PhosAgro Fertilizer Sales up 9% y-o-y in 2015

Moscow – PhosAgro (Moscow Exchange, LSE: PHOR), one of the world's leading vertically integrated phosphate-based fertilizer producers, announces its operating results for the 12 months ended 31 December 2015.

Total fertilizer production and sales increased year-on-year in 2015 by 10.4% and 8.9%, respectively. Production of phosphate-based fertilizers and feed phosphates increased by 12.2% year-on-year to 5.4 million tonnes, while production of nitrogen-based fertilizers increased by 4.0% year-on-year to 1.4 million tonnes.

PhosAgro's production and sales volumes for 2015 are summarised in the tables below.

Production volumes by type			
(kmt)	**2015**	**2014**	**Change y-o-y**
Phosphate-based fertilizers and MCP	5,353.0	4,770.3	12.2%
Nitrogen-based fertilizers	1,433.4	1,377.9	4.0%
TOTAL fertilizers	**6,786.4**	**6,148.2**	**10.4%**
Apatit mine and beneficiation plant	8,805.2	8,440.8	4.3%
Other products**	159.6	156.6	1.9%

Sales volumes by type			
(kmt)	**2015**	**2014**	**Change y-o-y**
Phosphate-based fertilizers and MCP	5,270.8	4,707.7	12.0%
Nitrogen-based fertilizers	1,365.4	1,384.5	(1.4%)
TOTAL fertilizers	**6,636.2**	**6,092.2**	**8.9%**
Apatit mine and beneficiation plant*	2,917.0	3,328.8	(12.4%)
Other products**	215.7	349.4	(38.3%)

Commenting on the 2015 operational results, PhosAgro CEO Andrey Guryev said:

"2015 was another challenging year in terms of the macroeconomic environment. With prices for all commodities declining, it comes as no surprise that fertilizer prices followed the same trend. As a result, many phosphate-based fertilizer producers once again decided to curtail production in the fourth quarter.

"Throughout 2015, PhosAgro continued to invest in the modernisation of its production facilities and to implement other cost-cutting initiatives, which helped us to achieve excellent operating results. We managed to increase our production of fertilizers by 10% year-on-year, and by the end of 2015 our annual fertilizer production capacity reached 7 million tonnes.

"Despite a difficult start to the year for Russian farmers, we managed to maintain sales volumes at the same level as 2014, with1.6 million tonnes supplied to domestic customers in 2015. I am optimistic about the outlook for our domestic market, as we see that Government support has encouraged many farmers to expand production across all agricultural segments.

"Looking at export markets, we increased sales to Europe by over 30% year-on-year to 1.25 million tonnes, and with our new trade offices in the region now open, I believe we can achieve even better results in 2016. Sales to India increased dramatically to 700 ths. tonnes, and we hope the positive trend will continue into 2016 as well. Latin American market performance was weaker as a result of low soybean prices and economic challenges facing the region.

“Overall, the phosphate-based fertilizer price environment has been relatively stable in 2015 compared to other commodities. The average price of DAP during the period was USD 459 per tonne (FOB Tampa), compared to USD 472 per tonne in 2014, which represents less than a 3% year-on-year decrease. At the same time, PhosAgro’s stable cash flows allow us to continue investing in our development programme, decrease debt load and finance social programmes, while also providing fulfilling our obligations to shareholders.”

The table below provides a breakdown of production volumes by major product for the year 2015:

Production volumes			
(kmt)	**2015**	**2014**	**Change y-o-y**
Apatit mine and beneficiation plant			
Phosphate rock	7,853.3	7,500.5	4.7%
Nepheline concentrate	951.9	940.3	1.2%
Phosphate-based fertilizers and MCP			
DAP/MAP	2,643.2	2,366.7	11.7%
NPK	1,922.6	1,725.2	11.4%
NPS	272.8	248.4	9.8%
APP	109.6	89.7	22.2%
MCP	272.2	252.1	8.0%
PKS	95.9	58.5	63.9%
SOP	36.7	29.7	23.6%
Nitrogen-based fertilizers			
AN	455.3	291.4	56.2%
NP	0.0	120.5	(100.0%)
Urea	978.1	966.0	1.3%
Other products			
AlF3	36.1	27.4	31.8%
STPP	123.5	129.2	(4.4%)
Feed stock			
Ammonia	1,111.6	1,180.2	(5.8%)
Phosphoric acid (kt P_2O_5)	2,114.2	1,933.9	9.3%
Sulphuric acid (kt monohydrate)	4,711.2	4,461.3	5.6%

The table below provides a breakdown of sales volumes by major product for the year 2015:

Sales volumes			
(kmt)	**2015**	**2014**	**Change y-o-y**
Apatite mine and beneficiation plant			
Phosphate rock*	1,962.4	2,392.4	(18.0%)
Nepheline concentrate	954.6	936.4	1.9%
Phosphate-based fertilizers and MCP			
DAP/MAP	2,639.2	2,364.1	11.6%
NPK	1,878.5	1,680.4	11.8%
NPS	265.3	250.0	6.1%

APP	104.5	89.9	16.2%
MCP	257.7	250.3	3.0%
PKS	89.8	45.5	97.4%
SOP	35.8	27.5	30.2%
Nitrogen-based fertilizers			
AN	416.0	247.6	68.0%
NP	0.0	120.3	(100.0%)
Urea	949.4	1 016.6	(6.6%)
Other products			
AlF3	35.8	27.1	32.1%
STPP	113.1	128.8	(12.2%)
Ammonia	6.1	34.2	(82.2%)
Phosphoric acid	41.1	51.6	(20.3%)
Sulphuric acid	19.6	107.7	(81.8%)

* Excluding intra-group sales
** Excluding feed stock