews, work. In the end, I was offered a job as a hydrogeologist Vilyui expedition – but starting on October, and for the field season I managed to get a job as a geologist on Amakinskaya GRE [Geological Survey Company (GSC)] – it was the last employer of my granddad before he left the North.

My tutor, Aleksandr Ilyin, started giving me a lot of work right away and the knowledge I needed to do the job. That is how I “lived my dream” – after all, I wanted to work “in the field”: visit both a quarry, and taiga, and a mine.

ABOUT PHYSICAL ACTIVITY

I love dancing; I did hip-hop for four years. Now I try to go to the fitness gym and jog in the summer. What you need in my line of work is stamina; after all, you have to walk long distances for samples to river valleys, into taiga.

Most of all I like to travel. In five years’ time I hope to have visited at least seven countries and to see the Niagara Falls without fail. After all, I am a hydrogeologist!



“I’VE ALWAYS WANTED TO WORK ‘IN THE FIELD’: VISIT A QUARRY, THE TAIGA, A MINE”



FOOTBALL THERAPY

A story of children from charitable organizations and another special fan visiting the matches of FIFA World Cup 2018™.

Football Giveaway

Everyone would like to see children happy – not only our own children, but every child in the entire world. Unfortunately, that will never come to be, as some of them have to wage a tough battle against serious illnesses.

Children with severe problems of fighting against the disease, are indeed the ones who deserve a compensation for the long weeks they have spent in hospital wards. And 2018 FIFA World Cup 2018™ is a perfect opportunity for them to have fun with people all over the world.

ALROSA has donated tickets to the children under care of the Podari Zhizn charitable organization and a number of regional charities: Children of Russia Charity Foundation, Nizhny Novgorod Cancer Research Center Foundation, Samara Regional Public Organization for Assistance to Children Suffering from Oncohematological Diseases “Victoria”, Angela Vavilova Foundation (city of Kazan), Advita Charity Foundation (city of St. Petersburg), Charity Foundation for Children Suffering from Oncohematological Diseases “Darina” (city of Rostov-on-Don). Children attended the matches only with the doctor’s agreement; the majority of them were accompanied by their relatives. In total, about 60 people visited the matches, including both children and their attendants.

“For children who have undergone a heavy and long cancer treatment an opportunity to be a part of the main sporting event of the year is not just positive emotions, but also an important form of social and psychological rehabilitation. We are very grateful to ALROSA for giving this opportunity to our children,” said Ekaterina Shergova, the director of Podari Zhizn.

Peter’s tour

Peter Volovsky is 25 years old and suffering from cerebral palsy. He adores football and lives in the city of Sevastopol with his parents. From the very childhood football was his inspiration to fight the disease. The prognoses were most pessimistic, yet his great desire to try the moves of the football players on the field on his own helped Peter not only to stand on his feet, but to take a step. Then another one. Then the third. Determination worthy of a champion!

Peter had a dream: he wanted to visit FIFA World Cup 2018™. He wrote letters to a number of TV channels telling a story of himself and his dream, and Mir 24, a TV channel, answered the request of a passionate fan and invited Peter and his mother to Moscow.

Peter took a plane for the first time. He strolled along the Red Square, attended a football match at the Luzhniki Stadium and plunged into a fan carnival together with other fans from all over the world.

Tickets in the second row for the Portugal – Morocco match were provided to Peter and his mom by ALROSA, finally Peter was able to see a live game played by the football stars. He decided to post his impressions in Instagram.

 [@pterodaktil212121](#)

The long-wished-for day of the match ... You cannot even imagine how awesome it is, when your dream comes true, and you meet new friends. ***

Luzhniki... It is amazing! I've never been to a stadium of this scale. Everything is comfortable and easy to find, and, most importantly, it's so similar to those European stadiums that I saw on TV ... Now this arena and everything that happened to me during these three days is forever in my heart! ***

We had all kinds of fun with Portuguese fans – they hugged me, lifted me up, and wrapped me in a flag :) It was a sea of emotions and drive. I'm walking, and this song about Cristiano still plays in my head #Alrosa #Tv.Mir Guys, you are the Best!!!



FAN DIAMONDS

During FIFA World Cup 2018™ ALROSA announced a contest for the fans: the goal was to give the name to a rare large diamond, found in Yakutia.

Pick Me a Name

The contest was announced after the completion of the group stage of the World Cup. A diamond in need for a name was a 76.53 carat octahedral diamond with a yellowish tinge, recovered from the Internatsionalny kimberlite pipe in March, 2018.

More than 550 people participated over 10 days of the competition. The football players' names, variations of the championship's name and even the name of the official ball were among the most popular. Kokoshnik and other unofficial World Cup symbols came into the picture as well. As a result, the diamond was named «Brilliant Moment» at the suggestion of Aytalina Argunova from the city of Mirny, Yakutia.

"We would like to dedicate this jewel to the many brilliant moments that our national team has demonstrated. I think that many Russians are sincerely grateful to our team and its coach for their excellent performance," said Sergey Ivanov, ALROSA CEO.

In Memory of the Legend

Right after the start of the contest, many fans suggested that the jewel should be named after Lev Yashin, the only goalkeeper to have ever won the Ballon d'Or (Golden Ball). More than 30 fans suggested it, and the first one



WEIGHT:
76.53
CARATS
SIZE:
**29.05 x 28.29 x
25.33**
MM

Here are a few examples of the diamond's name suggested by the football fans:

Diamondial
Akinfeev
Maradona's Tear
Fair Play
Diamond Ball
Diamondinho
Vuvuzela2018
Talisman of Champions
Diamond Save
Football Phenomenon

was Ilya Turbachev from the city of Chelyabinsk.

Initially, the diamond participating in the competition was to be sold at a large jewels' auction in Moscow. However, a memory of the outstanding goalkeeper is a part of national treasure. And in light of this, ALROSA decided to name after Lev Yashin the recovery of another diamond.

"We decided that this is a great idea: a unique diamond is a perfect metaphor for the strength and fortitude of the great goalkeeper. But a diamond holding his name cannot be sold. It should be stored in our fund as a tribute to the memory of the legendary sportsman," said Evgeniya Kozenko, the head of the press service of ALROSA. "Therefore, we have named after Lev Yashin the recovery of another unique diamond that did



Leading Character

Large diamonds occur in nature extremely rarely, making each of them absolutely unique. Lev Yashin, the greatest football player of the last century (according to the World Soccer magazine) was also unique. In the early going of his sports career, Yashin played both football and hockey (acting as a goalkeeper in both teams). In hockey, he won the USSR Cup and was named candidate for the national team. But, when presented with the choice, he decided to pursue the football career.

Lev Yashin is the first and only goalkeeper in the entire world who has ever been awarded with Ballon d'Or (Golden Ball) and a title of the best European Footballer. And the list of his awards does not

end here. He has received not only many sports awards, including gold medals of the 1956 Olympic football tournament, and the 1960 European Championships, bronze medal of the 1961 Ballon d'Or (for the 4th place), and many national championships' medals; but honorary medals as well: Hero of the Soviet Union Gold Star Medal, FIFA Order of Merit, Silver Olympic Order.

From 1994 to 2006, at the end of each World Cup, FIFA awarded the best goalkeeper of the tournament with the prize named after Lev Yashin, which was later renamed to Golden Glove Award. In Russia, the end of the football season features various awards; among those is Goalkeeper of the Year Award named after Lev Yashin.

Lev Yashin was called abroad «black panther», «black spider» and «black octopus». He got those names for his traditional black uniform, flexibility and dexterity, as for his long arms. Thanks to them he made incredible saves.

Yury Somov/RIA Novosti

not participate in the competition. It is a large transparent gem with a yellowish tinge of 69.7 carats and a size of 24.86x24.53x24.01 mm, recovered from the Yubileynaya pipe in Yakutia in October, 2016."



WEIGHT:
69.7
CARATS
SIZE:
**24.86 x 24.53 x
24.01**
MM



Both winners received tickets for the final match of the Championship taking place at the Luzhniki Stadium, as well as the certificates confirming that rare diamonds were named after their ideas.



The almighty President of Real Madrid was ready to give up all the family diamonds in exchange for a contract with this outstanding goalkeeper.

"I mean it: I'm ready to pay any money, even if I have to sell all my family diamonds or get into debt. And even then every amount of money will be inadequate, since in reality Mr. Yashin has no price, just as the paintings of the greatest artists in possession of the Prado Museum."

Those are words of Santiago Bernabéu that he said in Paris in 1960, during the dinner in honor of the winners of the first European Cup, won by USSR. On top of that, Bernabéu suggested that Yashin himself could take his check book and write down any amount of money he would like to be paid to play for Real Madrid. But the legendary goalkeeper remained true to FC Dynamo throughout his professional football career (1949 – 1970).

Famous football players display their will and honor outside of the stadium lights.

In this football year we decided to highlight the details about the football stars from different generations that are impossible to see from the stands. Certain events in the life of athletes and difficulties that they had to surmount influenced their fate and career. Some of the athletes have already conquered their peaks, but these stories will forever remain in the memory of their fans.

Lionel Messi (Argentina)

Everyday Injections

Lionel, who has won a record-tying five Ballon d'Or (Golden Ball) awards, bestowed to the best football player of the world, became a star in his early childhood. Living in his native city of Rosario, he shone in the amateur team Grandoli, with his father Jorge working as a coach, then he forged his success at the city club Newell's Old Boys. During the years that he played in youth football tournaments he scored an impossible amount of goals. The only worry was his height: Lionel was much shorter than his peers. At the age of 9, his height was only 127 centimeters (4 ft 2 in).

"I was always the smallest kid both on the field and at school," recalls Lionel. A medical examination revealed a rare disease – growth hormone

127 cm



90 000€ –

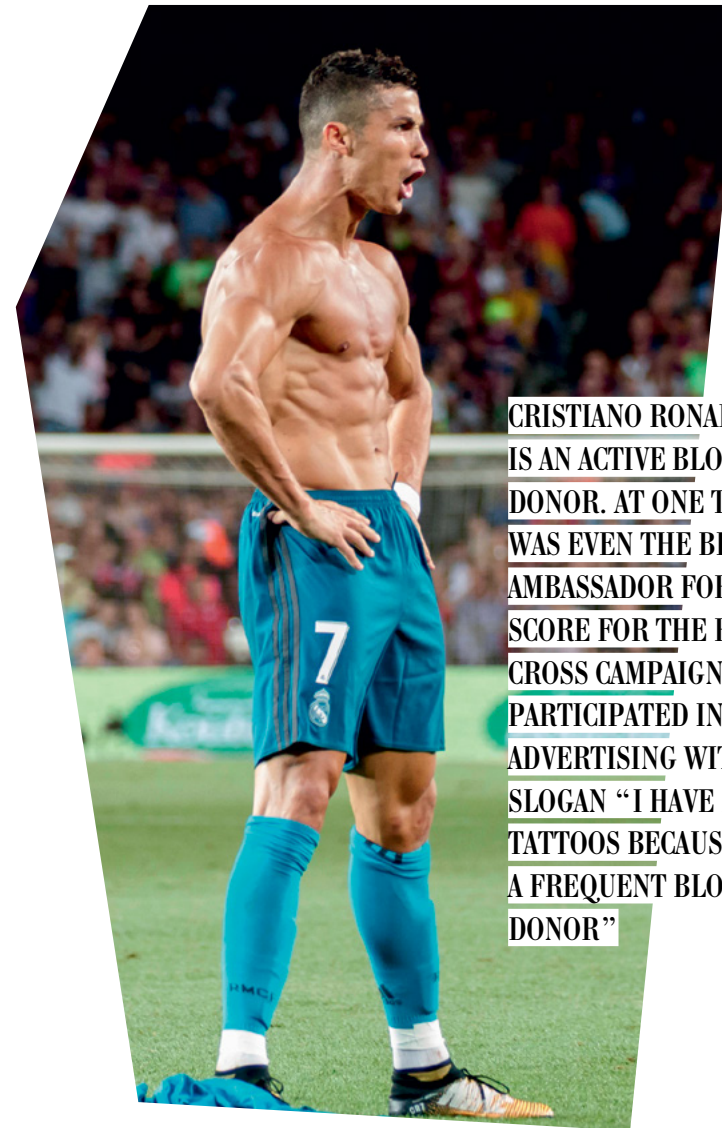
THE AMOUNT OF MONEY BARCELONA PAID EVERY YEAR FOR THE TREATMENT OF THE YOUNG MESSI

deficiency. To treat it he was prescribed daily injections. This went on for several years, until the economic crisis erupted in Argentina. Lionel's parents, a steel worker and a housemaid raising four children, could no longer afford such an expensive procedure. Meanwhile, the doctors insisted on continuing his treatment.

And then Jorge Messi decided to bring his gifted son to a trial with Barcelona. Team director was extremely enthusiastic about the 13-year-old prodigy and offered him to be a member of the junior team of Barcelona. Jorge agreed, but on one condition: the club will pay for Lionel's treatment – €90,000 per year. The board of

Barcelona accepted the condition, and this was a win-win situation for everybody. Lionel grew up to be one of the greatest players in football history. Playing for Barcelona he has already won 8 La Liga championships and 4 UEFA Champions League. Leading European football clubs are ready to pay an astronomical amount of money to get his contract, but Lionel stays true to Barcelona, which helped him not only to become a football star, but also a physically healthy person. Today, his height is 169 centimeters and doctors say that if Leo stopped receiving growth hormone injections in his childhood, he would have grown to a maximum of one and a half meters (4 ft 9 in).

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CRISTIANO RONALDO IS AN ACTIVE BLOOD DONOR. AT ONE TIME HE WAS EVEN THE BRAND AMBASSADOR FOR SCORE FOR THE RED CROSS CAMPAIGN AND PARTICIPATED IN SOCIAL ADVERTISING WITH THE SLOGAN "I HAVE NO TATTOOS BECAUSE I AM A FREQUENT BLOOD DONOR"

Cristiano Ronaldo (Portugal)

Clear Body, Clear Blood

Messi's main rival for the title of the world's best football player also comes from a large and humble family: his father was a gardener and mother was a cook. However, he never had any serious health problems. At every opportunity, the player of Juventus Football Club and the Portugal national football team likes to show off his ideal body, which, by the way, does not have a single tattoo.

Like Messi, Cristiano has many children. But if Lionel, in celebration of the birth of his first child Thiago, tattooed his calf with the name of his son and the image of his hands; Cristiano was not moved to do this neither by his children, nor anyone else. And he has a very good reason for that: Cristiano Ronaldo is an active blood donor. At one time he was even the brand ambassador for Score for the Red Cross campaign and participated in social advertising with the slogan "I Have No Tattoos Because I Am A Frequent Blood Donor."

And one of the medical prerequisites for blood donation is, indeed, to refrain from getting tattoos for up to 12 months to prevent hepatitis transmission.

Blood donation is a noble and very important cause. One can only guess how many people were saved by a great football player and live not knowing that the blood flowing in their veins once belonged to Cristiano Ronaldo.

Sergey Semak (Russia)

Heroic Father

The former captain of the Russian national football team and the current head coach of Zenit Football Club has many trophies in his collection. Sergey Semak is the only player to ever become national champion while being a part of three different teams: CSKA, FC Rubin Kazan and FC Zenit. In 2008, as part of the Russian national team, he won a bronze medal in the European Football Championship.

But, perhaps, what elates him even more is the impressive achievement of his family. He and his wife Anna are bringing up eight children: Sergey's son and Anna's daughter from their first marriages, five children that they had together and a disabled girl, whom they adopted in 2016.

One can only applaud their parent efforts.

Probably, a part of Sergey being a heroic father comes from his genes, as Sergey himself grew up in a large family and had three other siblings.



Petr Čech (Czech Republic)

Tankman Keeps the Goal

Modern football is a rough sport, where players' injuries have, unfortunately, become almost a norm. But not all football players return to the field sport after an injury as terrible the one received by the goalkeeper of the Czech national team Petr Čech.

Ironically, as a child he played as a midfielder, and became a goalkeeper after he broke his leg and had to undergo treatment for a long time. The boy decided that being a goalkeeper will keep him from future injuries.

The accident happened on October 14, 2006. By that time, the 24-year-old Czech, defending the goal of London's Chelsea, was already considered a star of the English Premier League. However, in a match against Reading, he collided with a Reading player, taking a severe knee strike to the head. As a result he received a horrifying depressed skull fracture. The goalkeeper was taken to the hospital right from the

stadium, and the neurosurgeons managed to save his life and physical health.

In three short months after the injury Peter already returned to the field. However, on doctor's orders, he has started to wear a special protective headguard during the games, which resulted in a joking nickname "Tankman". Although despite his headguard he already received two concussions. His injury, however, has not stopped the courageous goalkeeper from winning the English Premier League, the UEFA Champions League and the UEFA Europa League. Today Čech plays for another London club – Arsenal.



AFTER A COLLISION WITH READING PLAYER, HE TOOK A SEVERE KNEE BLOW TO THE HEAD. AS A RESULT HE RECEIVED A HORRIFYING DEPRESSED SKULL FRACTURE

Mario Balotelli (Italy)

«She's my Mother!»

The dark-skinned striker of the Italy national football team was born in the Sicilian capital of Palermo to a family of Ghanian immigrants. He was born sick and weak: the child was in the hospital for about a year, where he had to undergo a number of stomach operations.

At the age of two, Mario's parents placed him in foster care to the Balotelli family, so that they could help him recover. A new family already had three children, yet Mario was raised as their own. Later he was permanently fostered through legal action.

Many years later, the Ghanian parents of Mario wanted to

reunite with him after learning that their son had become a famous footballer. But he did not want to see them anymore. "Where were they when I was nobody?" – asks Mario rhetorically.

On June 28, 2012 Balotelli scored two goals during the semifinal match of the European Championship between Italy and Germany, allowing his team to reach the final. At the end of the match he went to the stands to hug an old woman crying with happiness – signora Silvia Balotelli. It is her whom the football star calls his mom, referring to his father and mother of origin only as biological parents.



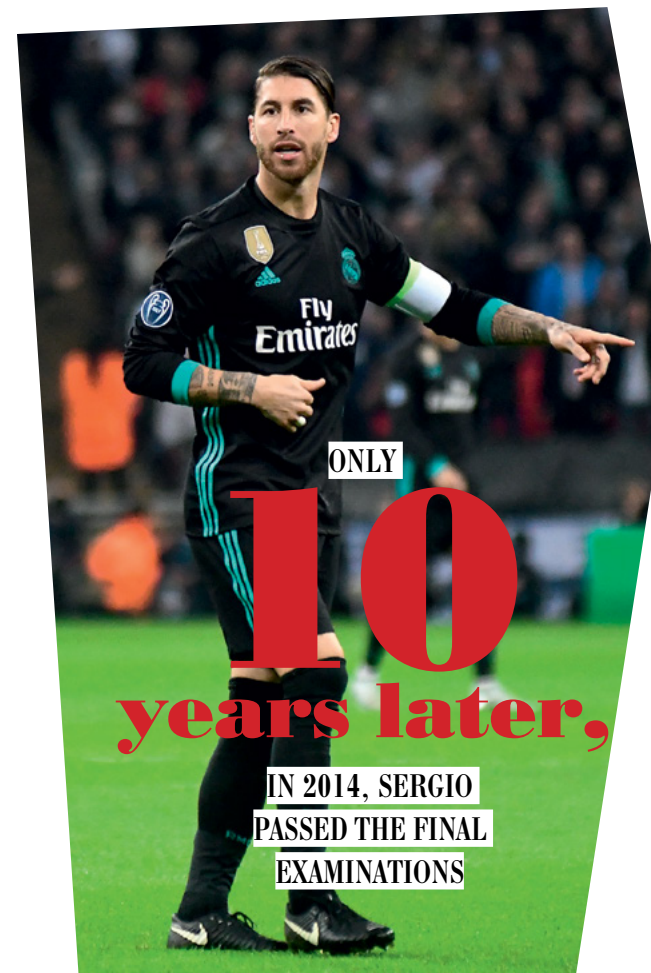
AT THE AGE OF TWO, MARIO'S PARENTS PLACED HIM IN FOSTER CARE TO THE BALOTELLI FAMILY, SO THAT THEY COULD HELP HIM RECOVER

Sergio Ramos (Spain)

Study, Champ!

It is well known, Mikhail Lomonosov entered the Slavic Greek Latin Academy at the age of 19 and he looked like a black sheep next to his young classmates. But a man with enough money and from a decent family receiving a secondary education in a prosperous Spain at the age of 28 years in our days... However, it was the exact situation of Sergio Ramos, a prominent centre back of Real Madrid and the Spanish national team.

In 2004, the 18-year-old young man got a place in the first eleven of Sevilla and plunged into the world of football before finishing his studies. Although, he never abandoned it. From time to time, when Sergio had time between matches and tournaments, he took exams in the disciplines necessary to obtain a certificate. However, only 10 years later, in 2014, Sergio's persistence paid off when he passed the final examinations in biology and ecology, receiving a Secondary Education Certificate (ESO Diploma). World Champion and two-time European Champion, Sergio by that time was already an academician by football standards.



AFTER BECOMING A PROFESSIONAL FOOTBALL PLAYER GEORGE HAD TO WORK AS A TECHNICIAN IN A TELECOMMUNICATIONS CORPORATION TO FEED HIMSELF AND HIS FAMILY



George Weah (Liberia)

Slumdog Millionaire Turned President

George was born to an incredibly large family (he had 14 other siblings) and grew up in the slums of the Liberian capital of Monrovia. There he started playing football with a ball made from rags and a garbage bag. After becoming a professional football player George had to work as a technician in a telecommunications corporation to feed himself and his family.

In 1988, the 21-year-old George left for Europe shortly before a civil war broke out in Liberia. In the Old World, the African striker made a brilliant career peaking in 1995. This year he won the Ballon d'Or as the best football player in Europe, was titled FIFA World Player of the Year and African Football Player of the Year. The day George was awarded with the Ballon d'Or was the only day the civil war in Liberia ceased, as the warring parties announced a truce honoring this historical event. After becoming a superstar George did not forget about his

embattled homeland. He opened a football club and school in Monrovia, actively engaged in humanitarian and charitable activities, became an ambassador of UNICEF, traveled to Africa at every given opportunity to organize food distribution points and children's shelters. In 2014, after retiring from the sport, George recorded a song in which he called on the world to fight Ebola. All proceeds from the sales of the song were transferred to the Liberia's Ministry of Health.

After the end of his football career, George could live comfortably anywhere he wanted. In addition to that, he has French citizenship. However, George decided to return to Liberia – one of the poorest and troubled countries in the world. In 2005, he ran for the presidency of Liberia but lost in the second round to Ellen Johnson-Sirleaf, Africa's first woman president. In 2017, the former football player repeated his attempt and became the 25th president of Liberia. The inauguration of George Weah took place in January 2018.

→ Garrincha (Brazil)

Mastering the Disability

The legendary Brazilian striker was not only born to a poor family, he also had serious inborn defects: he suffered from strabismus, vertebral deformity and pelvic bone displacement, leading to his left leg to be shorter than the right by 6 centimeters. The surgery offered little help and the doctors estimated that being able to walk would be the best case scenario for him. Yet when he grew up, his football feats brought awe and wonder to millions of spectators all over the world. The real name of this football genius is Manuel Francisco dos Santos. The nickname of Garrincha was given to him by his sister Teresa after the little birds that lived in the woods near his native town. Fans and journalists called him Great Lamé Wizard, Charlie Chaplin of Football, Joy of the People. The favorite feint of the World Champion of 1958 and 1962 consisted in a deceptive body movement that was possible only due to a different length of his legs.



Zlatan Ibrahimović (Sweden)

Stealing Bicycles and Leaving a Mark

The best Swedish footballer of all times is widely known for his harsh character. His stubbornness and quick temper was a cause of many conflicts and disqualifications during his football career. But it's nothing compared to miraculously evading a sentence long before Zlatan became a professional football player.

Zlatan was born in Malmö, Sweden to a family of immigrants from Yugoslavia. His father was Bosniak and his mother was Croat, and the parents parted when the boy was two years old, further complicating his already difficult childhood.

Rosengård district, where Zlatan grew up, was a ghetto for immigrants from different countries.

A bicycle gifted to Zlatan by his brother was a great source of joy for the boy. Zlatan called him Fido Dido after a famous cartoon hero. But once the bike was stolen, Zlatan got very angry and started to steal other people's bicycles. He learned to force locks and steal bicycles from parking lots. Once, without knowing, he stole a bicycle of the assistant coach of the youth football team Malmö. However, Zlatan honestly confessed to the deed, accompanying his confession with an innocent smile.

Said that he was sorry and just lent this bicycle for a while. He was forgiven. On top of that it was common for Zlatan and his friends to steal things from stores.

Zlatan was rescued from a sad fate by sports – martial arts (Zlatan has a black belt in taekwondo) and football.

Although, Zlatan could have become a hockey player. When he was starting to play football he was often assigned to be a goalkeeper. Once, having missed many goals, the boy got angry and decided to switch to hockey. He had to forget this idea after learning that the cost of ammunition would be too much for his family. So Zlatan returned to football, but this time as a striker.

At the age of 15 he signed a contract with the Malmö, at 17 he got a place in the first team and helped the team to return to the top division of Swedish football league. A talented striker picked an interest of London's Arsenal, but the smart alec refused. Zlatan was insulted by the fact that Arsène Wenger, the head coach of the Arsenal, invited him to a trial. According to Zlatan, he should have been given a contract without any unnecessary trails.

Subsequently Zlatan won a lot of titles, playing for various elite teams of Netherlands, Italy, Spain, France, and England. Today, the 36-year-old striker shines in the USA as a part of LA Galaxy club. Recently, a new verb was officially added to the Swedish language: zlatanera. It was formed using the name of the famous football player and its meaning is «to dominate».

Zinedine Zidane (France)

Family Honor

Zidane is another football star who grew up in an emigrant family. In the 1950s, shortly before the start of the Algerian War, his parents moved to France where, many years after, Zidane was born. He was the youngest, fifth child in the family of a storekeeper and a housewife.

Zidane started to pick up football in his early childhood that he spent in the La Castellane quarter of Marseille, populated mainly by immigrants from Algeria and Morocco. It was the starting place for a man who would later become one of the greatest players in the history of both French and world football. However, for the last match of his career instead of shooting the ball, Zidane decided to hit his opponent's chest. This famous scene is known and remembered by everyone who has even a slightest interest in football. On July 9, 2006, during the overtime of the World Cup's final match between France and Italy, the defender of the Italian team Marco Materazzi said something to Zidane. In response, he was headbutted by the Frenchman and collapsed on the ground. The judge

immediately removed the captain of the French team from the field. Left in the minority, France lost the match in a penalty shoot-out. However, no one from the French team said a word of reproval to Zidane. As it turned out, Materazzi insulted Zidane's sister Lila, and protecting his family always comes first for the football star.

Today, World and Europe Champion, and Ex-head coach of Real Madrid is a happy husband and a father of four sons. Zidane loves children and invests heavily in the development of children's sports. His good deeds include the organization of children's football matches for charity, sponsoring the construction of a children's department in one of the Algerian hospitals, participation in the social rehabilitation program for homeless and parentless children. Zidane is a goodwill ambassador for the United Nations Development Program and a member of the European Association Against Leukodystrophies. From numerous interviews with the Zidane, journalists put together a set of rules for life by Zinedine Zidane; one of them reads: "You do not need a reason to help people."

FOR THE LAST MATCH OF HIS CAREER INSTEAD OF SHOOTING THE BALL, ZIDANE DECIDED TO HIT HIS OPPONENT'S CHEST

Carlos Tevez (Argentina)

Through Fire

2004 Olympic champion, three-time champion of the English Premier League and two-time champion of the Italian football league had all the worst things happened to him in the first six years of his life. When he was six months old, his mother left the family. At 10 months, while exploring the kitchen, Carlos knocked over a kettle with boiling water severely burning himself. To this day Carlos refuses to remove the scars on his breast and neck, received as a result of



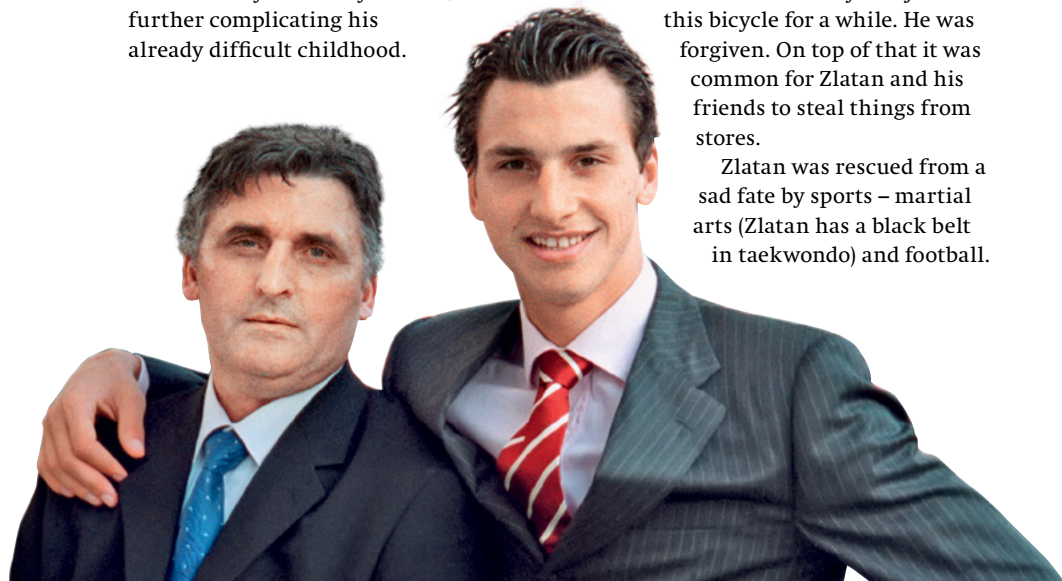
WHEN THE BOY WAS SIX YEARS OLD, HIS FATHER WAS SHOT BY BANDITS. A SMALL ORPHAN WAS ADOPTED BY HIS UNCLE AND AUNT, WHO ALREADY HAD FOUR CHILDREN OF THEIR OWN

this burn, stating that they represent a link between his past and the present.

When the boy was six years old, his father was shot by bandits. A small orphan was adopted by his uncle and aunt, who already had four children of their own.

Carlos grew up in Ejército de los Andes – one of the most troubled and criminal areas of Buenos Aires. "When the stray bullets flew into our windows, we fell to the floor and prayed," recalls Carlos.

And once again despite such a terrible environment the life of a future star was saved by the football. At the age of 16, Carlos started his professional career by playing for the most popular Argentine club Boca Juniors. Many years later, upon quitting his European football Carlos returned to this football club, as he once promised.



MANLY FEATURE

Did you know that originally diamonds were a symbol of masculinity and in the Middle Ages they were worn mostly by men? It is only in the XV century when they were finally appreciated by the ladies of the high society. The brilliance of diamonds still incites, fascinates and attracts the high and mighty. And famous football players are not an exception. Fearless and merciless on the field, extremely focused and tireless, they cannot resist the vivid play of these precious jewels.



Ball in Play

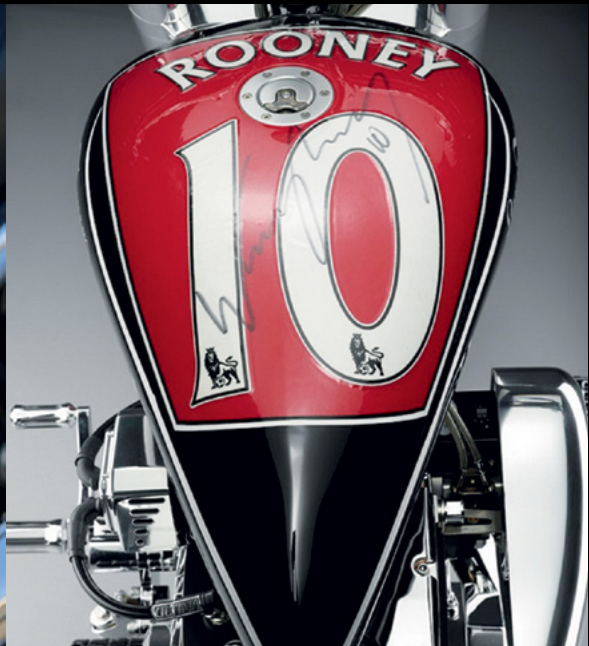
Karim Benzema, a footballer playing as a striker for Real Madrid is the lucky owner of a precious soccer ball that was made for him by the jewelers Dave Bling and Will Da Boss. A unique piece that has a form of a life-size ball encrusted with 72,000 diamonds with a total weight of 1,250 carats. The striker of Real Madrid and French national team paid \$250,000 for this custom-made ball.

Initially, it was created for singer Rihanna, with whom Benzema had a short romantic relationship. But something went wrong, and now the ball decorates the house of the famous football player.

"When businesspeople come to me, they immediately take notice of the ball, presenting an excellent opportunity to start a conversation," says Karim Benzema.

Brilliant Decision

Wayne Rooney, who played for Manchester United and England national team, along with the Danish tuning studio "Lauge Jensen" created a unique motorcycle. Not for fun, but for charity. The motorcycle is encrusted with 22 diamonds: 21 black and 1 white, which does not prevent it from accelerating to 100 km/h in just 4 seconds. Its fuel tank is decorated with the number 10 football shirt, and the back wing is decorated with a picture of Rooney's triumph taken after he scored a goal against Manchester City in 2011. A highly valued bike was purchased for 49,000 euros by an anonymous football fan at an auction in Chester, UK. All money was sent to the children's charity "KidsAid".



THE BACK WING IS DECORATED WITH A PICTURE OF ROONEY'S TRIUMPH TAKEN AFTER HE SCORED A GOAL AGAINST MANCHESTER CITY IN 2011

Helping Kids

Football players John Terry, Wayne Rooney and Rio Ferdinand donated each a pair of boots, which had been transformed into collectibles. The boots were auctioned, organized in honor of the opening of the Rio Ferdinand Live the Dream Foundation, which helps children from poor families. The most expensive lot was the boots UmbroSpeciali, previously owned by John Terry and signed by him after the victory over the Belarus national team. They are decorated with 2374 jewels, including 84 black gems, set on white gold around the pins, white diamonds, and sapphires.



In the Grip of Time

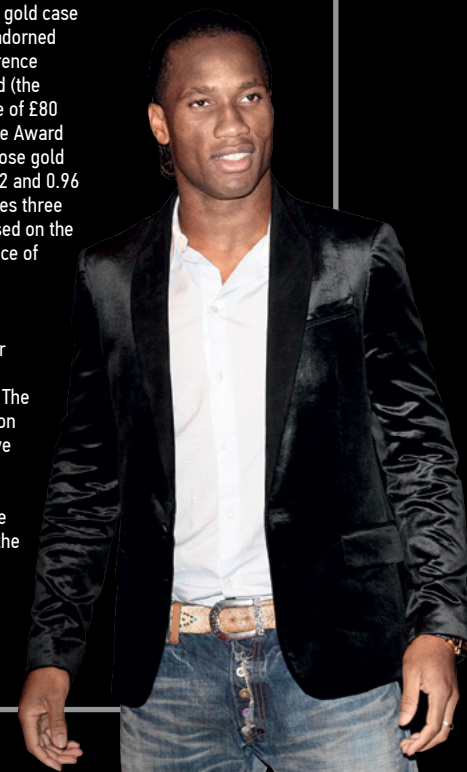
HUBLOT BIG BANG IS MADE OF ROSE GOLD AND DECORATED WITH 312 DIAMONDS



Cristiano Ronaldo, Juventus Football Club player, has a history with the wrist watches made by Rolex, Hublot, Time Force, Jacob & Co, Cartier, de La Cour Bichrono, Meccaniche Veloci and others. But, perhaps, the most expensive watch of his collection is Hublot Big Bang featuring a gold case and a number of diamonds. This watch adorned the wrist of Cristiano at the press conference dedicated to his transition to Real Madrid (the Spanish football club agreed to pay a fee of £80 million) and at the European Golden Shoe Award Ceremony. Hublot Big Bang is made of rose gold and decorated with 312 diamonds of 1.22 and 0.96 carats. The round black clock dial features three smaller dials, and the watch itself is based on the self-winding HUB44 mechanism. The price of this model is approximately €50,000.



Another famous wrist watch fan is Didier Drogba, an Ivorian football player and a striker for Phoenix Rising Football Club. The most valuable timepiece in his possession is Audemars Piguet Royal Oak. A massive wrist watch, built to strike imagination, is sheathed in a white gold case and decorated with 449 diamonds, while blue sapphires create a pleasant contrast of the clock dial. Experts estimate its price to reach approximately €60,000.



Fair's Fair

Legendary footballer Diego Maradona went down in history as both a phenomenal player and a flagrant tax evader. Since the days when Diego played for S.S.C. Napoli, he was in debt, which amounted to more than €36 million. But since the football player did not want to part with the money voluntarily, the Italian tax police decided to take drastic action. When Maradona carelessly arrived to Italy in September 2009, he was detained and all his valuables were confiscated. Among other things were the famous diamond earrings worth \$4,000. Later, the earrings were purchased at auction for \$ 25,000 by a woman who wished to remain anonymous.

FA Bobo / PIXSELL/PA Images / TASS, Christopher Furlong / Getty Images

THAT'S A THING!

ETERNAL GLORY

The red carpet of one of the largest film festivals in the world is, of course, more than just a gathering place for the guests of the event. It is a symbol of success, which might be the first or long-honored, it is a foretaste of the triumph and the inevitable excitement, it is also a fashion runway, and the best background for a photo (though selfies, this year, were banned), and, at last, it is an occasion to appear in the full blaze of beauty.

Chopard, a jewelry company, is an old partner of the Cannes Film Festival. It is Chopard that created for winners the awards statuettes, including the famous Palme d'Or. In addition, especially for the festival, the company annually produces a collection of jewelry, a considerable part of it is presented in our selection. But not only Chopard's jewelries shone on film beauties!

Penelope Cruz in Swarovski jewelry
Red stones are just a passion itself! Who else can wear Swarovski, if not the most temperamental actress of our time?

Julianne Moore in Chopard
For a second year in a row, the actress has chosen a red outfit for the red carpet – boldly, effectively, and successfully. A feathered cappy dress is perfectly complemented with long platinum diamond earrings.

Lea Seydoux in Boucheron
An ivy leaf ear cuff clearly becomes the French actress.

Cate Blanchett in Chopard
The jury chairman of the festival main competition gave her preference to large fantasy earrings from the Red Carpet collection – in the form of orchid inflorescences.

Amber Heard in de Grisogono
Undoubtedly, the best "bare" dress of the festival – winning both in colour and silhouette – is complemented with white gold earrings with diamonds and two pear-shaped rubies, seven and a half (more precisely, 7.54 and 7.57) carats each. There's nothing to add!

Just anything for my dear – even the ear-ring from my ear

FEW OF THE STARS COULD AFFORD TO IGNORE EARRINGS — IN FACT, IN HEADSHOTS, IT IS THE ONLY DECORATION THAT REMAINS IN THE FRAME

THAT'S A THING!

A festive set

EVEN THE MOST LUXURIOUS JEWELRY CAN GO OUT IF THE PIECES ARE NOT PROPERLY COMBINED. STARS HOLD A WORKSHOP ON CREATING WINNING BRIGHT SETS!



The brand decides Bella Hadid, a top model, is a Bulgari messenger and, of course, often appears in its ornaments.



A couple more In her choice of Chopard Elsa Hosk, a famous Swedish beauty, shows another example of a harmonious jewelry duet – a necklace and a white gold bracelet with diamonds.



Banking on colour Black, white and green are present in de Grisogono jewelry of Alessandra Ambrosio, the Brazilian supermodel.



antoniobarrosr / Shutterstock.com, Featureflash Photo Agency / Shutterstock.com, taniaavidueva / Shutterstock.com



Do not collect more than two! Chinese actress Fan Bingbing combines Phenomena Glacier earrings and a De Beers London Thames Path necklace. The actress's choice can't be called modest, but one can't reproach her for overdecoration.




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If you are still thinking that diamond jewels are suitable only for special events, we ready to bring you round. Diamonds are appropriate as on the red carpet so with the casual clothes. The most important thing is to select the right companionship. For example, you go to the stadium to cheer for your favorite team (sport is in trend!). What to wear so as the look fit the case while looking cool and stylish?

Text: Inna Belova,
top stylist, fashion blogger



 [@inna_pro_style](https://www.instagram.com/inna_pro_style)

Exact hit

It is important to avoid both extremes: censored irreproachable garment will be iconoclastic. Too simple, uncomplicated look like "jeans-T-shirt-sneakers" is a certainty to disappear in the fan crowd.

The best option is to take as a basis a hot trend of 2018; style that already several years steadily stands on the fashion basement, a sport-chic.

For the image slam dunk it is necessary to take as a basis the athleisure and add to them some luxurious and glamorous elements. And the most chic accessories and the best girls' friends, as it is well known, are diamonds.

They give essential contrast of luxe and casualness and become that focus which is responsible for

the appreciation of the image in a whole.

To keep the sport-chic style precisely is rather subtle art; it is important not to be wide of the mark. For the advice and successful examples you can address celebrity and fashion bloggers looks. We give you a short master class: how to create a right look, using key wearing and trend specific character.

SPORT-CHIC RULES:

- presence of slight carelessness in the image: rolled up sleeves, turned up the ends of trousers, a blazer thrown over shoulders, half tucked-in t-shirts and so on. It is important to keep the balance in a combination of relaxed and strict, that is why mix free elements and straight shapes, laconic cutout, and clean lines;
- deep, clean colours. White and black in combination with bright accessories and details of clothes;
- using multi-layer principle: blazer on the t-shirt, bomber jacket over the top, suit coat over the hoody and so on;
- choosing emphatically elegant and expensive adornments. But in this also is important not to overplay: diamond earrings or a wristlet in a combination with a ring will be enough;
- sportive attributes in cuts and trimming is a necessary requirement, but not the only one. The main thing is to find a right proportion of luxury and casual.



TRENDS



Pinko blouse

Max Mara bag

Max Mara trousers

Max Mara shoes

Mercury wristlet

Jogging suit

Ask celebrities

Take for a model Rihanna, an admitted style icon, and easily combine casual bloomers and spike heel with a diamond wristlet. Add the most fashionable accessory of summer 2018, a belt bag, and polish the image with a bright red lipstick.

Background USA / Legion-Media

Jersey skirts and dresses



Patek Philippe watches

Max Mara canvas shoes

Marina Rinaldi skirt

2

And one more look from Rihanna. The key thing in image creating will be a jersey skirt. Length and colour according to your choice.

In hot weather we combine it with a t-shirt, canvas shoes, a cap and a ruffian signature. Don't forget to complete the look with basic adornments and luxurious watches.

Messika by Gigi Hadid pendant

Messika wristlet

OneDress OneLove for Li-Lu T-shirt

Pinko bag

Jeans + T-shirt



Marella T-shirt

OneDress OneLove for Li-Lu Jeans

Max Mara shoes

Bally clutch

If under any circumstances, even on football match, you need to be elegant, but along with this you would like to maintain unspoken dress code anyway, take for a model Victoria Beckham. A wife of the most handsome football player on the planet and, in addition, a fashion guru for millions of women, knows exactly how to wear jeans and t-shirt.

Choose straight, cropped lapelled models of jeans or turn up the ends of it by yourself, but – attention! – look three times into the mirror to be sure that you don't look like a person who didn't find the right size in the shop. Add nude heeled shoes, classical clutch briefcase, emphatically luxurious ring and sunglasses model in black.

Marina Rinaldi trousers

Li-Lu T-shirt

Pinko high boots

Pinko bag

Messika ring

Graff ring

Max Mara sunglasses

Trousers with stripes



The Internet divas
The following looks we peered at fashion bloggers and IT-girls which promote fashion now in the net spaces.

Trousers with stripes became a real hit at Milan Fashion Week in September 2017. Combine it with a t-shirt, a cardigan or a blazer. In order to the image doesn't look too "olympic" add bright elements. Ideal companions are a massive diamond ring, a red clutch and heel beak shoes, high or low depending on the length of trousers.



Mercury earrings

Кардиган Pinko Coca Cola

TRENDS

5

Furla sunglasses

Watches de Grisogono

Ring de Grisogono

Ring de Grisogono



Max Mara bag

Pinko boots



Pennyblack jacket



Pinko skirt



Rolex watches

Pinko jeans



Hoody, sweatshirt or dry-fit jacket

Three the most athletic and at once the most omni-purpose upper parts moved to women's wardrobe from the men's one. Last Milan Fashion Week announced the dominance of sweatshirts, hoodies and dry-fit jackets not only on the catwalks, but also in VIP-sectors of the stalls.

Add any of these elements in your summer must-have list and easily combine it with narrow jeans, athletic lingerie, stiletto heels and quaint adornments.

Ring de Grisogono



Pinko top



Max Mara sunglasses



Pinko dry-fit jacket



Pinko bag



Pinko peep toes



Athletic footwear

A dictate of athletic shoes in combination with absolutely any clothes, starting with lacy nightgowns and finishing with elegant office trousers, is a trend, which won a popularity over the world. Aimee Song, an author of one of the most widely-read fashion blogs, likes very much to use this effect when she makes a public appearance.

Do you like the same? Then choose bright sneakers or boots, and let them to become the main accent in the image palette. Combine them with romantic skirts of any length and silhouette, a silk bomber, and of course, diamonds.

SPORT-CHIC IS THE VERY TENDENCY IN WHICH SUCCESSFULLY COMBINE COMFORT AND GLAMOUR, THAT IS WHY SINGLE ELEMENTS OF THE STYLE MAY BE ADDED TO ANY CASUAL CLOTHES NOT DEPENDING ON AGE. LOOK FOR NEW COMBINATIONS. CARRY OUT YOUR EXPERIMENTS AND... SHINE IN THE STANDS!

ALROSA

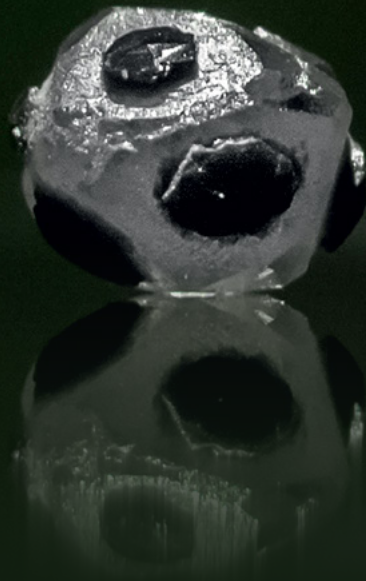
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MIDST OF FIFA WORLD CUP 2018™.

THE FACT OF EXTRACTING
THE DIAMOND WAS NAMED
«IGOR AKINFEEV» IN HONOR OF THE
GOALKEEPER OF THE RUSSIAN
NATIONAL FOOTBALL TEAM.

#REALISRARE