PHOSAGRO

Presentation for 1-on-1 meetings

March, 2016

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PHOSAGRO

PhosAgro and the global fertilizer industry

PhosAgro at a glance

World class integrated phosphate producer

- #1 global producer of high-grade phosphate rock
- #3 global DAP/MAP producer(1)
- Overall fertilizer capacity of 7.1 mln t

Large high quality apatite-nepheline resources

- 2.05 bln t of ore resources(2) (over 75 years of production)
- Al_2O_3 resource of 283 mln t
- Substantial resources of rare earth oxides (41% of Russian resources (3))

Self-sufficiency in key feedstocks provides for low costs

- 100% self-sufficient in phosphate rock
- 72%-90% self-sufficient in ammonia(4)
- More than 40% self-sufficiency in electricity

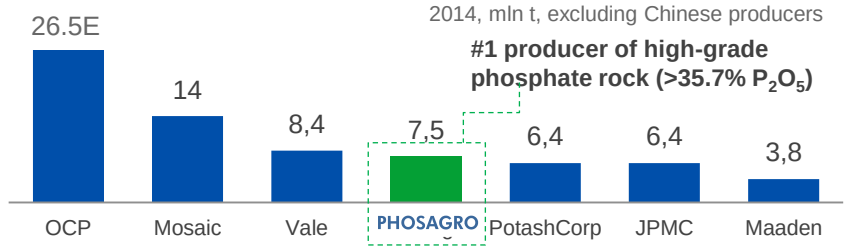
Flexible production and sales

- Flexible production lines
- Phosphate fertilizer capacities of 5.1 mln t, 2.2 mln t fully flexible into NPK production
- Leader in Russian fertilizer market growing twice faster than the world consumption
- Net back driven sales model with a global presence

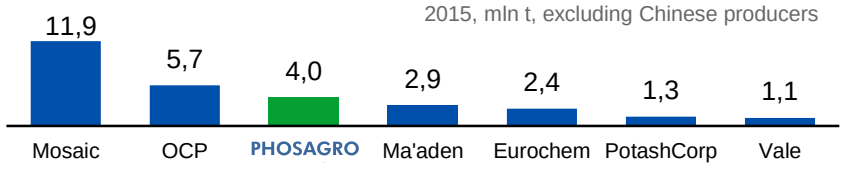
Strong financial performance

- EBITDA of $1353 mln in 2015
- Net profit $598 mln in 2015
- Net debt/EBITDA as of end-2015: 1.3x

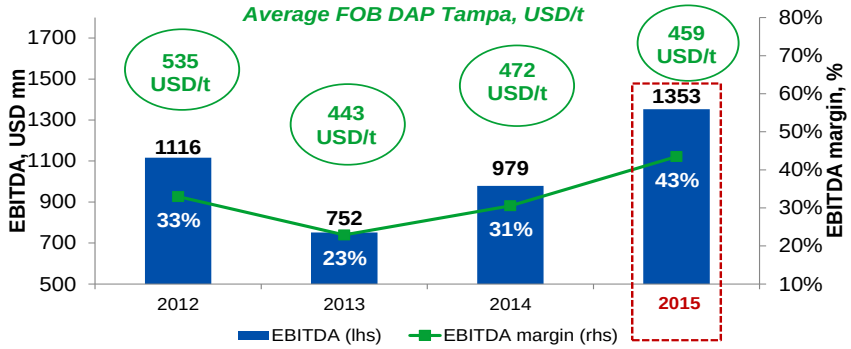
Leading global phosphate rock producers (by production)



Leading global DAP/MAP producers (by capacity)



EBITDA and EBITDA margin dynamic vs DAP price

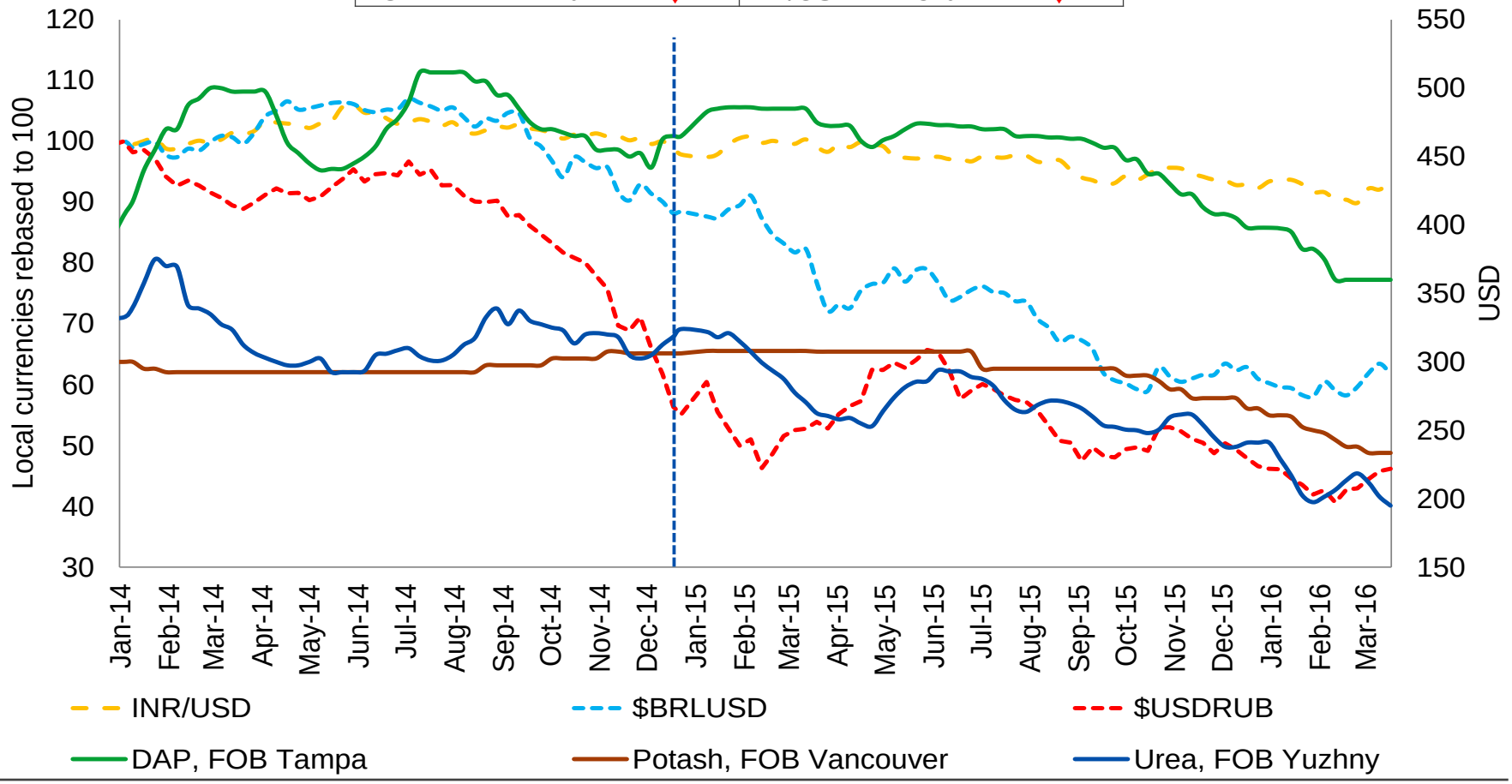


Source: Argus-FMB, CRU, IFA, companies' data, PhosAgro

Note: (1) Excluding Chinese producers
(2) PhosAgro, IMC as of June 2011
(3) Russian Academy of Science
(4) self –sufficiency depends on the composition of the products produced by PhosAgro
Source: IFA, CRU, companies data, PhosAgro

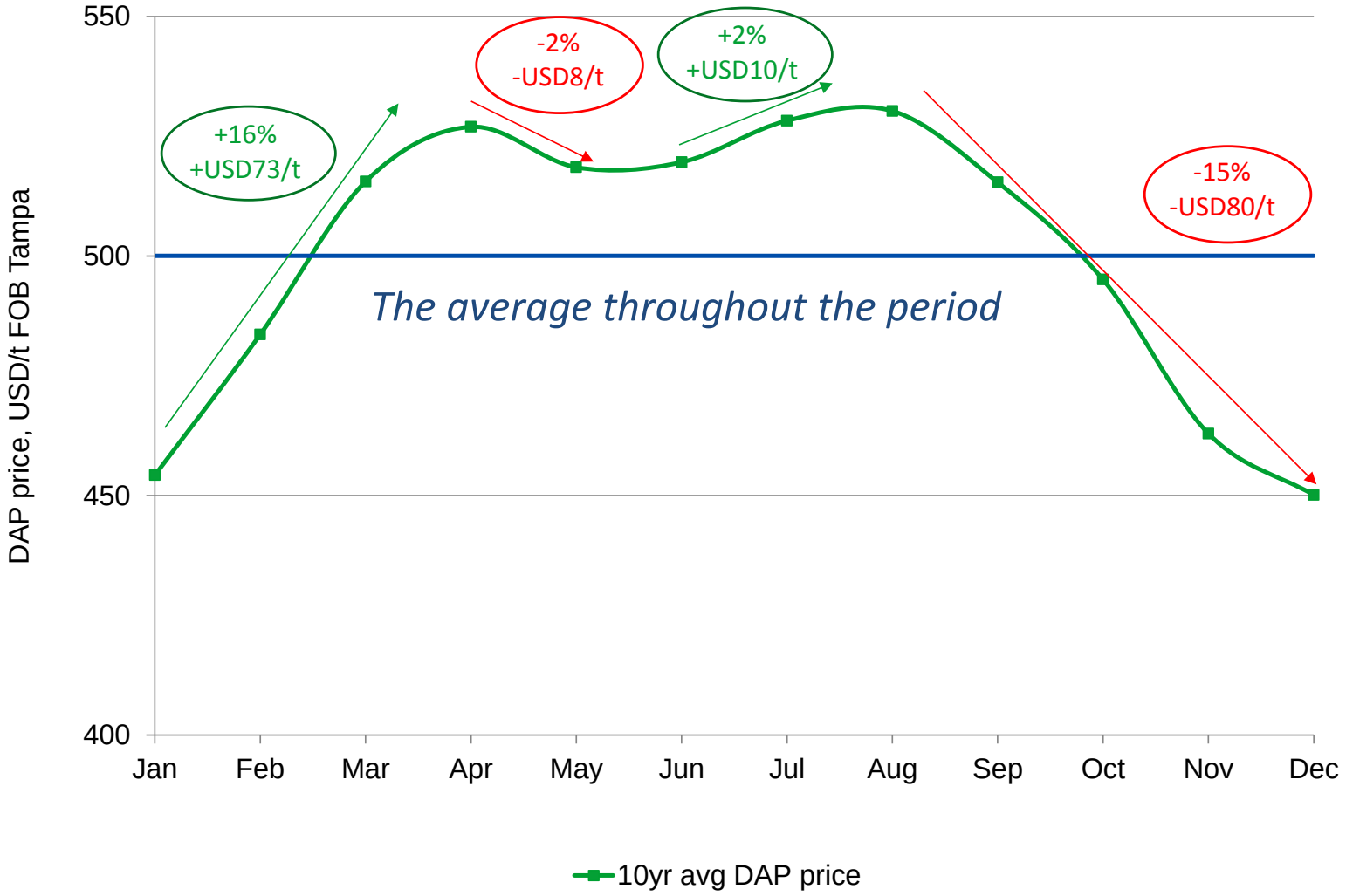
Fertilizer price developments

Price dynamics since 1 January 2015					
Commodity			Currency		
DAP	-23%	↓	RUB/USD	-16%	↓
Urea	-40%	↓	BRL/USD	-30%	↓
MOP	-24%	↓	INR/USD	-5%	↓



Source: Argus-FMB, S&P Capital IQ, PhosAgro analysis
Note:(*) – rebased at 1 January 2014
Prices are as of 21 March

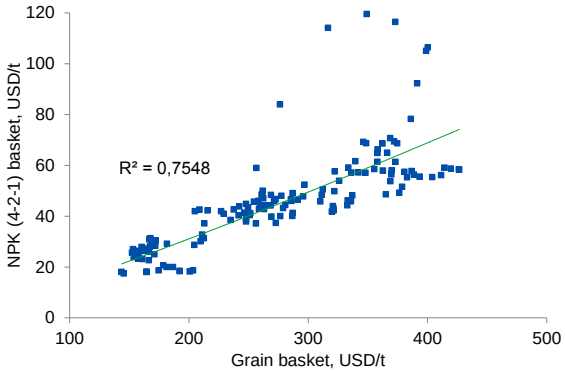
Historical DAP price fluctuation throughout a year



Source: FMB Argus, Bloomberg

Fertilizers remain affordable for farmers despite low cycle in soft commodities

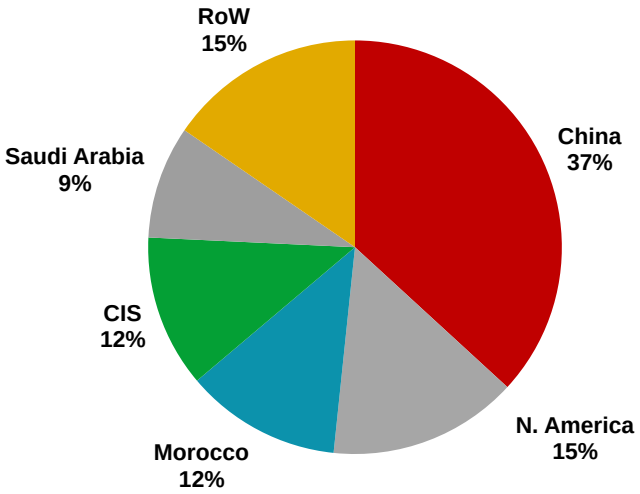
Strong correlation between cereals and fertilizers baskets over 10 years



Source: Fertecon, Argus-FMB, FAO, USDA, IFA, S&P Capital IQ
Note: (1) agricultural commodity prices are represented by a grain index calculated as follows: (wheat price*7+ corn price *8 rice price*4.5+soybeans price*2.5)/22
Prices are as of 20 March 2016

DAP prices are driven by…

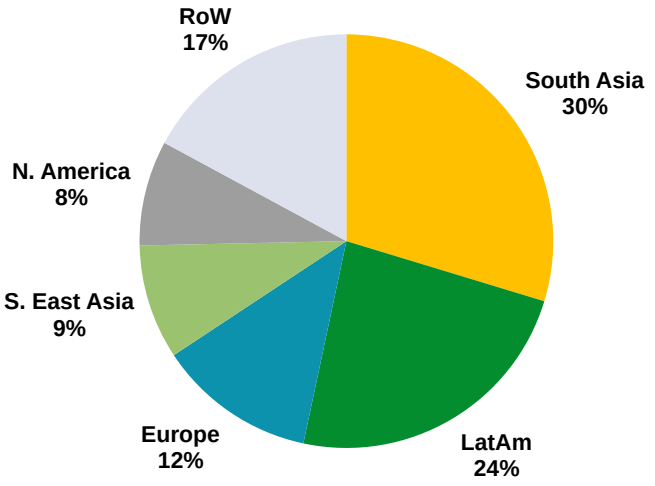
Chinese export potential… (Export market breakdown)



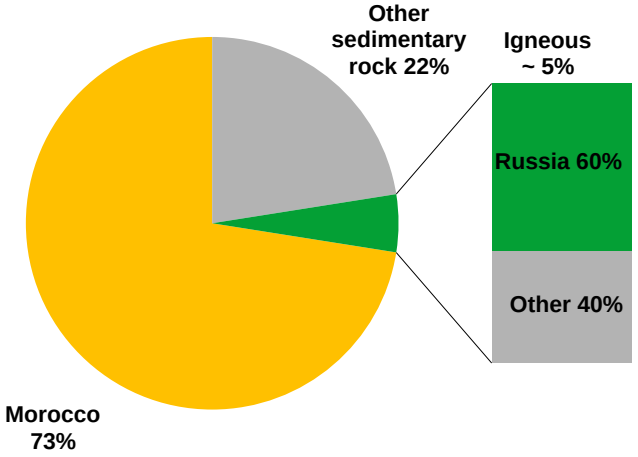
Global Trade (DAP, MAP, TSP) 13,2 mn t* P2O5 in 2015

* - CRU Estimates

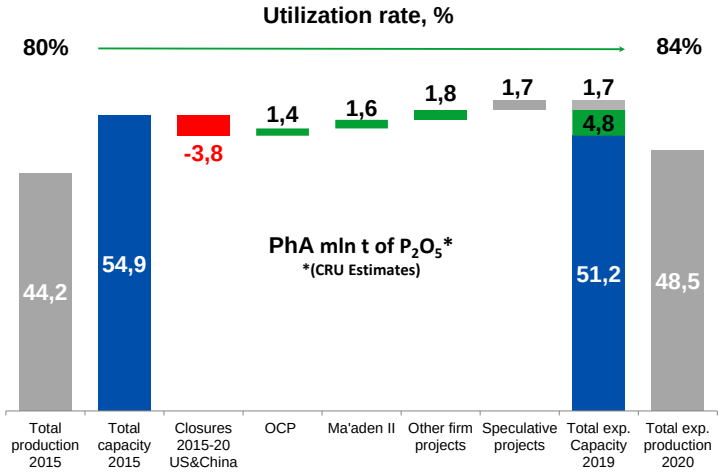
Demand in Latam and india… (Import market breakdown)



Moroccan OCP feedstocks pricing (P2O5 Resource allocation)

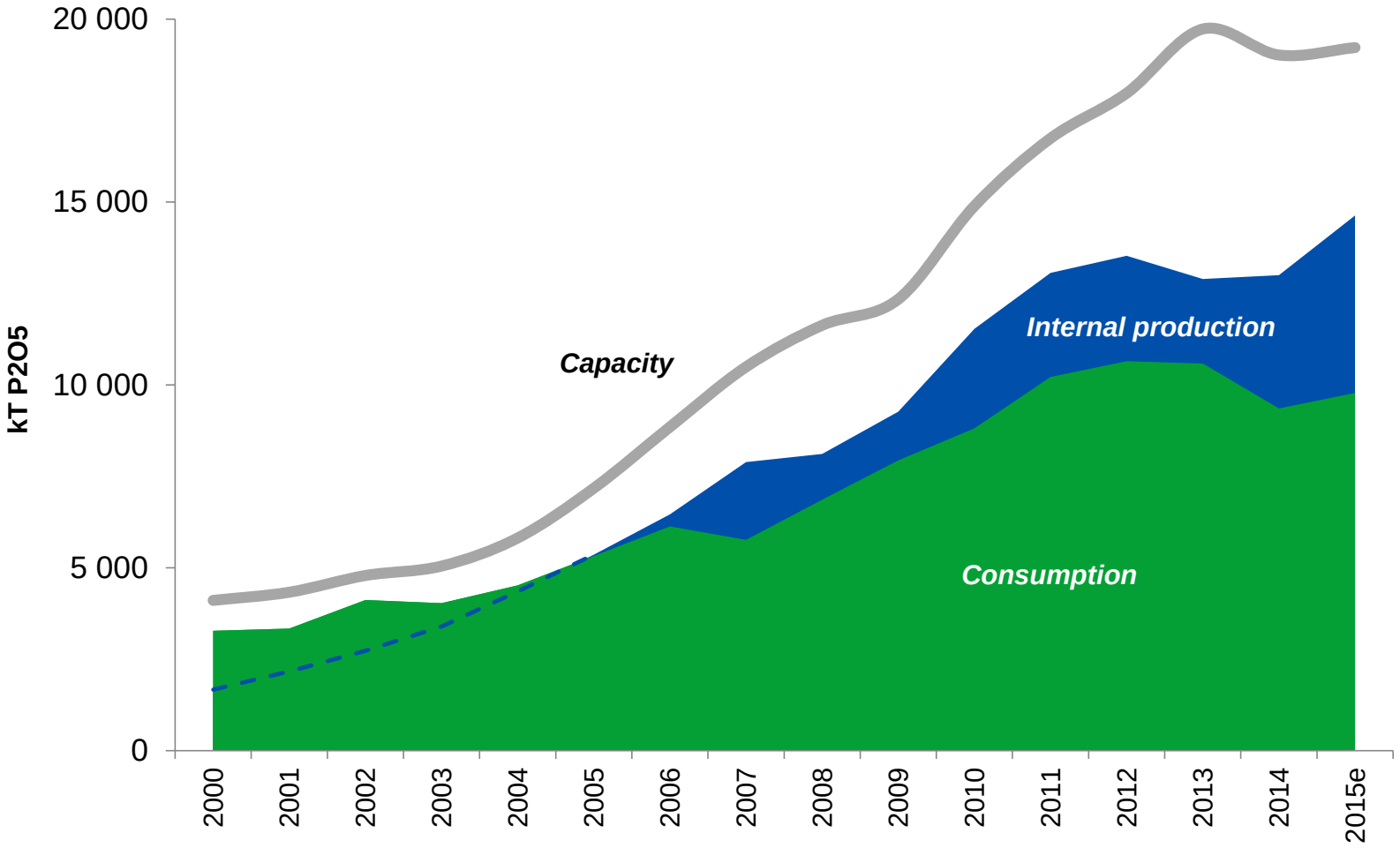


New projects pipeline.



Source: IGC, CRU, FAI, USDA, WGR, PhosAgro

Phosphate fertilizers production/consumption balance in Chinal

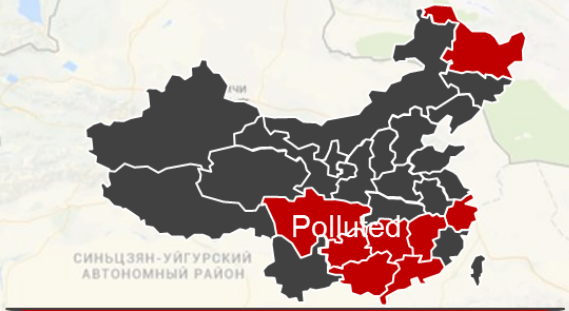


*-DAP/MAP/TSP

Source: CRU ‘

Government is changing its focus from growth into efficiency

Tainted rice was discovered in several Chinese provinces



Arsenic rice (As) | **Cadmium rice (Cd)** | **Lead rice (Pb)**

GLOBAL TIMES

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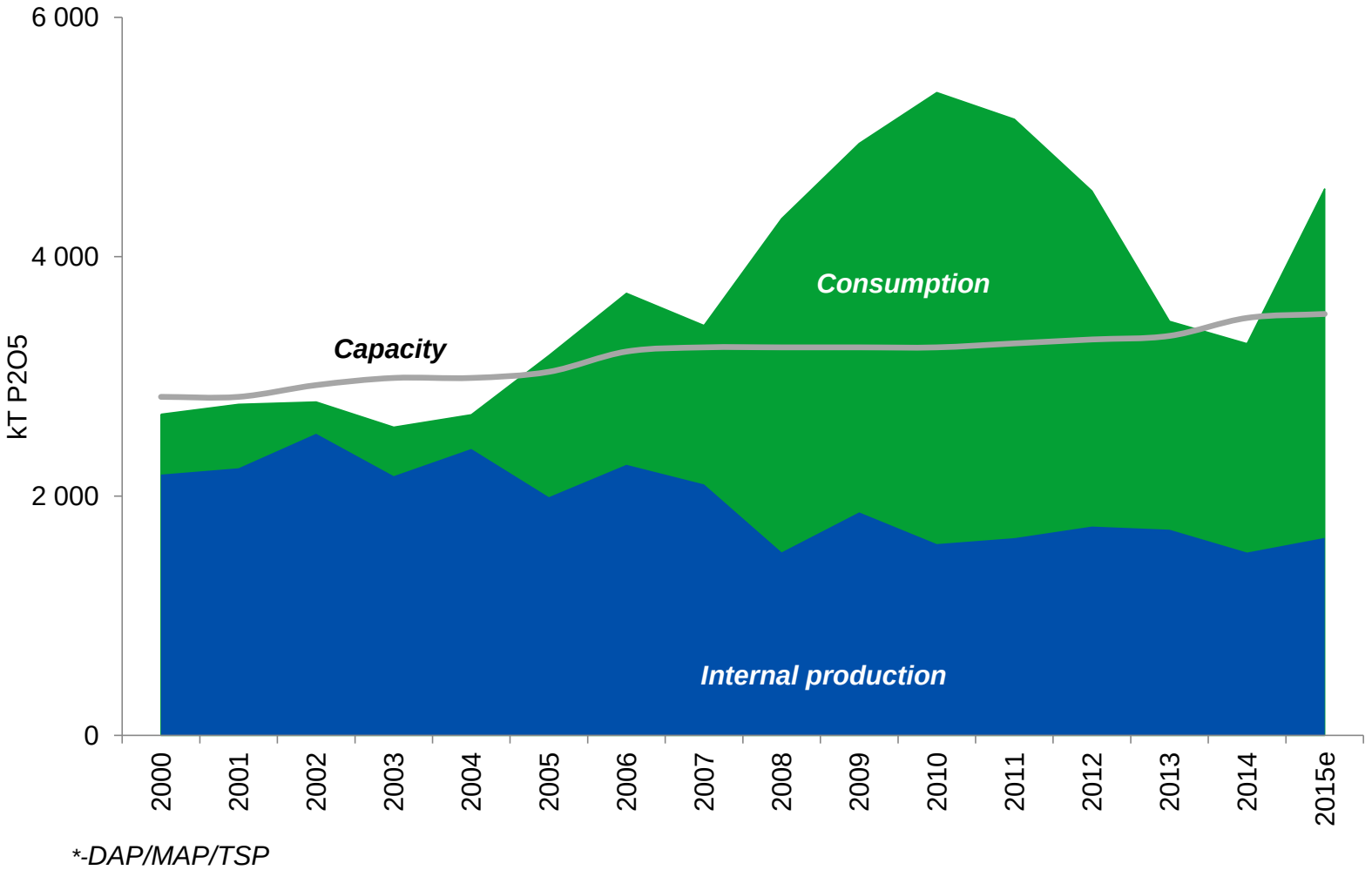
Guangzhou finds cadmium-tainted rice

By Duan Wuning Source:Global Times Published: 2013-5-20 0:03:01

	Rock mln T	PA kT P_2O_5	DAP kT P_2O_5	MAP kT P_2O_5	Ammonia kT
YTH	13.0	3 040	2 220	470	**700**
Wengfu	6.0	1 950	1 240	460	-
Kailin	6.0	1 320	1 250	300	**600**
Yihua	N.D	850	750	100	3 000
4Big	**-**	**6 710**	**5 460**	**1 330**	**4 300**
China	**86.2**	**19 800**	**10 048**	**8 036**	**81 300**

Source: CRU, IFA

Phosphate fertilizers production/consumption balance in India

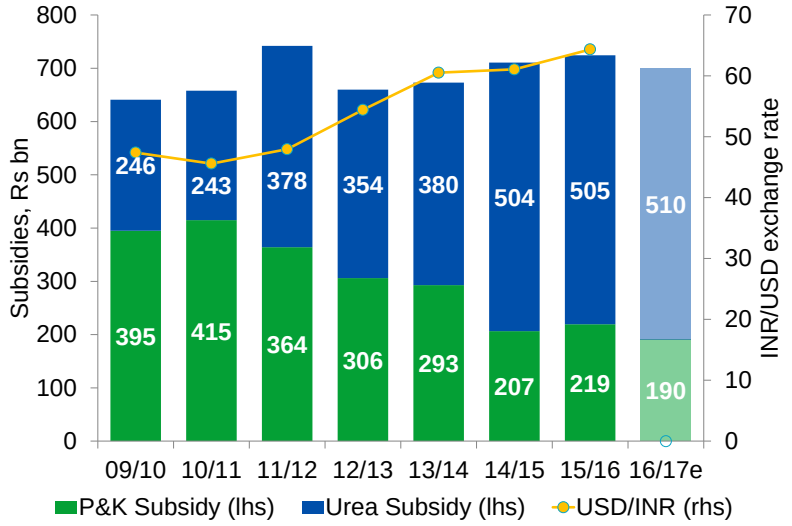


*-DAP/MAP/TSP

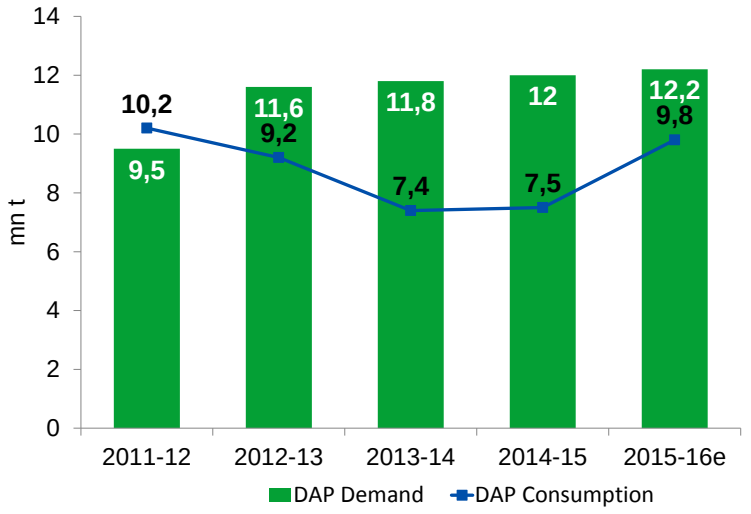
Source: CRU

India's subsidy policy: favouring urea leads to unbalanced fertilization

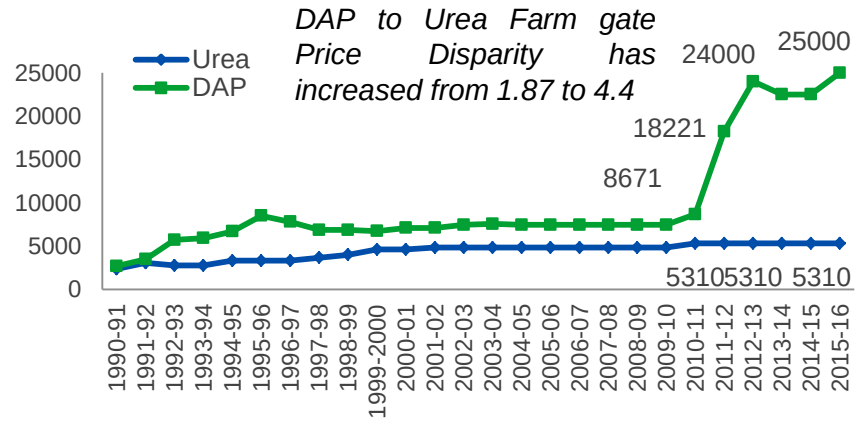
India introduced a new subsidy system in 2010



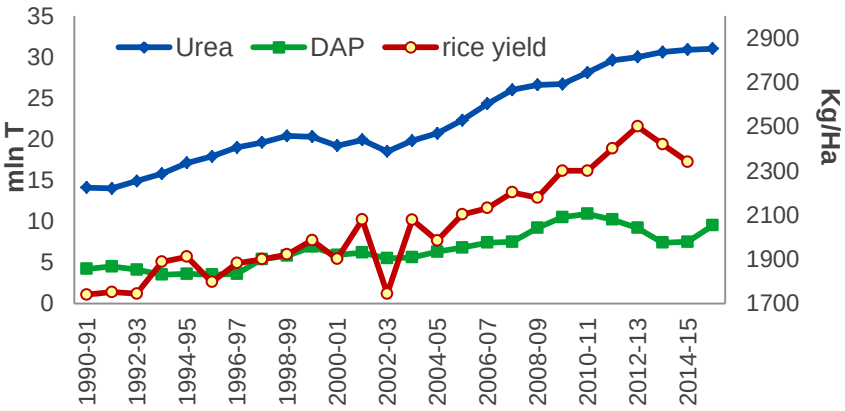
DAP demand and consumption in India (CRU est. for 2015-16)



Price Disparity, Rs/mT

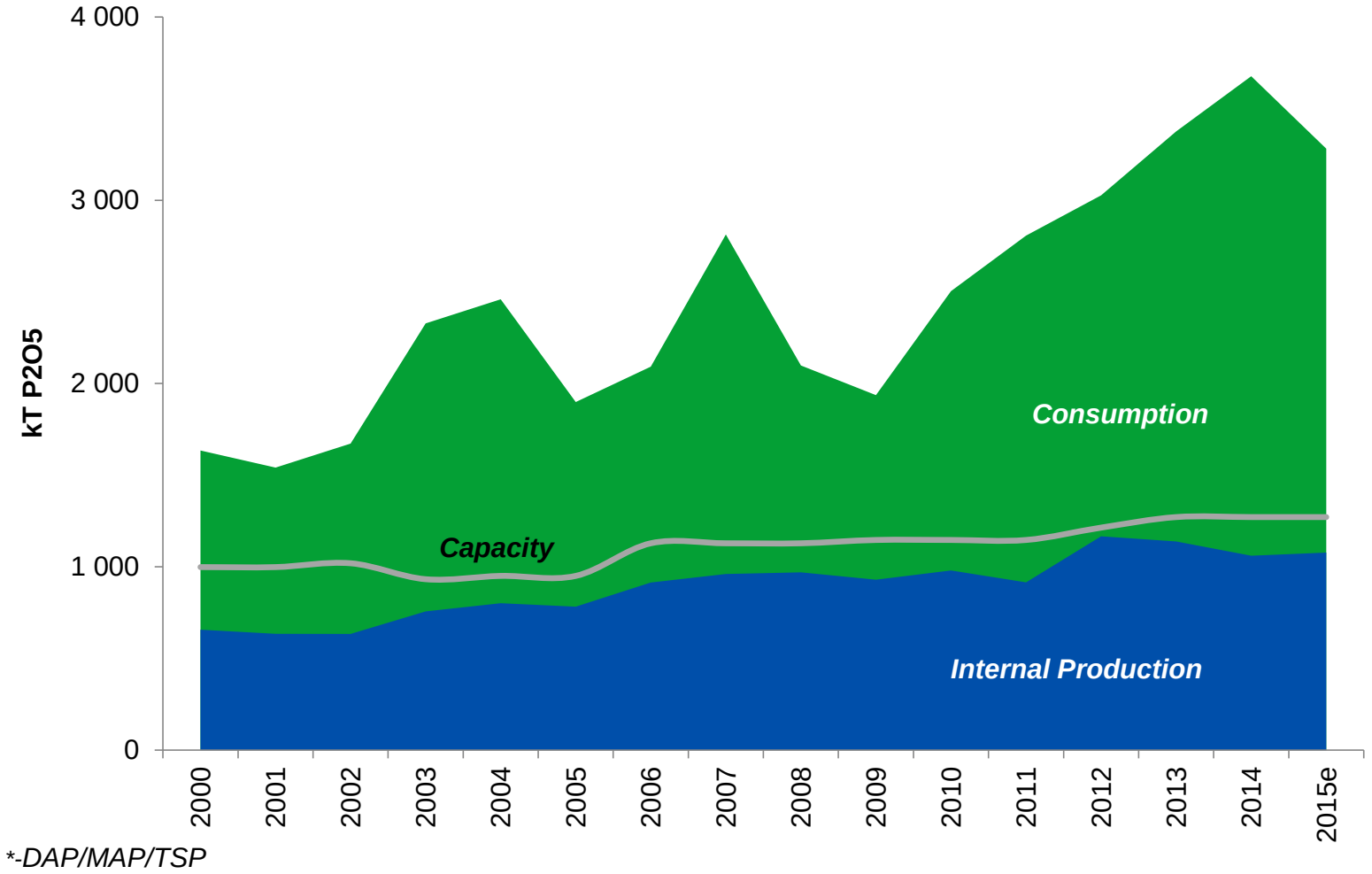


Consumption Disparity and Rice yield dynamic, mln t



Source: IGC, CRU, FAI, USDA, WGR, PhosAgro

Phosphate fertilizers production/consumption balance in Brazil

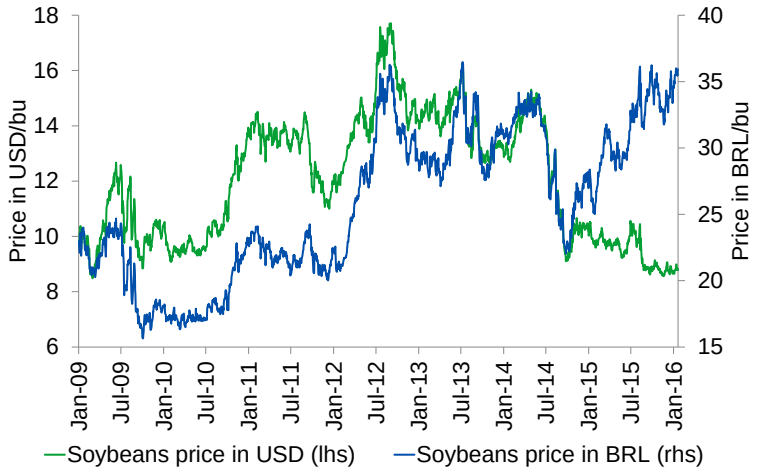


*-DAP/MAP/TSP

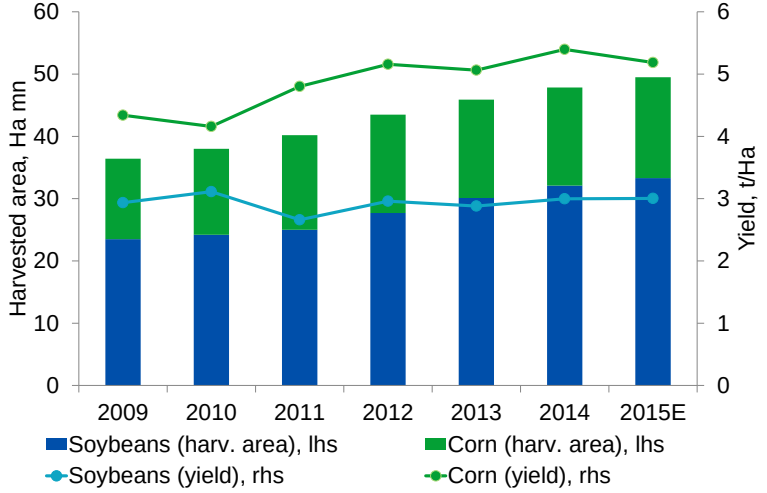
Source: CRU

Brazil is a top ag exporter among developing countries

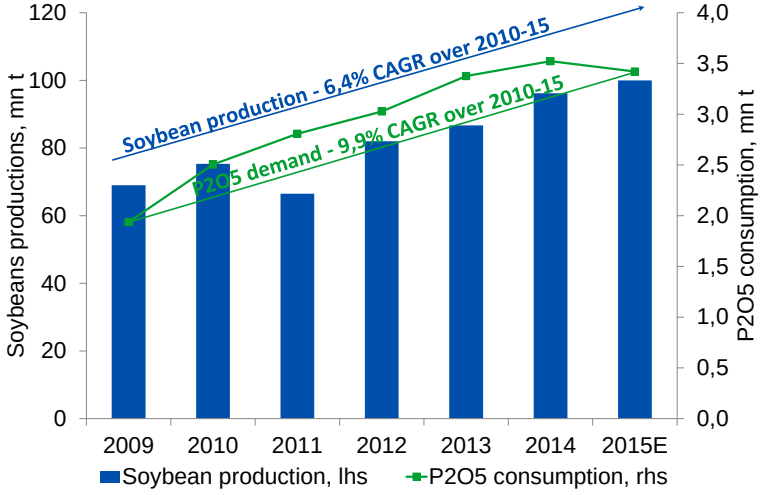
Soybean price at record highs in BRL



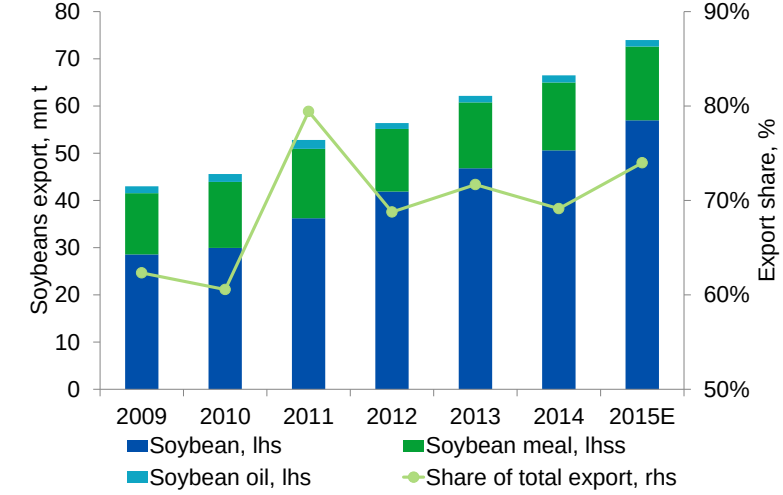
Soybeans drive ag production in Brazil



Brazil soybean production and P2O5 consumption

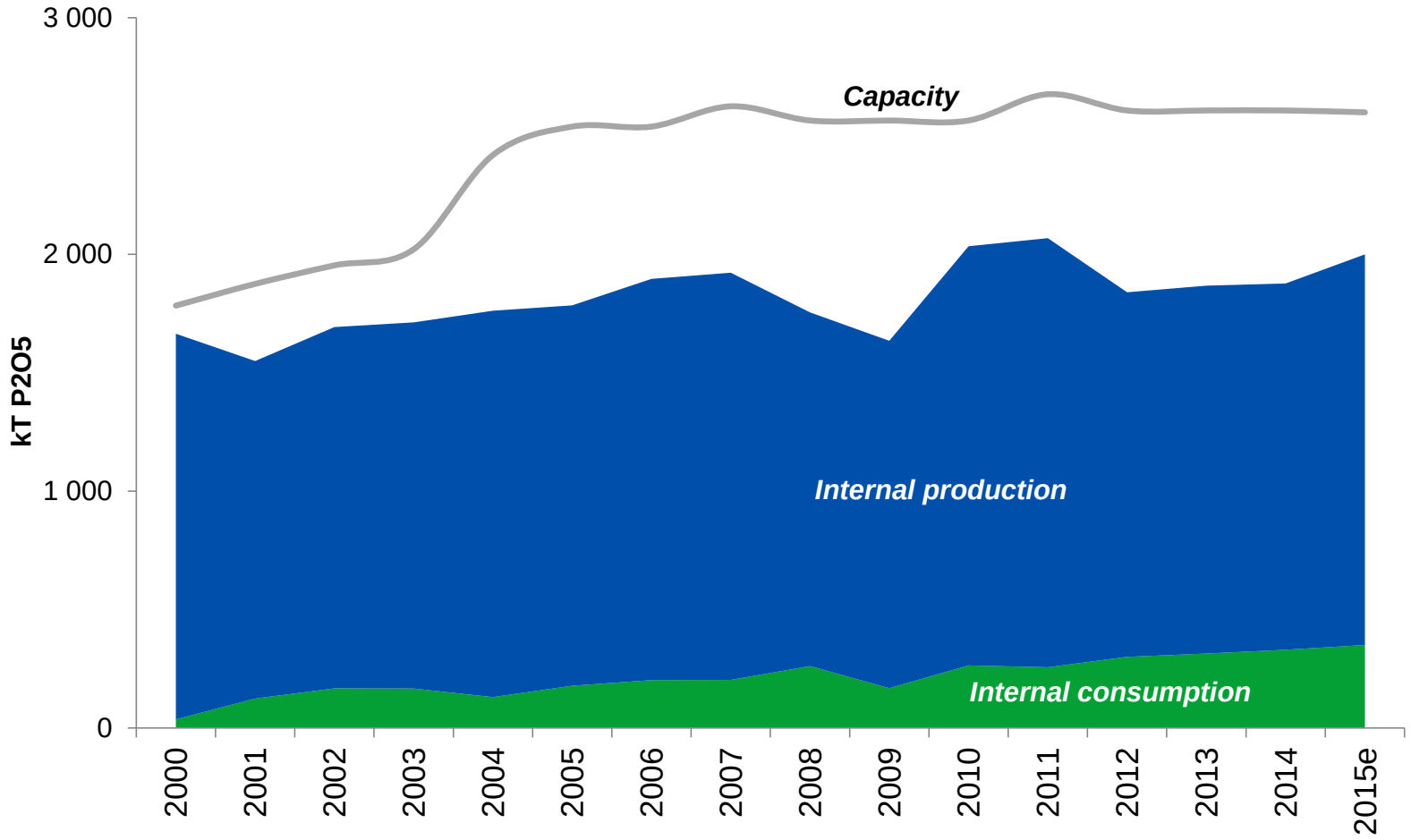


Major part of soybeans goes to export



Source: IGC, CRU, FAI, USDA, WGR, PhosAgro

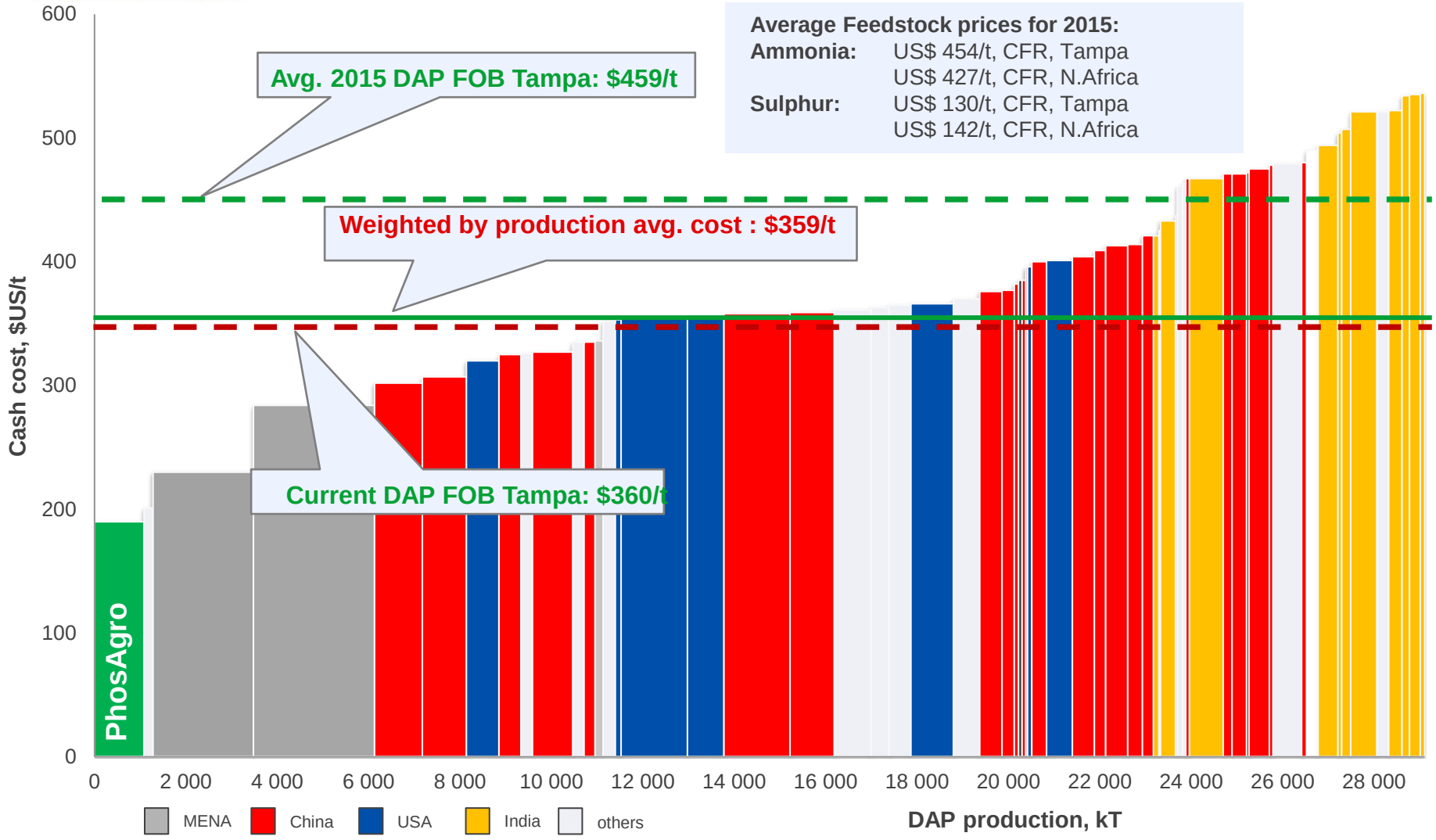
Phosphate fertilizers production/consumption balance in Russia



*-DAP/MAP/TSP

Source: CRU

Avg. DAP business cash cost actual operating rates in 2015 $US/t FOB(1) Morocco

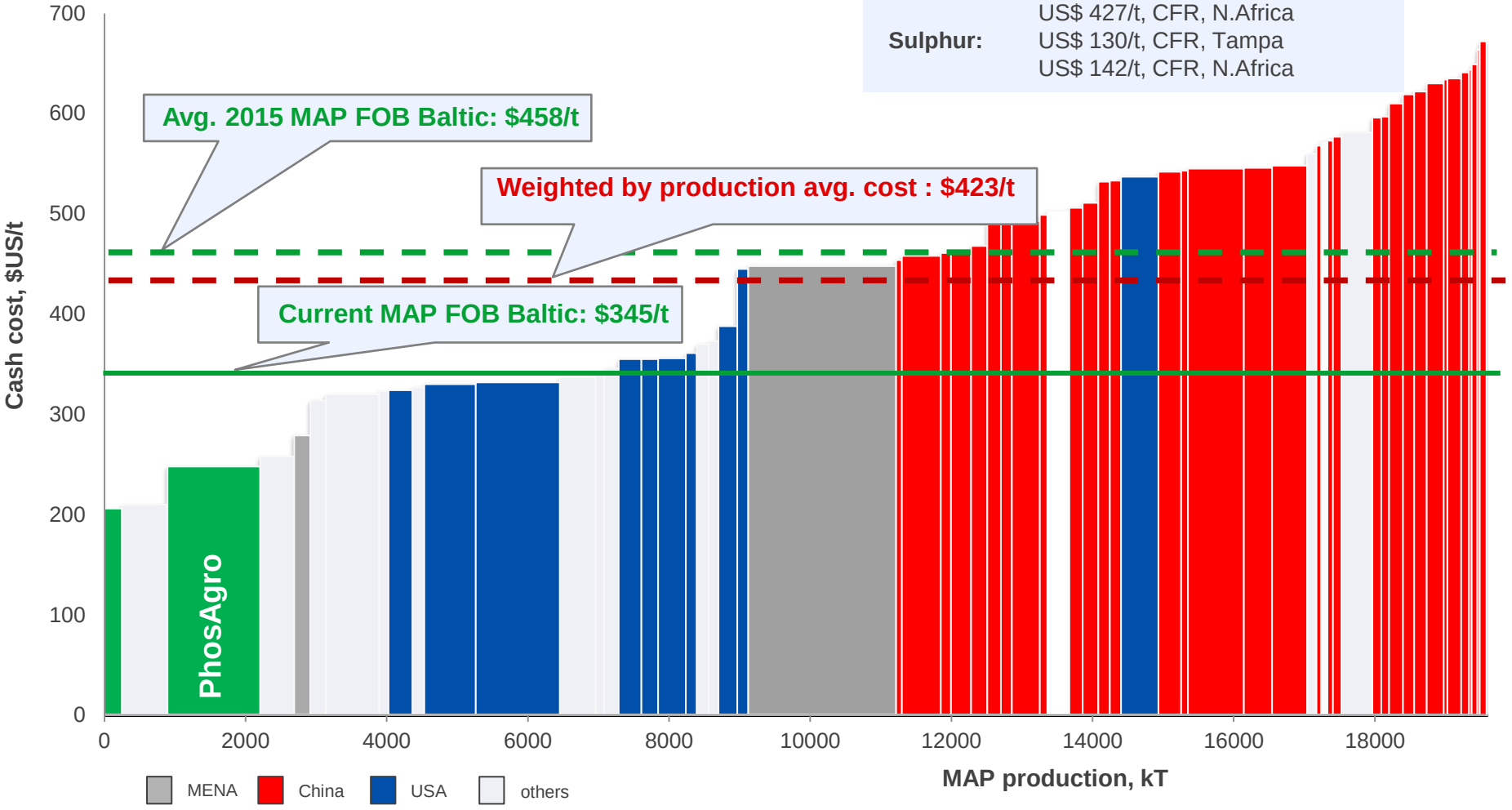


Source: PhosAgro estimation, CRU estimation for 2015, Argus-FMB, Fertecon

Note: (1) DAP business cash cost actual operating rate are based on feedstock prices in 2015, on site's specific location relative to FOB Morocco and its product nutrient content relative to DAP USD/RUB exchange rate of RUB 60.96 applied for Russian producers

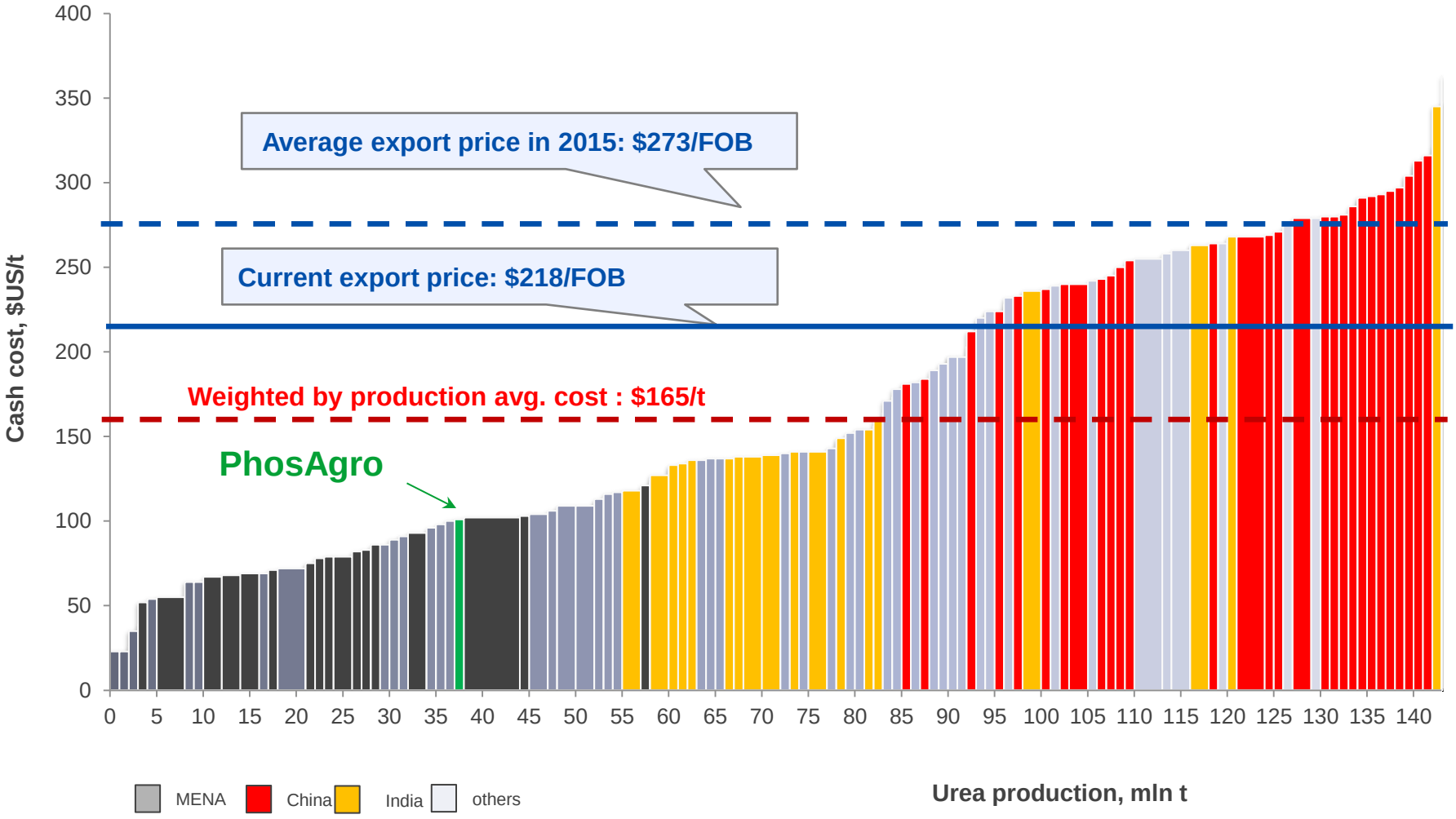
Avg. MAP business cash cost actual operating rates in 2015 $US/t FOB(1) Morocco

Average Feedstock prices for 2015:
Ammonia: US$ 454/t, CFR, Tampa
US$ 427/t, CFR, N.Africa
Sulphur: US$ 130/t, CFR, Tampa
US$ 142/t, CFR, N.Africa



Source: PhosAgro estimation, CRU estimation for 2015, Argus-FMB, Fertecon
Note: (1) MAP business cash cost actual operating rate are based on feedstock prices in 2015, on site's specific location relative to FOB Morocco and its product nutrient content relative to MAP
USD/RUB exchange rate of RUB 60.96 applied for Russian producers

Urea business cash cost capacity operating rate in 2015
$US/t FOB(1) Yuzhny

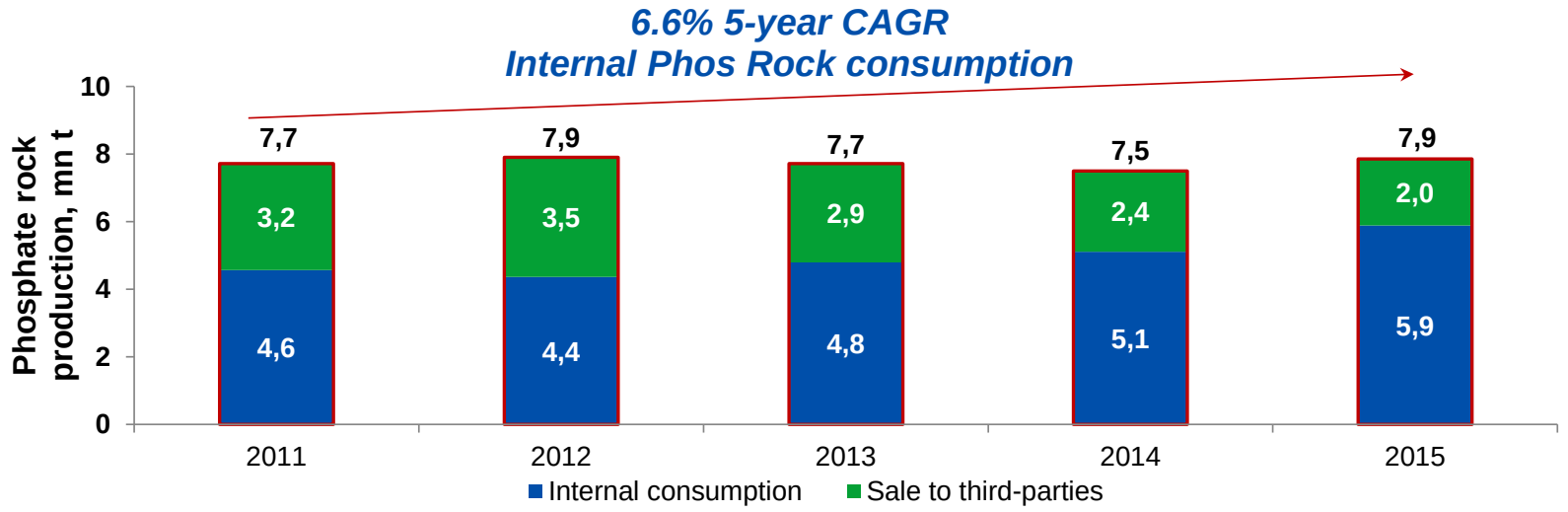


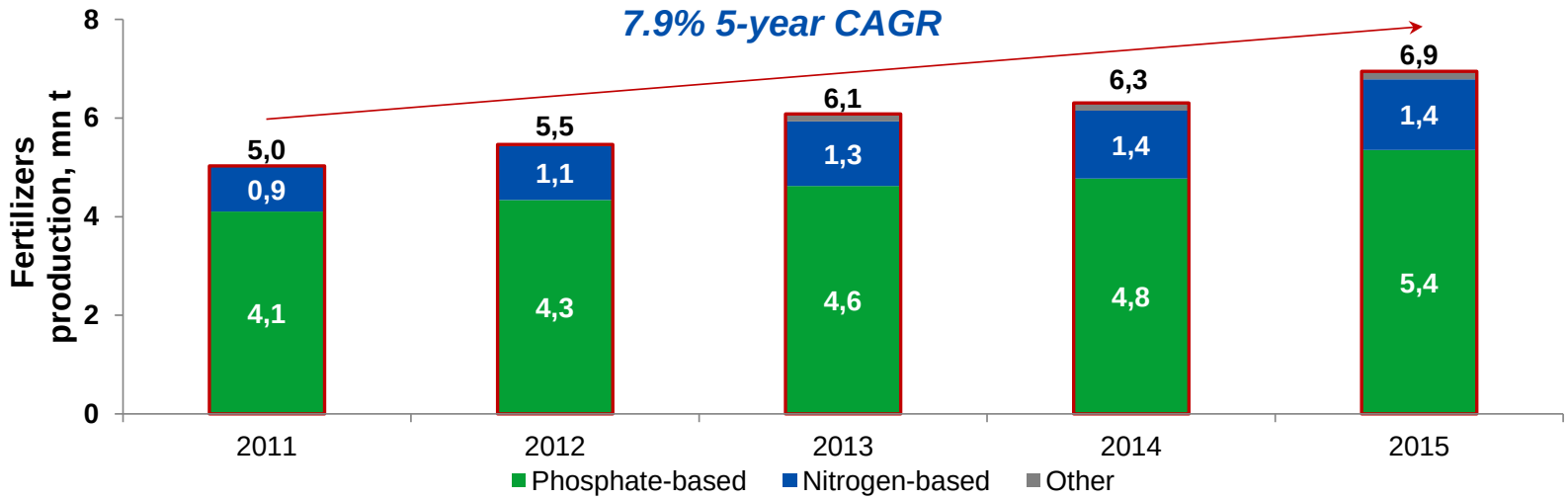
Source: PhosAgro estimates, CRU, Fertecon, IFA, Argus-FMB
Note: (1) Urea cash cost estimates are based on feedstock prices in 2015
USD/RUB exchange rate of RUB 60,96 applied for calculation urea export cash cost

PHOSAGRO

PhosAgro – Growing production profile & return for shareholders

Growing production profile



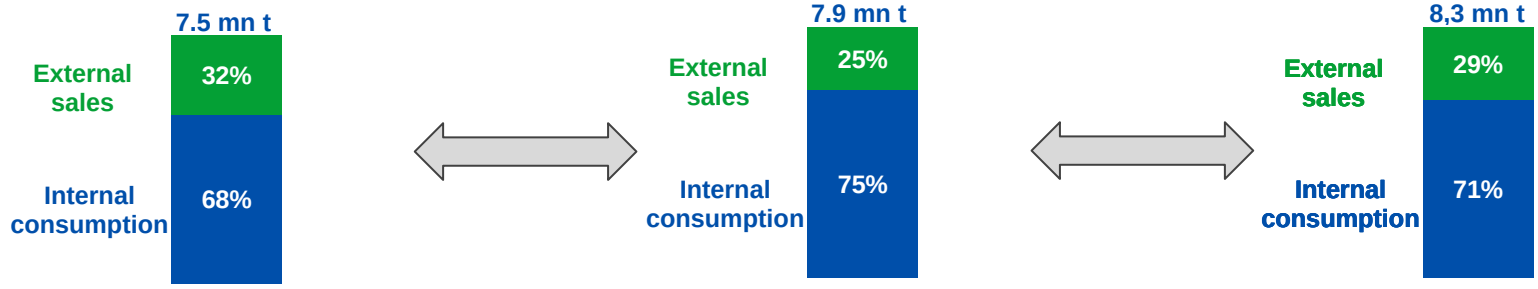


Source: PhosAgro

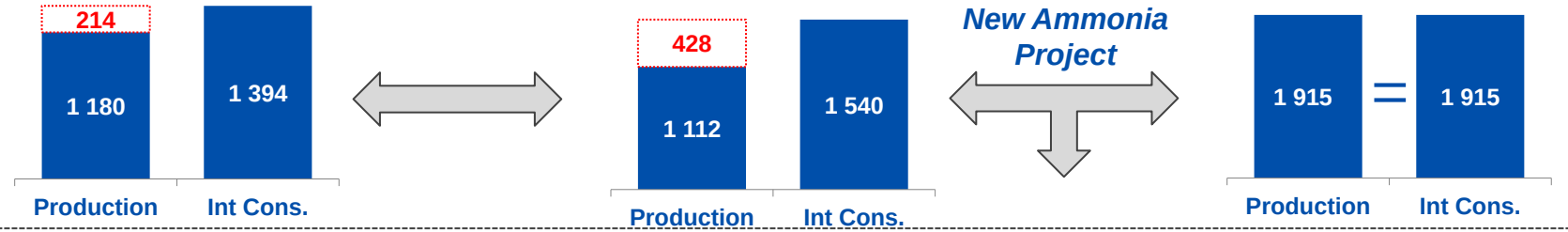
Strategy for fertilizer volume growth

Where we have been in 2014	Where we are NOW	Where we are headed after 2017

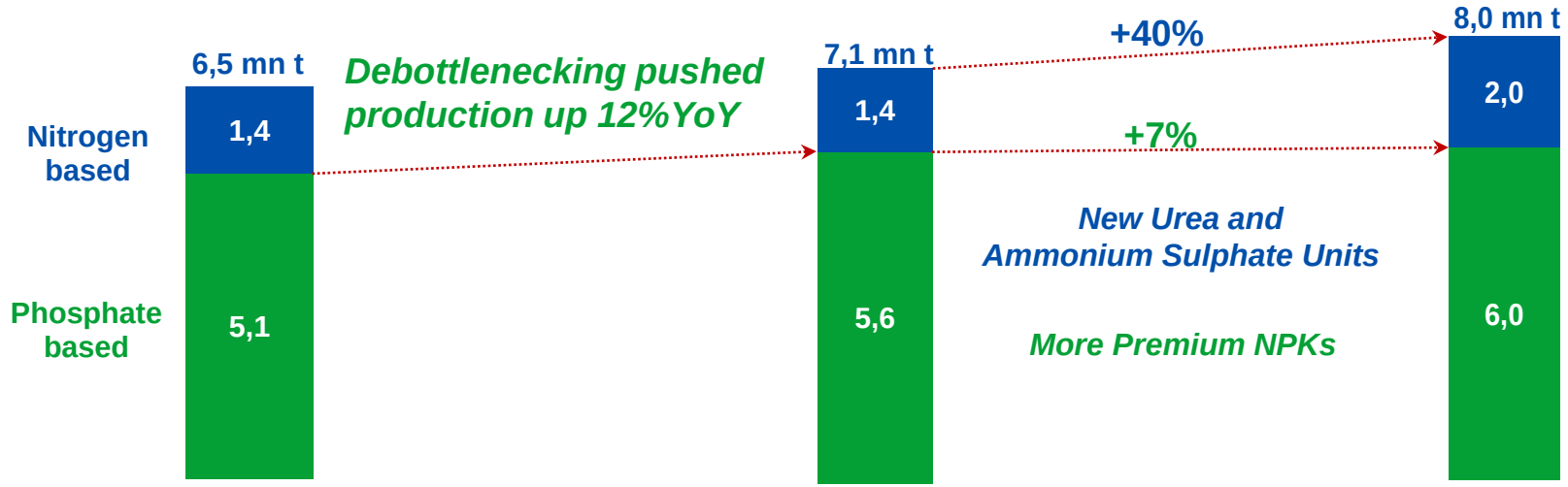
Phosphate rock



Ammonia, '000t



Fertilizers capacity, mn t



Source: PhosAgro

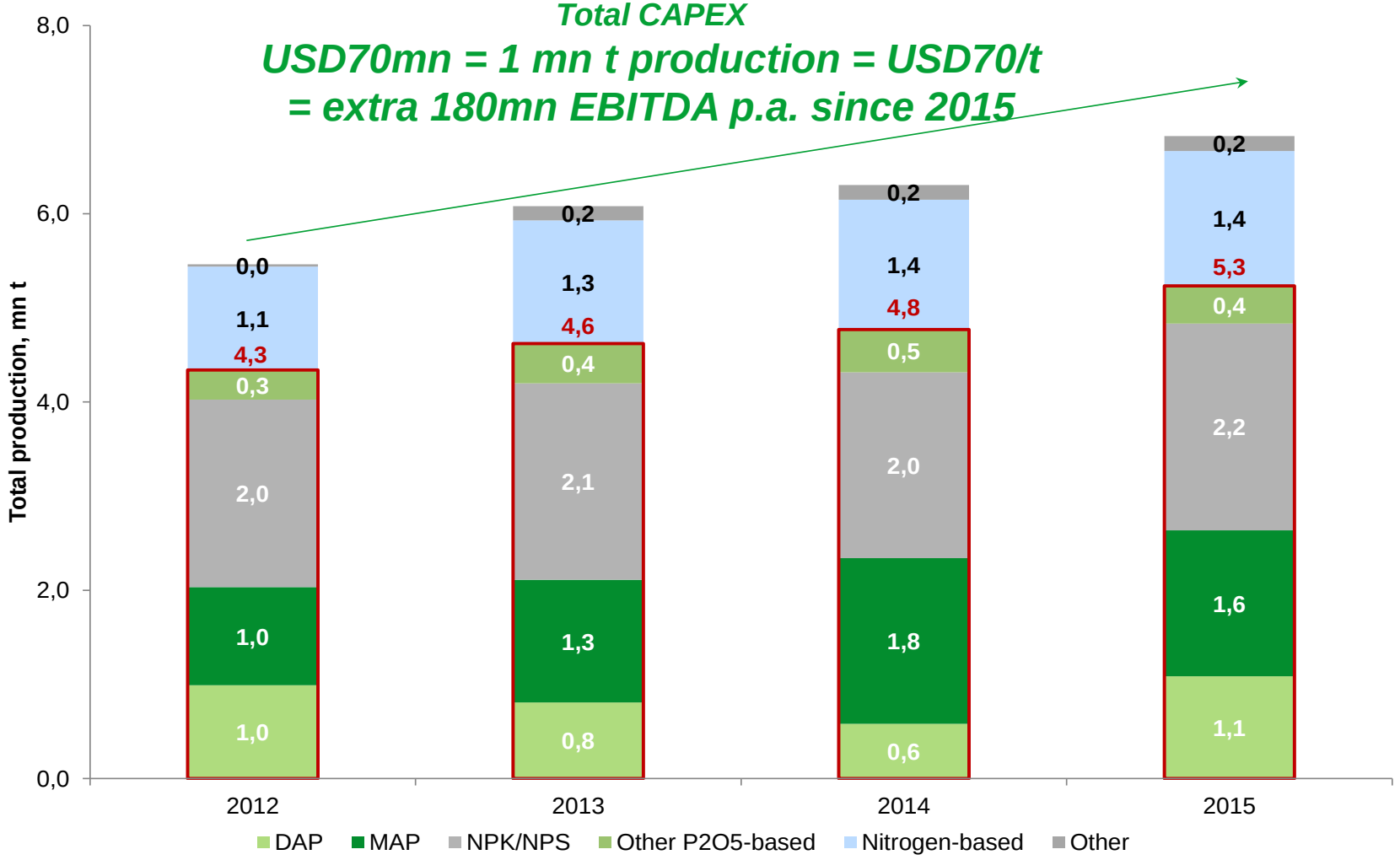
Strategy for fertilizer volume growth

Production of P2O5-based Fertilizers up 23% or 1mn t since 2012 thanks to modernization and debottlenecking

Total CAPEX

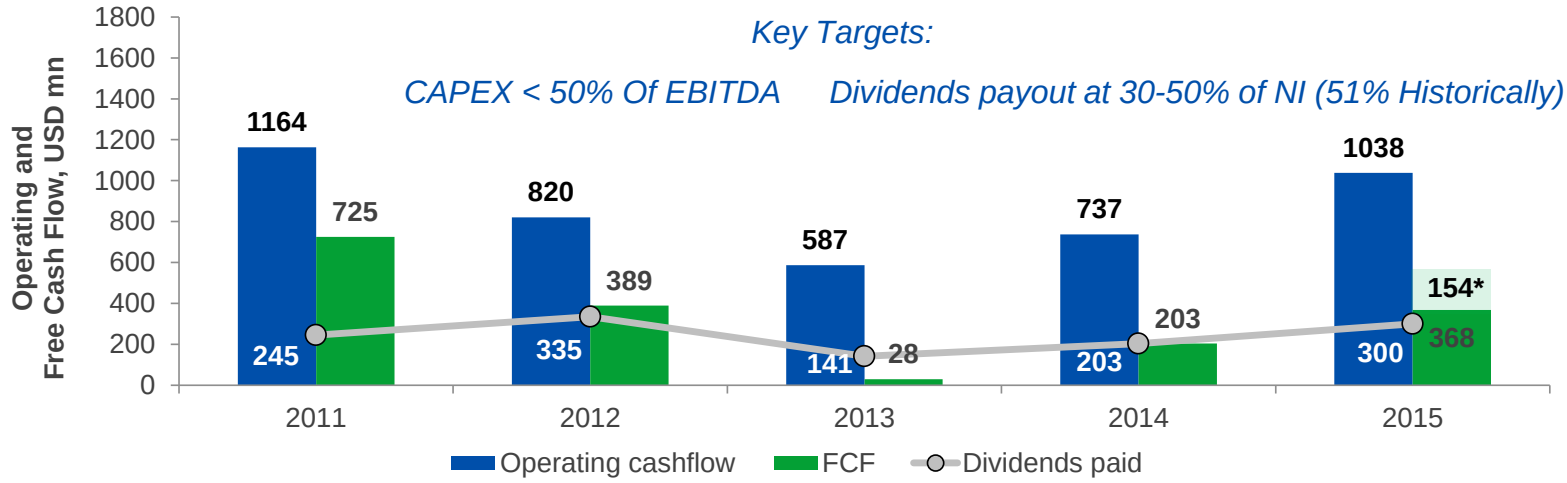
USD70mn = 1 mn t production = USD70/t

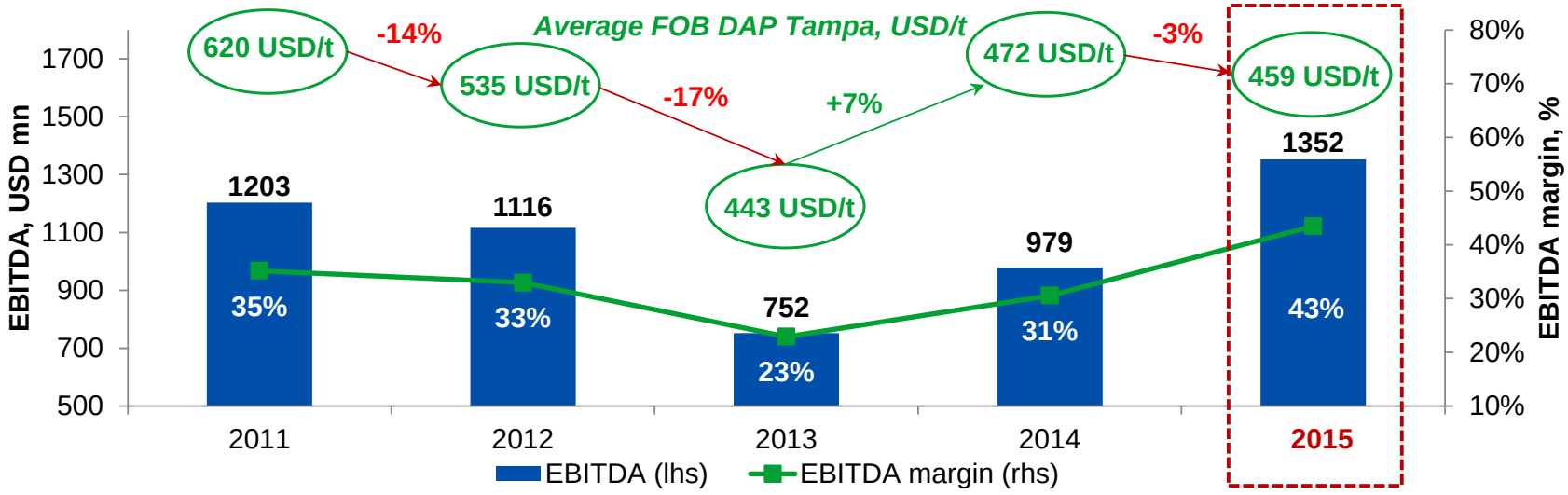
= extra 180mn EBITDA p.a. since 2015



Source: PhosAgro

Growing return for shareholders

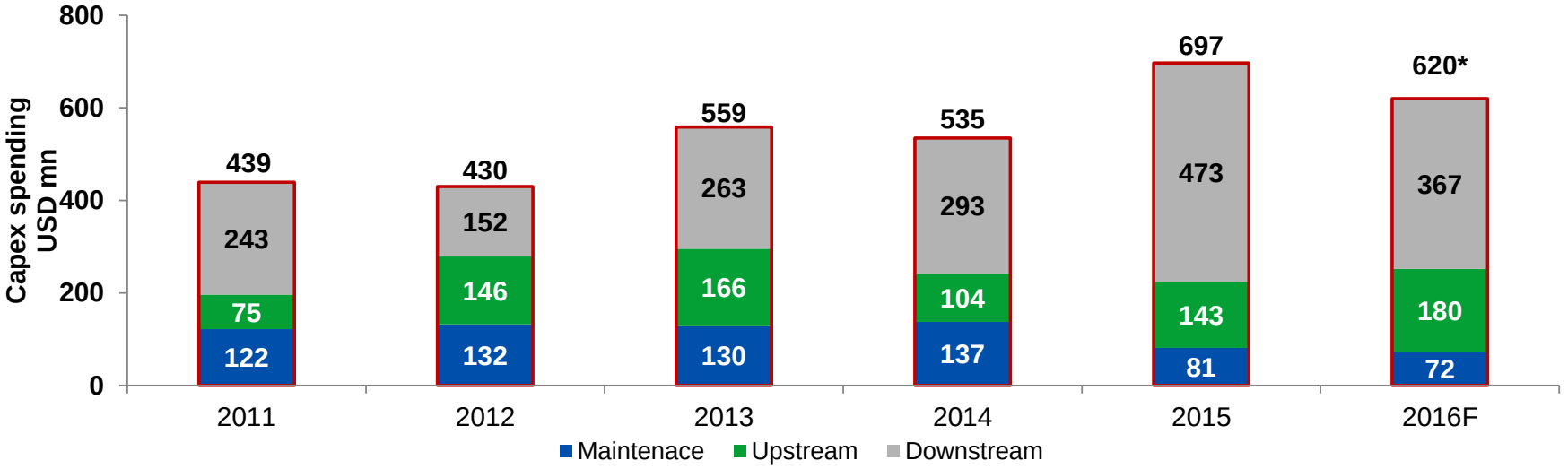




Source: PhosAgro

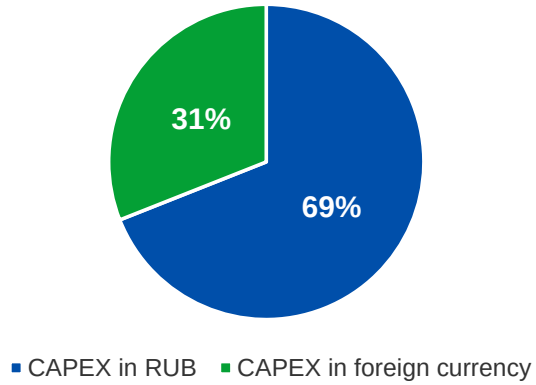
* Cash of PhosInt Group at the date of consolidation based on average 4Q 2015 exchange rate

Capex dynamics over 2011-16

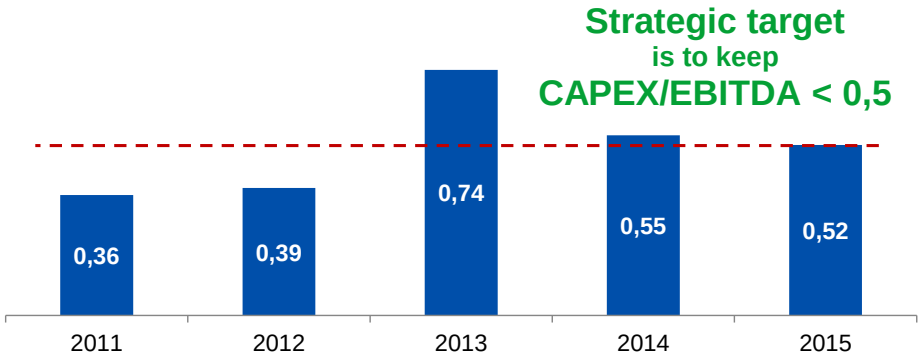


** Based on forecasted RUB67,5/USD exchange rate for 2016*

CAPEX 2016 Currency breakdown



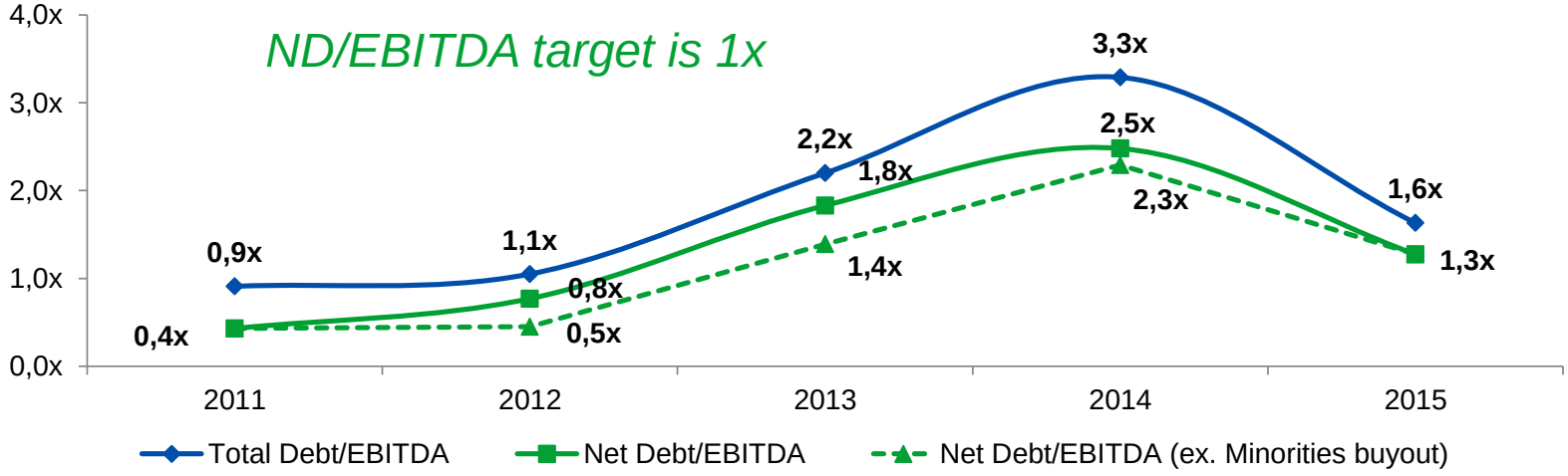
CAPEX/EBITDA ratio



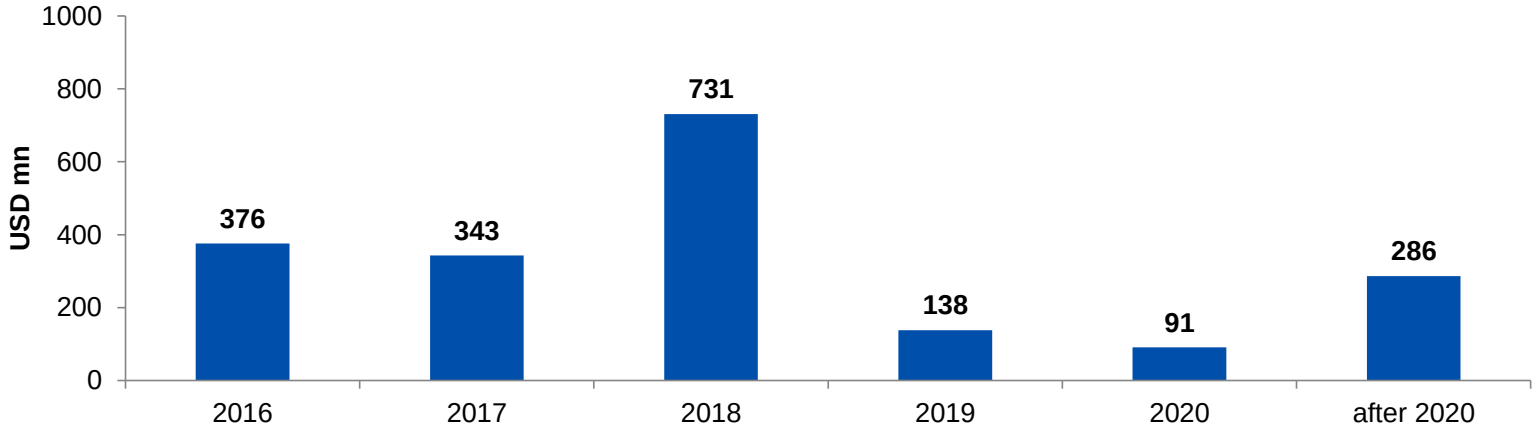
Source: PhosAgro

Healthy balance sheet

Total Debt and Net Debt/ EBITDA dynamics

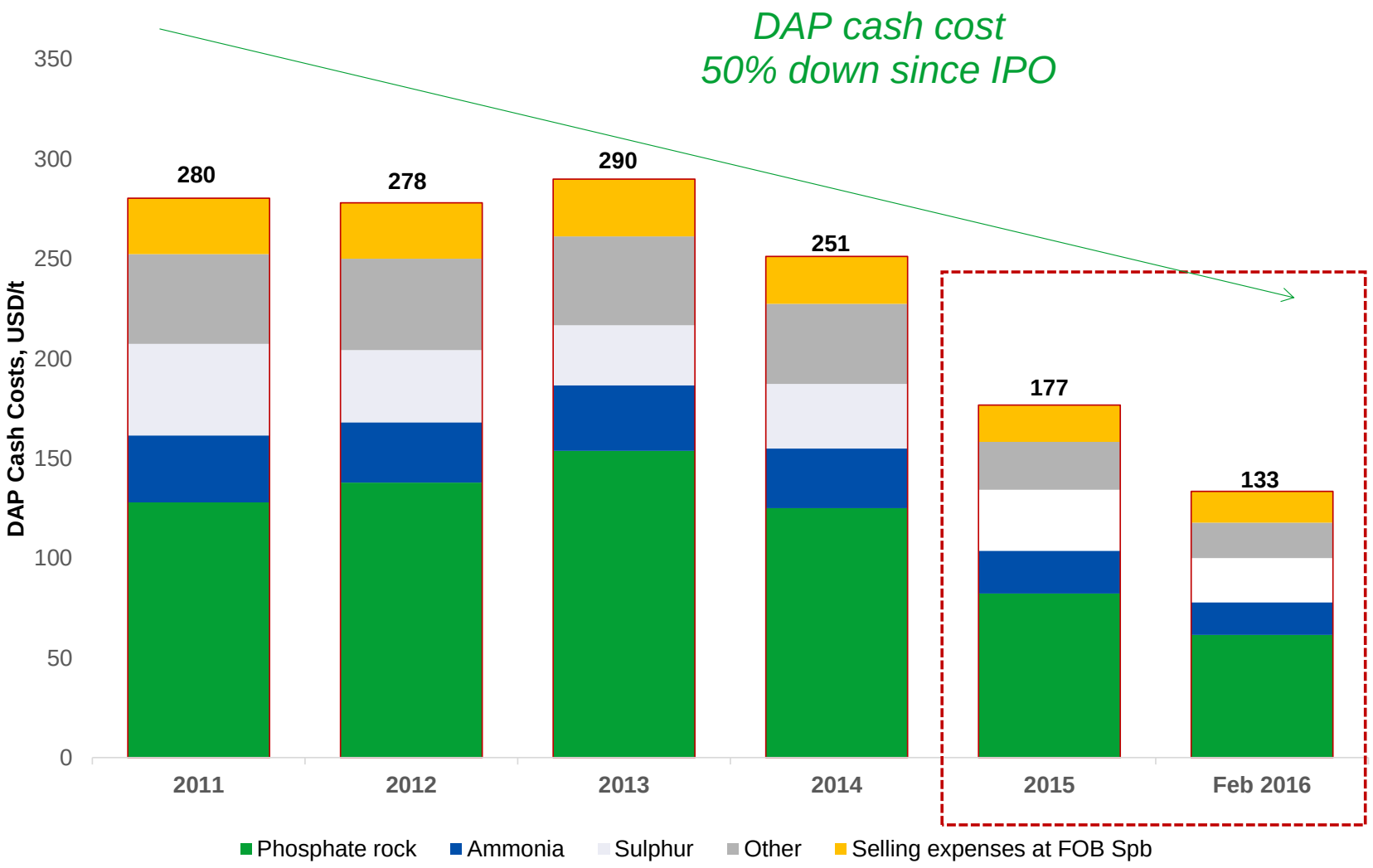


Repayment of principle



Source: PhosAgro

PhosAgro: DAP Cash Cost Dynamics over 2011-16

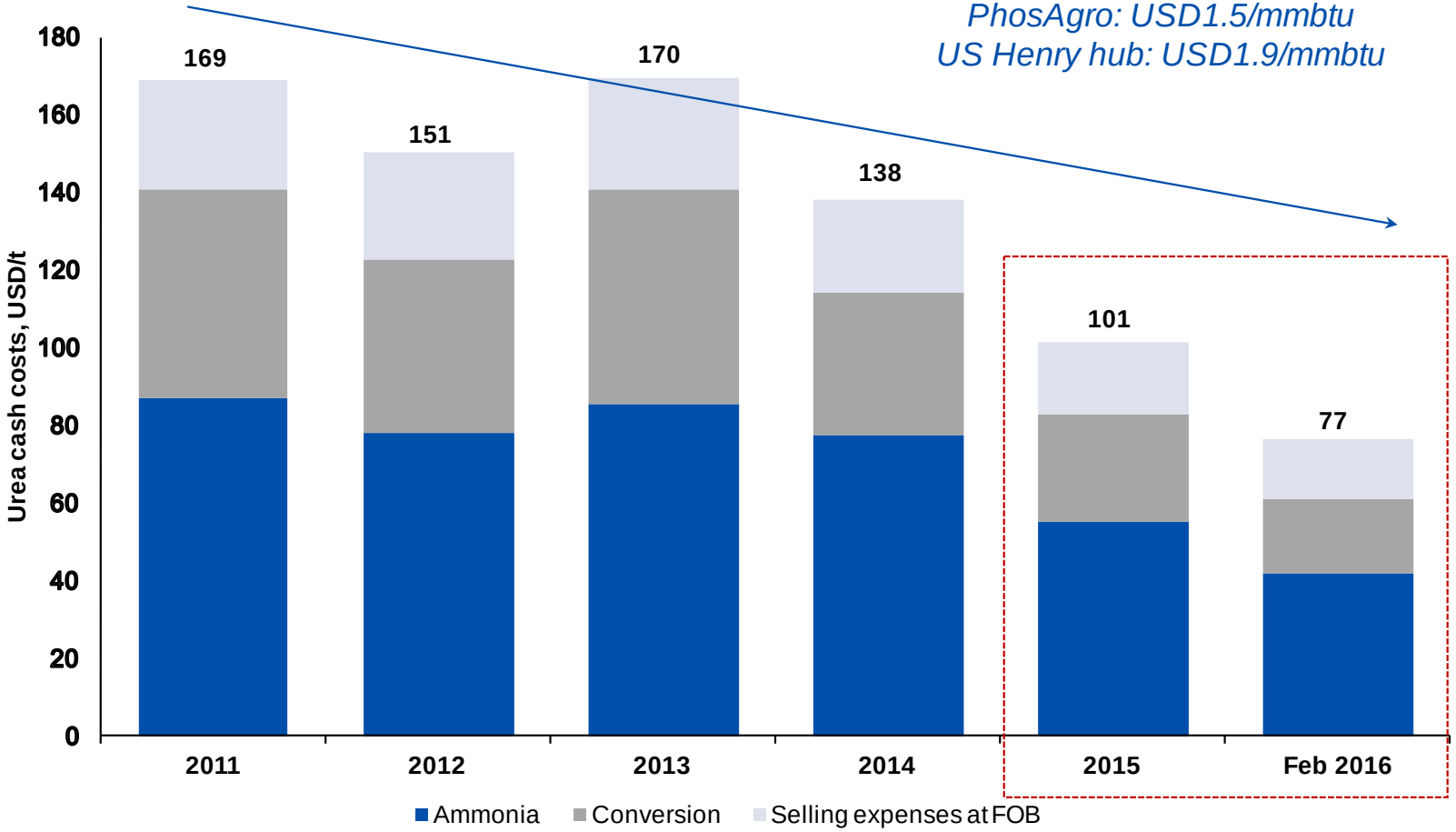


Source: PhosAgro

PhosAgro: Urea Cash Cost Dynamics over 2011-16

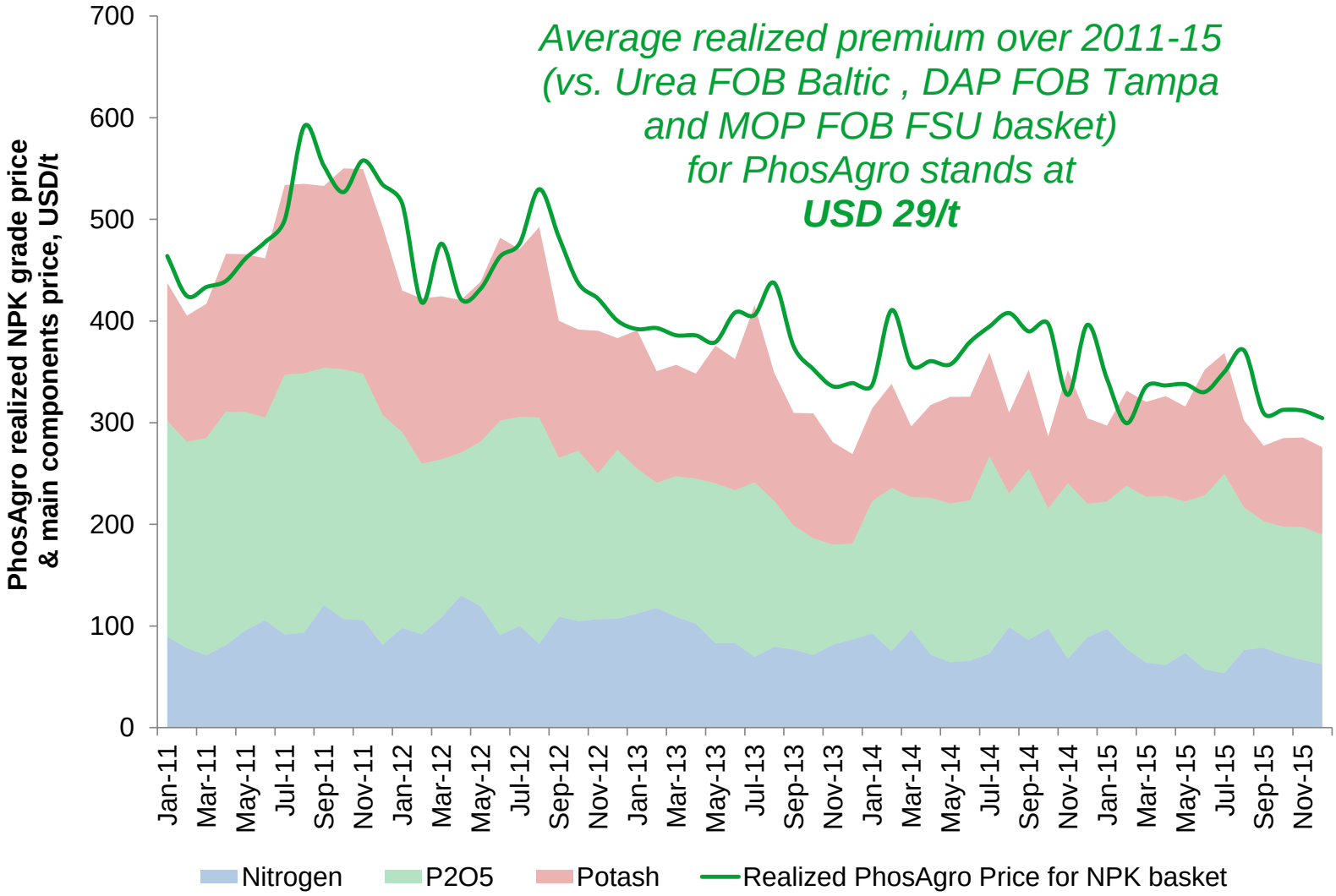
Urea cash cost down 55% since IPO

Gas Price in February 2016
PhosAgro: USD1.5/mmbtu
US Henry hub: USD1.9/mmbtu



Source: PhosAgro

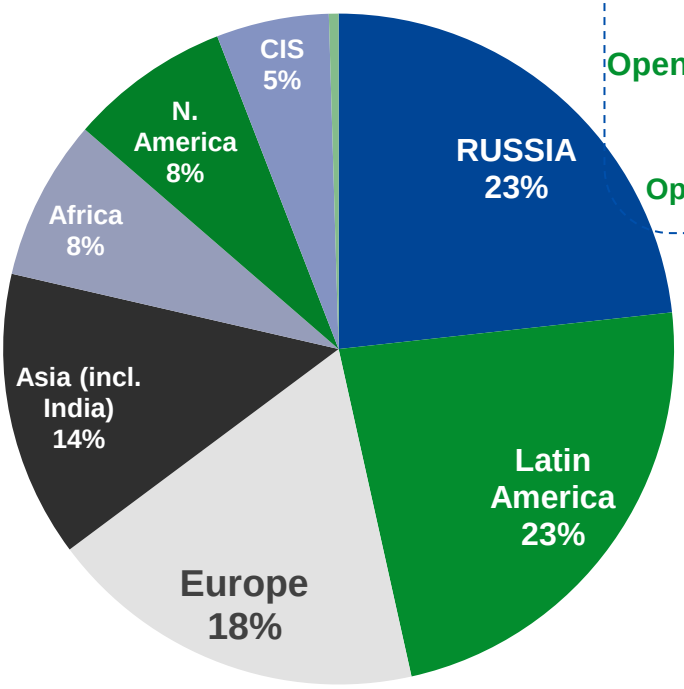
PhosAgro: Focus on NPK production secures extra margins



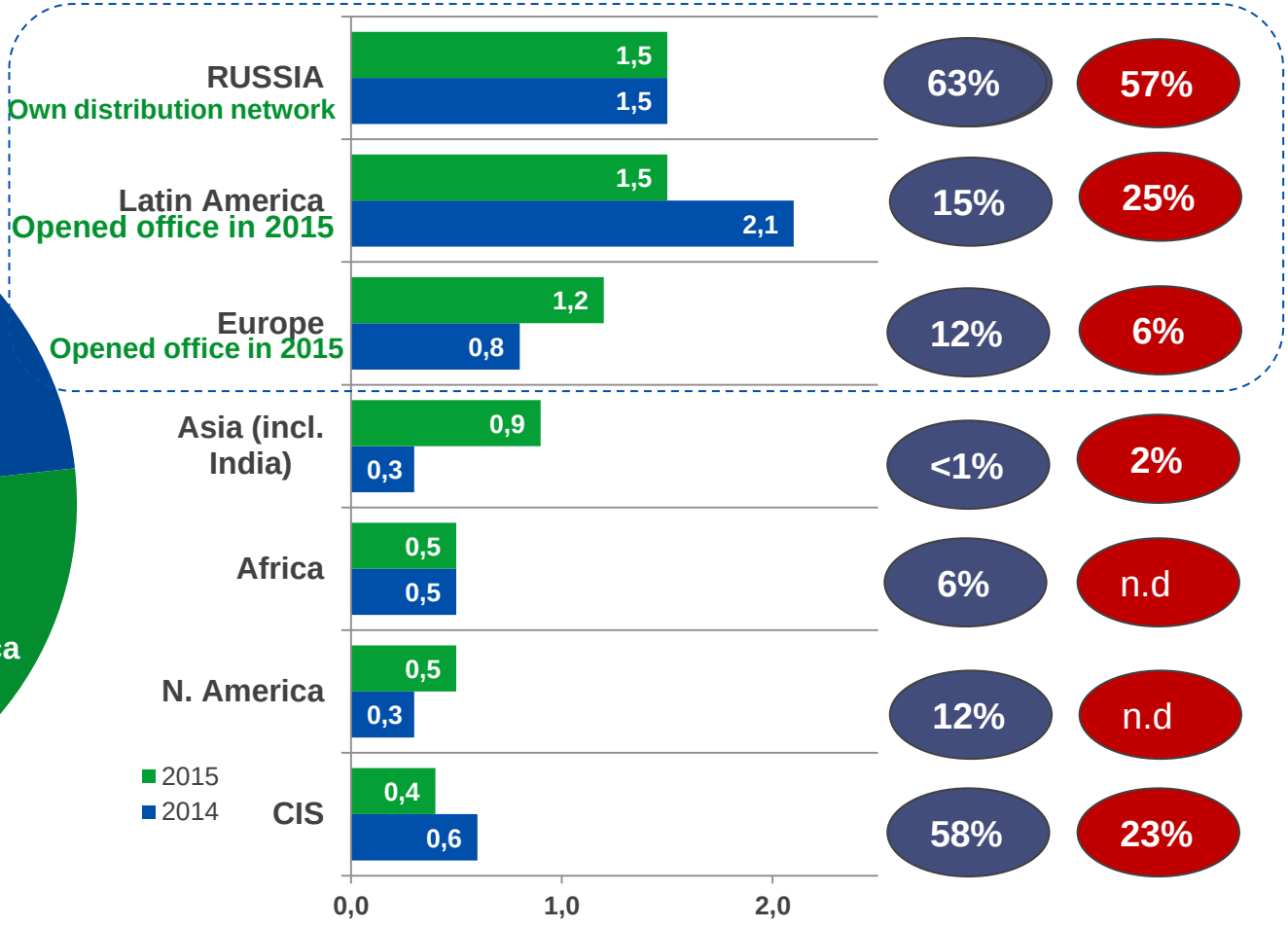
Source: Argus-FMB, Fertecon, PhosAgro

PhosAgro Trade Strategy

Breakdown of fertilizer shipments by region, 2015



Fertilizer Deliveries in 2014-2015, mln.tonnes



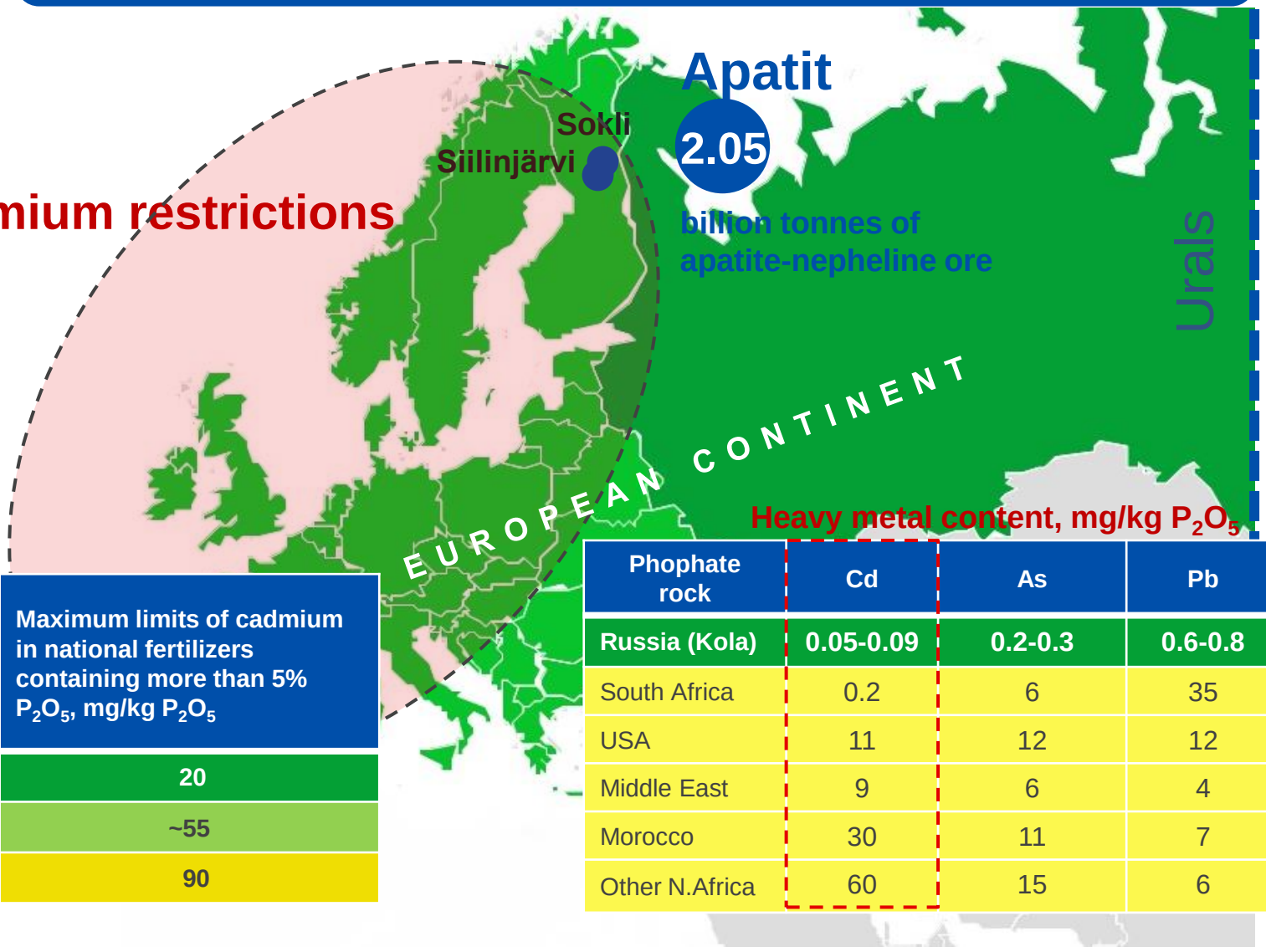
PhosAgro Market Share[1]

	MAP/DAP	NPK
RUSSIA	63%	57%
Latin America	15%	25%
Europe	12%	6%
Asia (incl. India)	<1%	2%
Africa	6%	n.d
N. America	12%	n.d
CIS	58%	23%

Source: PhosAgro estimates, CRU, IFA, GTIS

1) Market share for 2014 in the total import (excluding Russian) market

Priorities: trade restrictions vs. health



European countries grouped by allowable cadmium level	Maximum limits of cadmium in national fertilizers containing more than 5% P_2O_5, mg/kg P_2O_5
Strict limits	20
Medium limits	~55
Mild limits	90

Heavy metal content, mg/kg P_2O_5

Phophate rock	Cd	As	Pb
Russia (Kola)	0.05-0.09	0.2-0.3	0.6-0.8
South Africa	0.2	6	35
USA	11	12	12
Middle East	9	6	4
Morocco	30	11	7
Other N.Africa	60	15	6

Source: European Council, National Fertilizer and Environmental Research Center, Tennessee Valley; TUV

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Appendix

Our production assets

Apatit

Resources[1]

Apatite-nepheline ore: 2,050 mt

Al_2O_3: 283 mn t

REO[2]: 7.5 mn t

Capacity by product

Phosphate rock: 7.5 mn t

Nepheline: 1.7 mn t

Highlights

- Largest standalone global producer of high grade phosphate rock[3]
  - Standard grade – P_2O_5 content of 39%
- Lowest hazardous element content among the major phosphate rock producing regions; benefits from low levels of radioactivity

Balakovo branch of Apatit

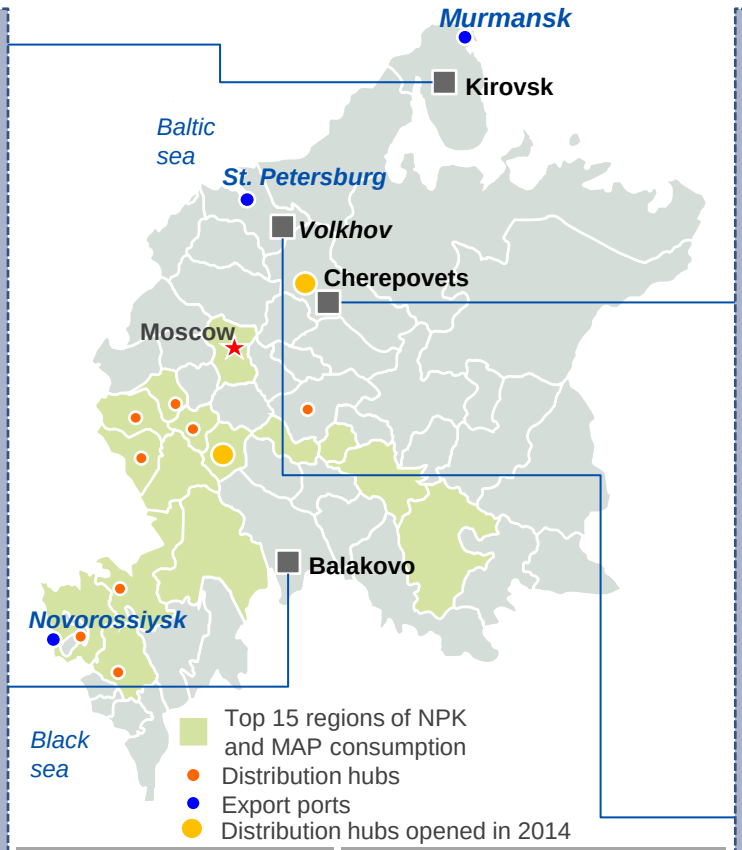
Capacity by product

MAP/DAP/NPS: 1.4 mn t

Feed phosphate (MCP): 270 kt

Highlights

- Leading European producer of feed phosphate MCP
- Only Russian producer of MCP



PhosAgro-Trans (Transportation)

- Operates around 7,000 railcars, of which the majority are mineral hoppers

PhosAgro-Region (Domestic distribution)

- Owns and operates eight distribution centres in Russia located in proximity to major agricultural regions of Russia
- Largest distributor in Russia

PhosAgro-Cherepovets

Capacity by product

MAP/DAP/NPK/NPS: 3.5 mn t

Ammonia: 1,186 kt

AN/AN-based: 450 kt

Urea: 980kt

APP: 140 kt

AlF_3: 35kt

Highlights

- Largest standalone phosphate fertilizers producer in Europe
- Largest standalone producer of sulphuric and phosphoric acids in Europe
- One of the largest standalone producers of urea, ammonia, AN/AN-based fertilizers in Russia

Metachem

Capacity by product

Sulphuric acid: 215 kt

Phosphoric acid: 80 kt of P_2O_5

PKS: 100 kt

Sulphate of potash (SOP): 80 kt

Sodium tripolyphosphate (STPP): 130 kt

Highlights

- Unique SOP granulating technology in Russia
- Close proximity to St. Petersburg sea port

Source: PhosAgro (capacity as of December 31, 2015), CRU, European Commission

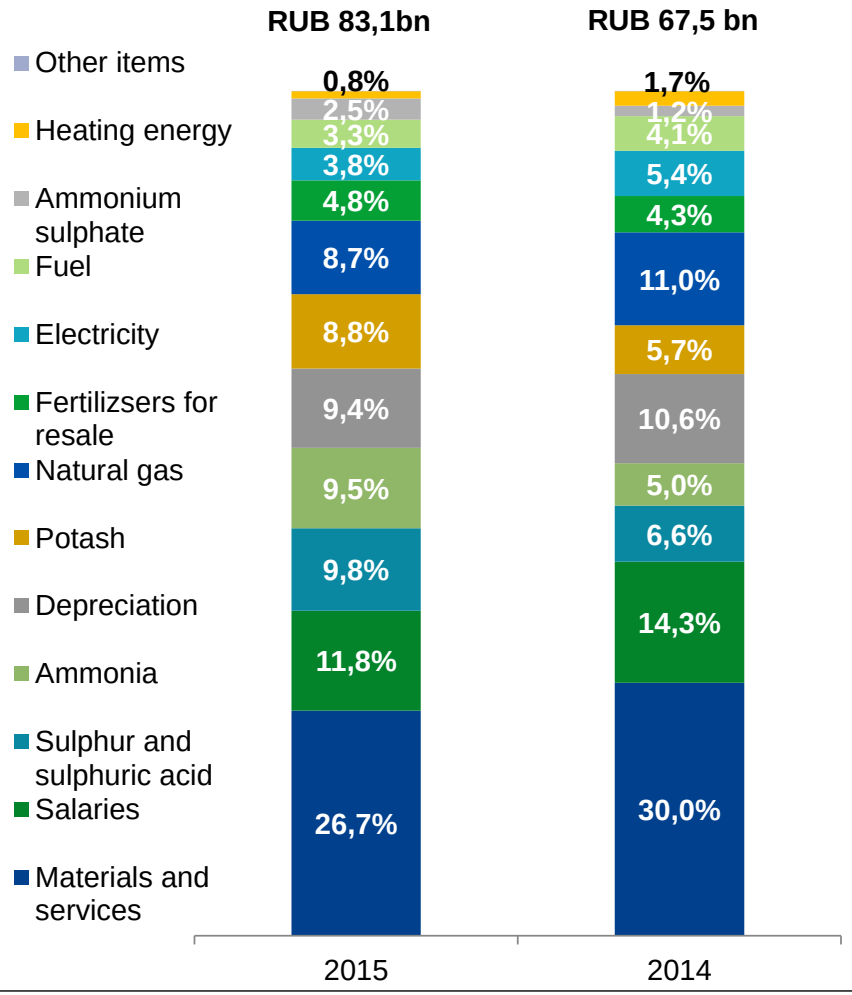
Note: (1) Measured and indicated, PhosAgro, IMC, JORC report June 2011

(2) Rare earth oxides

(3) Defined as phosphate rock with P_2O_5 content over 35.7%

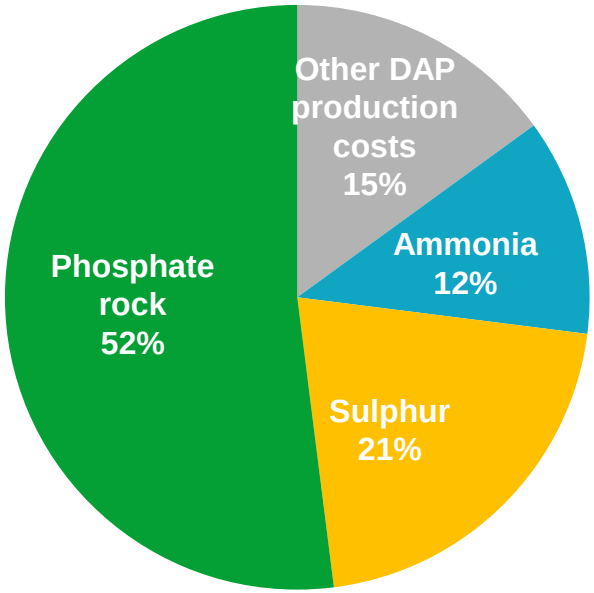
FY15 2015 Cost of goods sold

Cost of Goods Sold



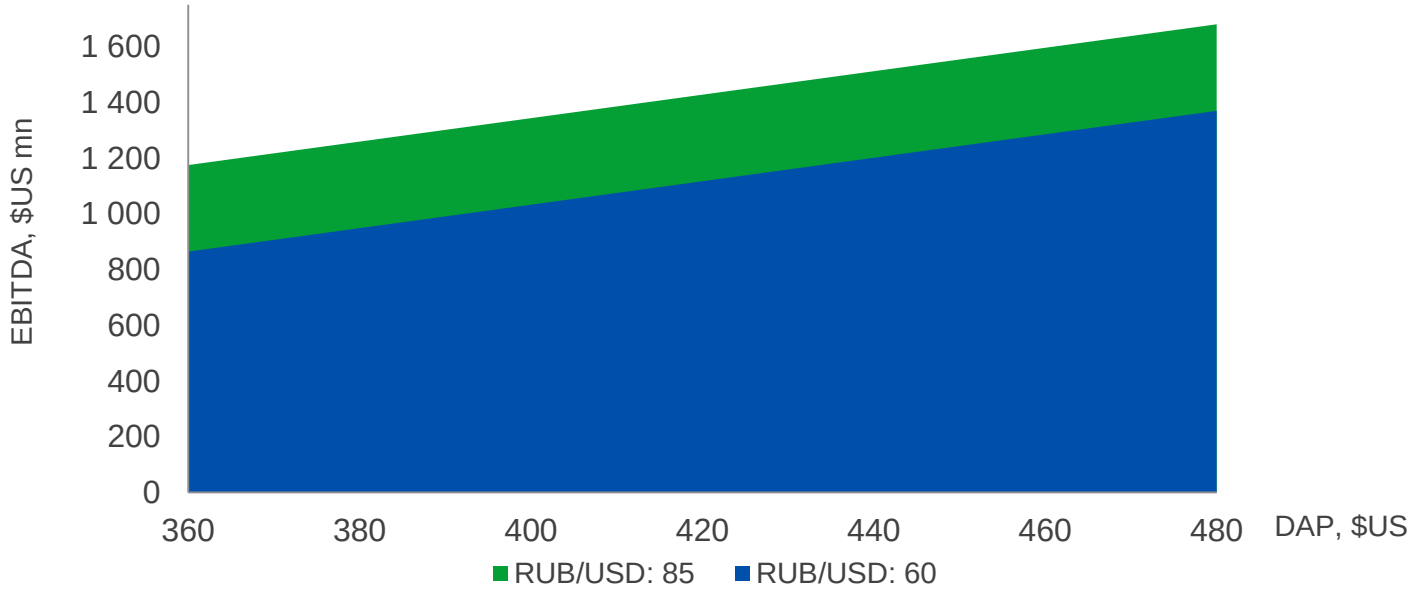
DAP production cash cost breakdown

ExW, US$, FY2015



Source: PhosAgro
(1) Phosphate-based fertilizers, MCP, STPP and nitrogen fertilizers

RUB devaluation: EBITDA sensitivity(1)

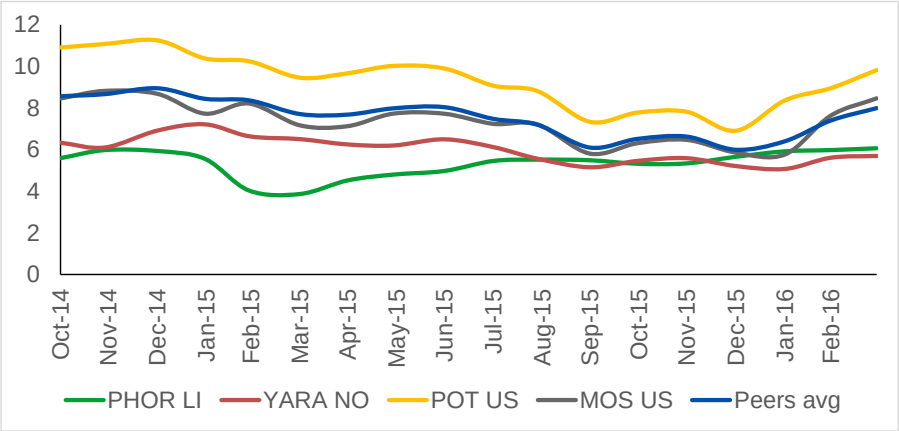


in mln USD		2016F DAP FOB Baltic price, $/tonne						
		360	380	400	420	440	460	480
RUB/USD exchange rate	60	864	949	1,033	1,117	1,201	1,285	1,370
	65	946	1,030	1,114	1,198	1,282	1,367	1,451
	70	1,015	1,099	1,184	1,268	1,352	1,436	1,520
	75	1,076	1,160	1,244	1,328	1,412	1,497	1,581
	80	1,128	**1,213**	1,297	1,381	1,465	1,549	1,634
	85	1,175	1,259	1,343	1,428	1,512	1,596	1,680

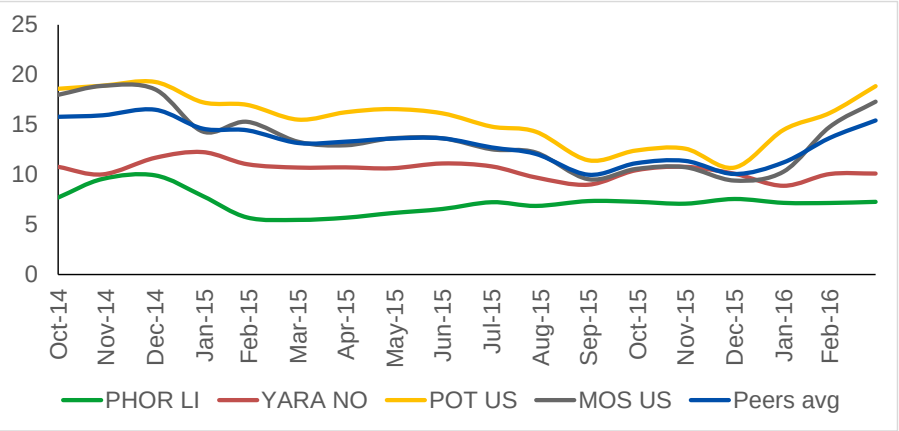
Source: PhosAgro
Note: (1) EBITDA estimations are based on January 2016 feedstock prices (ammonia, sulphur and potash)

Performance relative to peers

EV/EBITDA 1yr fwd



P/E 1yr fwd



Company	Current Price, USD	Mcap, $ mln	EV/EBITDA		P/E		Dividend yield,%	
			2016E	2017E	2016E	2017E	2016E	2017E
PhosAgro	**14,0**	**5 439**	**6,1**	**5,5**	**7,3**	**7,1**	**6,9%**	**6,7%**
International peers								
Potash Corp	19,2	16 023	9,8	8,8	18,9	15,8	5,2%	5,5%
Yara Int	40,1	11 037	5,7	5,5	10,1	9,8	4,4%	4,5%
Mosaic	30,2	10 638	8,5	7,5	17,3	14,0	3,7%	3,7%
Median			**8,0**	**7,3**	**15,4**	**13,2**	**4,4%**	**4,6%**
Discount , %			*24%*	*24%*	*53%*	*46%*		

* - Calculated based on 50% payout ratio and FY16 and FY17 NI forecast provided by Bloomberg

Source: Bloomberg, S&P Capital IQ (as of March 21, 2016), PhosAgro analysis

Dividend history

Dividends

Post-IPO dividends	per share, RUB	per GDR, RUB	per GDR, US$
2011 (April-December)	57,50	19,20	0,61
2012	82,90	27,60	0,88
2013	34,75	11,60	0,35
2014	45,00	14,97	0,29
1Q2015	48,00	16,00	0,31
2Q2015	57,00	19,00	0,29
3Q2015	63,00	21,00	0,32
4Q2015	57,00	19,00	0,28
Subtotal for 2015	**225,00**	**75,00**	**1,20**

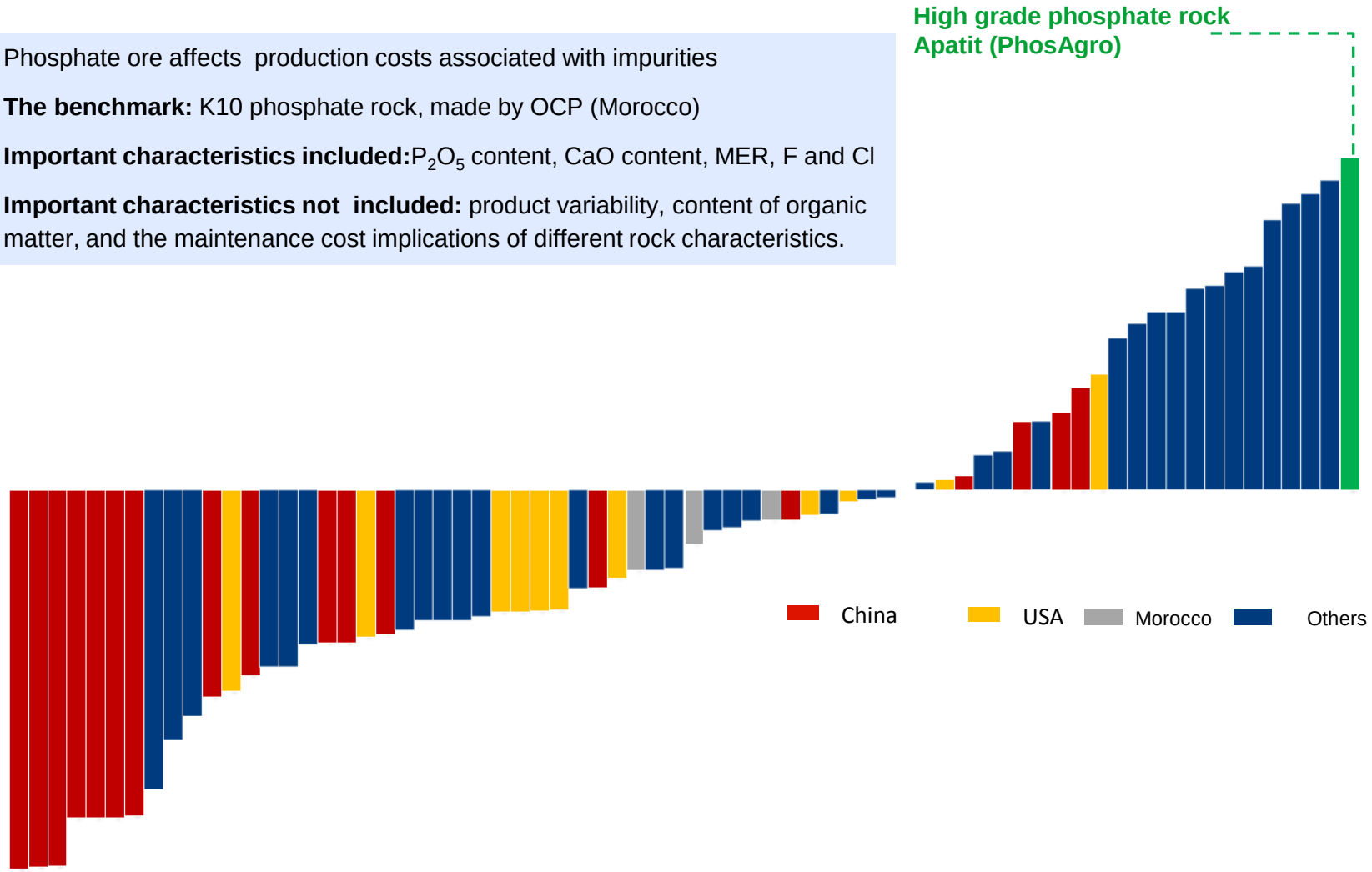
Total paid

Post-IPO dividends	Dividends, RUB bn	Net profit attributable to shareholders, RUB bln	Payout ratio, %
2011 (April-December)	7,2	14,6	49%
2012	10,4	21,3	49%
2013	4,5	7,6	59%
2014	7,8	13,6	57%
9mo2015	21,8	31,6	69%
Total	**51,7**	**88,7**	**58%**

Source: PhosAgro
Note: (*) - for recommended dividend for 4Q 2015 per GDR applied USD/RUB exchange rate 67.7 (as of 23 March 2016)

Premium/discount to the most affordable Moroccan phosphate rock

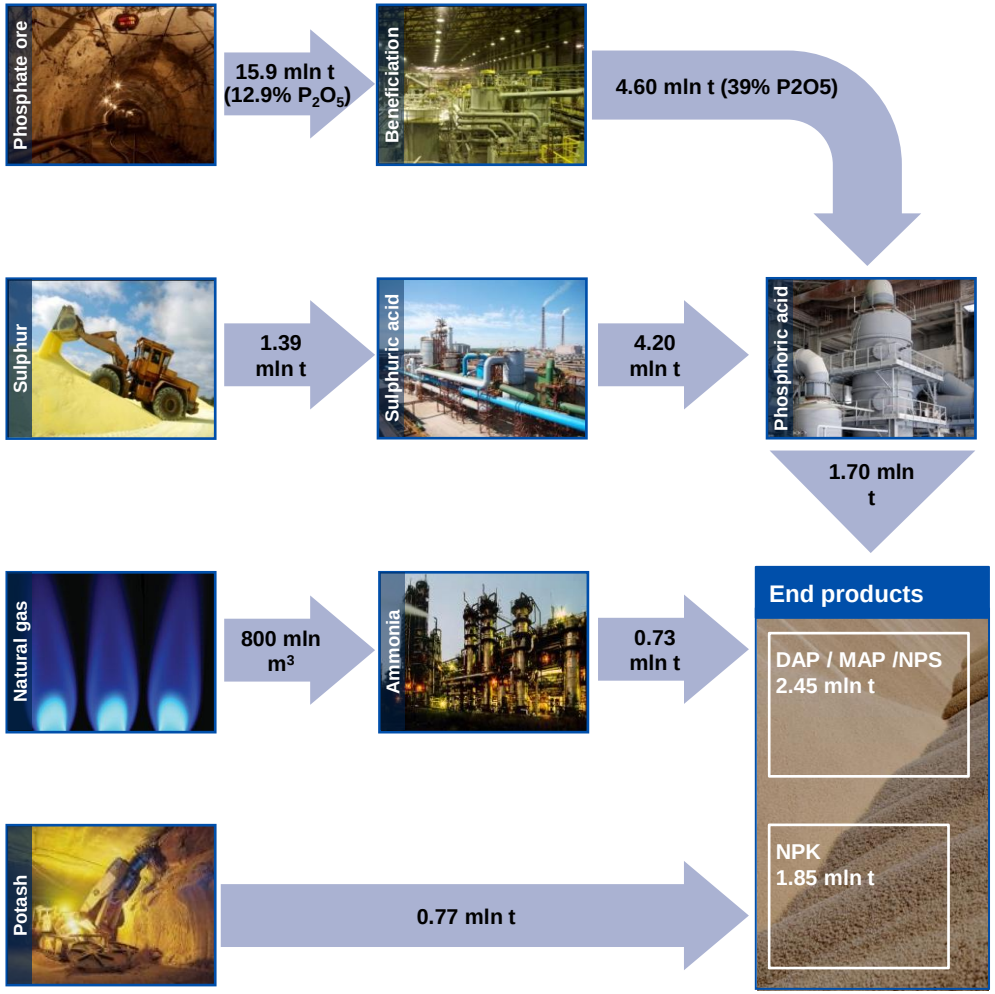
- Phosphate ore affects production costs associated with impurities
- **The benchmark:** K10 phosphate rock, made by OCP (Morocco)
- **Important characteristics included:** P_2O_5 content, CaO content, MER, F and Cl
- **Important characteristics not included:** product variability, content of organic matter, and the maintenance cost implications of different rock characteristics.



Source: CRU 'Phosphate Rock Cost Report' 2014 edition

Need for a combination of feedstocks and complexity of production process act as barriers to entry

Integrated phosphate-based production model (1)



Replacement cost

	Ma'aden		PHOSAGRO	
Key products	DAP		MAP, DAP, NPK, NPS, Urea, AN	
Production facilities	Capacity, mln t p.a.	**CAPEX, mln $US**	Capacity, mln t p.a.	**Replacement cost, mln $US**
Mining and beneficiation	5.0	**1,330**	7.8	**2,697**
Sulphuric acid	4.7	**620**	4.8	**642**
Phosphoric acid	1.5	**523**	1.9	**740**
Ammonia	1.09	**951**	1.15	**1,000**
Phosphate fertilizer	2.9	**486**	4.3	**716**
Nitrogen fertilizer	-	**-**	1.4	**684**
Infrastructure and other		**~ 2,000**		**~ 4,000**
Total		**~ US$ 6 bln**		**~ US$ 10 bln**
Current capitalization				**US$ 4.6 bln(2)**

Ma'aden – total est. CAPEX(3): US$ 6 bln

Construction period: 6 years +

Over US$ 2,000/tonne

Source: PhosAgro, Maaden, Fertecon, Integer, Reuter

Note: (1) Based on PhosAgro's consumption ratios
(2) Bloomberg, as of April 2014
(3) CAPEX for the Phosphate Project

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Thank you!