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PhosAgro at a glance

World class integrated phosphate producer

- #1 global producer of high-grade phosphate rock
- #3 global DAP/MAP producer⁽¹⁾
- Overall fertilizer capacity of 6.4 mln t

Large high quality apatite-nepheline resources

- 2.05 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 fertilizer capacities of 4.3 mln t,
 1.85 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

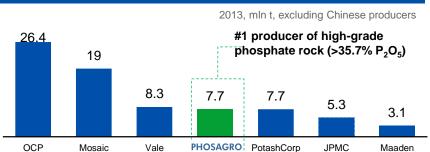
Strong financial performance

- EBITDA of \$752 mln in 2013
- 9M2014 EBITDA of \$728 mln
- 9M2014 Net debt/EBITDA: 1.54x

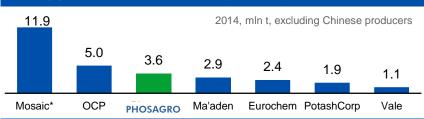
Note: (1) Excluding Chinese producers

- (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





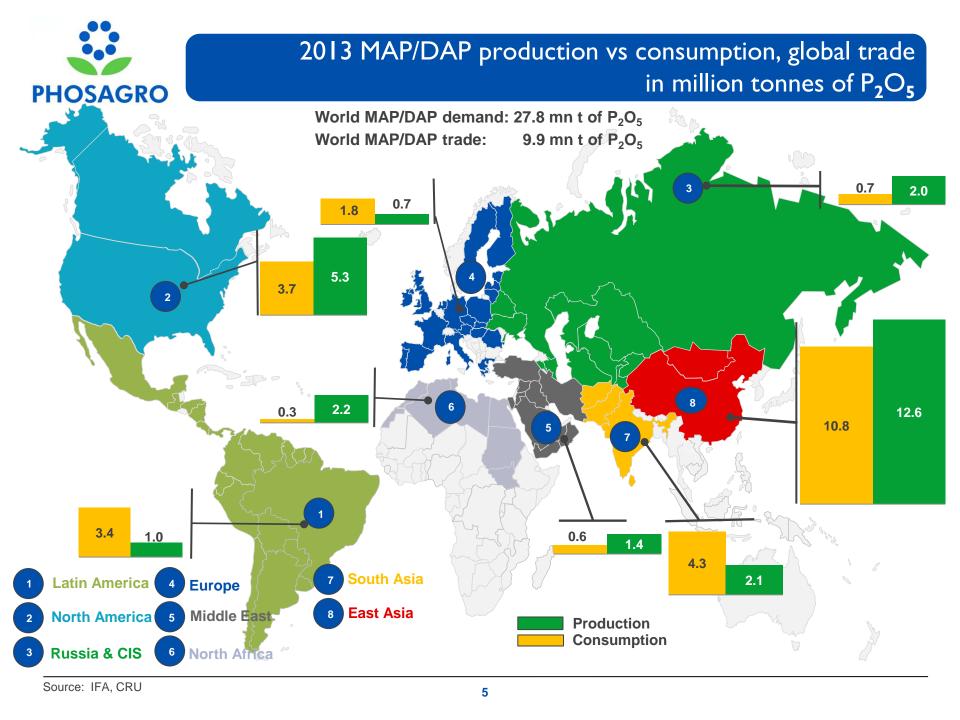
Leading global DAP/MAP producers (by capacity)



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

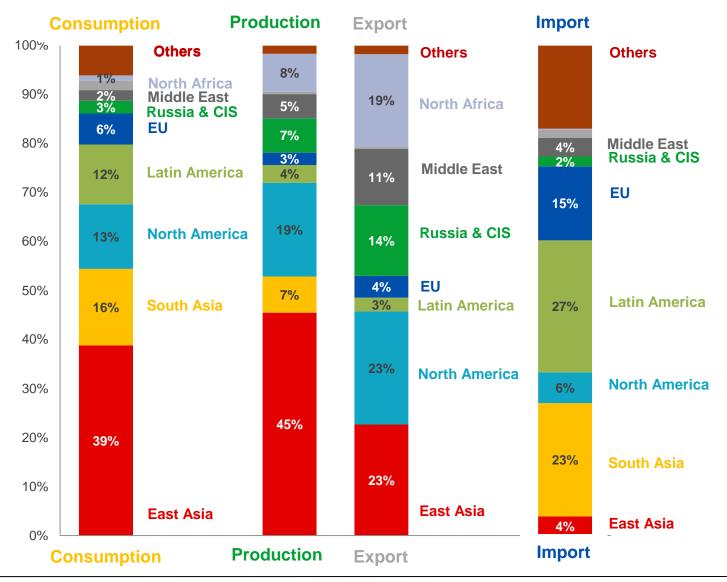


Source: Argus-FMB, CRU, IFA, companies' data, PhosAgro





2013 MAP/DAP regional balances of P2O5, mn t

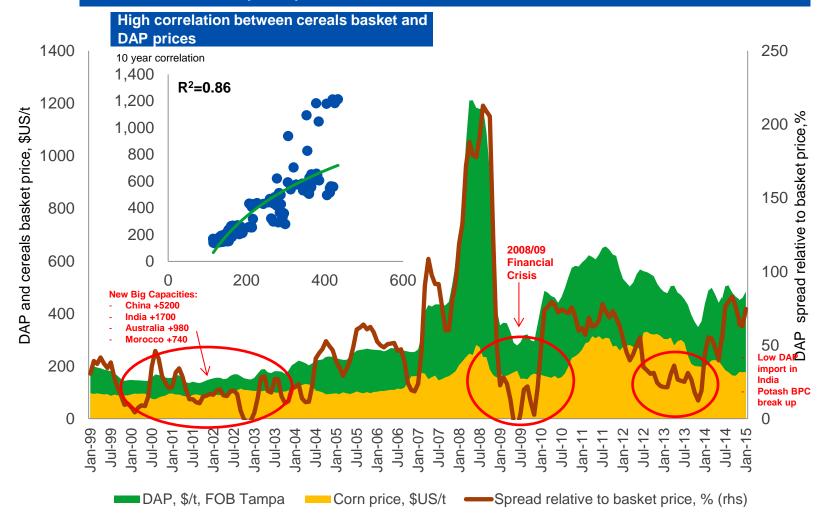


Source: CRU 6



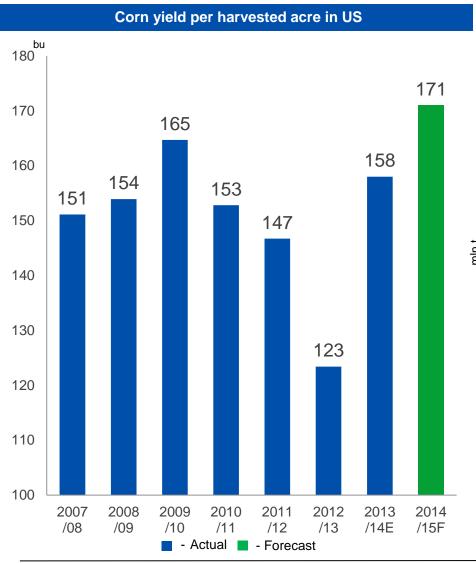
High grain prices driven by market imbalances motivate farmers to use more fertilizers

Cereals basket to DAP price spread

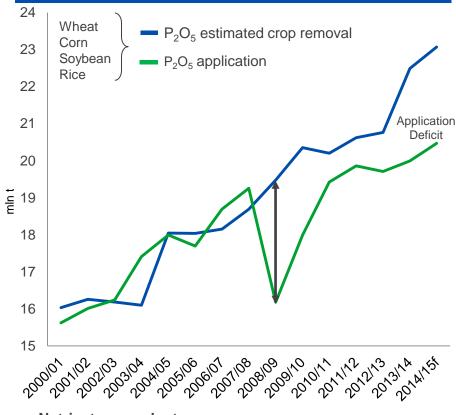




Significant room for further growth in use of phosphate fertilizers



Insufficient application of phosphate fertilizers creates significant room for growth



Nutrient removal rate

kg P₂O₅/t of crop

Wheat	Corn	Rice	Soybeans
11.3	6.7	6.4	16.7

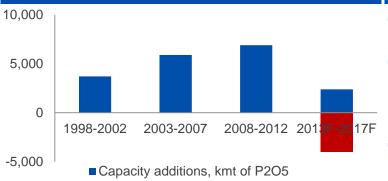


China: key figures(1)



China is a farming giant in absolute terms China India Brazil Russia USA Country Employment in agriculture, % of total 35 47 15 10 Rural population, mn 636 852 30 38 59 Rural population, % of total 47% 68% 15% 26% 19% Total population, mn 1,375 1.241 142 312 197 2.2 201 138 23 Farm Holdings, mn Value added in agriculture, % of GDP 10 18 < 1 Arable land per capita, ha 0.1 0.4 0.8 0.5 0.1 I Water resources per capita, '000 m3/cap 2.1 1.6 42.2 31.5 9.9 P₂O₅ consumption, mn t 16.7 4.3 0.6 6.7 4.0 P₂O₅ consumption, % of world total 15% 9% 9% 36% 1%

Capacity closures outpace new capacity additions

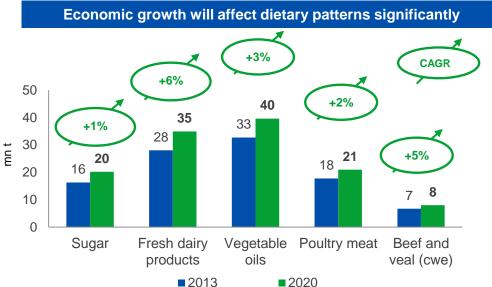


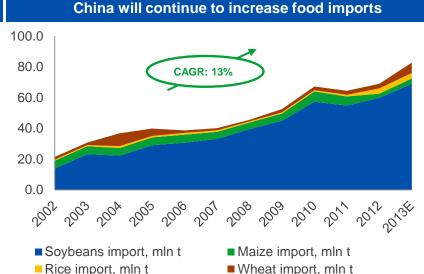
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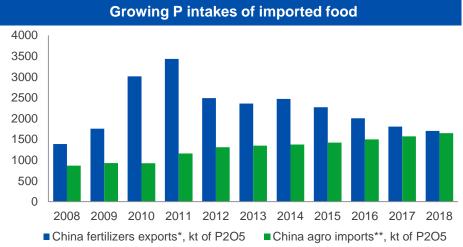
- China accounted for 6% of world phosphate rock resources and 36% of world P₂O₅ consumption
- Chinese population grows with 15 mn babies born annually and net population growth of 6 mn people (equivalent to the population of Belgium). Belgium consumes 3,690 kcal/capita/day and GDP is \$US 45 k per capita, compared to 2,990 kcal/capita/day and \$US 6 k in China
- Chinese government focus on food security appears in solid P₂O₅ capacity growth, though it will continue at a much slower rate

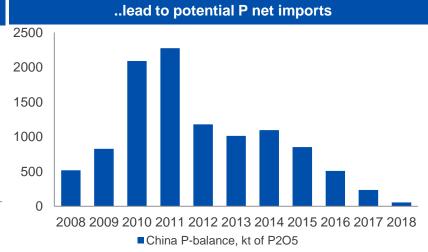


China: a net P importer on the horizon







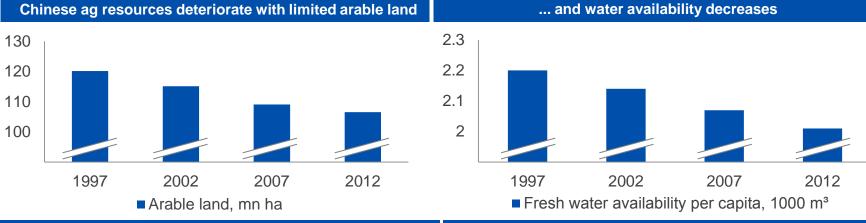


Note: (*) CRU data, (**) calculated as USDA/IGC data about ag imports multiplied on P₂O₅ removal rate in kg P₂O₅ per t of primary crops: wheat - 11.3; rice - 6.4; corn - 6.7; barley - 7; soybean - 17; palm oil - 2; rapeseed - 9

Source: FAO, CRU



China: environmental issues coming to the forefront



Chinese farmers use high-intensity agricultural techniques

Tainted rice was discovered in several Chinese provinces

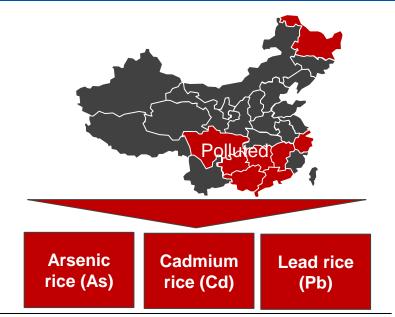
High intensity agriculture

All pollutants from pesticides and fertilizers end up in soil

For 30 years

- Water scarcity, contamination and pollution
- Fertilizer burn
- Soil pollution and cadmium contamination



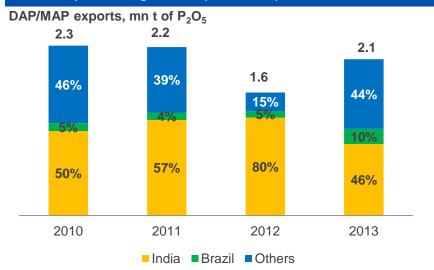


Source: FAO, Global Times

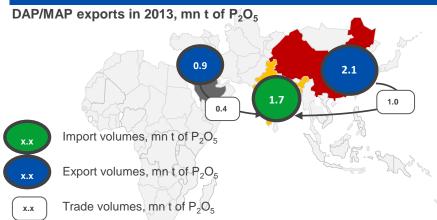


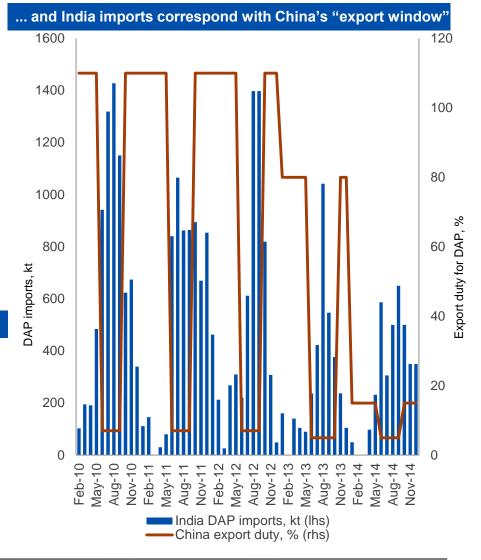
Chinese exports go to India

China exports a significant part of its p-based fertilizers to India



Half of exports from China and Ma'aden go to India

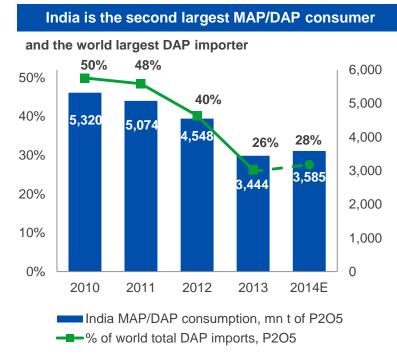




Source: CRU, FAI, IFA



India: key figures⁽¹⁾



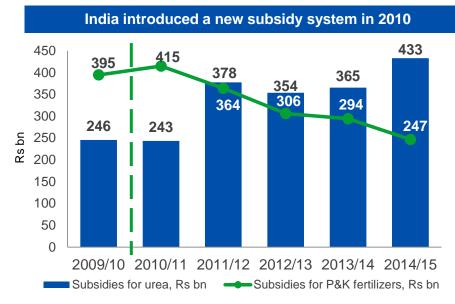
Rural population and ag production dominate in India							
Country		China	Brazil	Russia	USA		
Employment in agriculture, % of total	47	35	15	10	2		
Rural population, mn	852	636	30	38	59		
Rural population, % of total	68%	47%	15%	26%	19%		
Total population, mn	1,241	1,375	197	142	312		
Farm Holdings, mn	138	201	5	23	2.2		
Value added in agriculture, % of GDP	18	10	6	4	< 1		
Arable land per capita, ha	0.1	0.1	0.4	8.0	0.5		
Water resources per capita, '000 m³/cap	1.6	2.1	42.2	31.5	9.9		
P ₂ O ₅ consumption, mn t	6.7	16.7	4.3	0.6	4.0		
P ₂ O ₅ consumption, % of world total	15%	36%	9%	1%	9%		

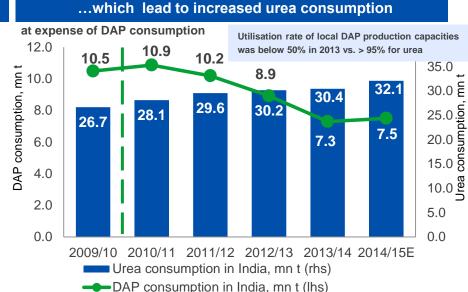
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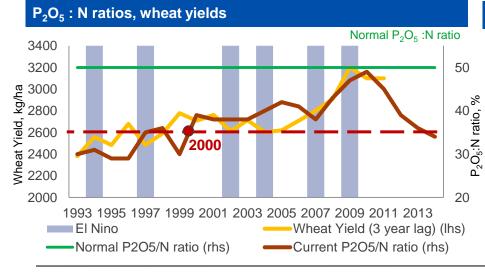
- India accounted for 0% of world phosphate rock resources and 15% of world P₂O₅ consumption
- 22 mn babies are born annually in India; this is the equivalent of the entire population of Australia. Australia consumes 3,220 kcal/capita/day and GDP is \$US 67 k per capita compared to 2,360 kcal/capita/day and GDP of \$US 1.5 k in India
- Second largest population in combination with scarcity in phosphate resource make India a major importer of phosphates
- Large number of farm holdings implies their relative small size: limited access to modern farming and agronomic technologies result in imbalanced fertilizer application

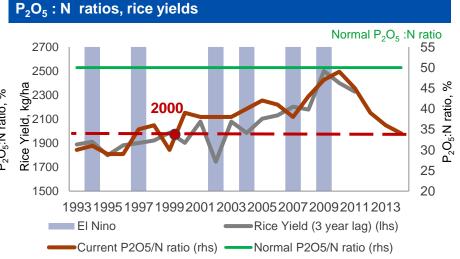


India's subsidy policy: favouring urea leads to unbalanced fertilization



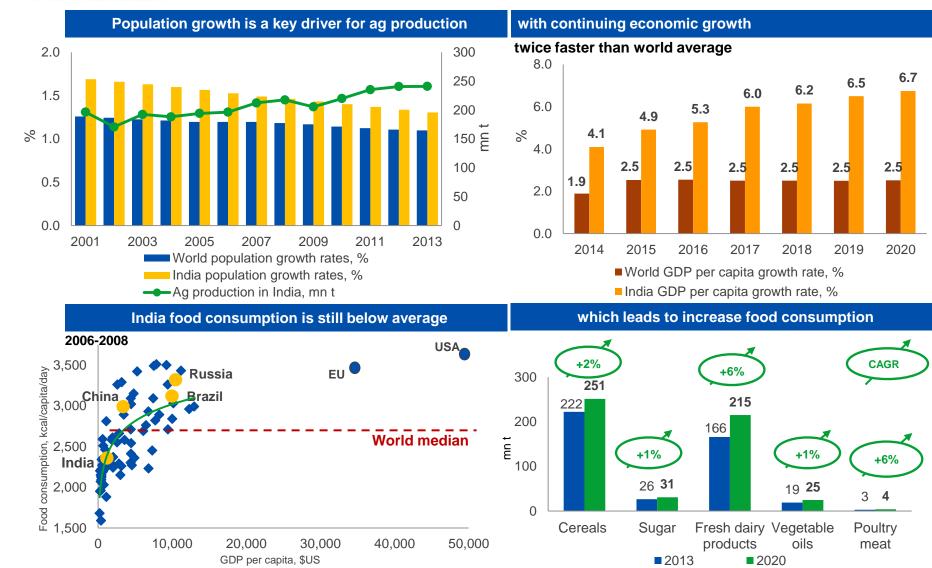






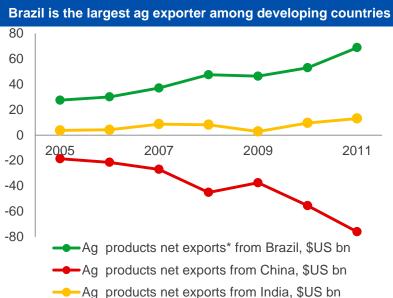


India will remain a primary P₂O₅ importer in the long term





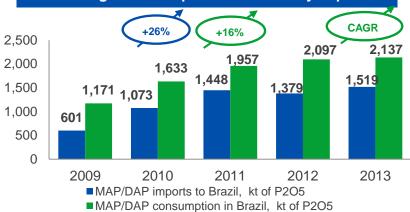
Brazil: key figures(1)



Brazii is a rising star of world ag	Jroducti	on and	P CO	nsumpt	ion
Country	Brazil	China	India	Russia	USA
Employment in agriculture, % of total	15	35	47	10	2
Rural population, mn	30	636	852	38	59
Rural population, % of total	15%	47%	68%	26%	19%
Total population, mn	197	1,375	1,241	142	312
Farm Holdings, mn	5	201	138	23	2.2
Value added in agriculture, % of GDP	6	10	18	4	< 1
Arable land per capita, ha	0.4	0.1	0.1	0.8	0.5
Water resources per capita, '000 m³/cap	42.2	2.1	1.6	31.5	9.9
P ₂ O ₅ consumption, mn t	4.3	16.7	6.7	0.4	4.0
P ₂ O ₅ consumption, % of world total	9%	36%	15%	1%	9%

Brazil is a rising star of world ag production and P consumption

Growing P consumption is secured by imports

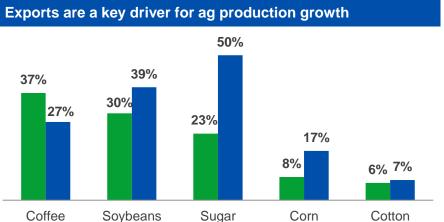


Comment

- Brazil accounted for 0.4% of world phosphate rock resources and 9% of world P₂O₅ consumption
- Agricultural exports are a key driver of Brazil ag production growth



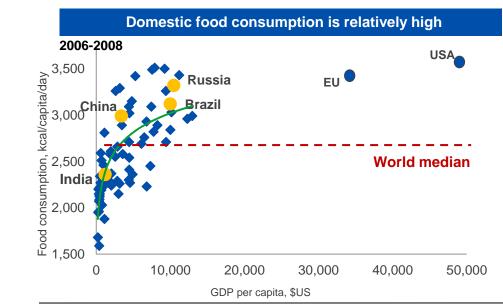
Brazil is a top ag exporter among developing counties

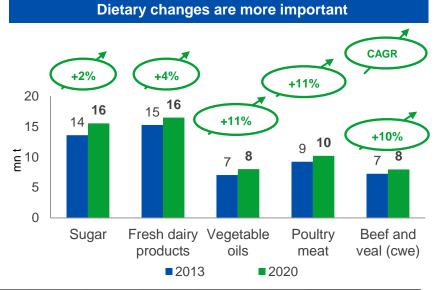




CAGR: 6% mn ha Soybeans (harvested area), Ha mn Corn (harvested area), Ha mn

Soybeans drive ag production in Brazil





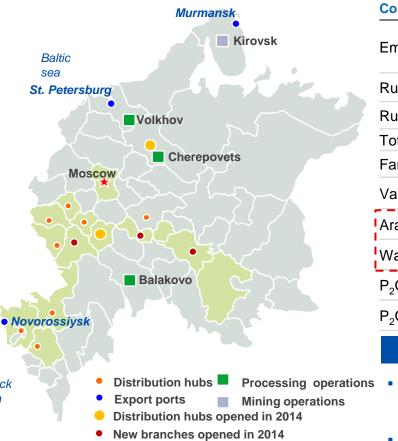
Source: USDA, CRU, FAO, FAO-OECD outlook



Black

Russia: key figures(1)

PhosAgro dominates domestic phosphate market



Top 15 regions of NPK and MAP consumption

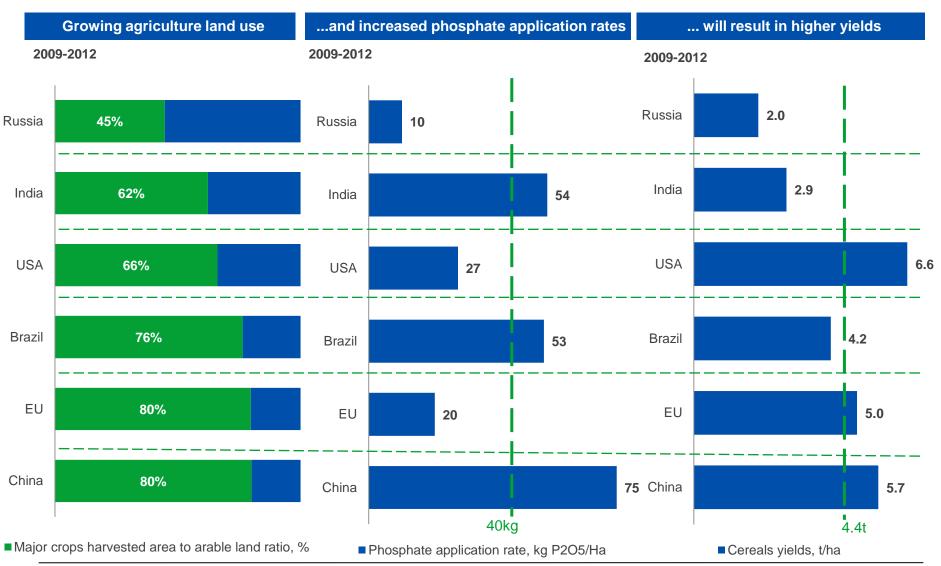
Russia has abundant ag resources						
Country	Russia	China	India	Brazil	USA	
Employment in agriculture, % of total	10	35	47	15	2	
Rural population, mn	38	636	852	30	59	
Rural population, % of total	26%	47%	68%	15%	19%	
Total population, mn	142	1,375	1,241	197	312	
Farm Holdings, mn	23	201	138	5	2.2	
Value added in agriculture, % of GDP	4	10	18	6	< 1	
Arable land per capita, ha	0.8	0.1	0.1	0.4	0.5	
Water resources per capita, '000 m³/cap	31.5	2.1	1.6	42.2	9.9	
P ₂ O ₅ consumption, mn t	0.4	16.7	6.7	4.3	4.0	
P ₂ O ₅ consumption, % of world total	1%	36%	15%	9%	9%	

Comment

- Russia accounted for 2% of world phosphate rock resources and just 1% of world P₂O₅ consumption
- Ample resources provide a good base for ag production growth



Russia: potential for significant ag production growth



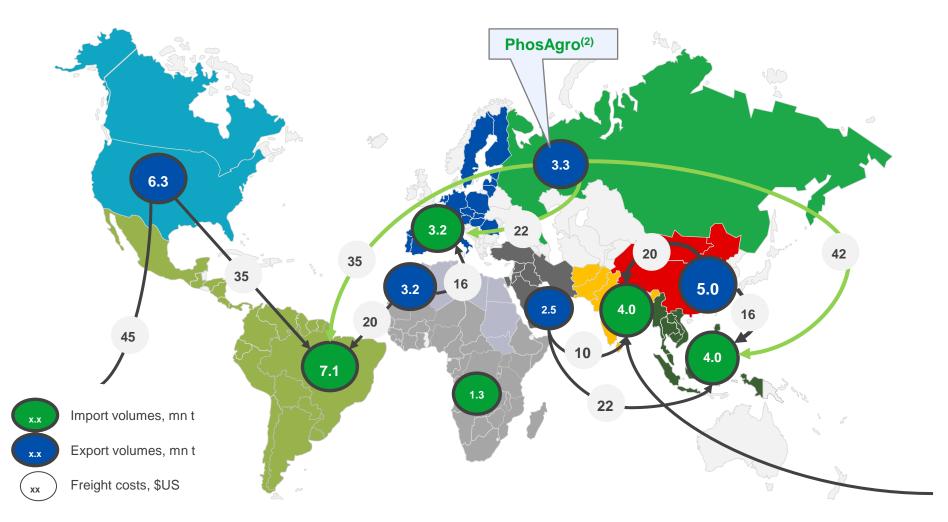
Source: FAO, Integer





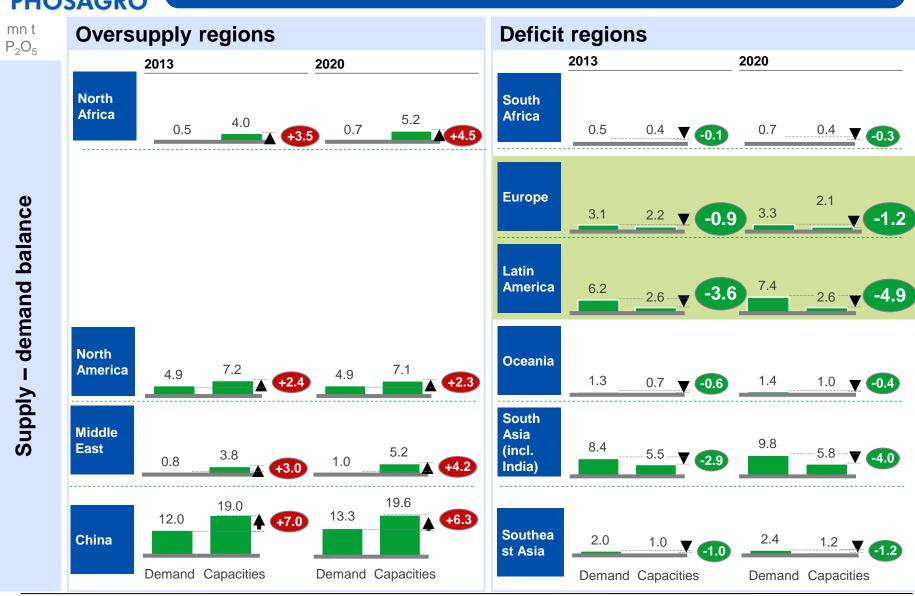
2013 Primary phosphate⁽¹⁾ trade flows

World DAP/MAP trade: 21.3 mn t



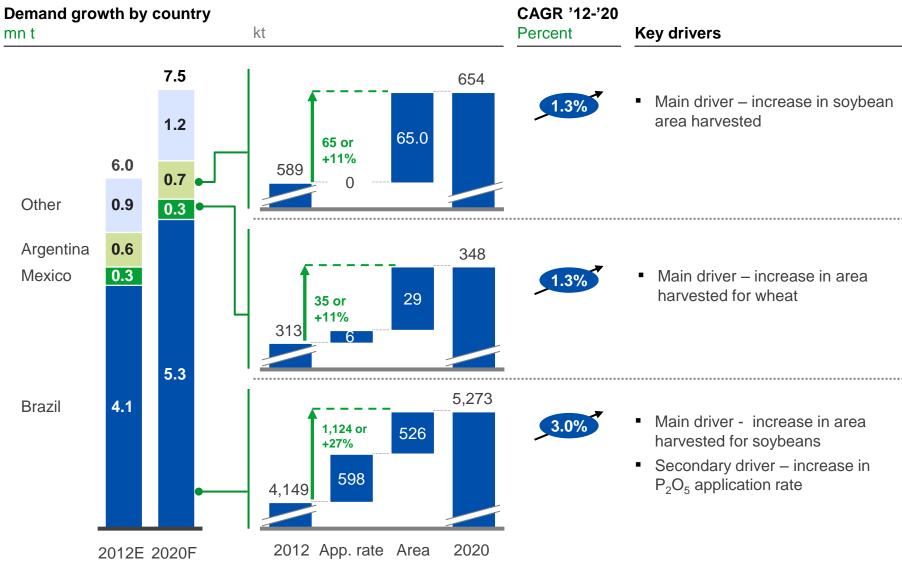


P₂O₅: No changes in regional deficits by 2020



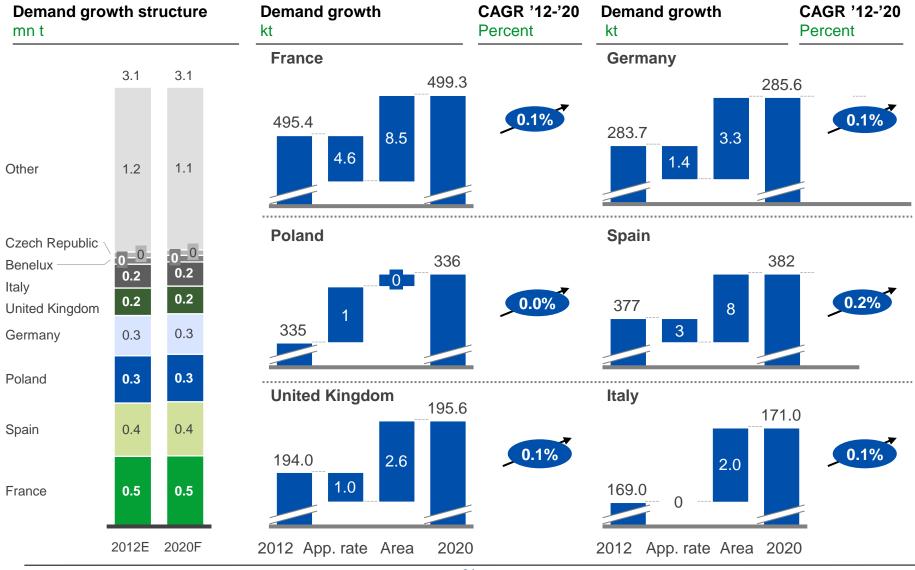


Key drivers of P₂O₅ demand growth in Latin America



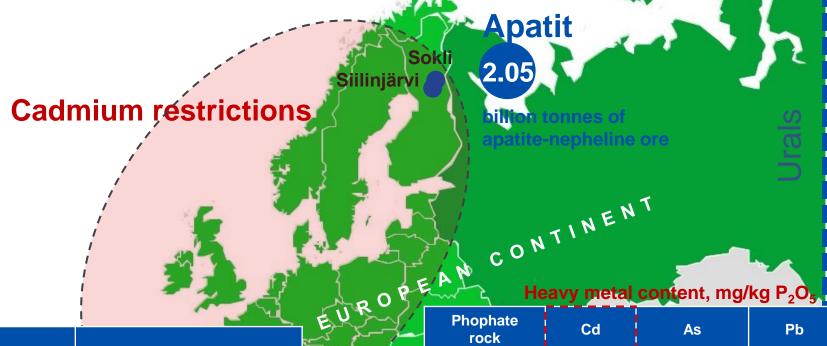


Key drivers of P₂O₅ demand growth in Europe





Priorities: trade restrictions vs. health



European countries grouped by allowable cadmium level	Maximum limits of cadmium in national fertilizers containing more than 5% P ₂ O ₅ , mg/kg P ₂ O ₅		
Strict limits	20		
Medium limits	~55		
Mild limits	90		

// 1/10					
Phophate rock	Cd	As	Pb		
Russia (Kola)	0.05-0.09	0.2-0.3	0.6-0.8		
South Africa	0.2	6	35		
USA	11	12	12		
Middle East	9	6	4		
Morocco	30	11	7		
Other N.Africa	60	15	6		



New sales model to improve premium market access

Our new sales strategy

 Set up local sales offices in São Paulo and Brussels

Roadmap

Rationale

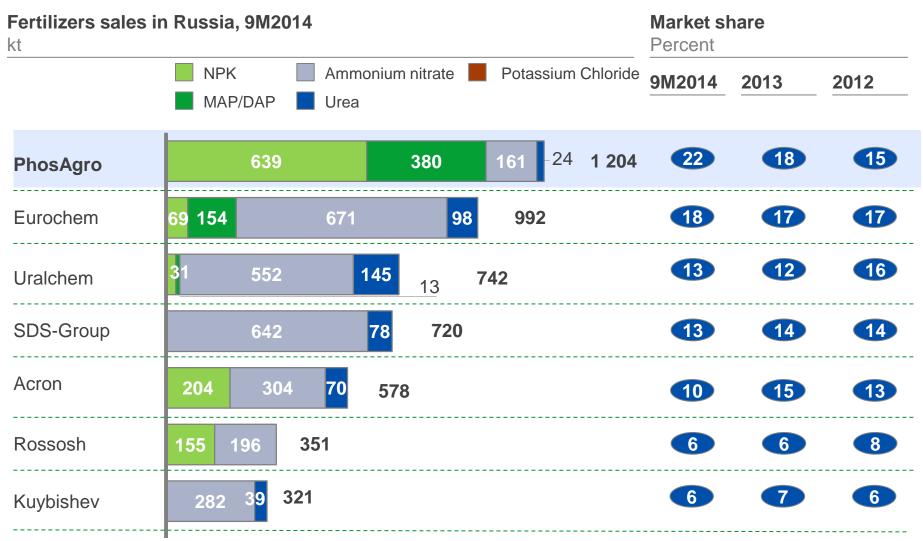
- sales office in São Paulo will cover Latin America markets
- sales office in Brussels will cover Northern and Eastern Europe and potentially Southern Europe
- High probability of selling entire market volume
- Building a deep understanding of end buyers and market tendencies
 - Ability to promote PhosAgro products (without cadmium, ammonium NPK)
- Necessity of finding and hiring local managers with a developed client base

Domestic sales platform Brussel São Paulo Singapore DAP/MAP NP/NPK/NPS Urea Sales volumes, kt 2013 2020 2013 2013 2020 2020 500 210 +110 200 Latin America +250 +270 Northern and Eastern -80 +670 +330 480 270 70 Europe

New sale officesExisting sale offices

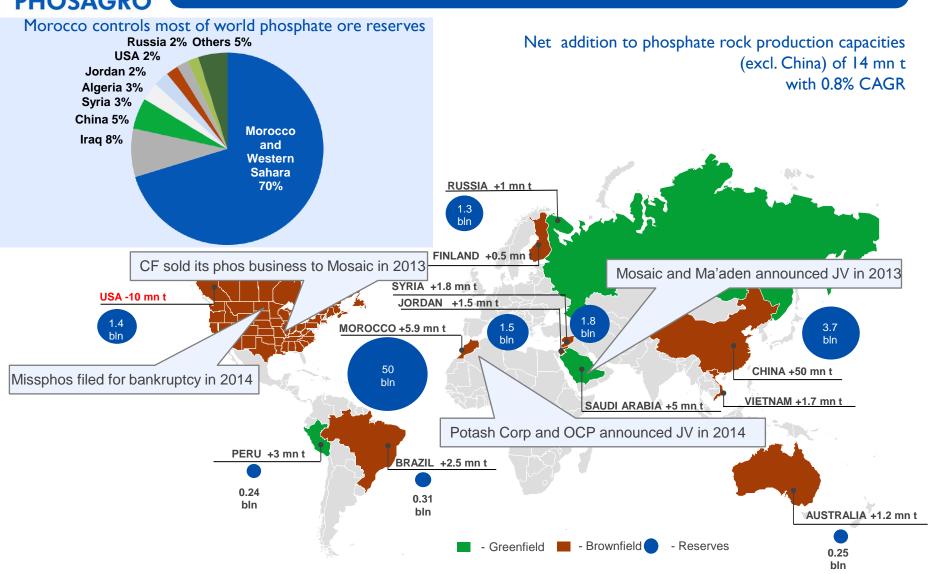


PhosAgro became the #I overall supplier of fertilizers to the Russian market in 2013, and continues to grow its market share



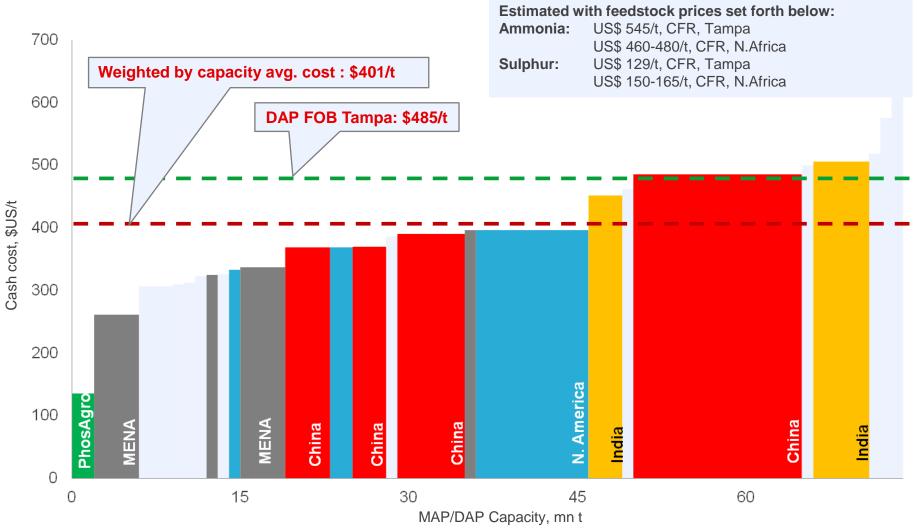


Recent industry developments



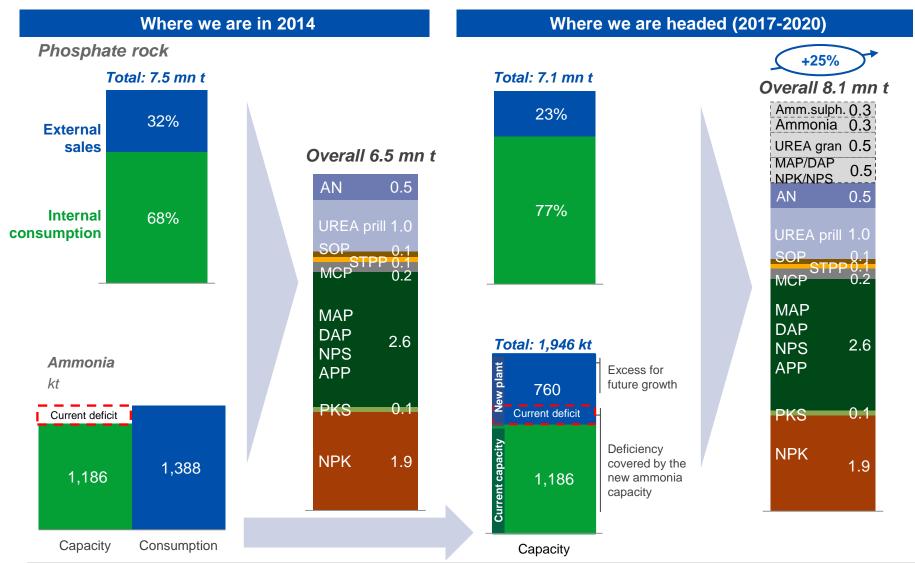


Estimated MAP/DAP business cash cost curve \$US/t FOB(I) Morocco





Strategy for fertilizer volume growth

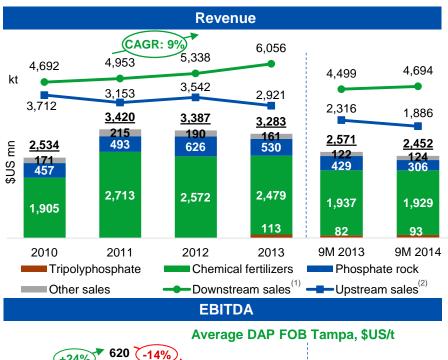


Source: PhosAgro



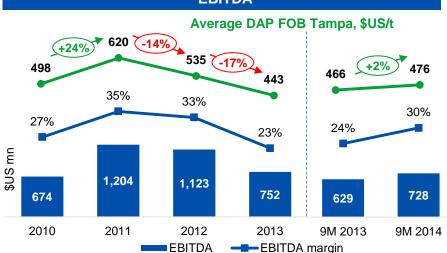


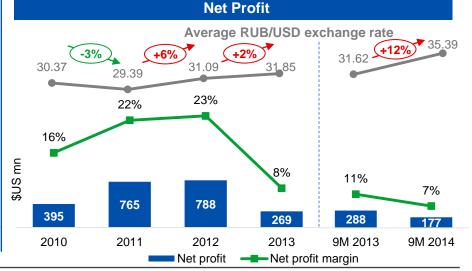
Revenue, EBITDA, gross profit and net profit



Average DAP FOB Tampa, \$US/t 620 (-14%) +24% ^{*}535 (-17%) 498 466 44% 43% 42% 38% 35% 35% \$US mn 1,508 1,453 1,144 1,020 964 903 2010 2011 2012 2013 9M 2013 9M 2014 Gross profit Gross margin

Gross profit





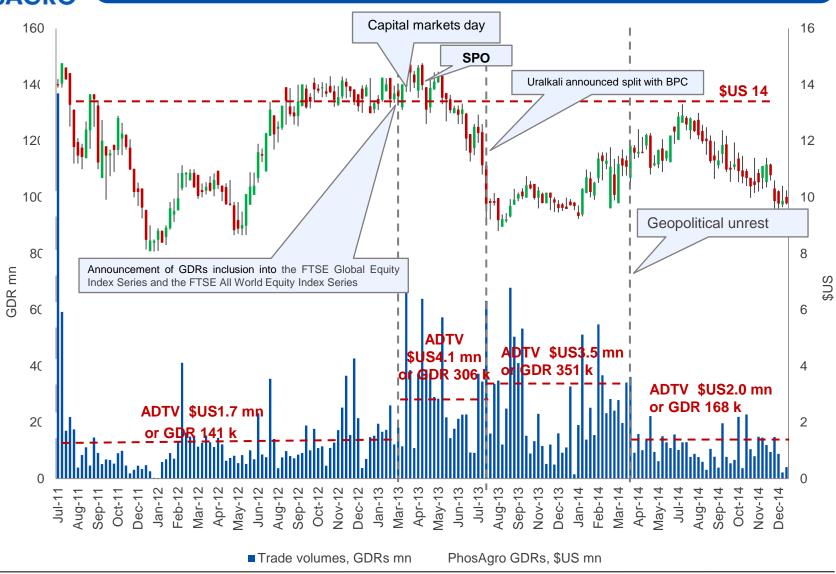
Note: Applied average USD/RUB exchange rates: 30.37 (2010), 29.39 (2011); 31.09 (2012); 31.85 (2013); 31.62 (9M 2013); 35.39 (9M 2014)

⁽¹⁾ Phosphate-based fertilizers, MCP, STPP and nitrogen fertilizers (2) Phosphate rock



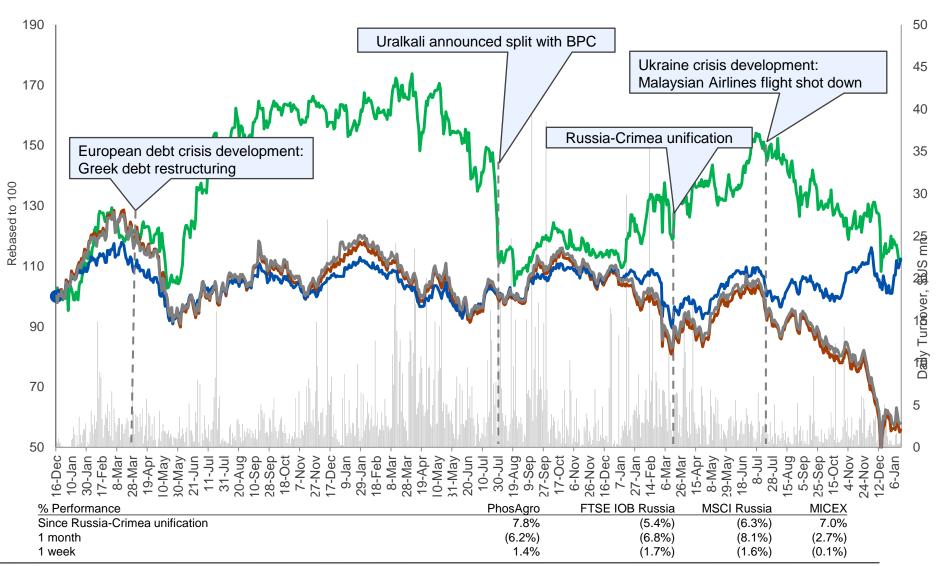


PhosAgro GDR performance



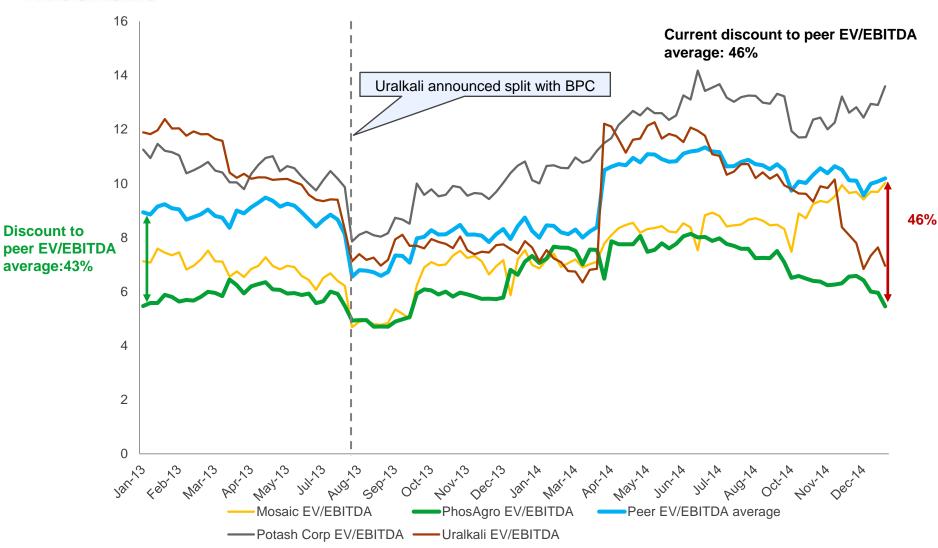


Global political and economic instability





EV/EBITDA performance relative to peers

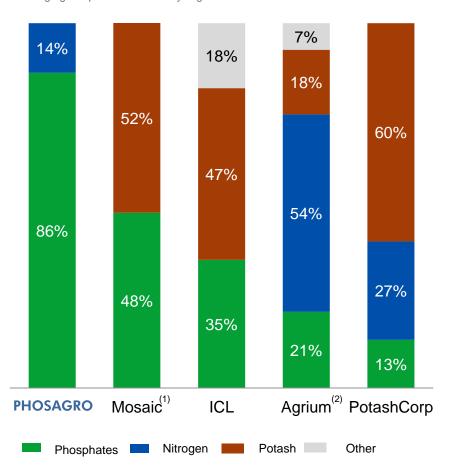




PhosAgro: the only pure play phosphates producer

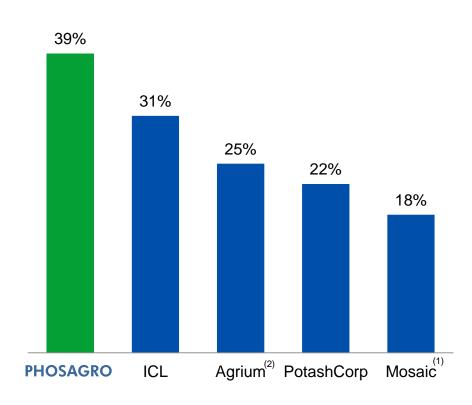
Gross profit breakdown by segment

Average gross profit breakdown by segment for 2011-2013



Phosphate segment gross profit margin

Average gross profit margin of phosphate segment for 2011-2013



Source: Companies' reports Note: (1) Calendarised

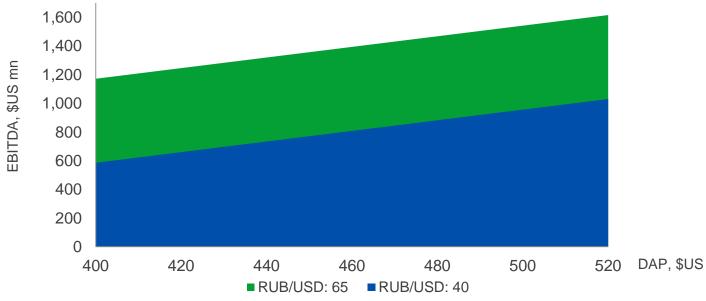
(2) Excluding resale, retail and advanced technologies

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





RUB devaluation: EBITDA sensitivity⁽¹⁾



in mln USD		2015F DAP FOB Baltic price, \$/tonne						
		400	420	440	460	480	500	520
RUB/USD exchange rate	40	586	660	734	808	882	956	1,030
	45	755	829	903	977	1,051	1,125	1,199
	50	890	964	1,038	1,112	1,186	1,260	1,334
	55	1,001	1,075	1,149	1,223	1,297	1,371	1,445
	60	1,093	1,167	1,241	1,315	1,389	1,463	1,537
	65	1,171	1,245	1,319	1,393	1,467	1,541	1,615

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Current market conditions

Source: PhosAgro



Dividend history

per GDR,

Dividends

	KUB	KUB	US\$
2011 April-December	57.50	19.17	0.61
2012	82.90	27.63	0.88
2013	34.75	11.58	0.35
1H2014	25.00	8.30	0.23
9M2014*	20.00	6.67	0,10

per GDR,

Net profit attributable to

per share,

Post-IPO dividends paid	Dividends, RUB bln	PhosAgro shareholders, RUB bln	Payout ratio, %
2011 (April-December)	7.2	14.6	49%
2012	10.4	21.3	49%
2013	4.5	7.6	59%
1H2014	3.2	7.9	41%
Total	25.3	51.4	49%

Total paid

Post-IPO dividends

Source: PhosAgro

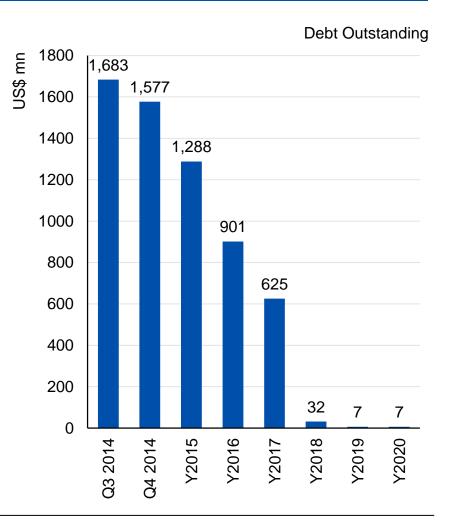


Debt Maturity Profile(1)

Payment Schedule

Repayment of principle US\$ mn 24 2014 after 2020

Debt Repayment Plan/ Outstanding Debt





High quality production assets

Apatit

Resources(1)

Apatite-nepheline ore: 2,050 mt

Al₂O₃: 283 mn t REO⁽²⁾: 7.5 mn t



Capacity by product

Phosphate rock: 7.5 mn t Nepheline: 1.7 mn t

Highlights

- Largest standalone global producer of high grade phosphate rock⁽³⁾
 - Standard grade P₂O₅ content of 39%
- Lowest hazardous element content among the major phosphate rock producing regions; benefits from low levels of radioactivity

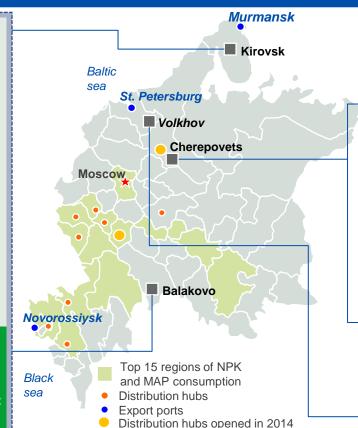
Balakovo branch of Apatit



Capacity by product
MAP/DAP/NPS: 1.2 mn t
Feed phosphate (MCP): 240 kt

Highlights

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



PhosAgro-Trans (Transportation)

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

PhosAgro-Region (Domestic distribution)

 Owns and operates eight distribution centres in Russia located in proximity to major agricultural regions of Russia (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: 3.1 mn t Ammonia: 1,186 kt

AN/AN-based: 450 kt

Urea: 500 kt APP: 140 kt

APP: 140 kt AIF₃: 24 kt

- 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 capacities in Russia

Metachem



Capacity by product Sulphuric acid: 215 kt

Phosphoric acid: 80 kt of P₂O₅

PKS: 100 kt

Sulphate of potash (SOP): 80 kt

Highlights Sodium tripolyphosphate (STPP): 130 kt

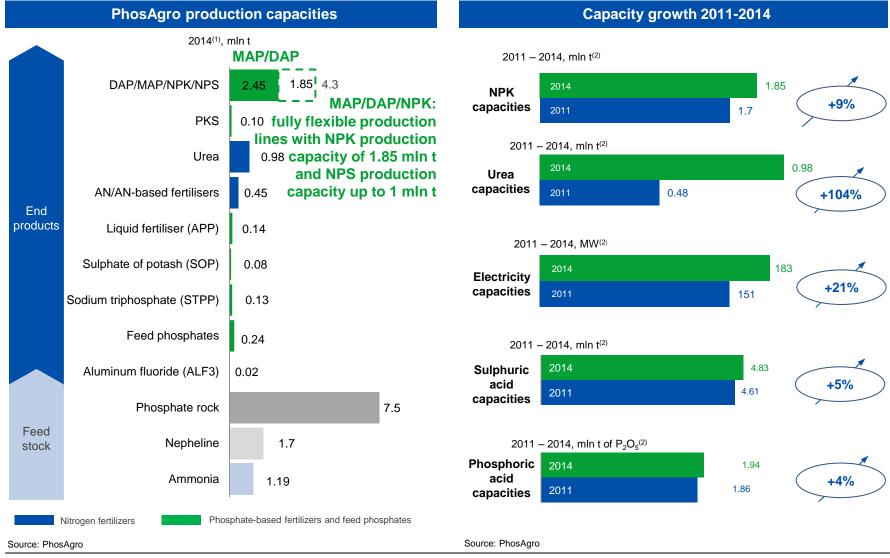
- Unique SOP granulating technology in Russia
- Close proximity to St. Petersburg sea port

Source: PhosAgro (capacity as of December 31, 2014), 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%

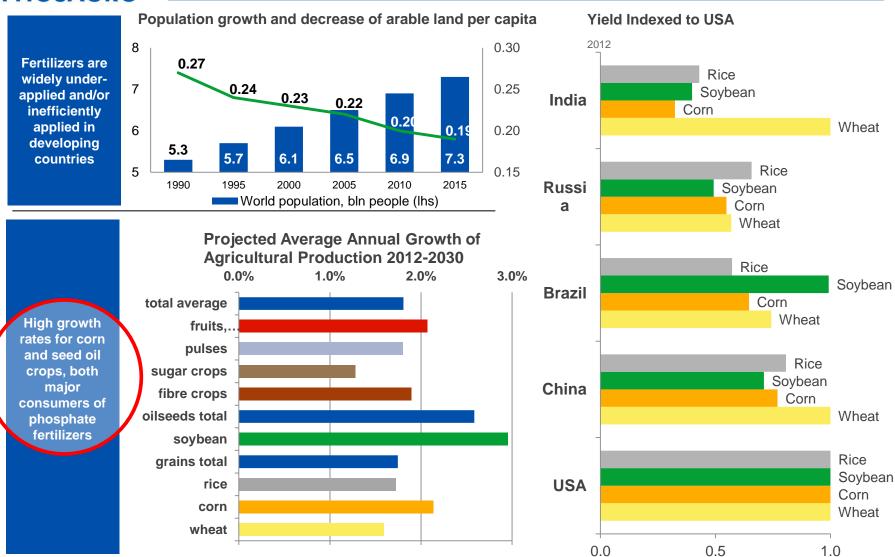


Flexible production capacity





Strong demand fundamentals for fertilizers

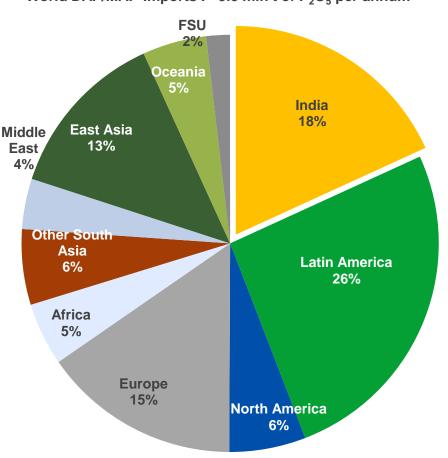




India depends on P₂O₅ imports

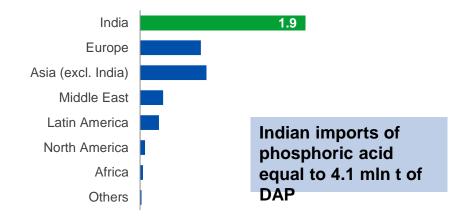
India is the major purchaser of DAP/MAP...

World DAP/MAP Imports: ~9.5 mln t of P₂O₅ per annum⁽¹⁾

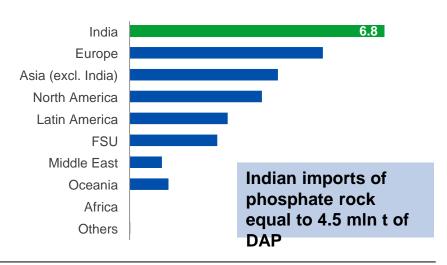


... and importer of feedstock for phosphates production

Global Phosphoric Acid Imports of 3.9 mln t P₂O₅



Global Phosphate Rock Import of 26.3 mln t





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

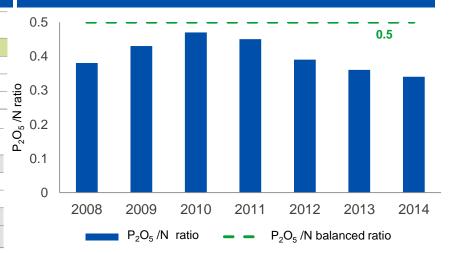
Evolution of N: P₂O₅: K₂O ratio in India

	N	P_2O_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)

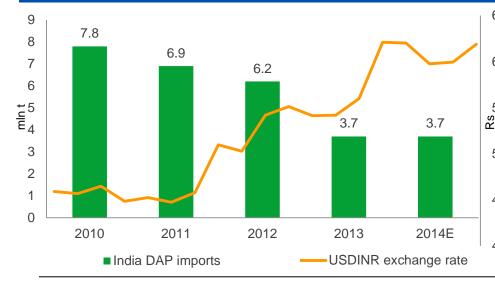
K₂O
26.756
24.0
18.833
15.5
-42%

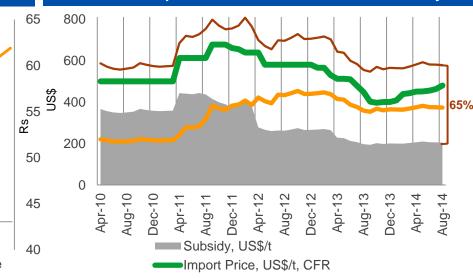
Unbalanced fertilization



India DAP imports and Rupee exchange rate

Indian domestic price is twice above the current subsidy level

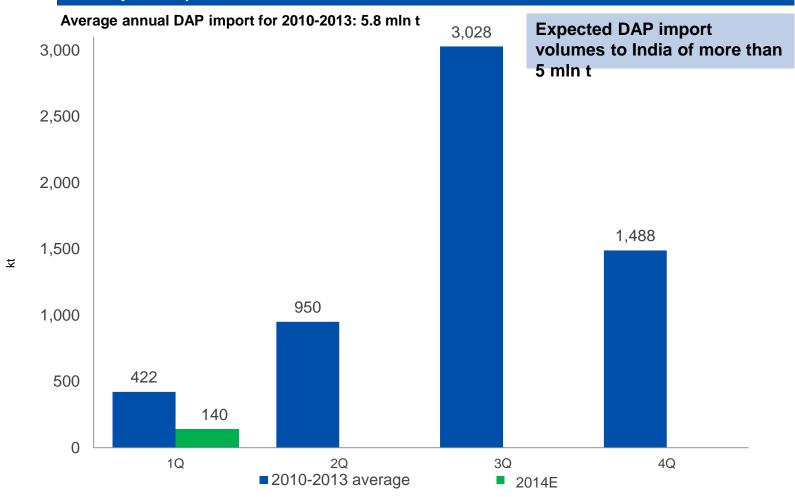






India DAP import demand set to rise

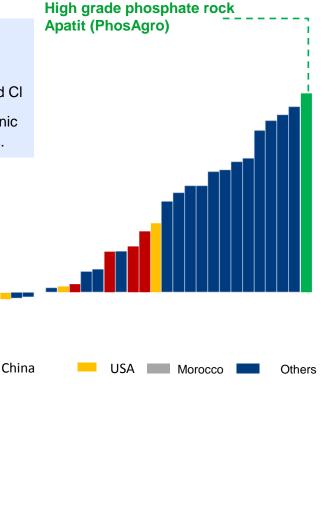
Quarterly DAP imports to India





Premium/discount to the most affordable Moroccan phosphate rock

- Phosphate ore affects production costs associated with impurities
- The benchmark: K10 phosphate rock, made by OCP (Morocco)
- Important characteristics included: P₂O₅ content, CaO content, MER, F and CI
- **Important characteristics not included:** product variability, content of organic matter, and the maintenance cost implications of different rock characteristics.





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

Integrated phosphate-based production model (1)







4.60 mln t (39% P2O5)







4.20 mln t



1.70 mln t







0.77 mln t

0.73 mln t



End products

Replacement cost

Ma'	aden
-----	------



			PHC	SAGRO	
Key products	DAP		MAP, DAP, NPK, NPS, Urea, AN		
Production facilities	Capacity, mln t p.a.	CAPEX, mIn \$US	Capacity, mln t p.a.	Replacement cost, mln \$US	
Mining and beneficiation	5.0	1,330	7.8	2,697	
Sulphuric acid	4.7	620	4.8	642	
Phosphoric acid	1.5	523	1.9	740	
Ammonia	1.09	951	1.15	1,000	
Phosphate fertilizer	2.9	486	4.3	716	
Nitrogen fertilizer	-	-	1.4	684	
Infrastructure and other		~ 2,000		~ 4,000	
Total		~ US\$ 6 bln		~ US\$ 10 bln	
Current capitalization				US\$ 4.6 bln ⁽²⁾	

Ma'aden - total est. CAPEX(3): US\$ 6 bln Construction period: 6 years +

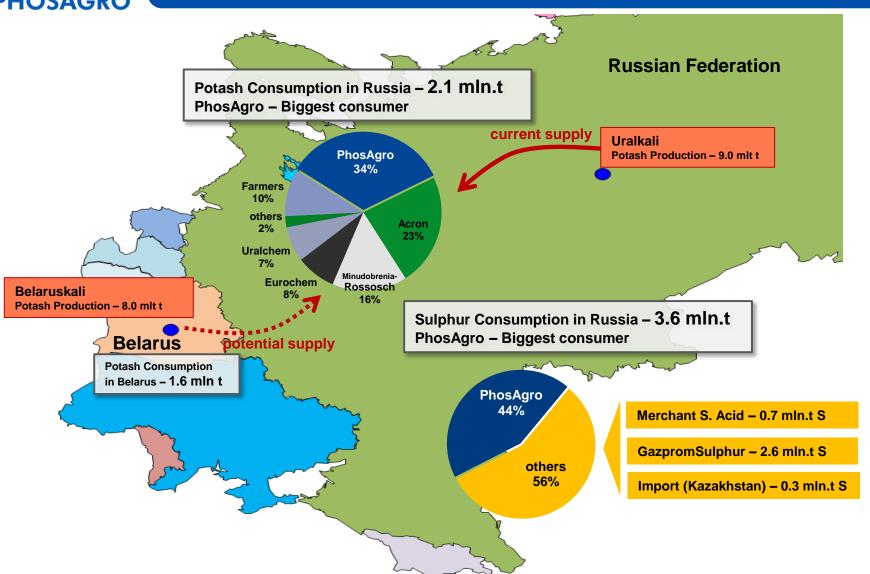
Over US\$ 2,000/tonne

Source: PhosAgro, Maaden, Fertecon, Integer, Reuter

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



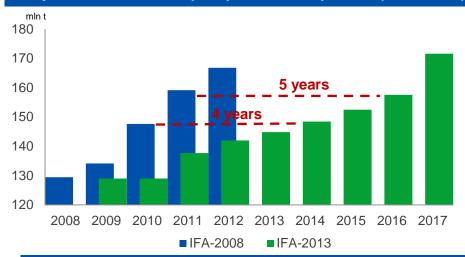
Access to abundant local resources



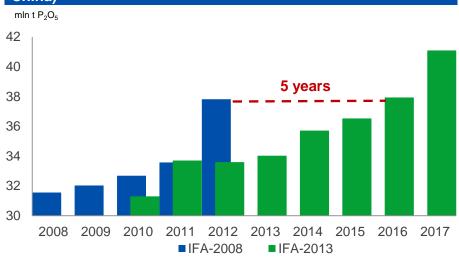


Commissioning phosphate rock and phosphoric acid capacities

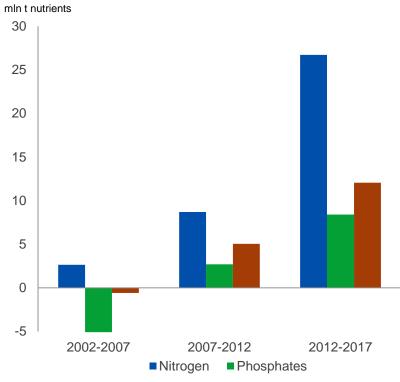
Delays in addition of new phosphate rock capacities (excl. China)



Delays in commissioning phosphoric acid capacities (excl. China)



Changes in world fertilizer capacities (excl. China)

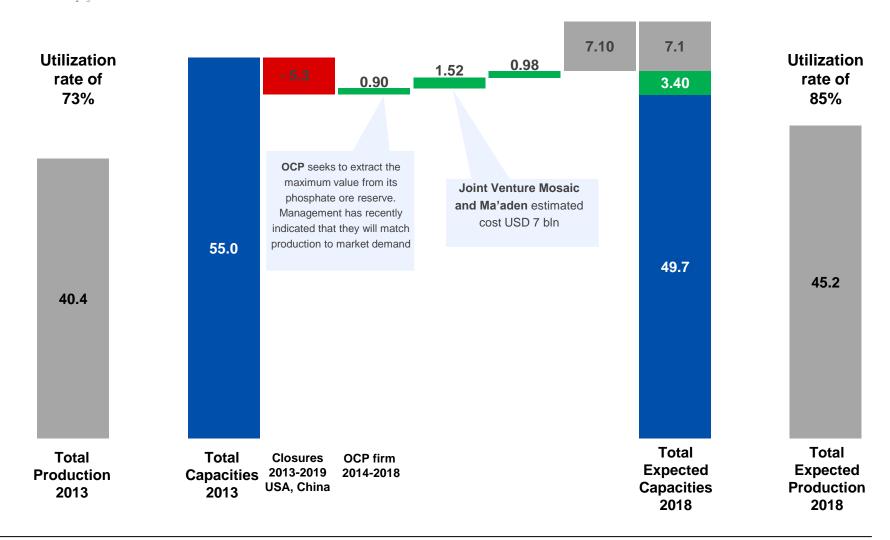


- Less new projects are announced in phosphates
- Commissioning of new capacities is delayed
- Shutdown in phosphate fertilizer capacities was more significant while less new commissioning in the past 5 years in comparison with nitrogen and potash sectors



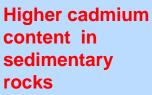
Timing and completion of new capacities is uncertain

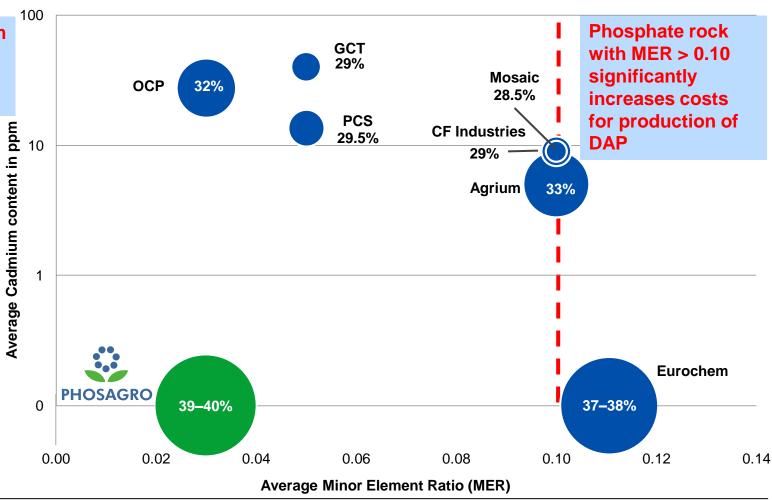
mln t of P₂O₅





Control of world's premium phosphate resource base





Note: Size of the bubble represents P_2O_5 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



Estimated Urea export cash cost curve \$US/t FOB(I) Yuzhny

