



Credit Suisse
Basic Materials Conference
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1. Phosphates – an attractive industry



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

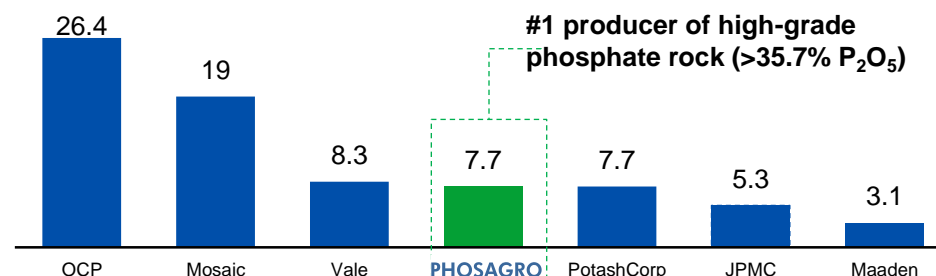
- Flexible production lines
- Phosphate fertilizer capacities of 4.3 mln t, 1.85 mln t fully flexible into NPK production
- Leader in Russian fertilizer market growing twice faster than the world consumption
- Net back driven sales model with a global presence

Strong financial performance

- EBITDA of \$752 mln in 2013
- 1H2014 EBITDA of \$464 mln
- 1H2014 Net debt/EBITDA: 1.4x

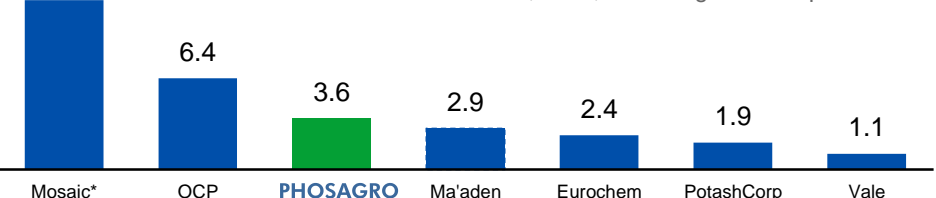
Leading global phosphate rock producers (by production)

2013, mln t, excluding Chinese producers

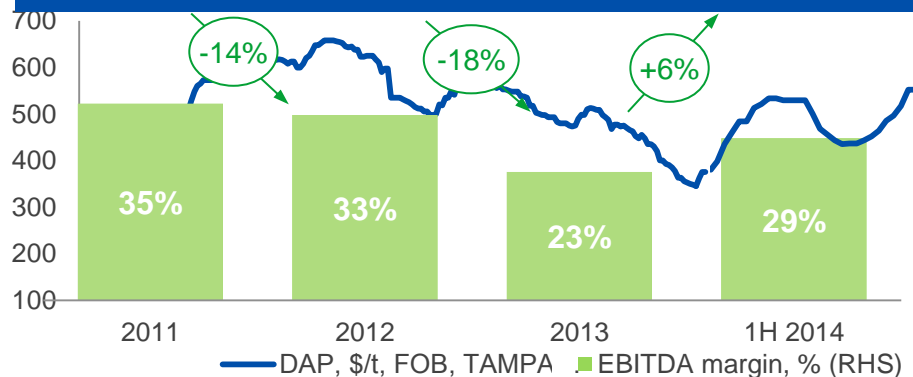


Leading global DAP/MAP producers (by capacity)

2013, mln t, excluding Chinese producers



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

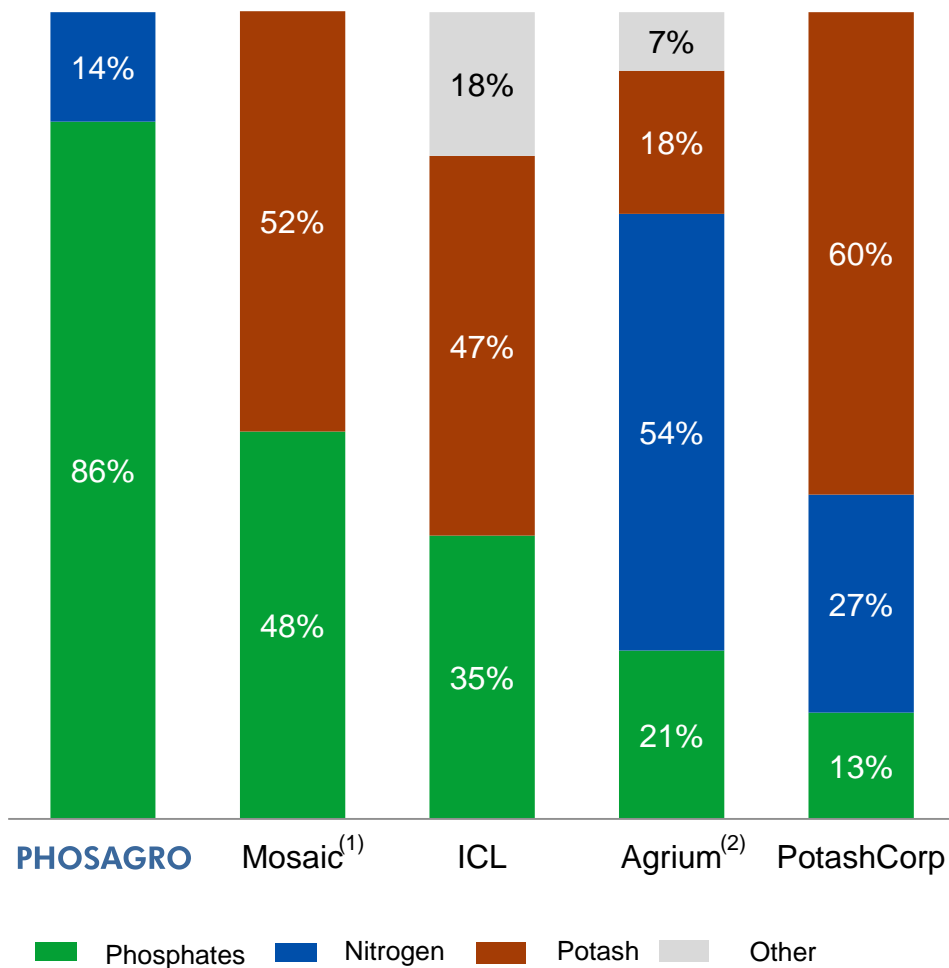
(4) self-sufficiency depends on the composition of the products produced by PhosAgro

Source: IFA, CRU, companies data, PhosAgro

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

Gross profit breakdown by segment

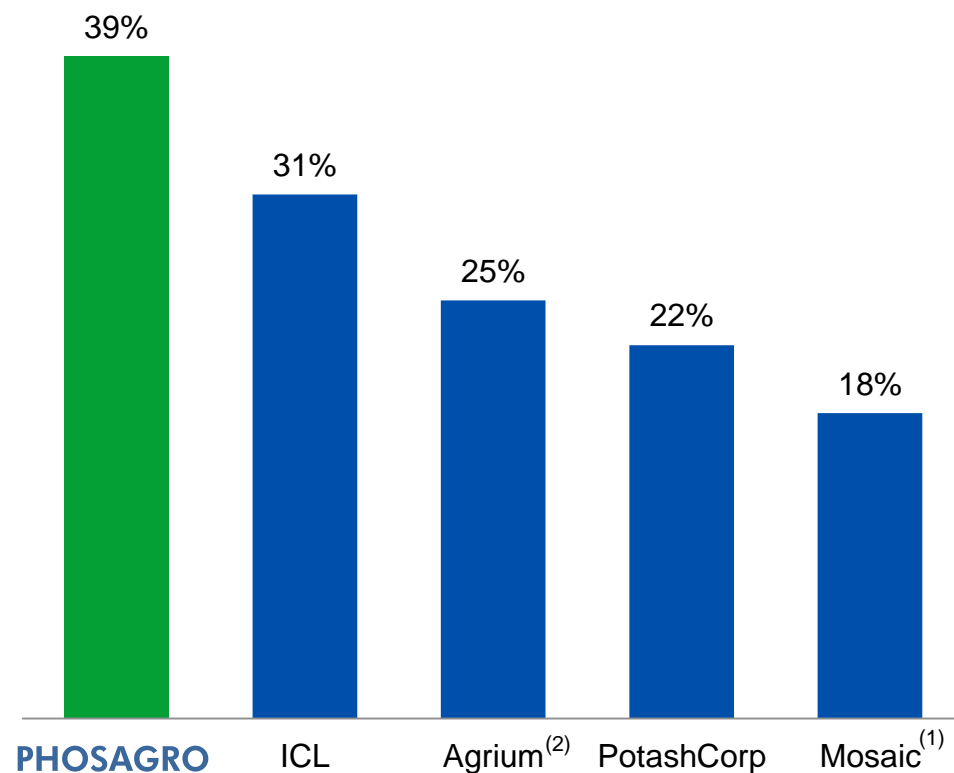
Average gross profit breakdown by segment for 2011-2013



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 2011-2013

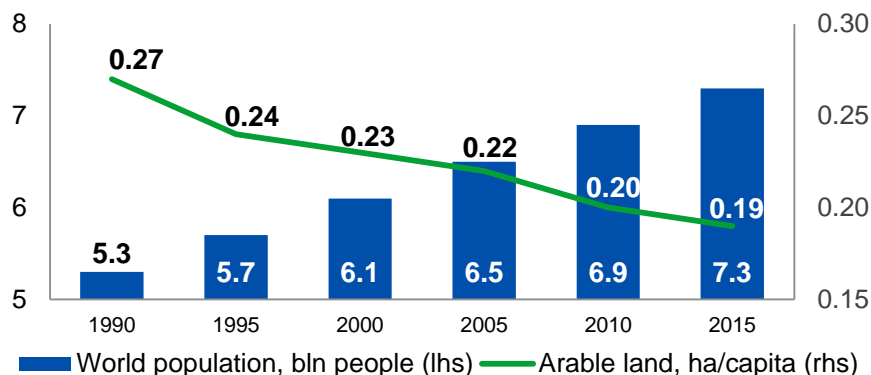


Source: Companies' reports
 Note: (1) Calendarised
 (2) Wholesale

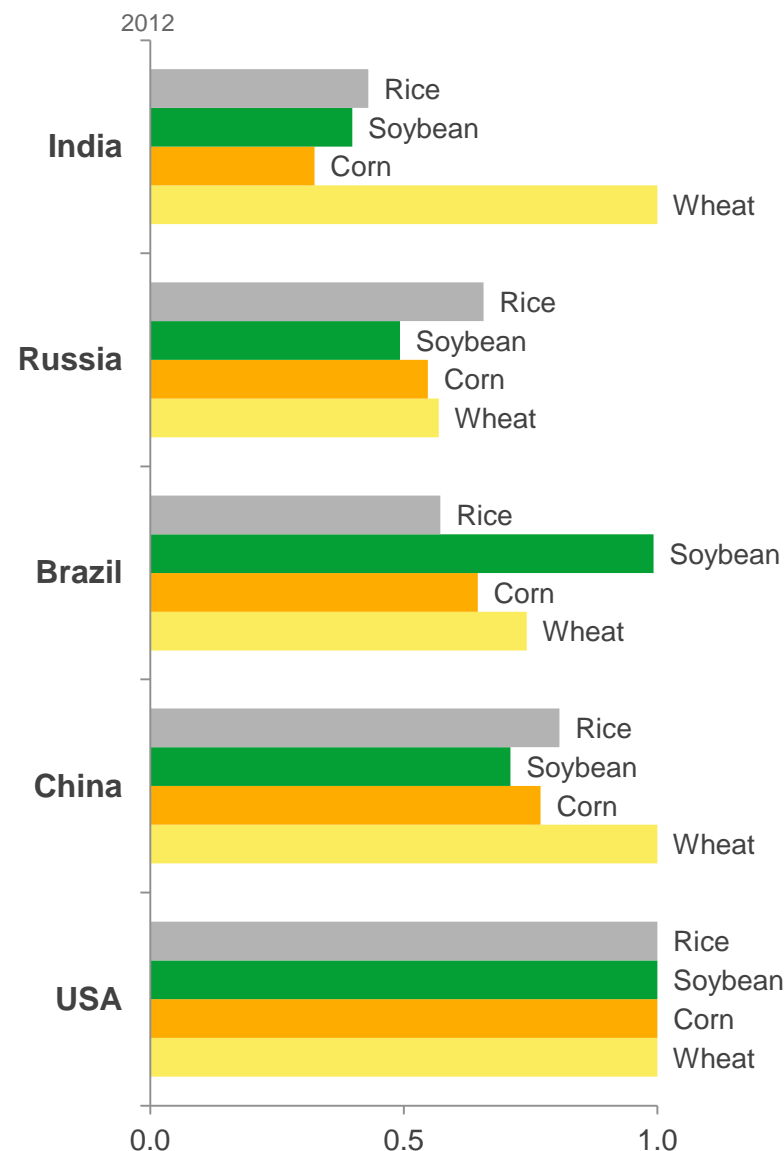
Strong demand fundamentals for fertilizers

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

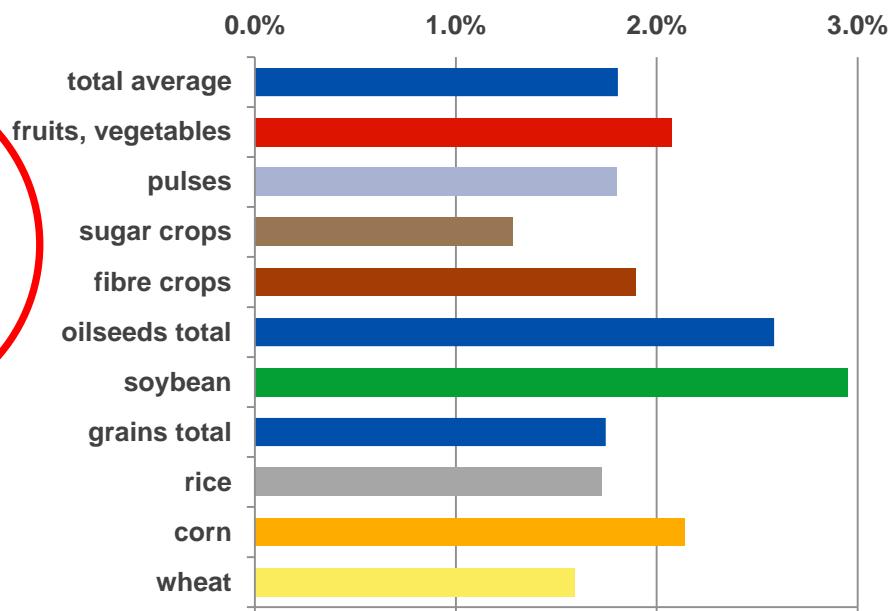
Population growth and decrease of arable land per capita



Yield Indexed to USA

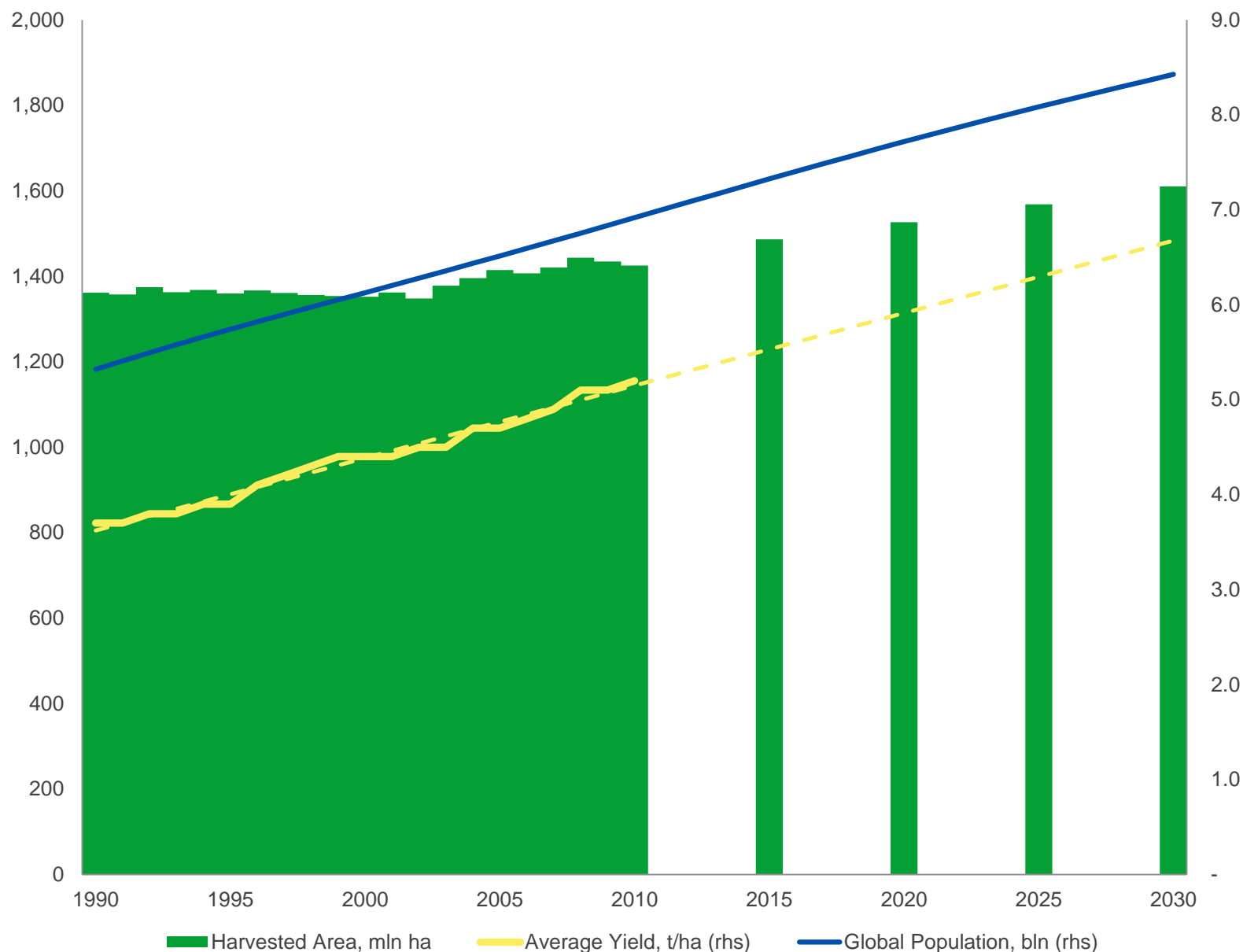


Projected Average Annual Growth of Agricultural Production 2012-2030



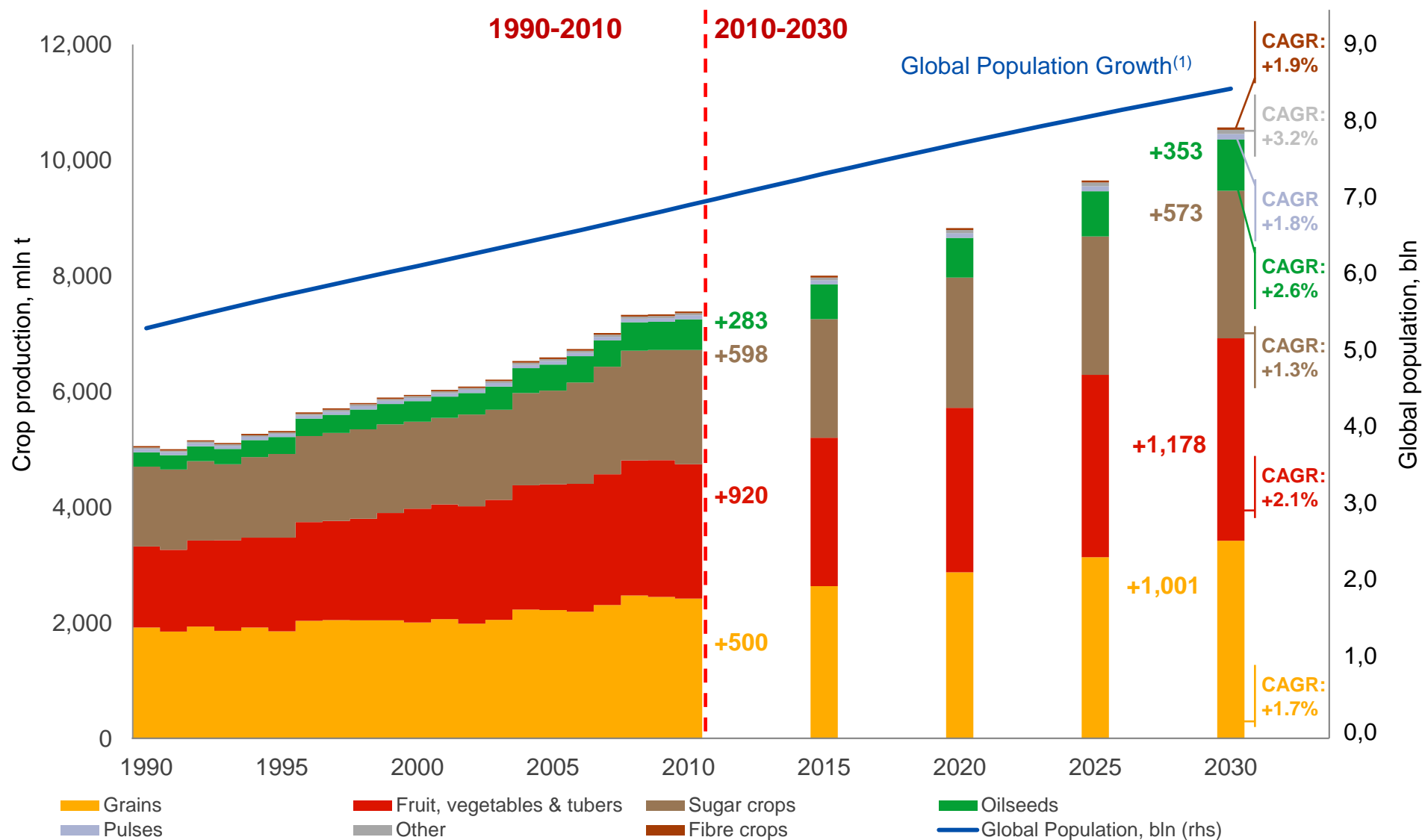
High growth rates for corn and seed oil crops, both major consumers of phosphate fertilizers

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



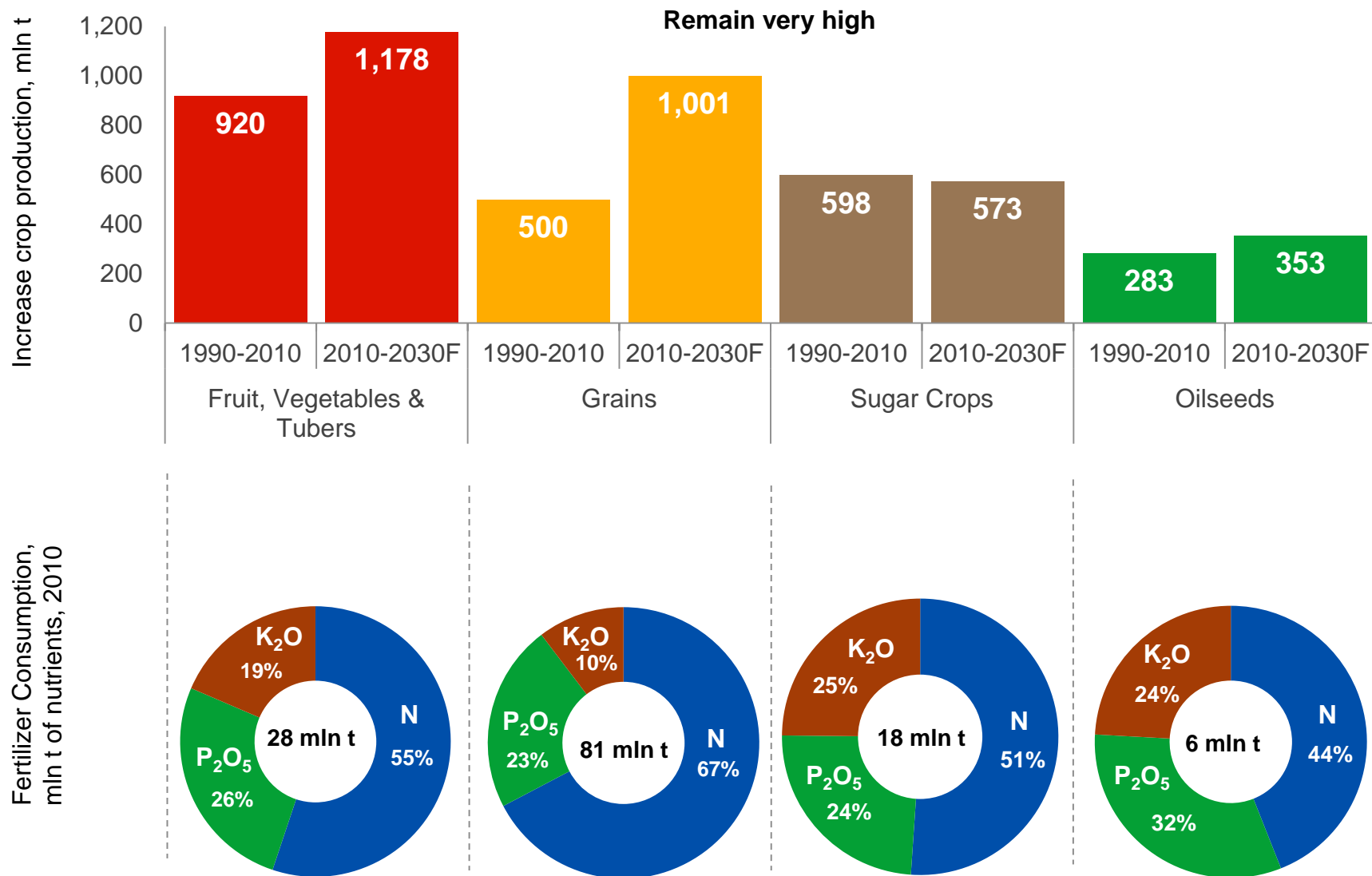
Global crop production forecast

Global crop production continues to grow



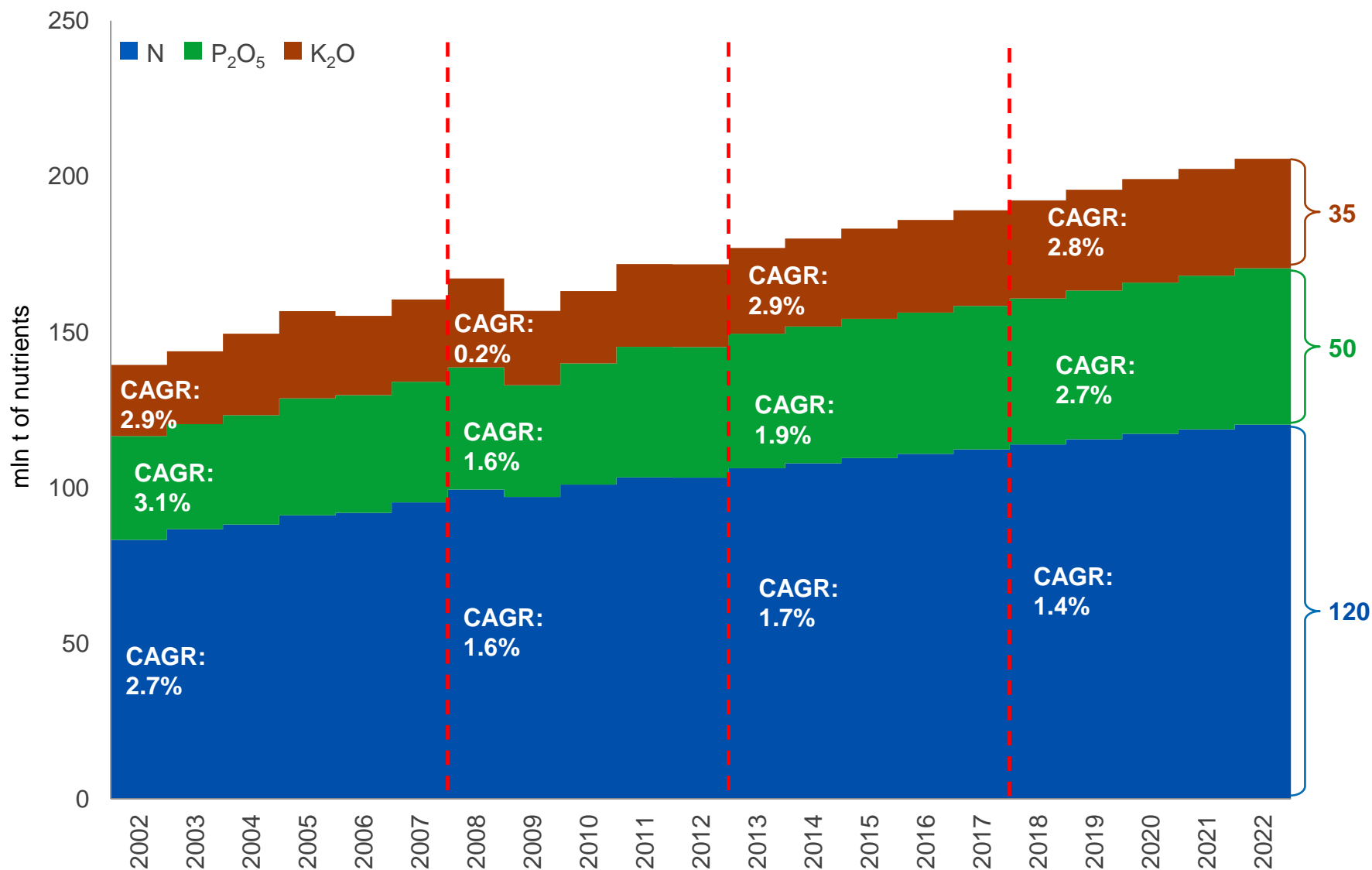
Global crop production and fertilizer consumption forecast

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



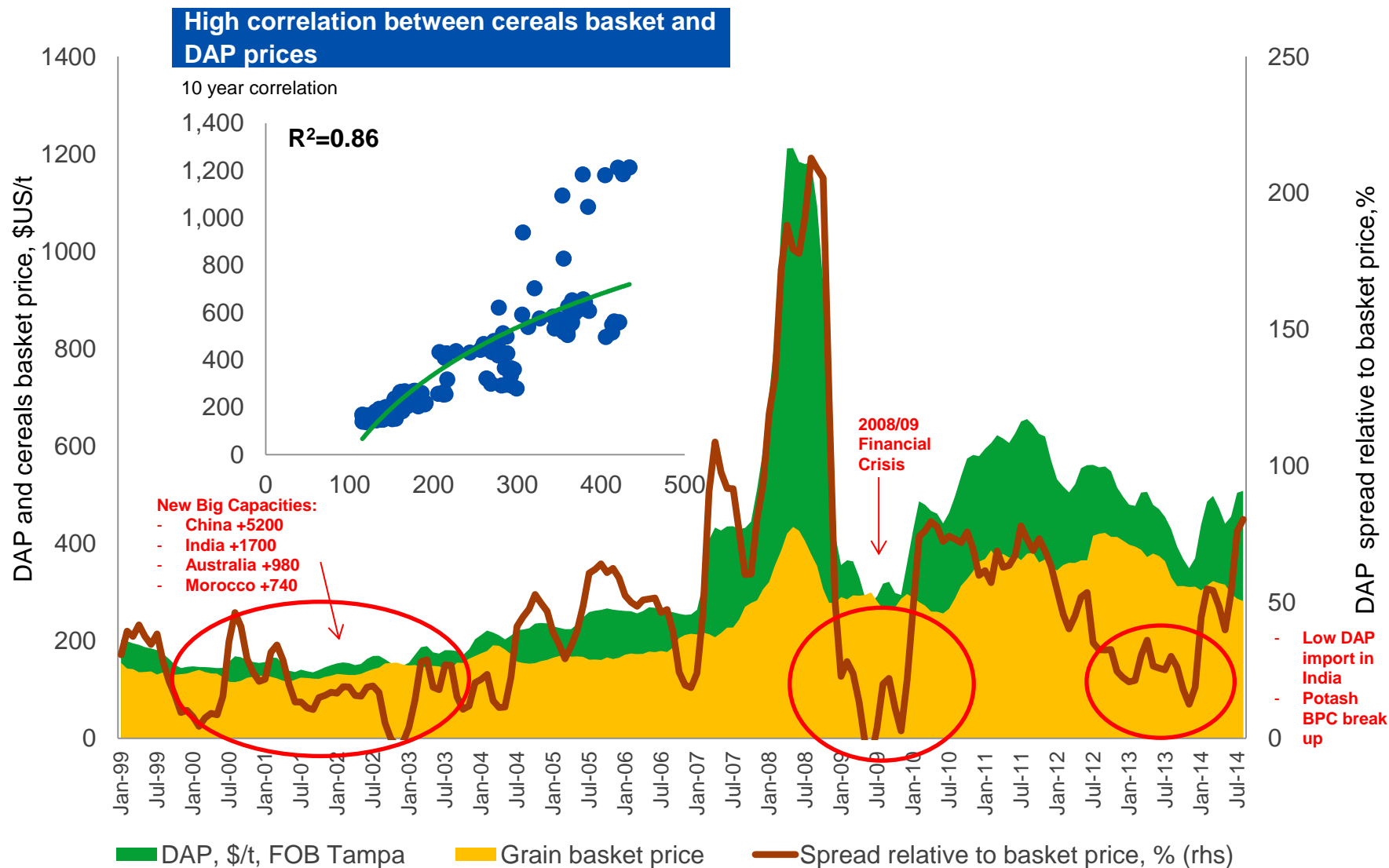
Historical and forecast nutrient demand

Demand for phosphates will accelerate



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

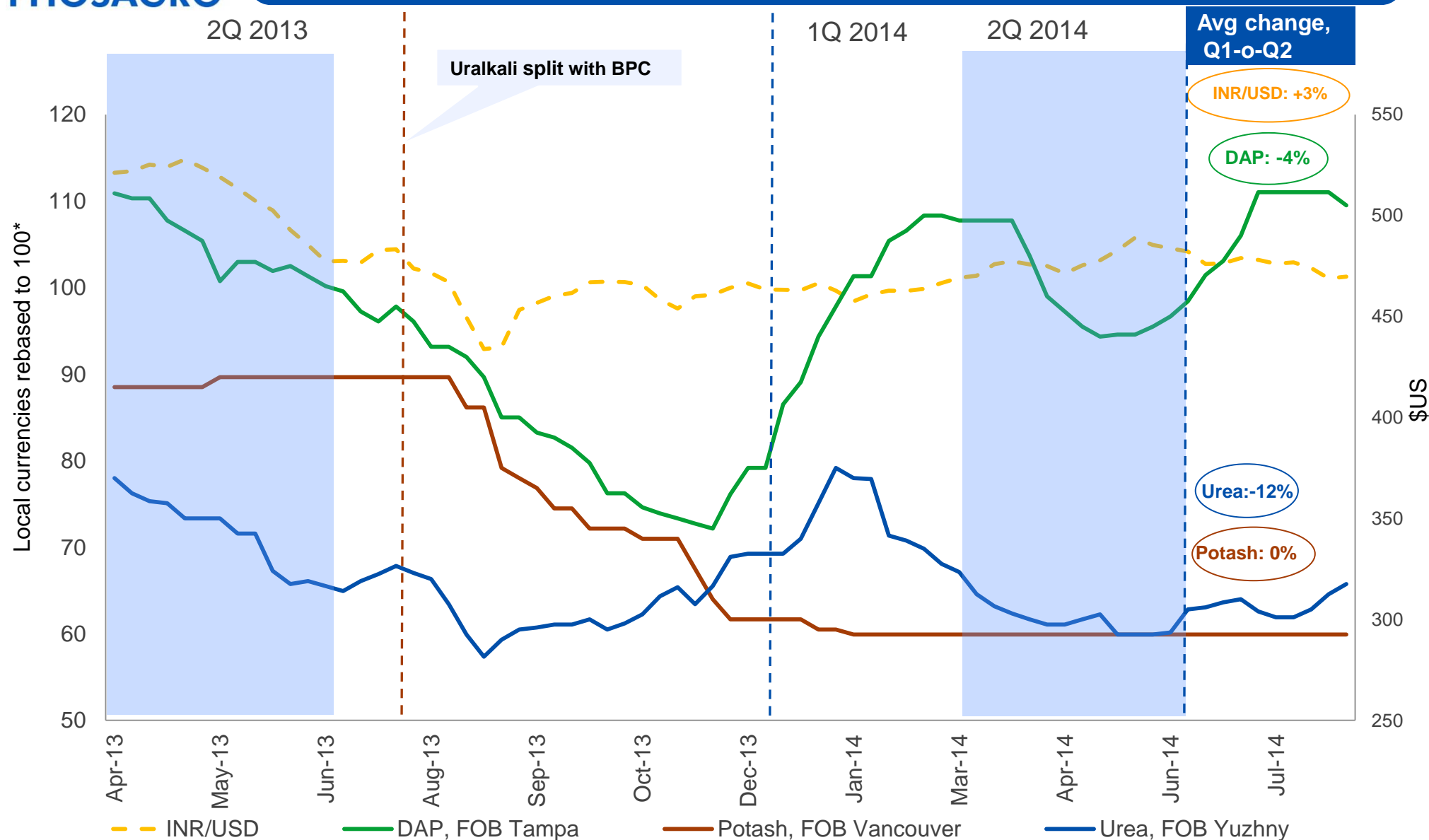
Cereals basket to DAP price spread



2. Market challenges

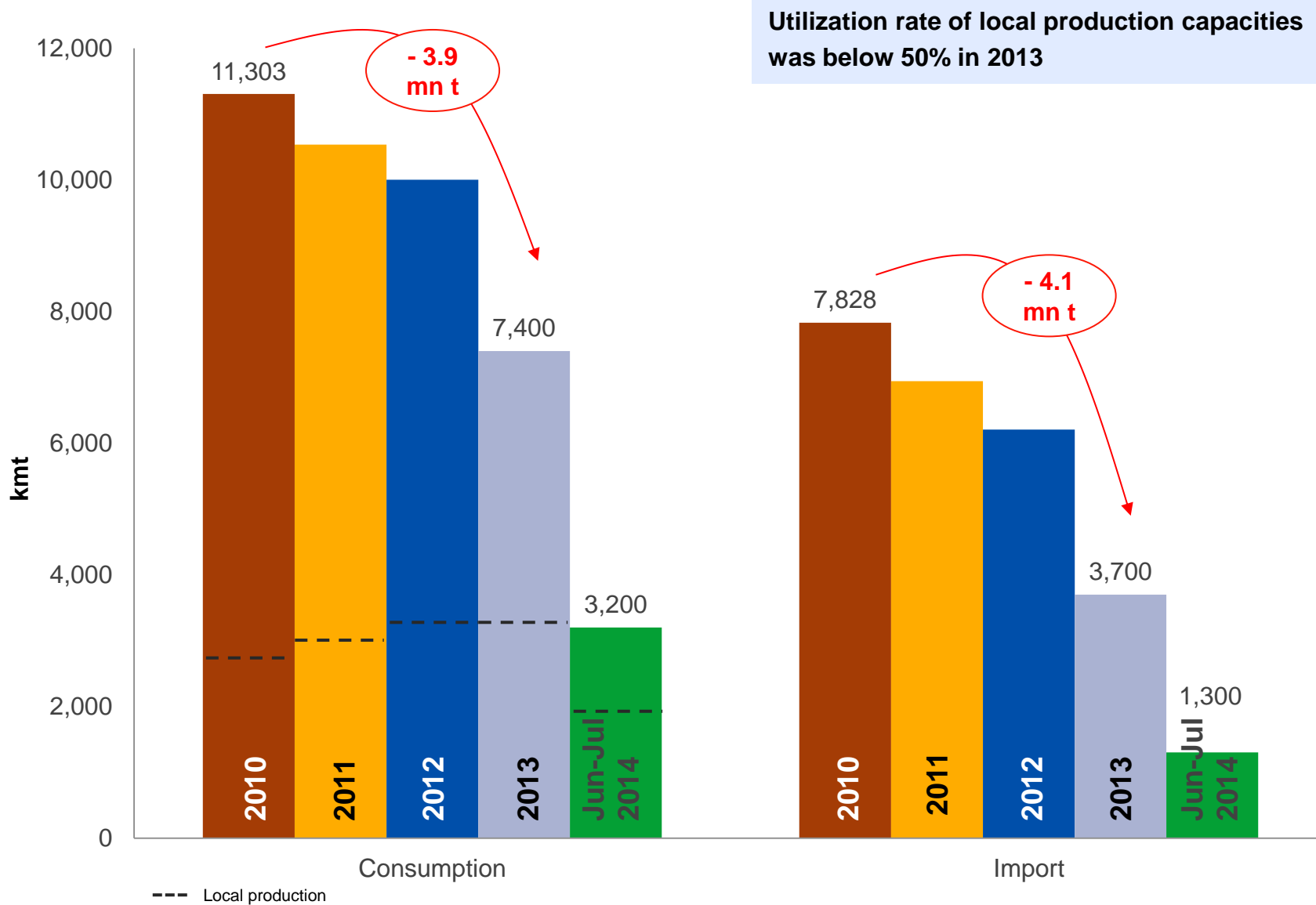


Fertilizer price developments in 2Q 2013 -1H 2014

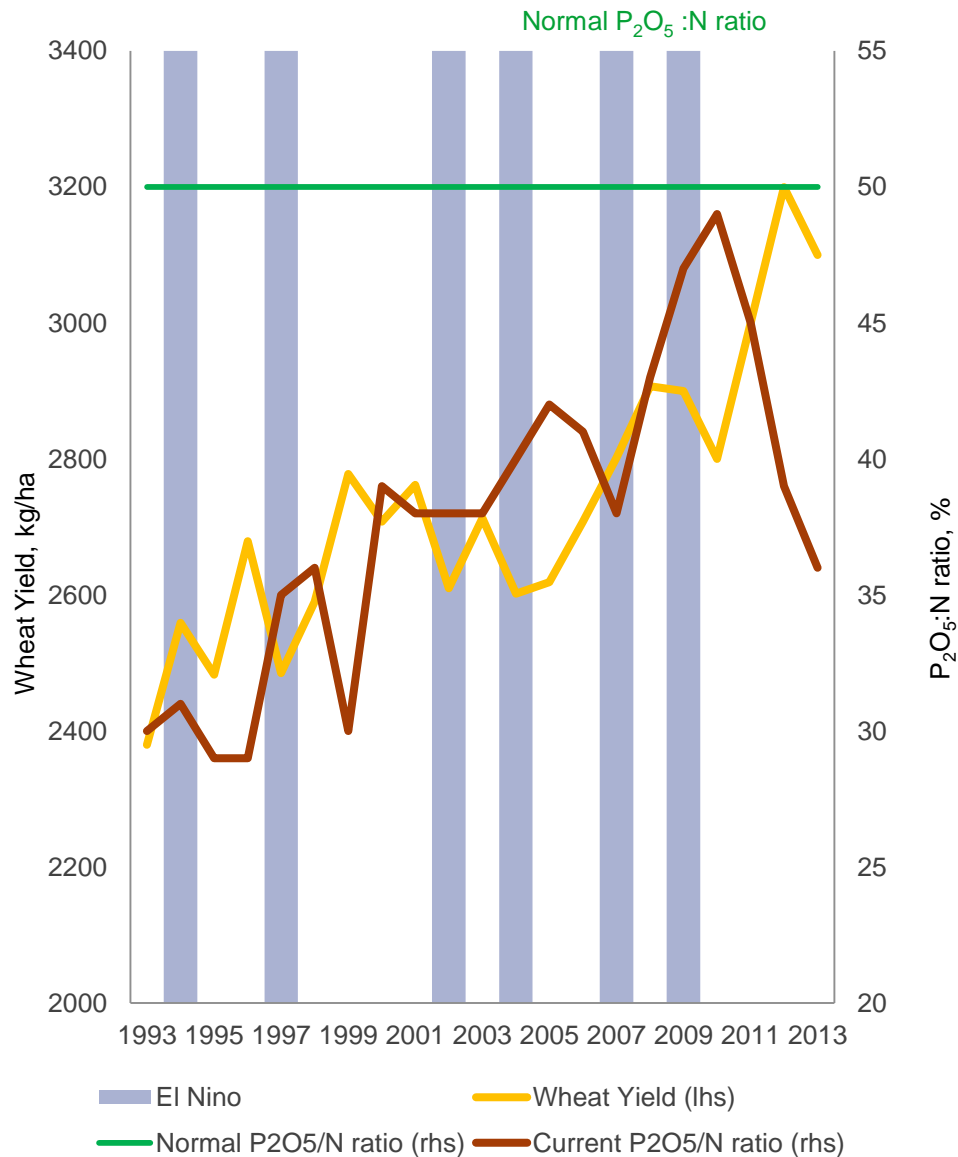


Phosphate fertilizers imports and consumption in India

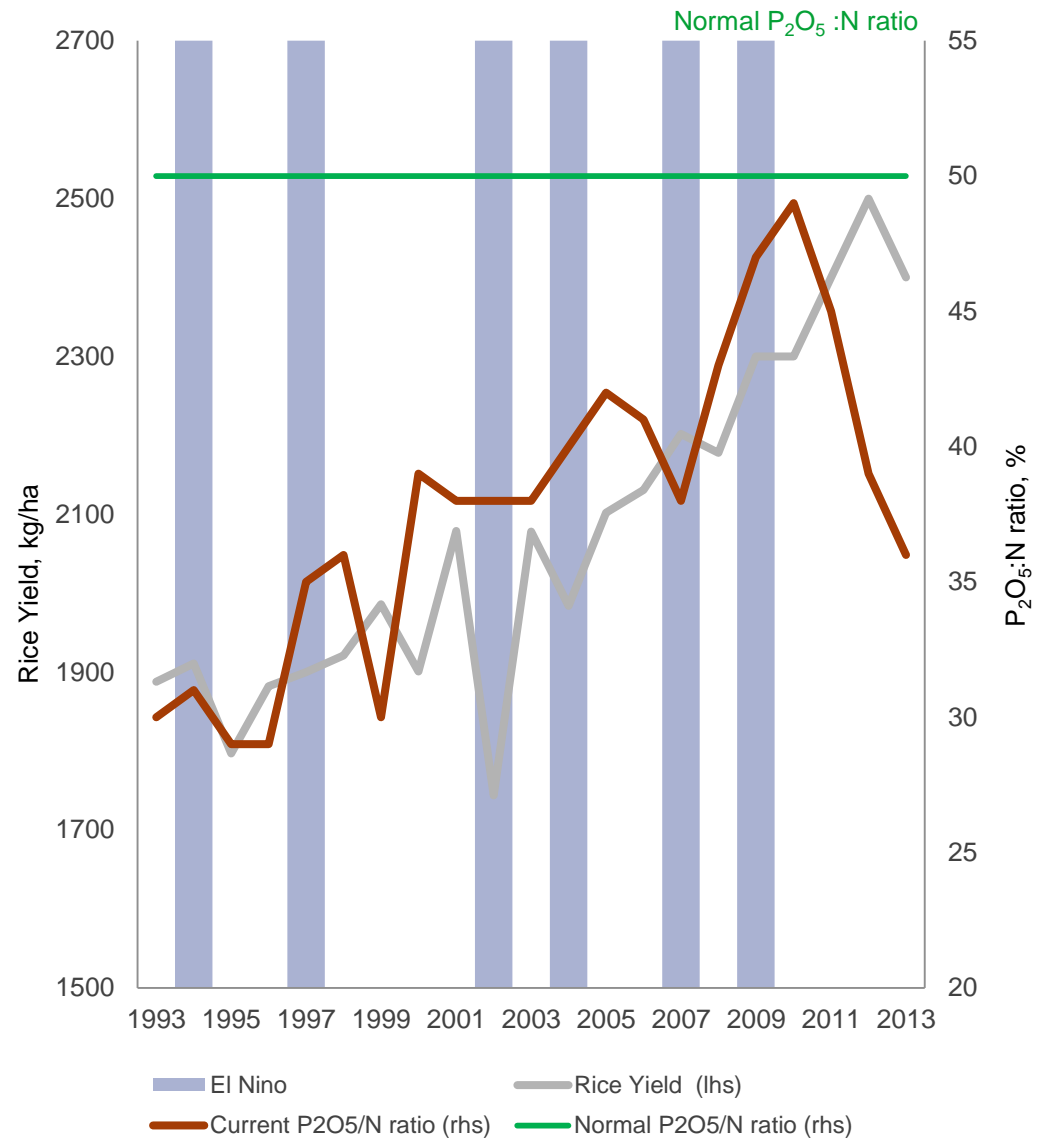
DAP imports and consumption in India decreases



P_2O_5 : N ratios, wheat yields, and , and El Nino

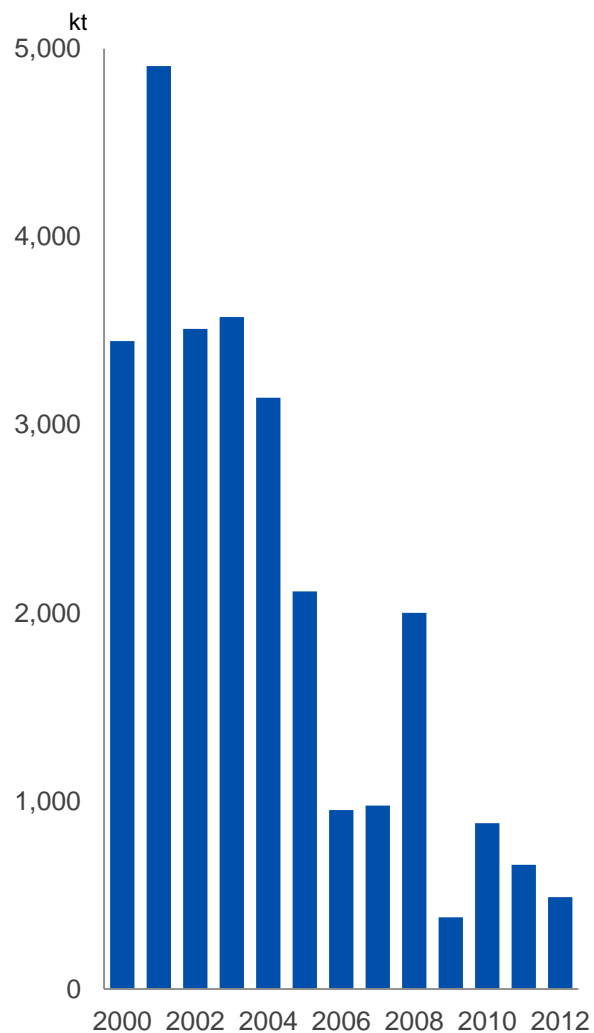


P_2O_5 : N ratios, rice yields, and El Nino

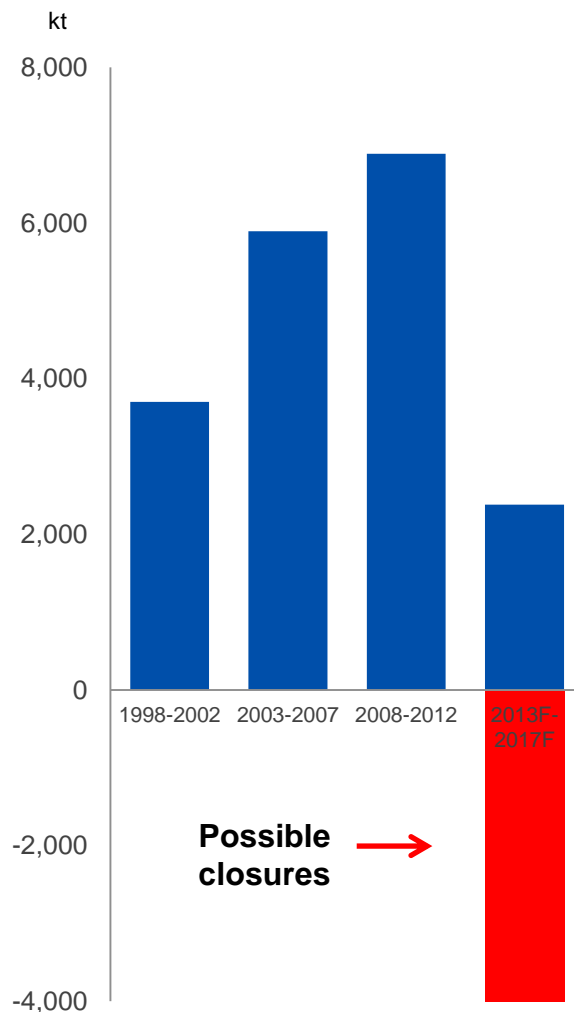


Development of Chinese phosphate exports

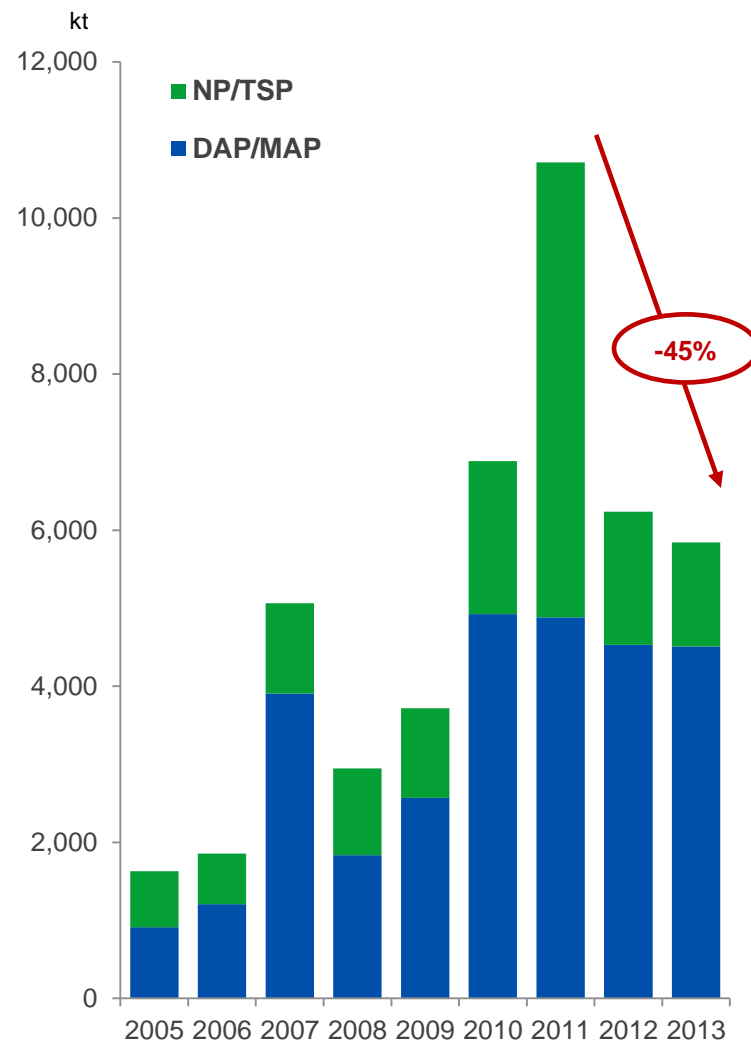
Chinese phosphate rock exports



Commissioning of new H_3PO_4 capacities

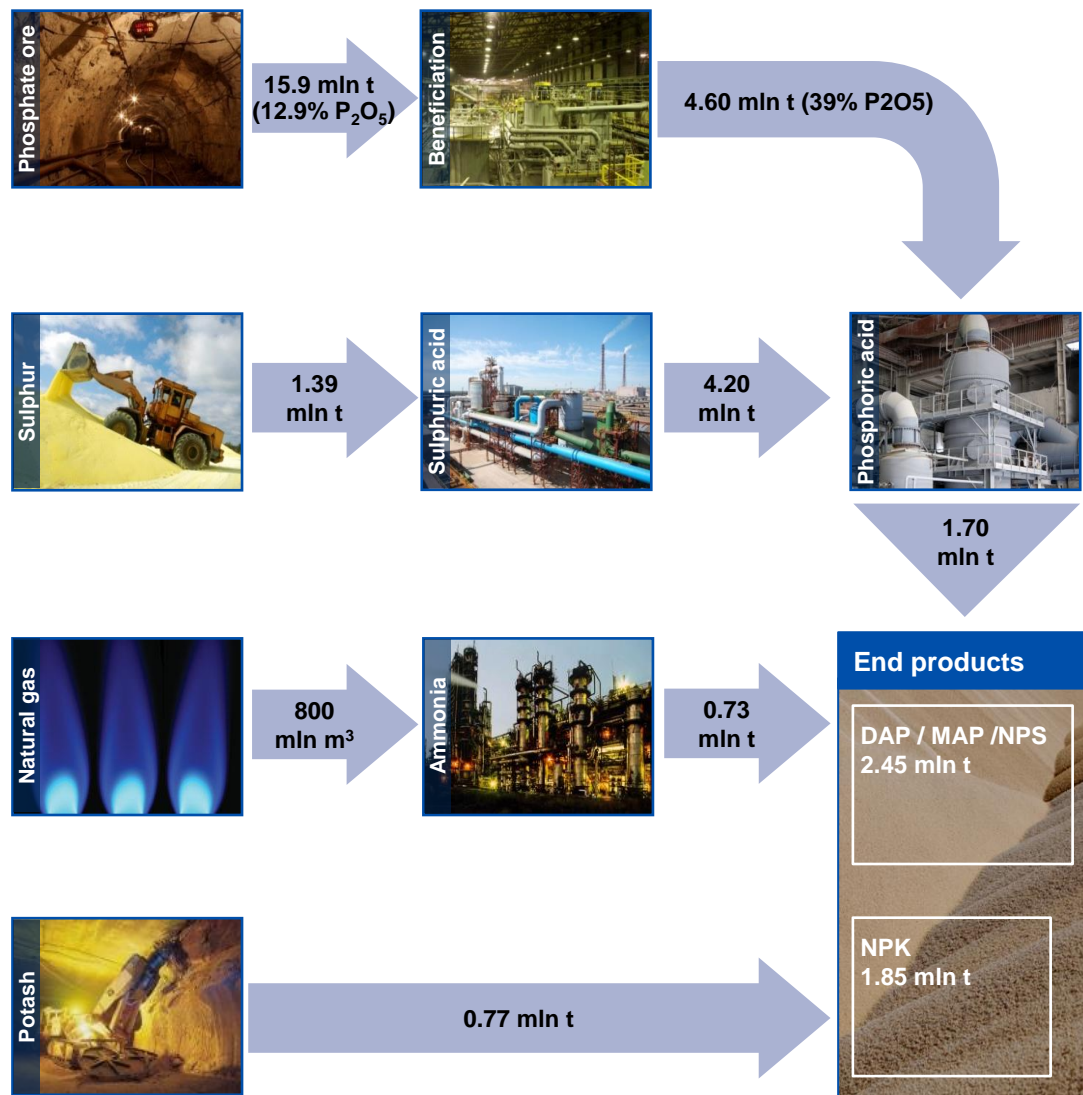


Chinese exports of DAP / MAP / NP / TSP



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

Integrated phosphate-based production model ⁽¹⁾



Replacement cost

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

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

Construction period: 6 years +

Over US\$ 2,000/tonne

Source: PhosAgro, Maaden, Fertecon, Integer, Reuter

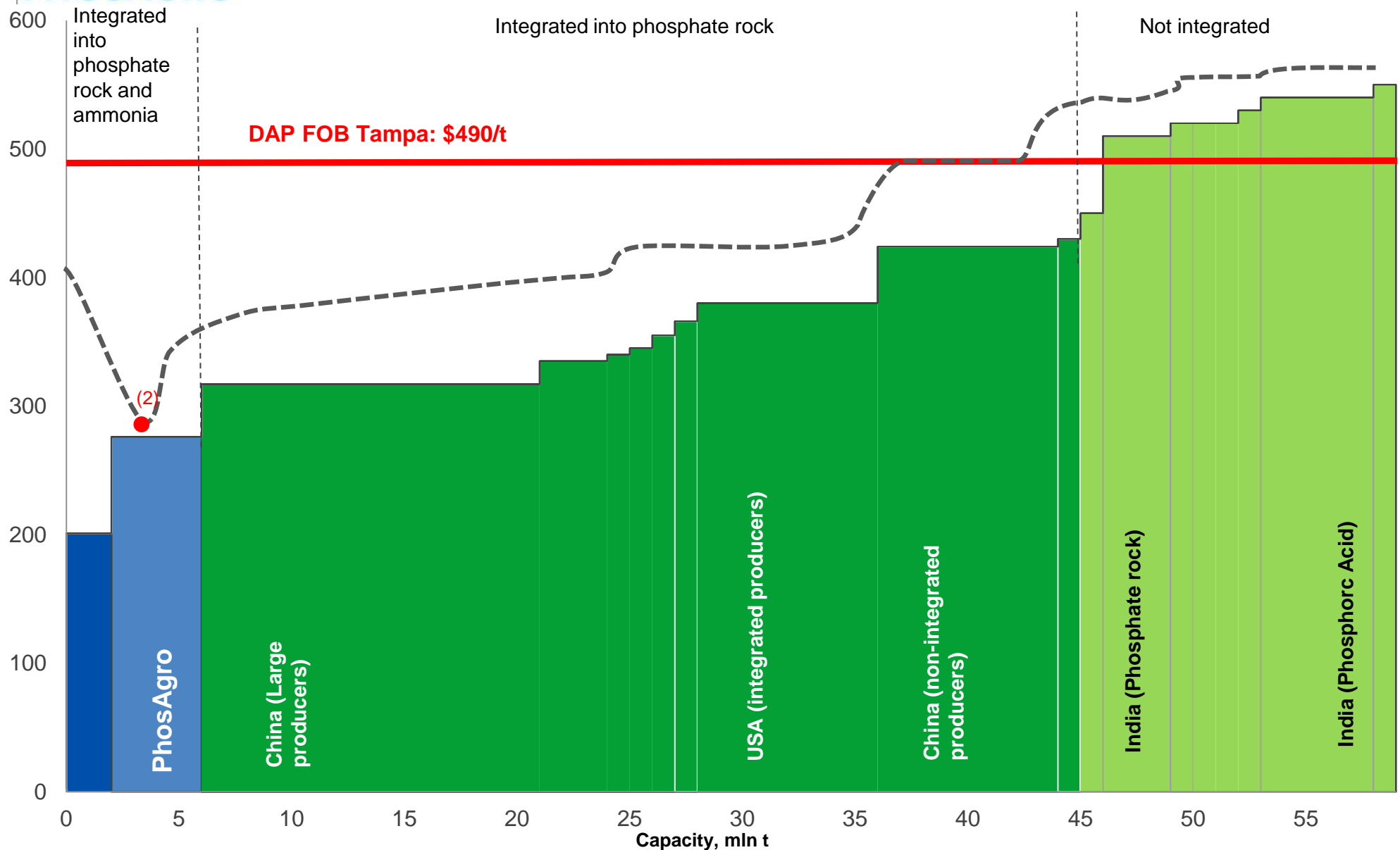
Note: (1) Based on PhosAgro's consumption ratios

(2) Bloomberg, as of April 2014

(3) CAPEX for the Phosphate Project



Estimated DAP production cash cost curve (US\$/t, FOB) in 3Q 2014⁽¹⁾



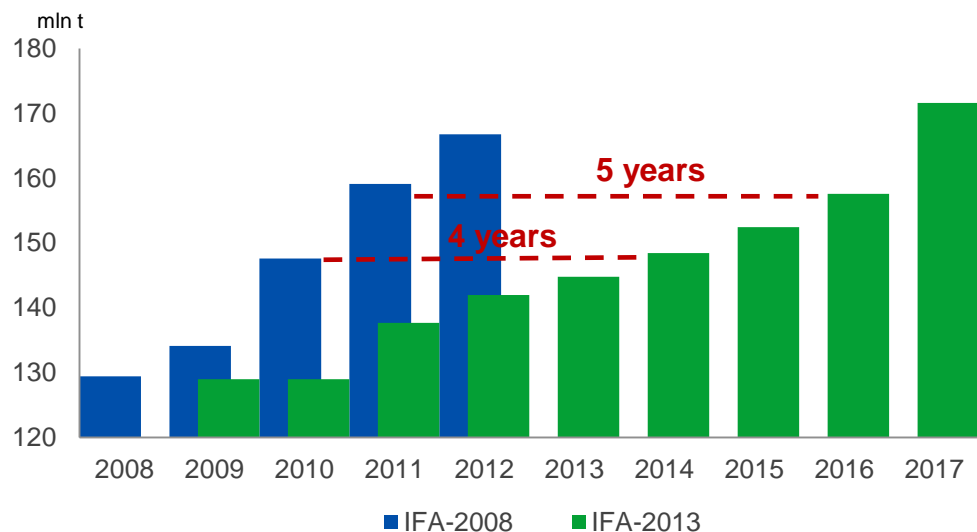
Source: companies data, CRU, Argus-FMB, China Fert Market Weekly, PhosAgro

Note: (1) DAP cash cost estimations are based on feedstock prices in 3Q 2014

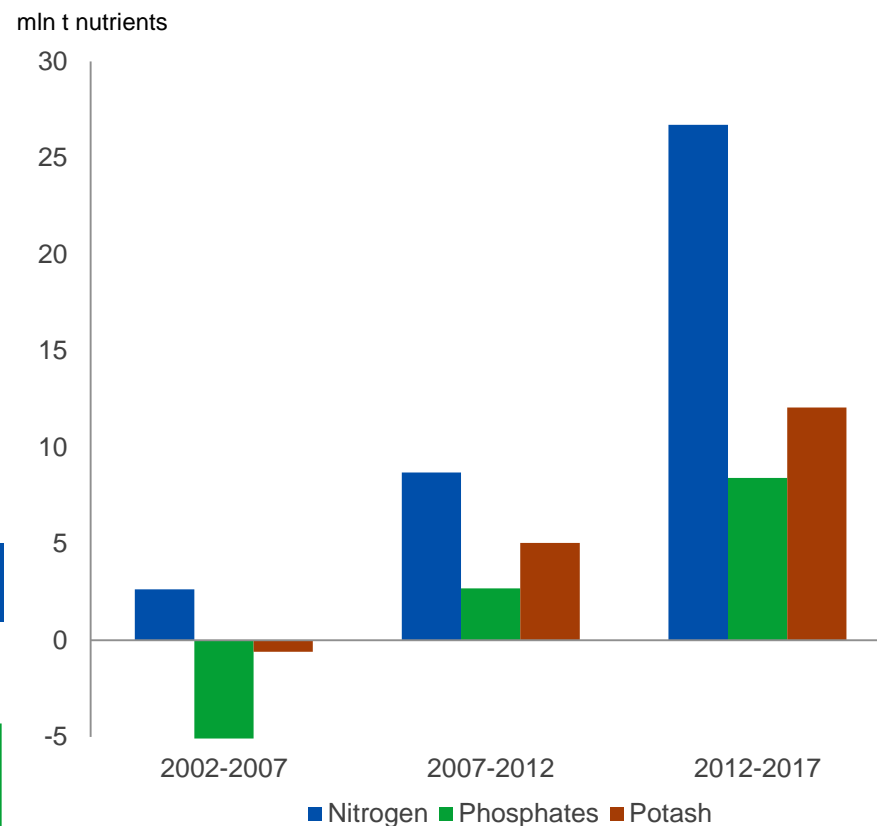
(2) PhosAgro actual cash costs as per Oracle OEBS data/ circa peer cash costs, including SG&A , etc.

Commissioning phosphate rock and phosphoric acid capacities

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

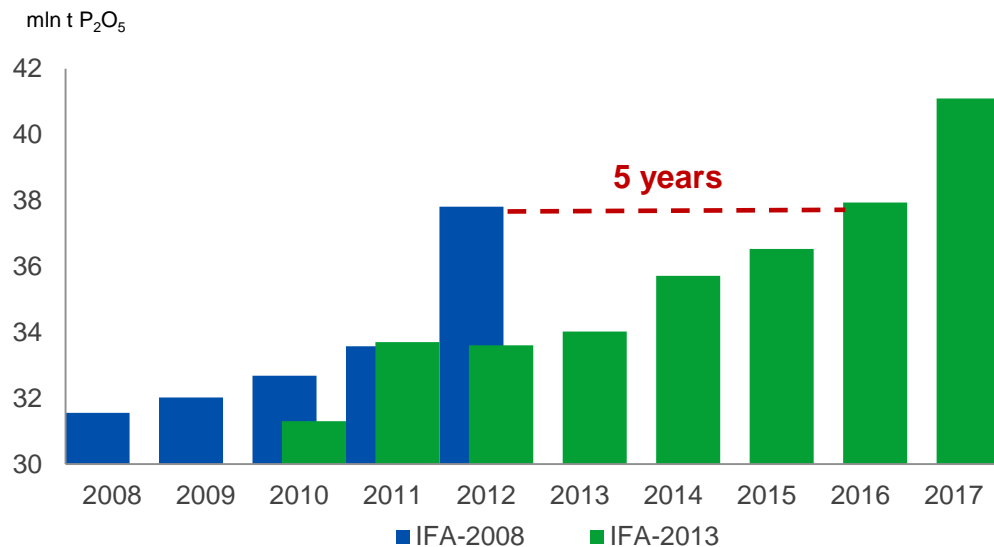


Changes in world fertilizer capacities (excl. China)



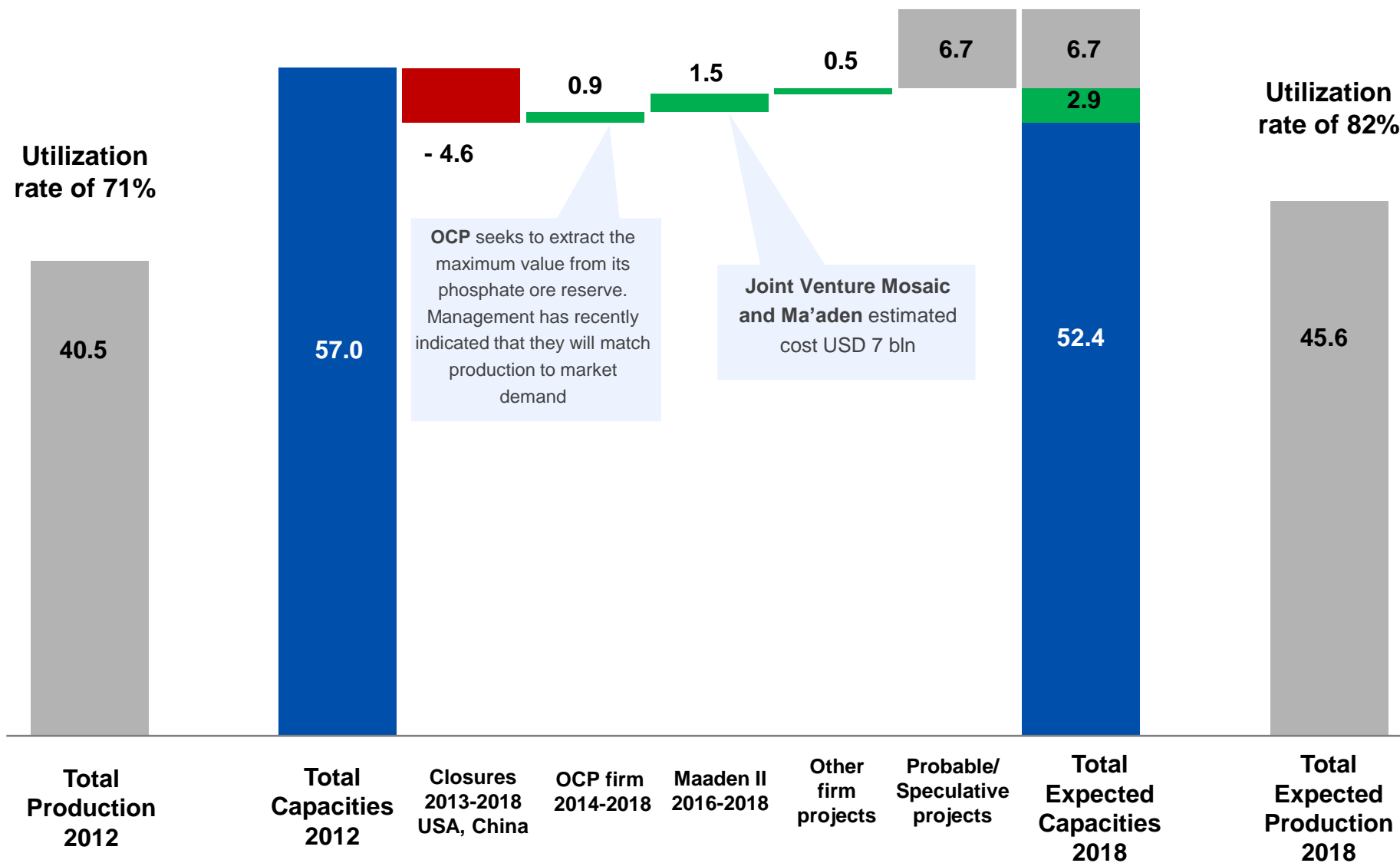
- Less new projects are announced in phosphates
- Commissioning of new capacities is delayed
- Shutdown in phosphate fertilizer capacities was more significant while less new commissioning in the past 5 years in comparison with nitrogen and potash sectors

Delays in commissioning phosphoric acid capacities (excl. China)



Timing and completion of new capacities is uncertain

mln t of P_2O_5



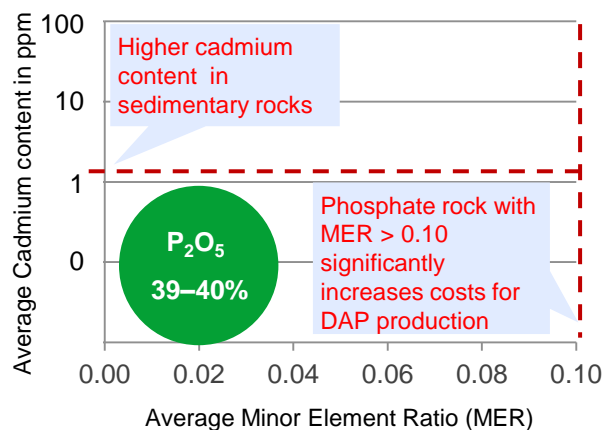
A wide-angle photograph of a massive open-pit mine. The mine's interior is characterized by numerous horizontal terraced levels, creating a stepped appearance. The rock faces are a mix of dark grey and light grey. Several winding roads are visible, snaking through the different levels of the mine. In 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 '3. Company Highlights' in white.

3. Company Highlights

High quality resources, combined with in-house R&D capabilities, make it possible to quickly adjust our production output across a wide range of products in response to changing fertilizer demand from farmers

Phosphate resources

Phosphate Rock Reserves, billion t	2.1
Ore type	Igneous
Al ₂ O ₃ content	13.0-14.0% High
Minor Element Ratio (MER) ⁽¹⁾	0.02-0.04
Cadmium content ⁽²⁾	Less than 0.1
Level of radioactivity	Very low
Hazardous metals content	Very low



High margin NPK demand drives production mix

10 Downstream Products in 2008

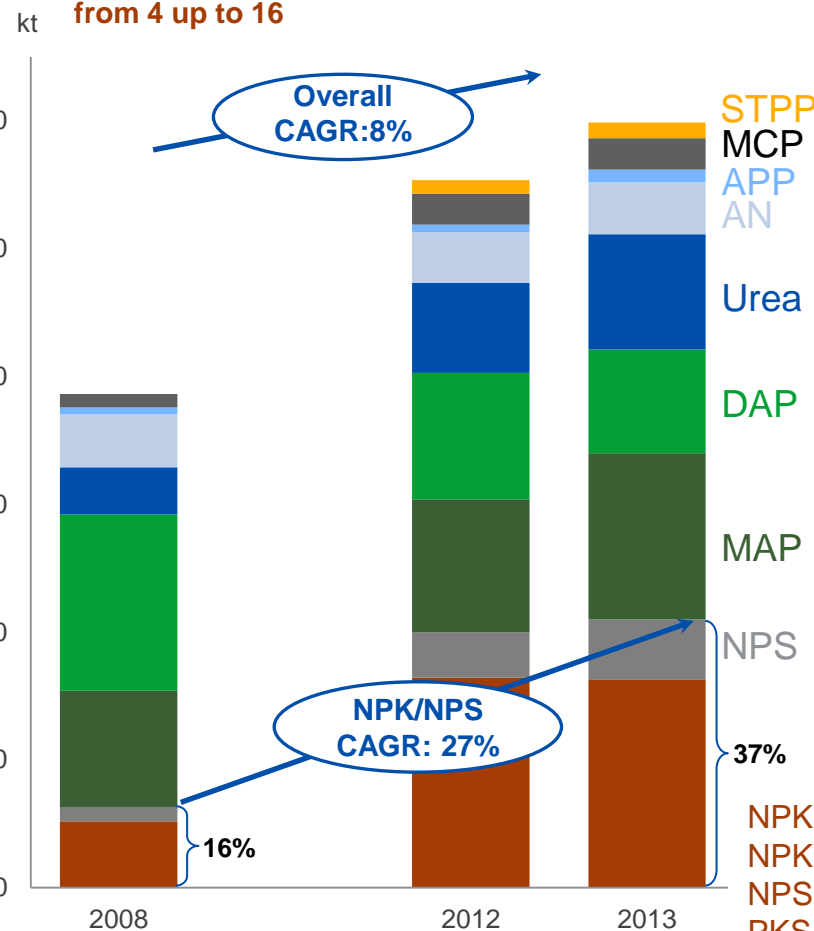
4X
NPK/NPKS/NPS/PKS grades from 4 up to 16

25 Downstream Products in 2013⁽³⁾

NPS:
20:20:0:14
14:34:0:8

NPK/NPKS:
9:25:25:4
13:19:19

NPK
NPKS
NPS
PKS



NPS:
20:20:0:14
16:20:0:14
14:34:0:8
15:36:0:8

NPK/NPKS:
9:25:25:4
10:26:26:4
15:15:15:8
10:20:20
13:13:21
16:16:8
13:19:19
12:32:12
6:20:30
12:32:16

PKS:
0:20:20:6
0:15:46:7

Source: PhosAgro, IMC, Fertecon

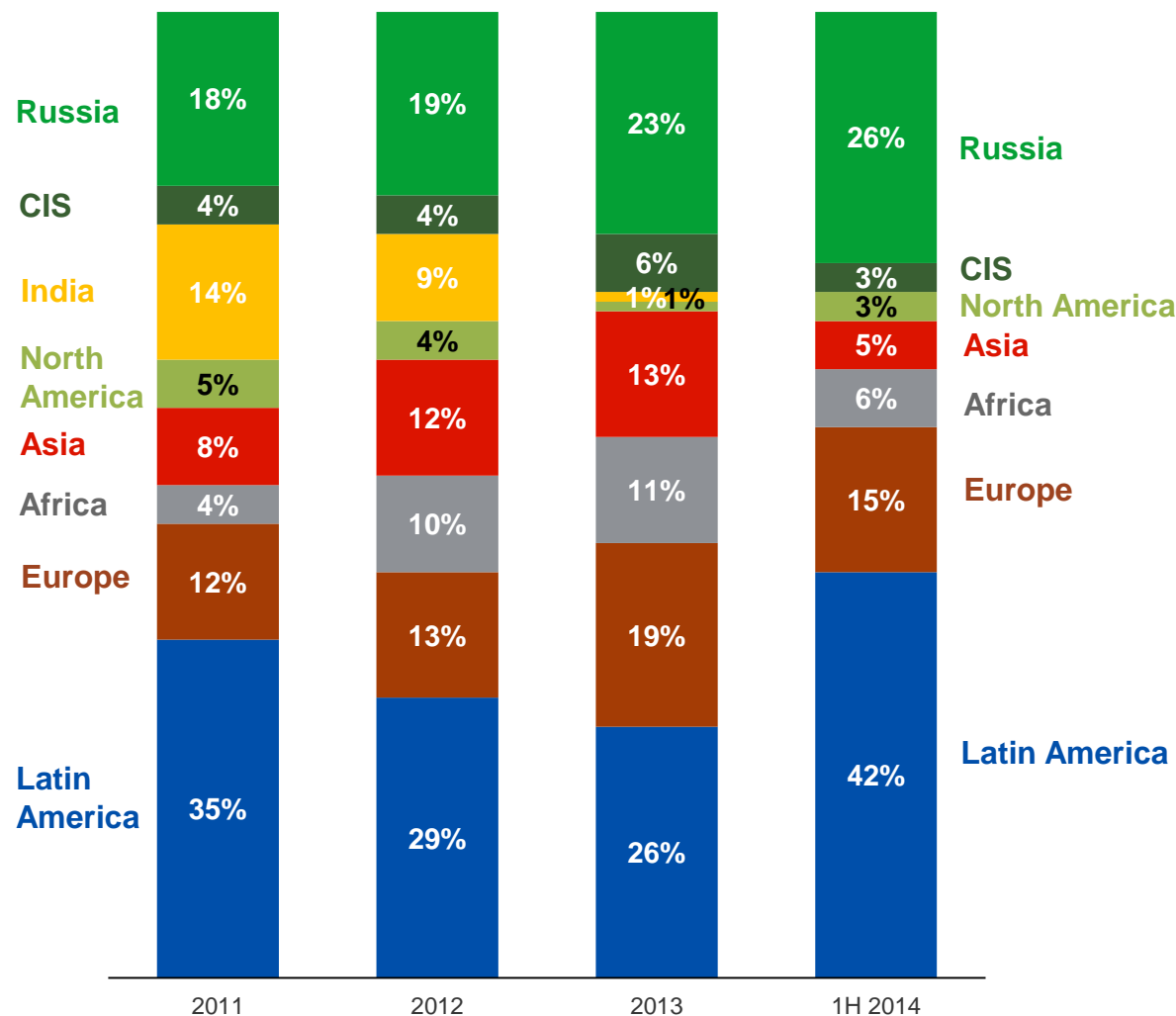
Note: (1) Average Minor Element Ratio (MER) greater than 0.1 not sustainable for production of high quality DAP

(2) Average cadmium content in ppm

(3) as of 31 December 2013

Fertilizers and feed phosphate sales by region

In volume terms

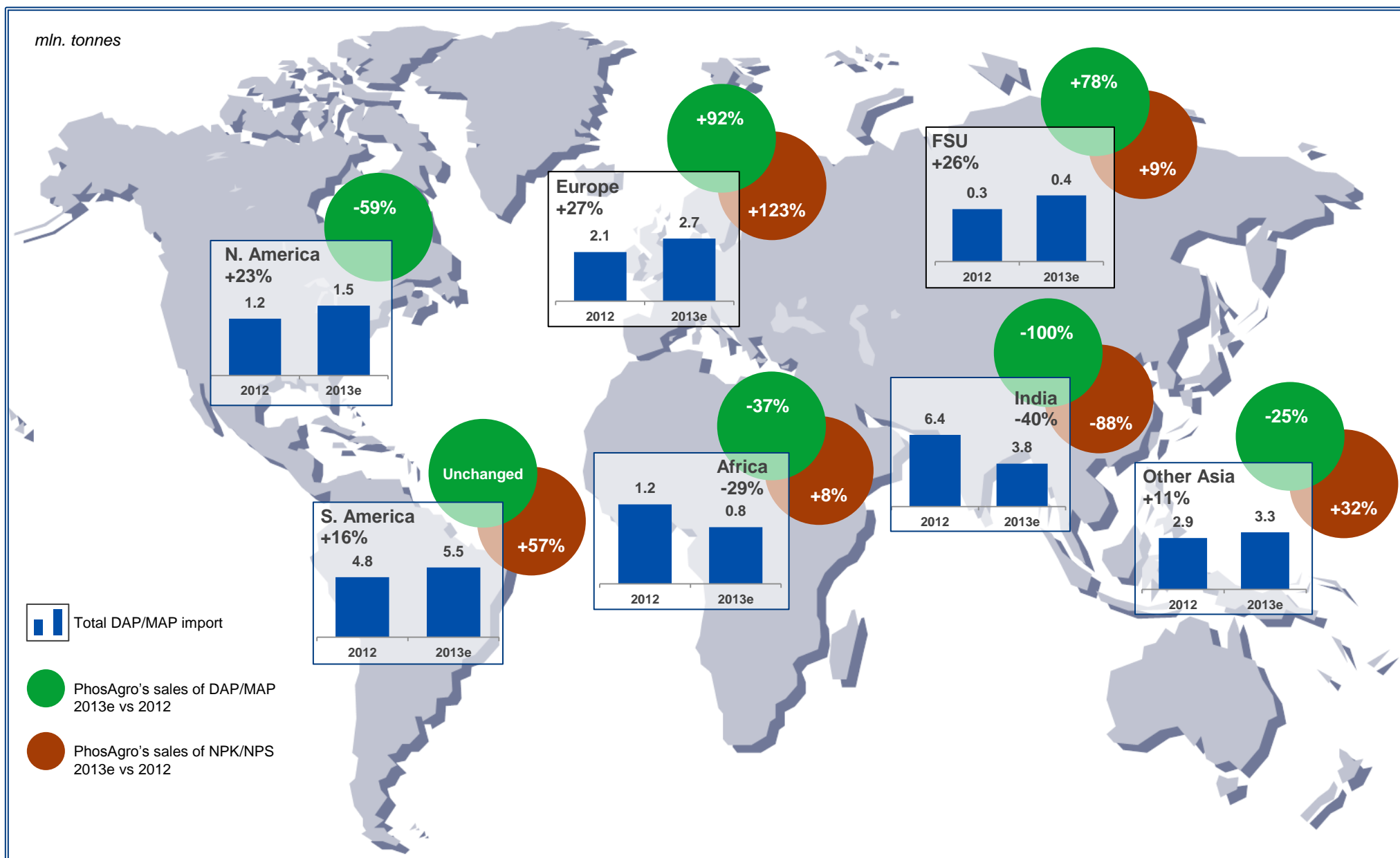


Comment

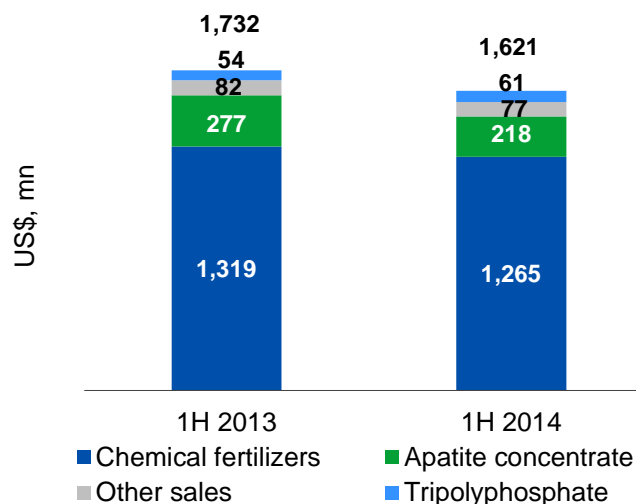
- Russia and Latin America were the key regions in 1H 2014
- Fertilizer sales to Russia increased to 26% in 1H 2014 due to seasonal factor
- Sales to Latin America increased to 42%, mostly due to early demand in 2014

PhosAgro increases market share in fast-growing and premium markets

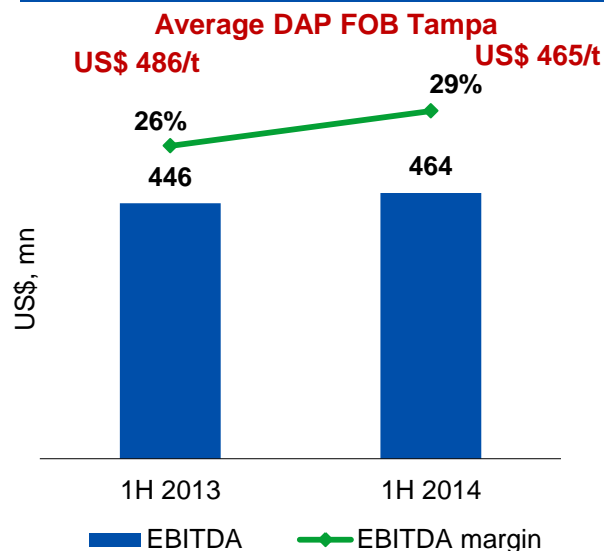
mln. tonnes



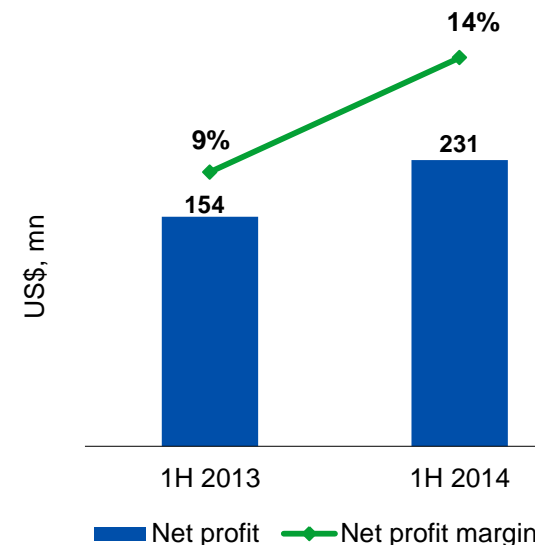
Revenue (1H 2013/2014)



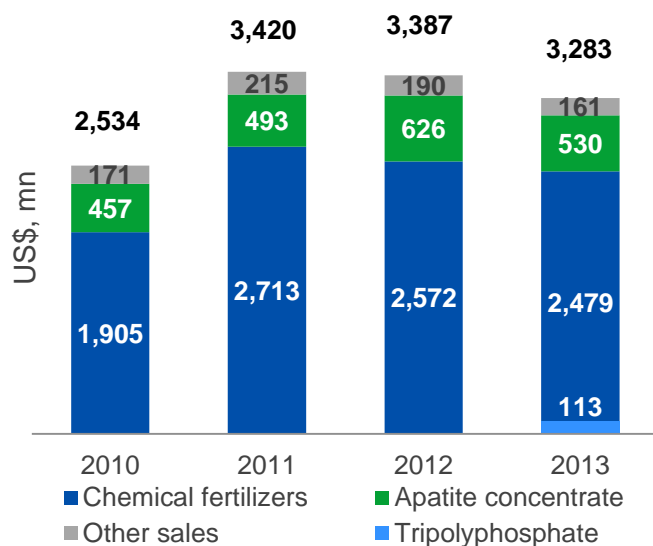
EBITDA (1H 2013/2014)



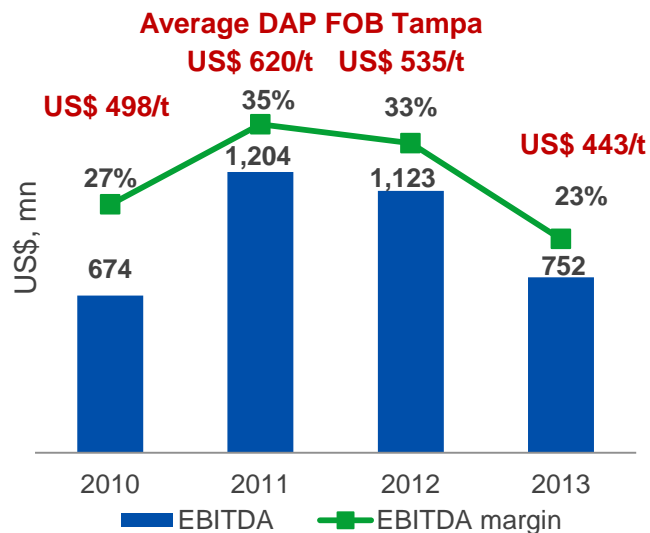
Net Profit (1H 2013/2014)



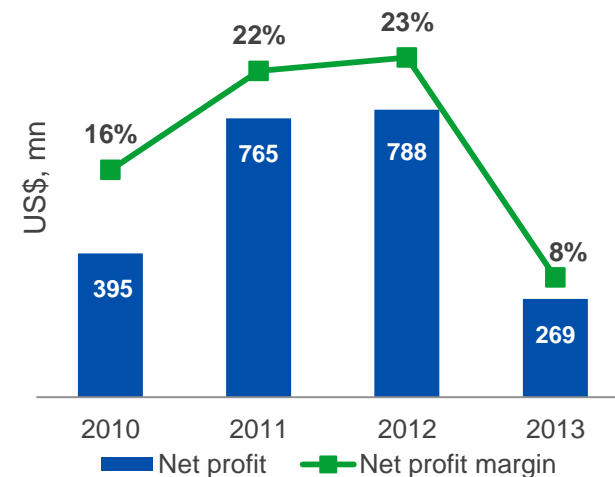
Revenue (FY2010-2013)



EBITDA (FY2010-2013)



Net Profit (FY2010-2013)



Dividends

Post-IPO dividends	per share, RUB	per GDR, RUB	per GDR, 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 Recommended	25.00	8.30	0.23

Total paid

Post-IPO dividends paid	Dividends, RUB bln	Net profit attributable to 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%
Total	22.1	43.5	51%

Source: PhosAgro

Note: (*) - for 1H2014 recommended dividends per share applied USD/RUB exchange rate: 36.0

Long term strategy for volume growth of fertilisers

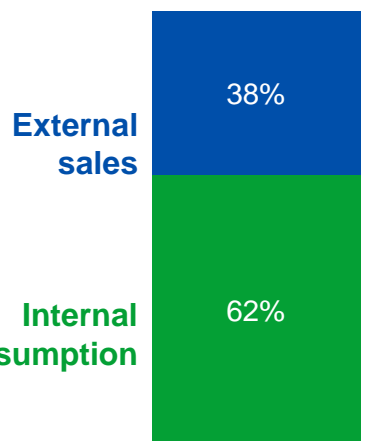
Here we are

Largest current development

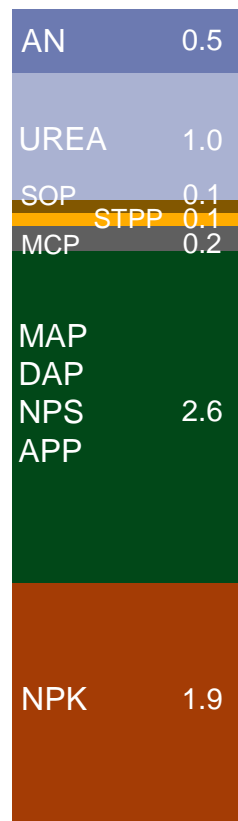
Future

Phosphate rock

Total: 7.7 mln t

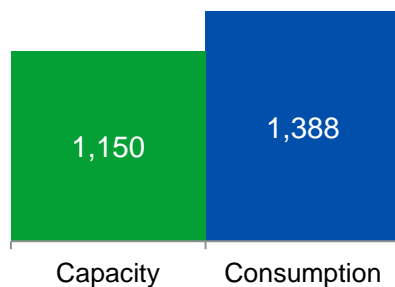


Overall 6.4 mln t

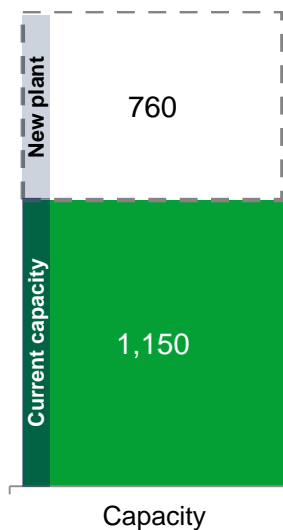


**New ammonia plant
Start up first half 2017**

*Ammonia
kt*



Total: 1,910 kt



**Sustainable
growth**



Thank you!





Q&A

