



# Deutsche Bank *dbAccess CEEMEA Conference*

22-23 of January 2014





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## World class integrated phosphate producer

- #1 global producer of high-grade phosphate rock
- #2 global DAP/MAP producer<sup>(1)</sup>
- Overall fertilizer capacity of 6.1 mln t

## Large high quality apatite-nepheline resources

- 2.1 bln t of ore resources<sup>(2)</sup> (over 75 years of production)
- Al<sub>2</sub>O<sub>3</sub> resource of 283 mln t
- Substantial resources of rare earth oxides (41% of Russian resources <sup>(3)</sup>)

## Self-sufficiency in key feedstocks provides for low costs

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

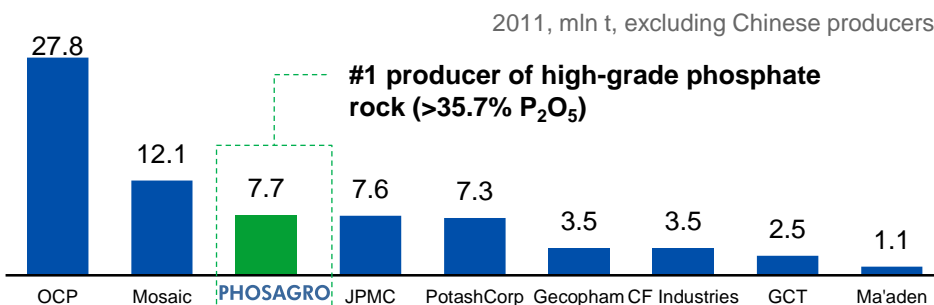
## Flexible production and sales

- Flexible production lines
- Phosphate fertilizer capacities of 4.2 mln t, 1.8 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

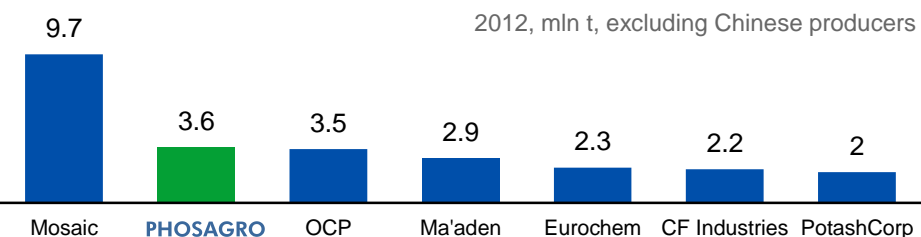
## Strong financial performance

- EBITDA of \$1,116 mn and \$629 mn in 2012 and in 9M 2013, respectively
- Net debt/EBITDA: 1.50x

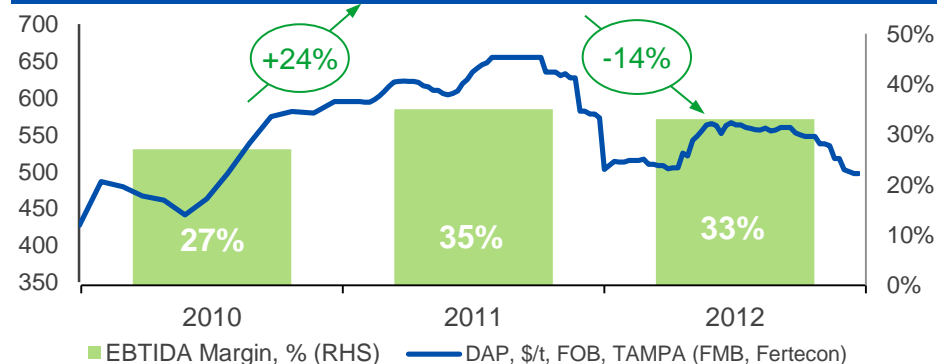
## Leading global phosphate rock producers (by production)



## Leading global DAP/MAP producers (by capacity)



## DAP price dynamics vs EBITDA margin, average DAP price change (%)

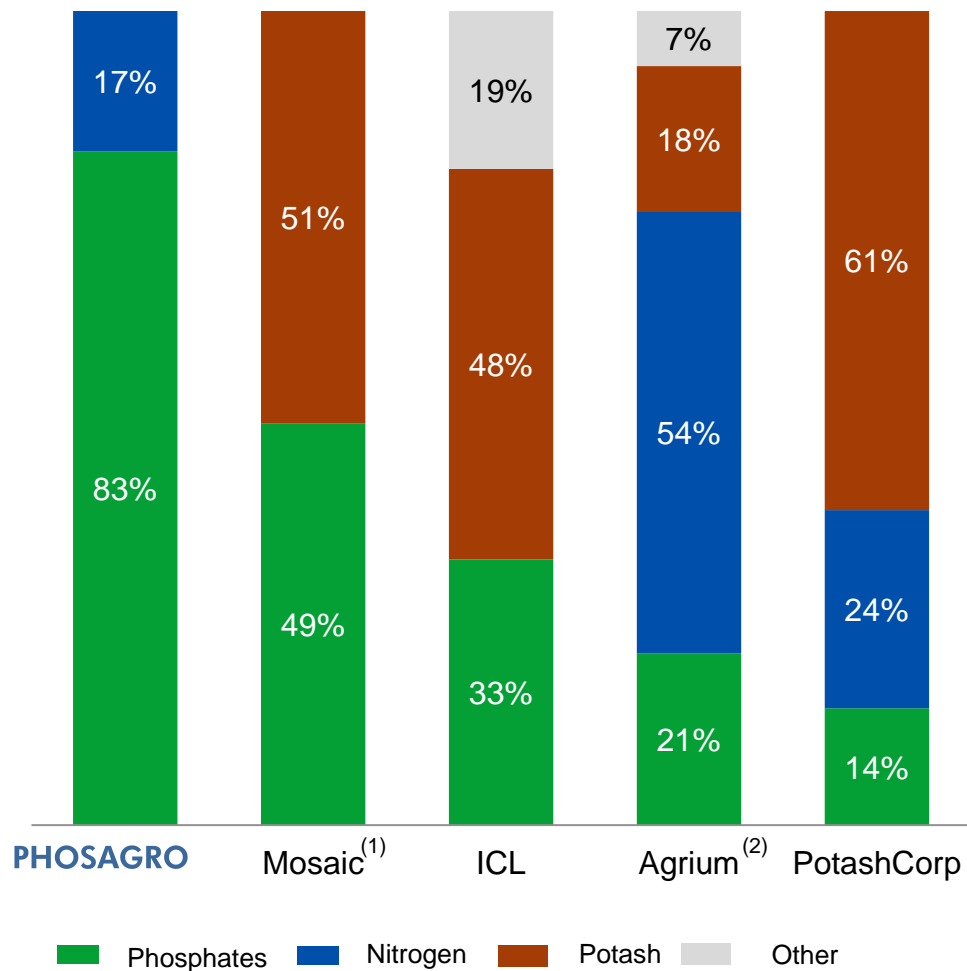


Note: (1) Excluding Chinese producers  
 (2) PhosAgro, IMC as of June 2011  
 (3) Russian Academy of Science  
 (4) self-sufficiency depends on the composition of the products produced by PhosAgro  
 Source: IFA, CRU, companies data, PhosAgro

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

## Gross profit breakdown by segment

Average gross profit breakdown by segment for 2011-2012



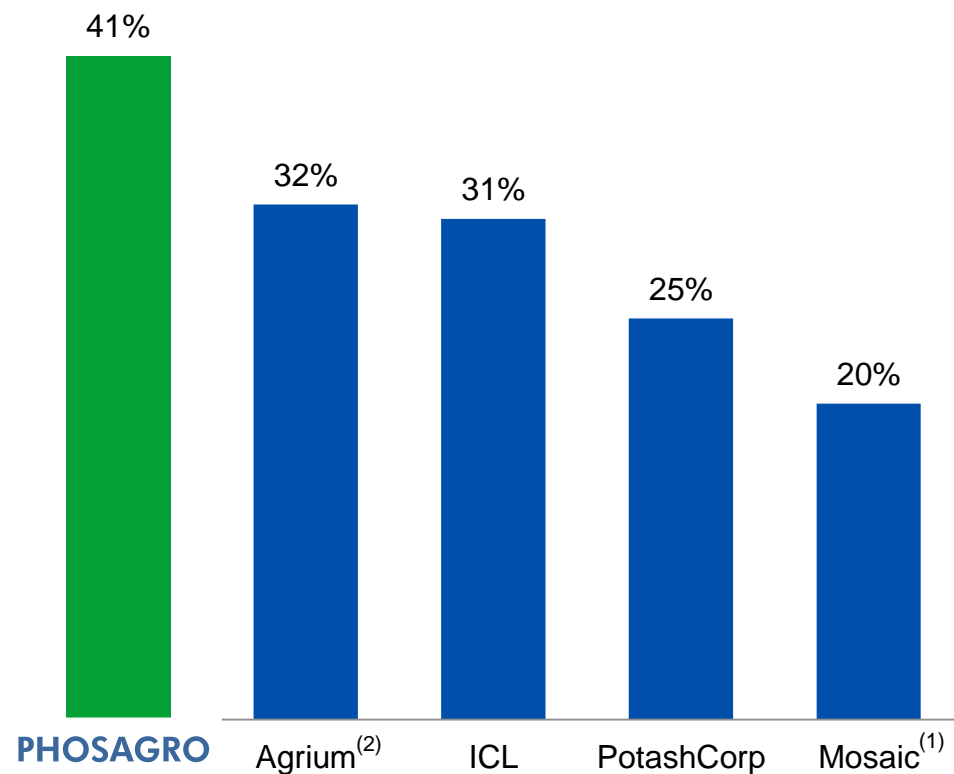
Source: Companies' reports

Note: (1) Calendarised

(2) Excluding resale, retail and advanced technologies

## Phosphate segment gross profit margin

Average gross profit margin of phosphate segment for 2011-2012



Source: Companies' reports

Note: (1) Calendarised

(2) Wholesale



# 1. Phosphates – an attractive industry

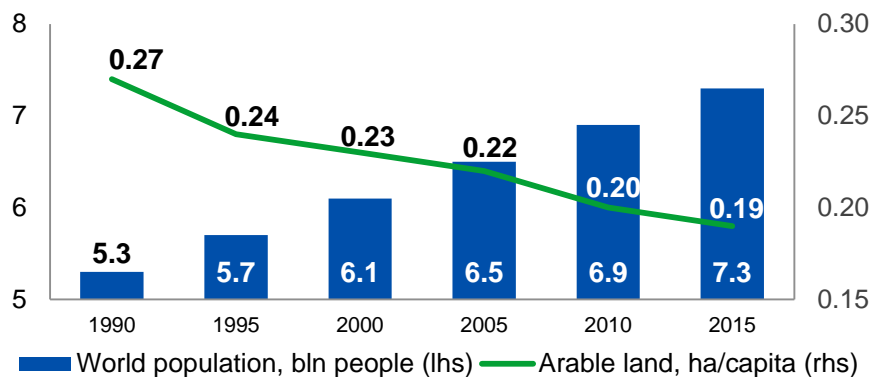




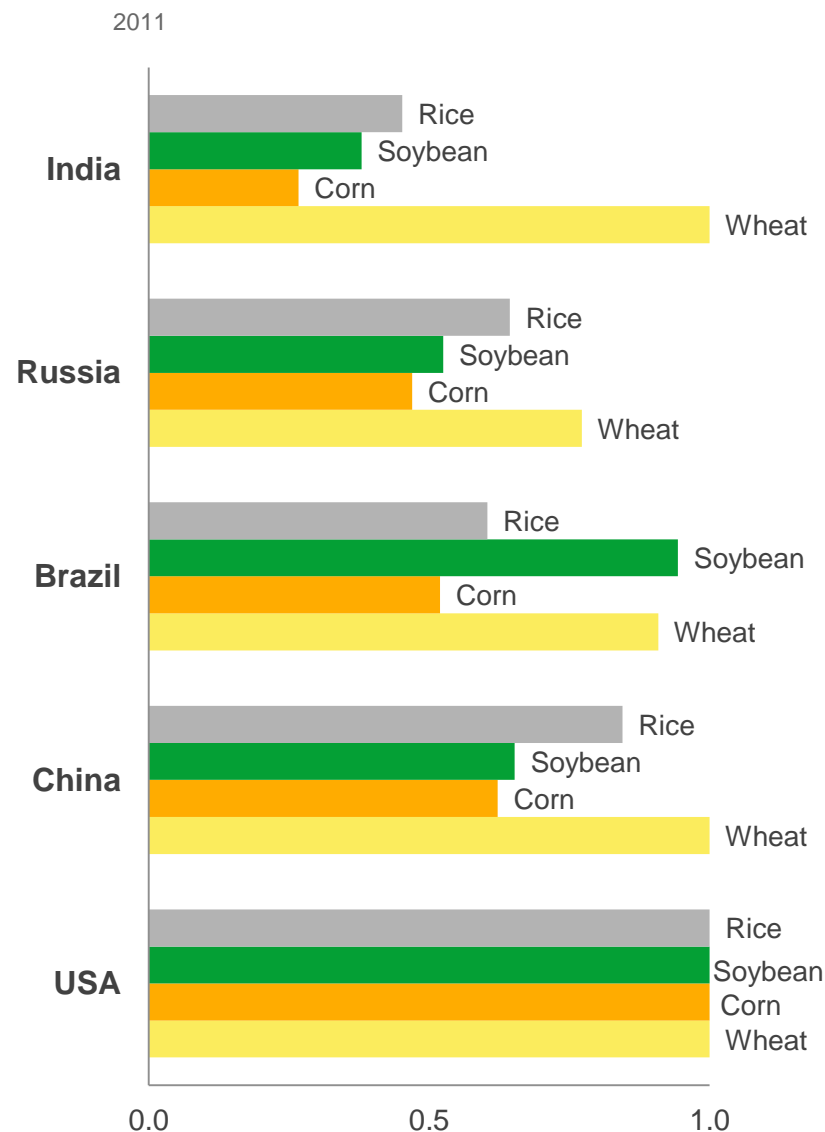
# Strong demand fundamentals for fertilizers

Fertilizers are widely under-applied and/or inefficiently applied in developing countries

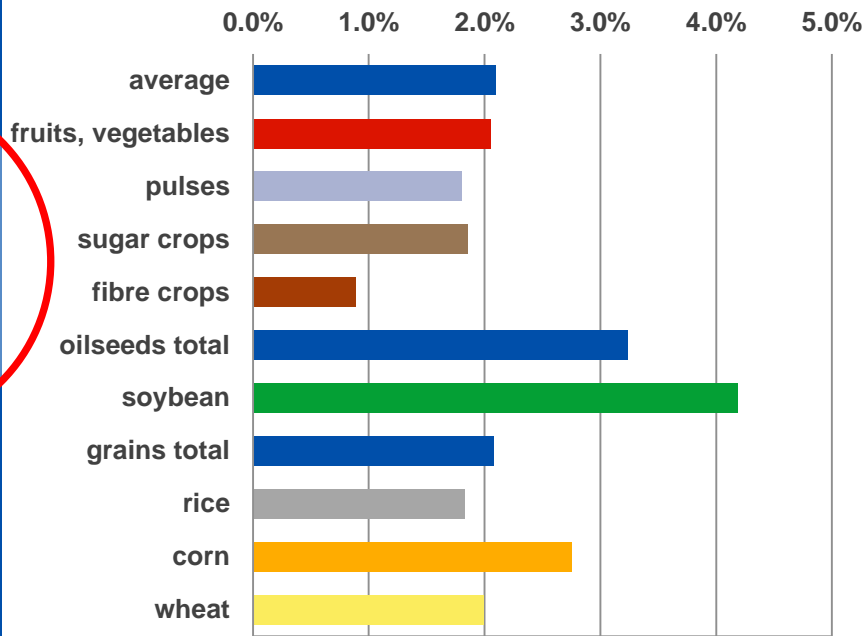
Population growth and decrease of arable land per capita



Yield Indexed to USA

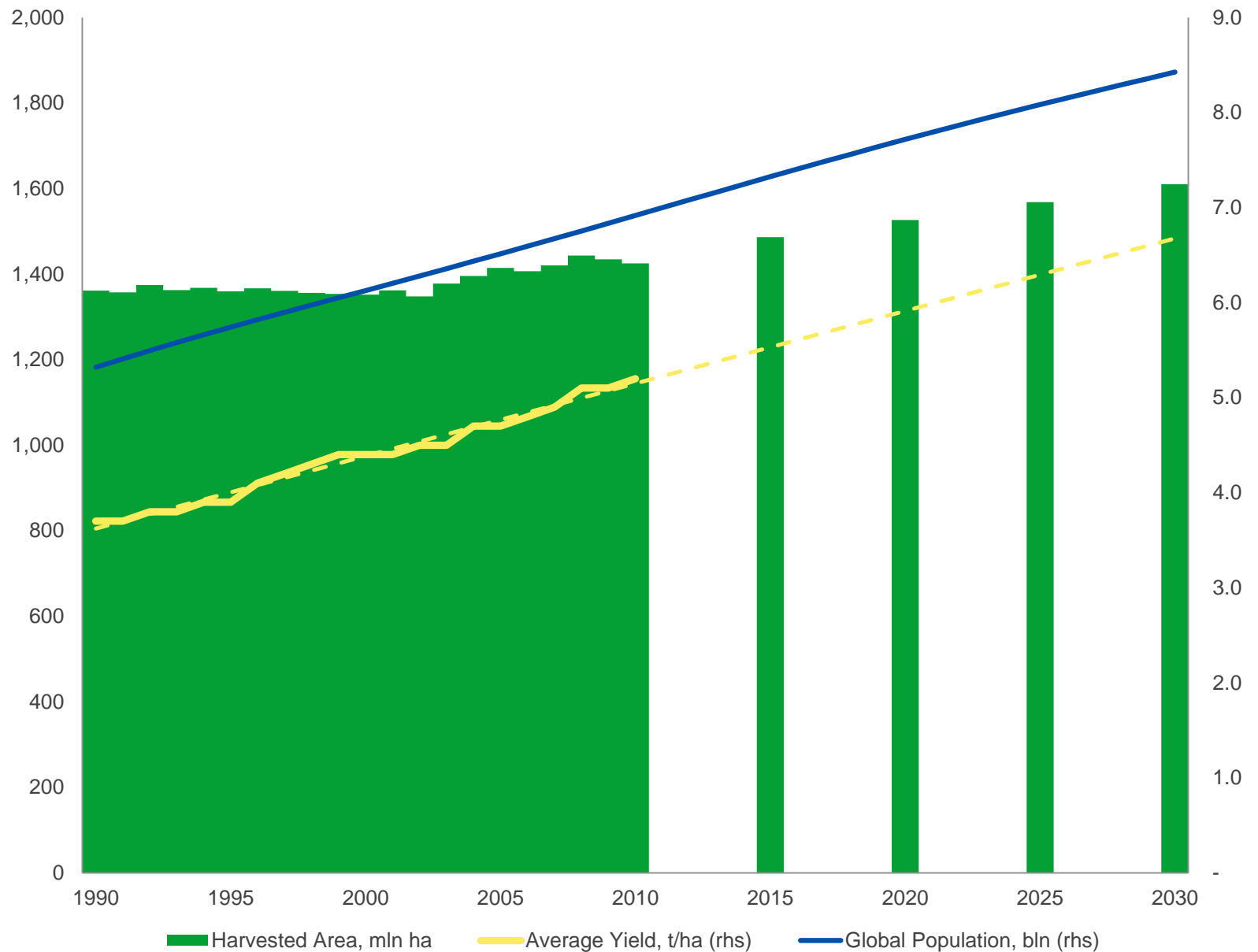


Projected Average Annual Growth of Agricultural Production 2012-2022

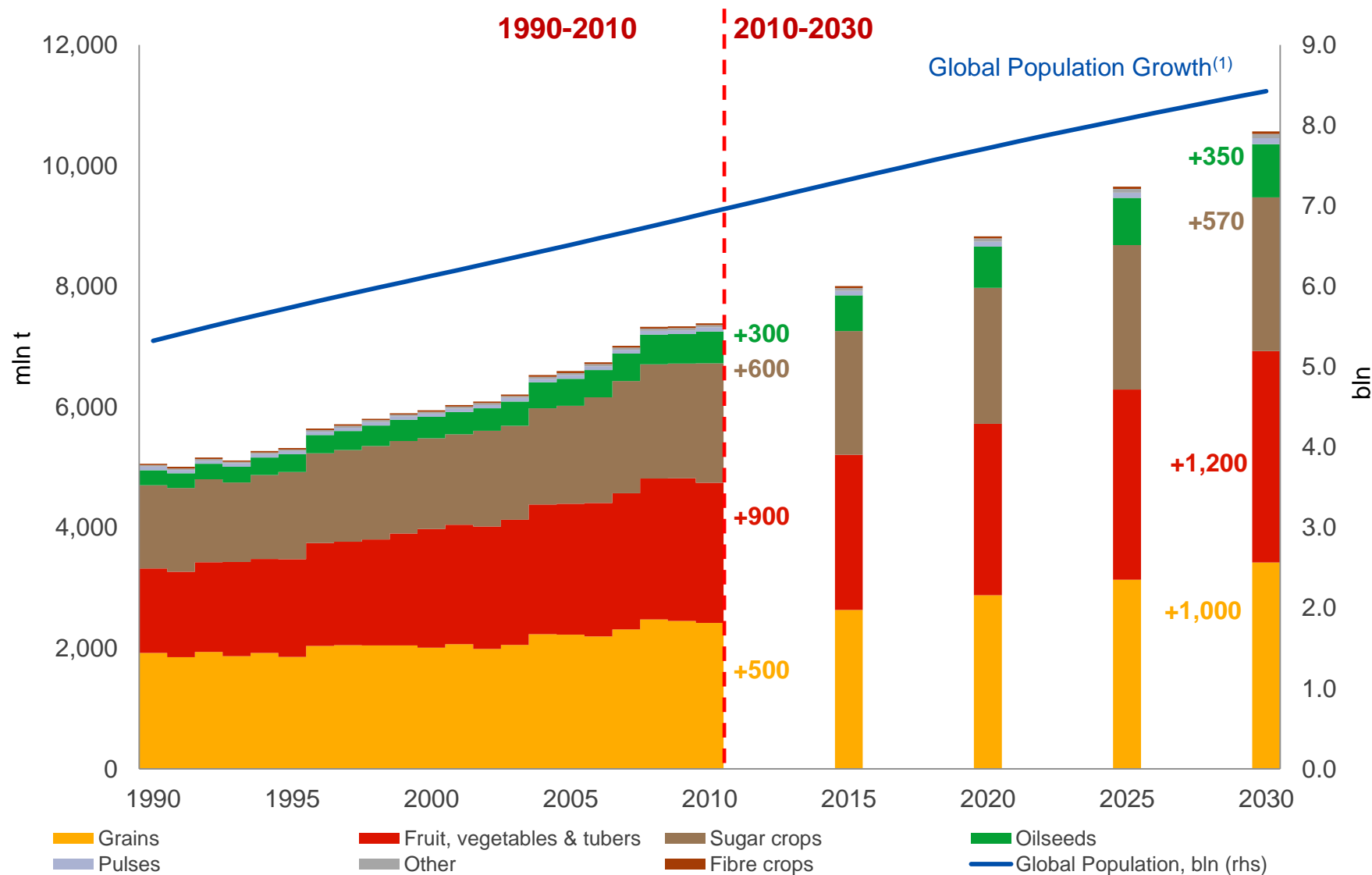


High growth rates for corn and seed oil crops, both major consumers of phosphate fertilizers

# Demand for increasing yield from limited arable land supports greater fertilizer use



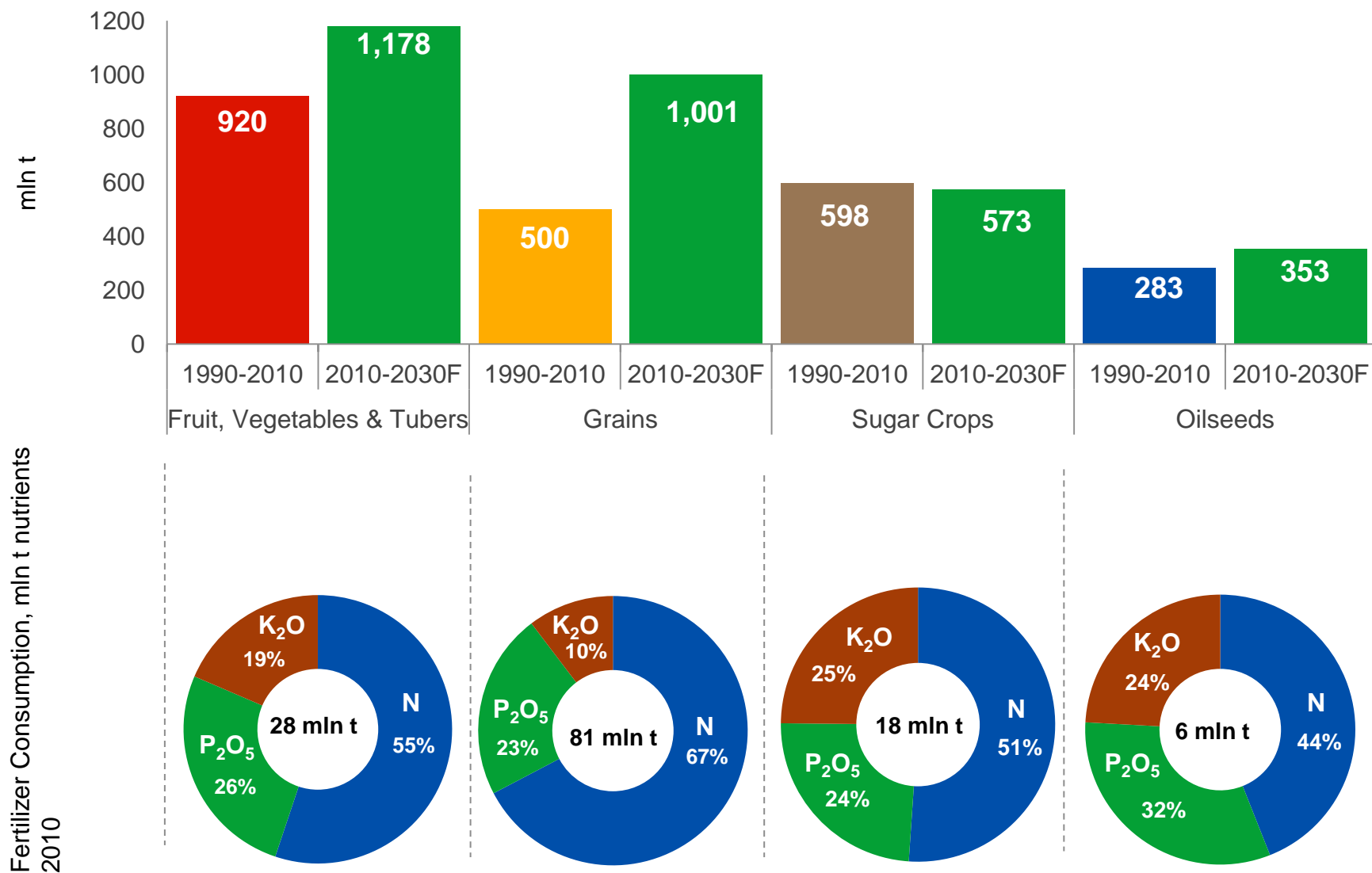
## Global crop production continues to grow





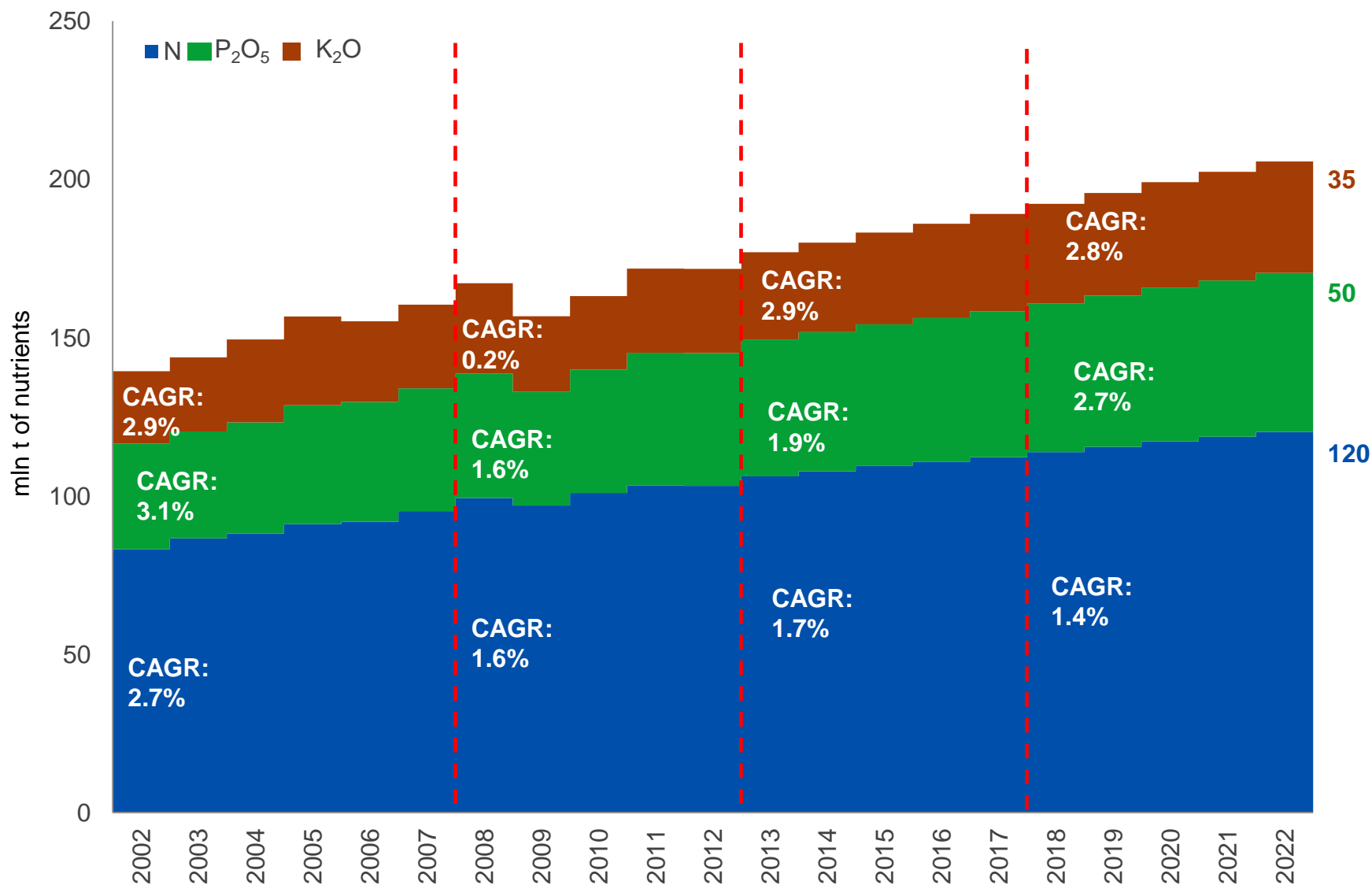
# Global crop production and fertilizer consumption forecast

Growth rates for major crop groups will change over next two decades



# Historical and forecast nutrient demand

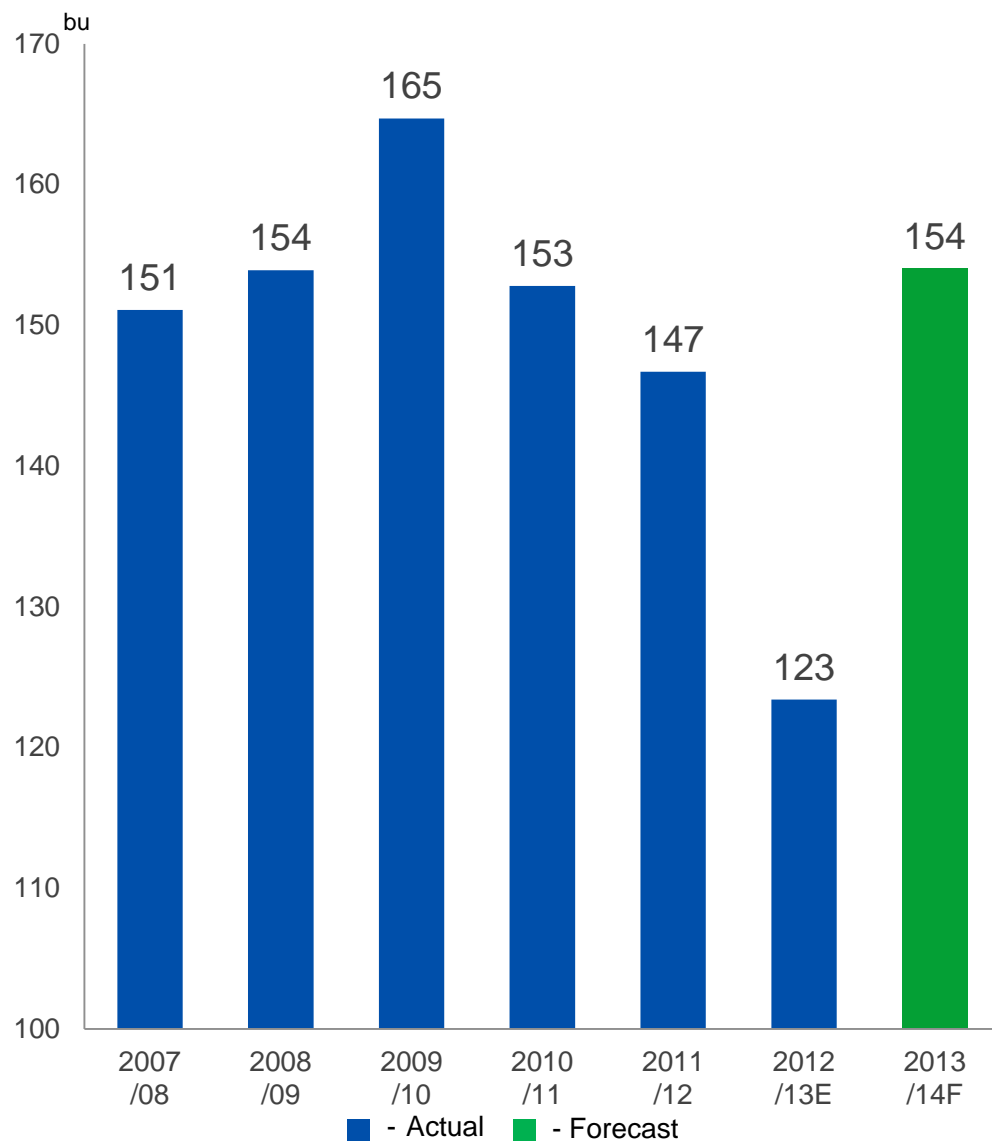
Demand for phosphates will accelerate



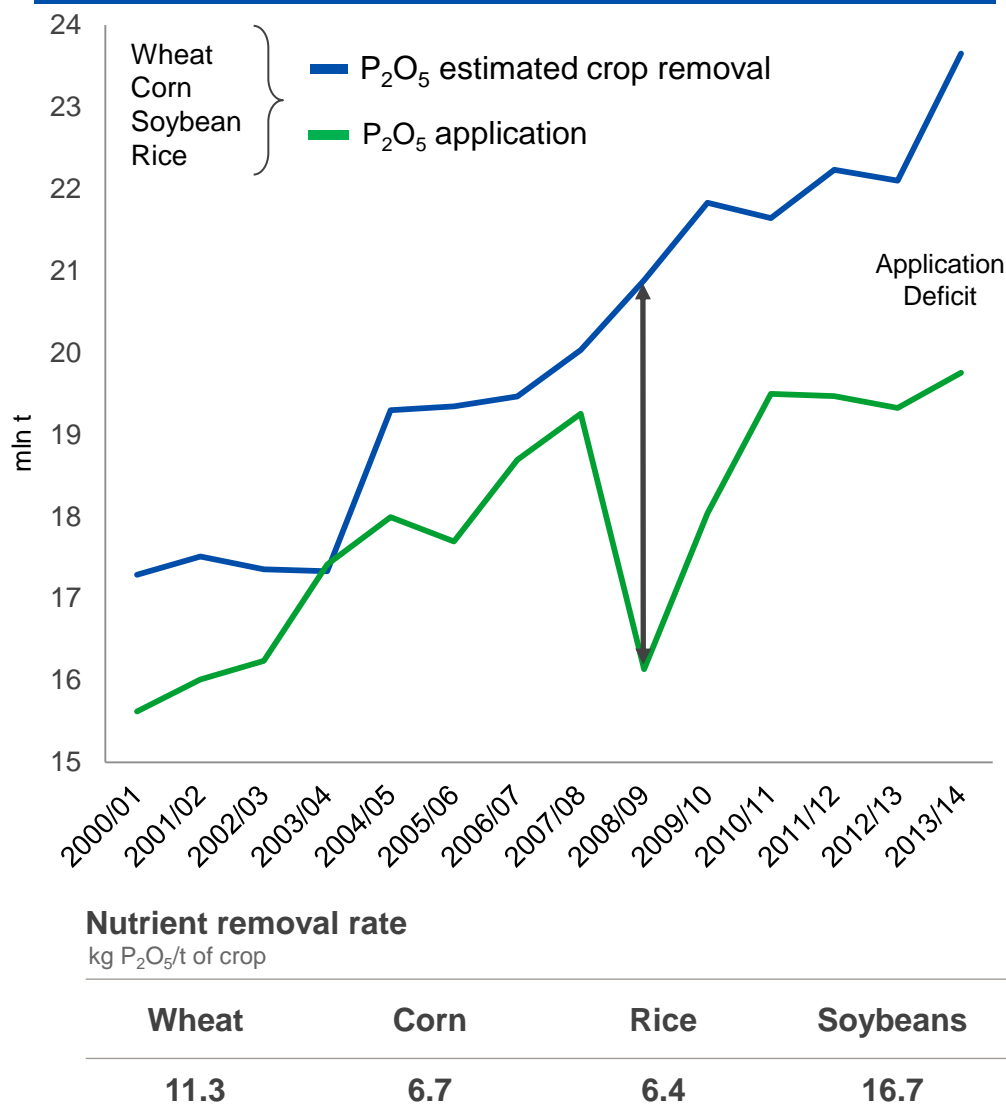


# Significant room for further growth in use of phosphate fertilizers

Corn yield per harvested acre in US

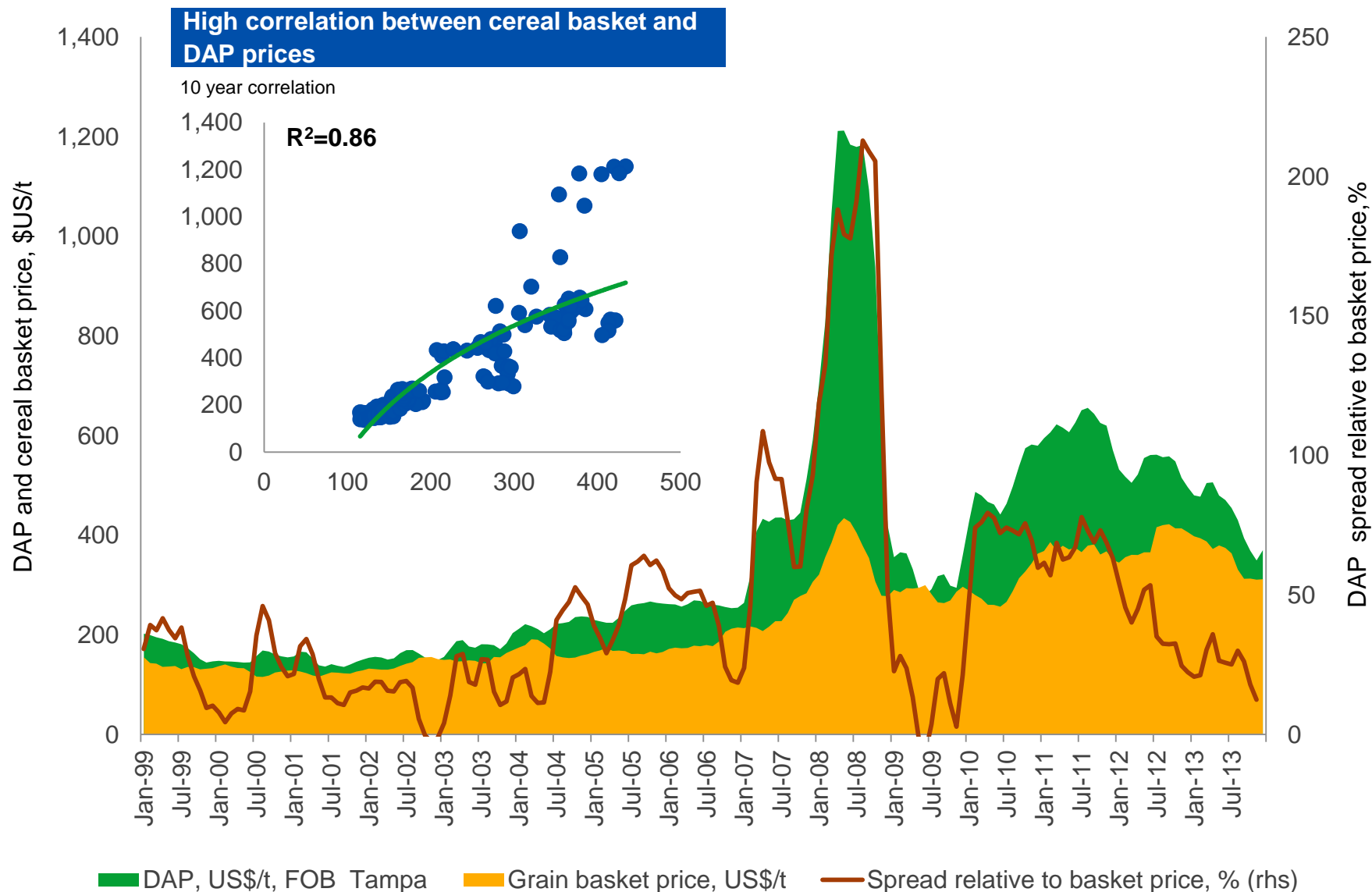


Insufficient application of phosphate fertilizers creates significant room for growth



# High grain prices driven by market imbalances motivate farmers to use more fertilizers

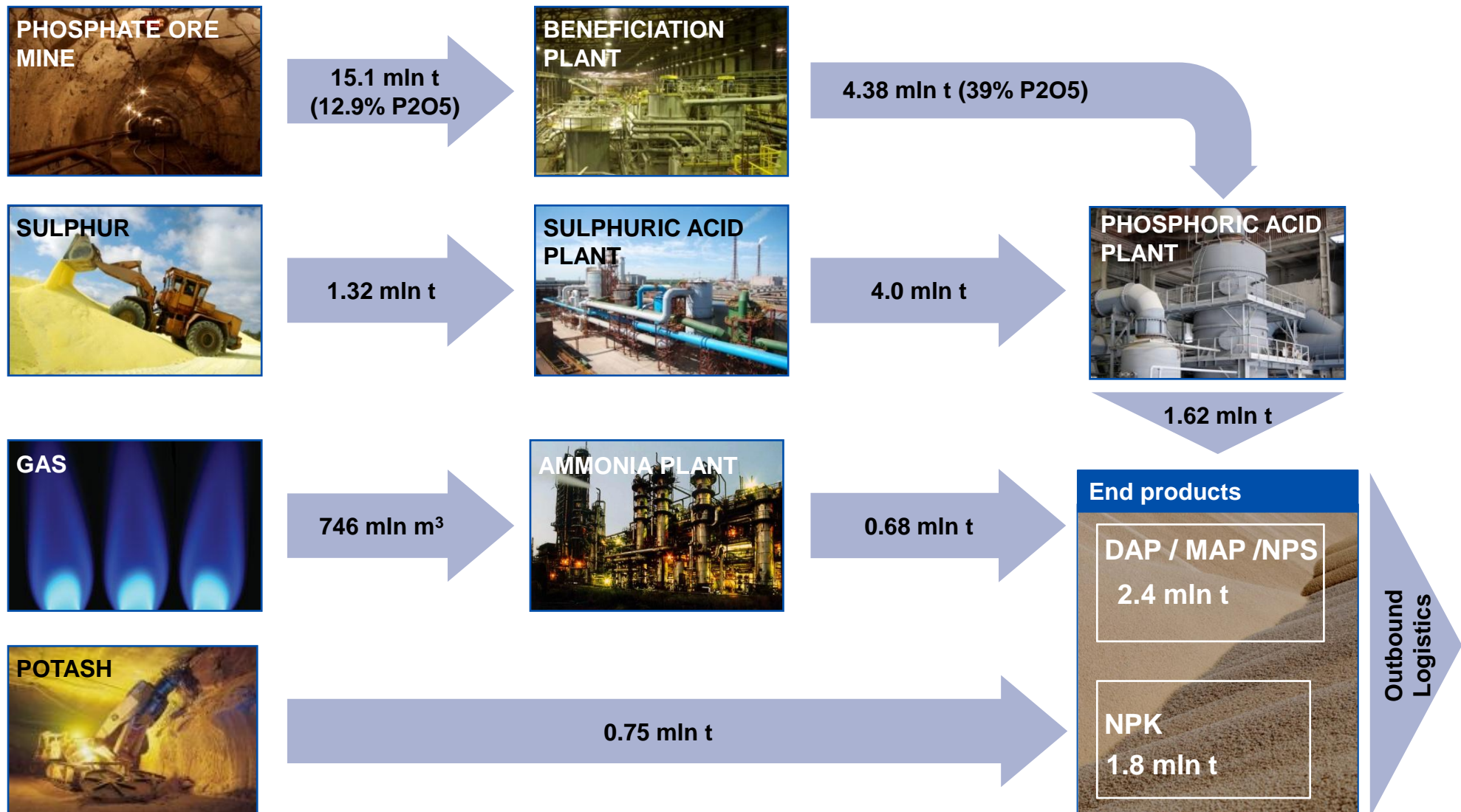
## Cereals basket to DAP price spread





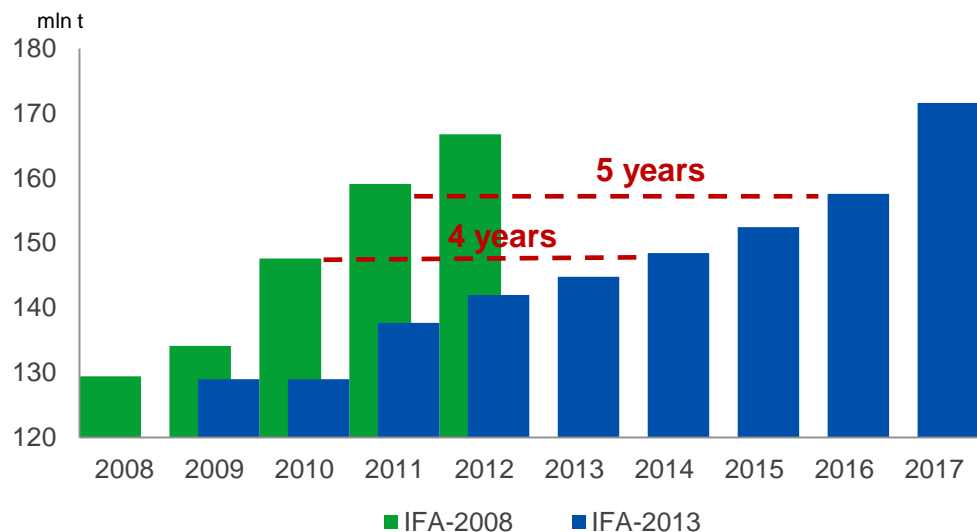
# Need for a combination of feedstocks and complexity of production process act as barriers to entry

Overview of integrated phosphate-based production model based on PhosAgro's consumption ratios

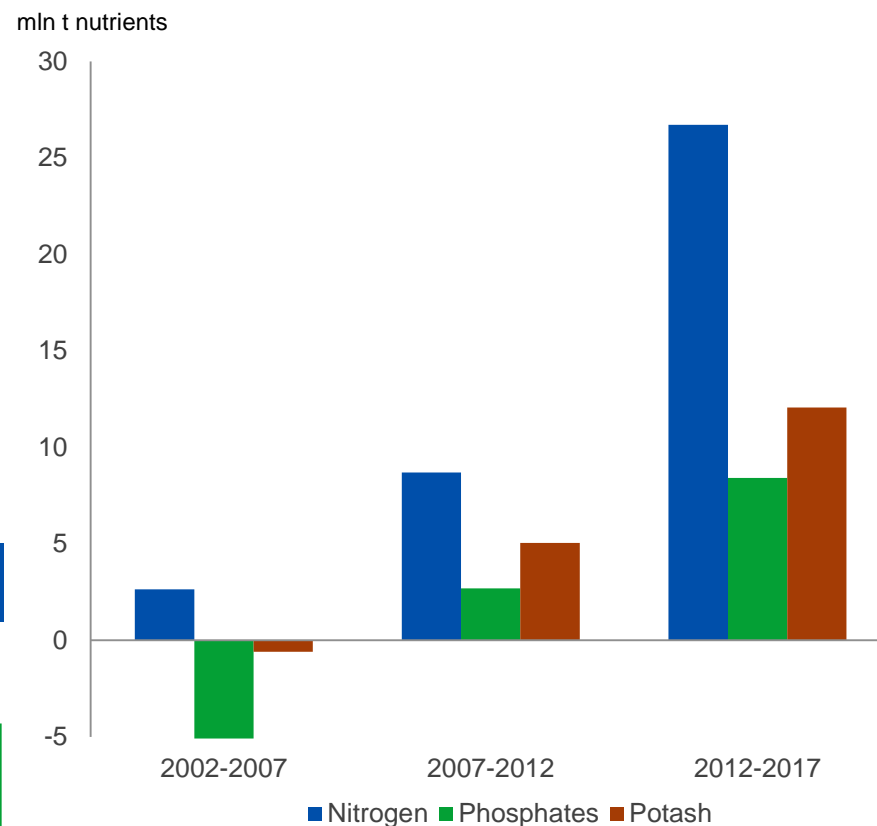


# Commissioning phosphate rock and phosphoric acid capacities

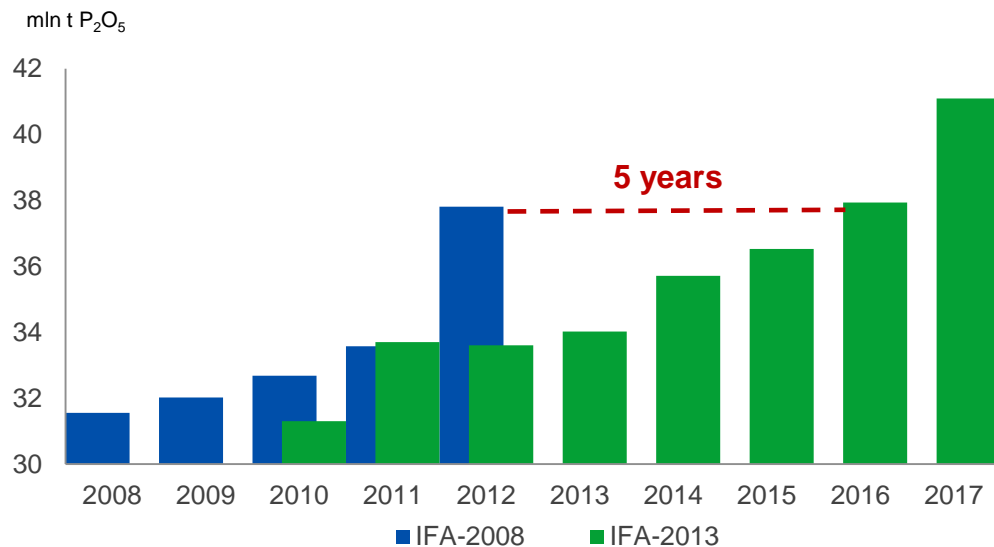
## Delays in addition of new phosphate rock capacities (excl. China)



## Changes in world fertilizer capacities (excl. China)



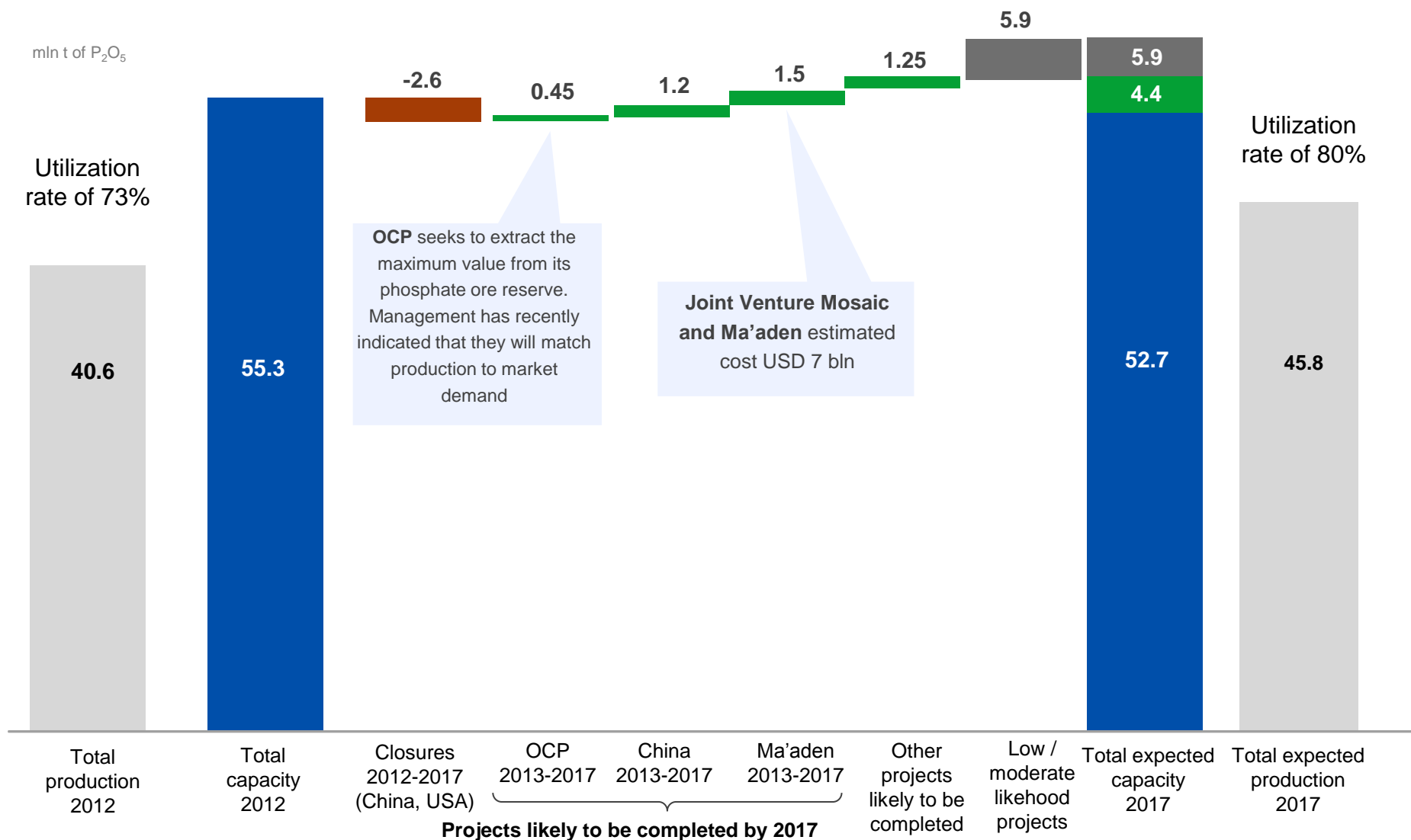
## Delays in commissioning phosphoric acid capacities (excl. China)



- Less new projects are announced in phosphates
- Commissioning of new capacities is delayed
- Shutdown in phosphate fertilizer capacities was more significant while less new commissioning in the past 5 years in comparison with nitrogen and potash sectors



# Timing and completion of new capacities is uncertain



Note: (1) Projects with low / moderate likelihood of completion by 2016  
Source: CRU, companies' data

## 2. Market challenges



# Uncertain policy for nutrient subsidies in India decrease fertilizer imports and unbalance fertilization

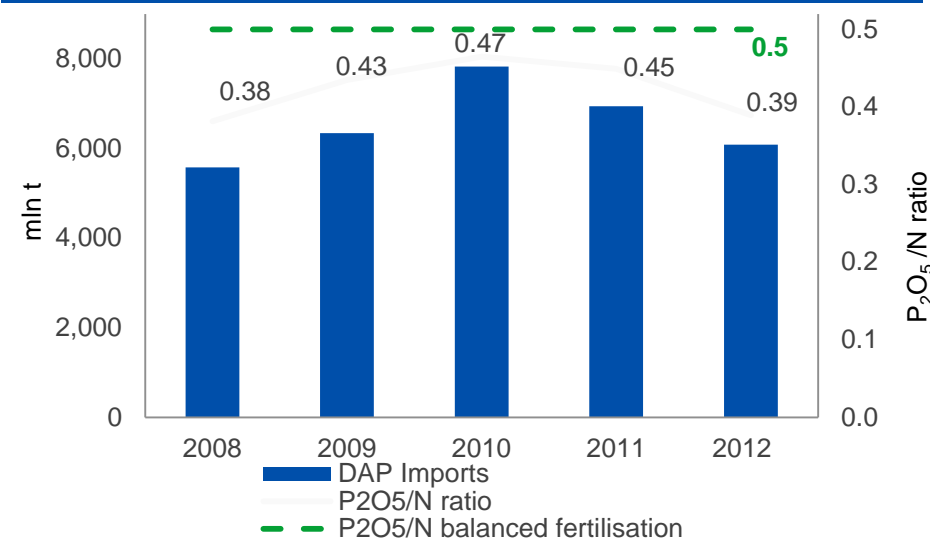
## Evolution of N : P<sub>2</sub>O<sub>5</sub> : K<sub>2</sub>O ratio in India

	N	P <sub>2</sub> O <sub>5</sub>	K <sub>2</sub> O
<b>Balanced ratio</b>	<b>4.0</b>	<b>2.0</b>	<b>1.0</b>
2010/11	4.3	2.0	1.0
2011/12	6.9	3.1	1.0
2012/13	7.7	3.0	1.0

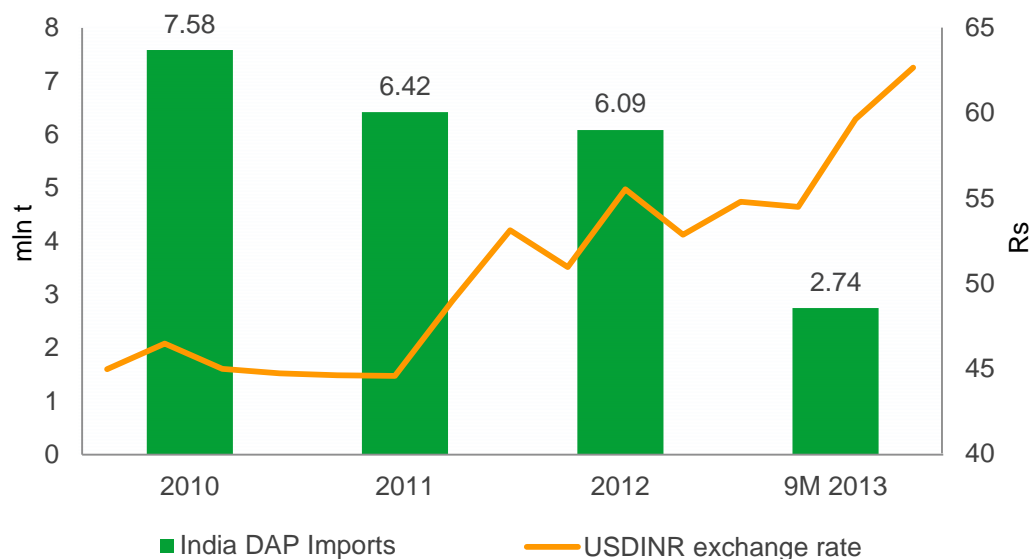
## Nutrient Based Subsidy (NBS) Rates in India (Rs/kg nutrient)

	N	P <sub>2</sub> O <sub>5</sub>	K <sub>2</sub> O
2010/11	23.227	26.276	24.487
2011/12	27.153	32.338	26.756
2012/13	24.0	21.804	24.0
<b>Change</b>	<b>-11.6%</b>	<b>-32.6%</b>	<b>-10.3%</b>

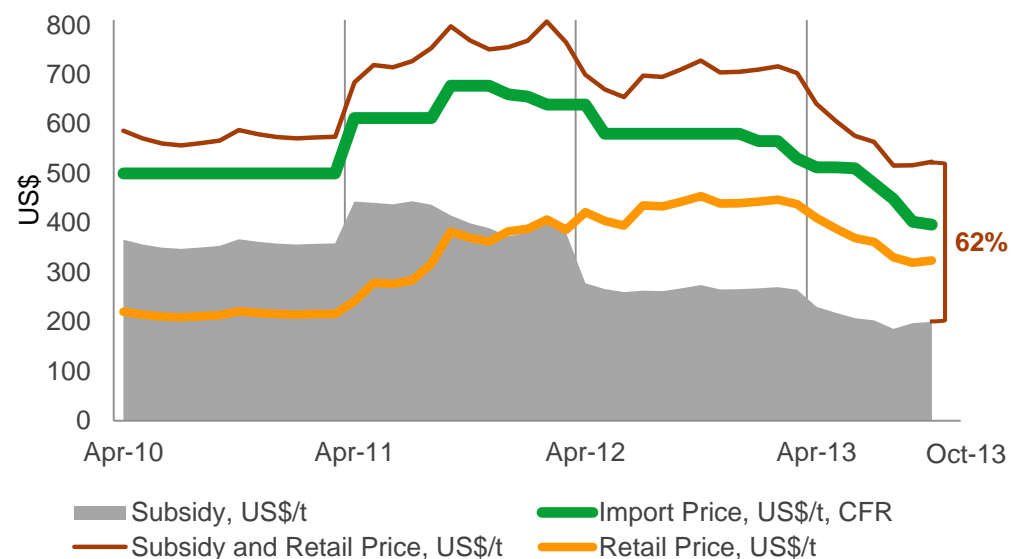
## Unbalanced fertilization



## India DAP imports and Rupee exchange rate

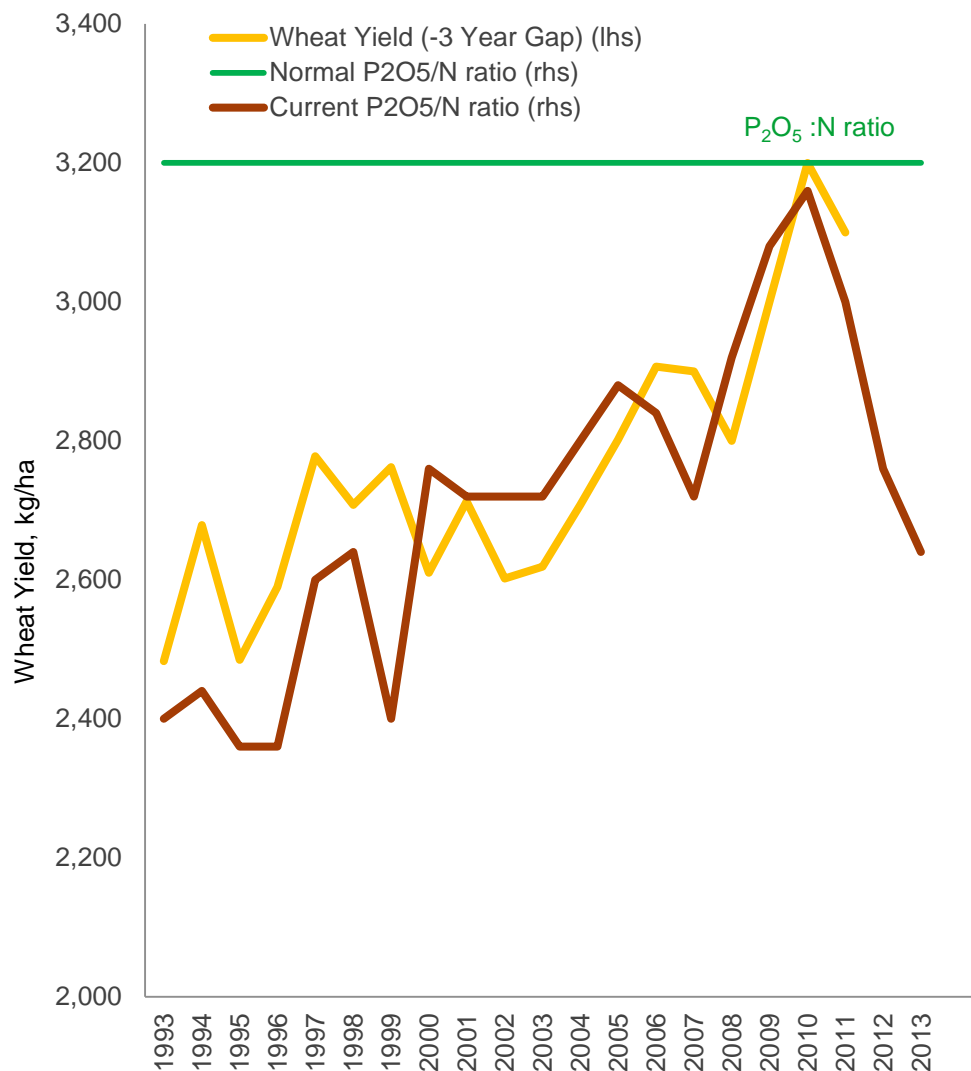


## Indian domestic price is twice above the current subsidy level

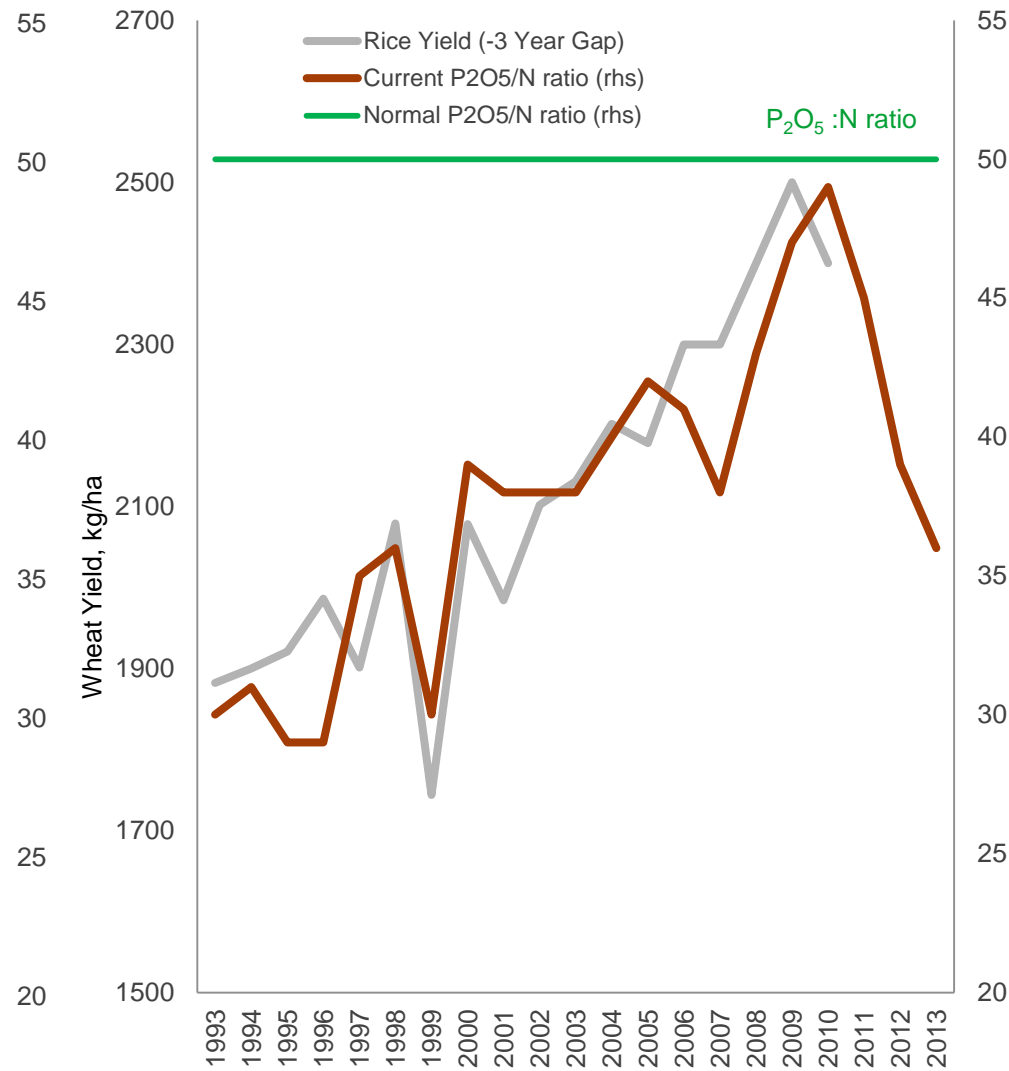


# Unbalanced fertilization leads to deteriorating crop yields

$P_2O_5$  : N ratios vs wheat yields

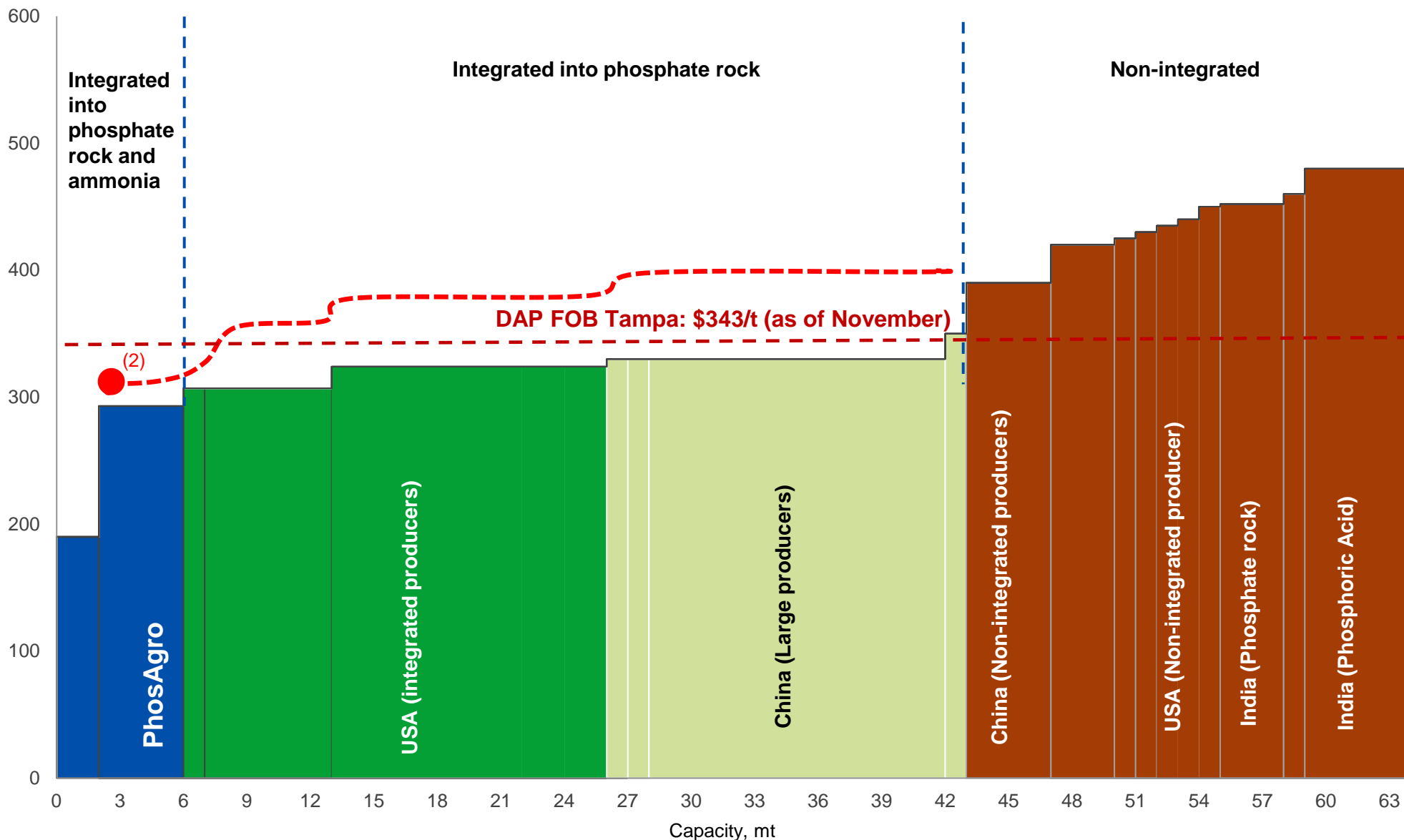


$P_2O_5$  : N ratios vs rice yields





# Estimated DAP production cash cost curve (US\$/t, FOB) in Jan 2014<sup>(1)</sup>

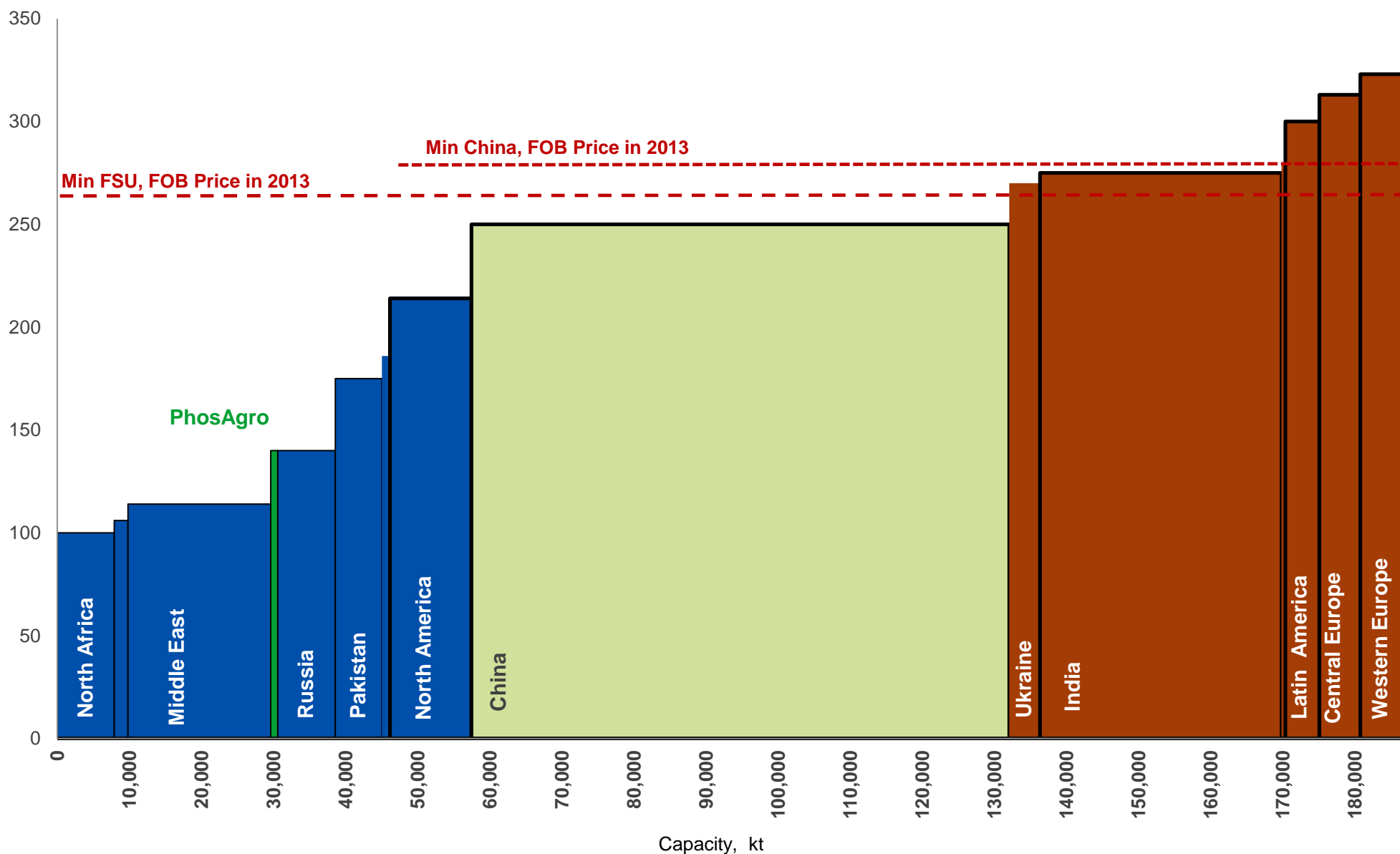


Source: companies data, CRU, Argus-FMB, China Fert Market Weekly, PhosAgro

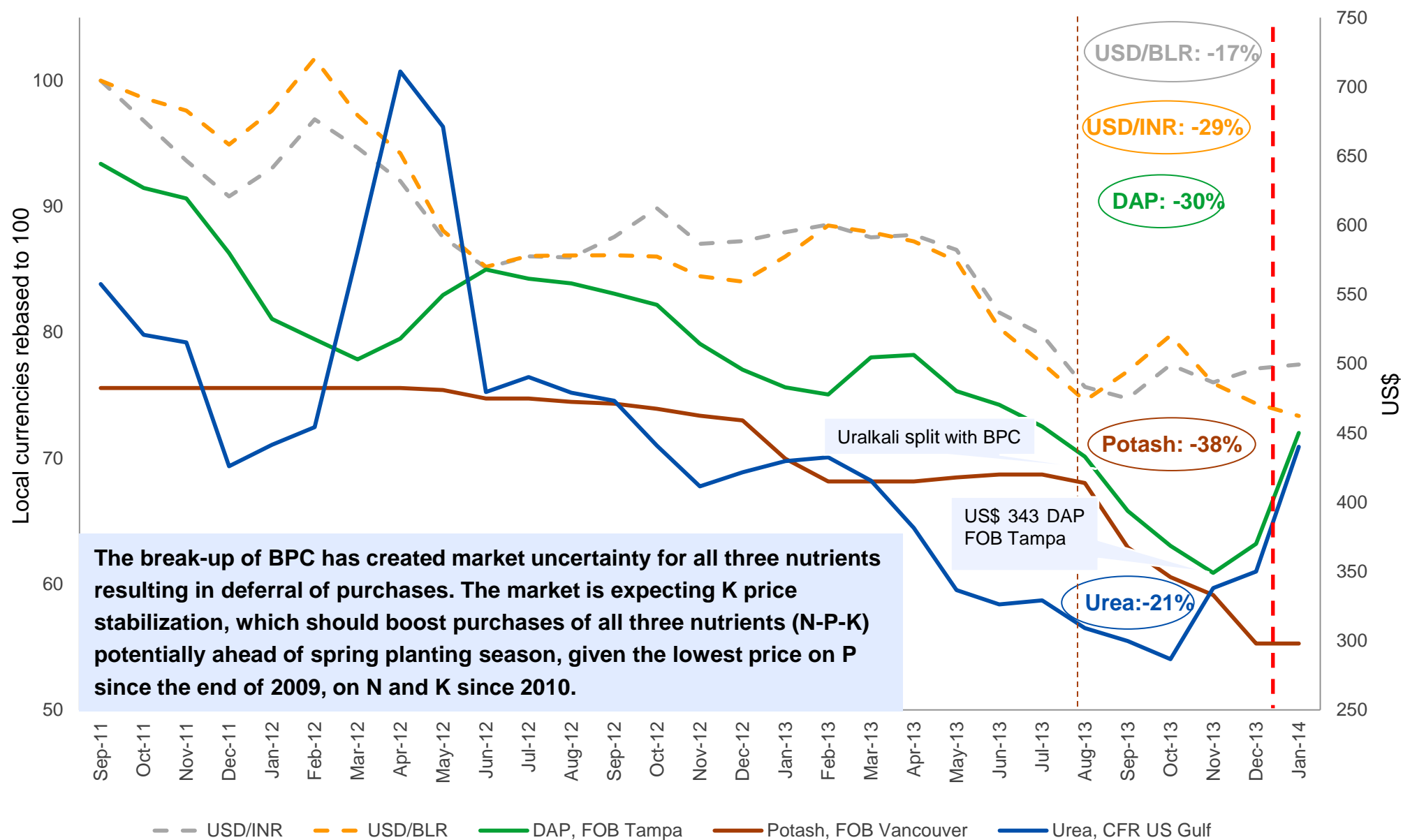
Note: (1) DAP cash cost estimations are based on feedstock prices as of January 2014

(2) PhosAgro actual cash costs as per Oracle OEBS data/ circa peer cash costs, including SG&A , etc.

# Estimated average urea production cash cost curve (US\$/t, FOB) in 2013



# Fertilizer price developments in 2013-Jan 2014





A wide-angle photograph of a massive open-pit mine. The mine's interior is characterized by numerous horizontal terraced levels, creating a stepped appearance. The rock faces are a mix of dark grey and light grey. In the foreground, a dirt road winds through the lower levels of the mine. To the left, a steep, green hillside slopes down towards the mine. The background features rolling green hills under a bright blue sky with scattered white clouds. A green rectangular banner is overlaid on the upper right portion of the image, containing the text "3. Company Highlights".

### 3. Company Highlights



# Control of world's premium phosphate resource base

Location <sup>(1)</sup>	 Russia	 Morocco	 USA	 Jordan	 China	 Tunisia
World Phosphate Rock Reserves, billion t	2.1	50	1.4	1.5	3.7	0.1
Ore type	Igneous	Sedimentary	Sedimentary	Sedimentary	Sedimentary	Sedimentary
Al <sub>2</sub> O <sub>3</sub> content	13.0-14.0% High	Very low	Very low	Very low	Very low	Low to moderate
Minor Element Ratio (MER) <sup>(2)</sup>	0.02-0.04	0.02-0.04	0.05-0.1	0.02-0.03	More than 0.05	0.05
Cadmium content <sup>(3)</sup>	<b>Less than 0.1</b>	15-40	9-38	5-6	2	40
Level of radioactivity	<b>Very low</b>	Moderate	Moderate to high	Low to moderate	Low to moderate	Moderate
Hazardous metals content	<b>Very low</b>	Moderate	Moderate to high	Low	Low to moderate	Low to moderate
		Positive effect on quality		Negative effect on quality		

Source:

CRU, IMC, USGS 2011

(1) Primary global DAP/MAP producing regions

(2) Average Minor Element Ratio (MER) greater than 0.1 not sustainable for production of high quality DAP

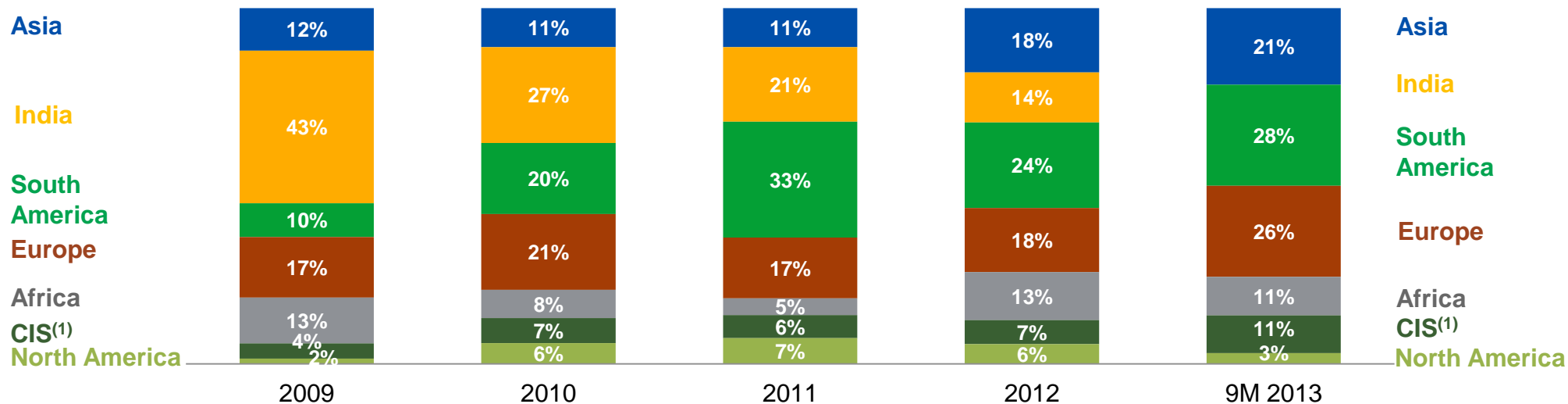
(3) Average cadmium content in ppm

## Flexible business model



## Phosphate-based fertilizers and feed phosphate exports by region

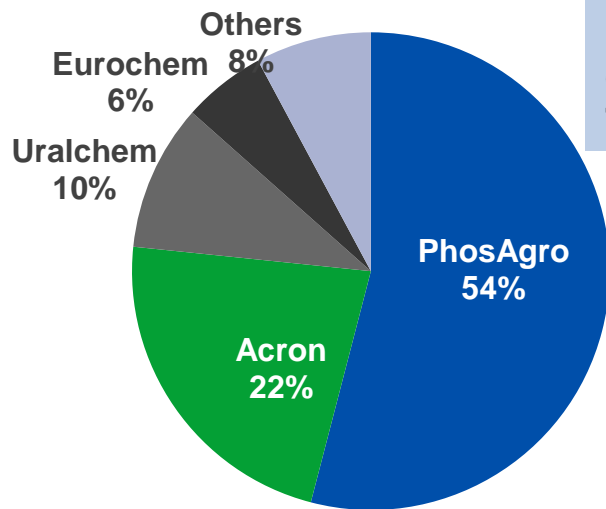
In volume terms



Source: PhosAgro  
Note: (1) Excluding Russia

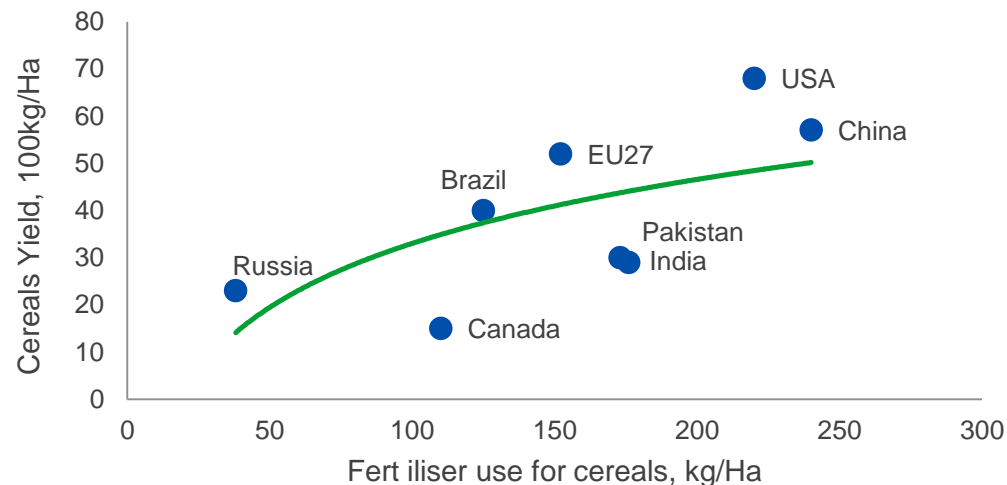
# PhosAgro - the main domestic phosphate fertilizer supplier

## #1 phosphate fertilizer supplier in domestic market

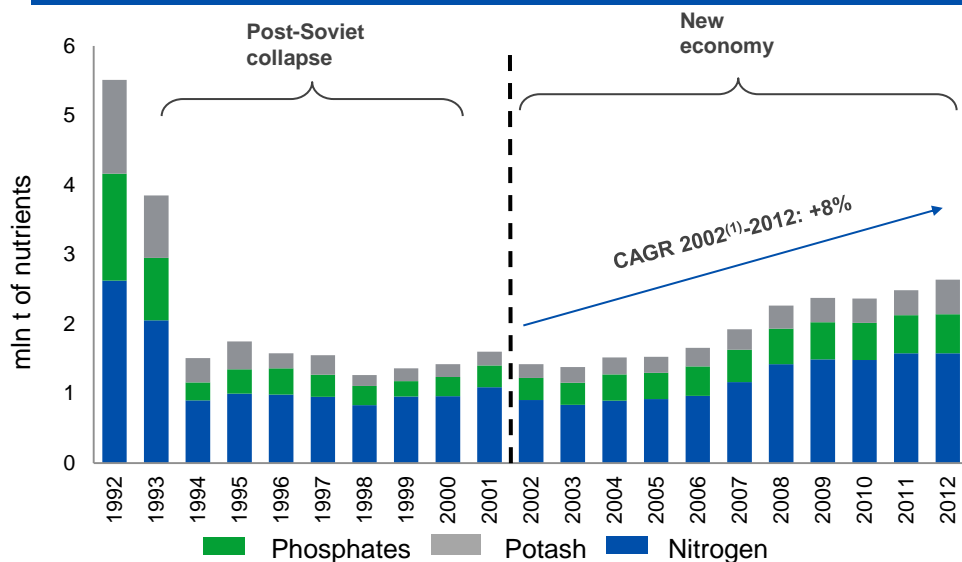


**In 2012 PhosAgro domestic sales were 726 kt**

## Fertilizer effects on yields



## fertilizer consumption in Russia



## Ramp up of new NPK plant will cover domestic demand

**Potential supply of NPK from Balakovo will decrease logistics costs**

**In 2012 domestic NPK sales were 499 kt**



Source: IFA, World Bank, Azotecon, FAO, PhosAgro

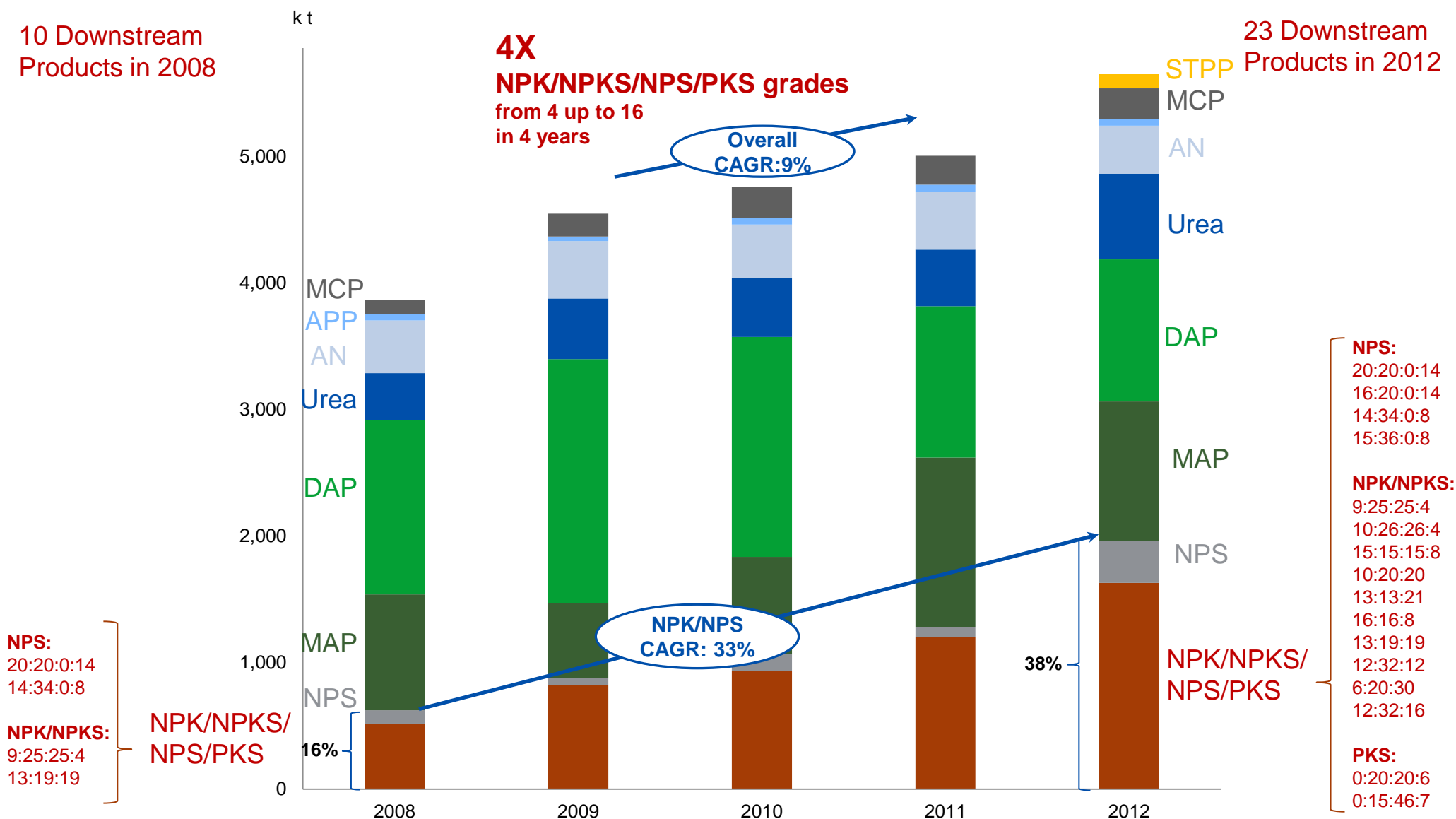
Note: (1) First full year of PhosAgro operations

(2) Current railway tariff for transportation of one tonne of fertilizers to Krasnodar / Stavropol regions

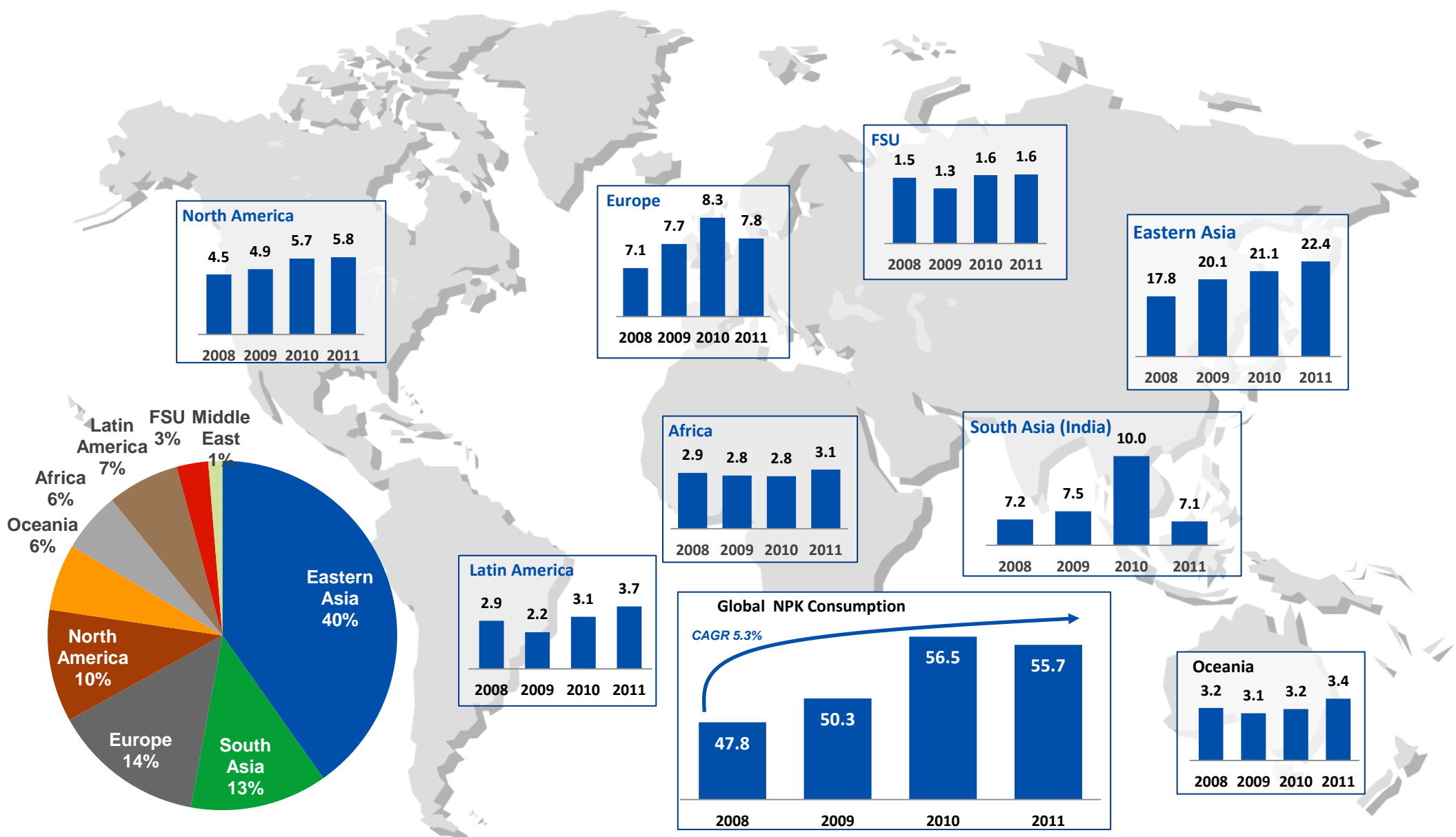
# High margin NPK demand drives PhosAgro's production mix

10 Downstream Products in 2008

23 Downstream Products in 2012

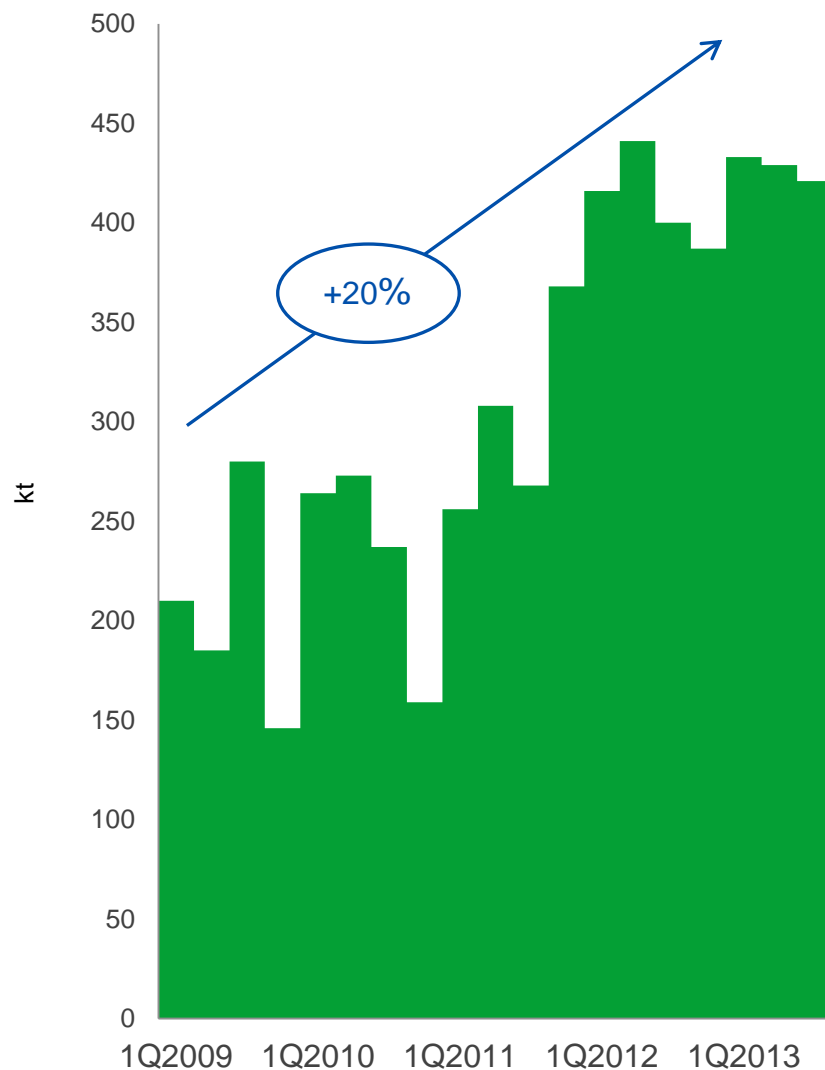






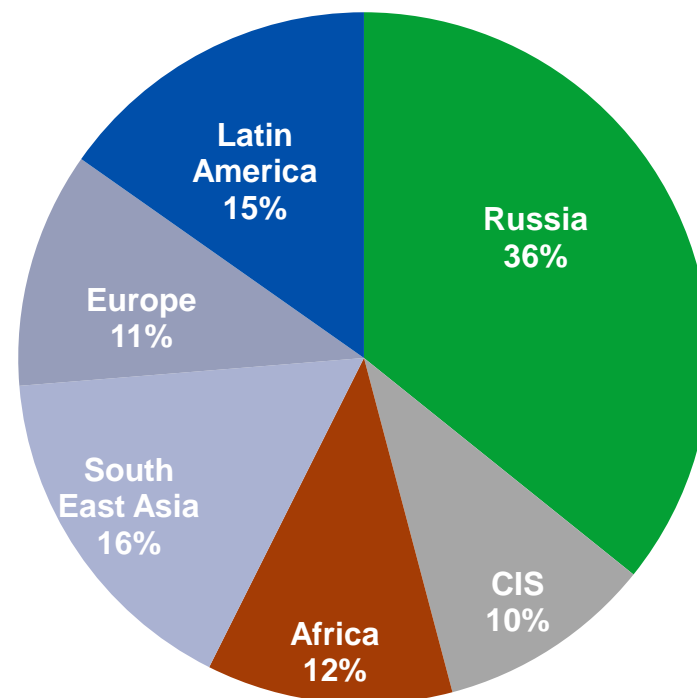
# High growth rates of PhosAgro's NPK supplies to domestic and international markets

PhosAgro's NPK deliveries



Key NPK markets in Jan-Sep 2013

with total demand of 1.3 mln t

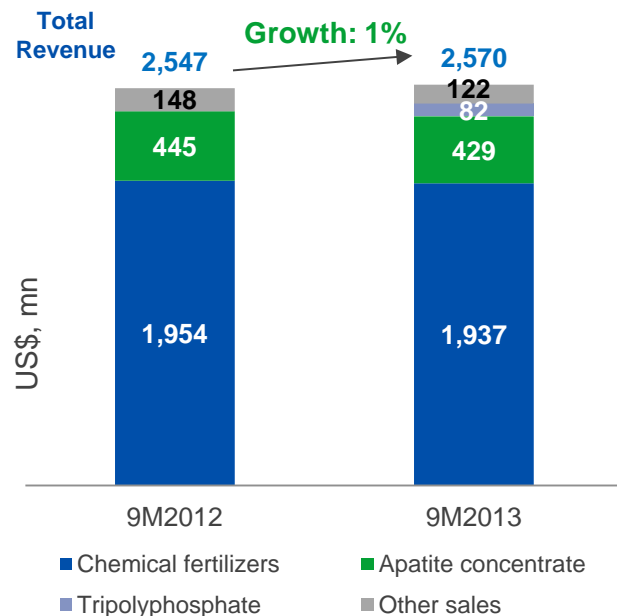




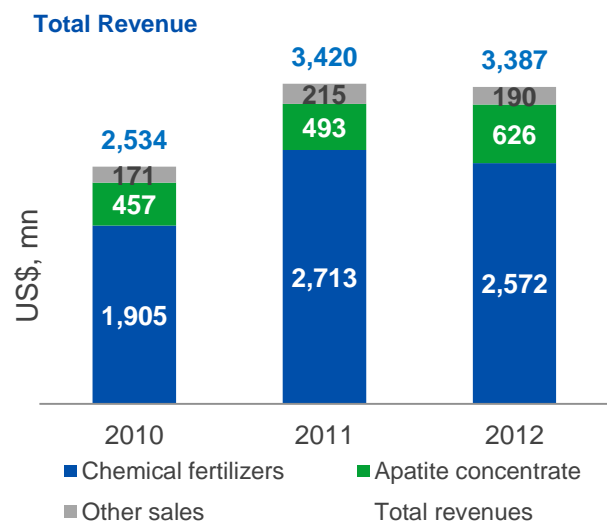


## 4. Financial Overview

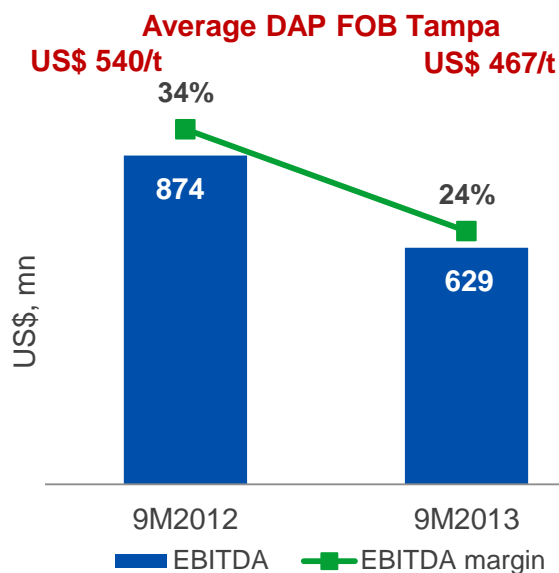
## Revenue (9M 2012/2013)



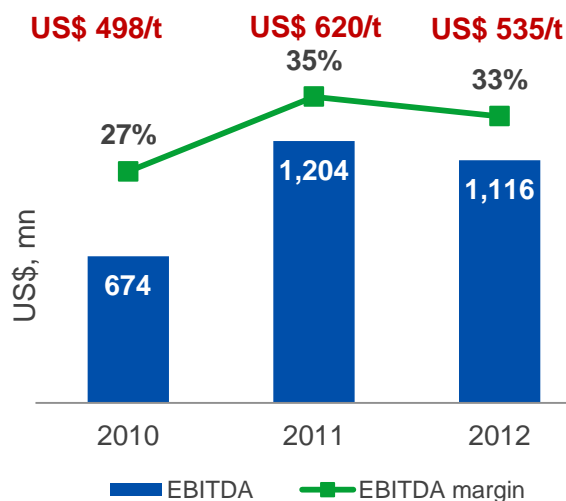
## Revenue (FY 2010-2012)



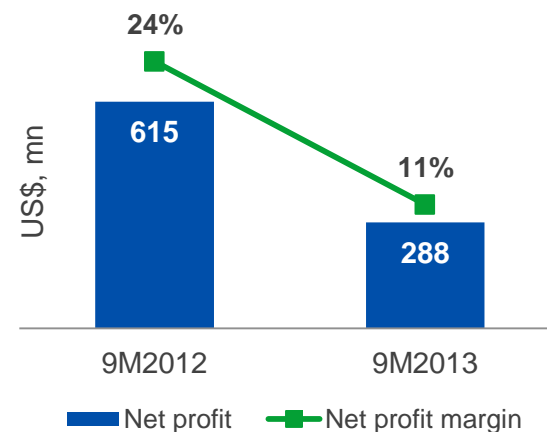
## EBITDA (9M 2012/2013)



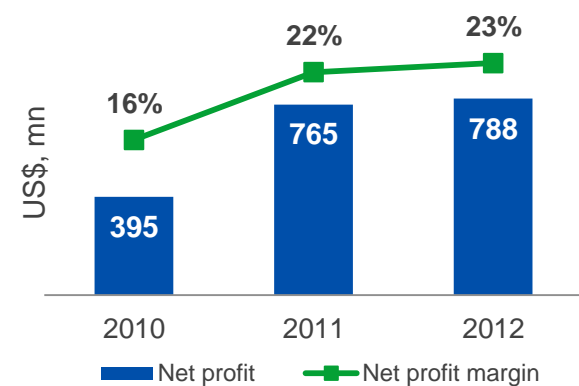
## EBITDA (FY 2010-2012)



## Net Profit (9M 2012/2013)



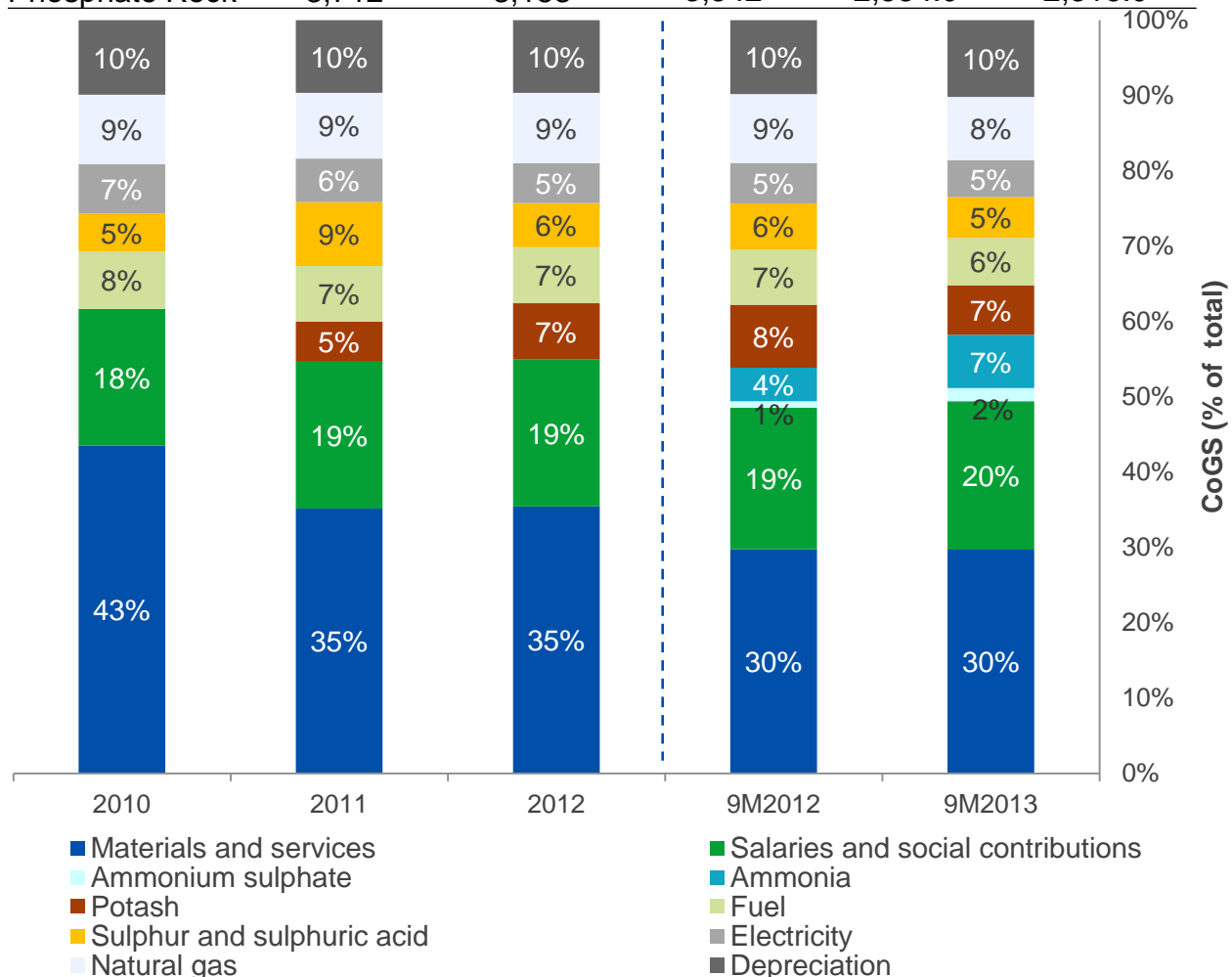
## Net Profit (FY 2010-2012)





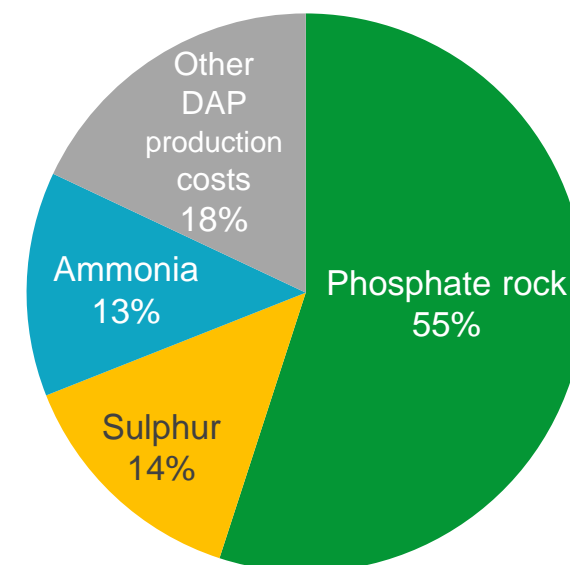
## Cost of Goods Sold and Sales Volumes

Sales (kt)	2010	2011	2012	9M2012	9M2013
Fertilisers <sup>(1)</sup>	3,842	4,062	4,243	3,230.2	3,479.6
Phosphate Rock	3,712	3,153	3,542	2,534.0	2,316.0



## DAP production cash cost breakdown

ExW, US\$, 2012

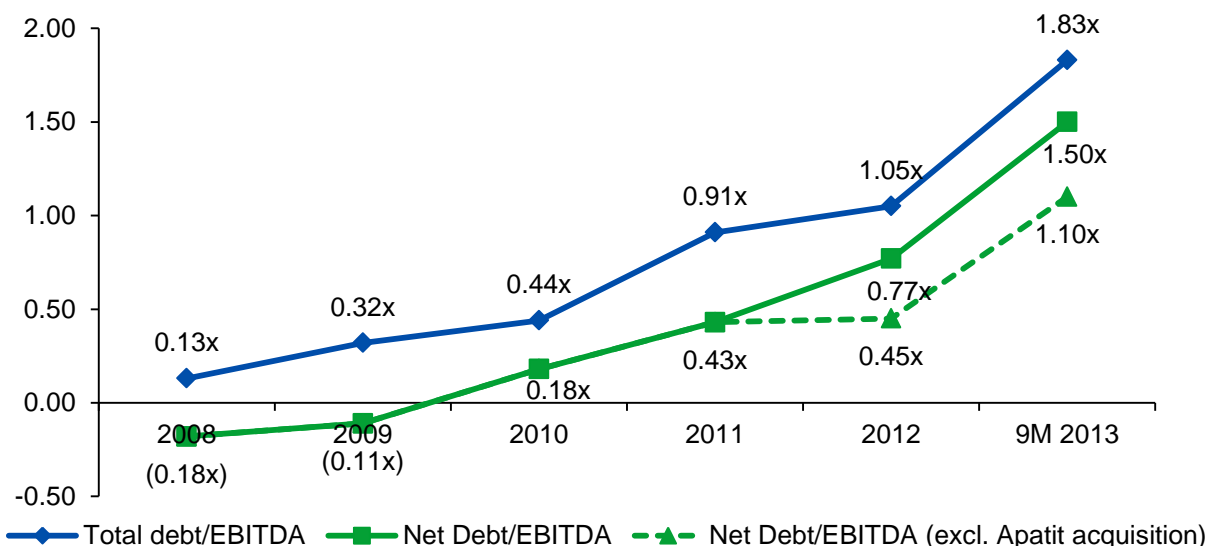


Source: PhosAgro

Note: Excluding change in stock of WIP and finished goods. Applied average USD/RUB exchange rates: 30.37 (2010), 29.39 (2011), 31.09 (2012), 31.10 (9M2012), 31.62 (9M2013)

(1) Phosphate-based fertilisers and feed phosphate (MCP)

## Total debt and net debt / annualised EBITDA



## Public debt

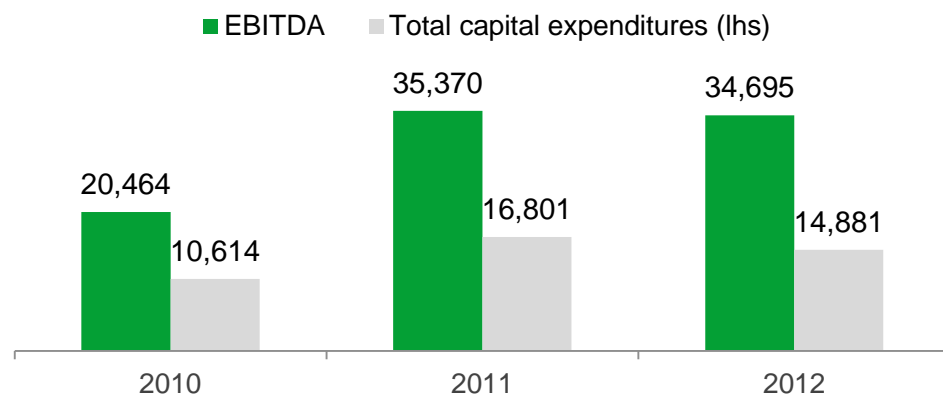
### Eurobonds issued on February 2013 (LPN)

Issue size	\$US 500 mln		
Corporate ratings	Baa3 Moody's	BBB- S&P	BB+ Fitch
Tenor	5 years		
Coupon frequency	Semi annually		
Spread	mid swaps+ 320 bps; UST + 335.8 bps		
Coupon rate	4.204%		
Maturity Date	02/13/2018		

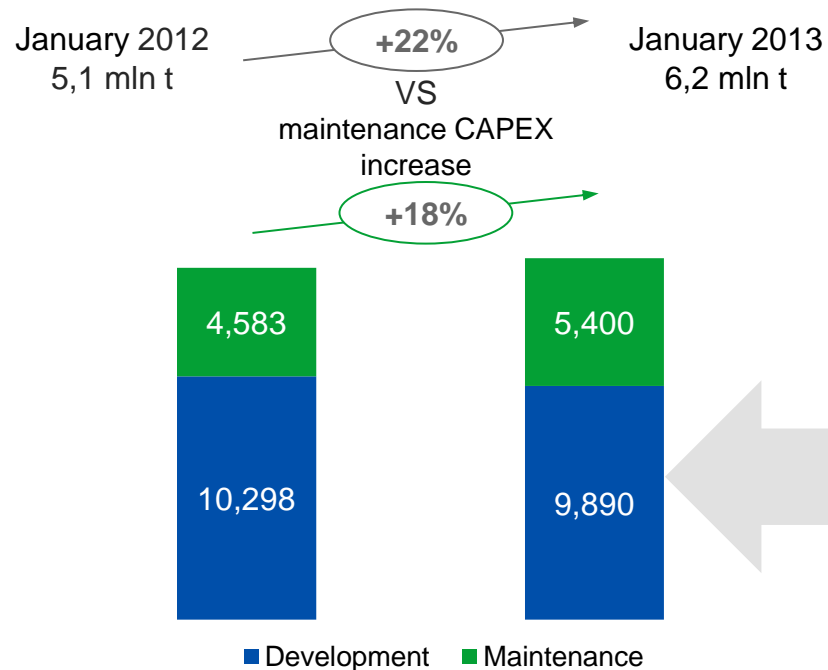
## Comment

- PhosAgro carefully manages its balance sheet and cost of financing for all current initiatives, including both the consolidation of subsidiaries and growth projects
- Net debt / annualised EBITDA increased to 1.5x due to the significant cash outflow for the Apatit minority shareholder buy-out as result of mandatory tender offer, which was funded through PhosAgro's successful long-term, USD 500 million debut Eurobond issue; the ratio also increased due to unfavourable market conditions
- Excluding effect of Apatit buyout (assuming normal course of business), net debt/EBITDA would be 1.10x at 30 September 2013, just slightly above the target level of 1.0x

## EBITDA vs Capex<sup>1</sup>



## Downstream end-products overall capacity increase



## Major expansion projects

Project	RUB mln	To be spent over
New PKS production facility with 100 kt pa at Metachem	303	2013 - 2015
New NPK production facility with 450 kt pa capacity at BMF	6,325	2013 - 2016
New ammonia plant with 760 kt pa capacity at PhosAgro-Cherepovets.	23,447	2013 - 2016
Including licensing and engineering feasibility which will be added to CAPEX as soon as contract is signed	2,581	

Source: PhosAgro

Note: (1) Cash flows used in operations before income tax and interest paid

Applied average USD/RUB exchange rates: 30.37 (2010), 29.39 (2011), 31.09 (2012)

## Dividends

Post-IPO dividends	per share, RUB	per GDR, US\$
<b>2011 April-December</b>	<b>57.5</b>	<b>0.61</b>
9M 2012	63	0.67
Final 2012 Dividend	19.9	0.21
<b>2012 Total</b>	<b>82.9</b>	<b>0.88</b>
1H2013	<b>15.45</b>	<b>0.16</b>

- Dividend per share increased 44%
- Dividend policy aimed at paying dividends of between 20% and 40% of annual consolidated net income
- Post-IPO dividend yield > 7%\*
- calculated in accordance with IFRS
- Total post-IPO payout ratios: 49% from net profit attributable to shareholders; 42% from total net profit
- Board of Directors has recommended RUB 2.5 bln final dividend for 2012
- October 12, 2013 an extraordinary general meeting of shareholders approved a dividend payment of RUB 15.45 per share (RUB 5.15 per GDR)

## Total paid

Post-IPO dividends paid	Dividends, RUB bln
2011	7.2
2012	10.3
<b>Total</b>	<b>17.5</b>





Appendix

## Apatit

### Resources<sup>(1)</sup>

Apatite-nepheline ore: 2 060 mt

Al<sub>2</sub>O<sub>3</sub>: 283 mln t

REO<sup>(2)</sup>: 7.5 mln t



### Capacity by product

Phosphate rock: 7.8 mln t

Nepheline: 1.7 mln t

### Highlights

- Largest standalone global producer of high grade phosphate rock<sup>(3)</sup>
  - Standard grade – P<sub>2</sub>O<sub>5</sub> content of 39%
  - Superior grade – P<sub>2</sub>O<sub>5</sub> content of 40%
- Lowest hazardous element content among the major phosphate rock producing regions; benefits from low levels of radioactivity

## Balakovo Mineral fertilizers (BMF)



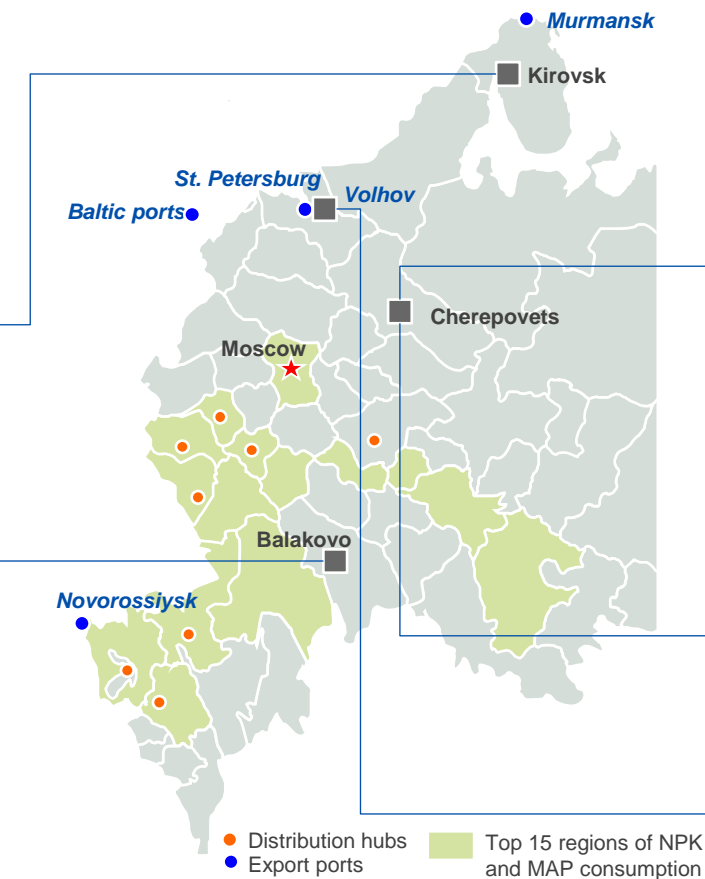
### Capacity by product

MAP/DAP/NPS: 1.2 mln t

Feed phosphate (MCP): 240 kt

### Highlights

- Leading European producer of feed phosphate MCP
- The only Russian producer of MCP



### PhosAgro-Trans (Transportation)

- Operates around 7,000 rail cars, 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 (processed over 1.2mn tonnes in 2012, largest distributor in Russia)

## Cherepovets production complex - largest in Europe

### PhosAgro Cherepovets



### Capacity by product

MAP/DAP/NPK/NPS: 3.0 mln t

Ammonia: 1,100 kt

AN/AN-based: 450 kt

Urea: 500 kt

APP: 140 kt

AlF<sub>3</sub>: 24 kt

### 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

## Agro-Cherepovets



### Capacity by product

Urea: 480 kt

### Highlights

- One of the most modern urea capacity in Russia

## Metachem



### Capacity by product

Sulphuric acid: 215 kt

Phosphoric acid: 80 kt of P<sub>2</sub>O<sub>5</sub>

Sulphate of potash (SOP): 80 kt

Sodium tripolyphosphate (STPP): 130 kt

### Highlights

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

Source: PhosAgro (capacity as of December 31, 2011), CRU, European Commission

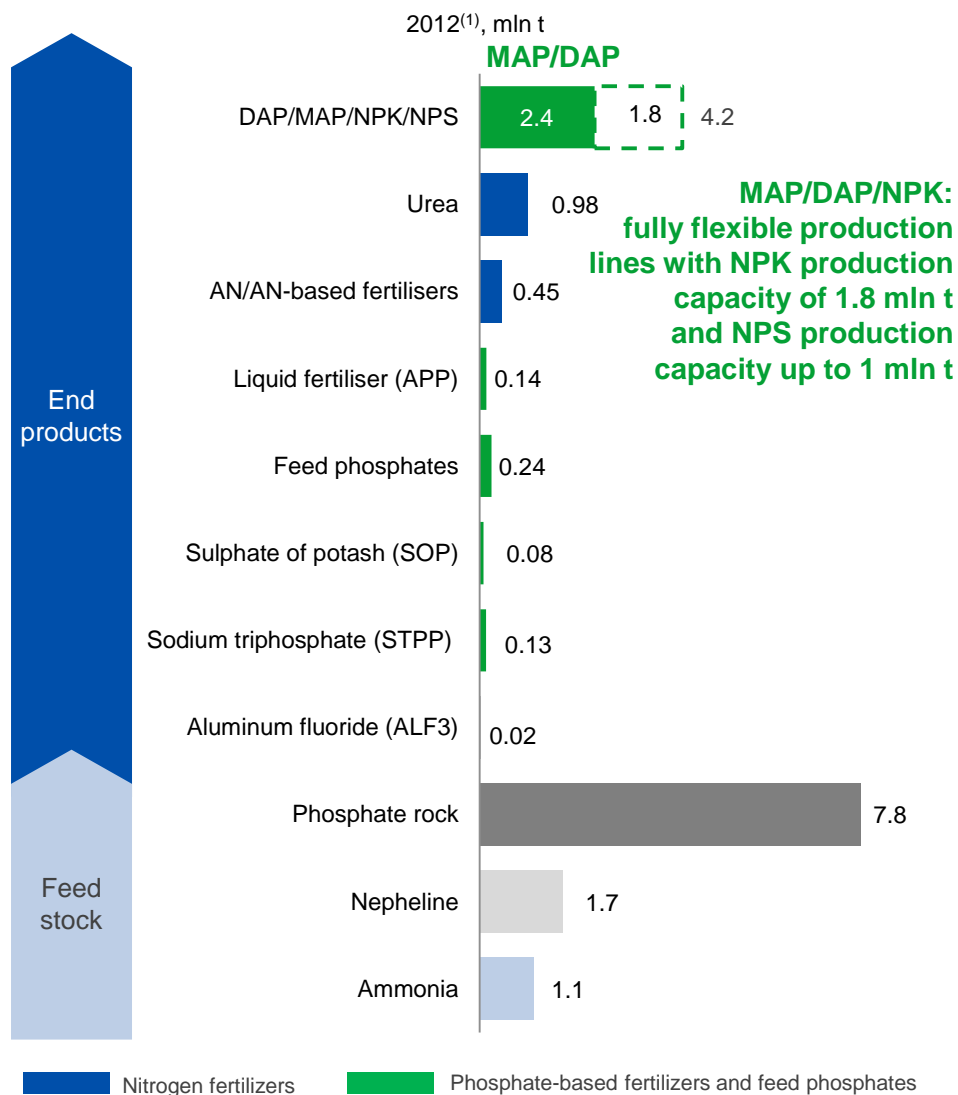
Note: (1) Measured and indicated, PhosAgro, IMC, JORC report June 2011

(2) Rare earth oxides

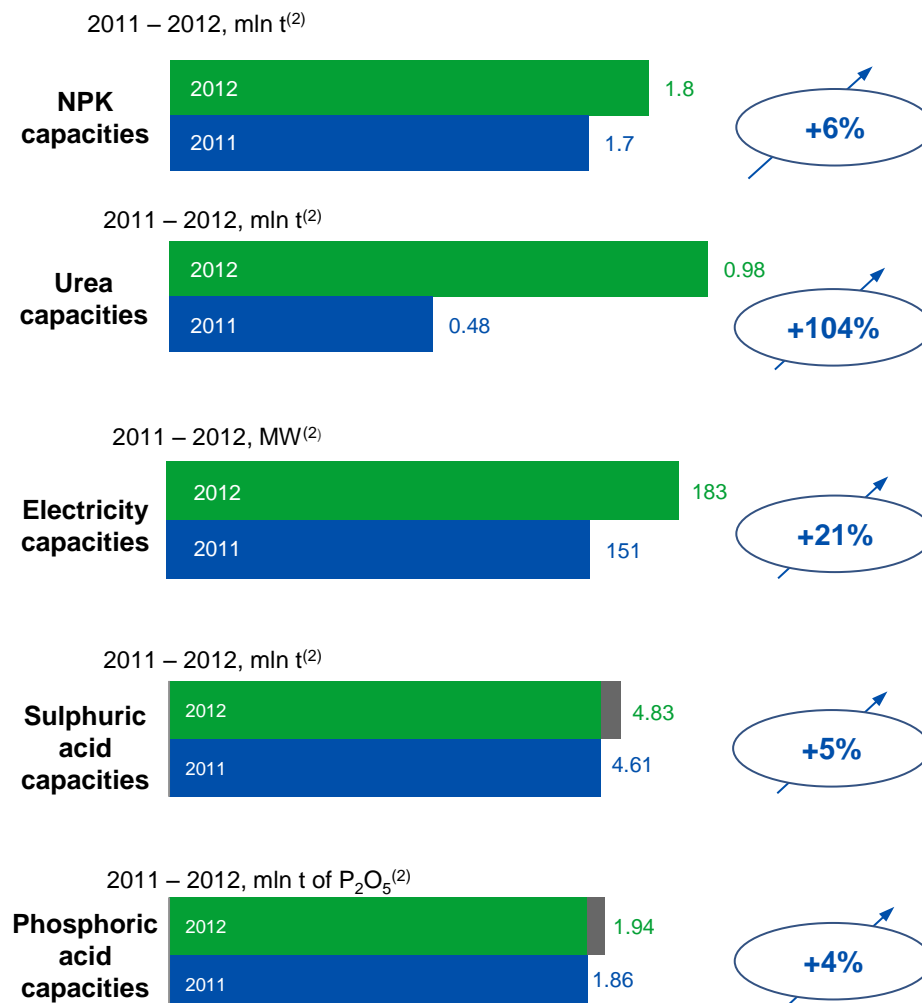
(3) Defined as phosphate rock with P<sub>2</sub>O<sub>5</sub> content over 35.7%



## PhosAgro production capacities



## Capacity growth 2011-2012



Source: PhosAgro

Source: PhosAgro

Note: (1) production capacities as of 31 December 2012  
(2) as of 31 December 2011 and 31 December 2012

# Management with strong track record of organic growth and efficiency improvement

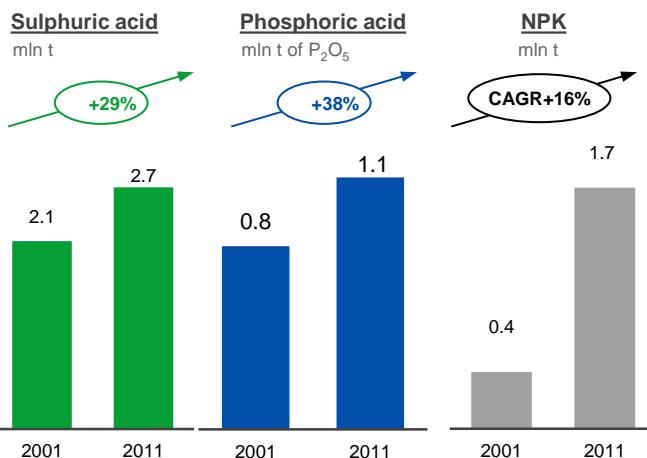
## Technical modernisation at Ammophos



### RATIONALE

Efficiency improvement

Growth of production volume



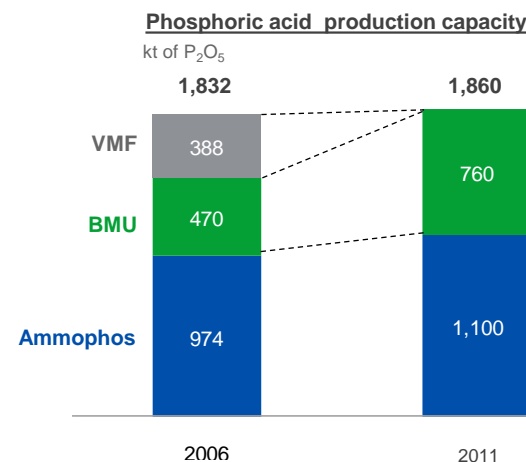
Source: PhosAgro

## Divestment of Voskresensk Mineral fertilizers



### RATIONALE

Replacement of high cost old capacity with low cost new capacity



Source: PhosAgro

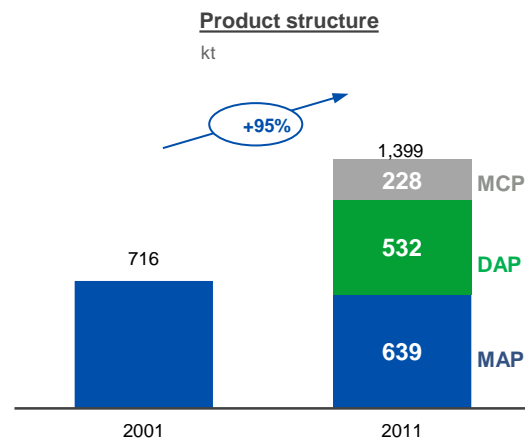
## Technical modernisation at BMF



### RATIONALE

Efficiency improvement

Product range expansion



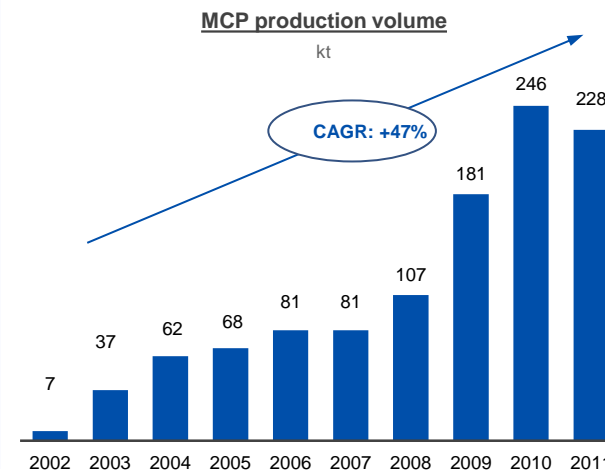
Source: PhosAgro

## Launch of feed phosphate (MCP) production at BMF



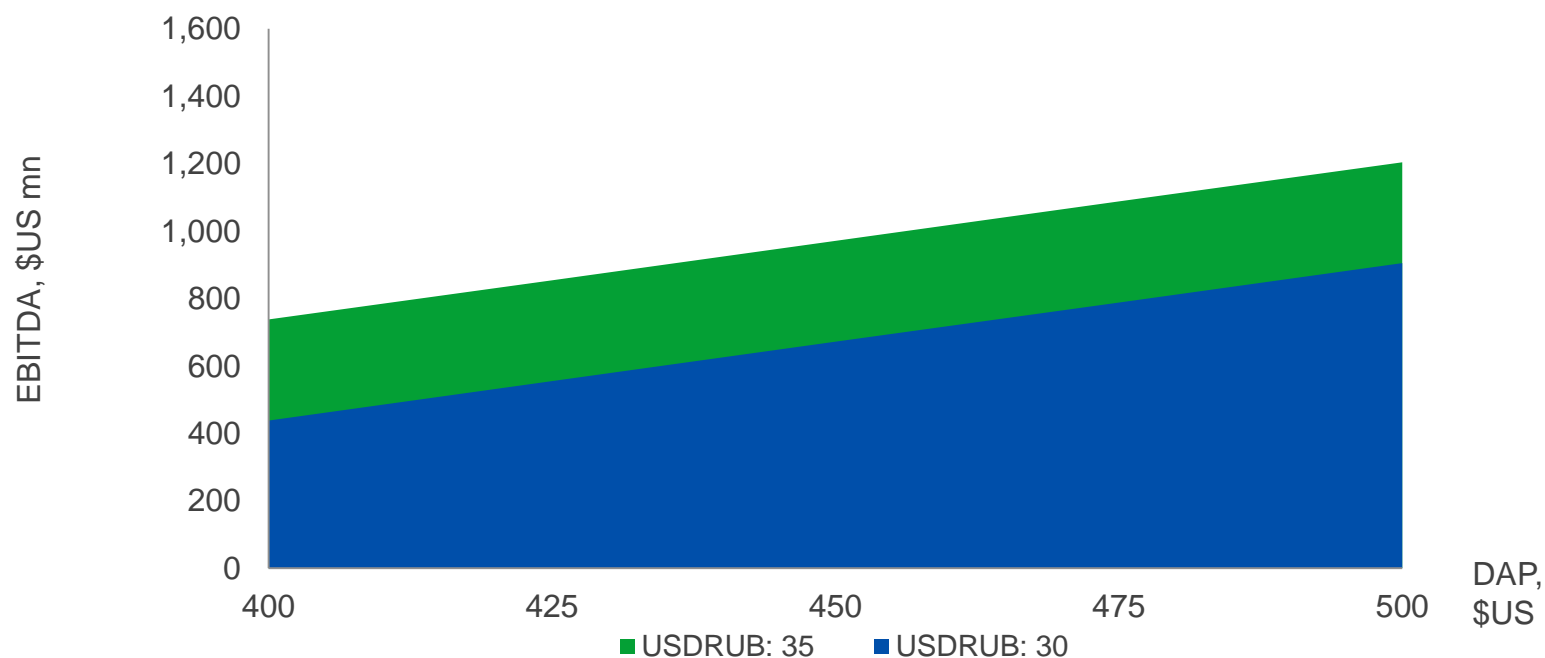
### RATIONALE

Launch of new value added product



Source: PhosAgro



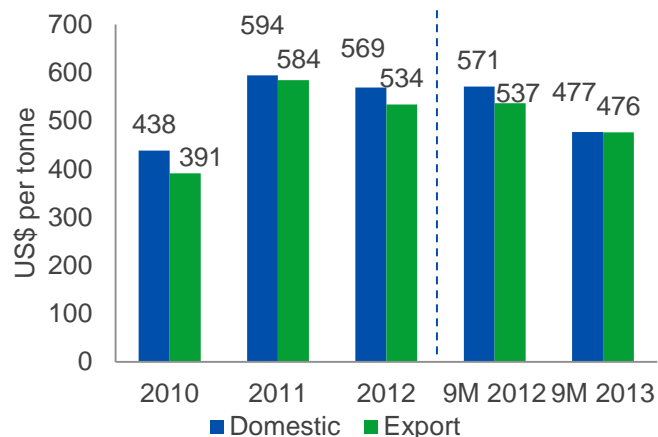


in mln USD		2014E DAP FOB Baltic price, \$/tonne				
		400	425	450	475	500
RUB/USD exchange rate	30	438	555	672	788	905
	31	506	622	739	856	973
	32	569	686	803	919	1,036
	33	629	745	862	979	1,096
	34	685	802	918	1,035	1,152
	35	738	854	971	1,088	1,204

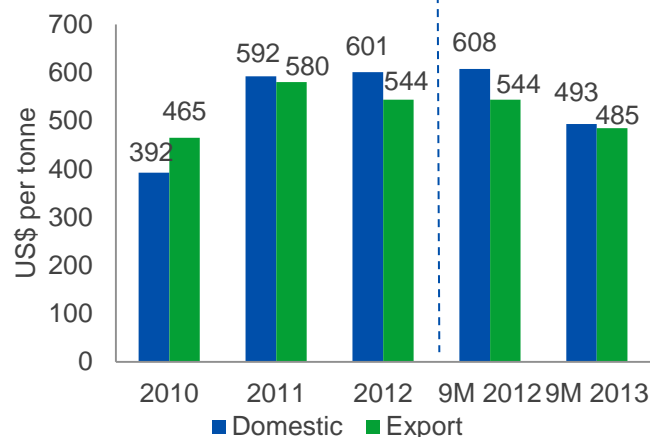
# Revenue per tonne and volume developments for key products

## DAP

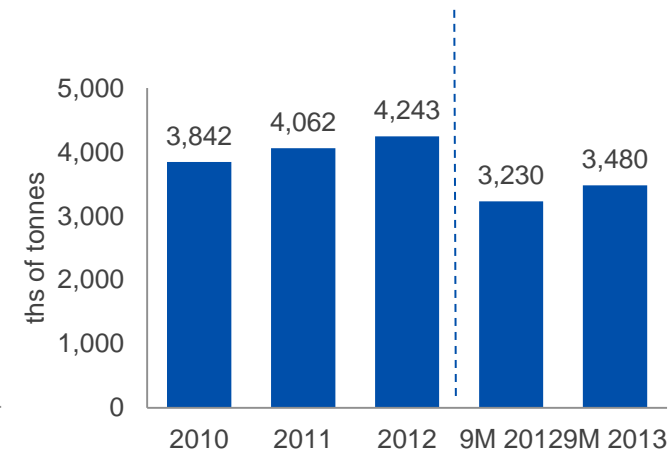
Peak 2008 FOB Baltic price: US\$1,190/t <sup>(1)</sup>



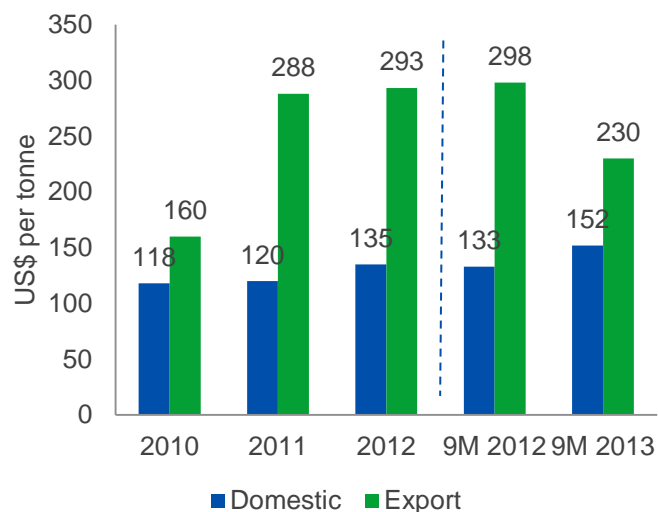
## MAP



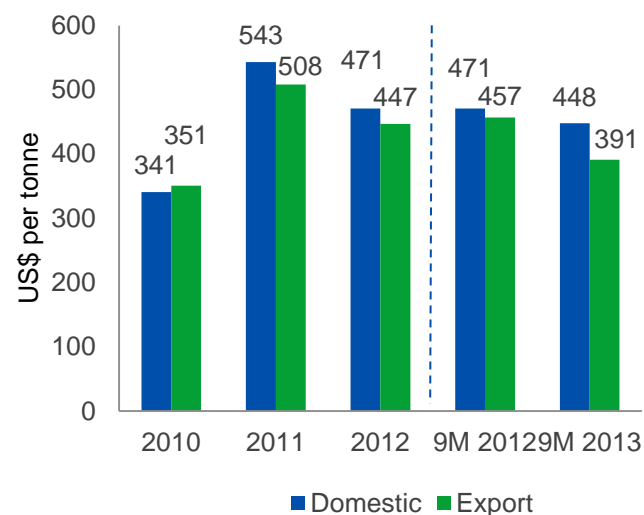
## Phosphate-based fertilizers and MCP sales volumes



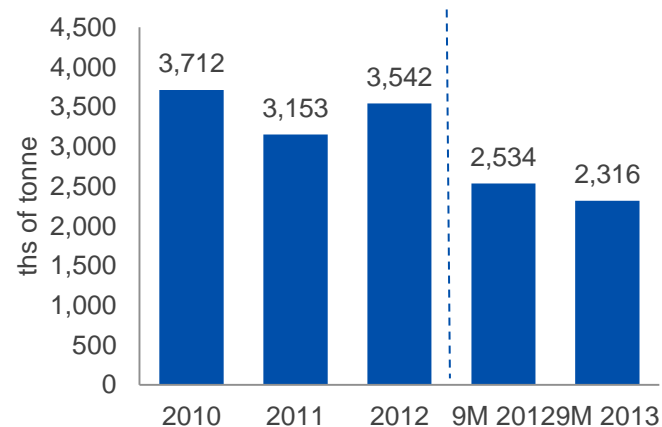
## Phosphate rock



## NPK



## Phosphate rock volumes (3<sup>rd</sup> party sales)



Note: Applied average USD/RUB exchange rates: 30.37 (2010), 30.09 (2012), 30.62(9M2013)

(1) Source: FERTECON, Argus-FMB

(USD in millions)	2010	2011	2012	9M 2012	9M 2013
<b>Revenues</b>	<b>2,534</b>	<b>3,420</b>	<b>3,387</b>	<b>2,548</b>	<b>2,571</b>
Cost of Sales	(1,570)	(1,912)	(1,934)	(1,442)	(1,667)
<b>Gross Profit</b>	<b>964</b>	<b>1,508</b>	<b>1,453</b>	<b>1,106</b>	<b>904</b>
Selling, General & Administration	(387)	(426)	(462)	(373)	(420)
Other Income (Expense)	(93)	(84)	(85)	(12)	(37)
<b>Operating Profit</b>	<b>484</b>	<b>998</b>	<b>906</b>	<b>721</b>	<b>447</b>
Financial Income (Costs)	31	(35)	98	61	(109)
<b>Profit Before Taxation</b>	<b>515</b>	<b>963</b>	<b>1,004</b>	<b>782</b>	<b>338</b>
Income Tax Expense	(120)	(198)	(216)	(167)	(59)
Profit from discontinued operations, net of tax	-	-	-	-	9
<b>Profit for the Period</b>	<b>395</b>	<b>765</b>	<b>788</b>	<b>615</b>	<b>288</b>
<i>Margin</i>	16%	22%	23%	24%	11%
<b>EBITDA Calculation</b>					
<b>Operating Profit</b>	<b>484</b>	<b>998</b>	<b>906</b>	<b>721</b>	<b>447</b>
D&A and impairment	190	206	210	153	183
<b>EBITDA</b>	<b>674</b>	<b>1,204</b>	<b>1,116</b>	<b>874</b>	<b>629</b>
<i>Margin</i>	27%	35%	33%	34%	24%

Source: PhosAgro (IFRS)

Note: Applied average USD/RUB exchange rates: 30.37 (2010), 29.39 (2011), 31.09 (2012), 31.10 (9M2012), 31.62 (9M2013)

(USD in millions)	2010	2011	2012	9M2013
Cash and Equivalents	173	526	318	272
Accounts Receivable	522	339	416	360
Inventory	253	314	406	364
Other Current Assets	108	66	40	73
<b>Total Current Assets</b>	<b>1,056</b>	<b>1,244</b>	<b>1,181</b>	<b>1,069</b>
Net Property, Plant & Equipment	1,525	1,774	2,190	2,246
Intangible Assets	25	20	18	15
Investments in Associates	307	246	317	257
Other Long-Term Assets	235	110	101	173
<b>Total Non-Current Assets</b>	<b>2,092</b>	<b>2,150</b>	<b>2,626</b>	<b>2,691</b>
<b>Total Assets</b>	<b>3,148</b>	<b>3,394</b>	<b>3,807</b>	<b>3,760</b>
Accounts Payable	329	379	430	251
Loans and borrowings	181	483	725	559
Derivative financial liabilities	-	14	-	-
<b>Total Current Liabilities</b>	<b>511</b>	<b>876</b>	<b>1,155</b>	<b>810</b>
Loans and borrowings	112	515	476	941
Defined benefit obligations	31	29	41	41
Deferred tax liabilities	89	89	98	58
<b>Total Non-Current Liabilities</b>	<b>231</b>	<b>632</b>	<b>615</b>	<b>1,040</b>
<b>Total Liabilities</b>	<b>742</b>	<b>1,509</b>	<b>1,770</b>	<b>1,850</b>
Equity attributable to Parent shareholders	1,911	1,360	1,629	1,812
Equity attributable to non-controlling interests	495	526	408	98
<b>Total Liabilities &amp; Equity</b>	<b>3,148</b>	<b>3,394</b>	<b>3,807</b>	<b>3,760</b>

Source: PhosAgro (IFRS)

Note: Applied closing USD/RUB exchange rates: 30.37 (2010), 29.39 (2011), 30.37 (2012), 32.35 (9M2013)



# Consolidated cash flow statement

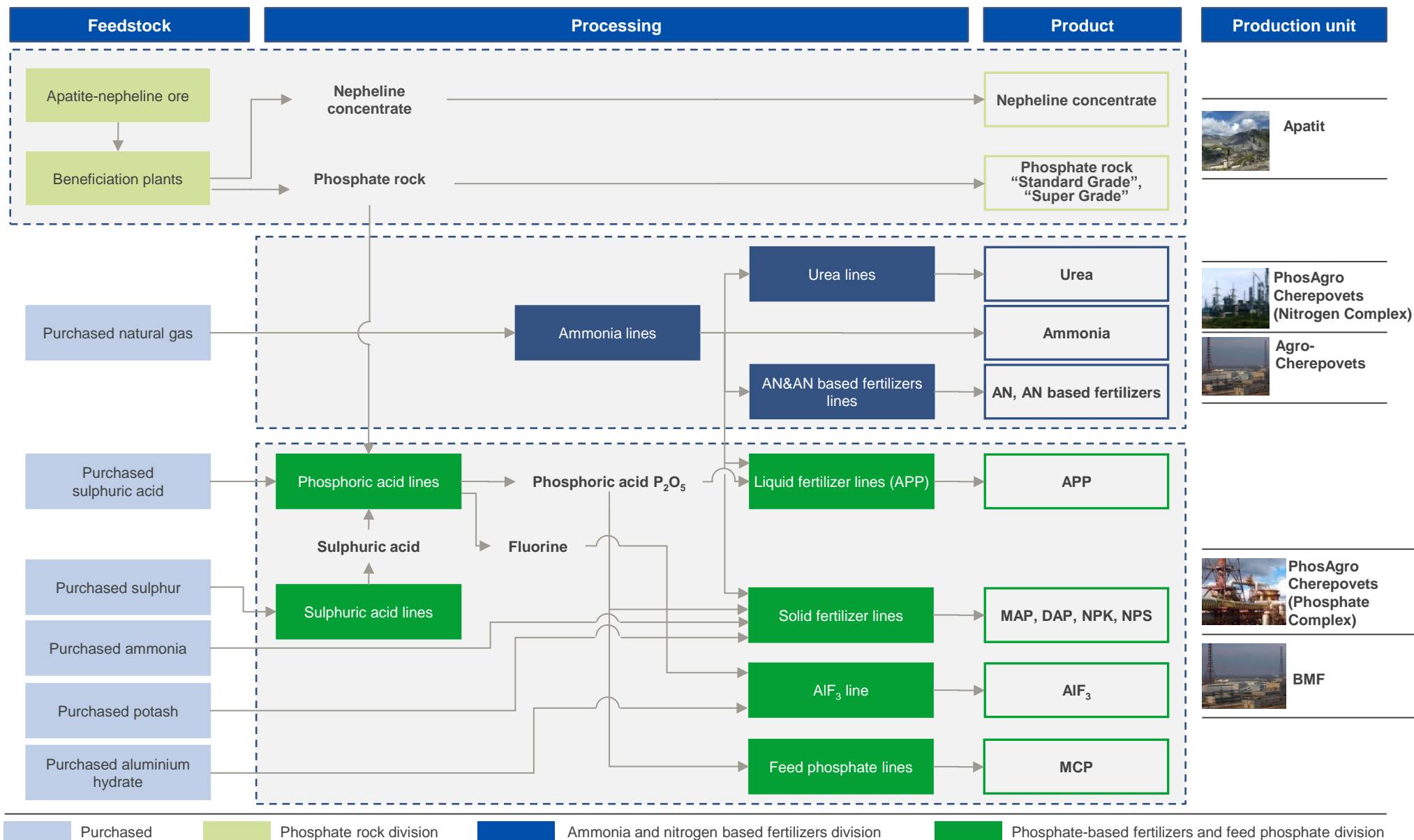
(USD in millions)

	2010	2011	2012	9M 2012	9M 2013
<b>Profit before taxation</b>	<b>515</b>	<b>963</b>	<b>1,004</b>	<b>782</b>	<b>338</b>
Depreciation, amortisation + reversal of impairment loss	190	206	210	153	183
Finance Costs	14	45	47	36	53
Finance Income	(50)	(28)	(67)	(58)	(26)
Other	(15)	16	(60)	(43)	104
<b>Operating Profit before changes in Working Capital and Provisions</b>	<b>678</b>	<b>1,203</b>	<b>1,134</b>	<b>870</b>	<b>652</b>
(Inc.) Dec. in Trade and other Receivables	(64)	153	(10)	(4)	35
(Inc.) Dec. in Inventory	(29)	(81)	(59)	10	20
Inc. (Dec.) in Trade and other Payables	20	40	29	(5)	(79)
<b>(Inc.) Dec. in Net Working Capital</b>	<b>(73)</b>	<b>112</b>	<b>(40)</b>	<b>1</b>	<b>(24)</b>
<b>Cash flows from operations before income taxes and interest paid</b>	<b>605</b>	<b>1,315</b>	<b>1,094</b>	<b>871</b>	<b>628</b>
Income tax paid	(97)	(184)	(229)	(137)	(84)
Finance costs paid	(10)	(29)	(46)	(34)	(43)
<b>Cash Flow From Operating activities</b>	<b>498</b>	<b>1,102</b>	<b>819</b>	<b>700</b>	<b>501</b>
Loans repaid/(issued)	(144)	106	(5)	5	16
Acquisition of property, plant and equipment	(429)	(439)	(430)	(313)	(414)
Acquisition of investments	(52)	(32)	(1)	-	(8)
Other	66	136	31	30	32
<b>Cash Flows used in Investing Activities</b>	<b>(558)</b>	<b>(229)</b>	<b>(404)</b>	<b>(278)</b>	<b>(374)</b>
Proceeds from borrowings	697	1,326	687	600	999
Repayment of borrowings	(530)	(681)	(513)	(460)	(780)
Dividends paid	(110)	(1,155)	(394)	(257)	(174)
Other	(9)	33	(425)	(32)	(204)
<b>Cash Flows used in Financing Activities</b>	<b>49</b>	<b>(476)</b>	<b>(644)</b>	<b>(149)</b>	<b>(159)</b>
<b>Net decrease/increase in Cash and Equivalents</b>	<b>(12)</b>	<b>396</b>	<b>(229)</b>	<b>272</b>	<b>(31)</b>
Cash and Equivalents at beginning of the year/period	186	173	526	526	311
Effect of exchange rate fluctuations	(1)	(43)	14	17	(8)
<b>Cash and Equivalents at the end of the year/period</b>	<b>173</b>	<b>526</b>	<b>311</b>	<b>815</b>	<b>272</b>

Source: PhosAgro (IFRS)

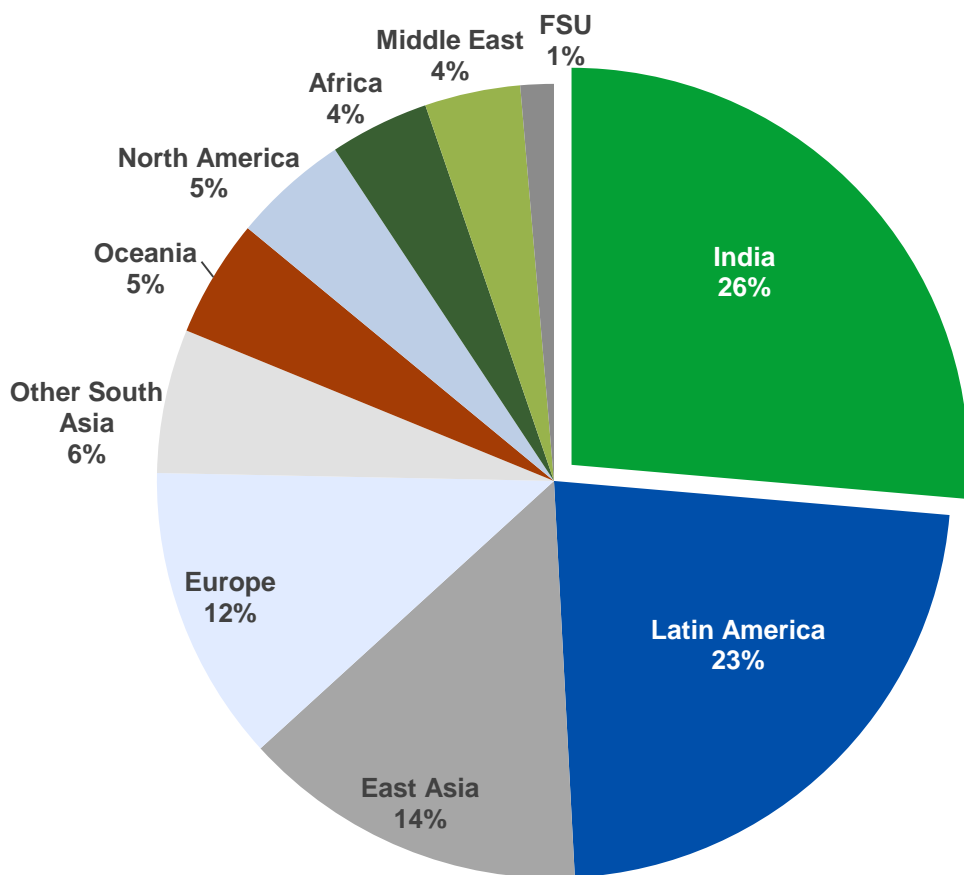
Note: Applied average USD/RUB exchange rates: 30.37 (2010), 29.39 (2011), 30.09 (2012), 31.10 (9M 2012), 31.62 (9M 2013)

# PhosAgro – vertically integrated production model



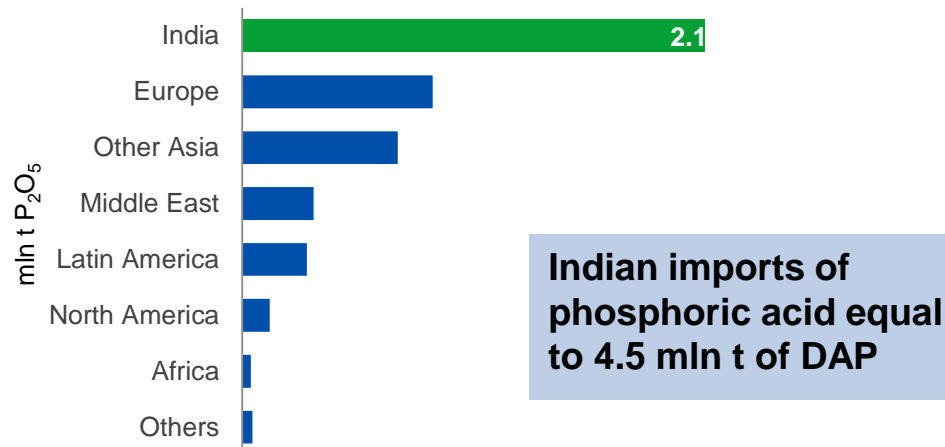
## India is the major purchaser of DAP/MAP...

World DAP/MAP Imports : ~8.5 mln t of  $P_2O_5$  per annum<sup>(1)</sup>

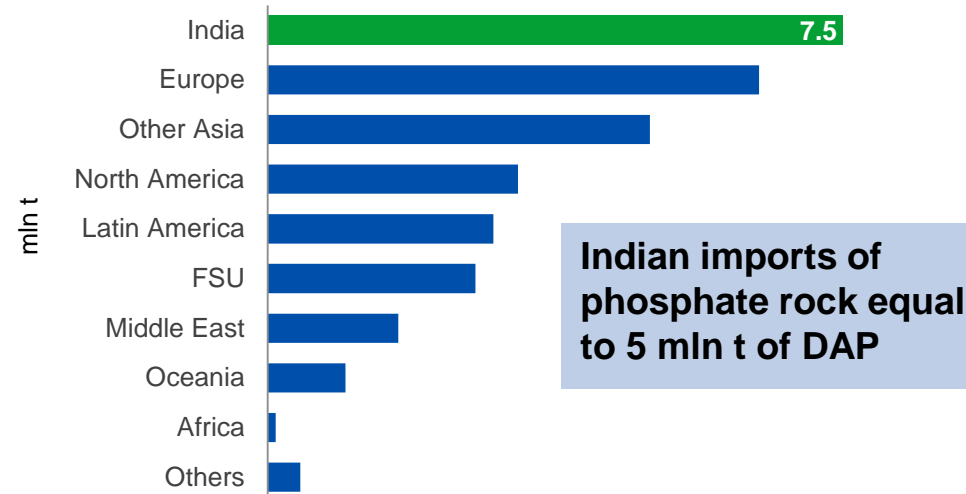


## ... and importer of feedstock for phosphates production

Global Phosphoric Acid Imports of 4.5 mln t  $P_2O_5$



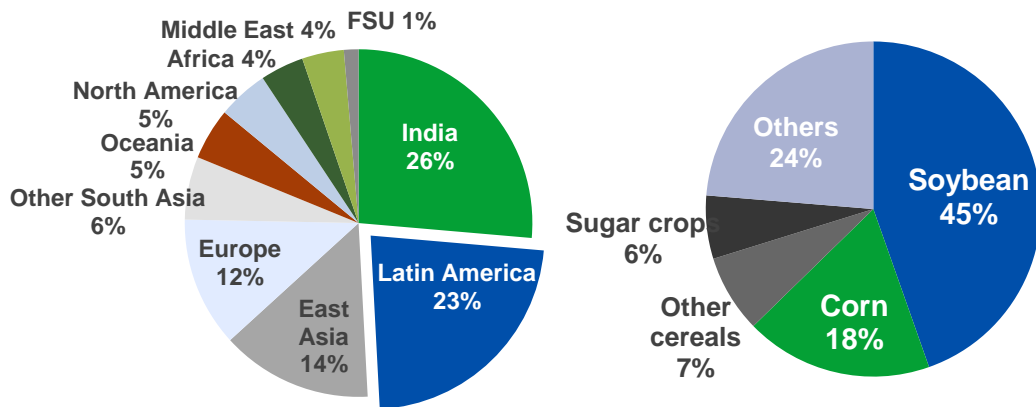
Global Phosphate Rock Import of 31.1 mln t



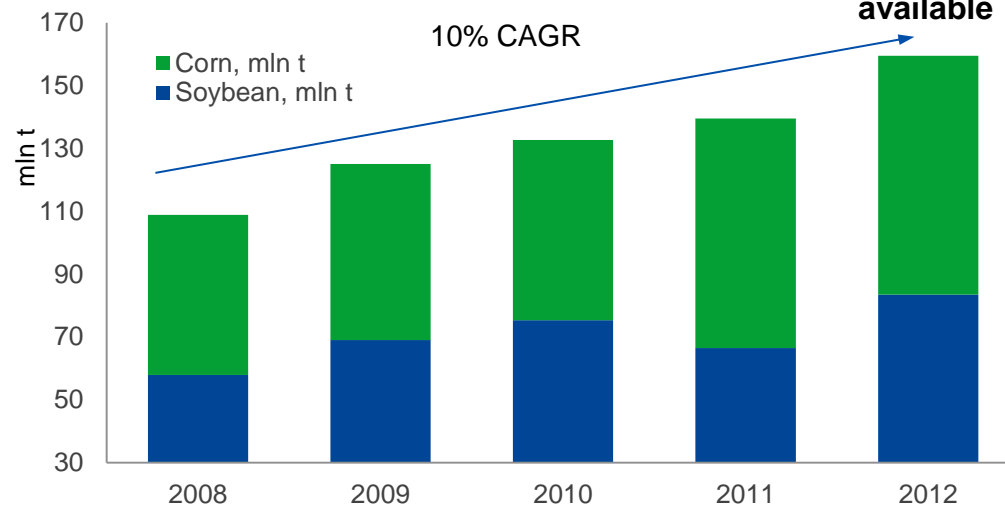
# Brazil phosphate fertilizer market growth outpaces others

Substantial growth in production of major phosphate consuming agri-products results in ...

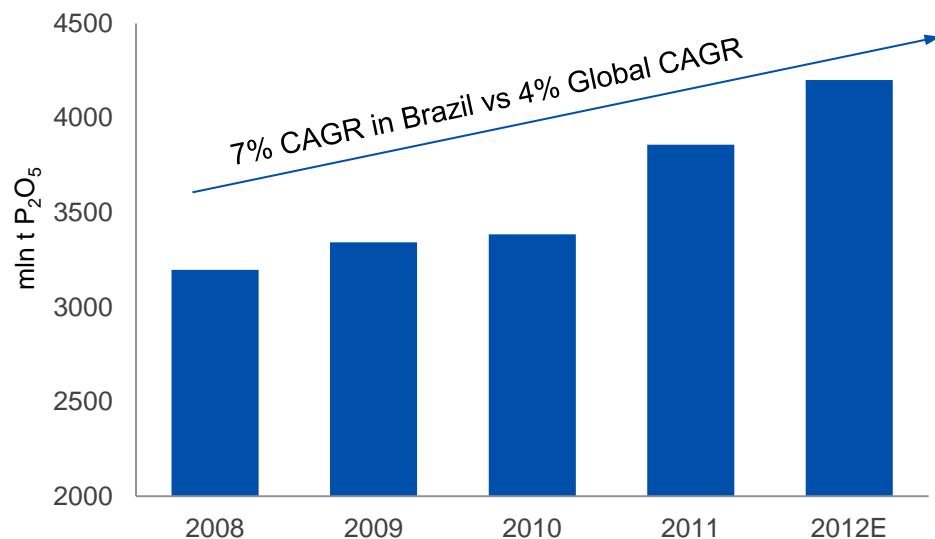
Breakdown of phosphate fertilizers consumption by crops in Brazil



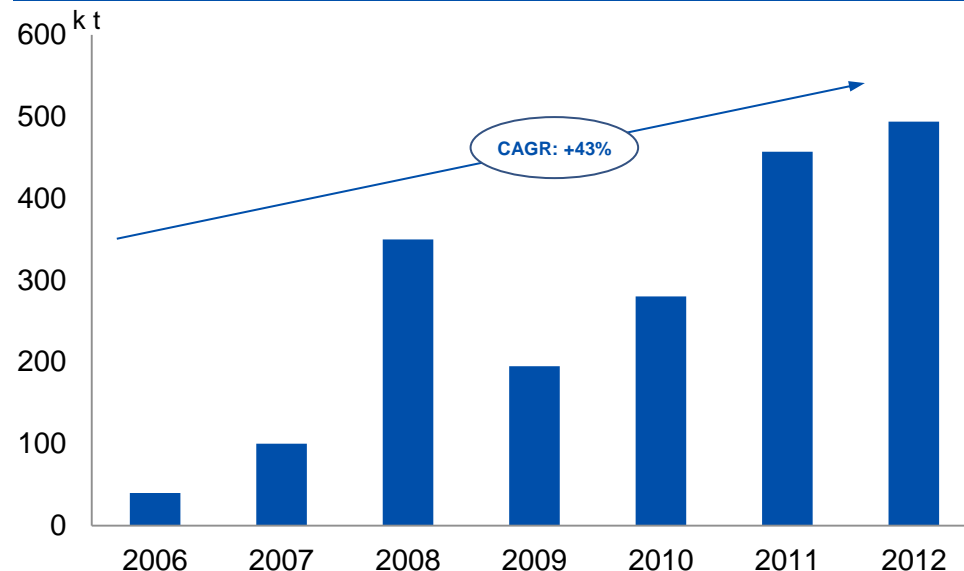
Growth in corn and soybeans production, yet more arable land available



...skyrocketing consumption of phosphate fertilizers in Brazil



Brazil NPK Imports





**Production facilities**  
Capacity – mln t / year

Ma'aden

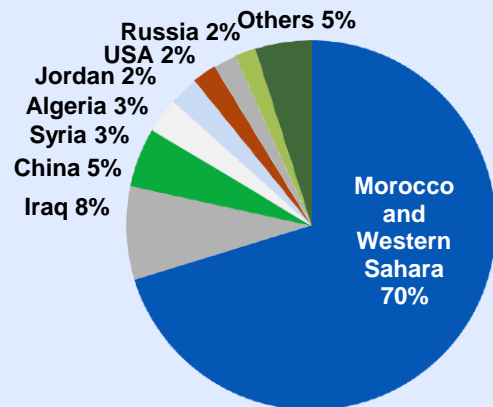


Phosphate rock mine	12.0	26.6
Beneficiation plant	5.0	7.8
Sulphuric Acid Plant	4.7	4.6
Phosphoric Acid Plant	1.5	1.9
Ammonia Plant	1.1	1.1
Phosphate fertilizer Plant	2.9	4.2
Key products	DAP	MAP, DAP, NPK, NPS

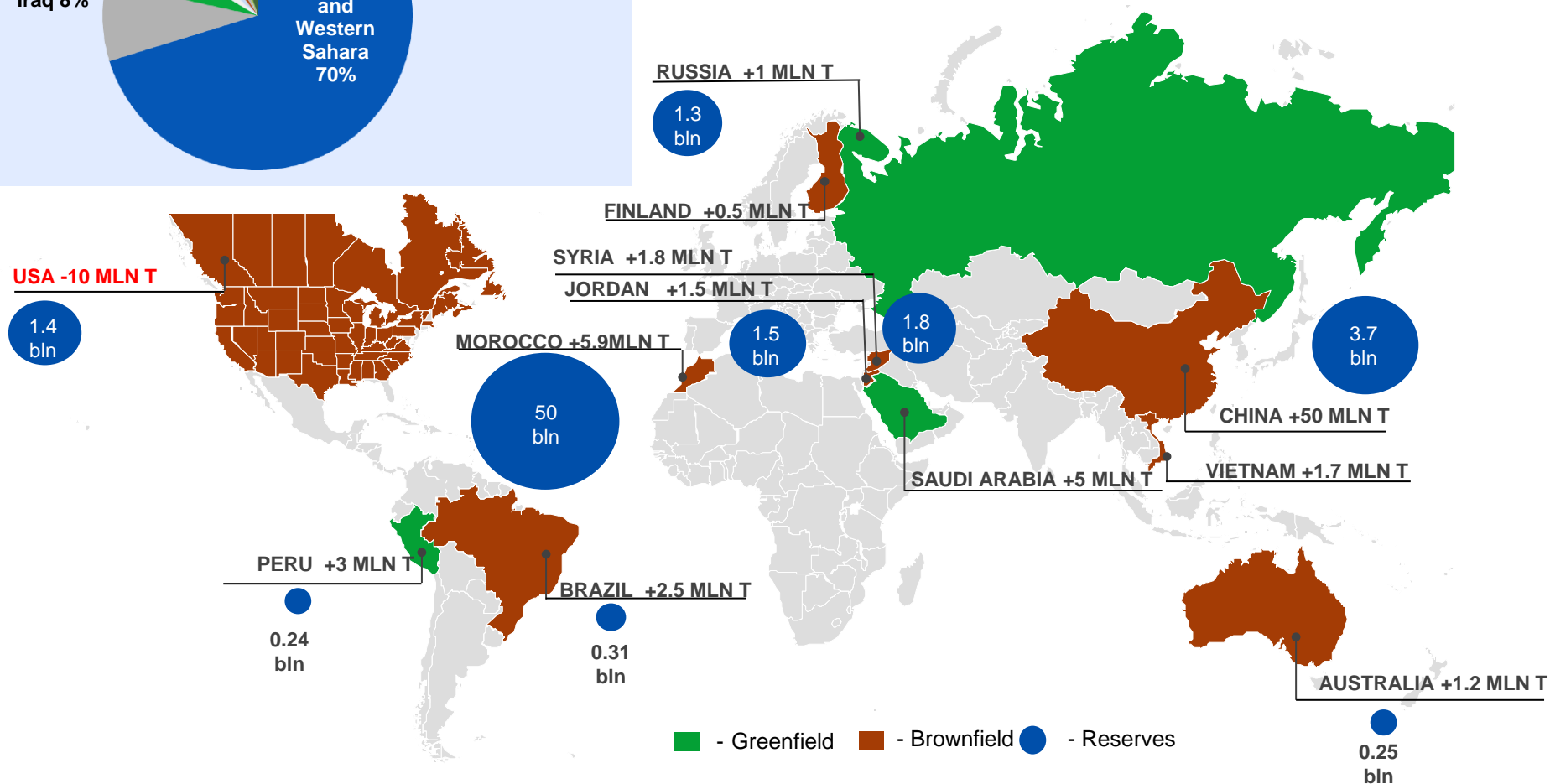
**Ma'aden – total est. CAPEX<sup>(1)</sup>: US\$ 6 bln**  
**Construction period: 6 years +**

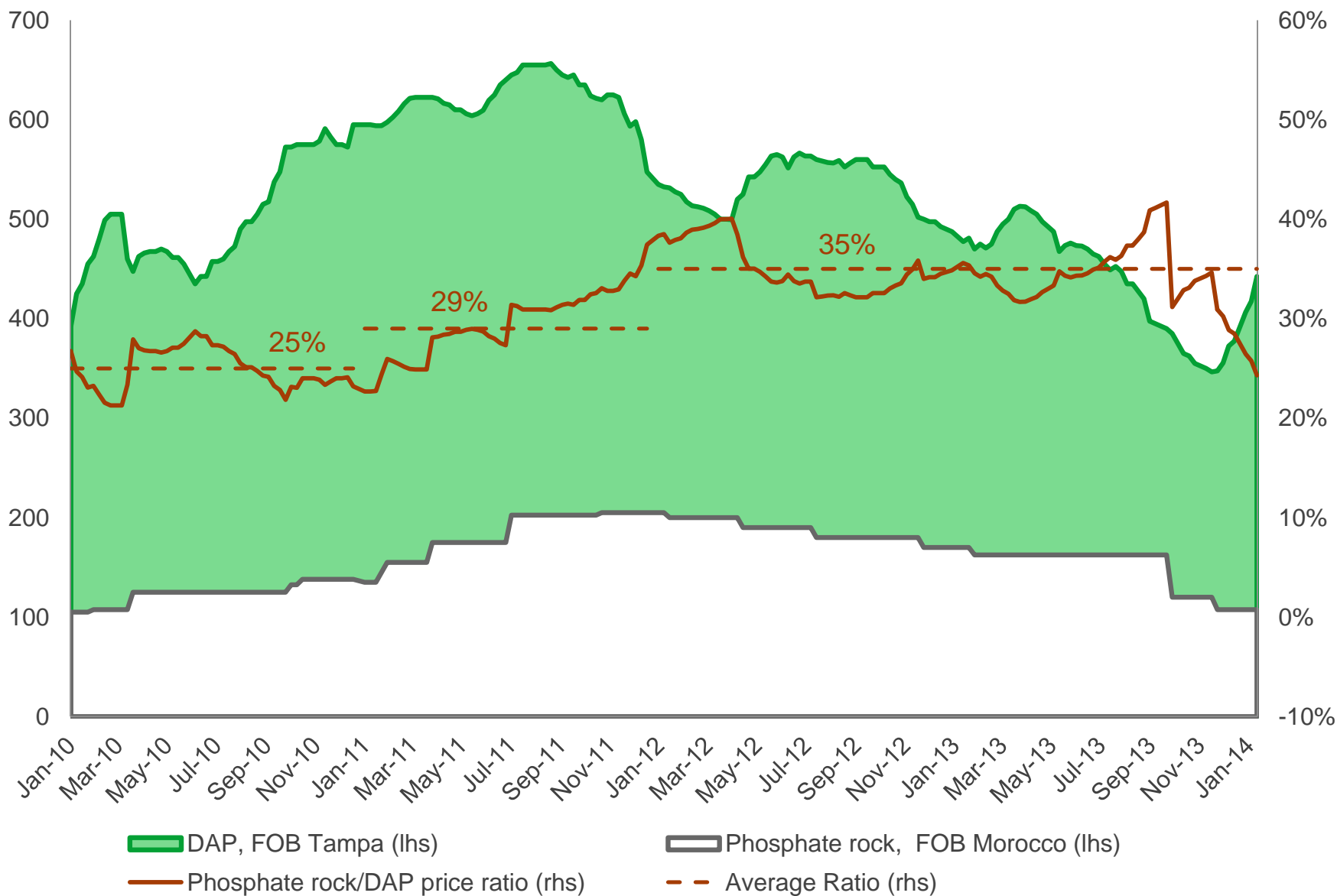
# Growth in phosphate rock production capacities 2000-2011

Morocco controls most of world phosphate ore reserves



Net addition to phosphate rock production capacities (excl. China) of 14 mn t with 0.8% CAGR



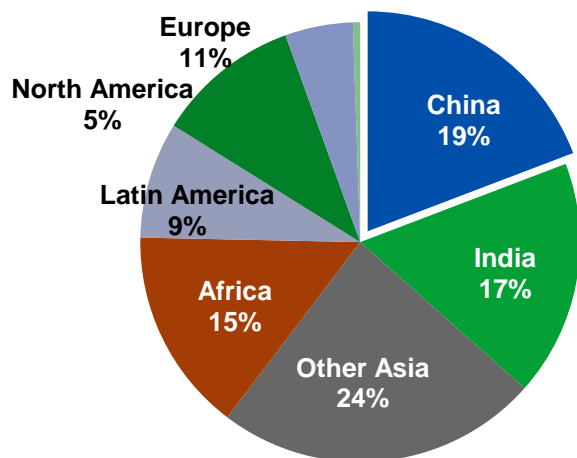


# China is the major consumer of phosphate fertilizers

The biggest portion of the world's growing 7 bln population<sup>(1)</sup>...

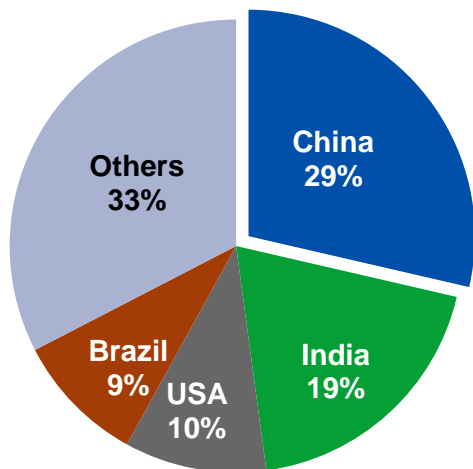
Limited arable land stimulates fertilizer consumption

Breakdown of World population by countries

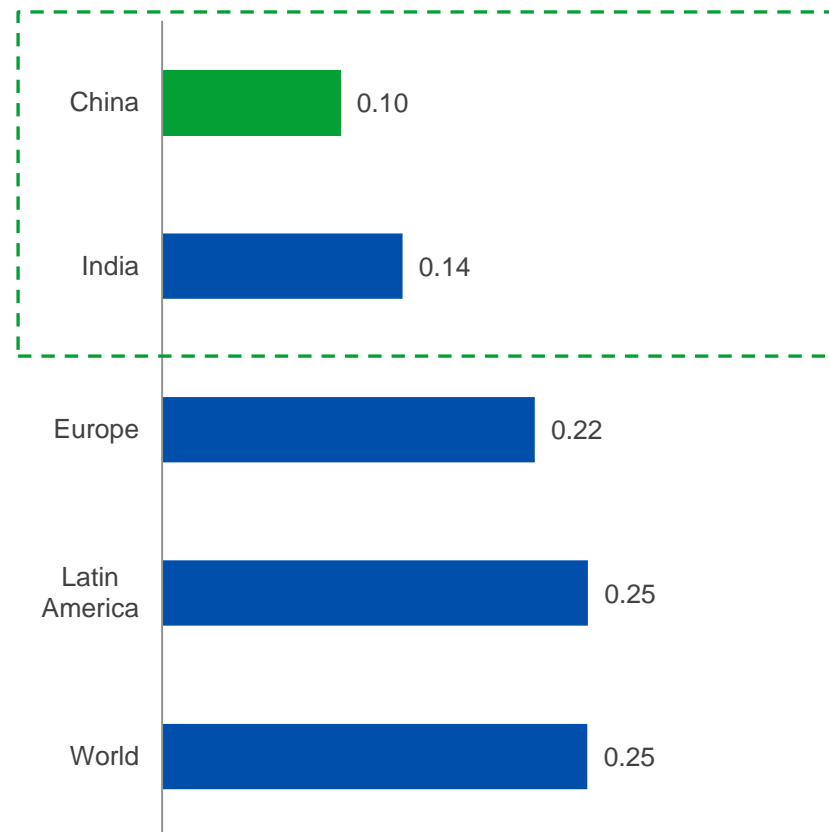


... translates into the largest share of phosphate consumption

Breakdown of global phosphate fertilizer consumption by countries



ha per capita

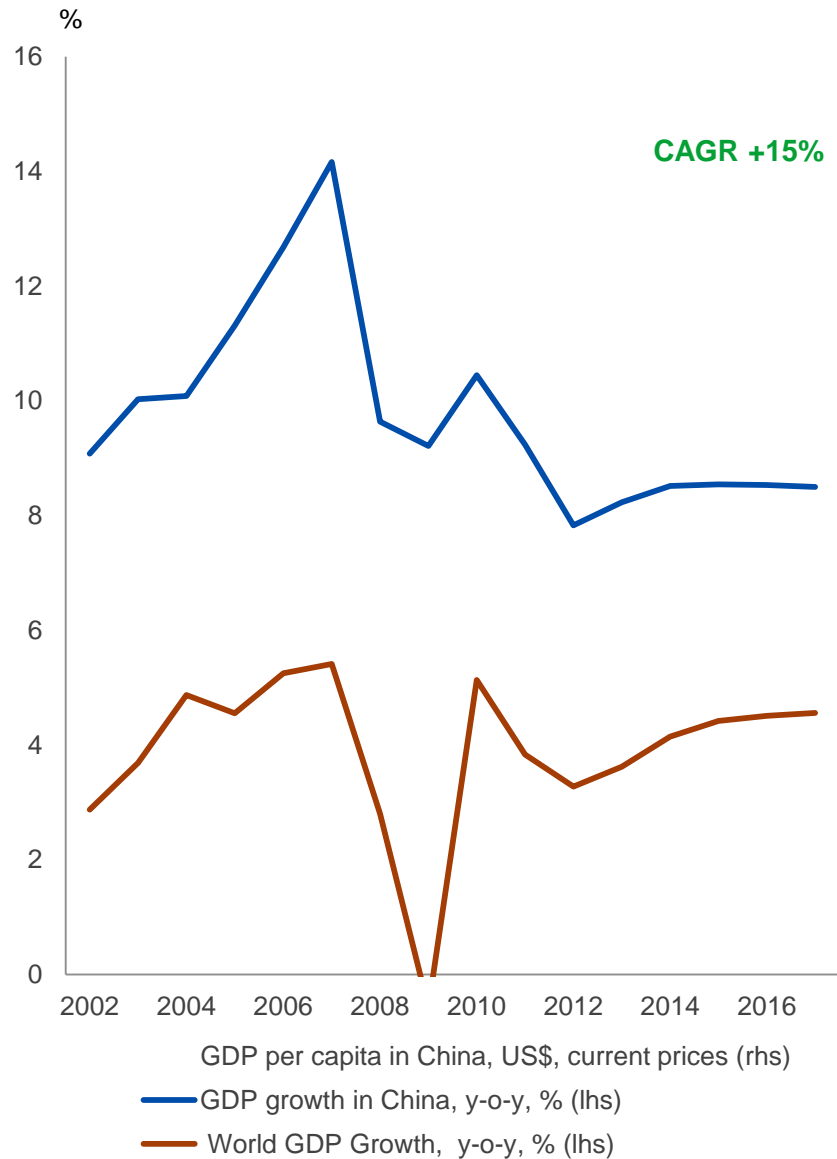


- Global phosphate fertilizer consumption is 44.1 mln t of  $P_2O_5$  per annum
- China consumes about 25 mln t of DAP equivalent products



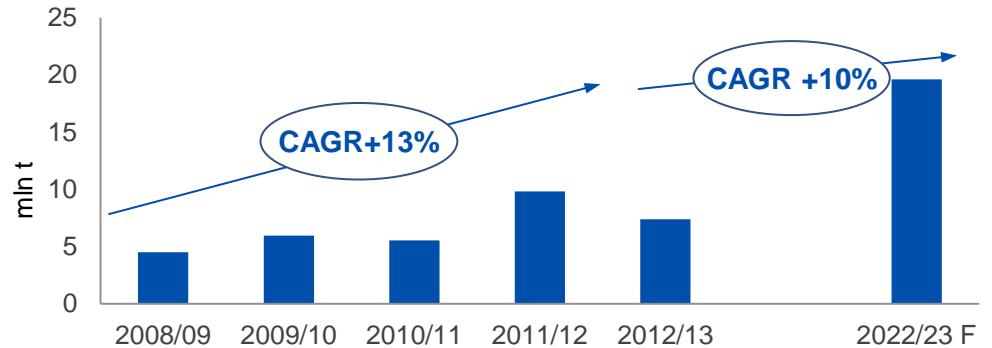
# Growing food consumption in China drives demand for phosphates

## China's Economy keeps growing

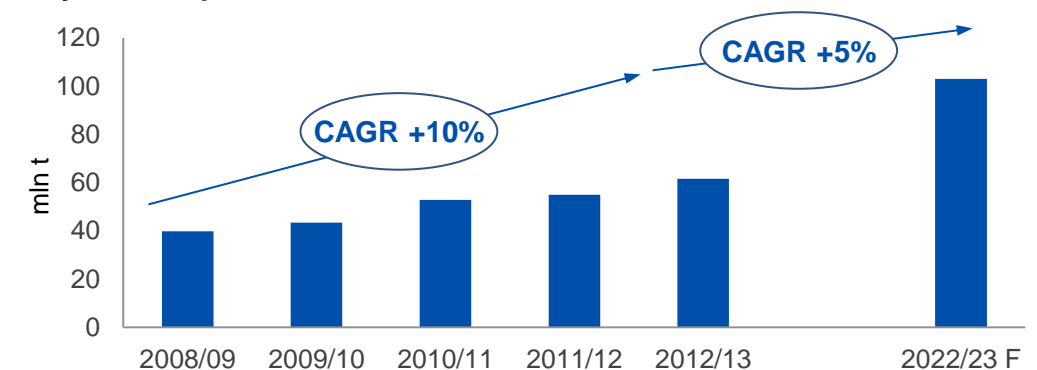


## Food Imports are growing in China

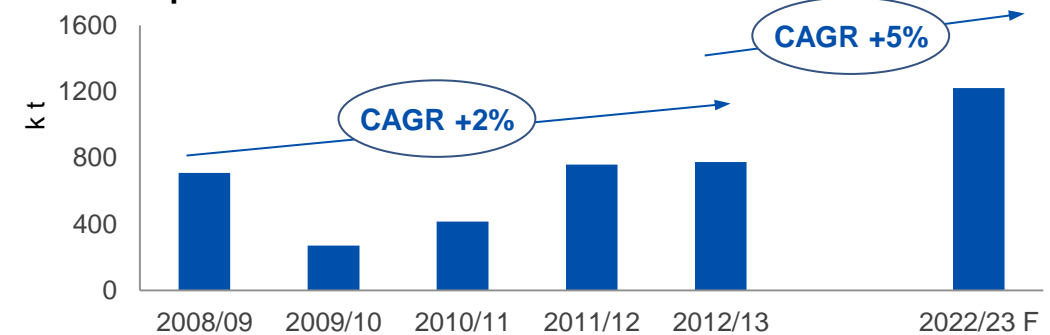
### Corn Imports



### Soybean Imports

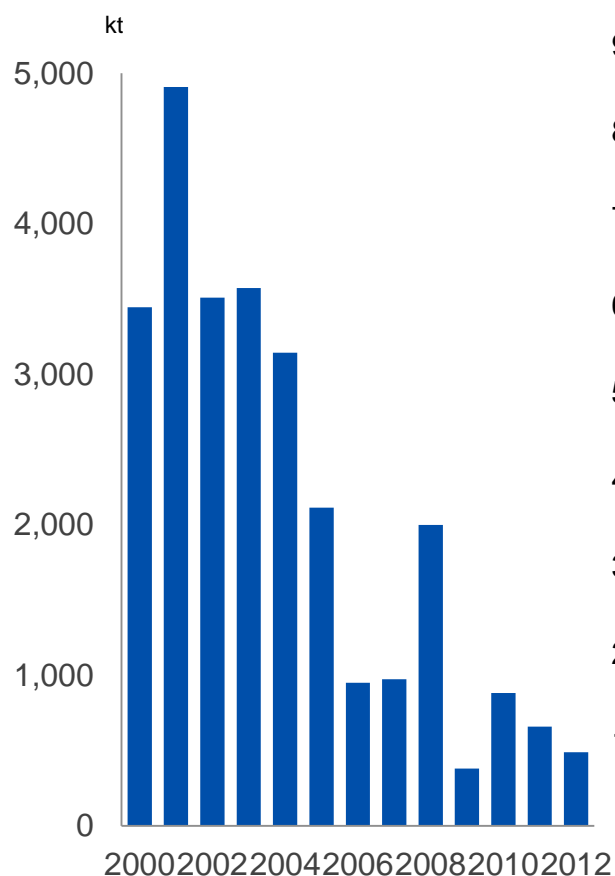


### Pork Imports

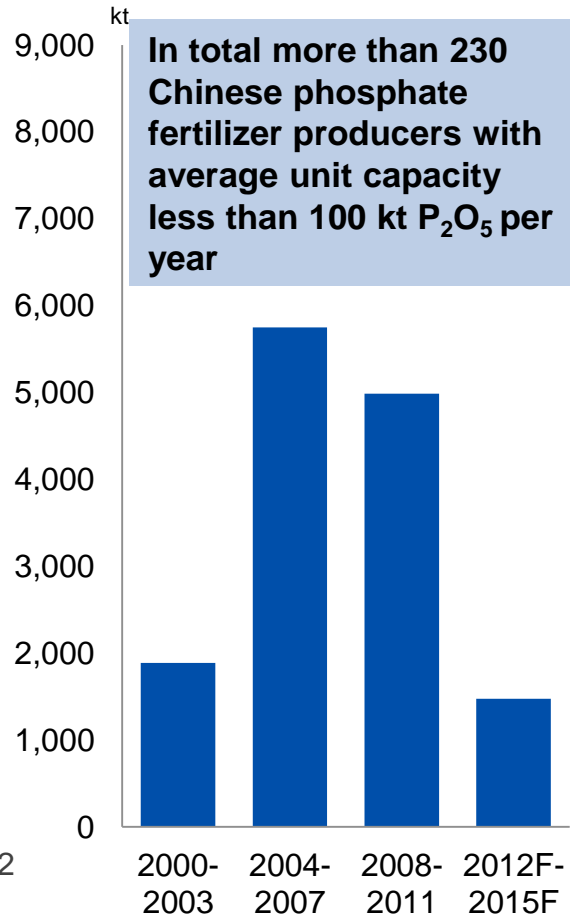


# Development of Chinese phosphate exports

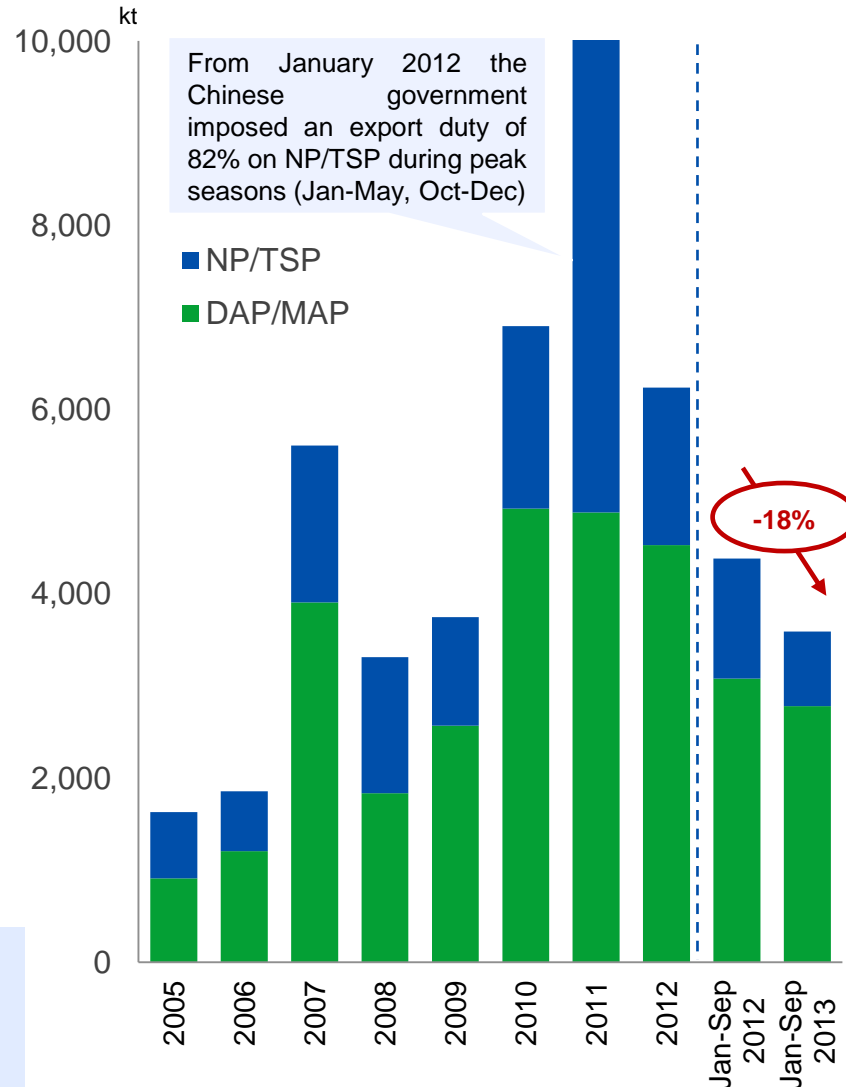
## Chinese phosphate rock exports



## Commissioning of new $H_3PO_4$ capacities



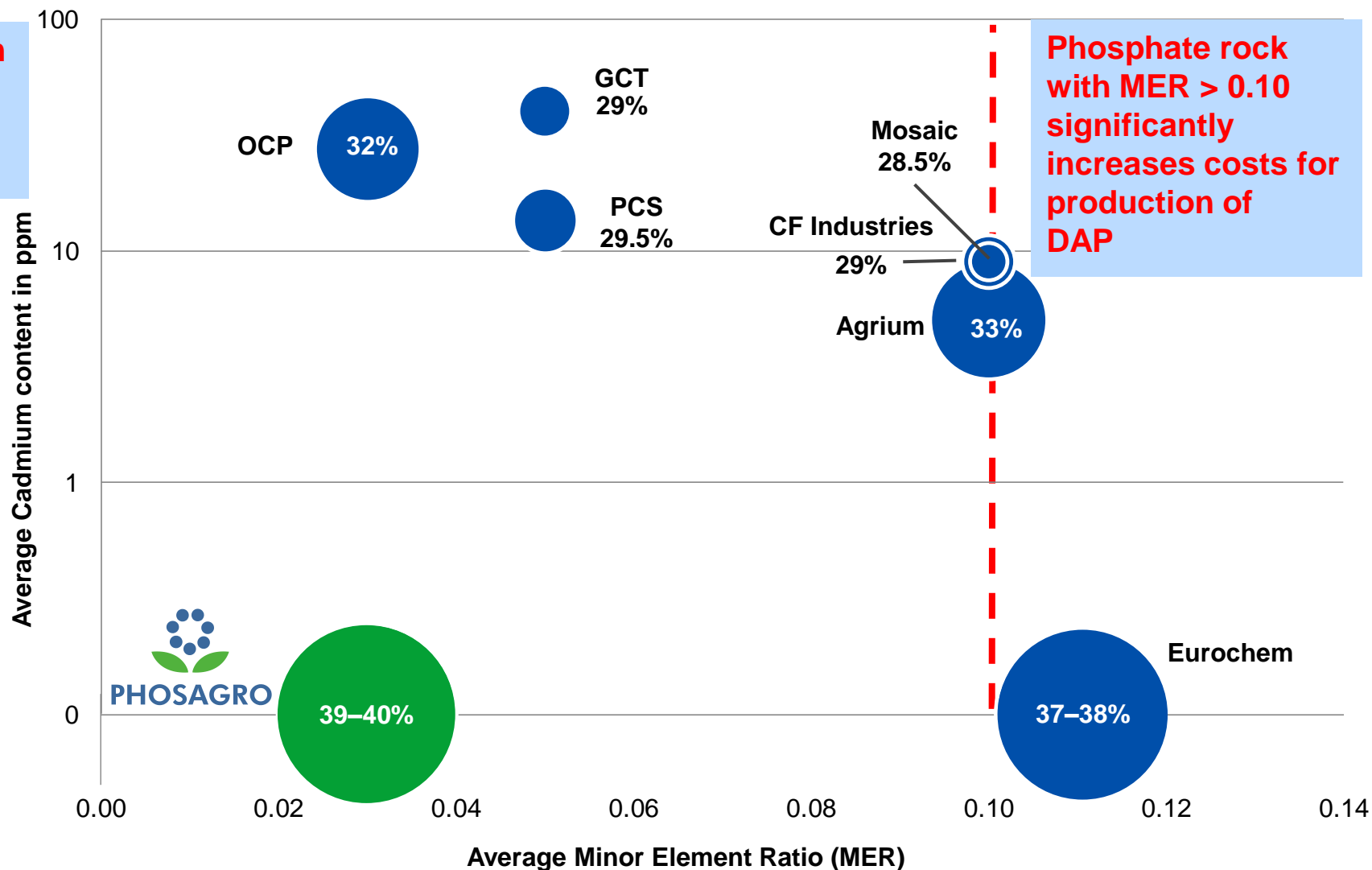
## Chinese exports of DAP / MAP / NP / TSP



In the second half of 2011, phosphate rock prices increased several times, with an overall price hike of US\$ 11-13/t. In 2012 the price increased by US\$ 8-10/t. The price of the phosphate rock ( $P_2O_5 > 30\%$ ) reached US\$ 126/t<sup>(1)</sup>

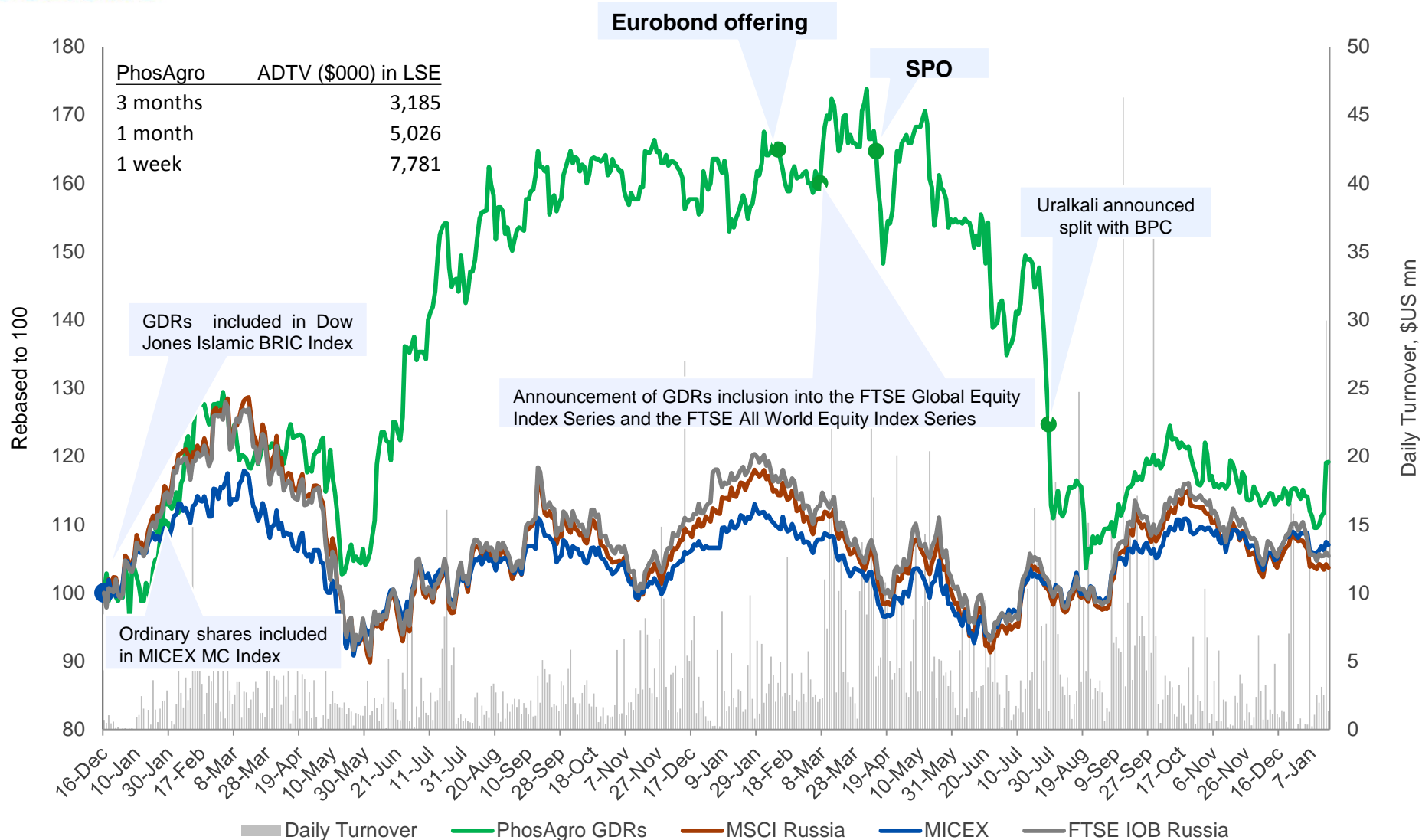
# Control of world's premium phosphate resource base

Higher cadmium content in sedimentary rocks



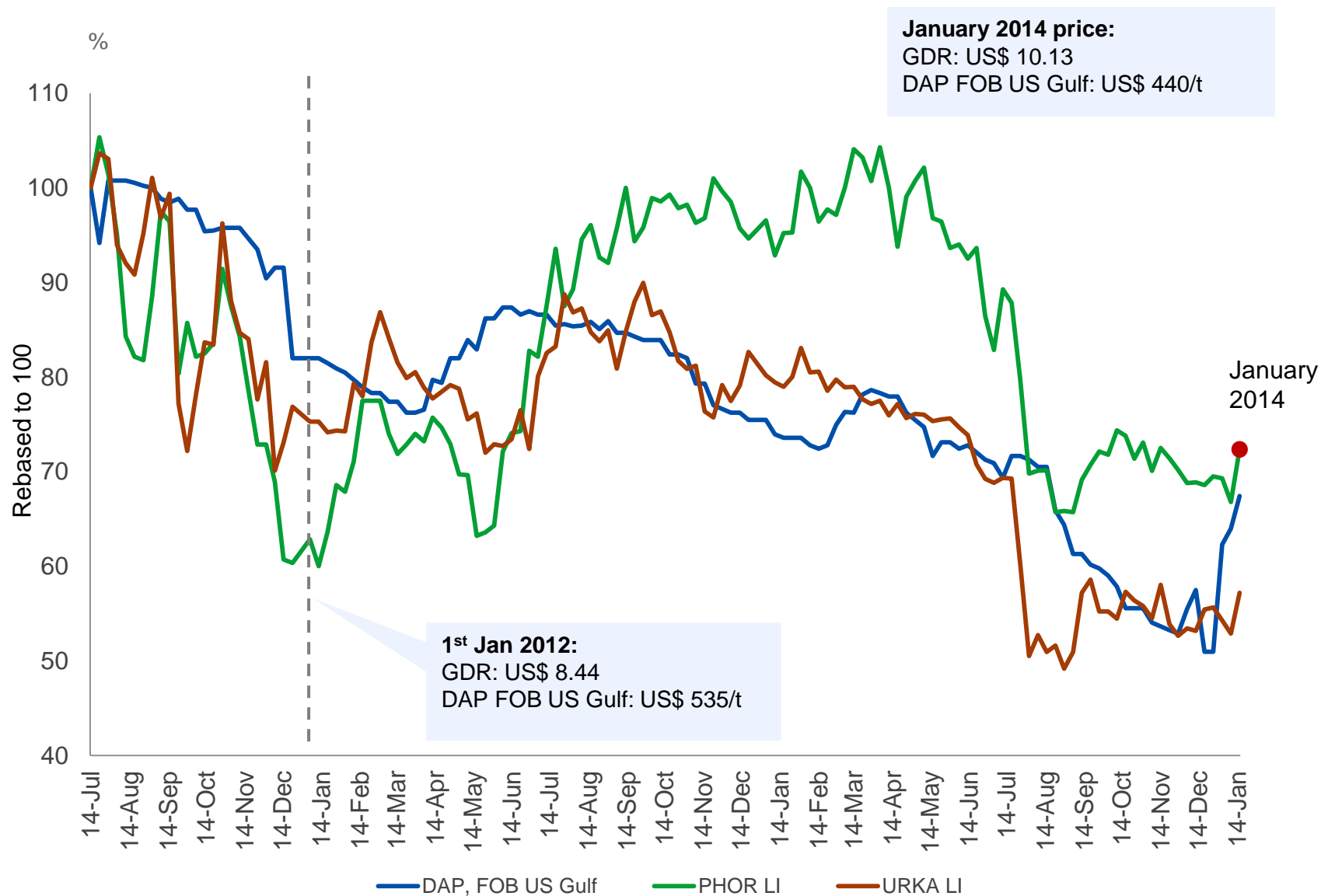
Phosphate rock with MER > 0.10 significantly increases costs for production of DAP

Note: Size of the bubble represents P<sub>2</sub>O<sub>5</sub> content in phosphate rock in excess of 28%, which is recognized as a minimum for production of high quality phosphate fertilizers  
Source: FERTECON, PhosAgro, companies' data



% Performance	PhosAgro	FTSE IOB Russia	MSCI Russia	MICEX
Since PhosAgro inclusion in Dow Jones Islamic BRIC Index	19.2%	5.4%	3.7%	7.0%
Since PhosAgro inclusion in MICEX Mid Cap Index	8.7%	(6.0%)	(8.4%)	(1.2%)
1 month	4.5%	(0.9%)	(1.0%)	0.7%
1 week	8.8%	0.7%	0.2%	0.3%





Company	Mcap., \$mln	EV, \$mln	EV/EBITDA		P/E	
			2013F	2014F	2013F	2014F
Russian peers						
PhosAgro	3,936	5,204	6.2x	6.6x	12.0x	11.2x
Uralkali	16,054	18,835	9.3x	10.3x	14.9x	18.3x
Median			7.8x	8.5x	13.4x	14.8x
International peers - potash and phosphate fertilizer producers						
Mosaic	21,009	18,716	8.8x	8.7x	16.6x	17.2x
Potash Corp of Saskatchewan Inc	30,031	33,054	9.8x	10.6x	16.0x	16.7x
Israel Chemicals Ltd	11,457	13,145	8.4x	9.4x	11.6x	13.9x
K+S AG	6,645	7,277	6.1x	8.2x	12.1x	21.6x
Median			8.6x	9.1x	14.1x	17.0x
International peers - Nitrogen fertilizer producers						
Agrium	13,696	17,300	8.0x	7.7x	12.4x	12.0x
Yara International	11,908	12,842	5.7x	6.1x	9.6x	10.2x
CF Industries	14,239	15,407	5.7x	6.8x	10.7x	12.5x
Median			5.7x	6.8x	11.4x	12.0x