

Alrosa 2013 Profit Down 5% on Weak Ruble

By [The Moscow Times](#)

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The world's largest diamond miner, Russia's Alrosa, said on Tuesday that its 2013 net profit fell by 5 percent to 31.8 billion rubles (\$900 million) year-on-year.

The decline was caused mainly by an "increased exchange loss and revaluation of the dollar denominated part of the group's credit portfolio as a result of the ruble weakening in 2013," it said in a statement.

The company's revenue increased by 12 percent last year to 168.5 billion rubles due to increased rough diamond sales volume. Alrosa sold 38 million carats of diamonds last year, 15 percent more than in 2012, which offset weak gem prices.

"Despite the lack of a price growth on the diamond market, Alrosa managed to increase

revenue and retain a high level of profitability. We implemented the plans for construction of new production facilities and modernization of the existing ones," said Fyodor Andreyev, Alrosa's CEO, commenting on the results.

The company's earnings before interest, taxes, depreciation and amortization, or EBITDA, rose by 12 percent on 2012 to 69.1 billion rubles, while free cash flow was 15.4 billion rubles, up 29 percent on the previous year, which reflected increased operating profit and decreased investments in working capital, the statement said.

Alrosa, which accounts for 27 percent of global diamond production, is 44 percent owned by Russia's government. Another 25 percent of its shares belong to the government of the republic of Sakha and percent to municipal and district administrations of the Siberian republic. Free float is 23 percent.

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