



Goldman Sachs Global Natural Resources Conference

6-7 of November 2013



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World class integrated phosphate producer

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

Large high quality apatite-nepheline resources

- 2.1 bln t of ore resources⁽²⁾ (over 75 years of production)
- Al₂O₃ 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

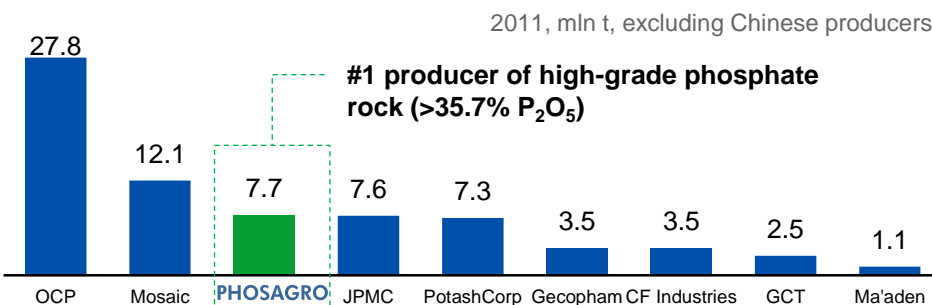
Flexible production and sales

- Flexible production lines
- Phosphate fertiliser capacities of 4.2 mln t, 1.8 mln t fully flexible into NPK production
- Leader in Russian fertiliser market growing twice faster than the world consumption
- Net back driven sales model with a global presence

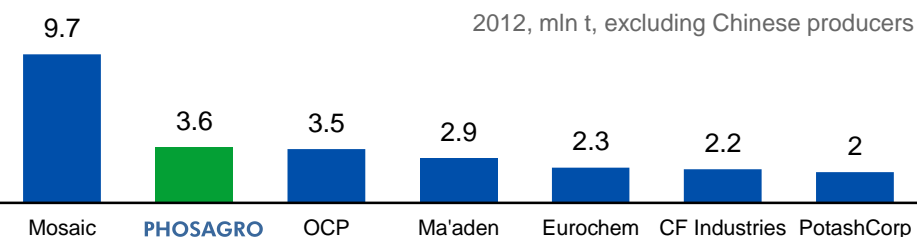
Strong financial performance

- EBITDA of \$1,116 mn and \$432 mn in 2012 and in H1 2013, respectively
- Net debt/EBITDA: 1.10x

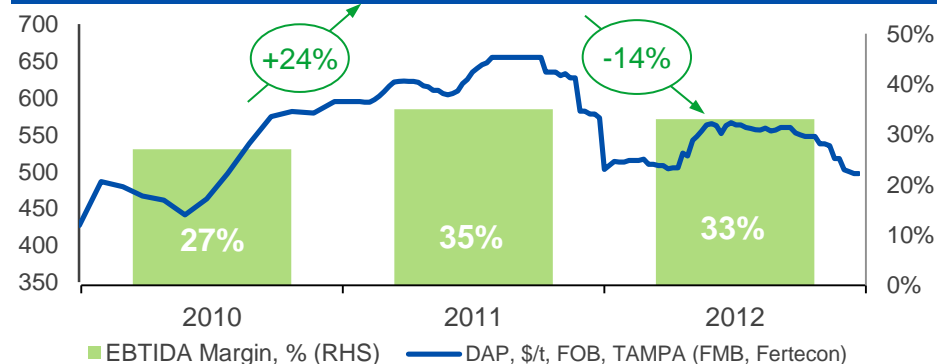
Leading global phosphate rock producers (by production)



Leading global DAP/MAP producers (by capacity)



DAP Price Dynamics vs EBITDA margin, average DAP price change (%)

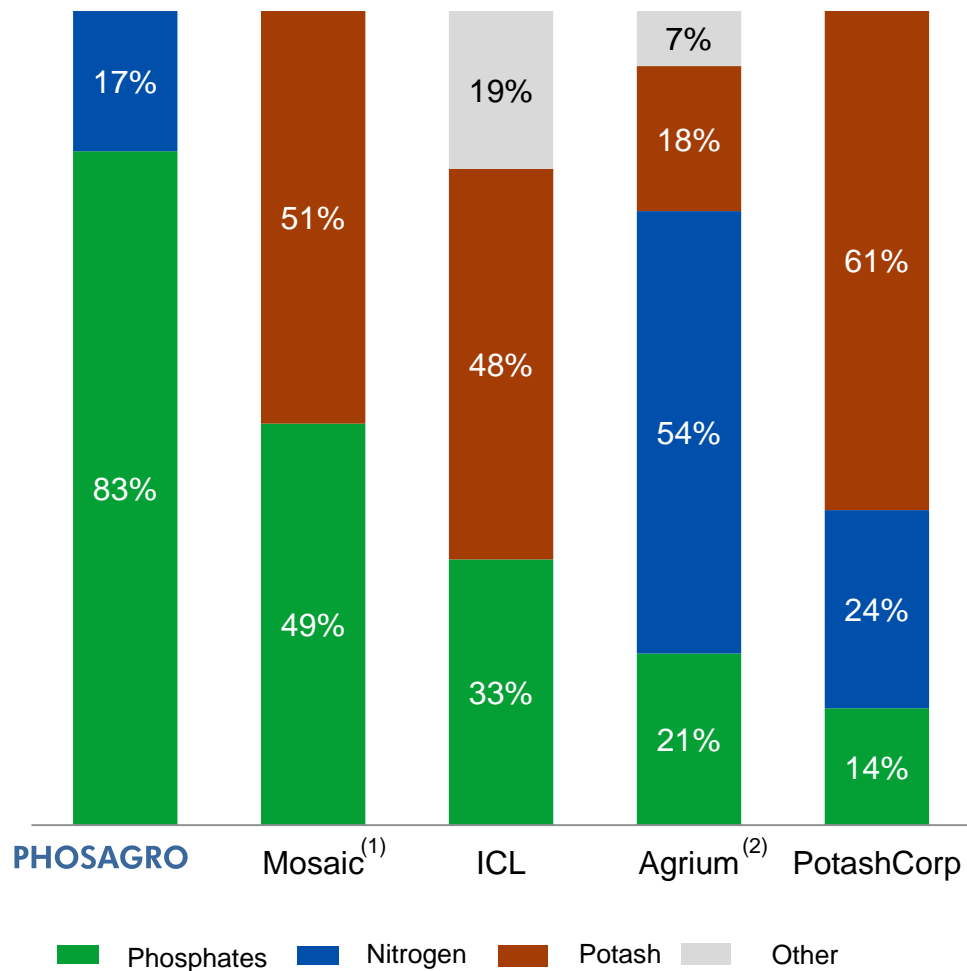


Note: (1) Excluding Chinese producers
 (2) PhosAgro, IMC as of June 2011
 (3) Russian Academy of Science
 (4) self-sufficiency depends on the composition of the products produced by PhosAgro
 Source: IFA, CRU, companies data, PhosAgro

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

Gross profit breakdown by segment

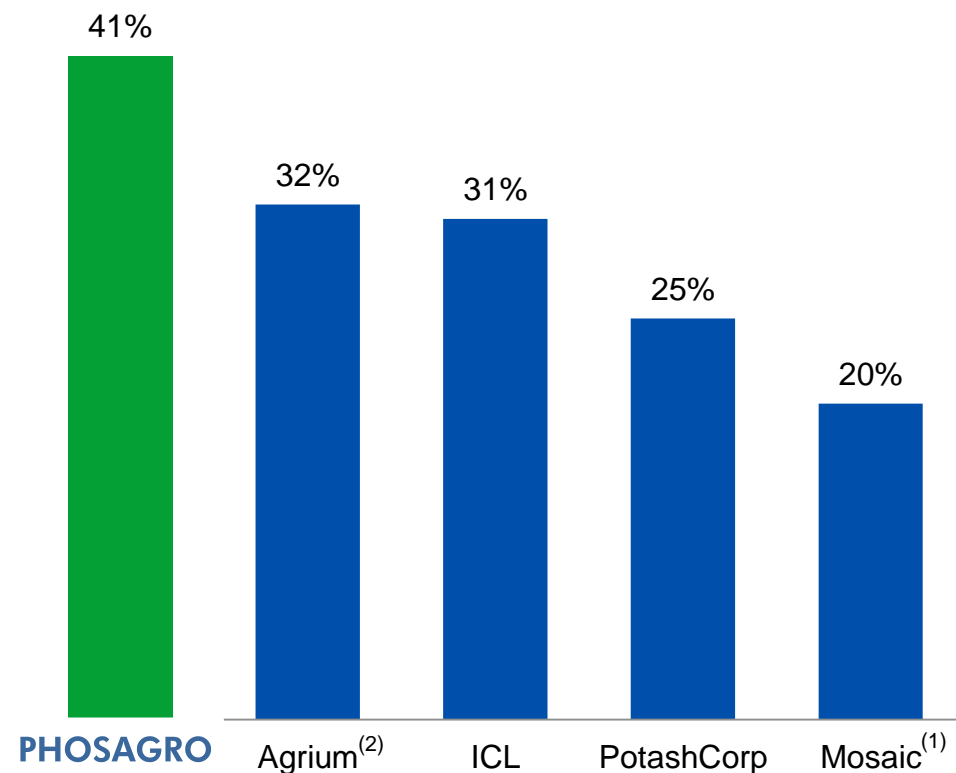
Average gross profit breakdown by segment for 2011-2012



Source: Companies' reports
 Note: (1) Calendarised
 (2) Excluding resale, retail and advanced technologies

Phosphate segment gross profit margin

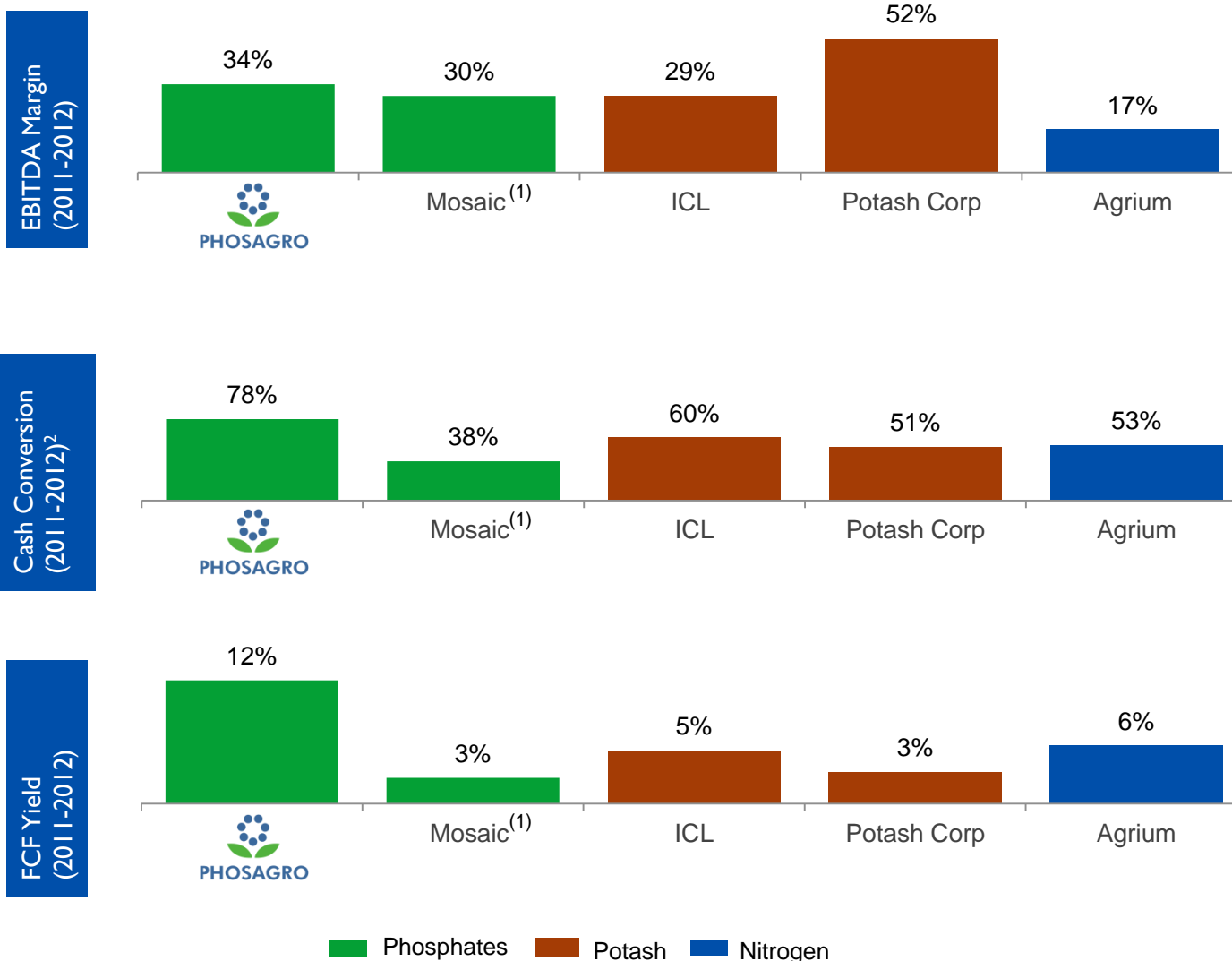
Average gross profit margin of phosphate segment for 2011-2012



Source: Companies' reports
 Note: (1) Calendarised
 (2) Wholesale

PhosAgro Benchmarks Favourably Against Key Competitors

- PhosAgro compares well against its global peers on EBITDA margin and Cash Conversion basis
- PhosAgro strongly outperformed all major peers in terms of FCF Yield basis



Source: Companies' reports, Bloomberg

Note: (1) Calendarised

(2) Calculated as operating cash flow minus capital expenditures divided by net income adjusted for minorities

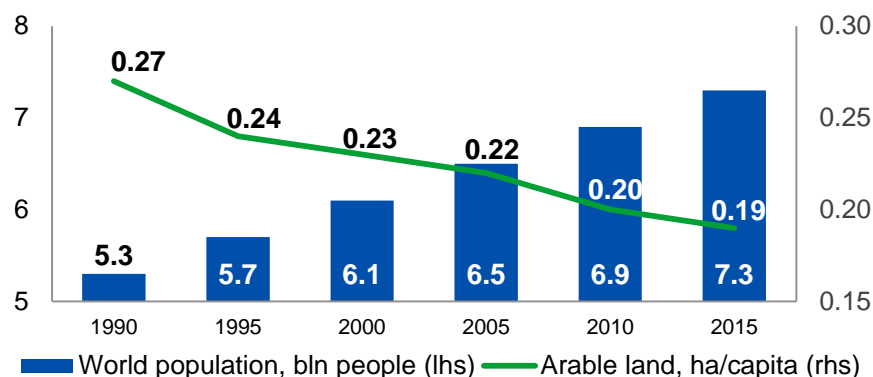
1. Phosphates – an attractive industry



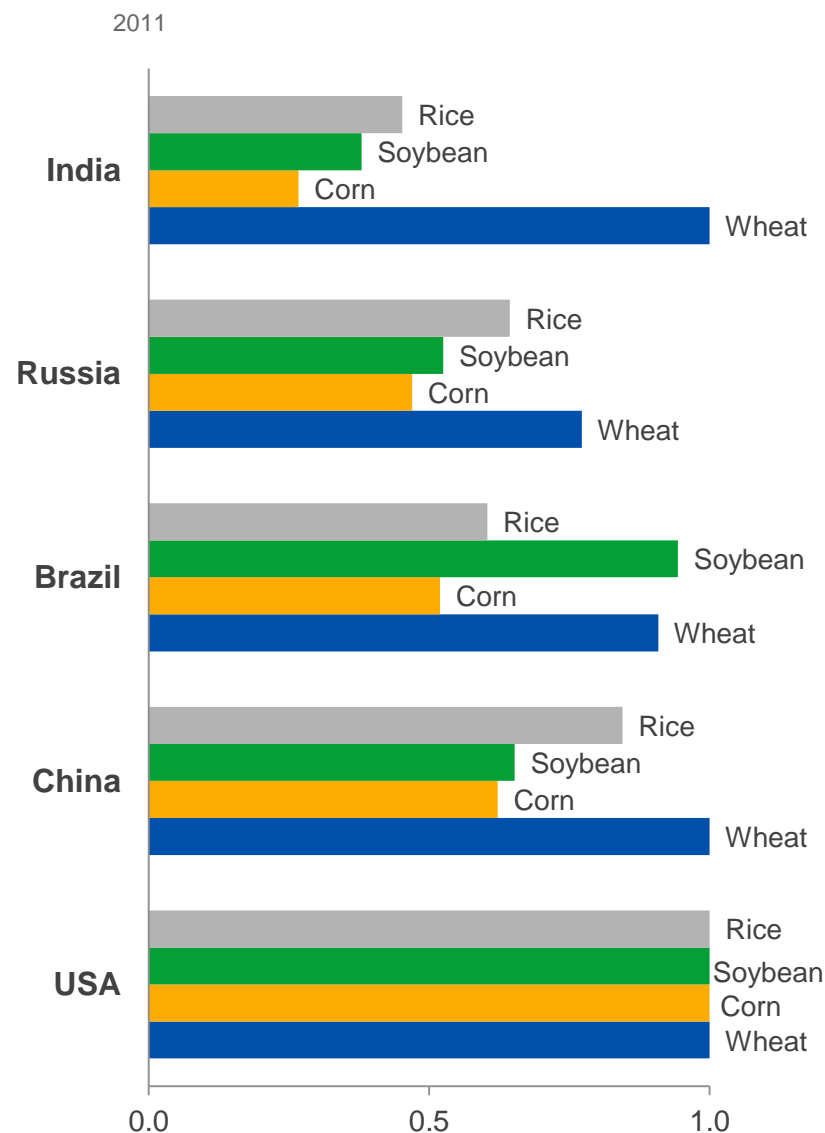
Strong demand fundamentals for fertilisers

Fertiliser is widely under-applied and inefficiently applied in developing countries

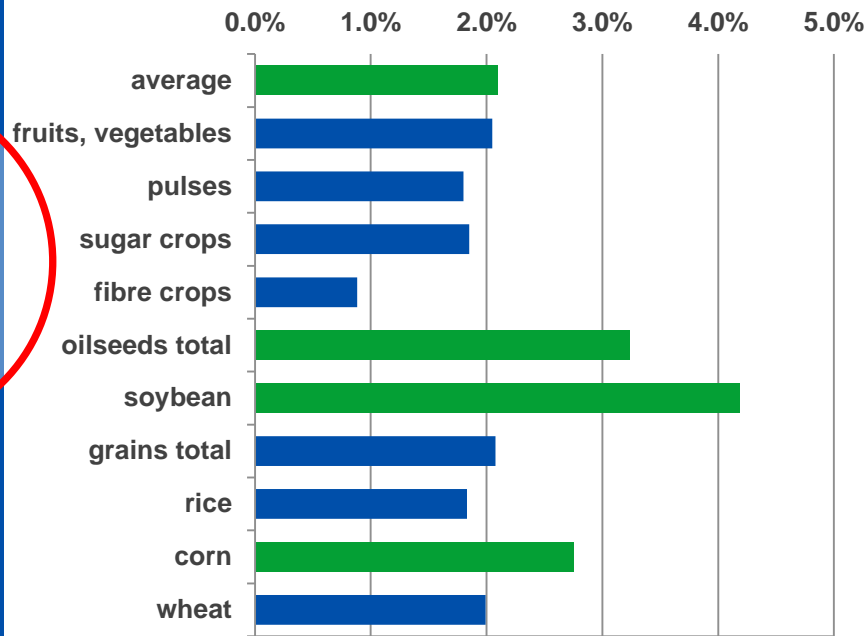
Population growth and decrease of arable land per capita



Yield Indexed to USA

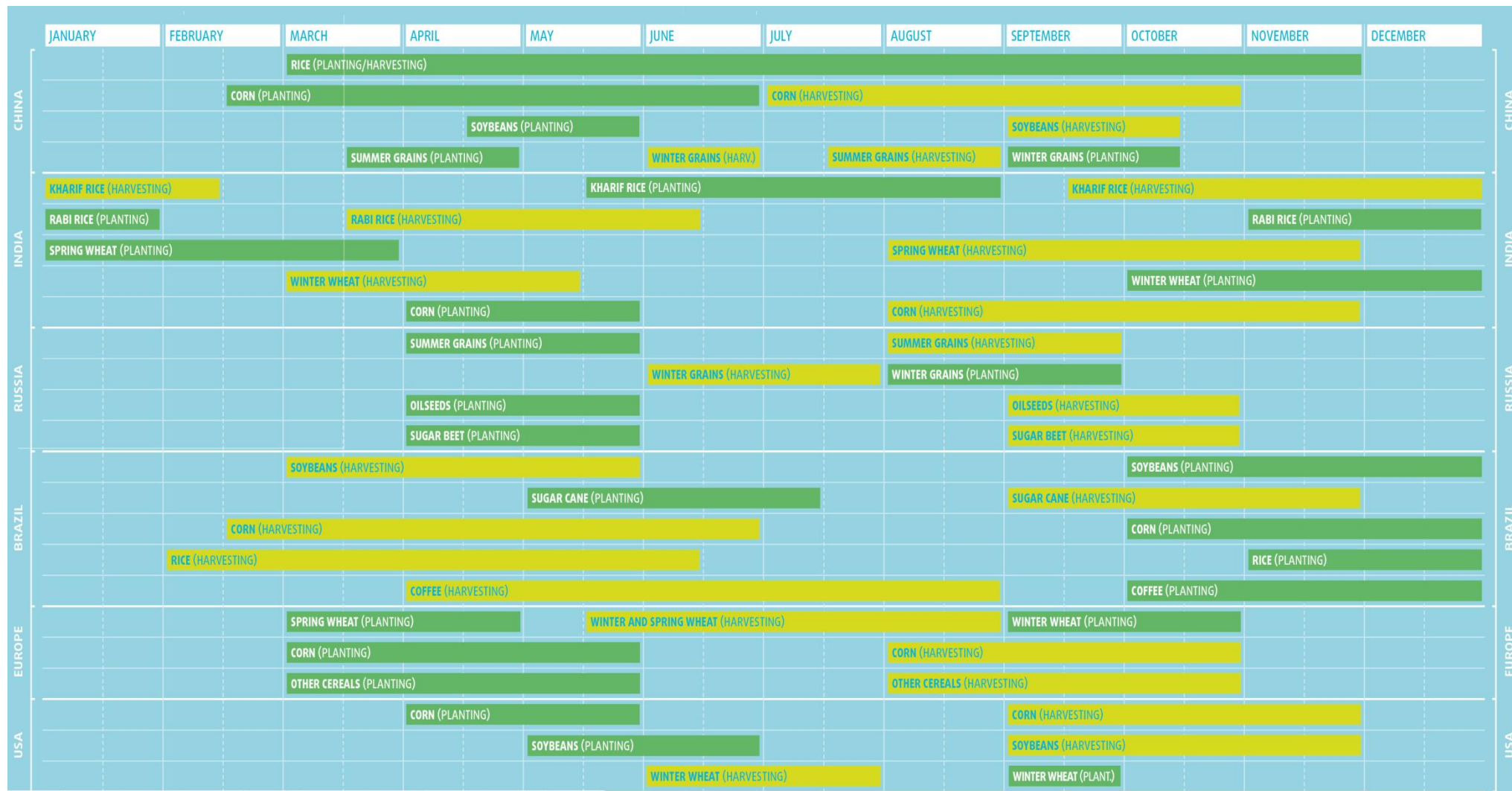


Projected Average Annual Growth of Agricultural Production 2012-2022



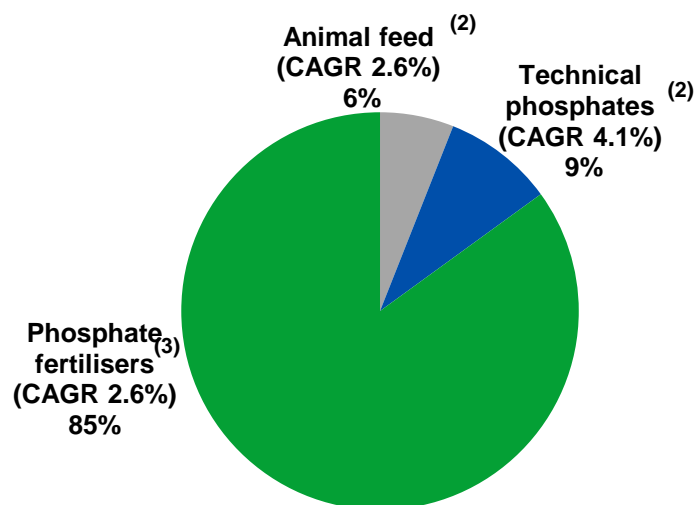
High growth rates for corn and seed oil crops, both major consumers of phosphate fertilisers

Annual Cycle of Seeding and Planting in Key Agricultural Regions



Phosphorus is essential for life

Phosphorus consumption structure ⁽¹⁾



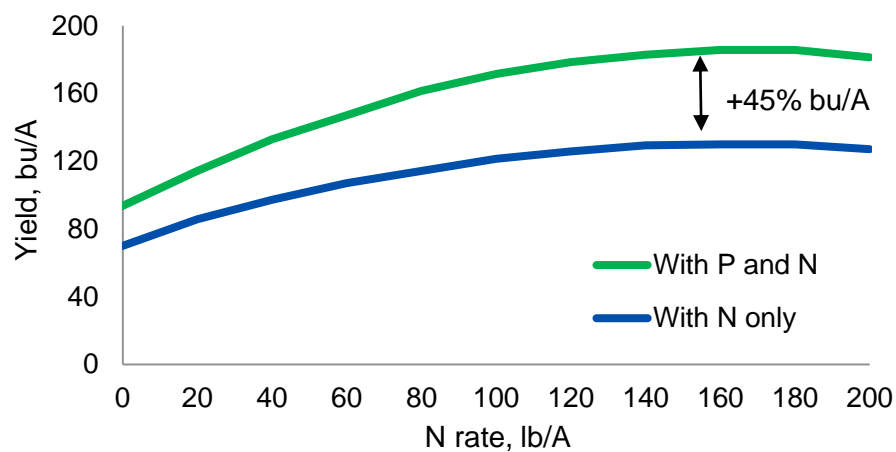
Phosphate fertilisers – 85% ⁽¹⁾ with CAGR of 2.6% ⁽³⁾



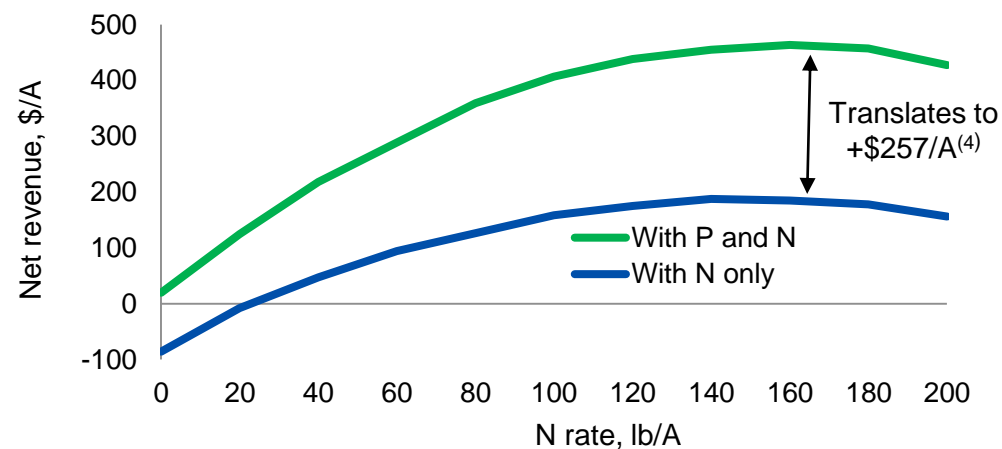
Without phosphate fertilisers

With phosphate fertilisers

Effect of phosphate and nitrogen fertilisers on corn yield



Effect of phosphate and nitrogen fertilisers on net farmer revenue



Source: FERTECON, International Plant Nutrition Institute

Note: (1) total phosphorus consumption

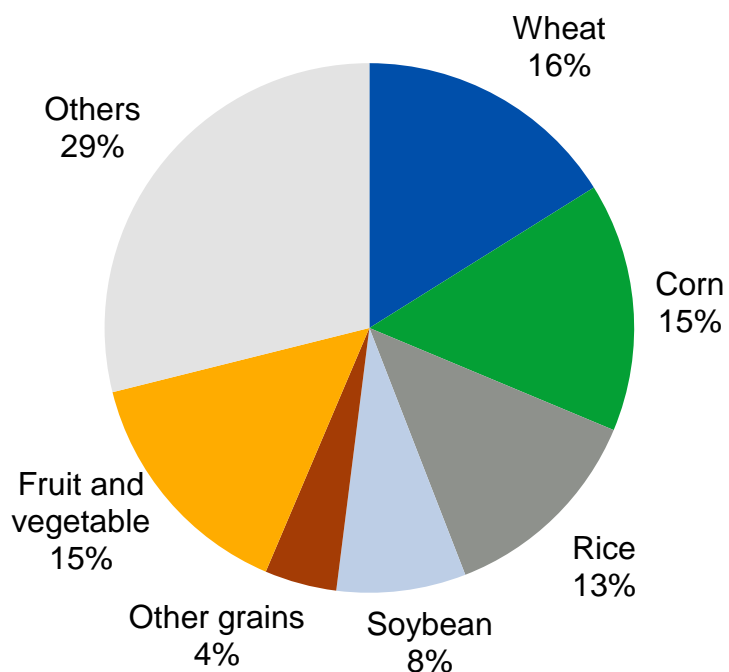
(2) CRU forecast for 2010-2020

(3) IFA forecast for 2012-2016

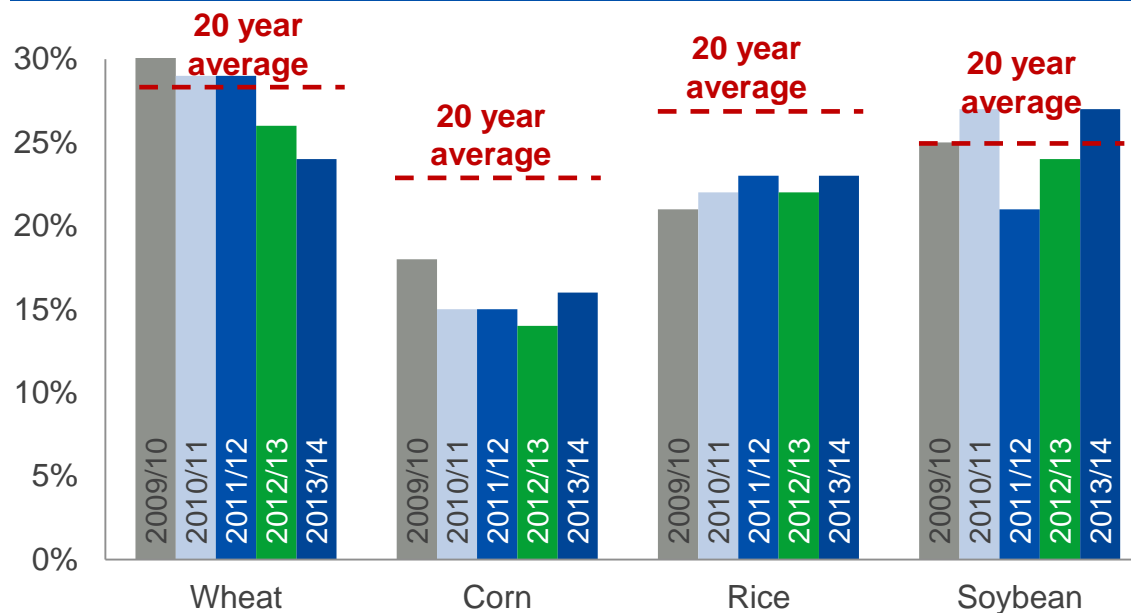
(4) as corn price of US\$ 5

Stock-to-use ratios for the key phosphate-using crops are at low levels driving crop prices

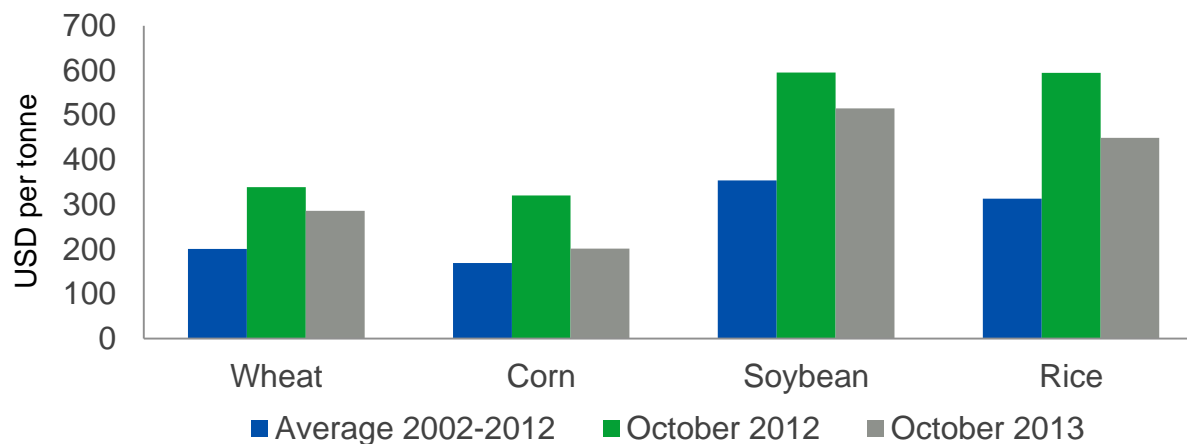
Phosphate fertiliser use by crop



World grain stocks-to-use ratios, %

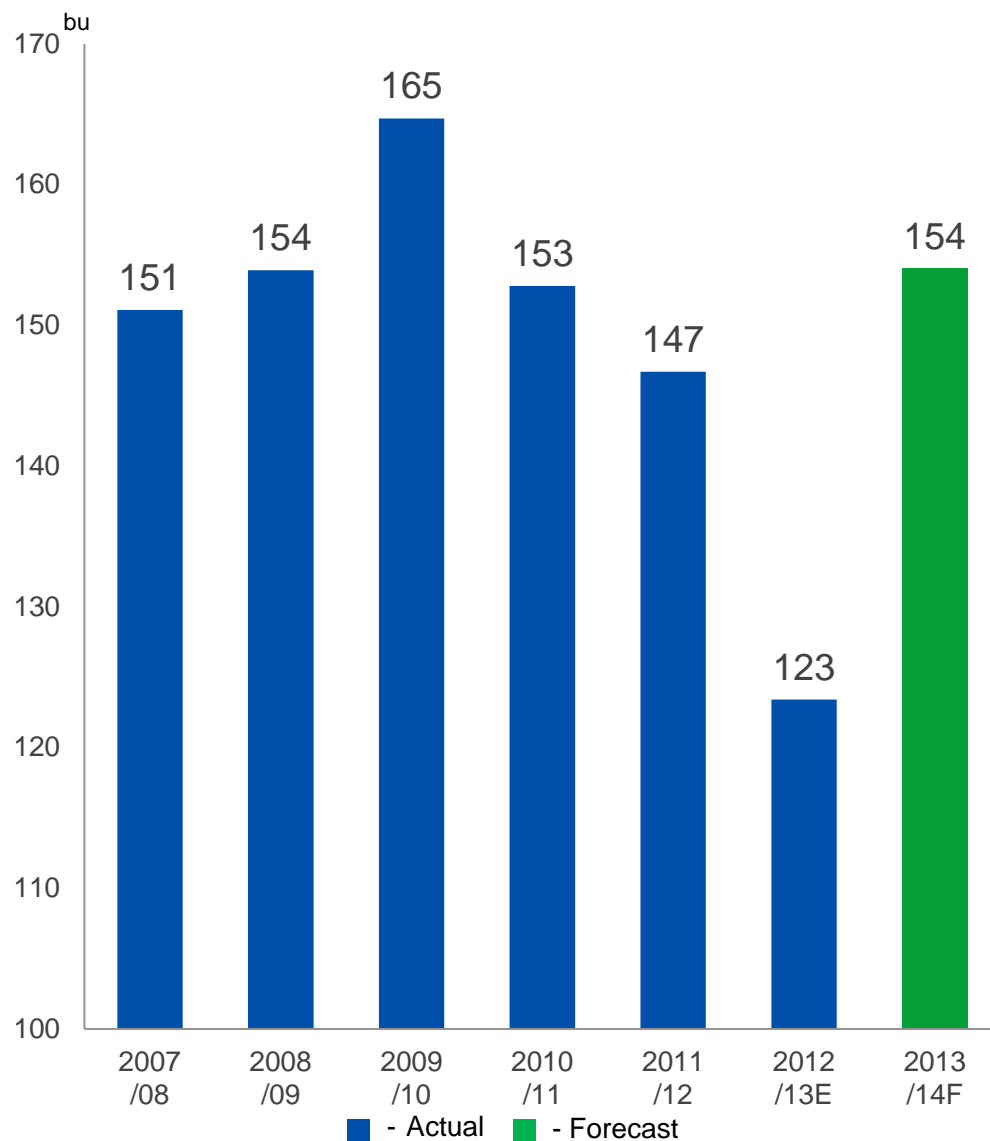


Crop prices

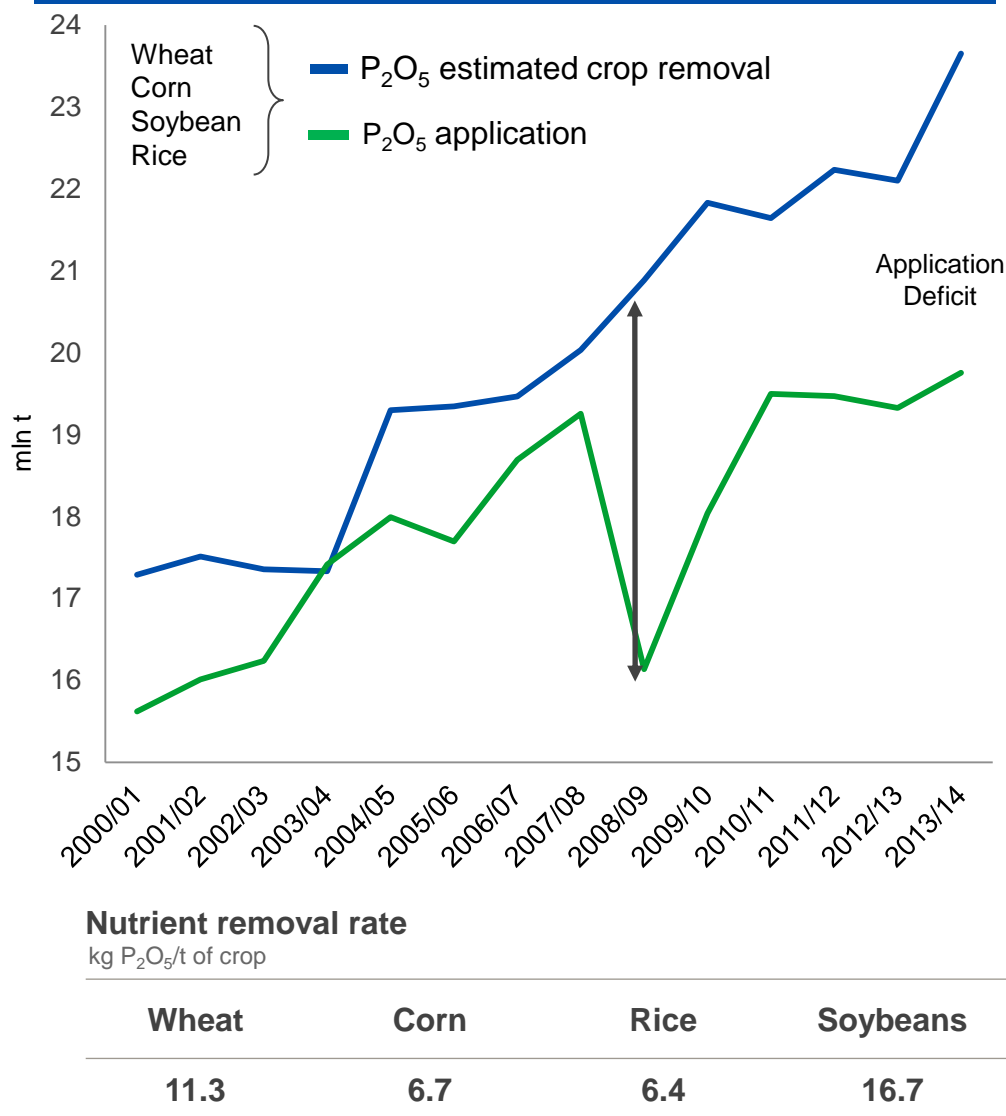


Significant room for further growth of use of phosphate fertilisers

Corn yield per harvested acre in US

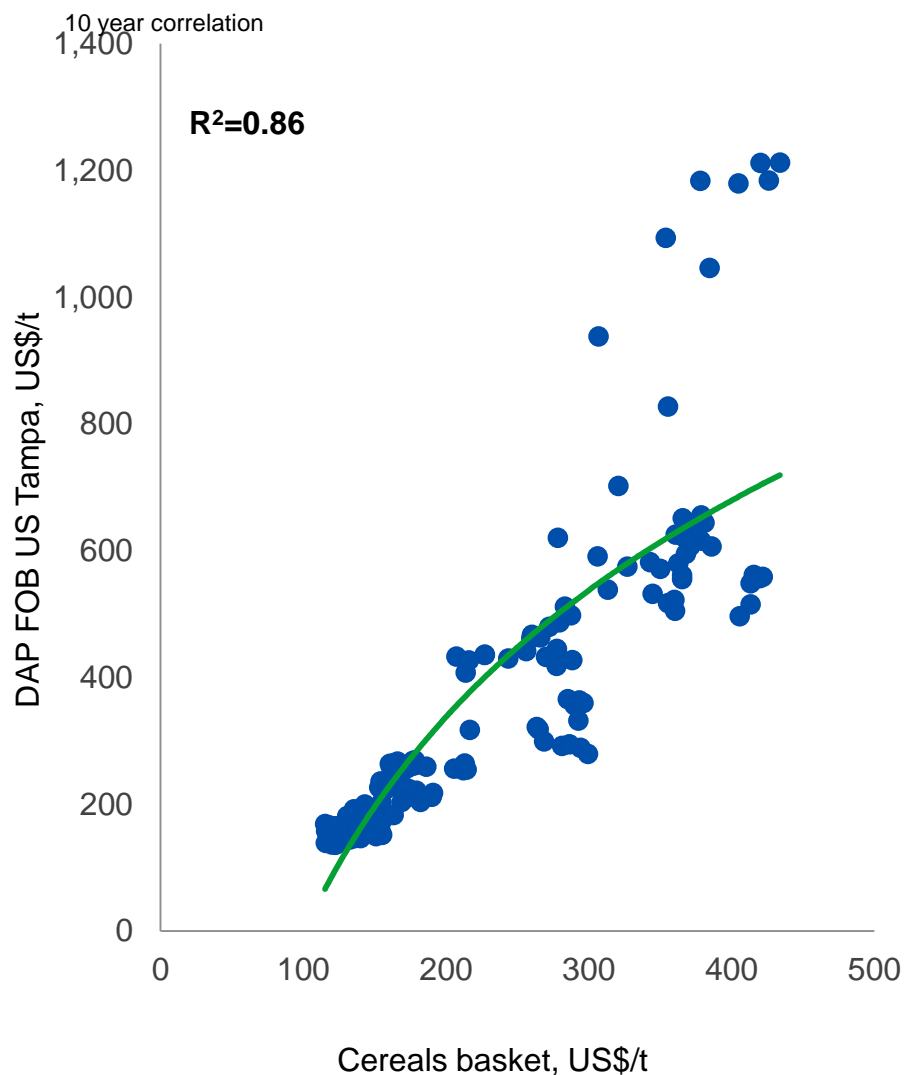


Insufficient application of phosphate fertilisers creates significant room for growth

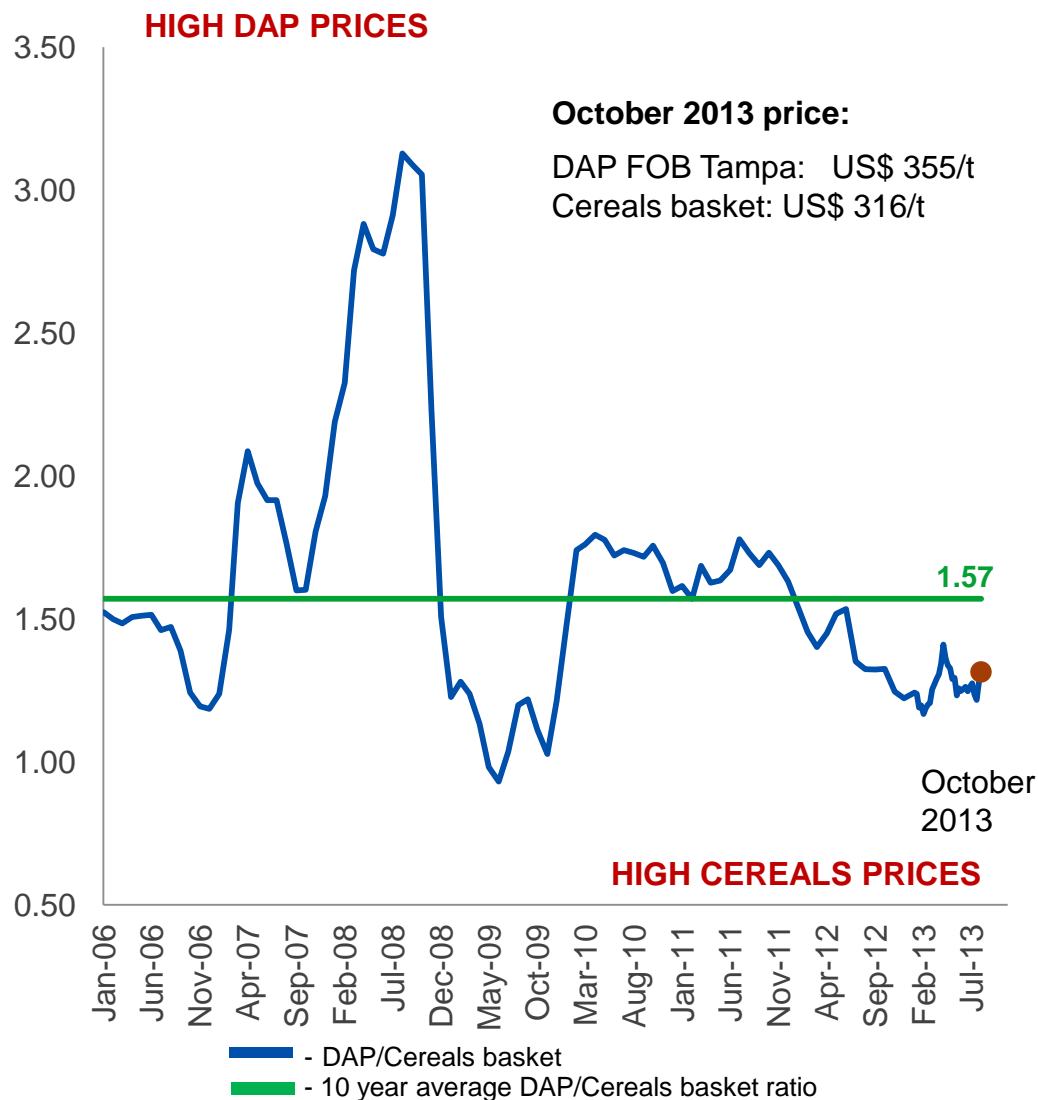


High grain prices driven by market imbalance motivate farmers to use more fertilisers

Cereals basket prices relative to DAP Prices



Cereals basket⁽¹⁾ to DAP prices ratio

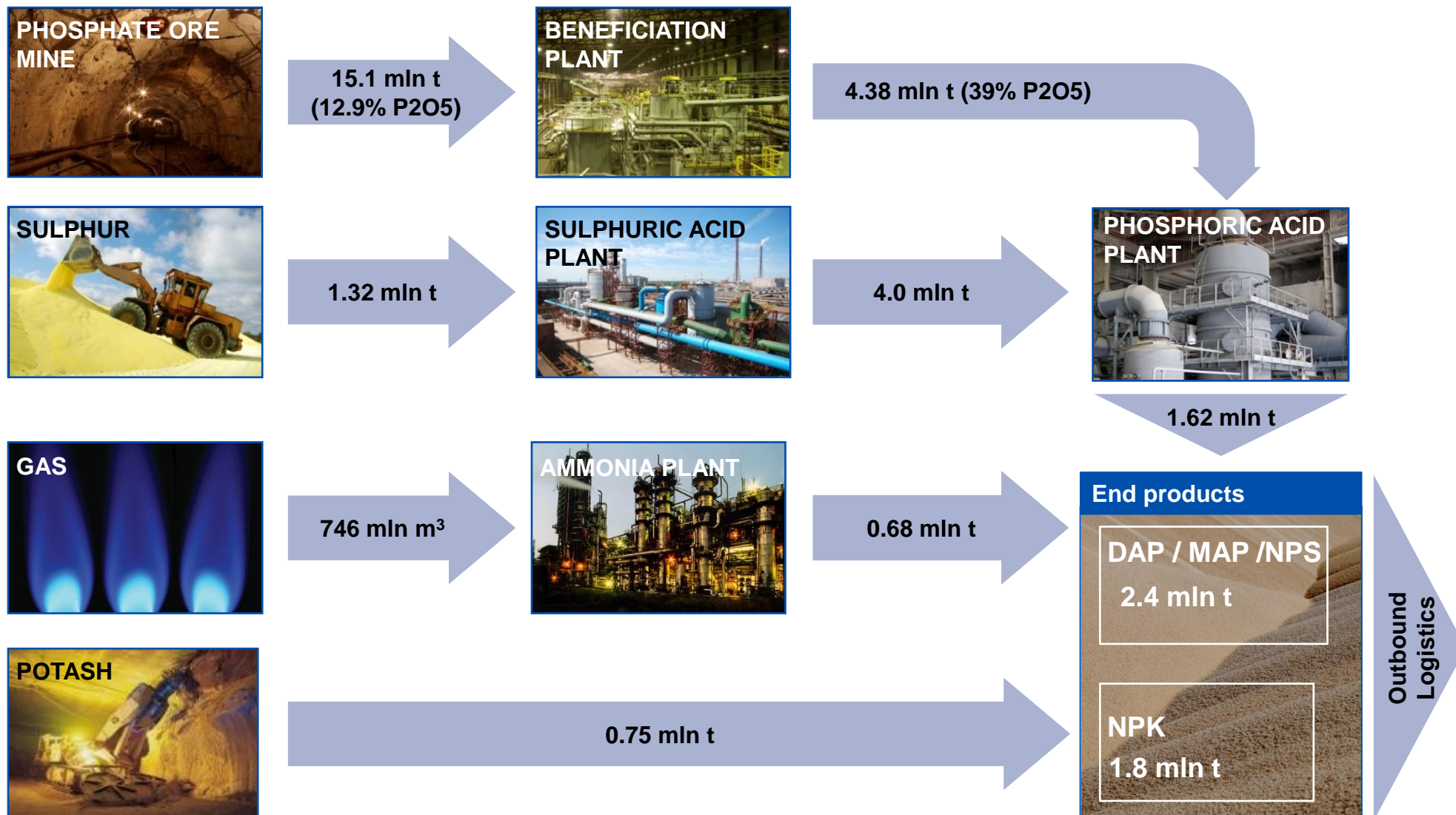


Source: Argus-FMB, USDA, FAO

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

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



Only few countries have domestic resource base
which is significant enough to produce phosphate fertilisers

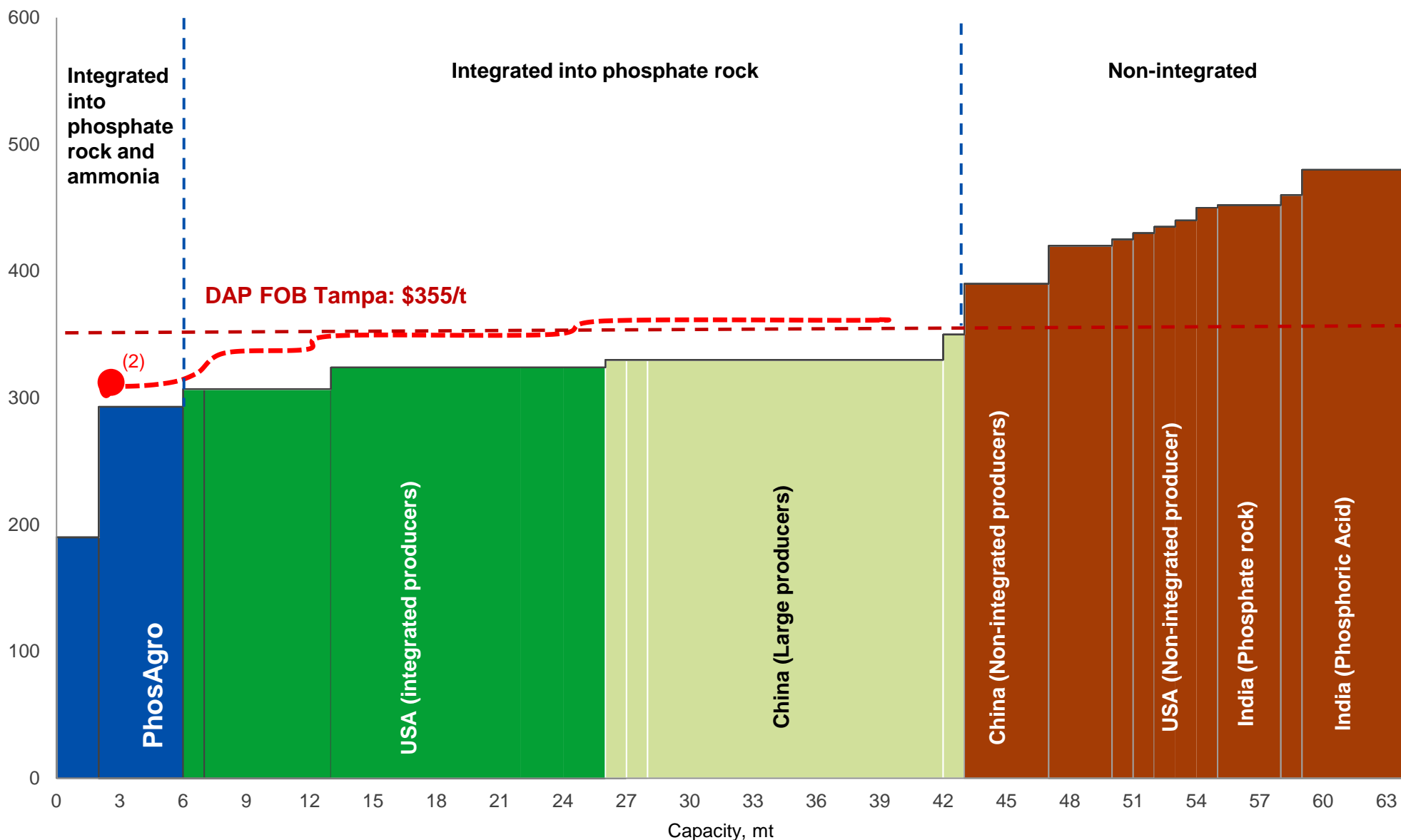
Production/resources of phosphate rock, natural gas and sulphur

	Region	Phosphate Rock, mln t		Natural Gas, bln cm		Sulphur, k t	
		Production	Resources	Production	Resources	Production	Import
	World	180.7	65,000	3,276	208,400	77,184	28,600
1	Russia	10	4,300	607	44,600	7,305	0
2	USA	27.6	1,400	651	8,500	9,091	3,066
3	Saudi Arabia	5*	7,690	100	8,200	3,200	0
4	Canada	1.0	2.0	161	2,000	7,091	0
5	China	75.1	3,700	103	3,100	15,626	10,085
6	Kazakhstan	1.5	3,100	19	1,900	2,857	0
7	Mexico	1.4	1,000	53	400	1,374	368
8	Iraq	-	5,800	2	3,600	125	0
9	Australia	2.0	250	45	3,800	991	513
10	Peru	2.2	1,453	11	400	490	0
11	Brazil	6.1	310	17	500	522	1,952
12	India	2.1	85	46	1,200	2,776	1,807

Source: USGS, IFDC, BP, PhosAgro

Note: * Projection

Estimated DAP production cash cost curve (US\$/t, FOB) in Oct 2013⁽¹⁾

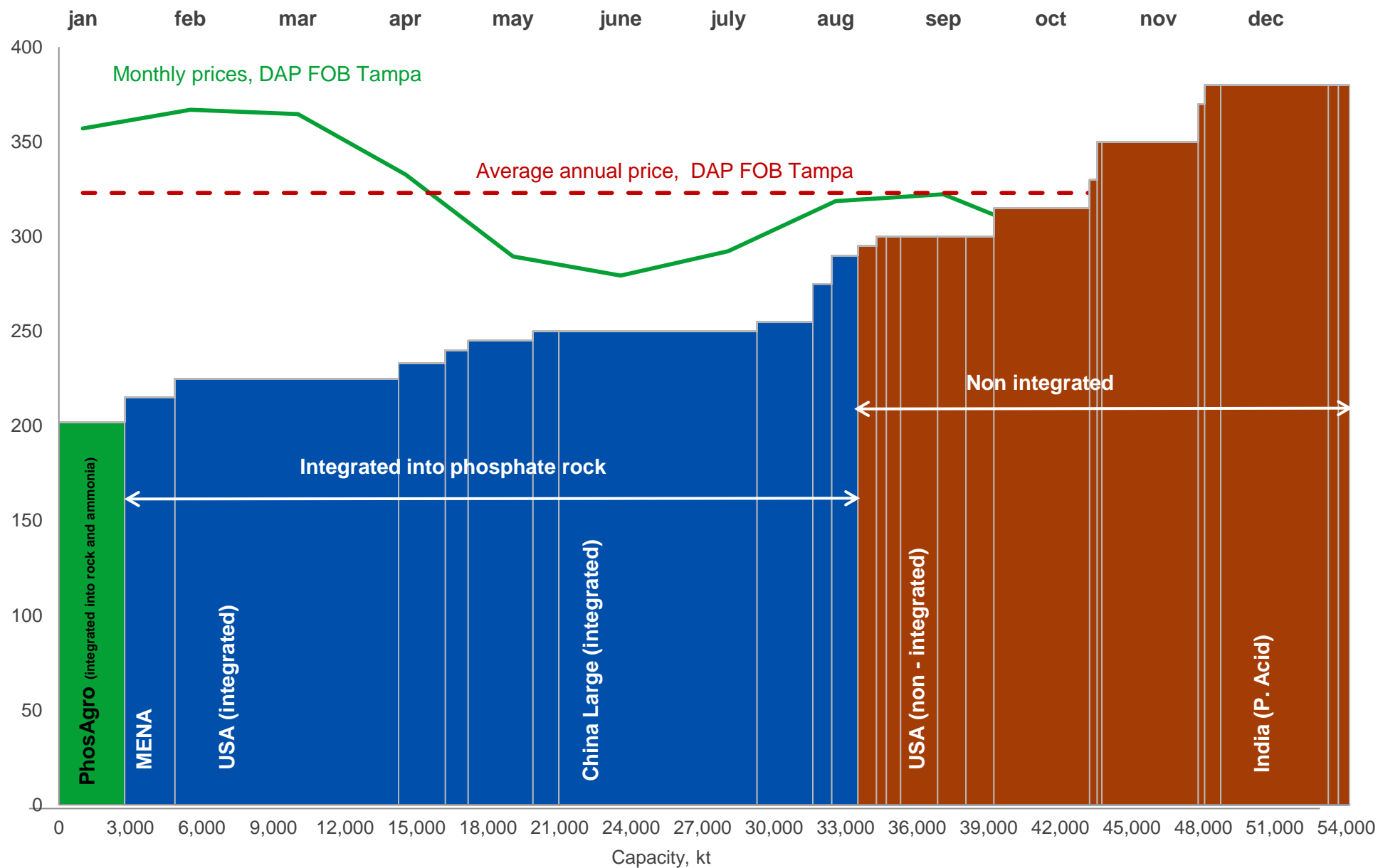


Source: companies data, CRU, Argus-FMB, China Fert Market Weekly, PhosAgro

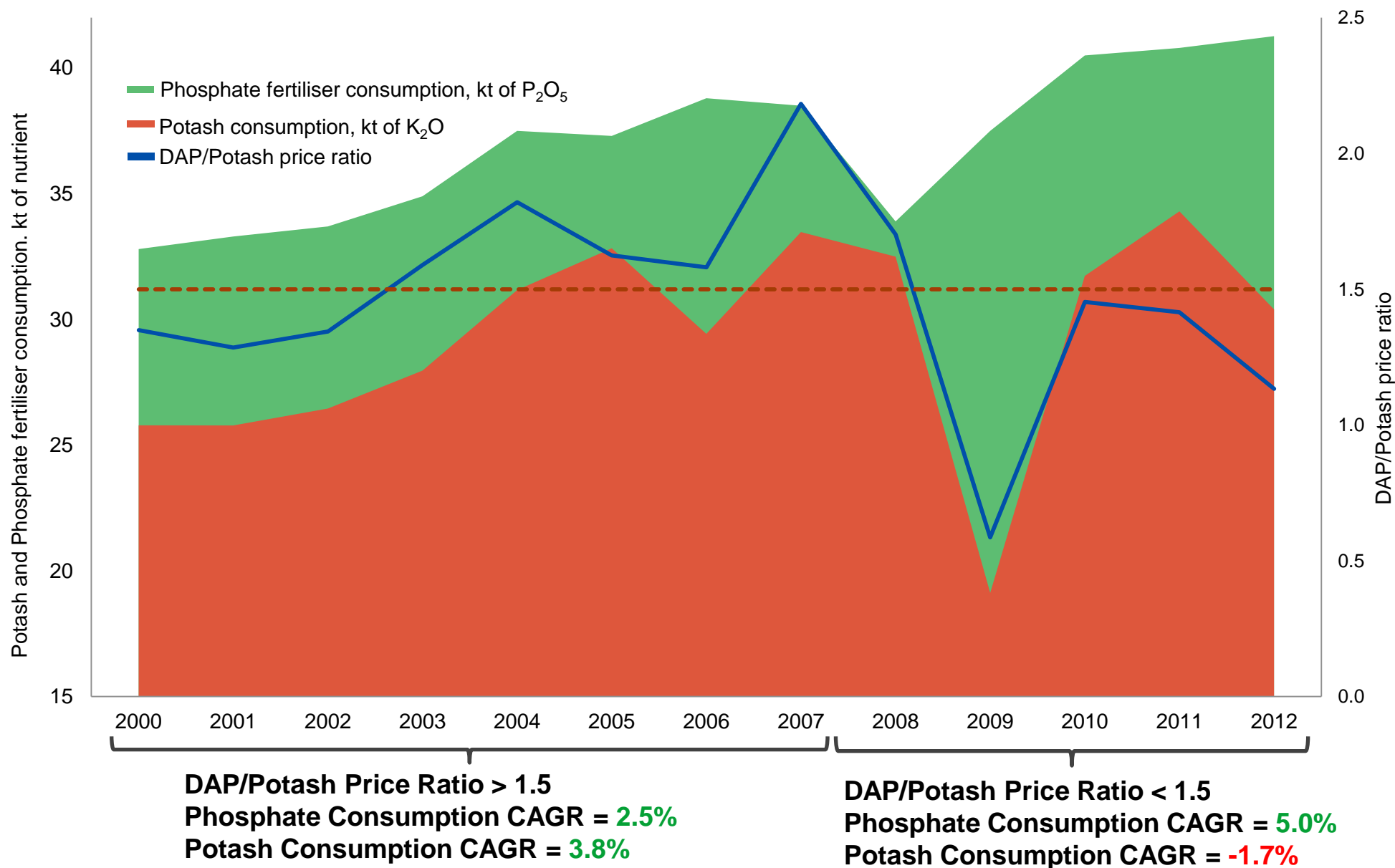
Note: (1) DAP cash cost estimations are based on feedstock prices as of October 2013

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

Estimated DAP production cash cost curve (US\$/t, FOB) in 2009

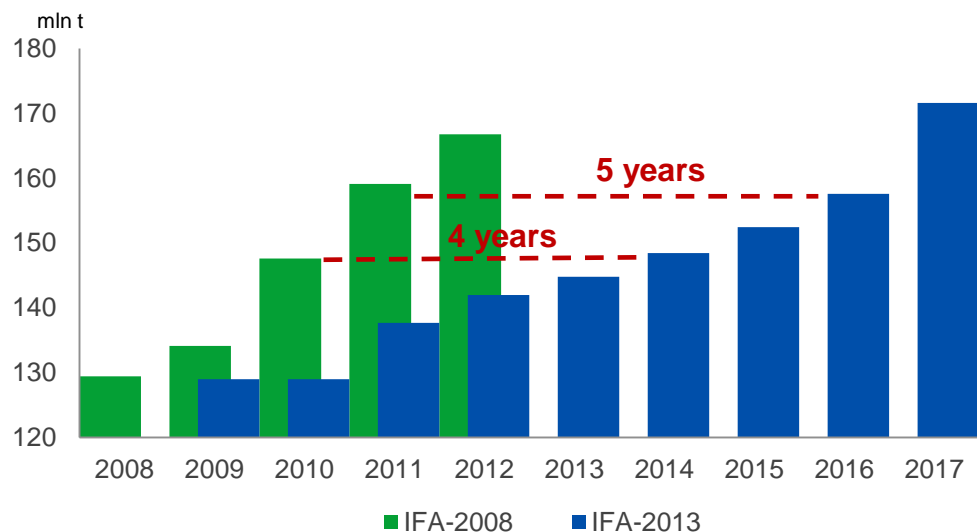


DAP/Potash price ratio vs Phosphate and Potash consumption

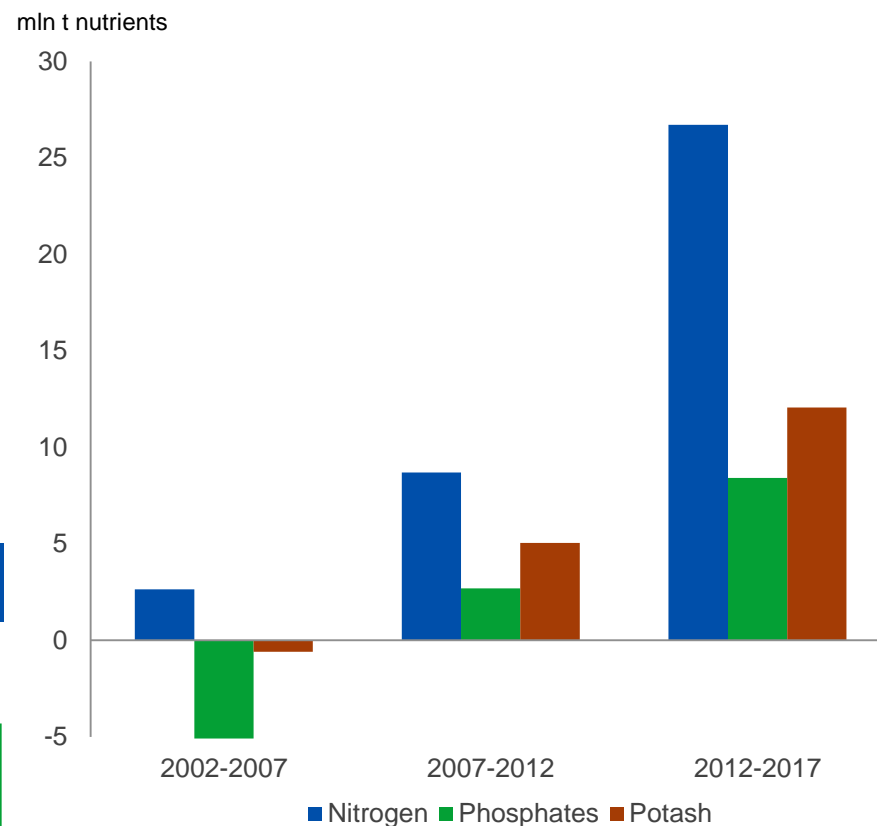


Commissioning phosphate rock and phosphoric acid capacities

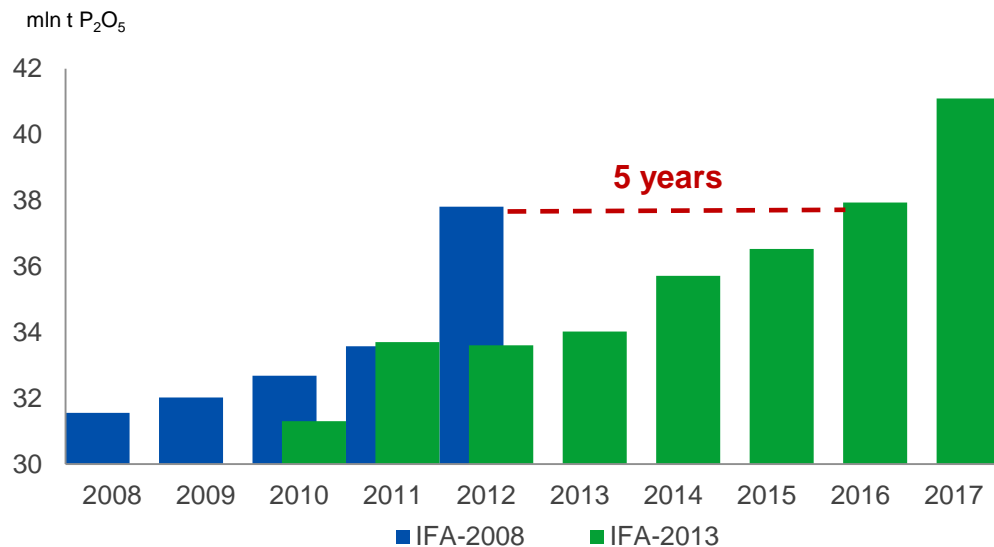
Delays in addition of new phosphate rock capacities (excl. China)



Changes in world fertiliser capacities (excl. China)

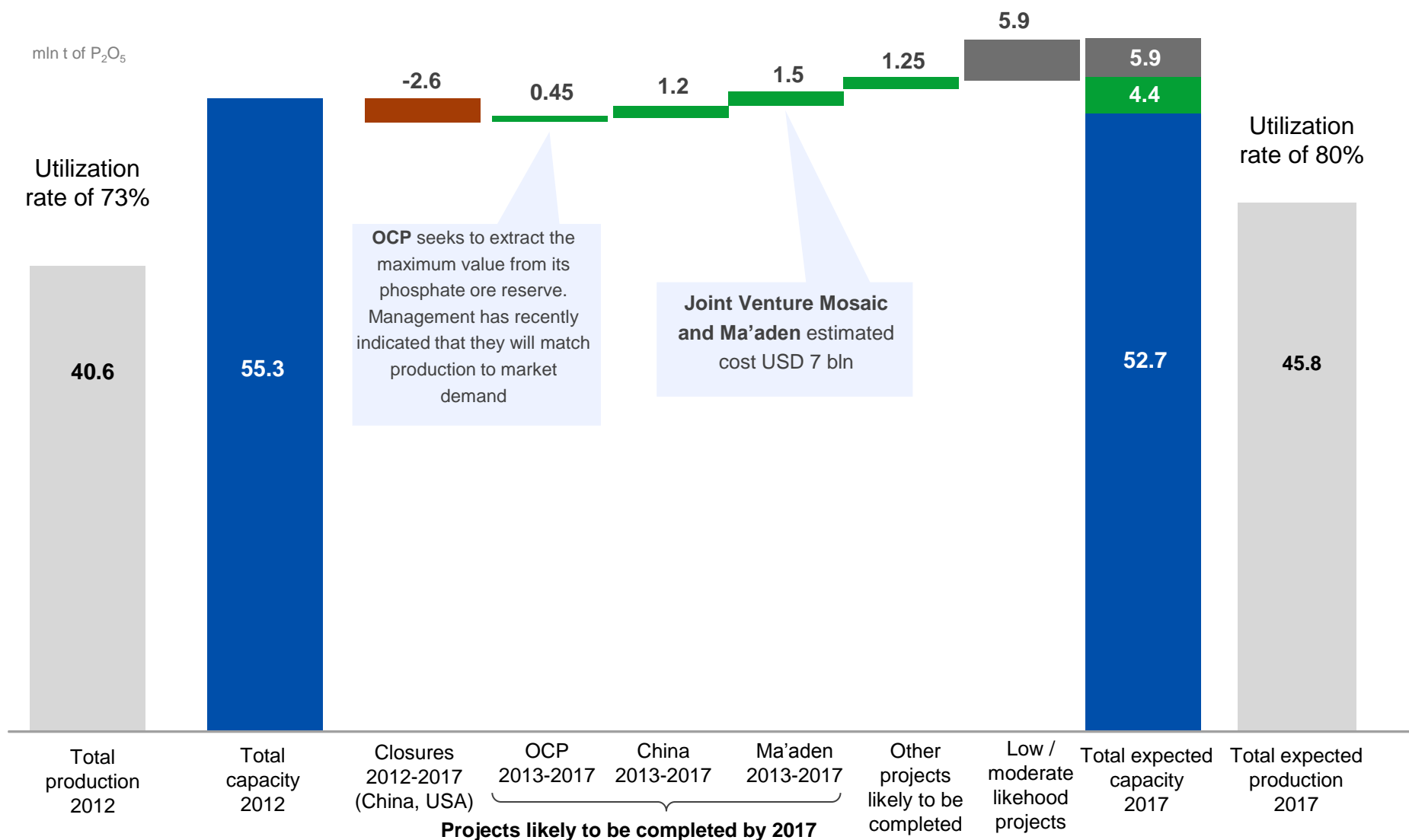


Delays in commissioning phosphoric acid capacities (excl. China)



- Less new projects are announced in phosphates
- Commissioning of new capacities is delayed
- Shutdown in phosphate fertiliser 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

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. Several winding roads are visible, snaking through the different levels of the mine. In the background, there are rolling hills covered in green vegetation. The sky is filled with large, white, fluffy clouds. A green rectangular banner is positioned in the upper right corner of the image, containing the text '2. Company Highlights' in white.

2. Company Highlights

Control of world's premium phosphate resource base

Location ⁽¹⁾	 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 ₂ O ₃ content	13.0-14.0% High	Very low	Very low	Very low	Very low	Low to moderate
Minor Element Ratio (MER) ⁽²⁾	0.02-0.04	0.02-0.04	0.05-0.1	0.02-0.03	More than 0.05	0.05
Cadmium content ⁽³⁾	Less than 0.1	15-40	9-38	5-6	2	40
Level of radioactivity	Very low	Moderate	Moderate to high	Low to moderate	Low to moderate	Moderate
Hazardous metals content	Very low	Moderate	Moderate to high	Low	Low to moderate	Low to moderate
		Positive effect on quality		Negative effect on quality		

Source:

CRU, IMC, USGS 2011

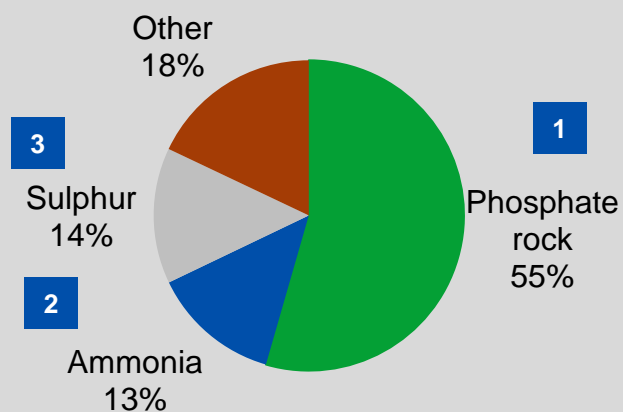
(1) Primary global DAP/MAP producing regions

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

(3) Average cadmium content in ppm

PhosAgro DAP production cash costs

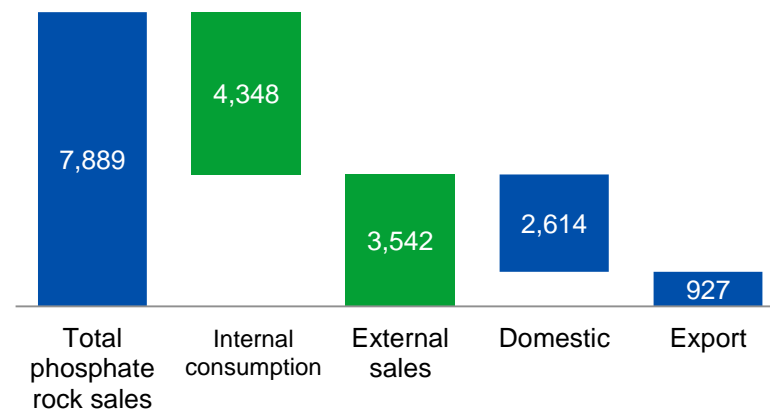
2012, ExW, US\$



1

Phosphate rock: 100% self-sufficient

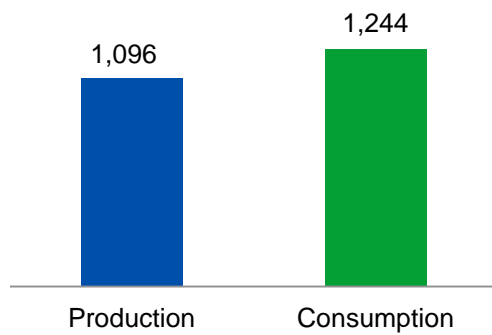
2012, kt



2

Ammonia: 88% self-sufficient

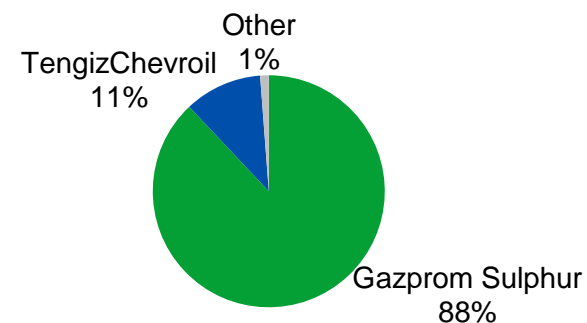
2012, kt



3

Sulphur: access to local supplies

Sulphur suppliers in 2012

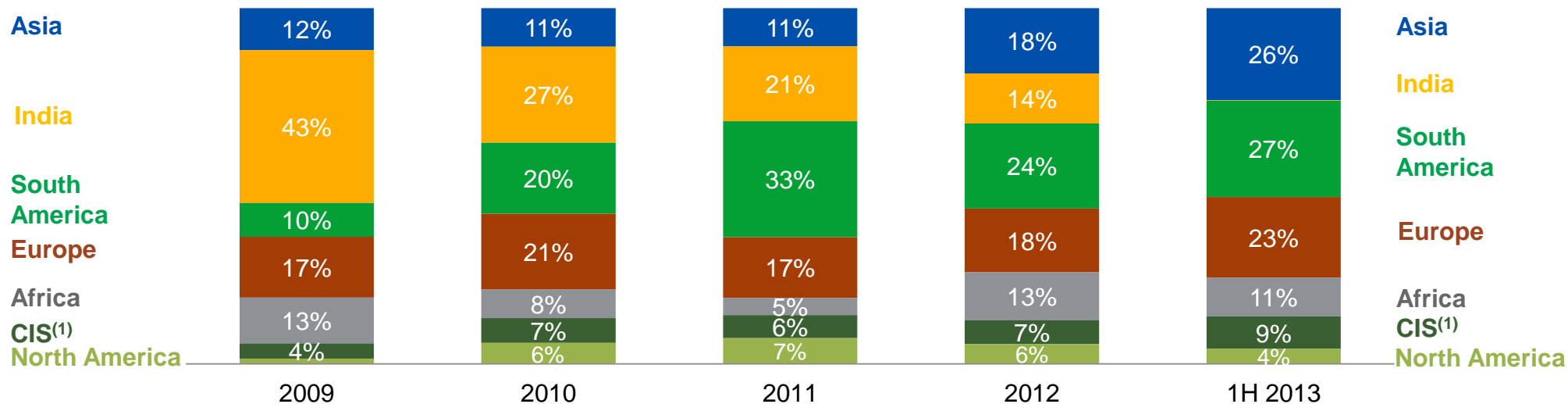


Flexible business model



Phosphate-based fertilisers and feed phosphate exports by region

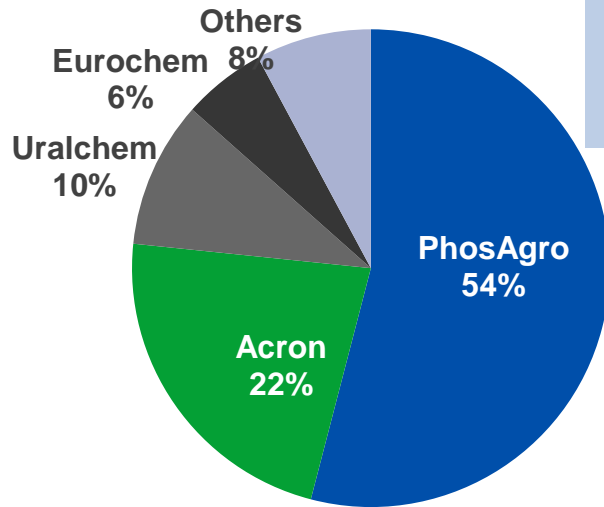
In volume terms



Source: PhosAgro
Note: (1) Excluding Russia

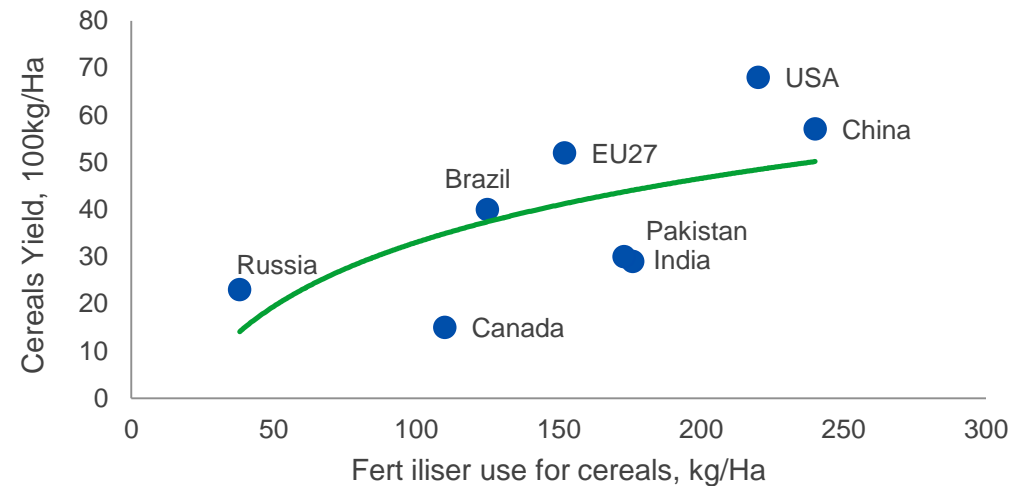
PhosAgro - the main phosphate fertiliser supplier for domestic market

#1 phosphate fertiliser supplier for domestic market

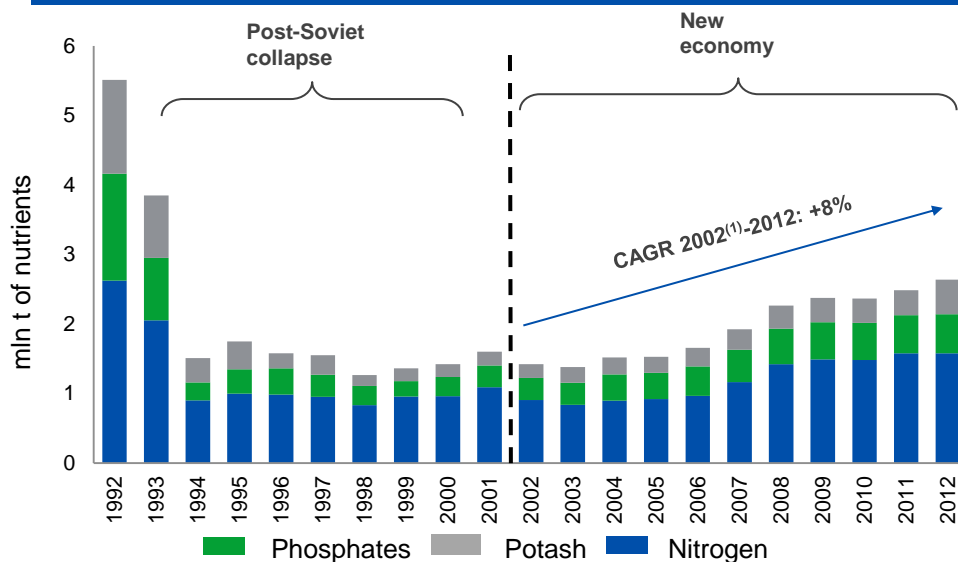


In 2012 PhosAgro domestic sales were 726 kt

Fertiliser effects on yields



Fertiliser 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



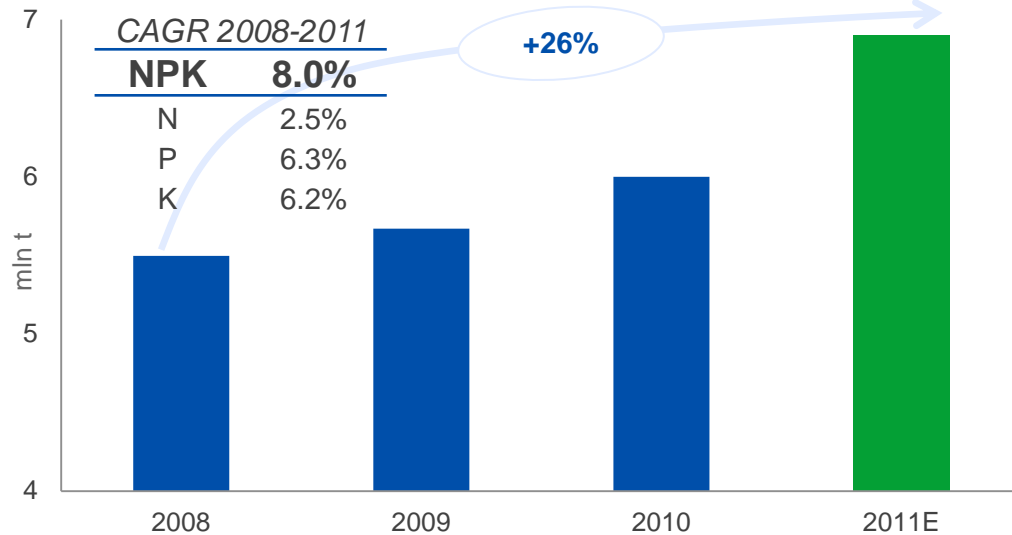
Source: IFA, World Bank, Azotecon, FAO, PhosAgro

Note: (1) First full year of PhosAgro operations

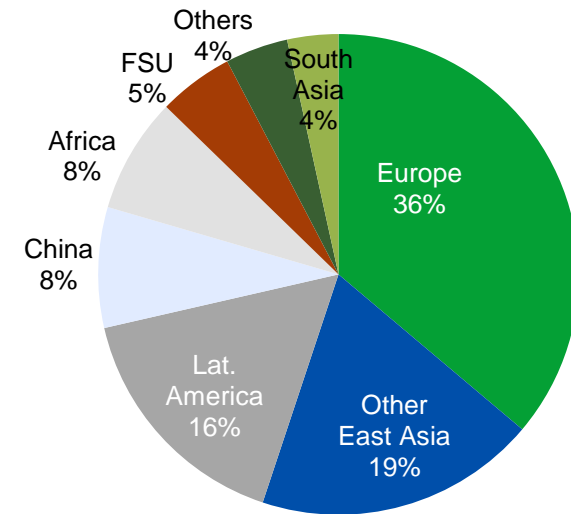
(2) Current railway tariff for transportation of one tonne of fertilisers to Krasnodar / Stavropol regions

PhosAgro's flexible model meets global demand for NPK

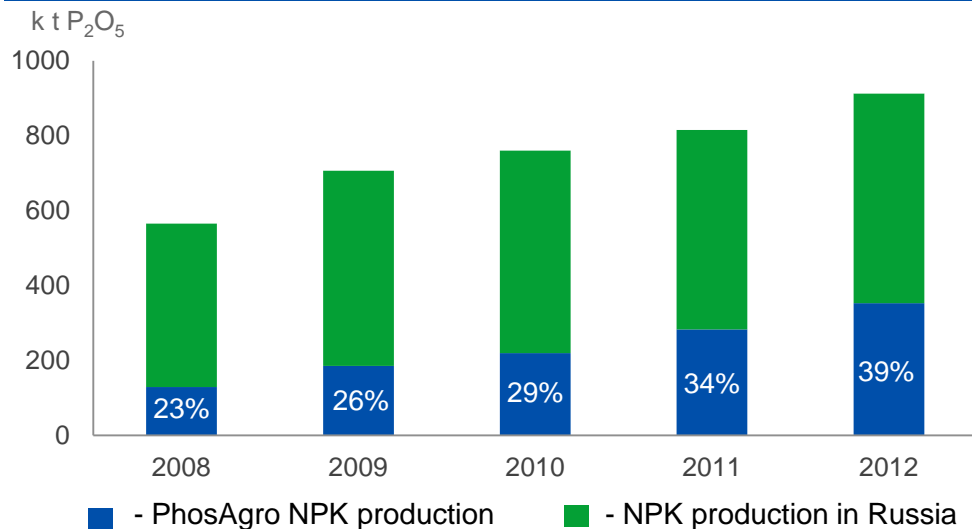
World NPK production



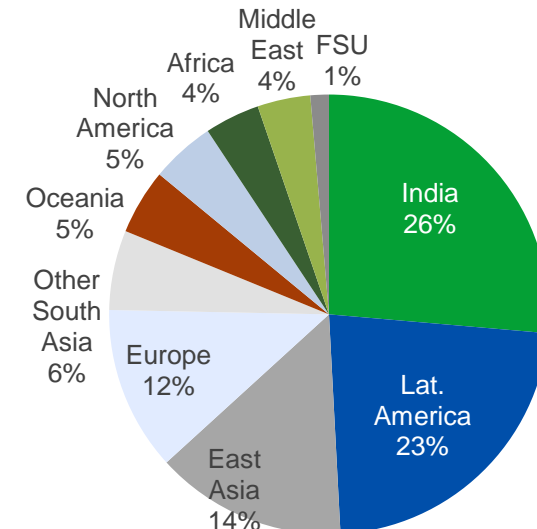
World NPK imports: ~2 mln t of P₂O₅ per annum⁽¹⁾



NPK production in Russia



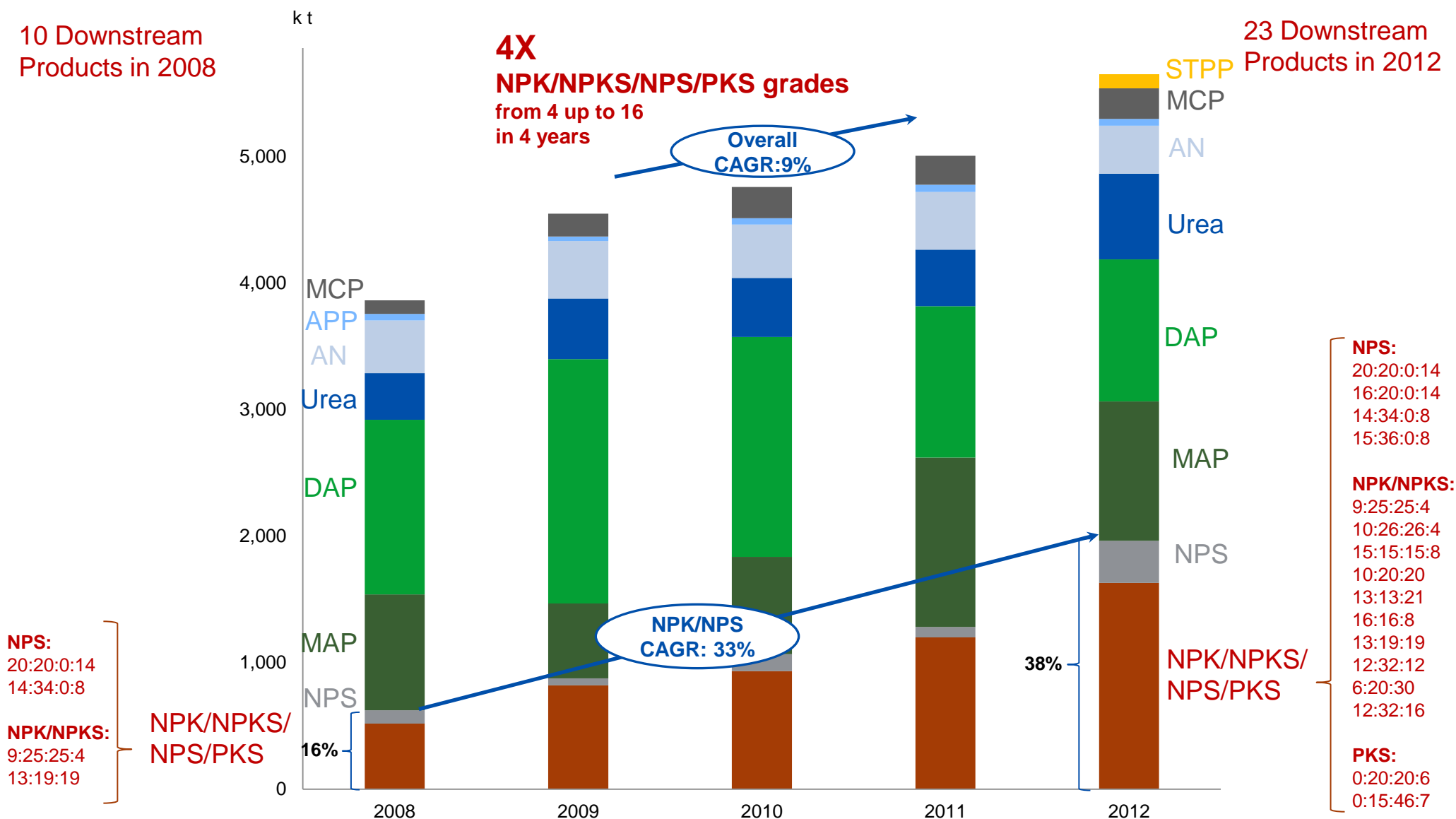
World DAP/MAP imports : ~8.5 mln t of P₂O₅ per annum⁽¹⁾



NPK High Margin Demand Drives PhosAgro's production mix

10 Downstream Products in 2008

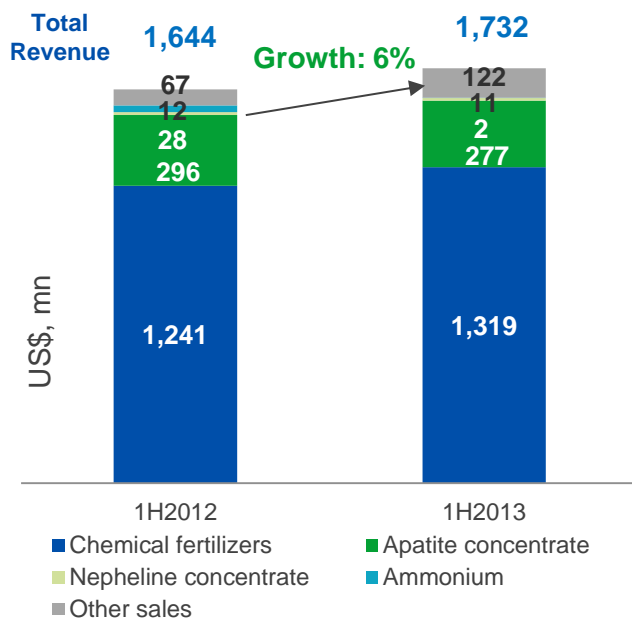
23 Downstream Products in 2012



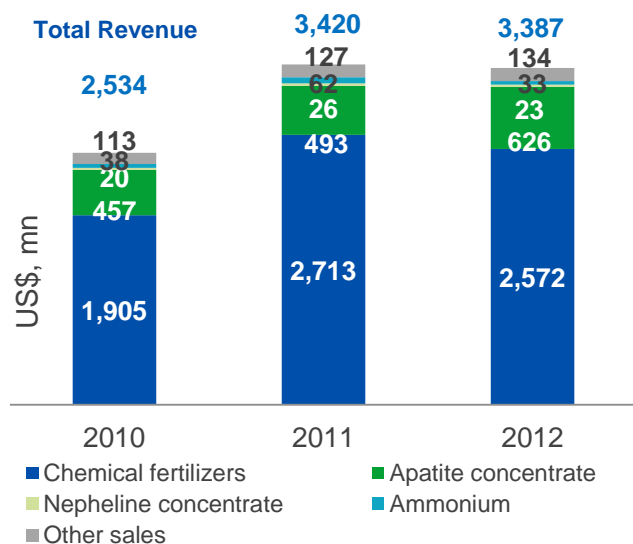


3. Financial Overview

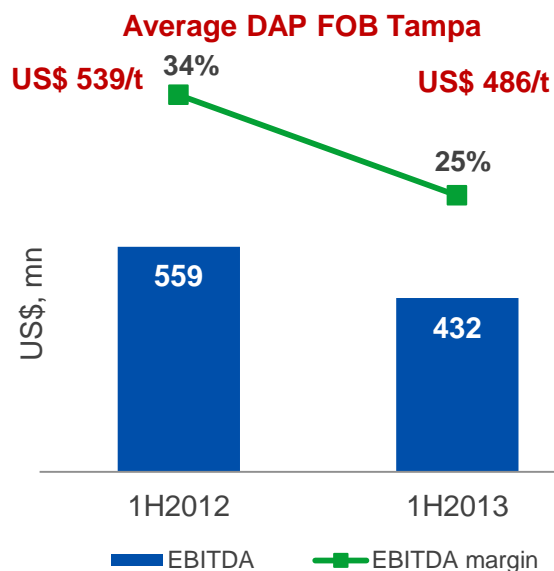
Revenue (H1 2012/2013)



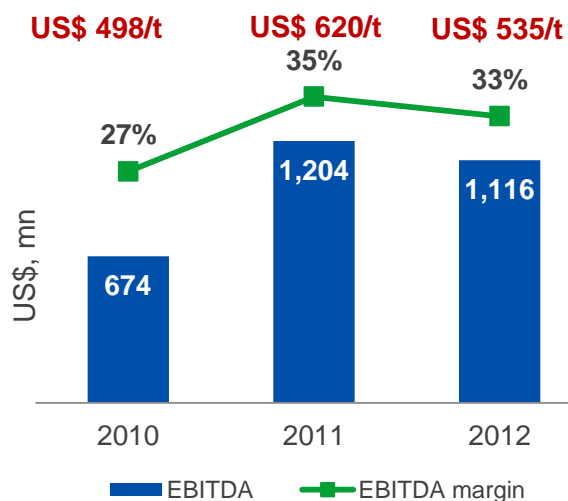
Revenue (FY 2010-2012)



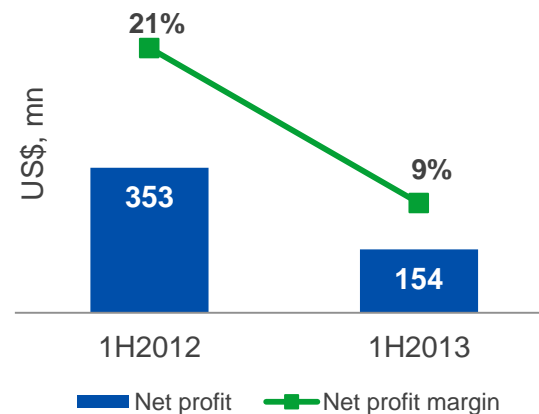
EBITDA (H1 2012/2013)



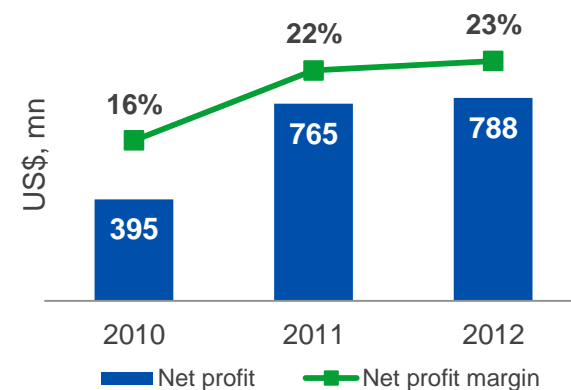
EBITDA (FY 2010-2012)



Net Profit (H1 2012/2013)

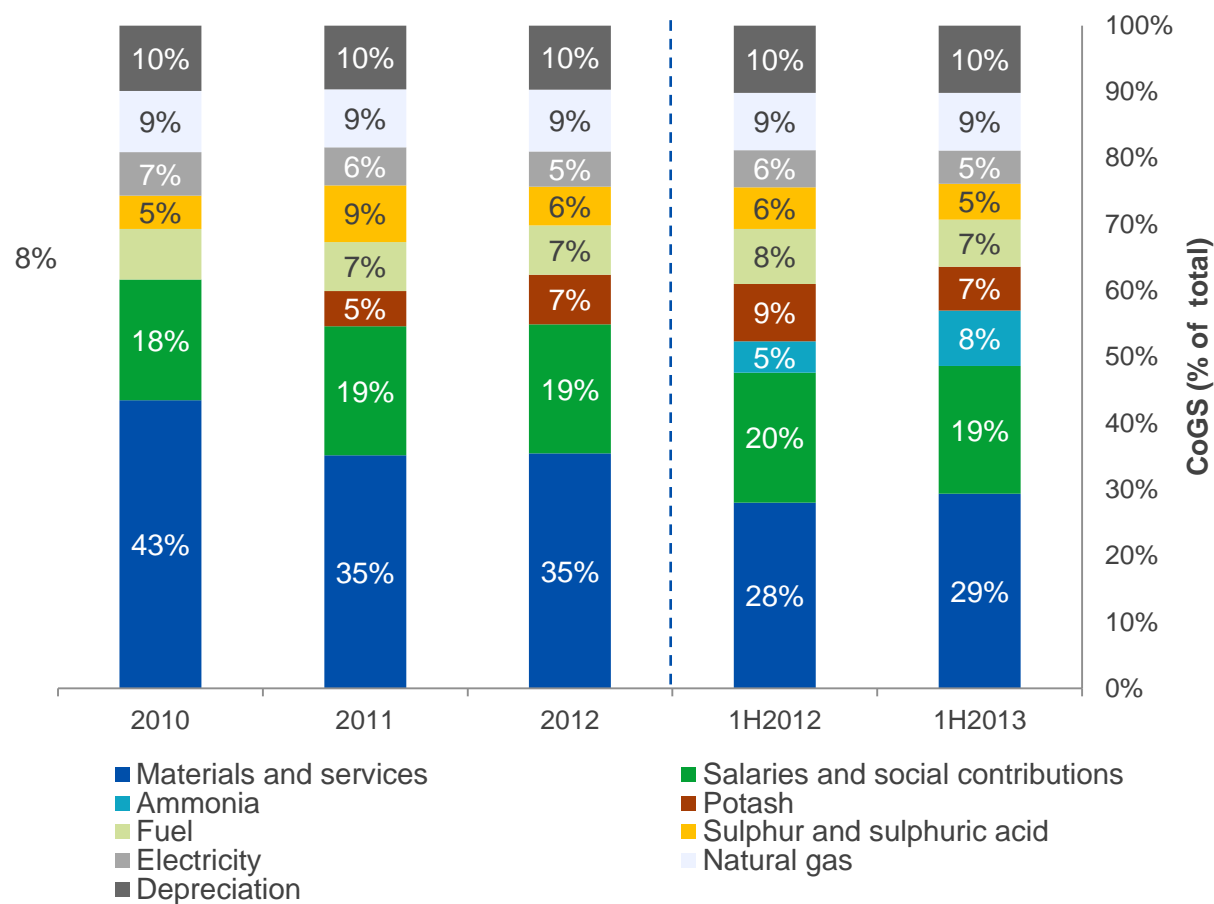


Net Profit (FY 2010-2012)



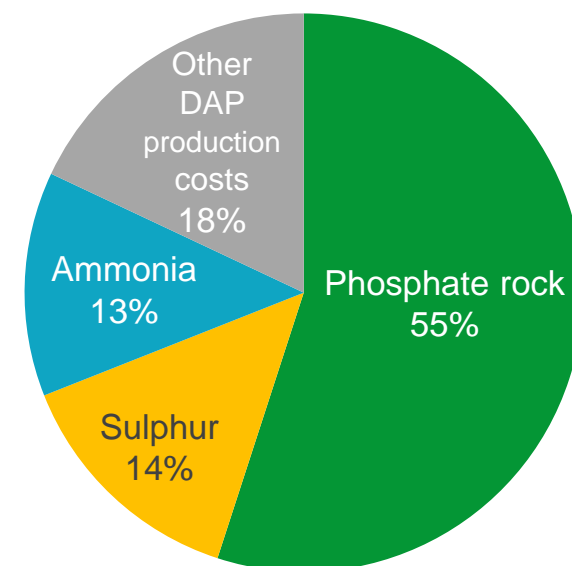
Cost of Goods Sold and Sales Volumes

Sales (kt)	2010	2011	2012	1H2012	1H2013
Fertilisers ⁽¹⁾	3,842	4,062	4,243	2,123	2,307
Phosphate Rock	3,712	3,153	3,542	1,677	1,479



DAP production cash cost breakdown

ExW, US\$, 2012

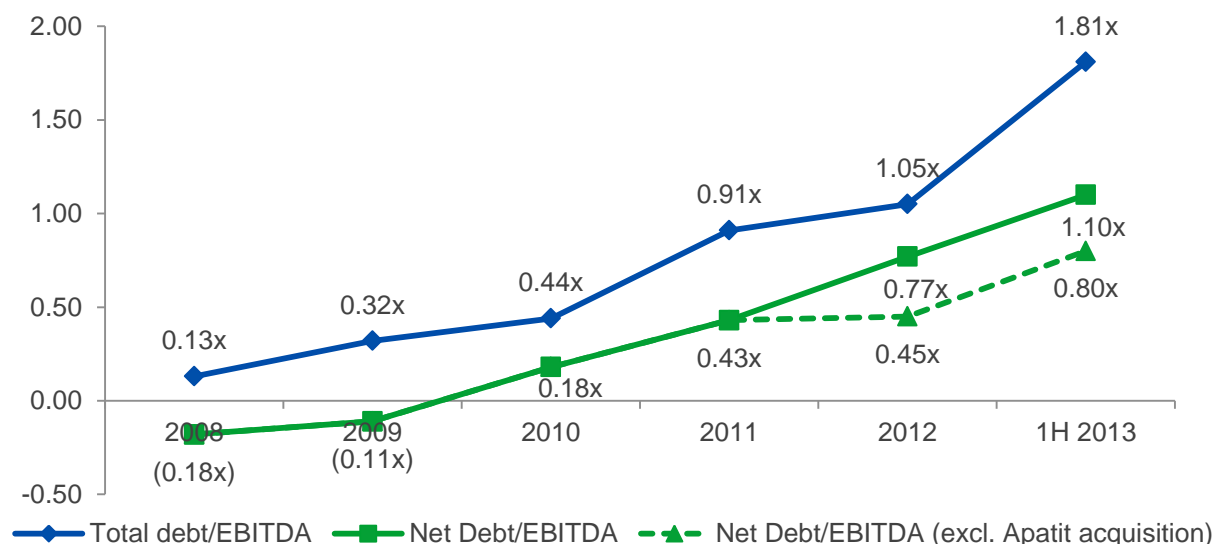


Source: PhosAgro

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), 31.02 (1H2013)

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

Total debt and net debt / annualised EBITDA



Public debt

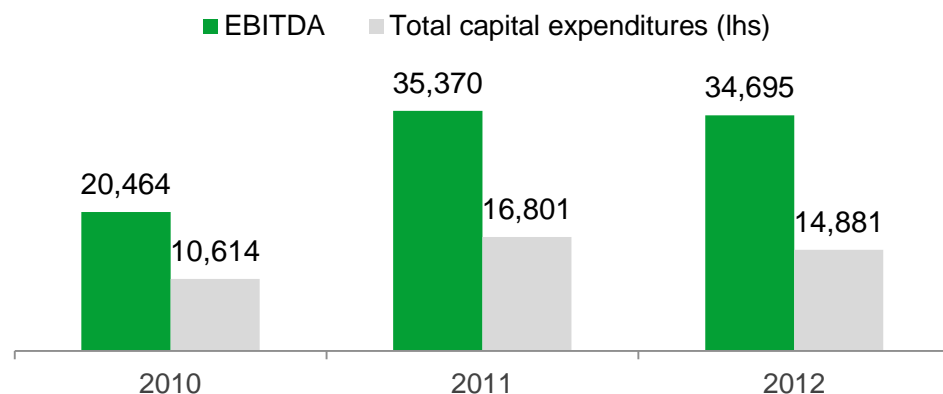
Eurobonds issued on February 2013 (LPN)

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		

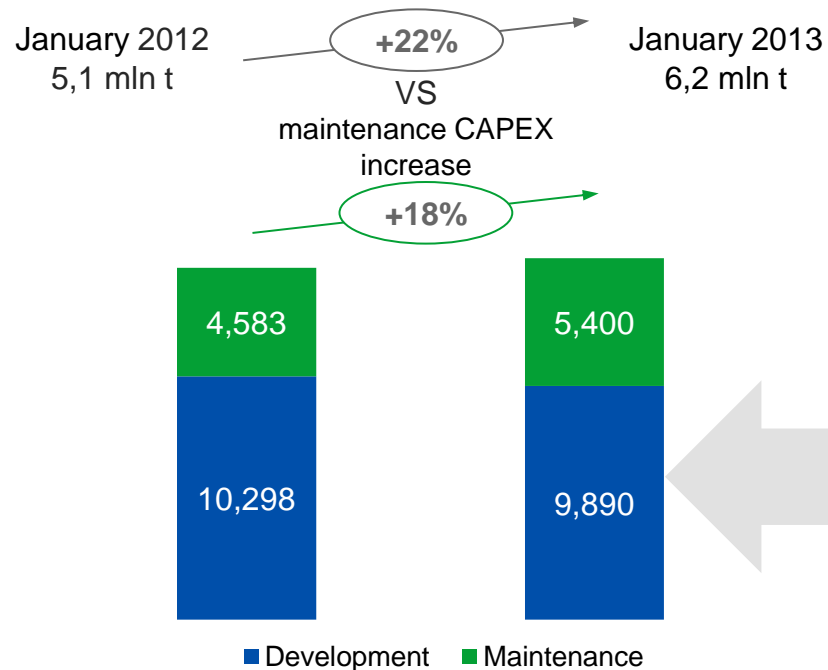
Comment

- 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 temporarily increased to slightly above the target level of 1x 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
- Excluding effect of Apatit buyout (under normal course of business), net debt/EBITDA would be 0.80x at 30 June 2013
- A group of PhosAgro shareholders completed a secondary public offering of existing shares and GDRs, which was followed by an additional share issue by PhosAgro in which the selling shareholders re-invested 45% of the proceeds from the SPO, giving the Company an additional USD 210 million of financing in April 2013

EBITDA vs Capex¹



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\$
2011 April-December	57.5	0.61
9M 2012	63	0.67
Final 2012 Dividend	19.9	0.21
2012 Total	82.9	0.88
1H2013	15.45	0.16

- 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
Total	17.5

4. Future potential



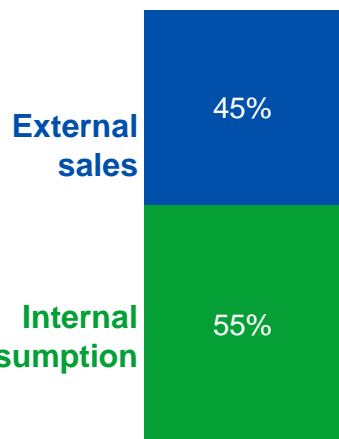
Long term strategy for volume growth of fertilisers

2012

Future (one – four years)

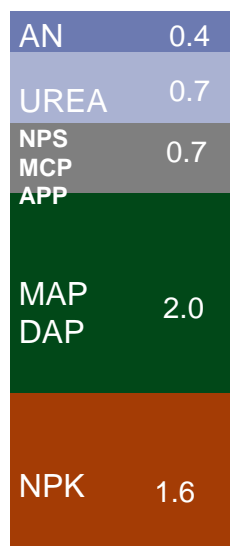
Phosphate rock

Total: 7.9 mln t

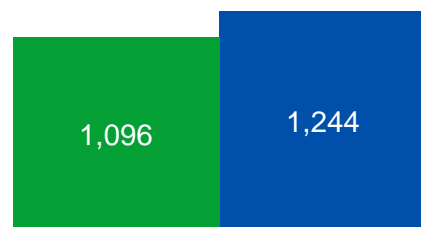


New NPK/PKS production

Overall 5.4 mln t

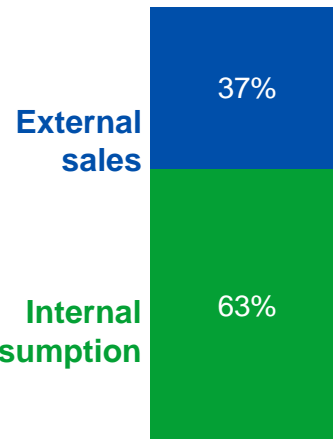


Ammonia
kt



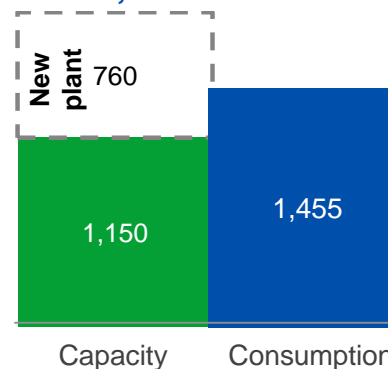
New ammonia plant

Total: 7.9 mln t

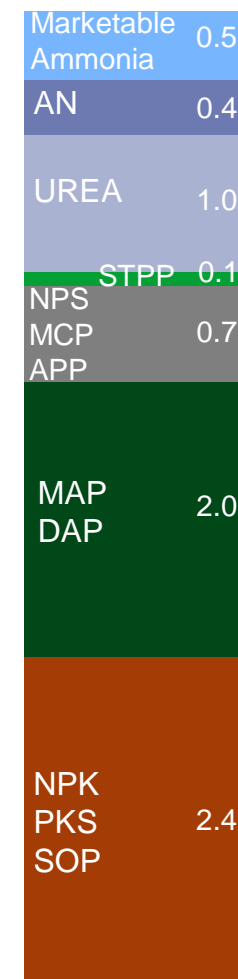


Overall growth 31%

Total: 1,910 kt

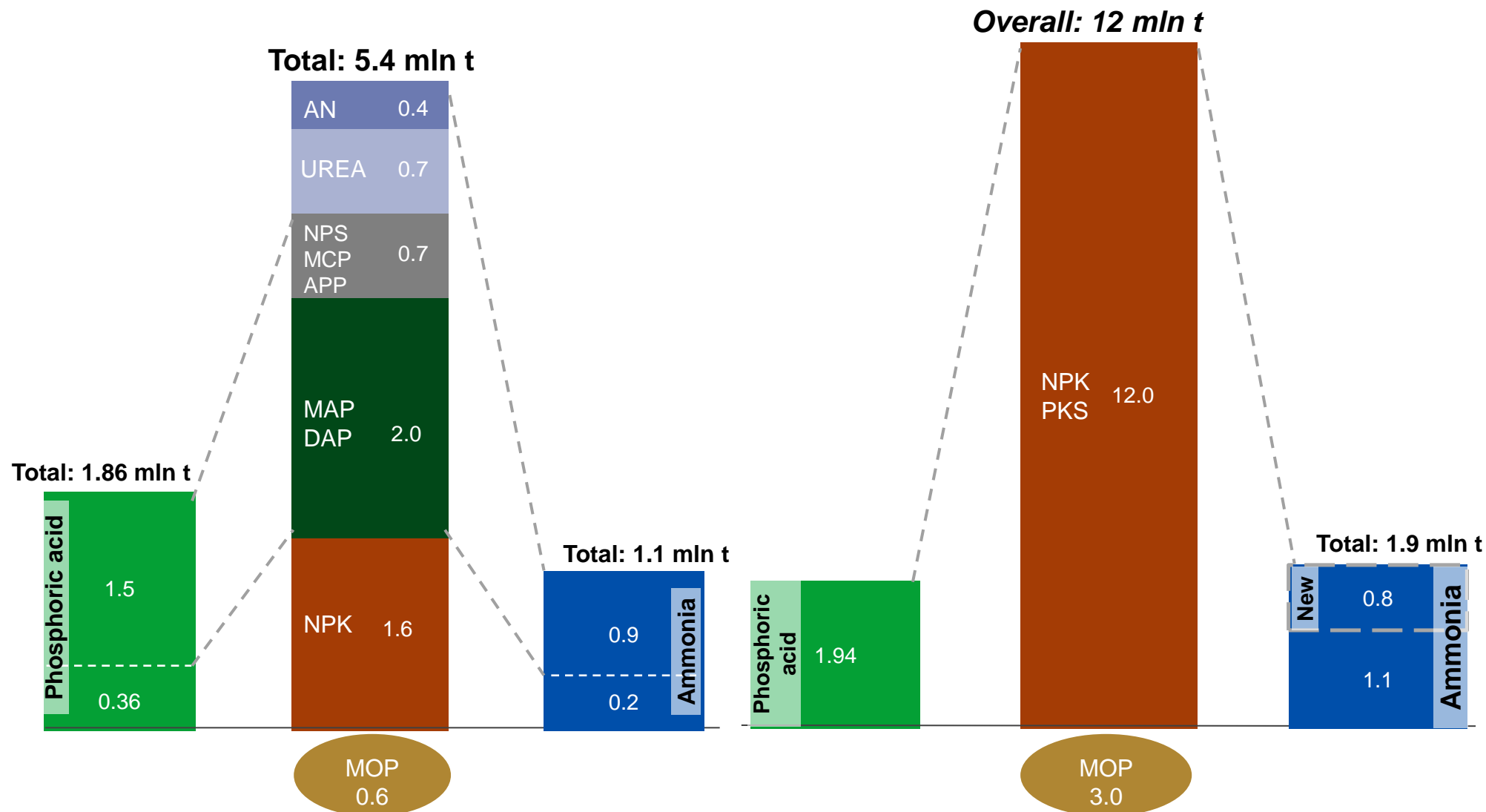


Overall 7.1 mln t



2012

Potential NPK/PKS production of 12 mln tpa





Thank You





Appendix

Apatit

Resources⁽¹⁾

Apatite-nepheline ore: 2 060 mt

Al₂O₃: 283 mln t

REO⁽²⁾: 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⁽³⁾
 - Standard grade – P₂O₅ content of 39%
 - Superior grade – P₂O₅ content of 40%
- Lowest hazardous element content among the major phosphate rock producing regions; benefits from low levels of radioactivity

Balakovo Mineral Fertilisers (BMF)



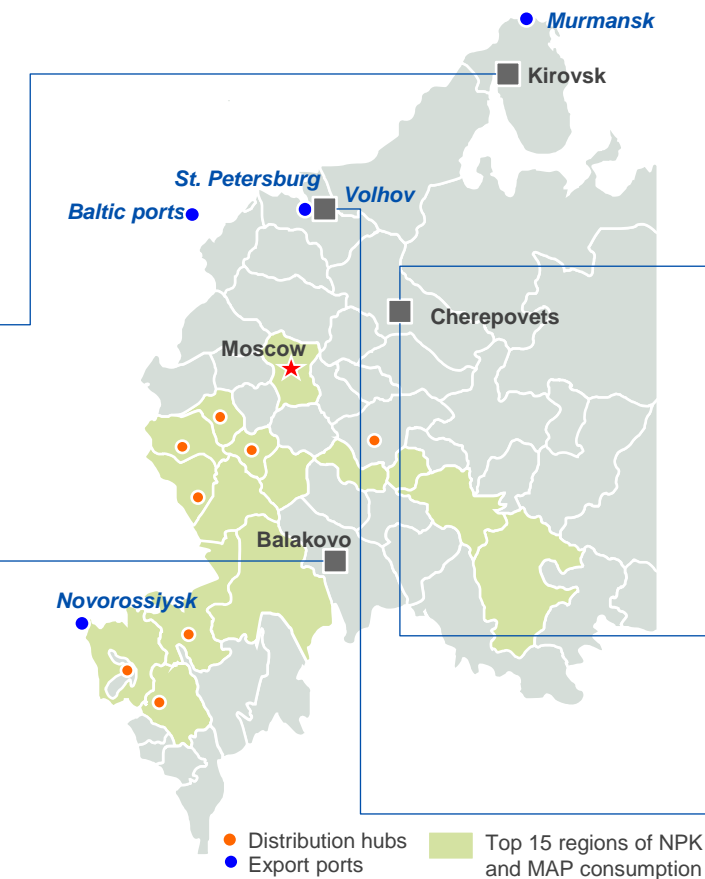
Capacity by product

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

AlF₃: 24 kt

Highlights

- Largest standalone phosphate fertilisers 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 fertilisers 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 P₂O₅

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

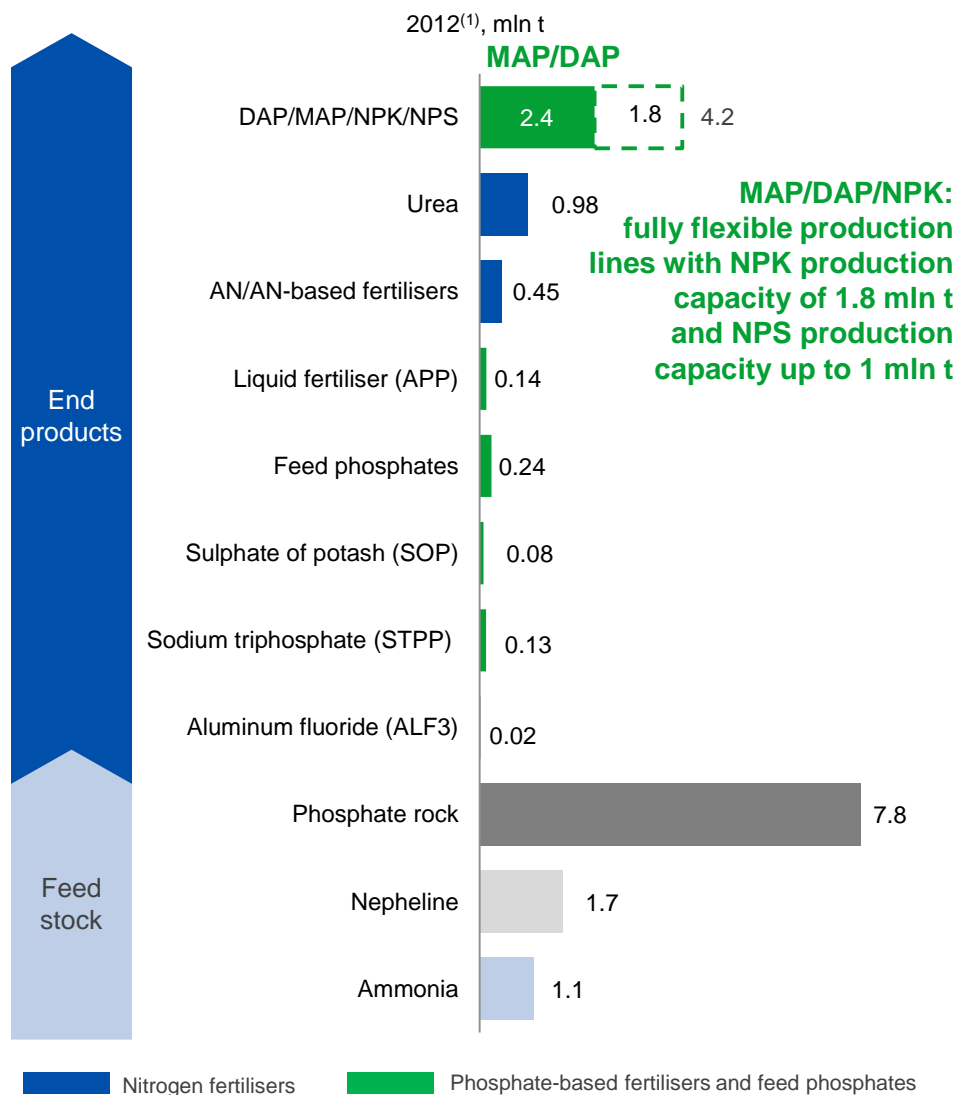
Source: PhosAgro (capacity as of December 31, 2011), CRU, European Commission

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

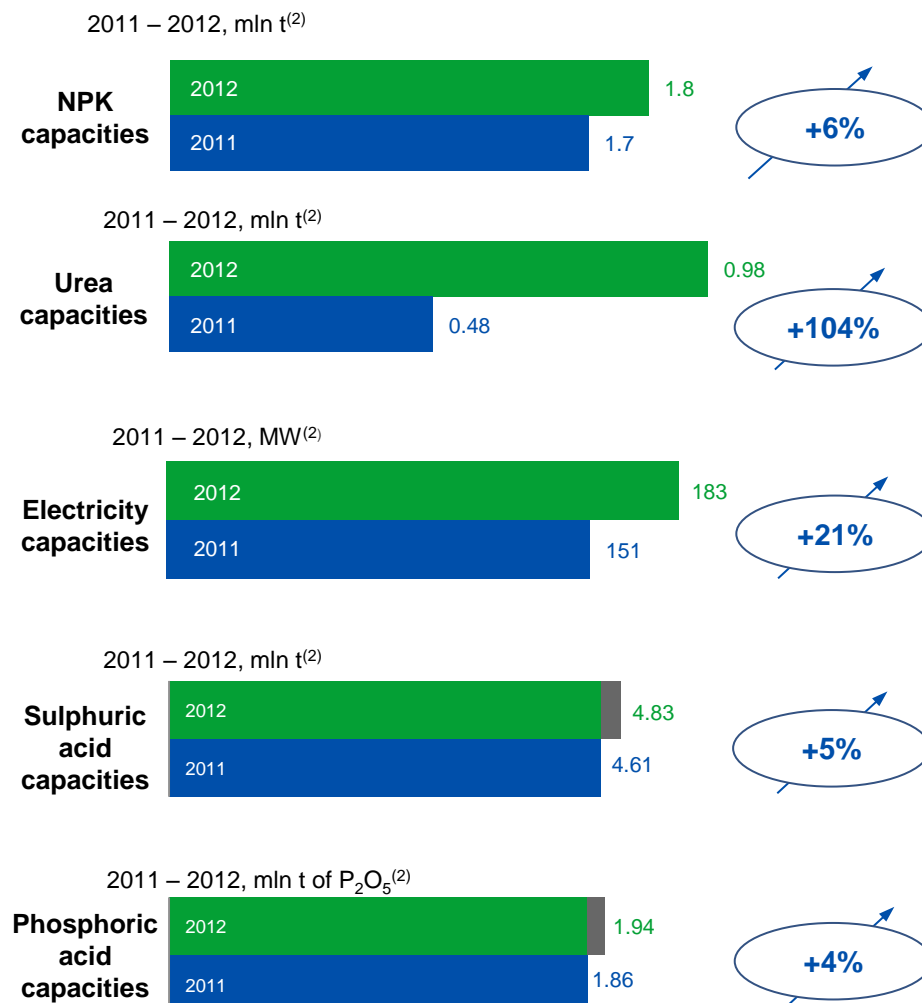
(2) Rare earth oxides

(3) Defined as phosphate rock with P₂O₅ 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

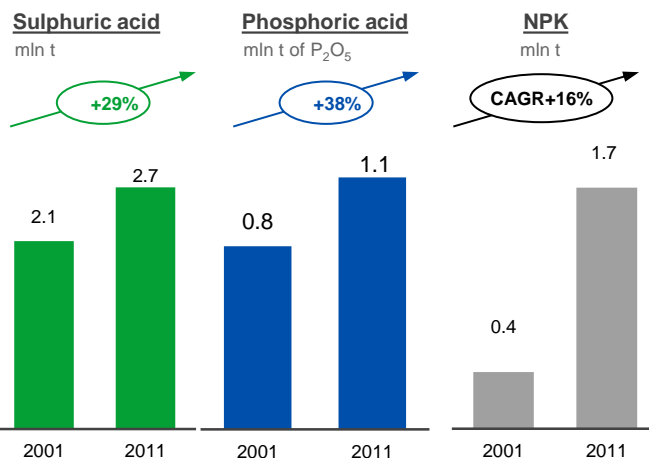
Technical modernisation at Ammophos



RATIONALE

Efficiency improvement

Growth of production volume



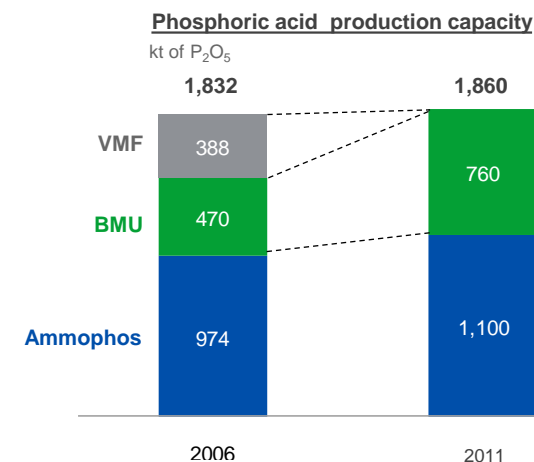
Source: PhosAgro

Divestment of Voskresensk Mineral Fertilisers



RATIONALE

Replacement of high cost old capacity with low cost new capacity



Source: PhosAgro

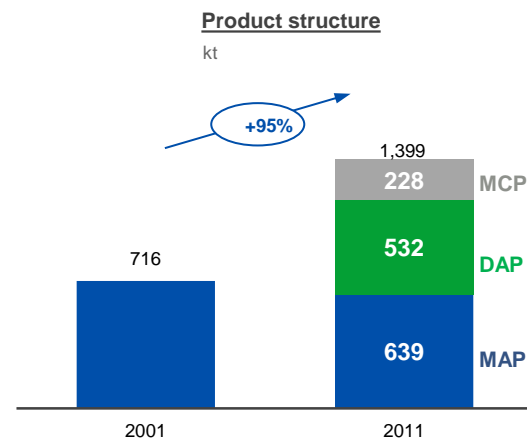
Technical modernisation at BMF



RATIONALE

Efficiency improvement

Product range expansion



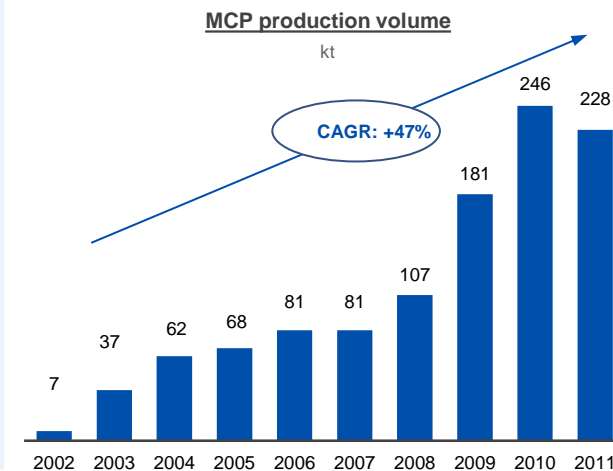
Source: PhosAgro

Launch of feed phosphate (MCP) production at BMF

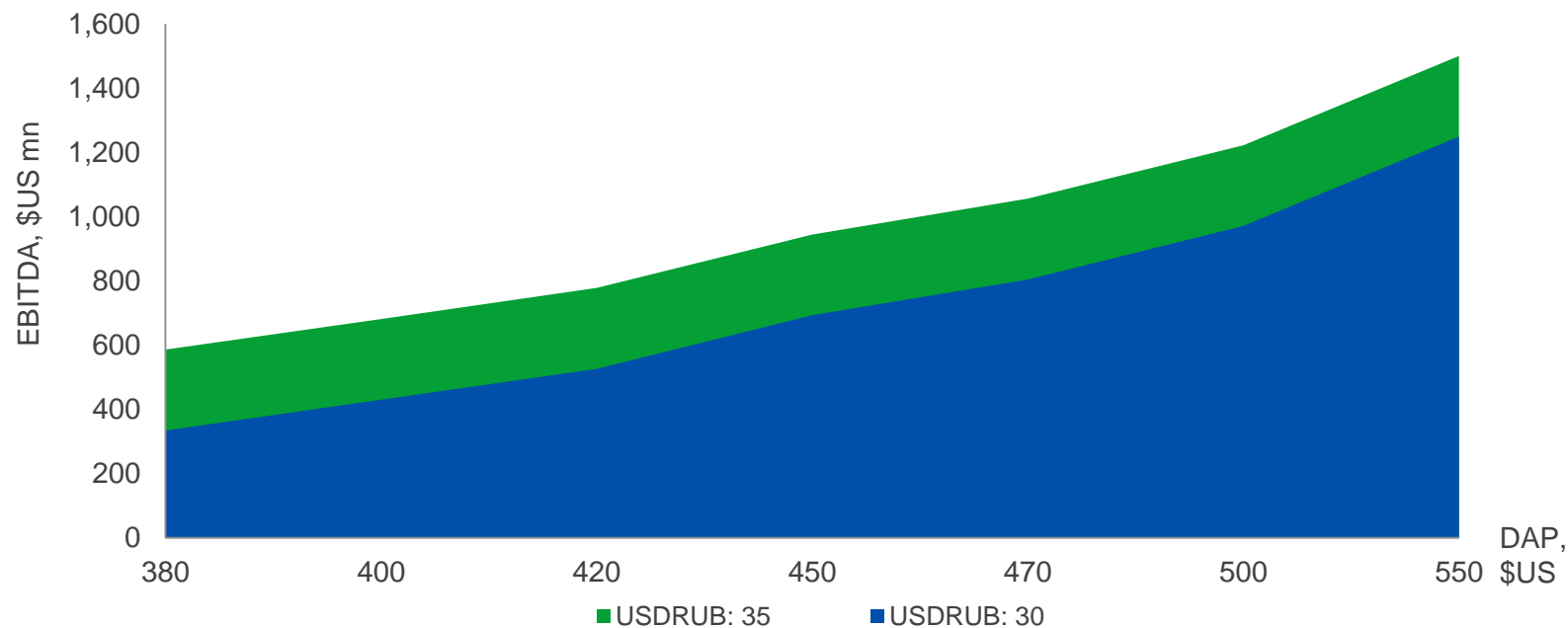


RATIONALE

Launch of new value added product



Source: PhosAgro



in mln USD		2013E DAP FOB Baltic price, \$/tonne						
		380	400	420	450	470	500	550
RUB/USD exchange rate	30	334	430	526	693	804	971	1,249
	31	391	487	583	750	861	1,028	1,306
	32	444	540	636	803	914	1,081	1,359
	33	494	590	686	853	964	1,131	1,409
	34	541	637	733	900	1,011	1,178	1,456
	35	586	681	778	944	1,056	1,222	1,500

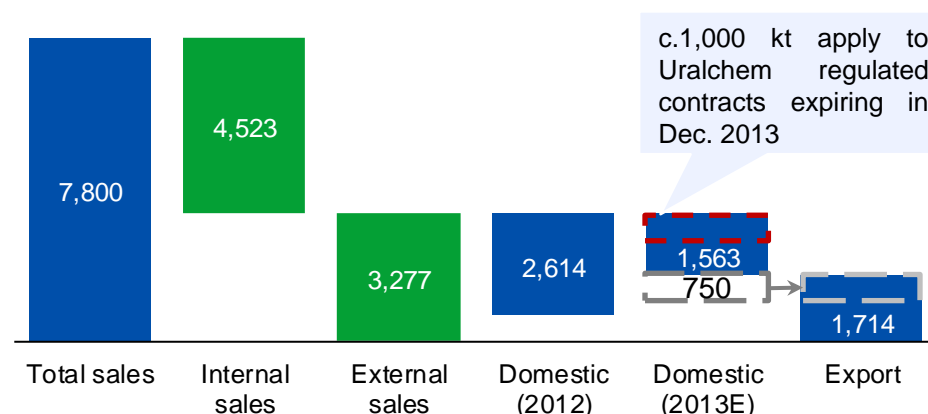
Phosphate rock market liberalisation

Comments

- Before 2013 Russian domestic phosphate rock prices were inflated to PPI
- Starting from 2013, the liberalisation of the phosphate rock market takes effect
- In accordance with the new rules, domestic prices match export prices
 - However, in 2013 there will be a discount due to a 30% contribution of inflated domestic prices from the the previous year

Projection of PhosAgro rock production breakdown in 2013

2013, kt



Phosphate rock price under formulas recommended by Federal Antimonopoly Service

Phosphate rock: 30/70 formula calculations case study

70% x Phosphate rock Morocco FOB Price x 1.32
+
30% x Phosphate rock last year domestic price x PPI

Contribution of Moroccan Price, US\$	151
Morocco FOB price (Casablanca) as of 5 March 2013, US\$	163
Contribution of Domestic Price, US\$ ⁽²⁾	44
Phosphate rock price recommended by Federal Antimonopoly Service for 2013, US\$	195

Phosphate rock: 35/35/30 formula calculations case study

35% x Phosphate rock Minimum Export Price
+
35% x Phosphate rock Morocco FOB Price x 1.32
+
30% x Phosphate rock last year domestic price x PPI

Contribution of minimum export price, US\$	82
Phosphate rock Minimum Export Price, US\$	233
Contribution of Moroccan price, US\$	75
Morocco FOB price (Casablanca) as of 5 March 2013, US\$	163
Contribution of Domestic Price, US\$ ⁽²⁾	44
Phosphate rock price recommended by Federal Antimonopoly Service for 2013, US\$	201

Source: PhosAgro

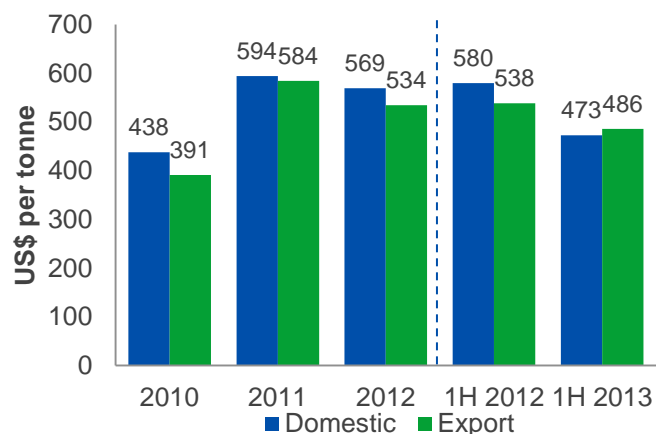
Note: (1) Applied RUB/US\$ exchange rate of 31.1, phosphate rock equaled to Apatit EXW less freight costs for transportation from Murmansk to Apatit

(2) projected domestic price calculated as average 2012 price (RUB 4,301) multiplied by 2012 PPI (105.1%)

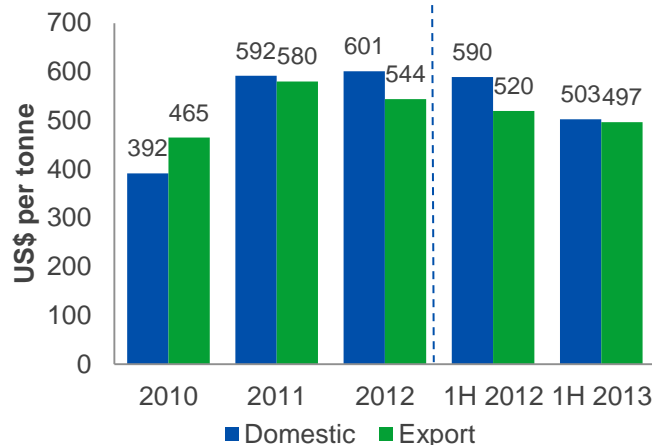
Revenue per tonne and volume developments for key products

DAP

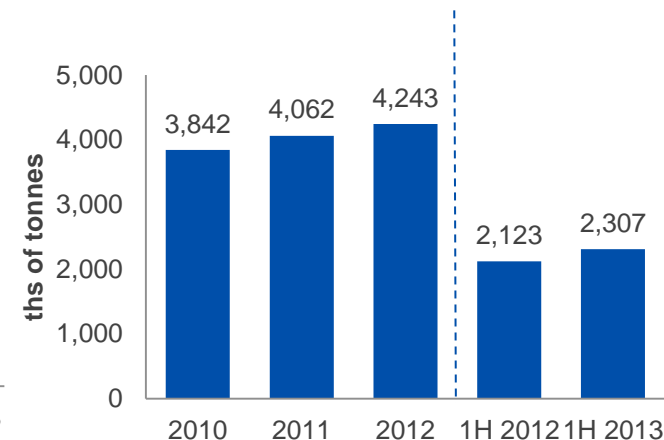
Peak 2008 FOB Baltic price: US\$1,190/t ⁽¹⁾



MAP



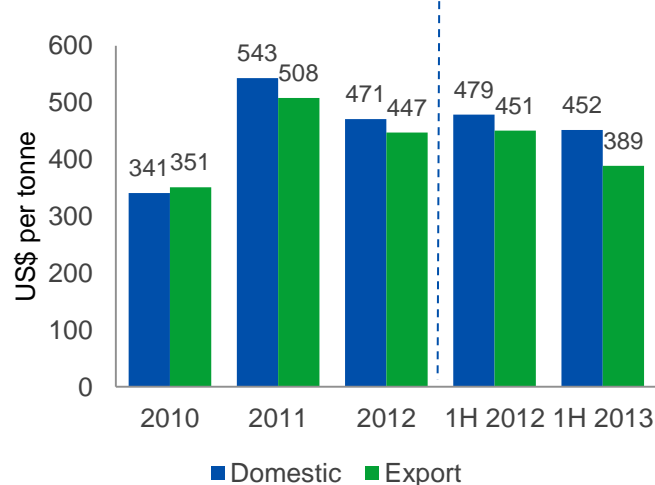
Phosphate-based fertilisers and MCP sales volumes



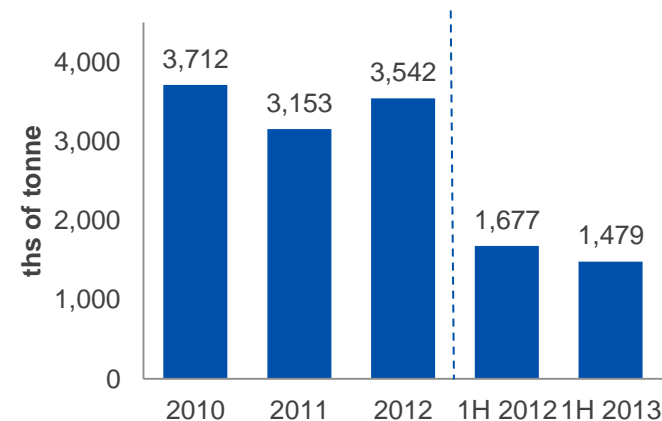
Phosphate Rock



NPK



Phosphate Rock volumes (3rd party sales)



Note: Applied average USD/RUB exchange rates: 30.37 (2010), 30.09 (2012), 30.41 (1Q2013)

(1) Source: FERTECON, Argus-FMB

Consolidated income statement

(USD in millions)	2010	2011	2012	1H 2012	1H 2013
Revenues	2,534	3,420	3,387	1,644	1732
Cost of Sales	(1,570)	(1,912)	(1,934)	(928)	(1118)
Gross Profit	964	1,508	1,453	716	614
Selling, General & Administration	(387)	(426)	(462)	(225)	(249)
Other Income (Expense)	(93)	(84)	(85)	(37)	(55)
Operating Profit	484	998	906	454	310
Financial Income (Costs)	31	(35)	98	(1)	(104)
Profit Before Taxation	515	963	1,004	453	206
Income Tax Expense	(120)	(198)	(216)	(100)	(61)
Profit from discontinued operations, net of tax	-	-	-	-	(9)
Profit for the Period	395	765	788	353	154
<i>Margin</i>	16%	22%	23%	21%	9%
EBITDA Calculation					
Operating Profit	484	998	906	455	310
D&A and impairment	190	206	210	105	122
EBITDA	674	1,204	1,116	559	432
<i>Margin</i>	27%	35%	33%	34%	25%

Source: PhosAgro (IFRS)

Note: Applied average USD/RUB exchange rates: 30.37 (2010), 29.39 (2011), 31.09 (2012), 30.64 (1H2012), 31.02 (1H2013)

Consolidated balance sheet

(USD in millions)	2010	2011	2012	1H2013
Cash and Equivalents	173	526	318	583
Accounts Receivable	522	339	416	383
Inventory	253	314	406	394
Other Current Assets	108	66	40	25
Total Current Assets	1,056	1,244	1,181	1,385
Net Property, Plant & Equipment	1,525	1,774	2,190	2,160
Intangible Assets	25	20	18	16
Investments in Associates	307	246	317	304
Other Long-Term Assets	235	110	101	102
Total Non-Current Assets	2,092	2,150	2,626	2,582
Total Assets	3,148	3,394	3,807	3,966
Accounts Payable	329	379	430	464
Loans and borrowings	181	483	725	557
Derivative financial liabilities	-	14	-	2
Total Current Liabilities	511	876	1,155	1,023
Loans and borrowings	112	515	476	926
Defined benefit obligations	31	29	41	40
Deferred tax liabilities	89	89	98	93
Total Non-Current Liabilities	231	632	615	1,059
Total Liabilities	742	1,509	1,770	2,081
Equity attributable to Parent shareholders	1,911	1,360	1,629	1,692
Equity attributable to non-controlling interests	495	526	408	193
Total Liabilities & Equity	3,148	3,394	3,807	3,966

Source: PhosAgro (IFRS)

Note: Applied closing USD/RUB exchange rates: 30.37 (2010), 29.39 (2011), 30.37 (2012), 32.71(1H2013)

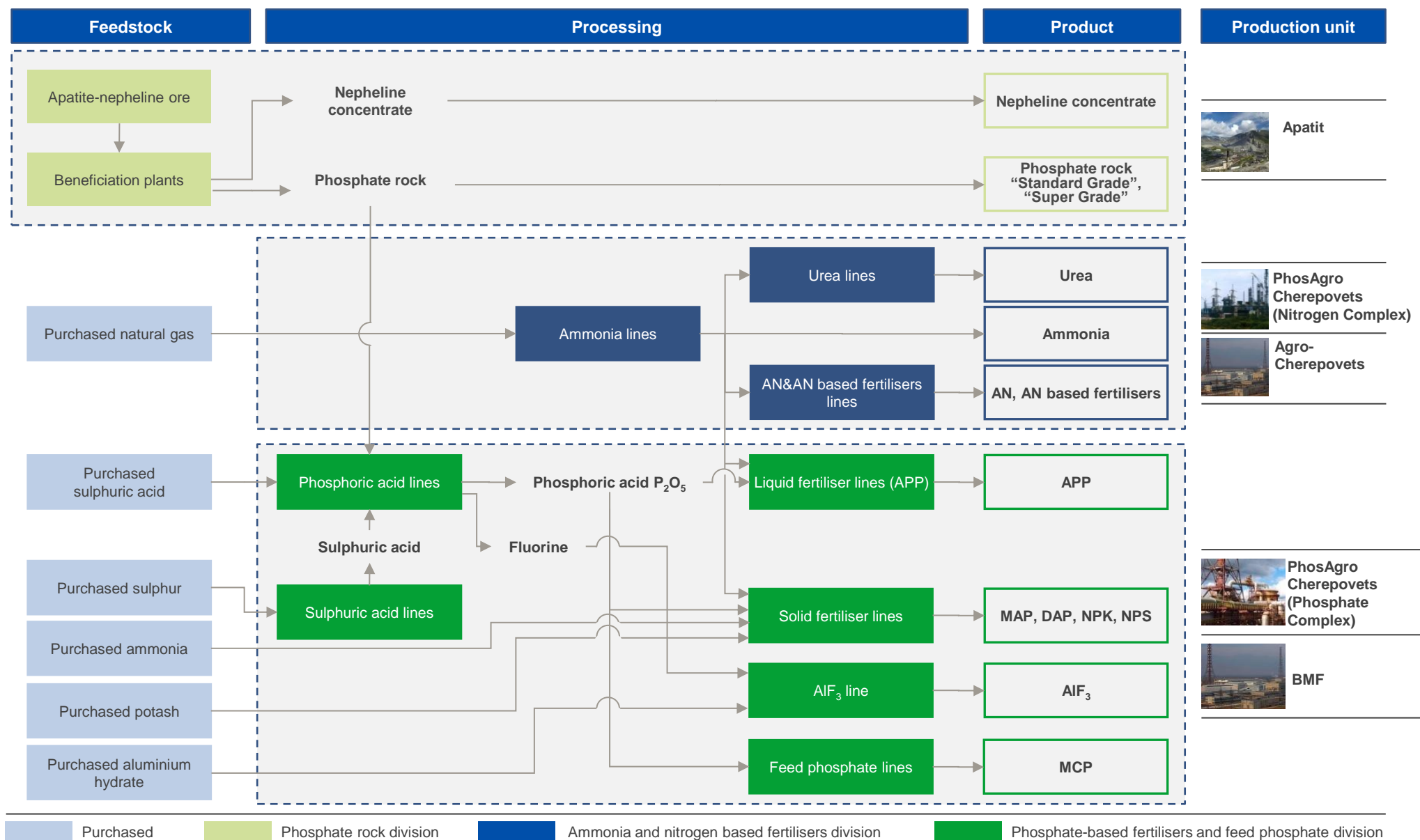
Consolidated cash flow statement

(USD in millions)	2010	2011	2012	1H 2012	1H 2013
Profit before taxation	515	963	1,004	453	206
Depreciation, amortisation + reversal of impairment loss	190	206	210	105	123
Finance Costs	14	45	47	23	38
Finance Income	(50)	(28)	(67)	(41)	(17)
Other	(15)	16	(60)	16	106
Operating Profit before changes in Working Capital and Provisions	678	1,203	1,134	556	456
(Inc.) Dec. in Trade and other Receivables	(64)	153	(10)	61	(3)
(Inc.) Dec. in Inventory	(29)	(81)	(59)	(25)	(18)
Inc. (Dec.) in Trade and other Payables	20	40	29	(18)	110
(Inc.) Dec. in Net Working Capital	(73)	112	(40)	18	89
Cash flows from operations before income taxes and interest paid	605	1,315	1,094	574	545
Income tax paid	(97)	(184)	(229)	(127)	(57)
Finance costs paid	(10)	(29)	(46)	(17)	(24)
Cash Flow From Operating activities	498	1,102	819	430	464
Loans repaid/(issued)	(144)	106	(5)	13	18
Acquisition of property, plant and equipment	(429)	(439)	(430)	(218)	(230)
Acquisition of investments	(52)	(32)	(1)	(1)	(2)
Other	66	136	31	13	23
Cash Flows used in Investing Activities	(558)	(229)	(404)	(193)	(191)
Proceeds from borrowings	697	1,326	687	496	787
Repayment of borrowings	(530)	(681)	(513)	(341)	(545)
Dividends paid	(110)	(1,155)	(394)	(188)	(143)
Other	(9)	33	(425)	(18)	(77)
Cash Flows used in Financing Activities	49	(476)	(644)	(51)	22
Net decrease/increase in Cash and Equivalents	(12)	396	(229)	186	295
Cash and Equivalents at beginning of the year/period	186	173	526	526	311
Effect of exchange rate fluctuations	(1)	(43)	14	(18)	(23)
Cash and Equivalents at the end of the year/period	173	526	311	694	583

Source: PhosAgro (IFRS)

Note: Applied average USD/RUB exchange rates: 30.37 (2010), 29.39 (2011), 30.09 (2012), 30.64 (1H 2012), 31.02 (1H2013)

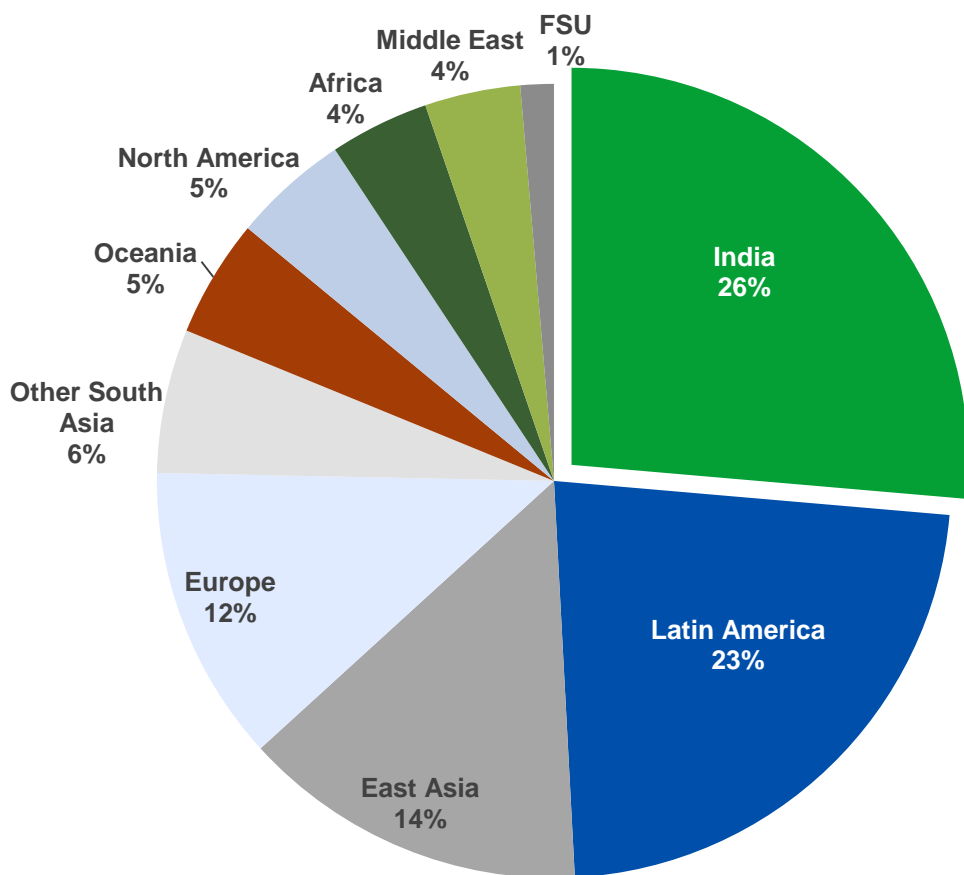
PhosAgro – vertically integrated production model



India depends on P_2O_5 imports

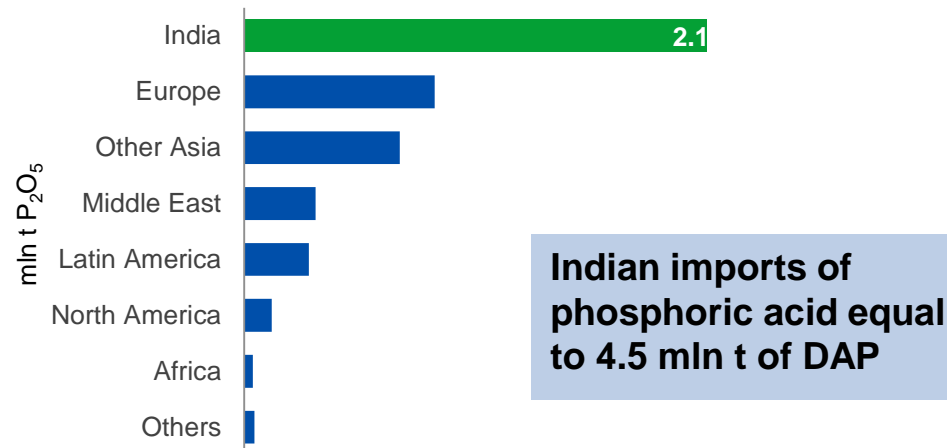
India is the major purchaser of DAP/MAP...

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

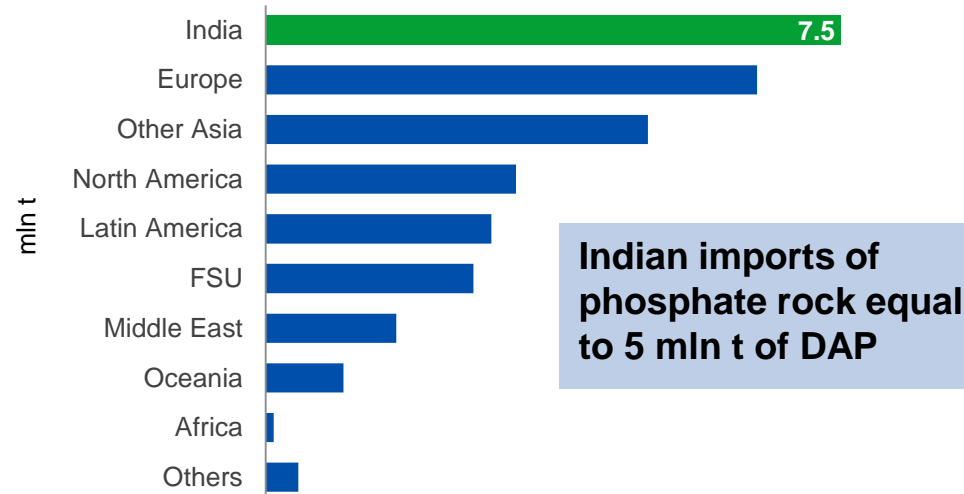


... and importer of feedstock for phosphates production

Global Phosphoric Acid Imports of 4.5 mln t P_2O_5



Global Phosphate Rock Import of 31.1 mln t



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

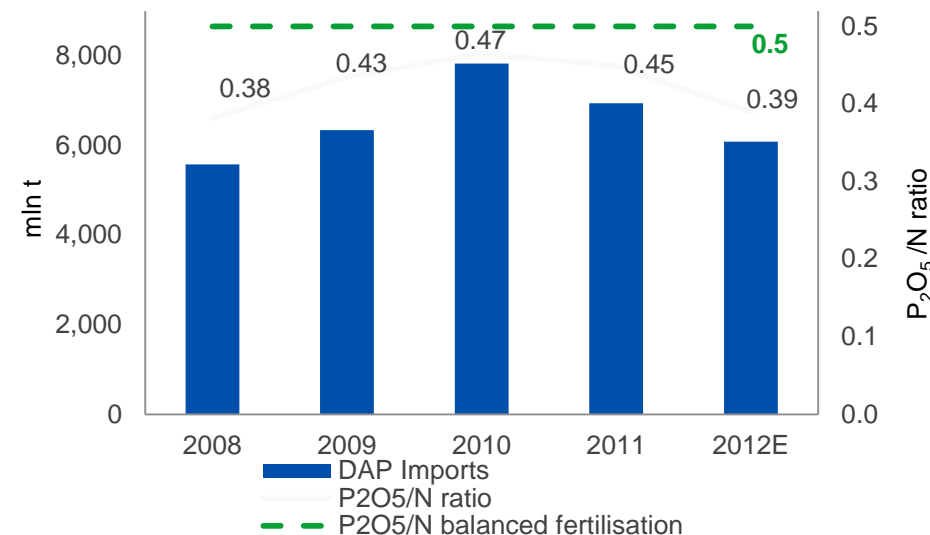
Evolution of N: P₂O₅ :K₂O ratio in India

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

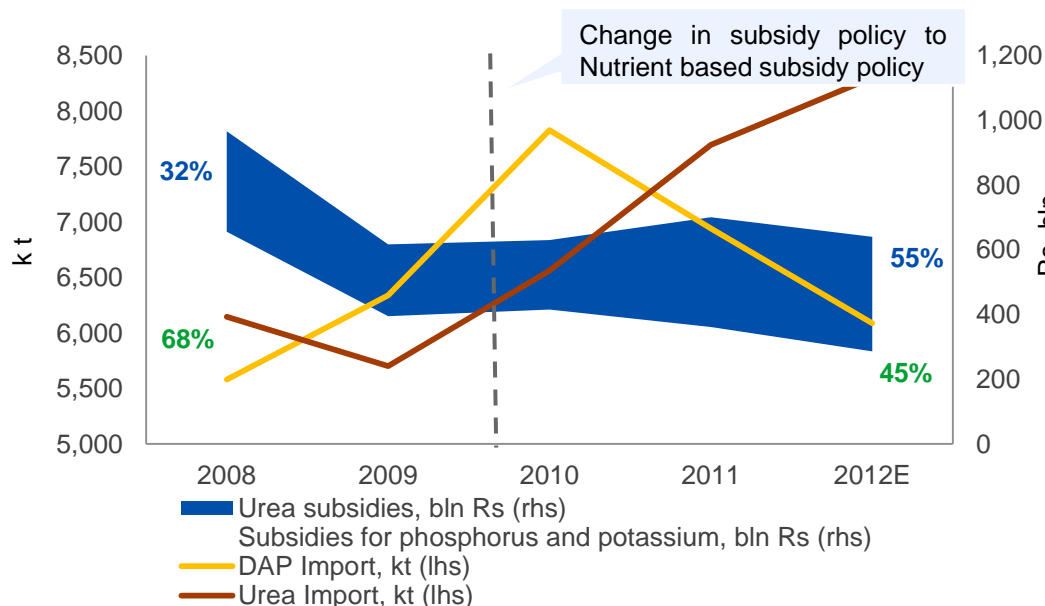
Nutrient Based Subsidy (NBS) Rates in India (Rs/kg nutrient)

	N	P ₂ O ₅	K ₂ 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
Change	-11.6%	-32.6%	-10.3%

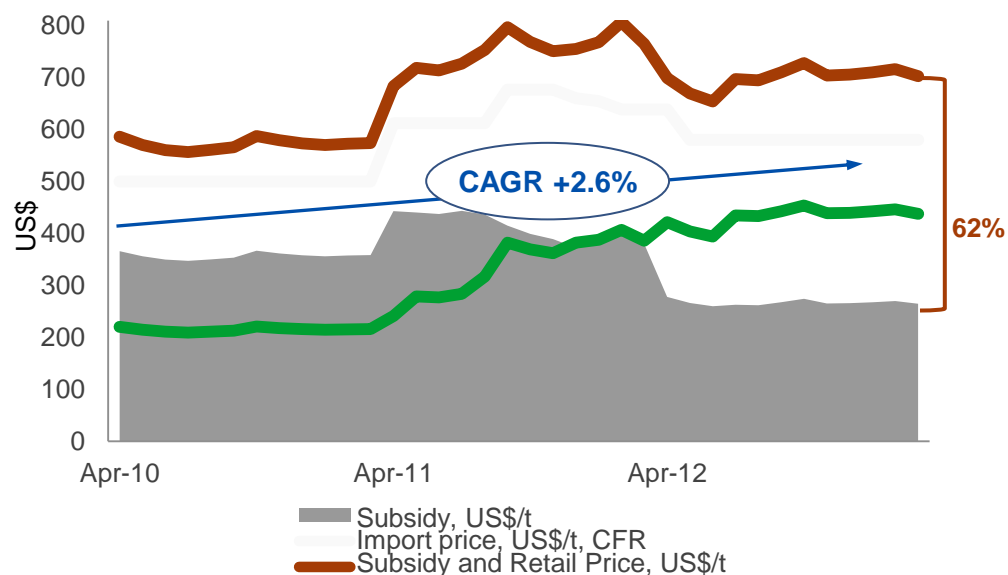
Unbalanced fertilisation



Subsidies and imports of phosphate fertilisers in India decrease



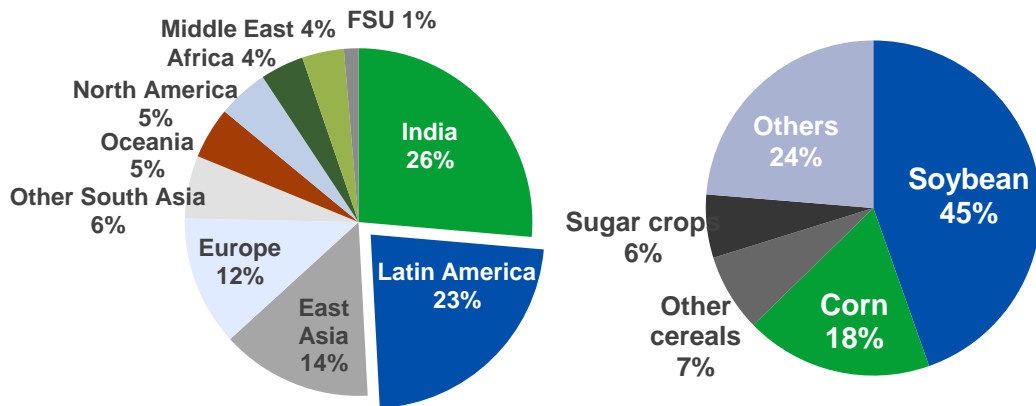
Indian domestic price is twice above the current subsidy level



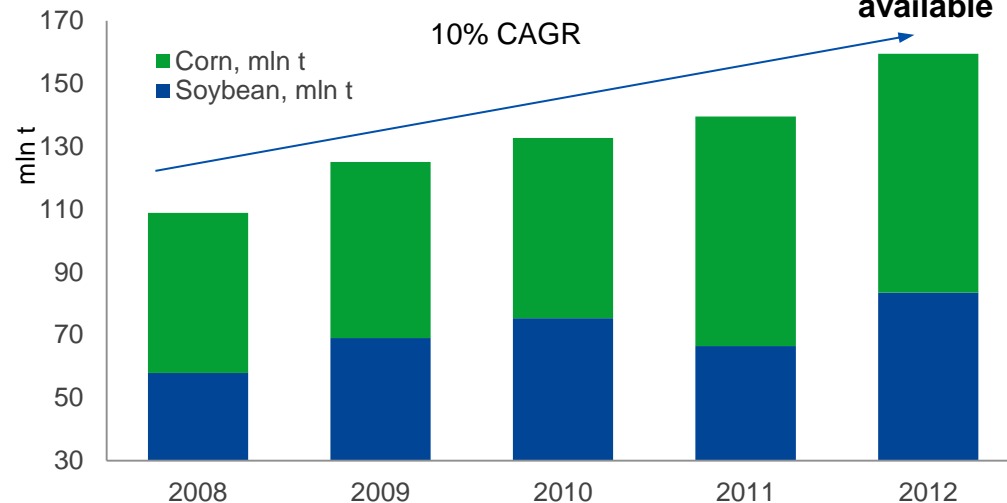
Brazil phosphate fertilisers market outpaces others

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

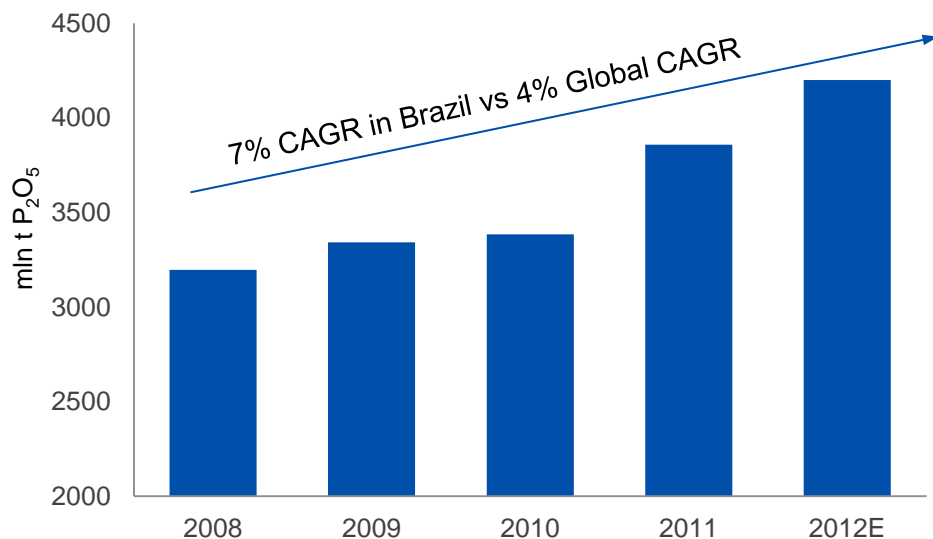
Breakdown of phosphate fertilisers consumption by crops in Brazil



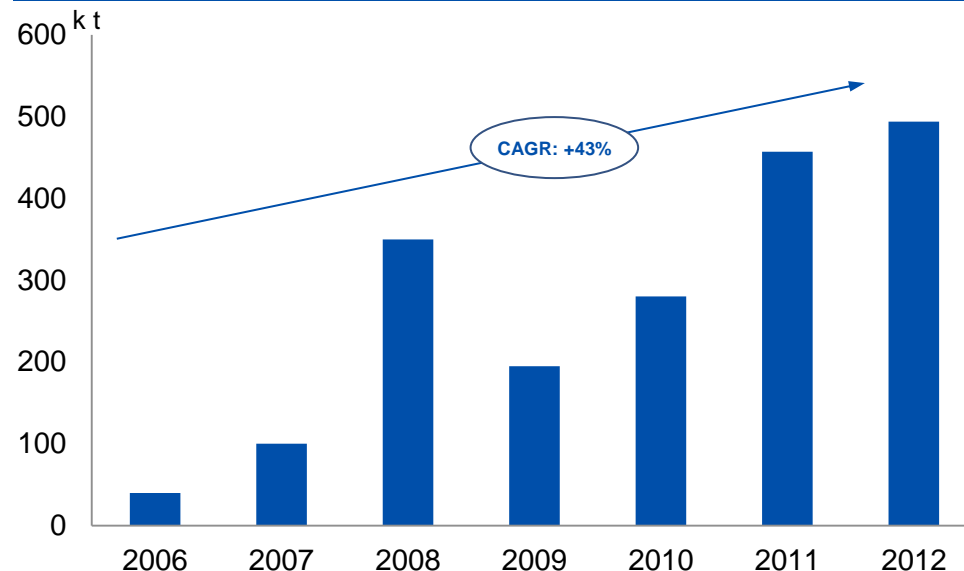
Growth in corn and soybeans production, yet more arable land available



...skyrocketing consumption of phosphate fertilisers in Brazil



Brazil NPK Imports



Production facilities
Capacity – mln t / year

Ma'aden

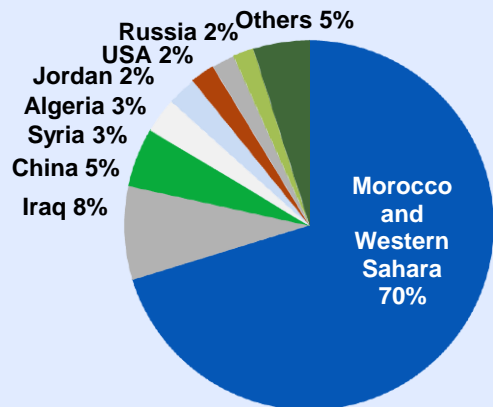


Phosphate rock mine	12.0	26.6
Beneficiation plant	5.0	7.8
Sulphuric Acid Plant	4.7	4.6
Phosphoric Acid Plant	1.5	1.9
Ammonia Plant	1.1	1.1
Phosphate Fertiliser Plant	2.9	4.2
Key products	DAP	MAP, DAP, NPK, NPS

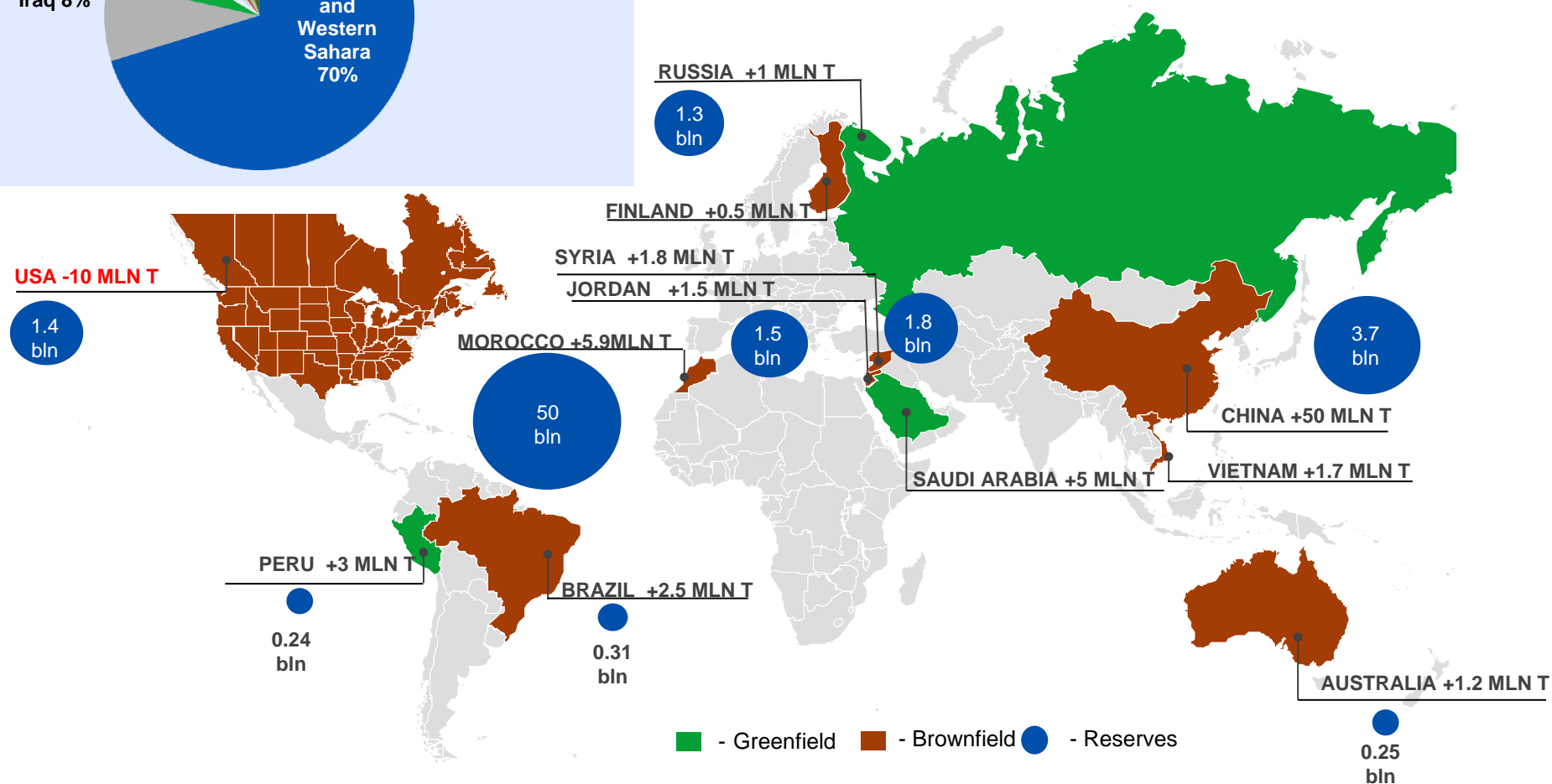
Ma'aden – total est. CAPEX⁽¹⁾: US\$ 6 bln
Construction period: 6 years +

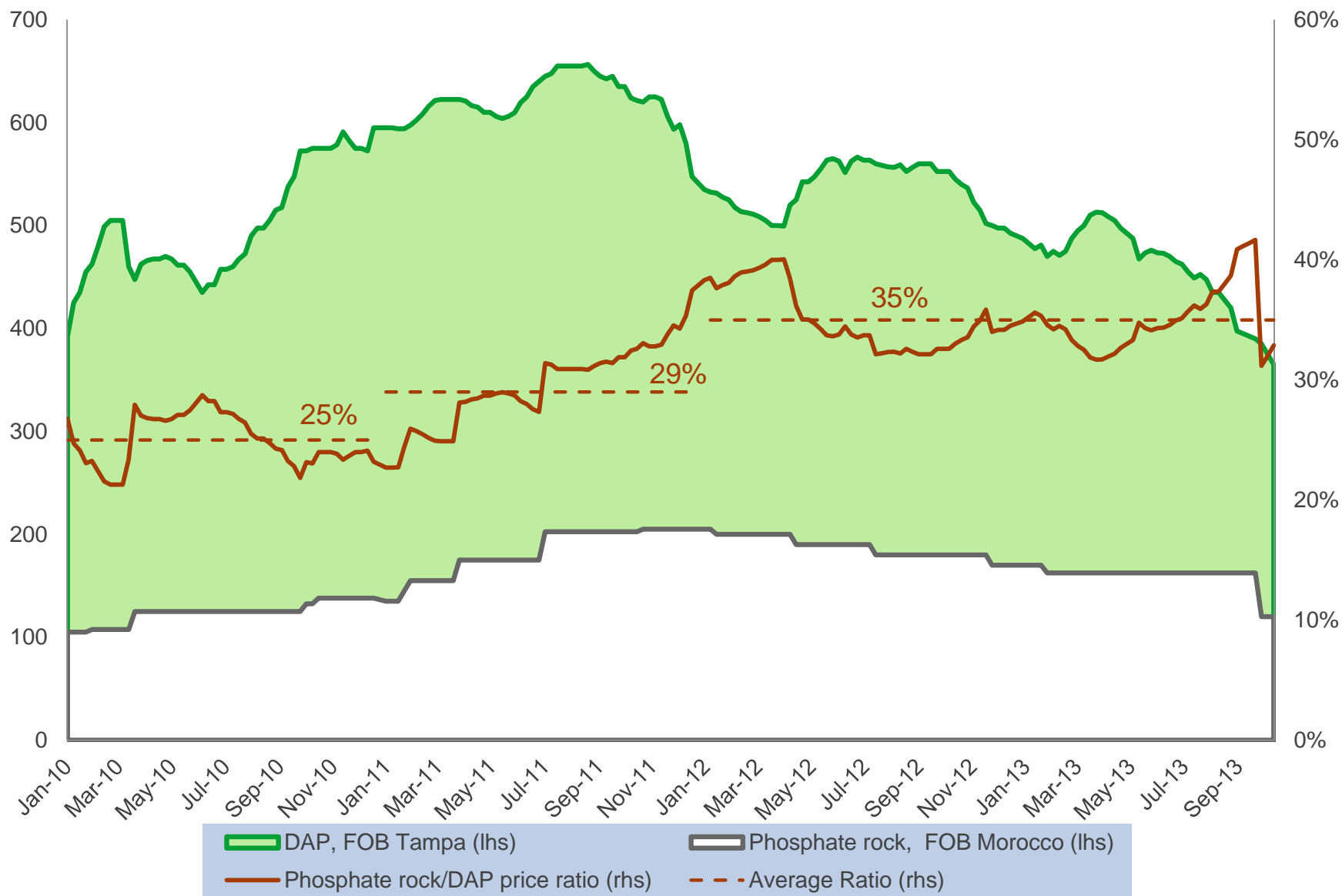
Growth in phosphate rock production capacities 2000-2011

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



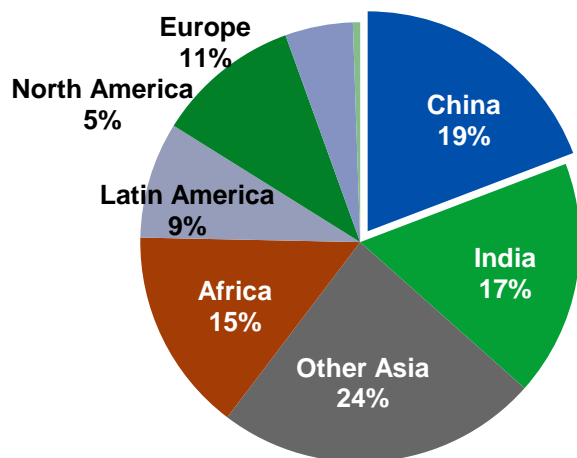


China is the major consumer of phosphate fertilisers

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

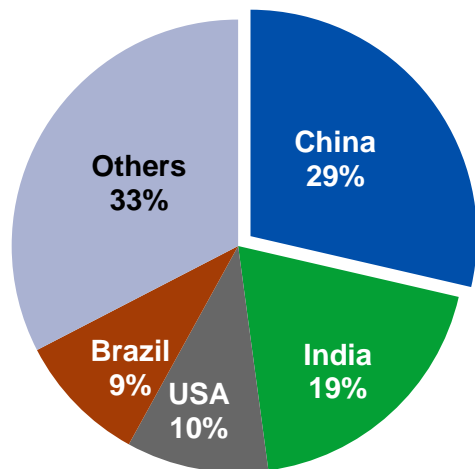
Limited arable land stimulates fertiliser consumption

Breakdown of World population by countries

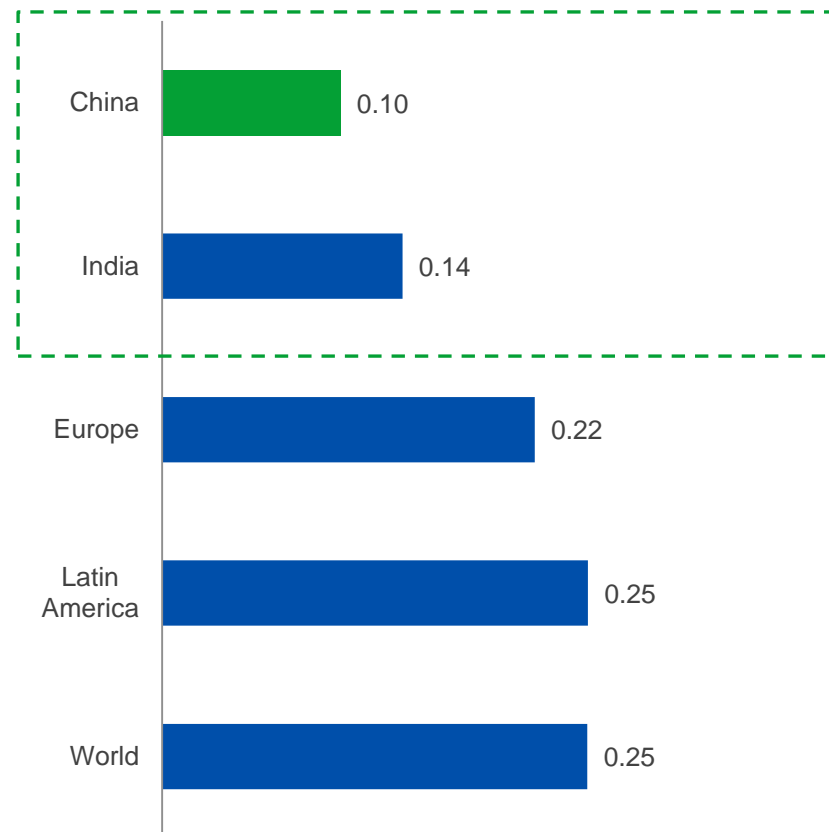


... translates into the largest share of phosphate consumption

Breakdown of global phosphate fertiliser consumption by countries



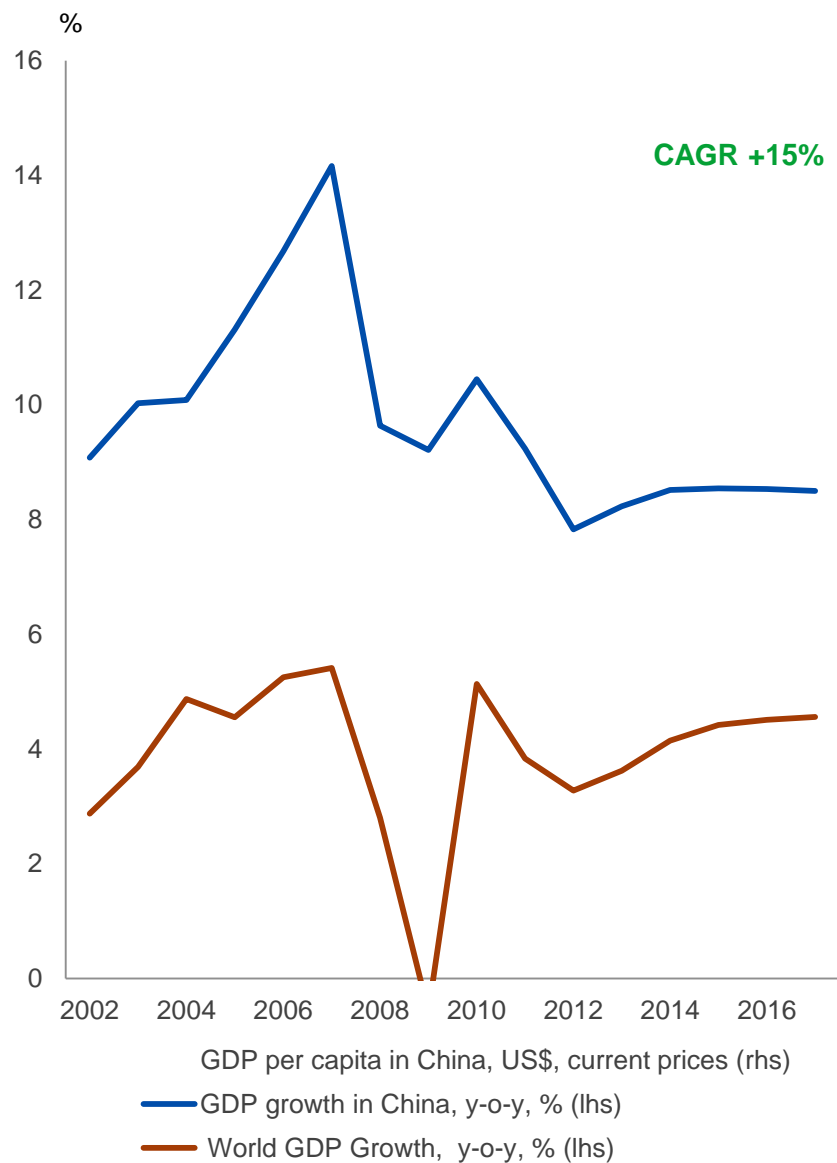
ha per capita



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

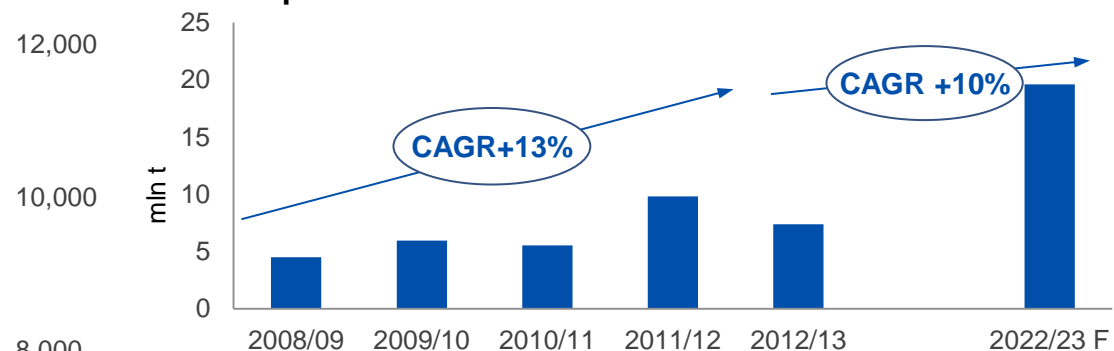
Growing food consumption in China drives demand for phosphates

China's Economy keeps growing

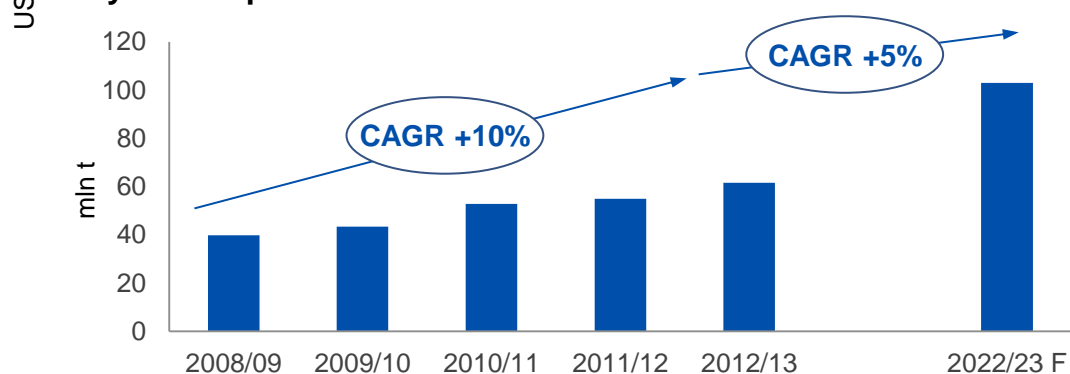


Food Imports are growing in China

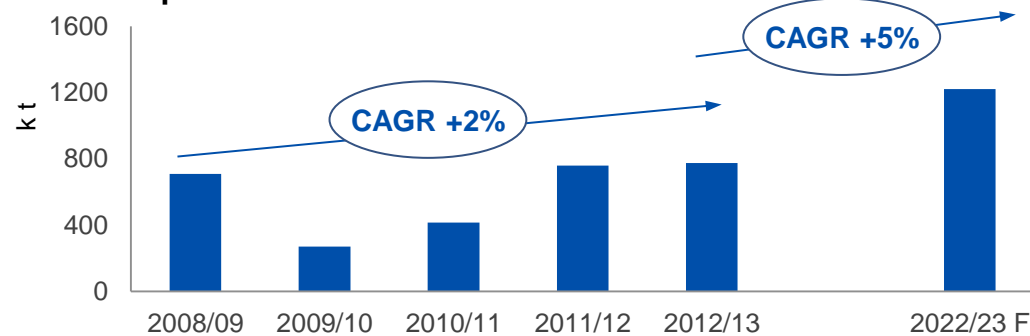
Corn Imports



Soybean Imports

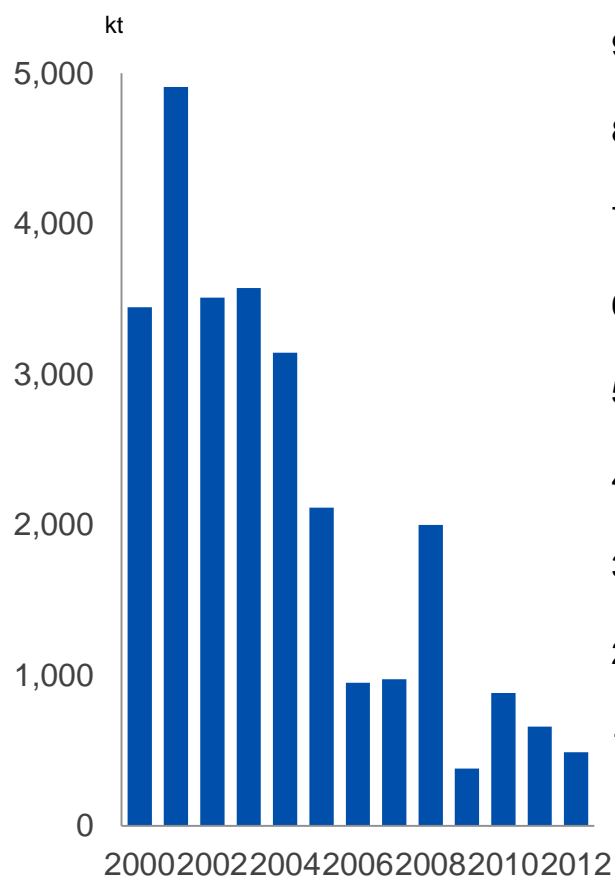


Pork Imports

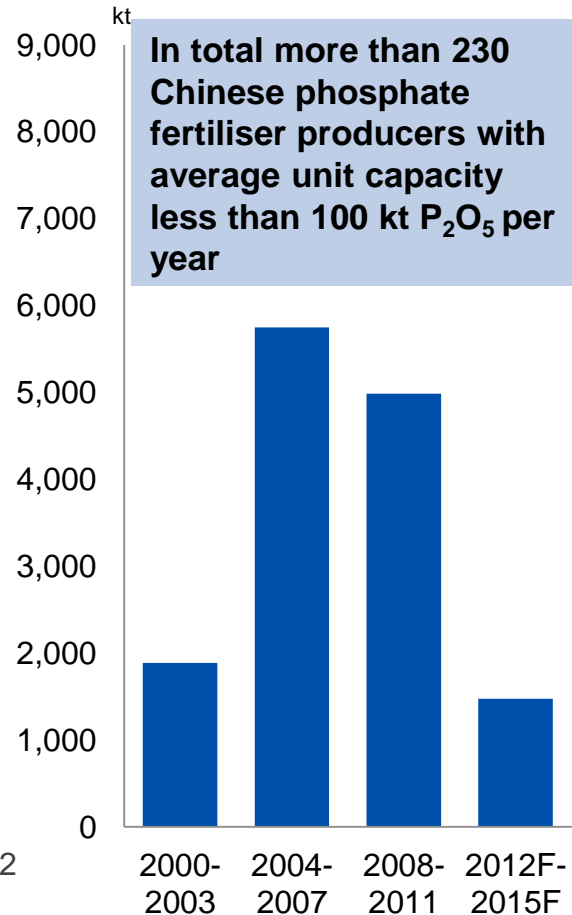


Development of Chinese phosphate exports

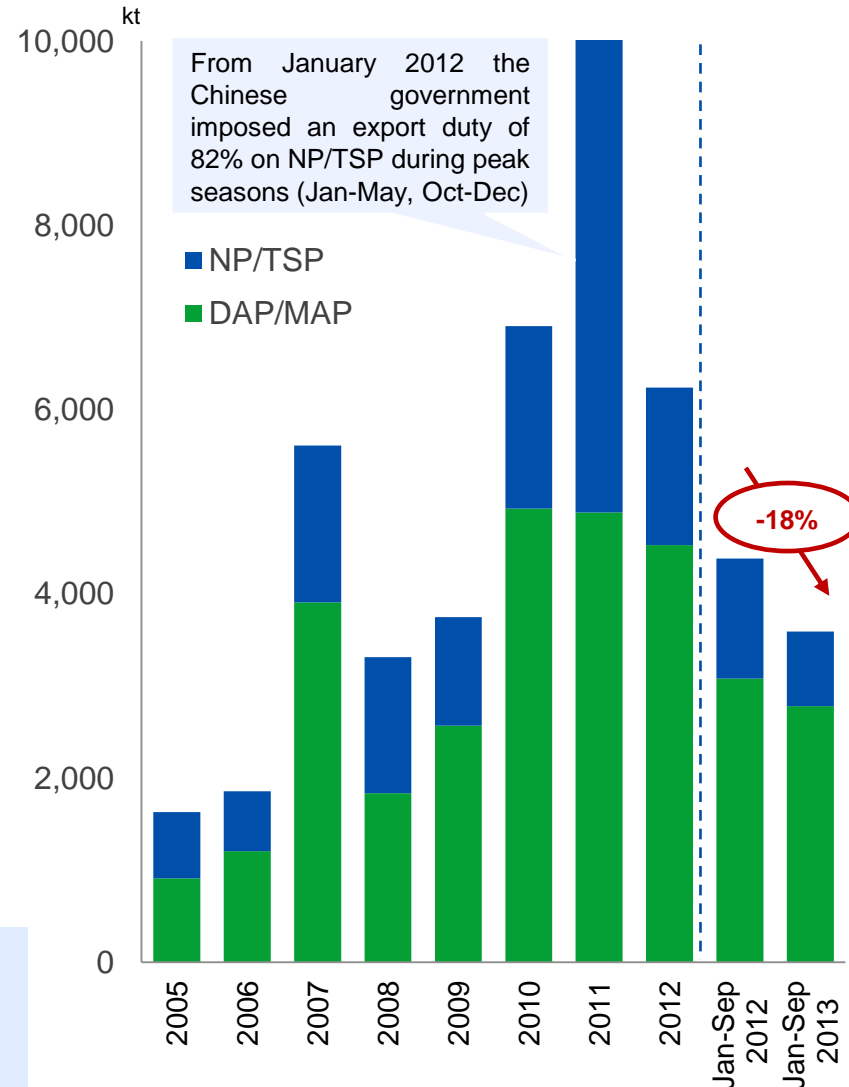
Chinese phosphate rock exports



Commissioning of new H_3PO_4 capacities



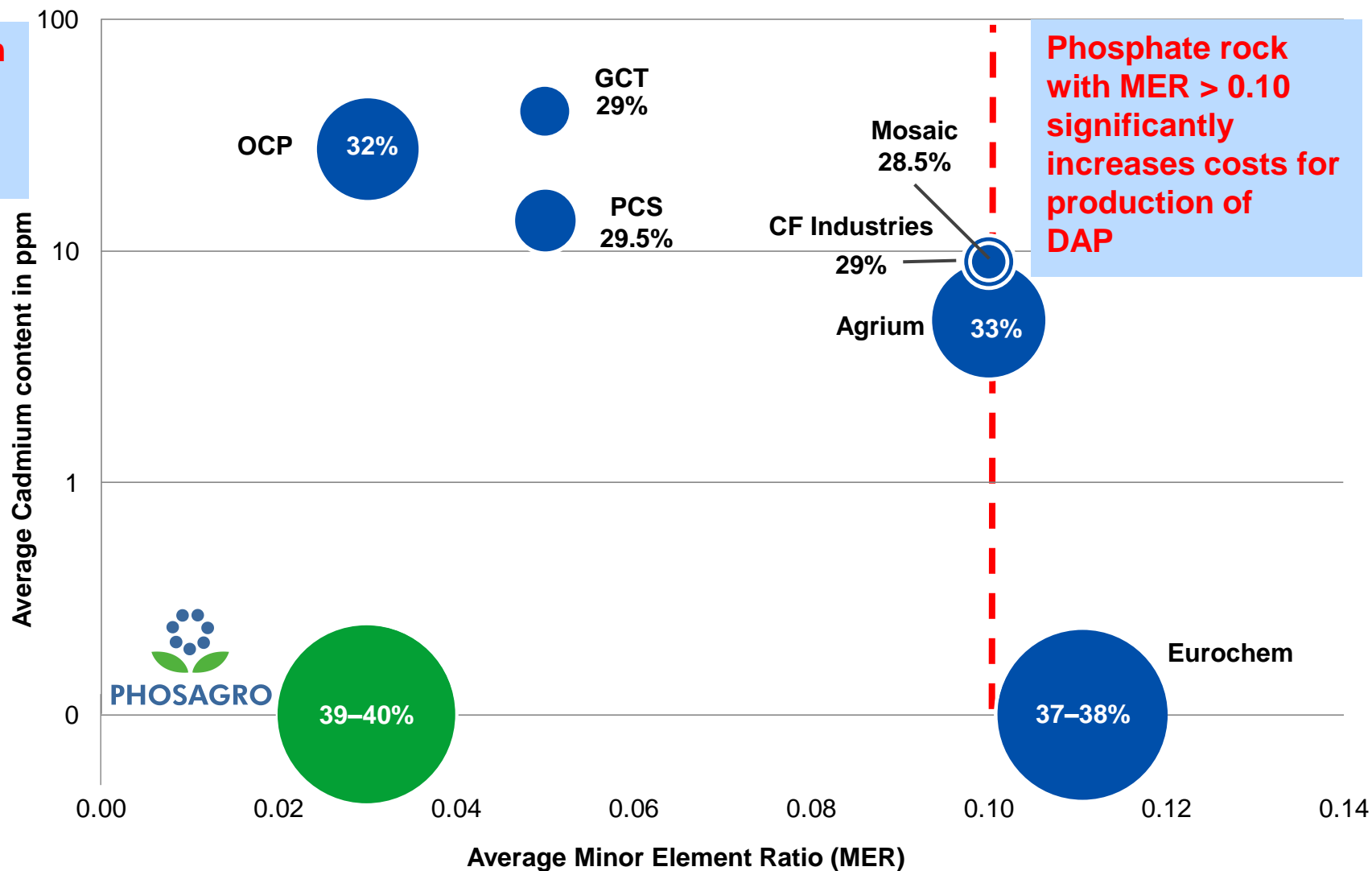
Chinese exports of DAP / MAP / NP / TSP



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⁽¹⁾

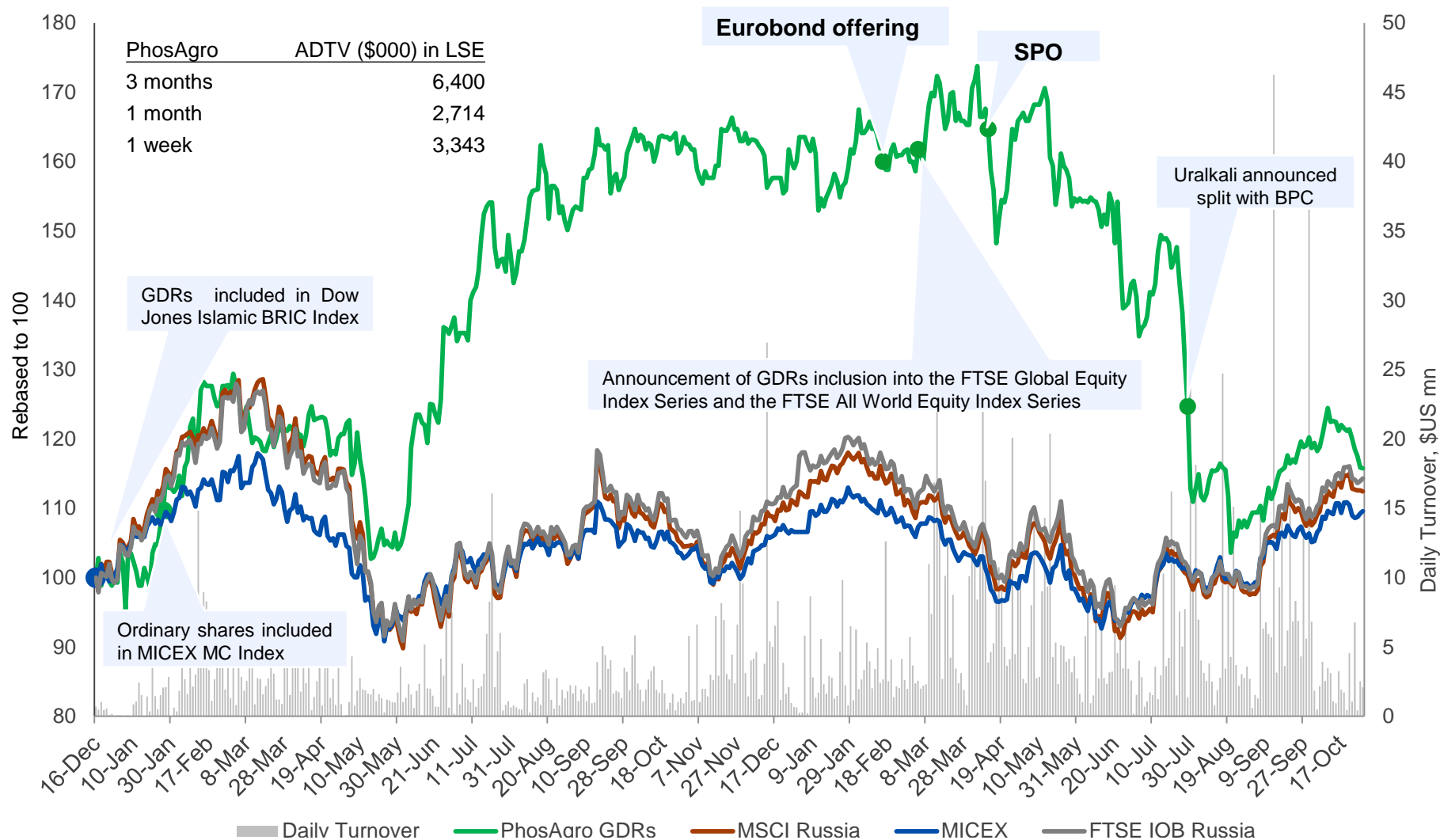
Control of world's premium phosphate resource base

Higher cadmium content in sedimentary rocks



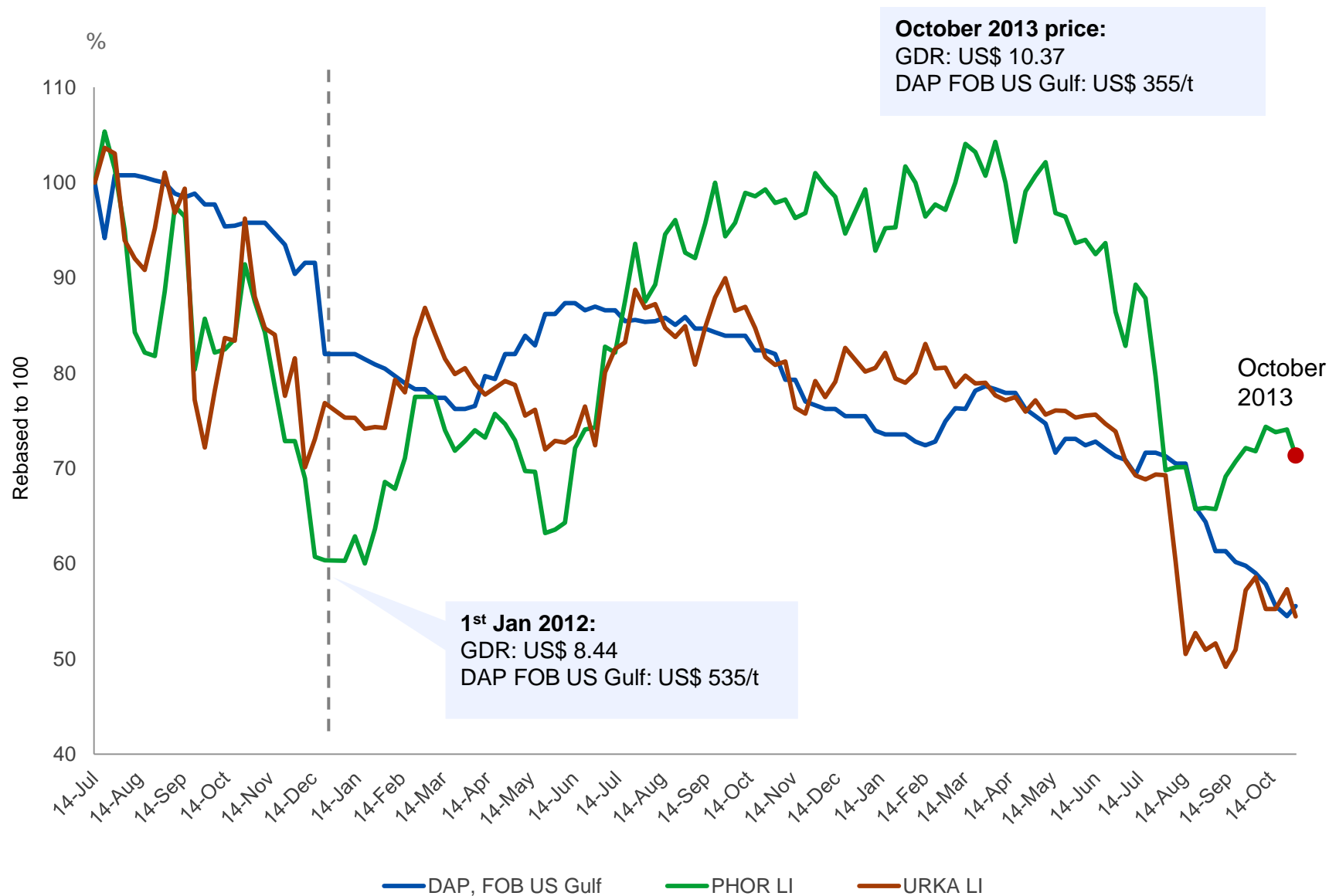
Phosphate rock with MER > 0.10 significantly increases costs for production of DAP

Note: Size of the bubble represents P₂O₅ content in phosphate rock in excess of 28%, which is recognized as a minimum for production of high quality phosphate fertilisers
Source: FERTECON, PhosAgro, companies' data



% Performance	PhosAgro	FTSE IOB Russia	MSCI Russia	MICEX
Since PhosAgro inclusion in Dow Jones Islamic BRIC Index	22.0%	13.4%	11.8%	9.2%
Since PhosAgro inclusion in MICEX Mid Cap Index	11.3%	1.1%	(1.2%)	0.8%
1 month	1.5%	3.1%	2.9%	2.6%
1 week	3.0%	(0.6%)	(0.8%)	0.9%

GDR performance and DAP prices



Source: Bloomberg (data as of 31 October 2013), FMB, PhosAgro analysis

Company	Mcap., \$mIn	EV, \$mIn	EV/EBITDA		P/E	
			2013F	2014F	2013F	2014F
Russian peers						
PhosAgro	4,029	5,122	5.6x	5.5x	8.5x	8.0x
Uralkali	15,684	17,969	9.5x	10.8x	14.7x	17.3x
Median			7.5x	8.1x	11.6x	12.7x
International peers - nitrogen fertilisers						
Agrium	12,523	15,555	6.8x	6.7x	10.5x	10.4x
Yara International	12,040	12,974	5.7x	6.1x	9.6x	10.2x
CF Industries	12,350	13,879	5.0x	5.8x	9.2x	10.5x
Median			5.7x	6.1x	9.6x	10.4x
International peers - potash and phosphate fertilisers						
Potash Corp	26,846	24,346	7.3x	7.9x	12.6x	12.9x
Mosaic (1)	19,524	16,923	6.1x	6.2x	14.3x	12.2x
Israel Chemicals Ltd	10,540	10,867	6.6x	7.3x	10.0x	12.1x
K+S AG	4,921	5,393	4.4x	6.5x	8.4x	17.7x
Median			6.4x	6.9x	11.3x	12.5x

Source: Bloomberg (data as of October 31, 2013), PhosAgro analysis

Note: (1) Calendarised