PHOSAGRO

Morgan Stanley

Global Chemicals and Agriculture Conference

November 11-12, 2014

PHOSAGRO

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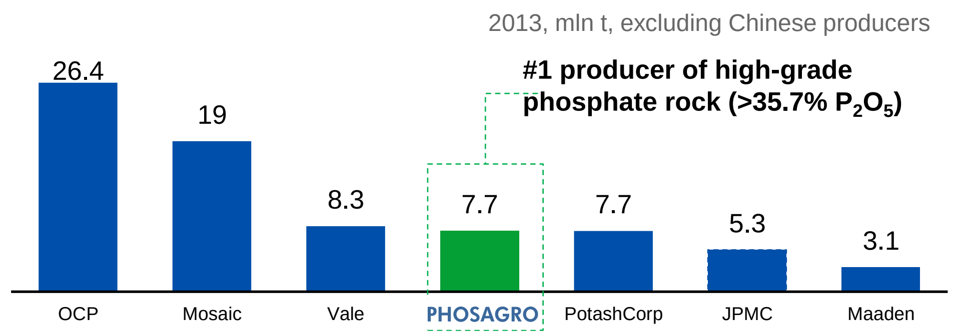
1. Phosphates – an attractive industry

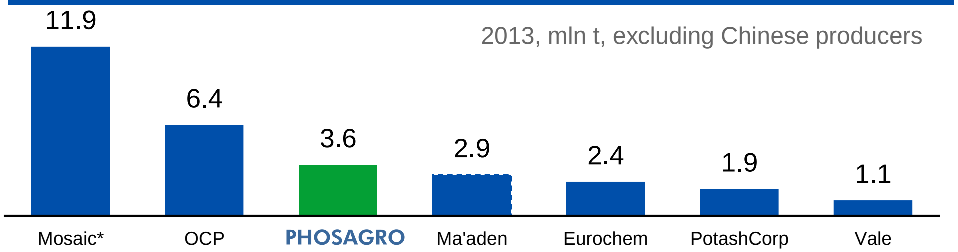
PhosAgro at a glance

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) ▪ Al_2O_3 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

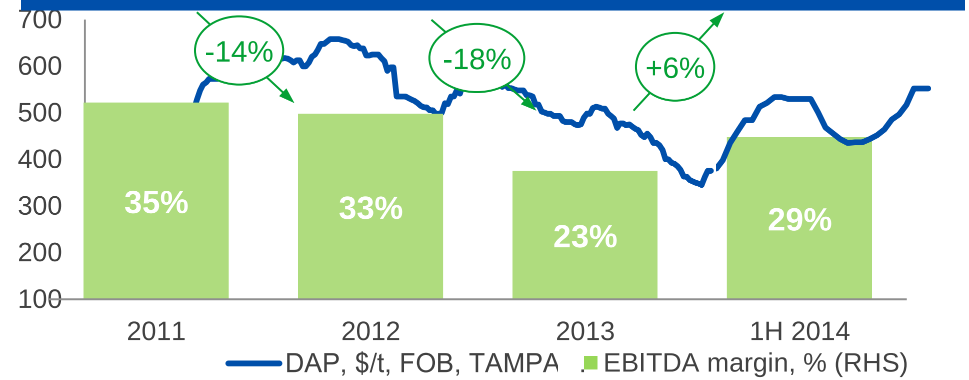
Leading global phosphate rock producers (by production)



Leading global DAP/MAP producers (by capacity)



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



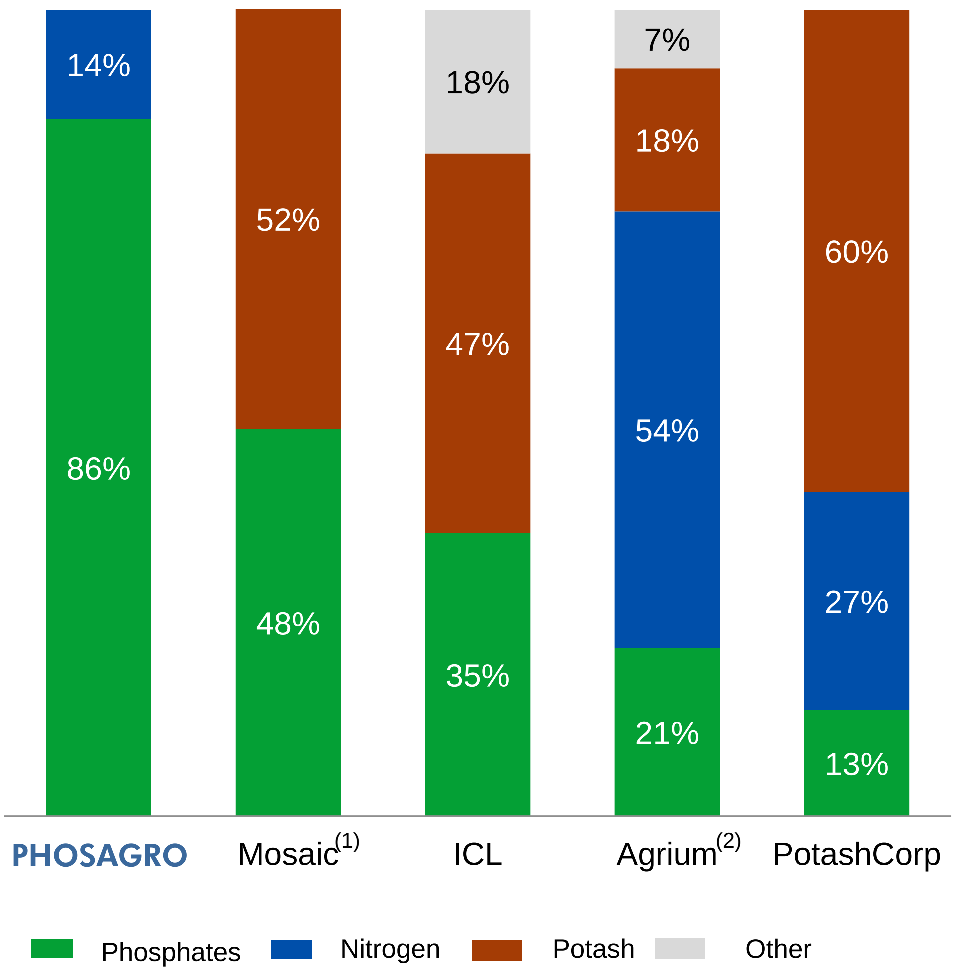
Source: Argus-FMB, CRU, IFA, companies' data, PhosAgro

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

The only pure play phosphates producer

Gross profit breakdown by segment

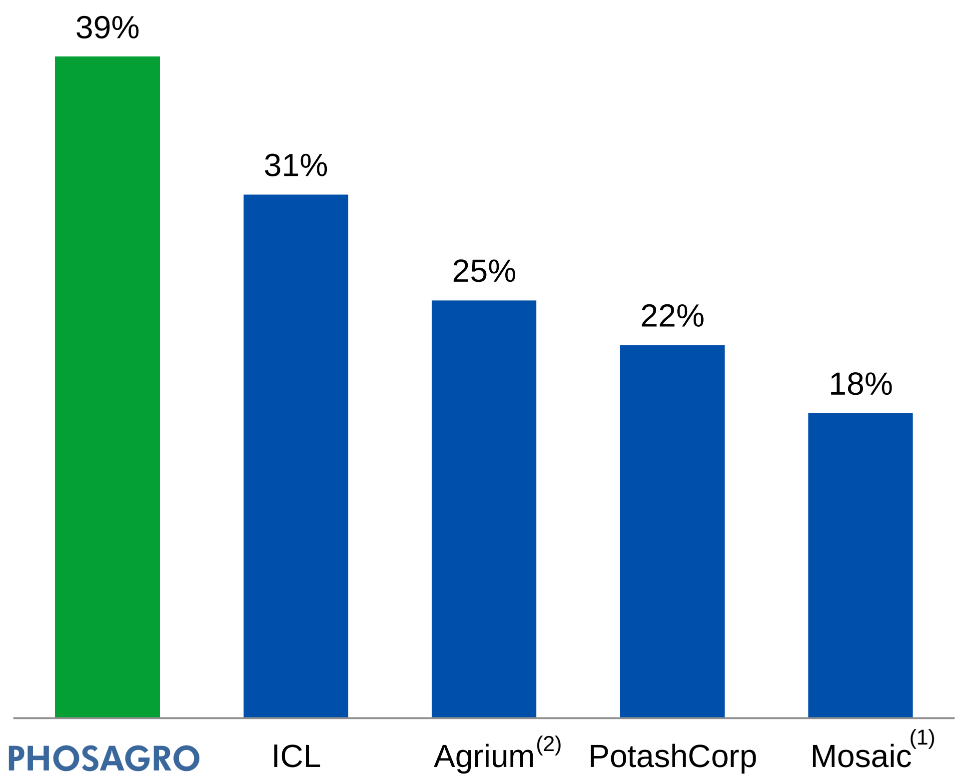
Average gross profit breakdown by segment for 2011-2013



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

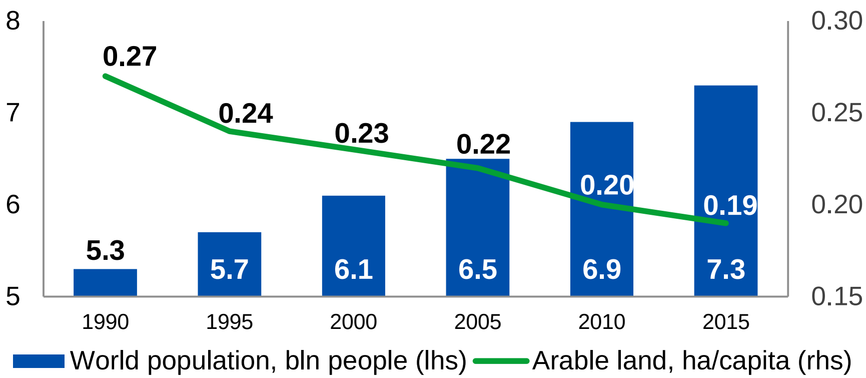


Source: Companies' reports
Note: (1) Calendarised
(2) Wholesale

Strong demand fundamentals for fertilizers

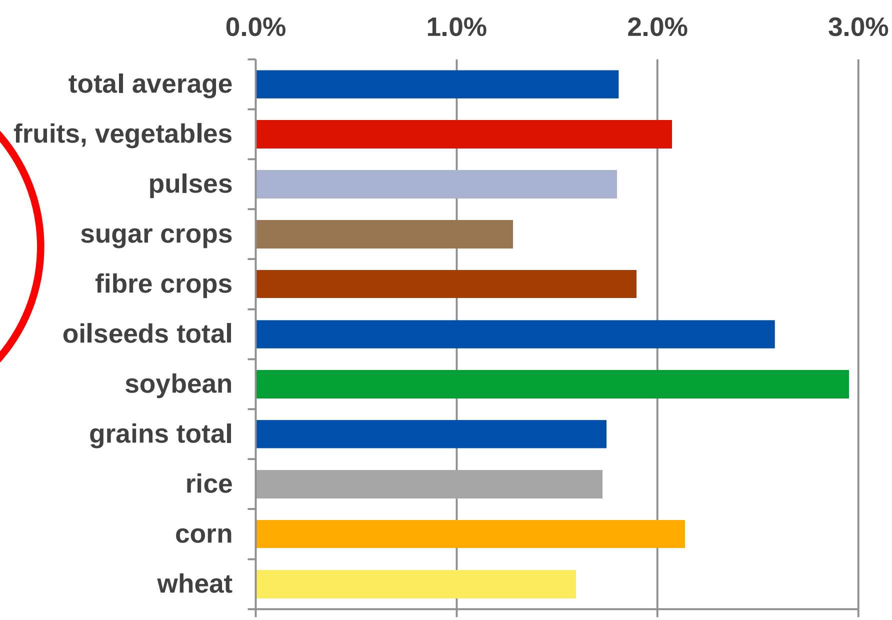
Fertilizers are widely under-applied and/or inefficiently applied in developing countries

Population growth and decrease of arable land per capita

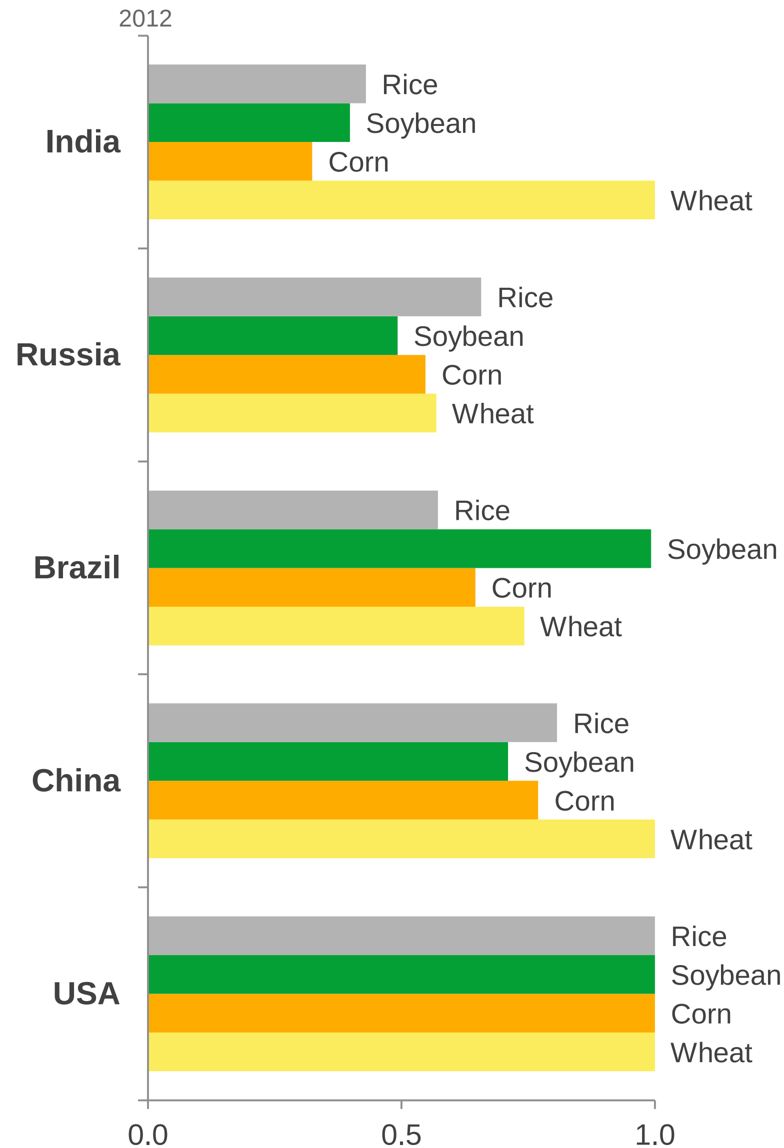


High growth rates for corn and seed oil crops, both major consumers of phosphate fertilizers

Projected Average Annual Growth of Agricultural Production 2012-2030

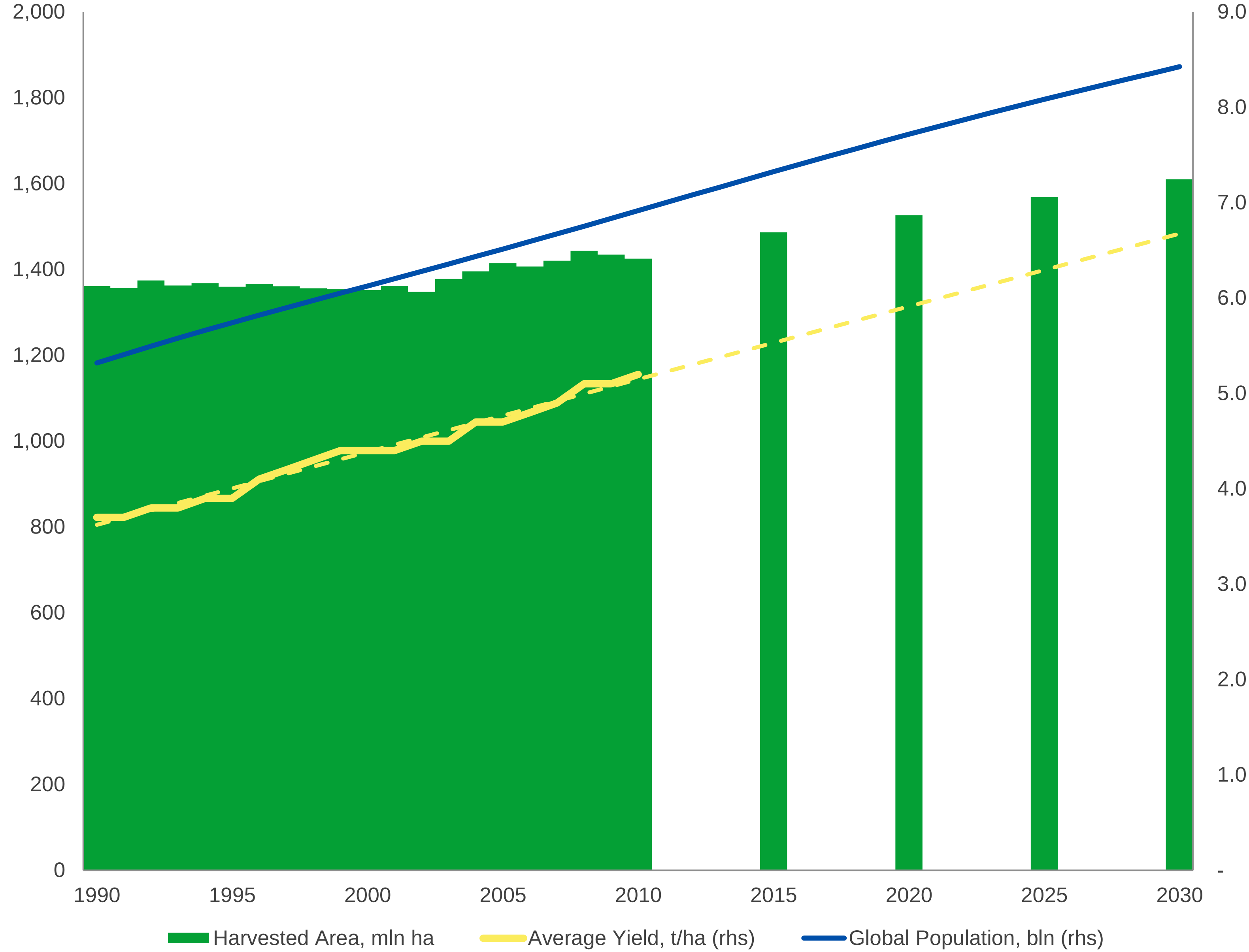


Yield Indexed to USA



Source: United Nations, IMF, USDA, FAO

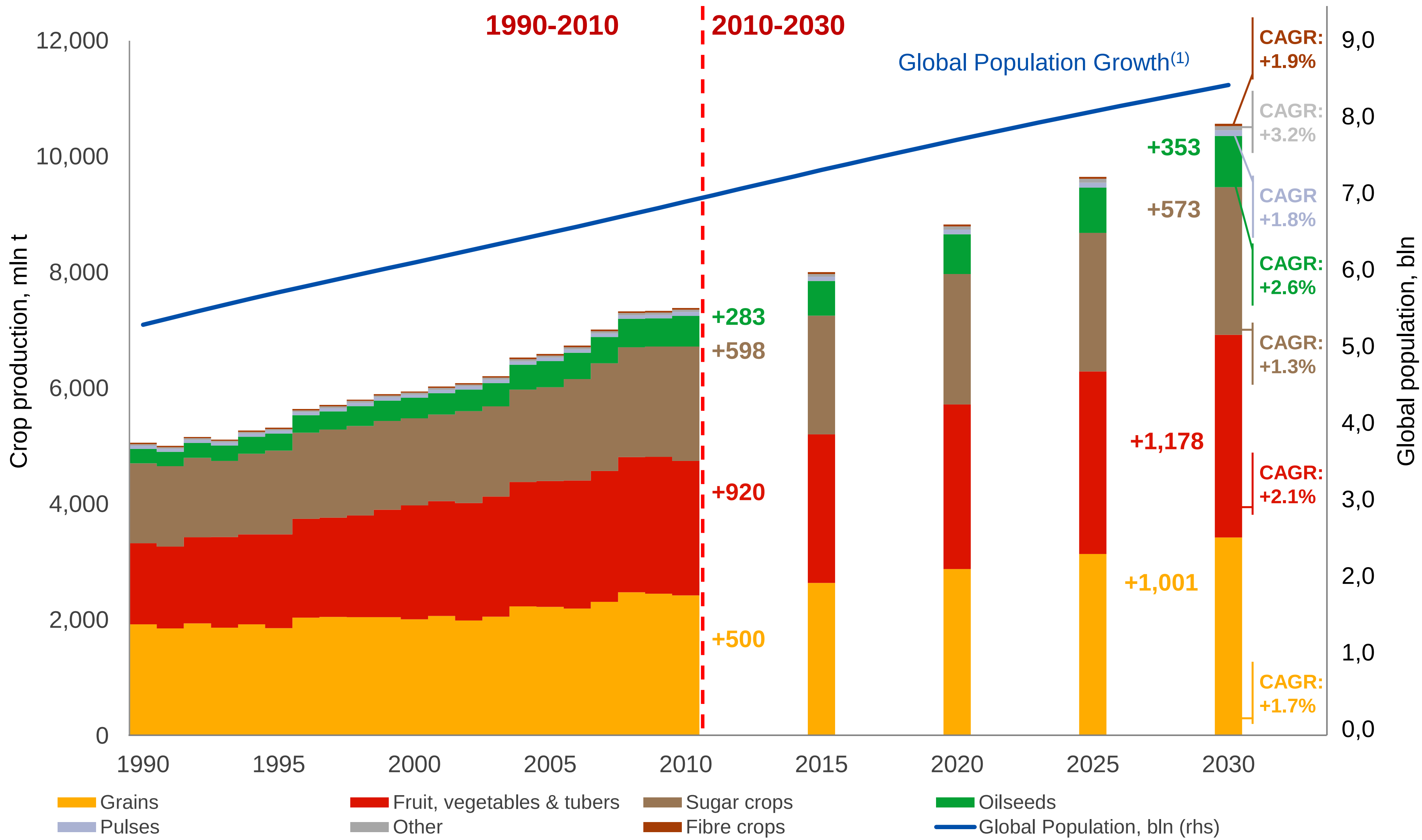
Demand for increasing yield from limited arable land supports greater fertilizer use



Source: Integer, UN

Global crop production forecast

Global crop production continues to grow

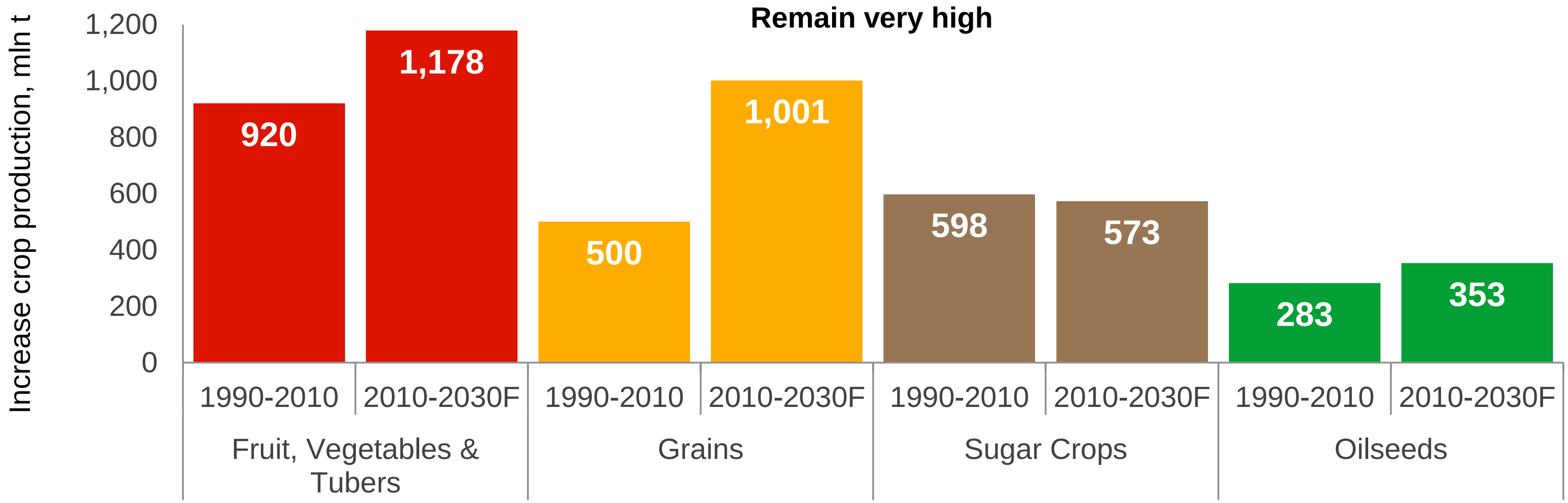


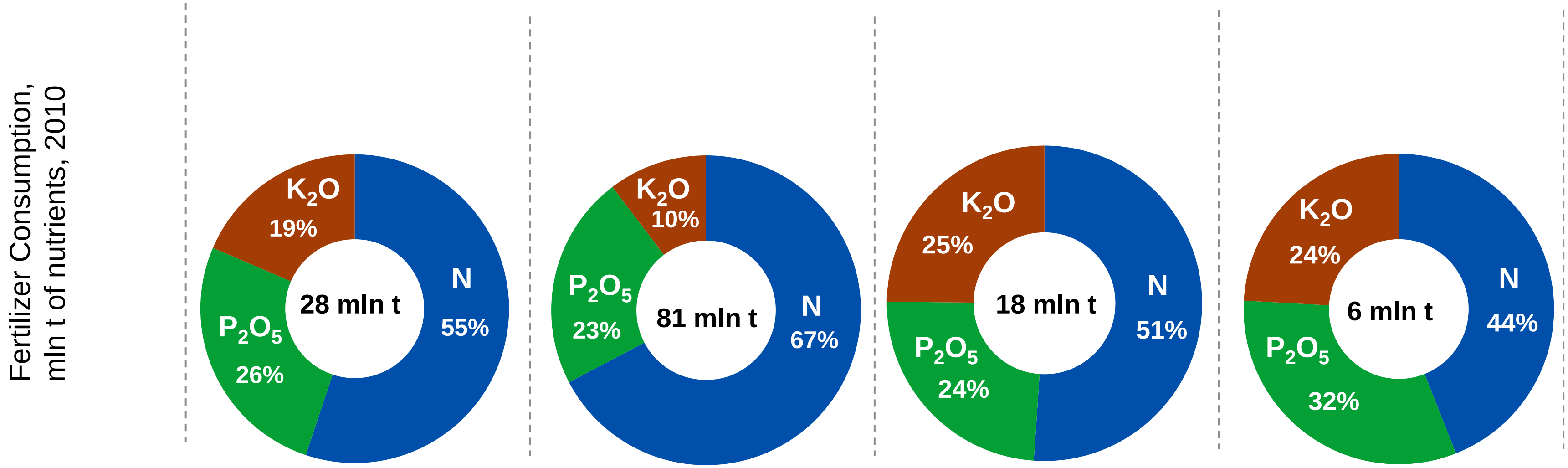
Source: Integer

Note: CAGR of 1.2%

Global crop production and fertilizer consumption forecast

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

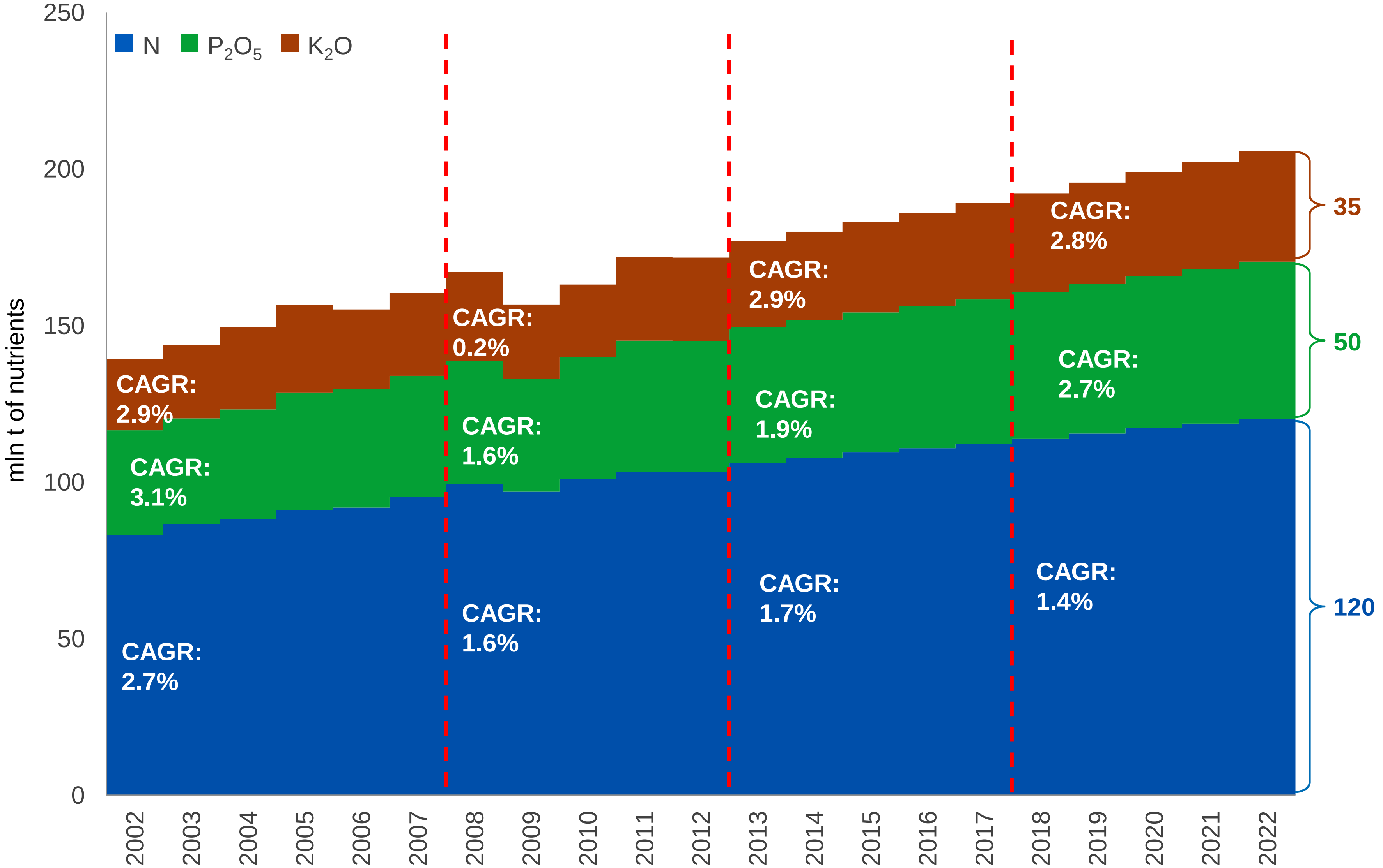




Source: Integer

Historical and forecast nutrient demand

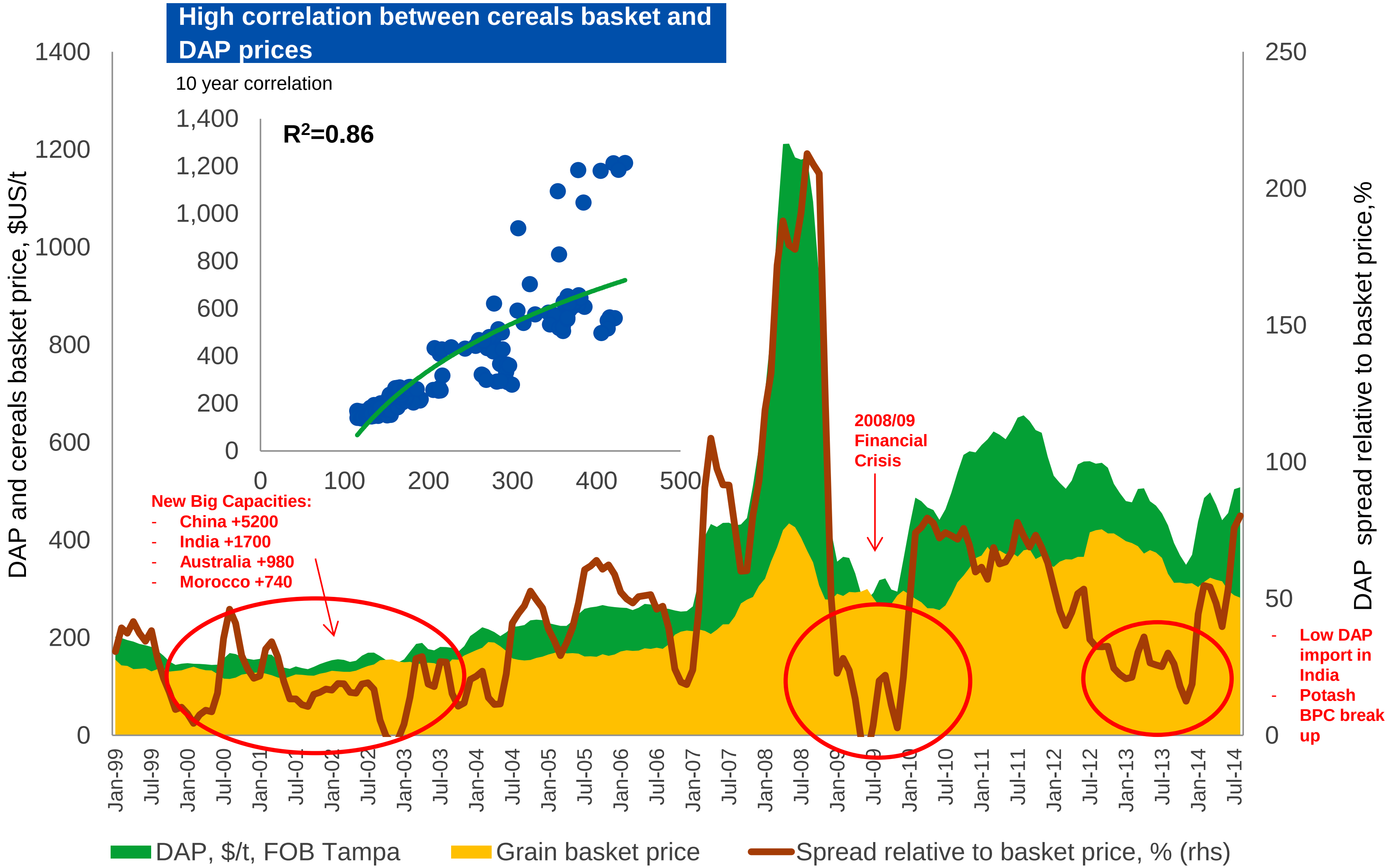
Demand for phosphates will accelerate



Source: Integer

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

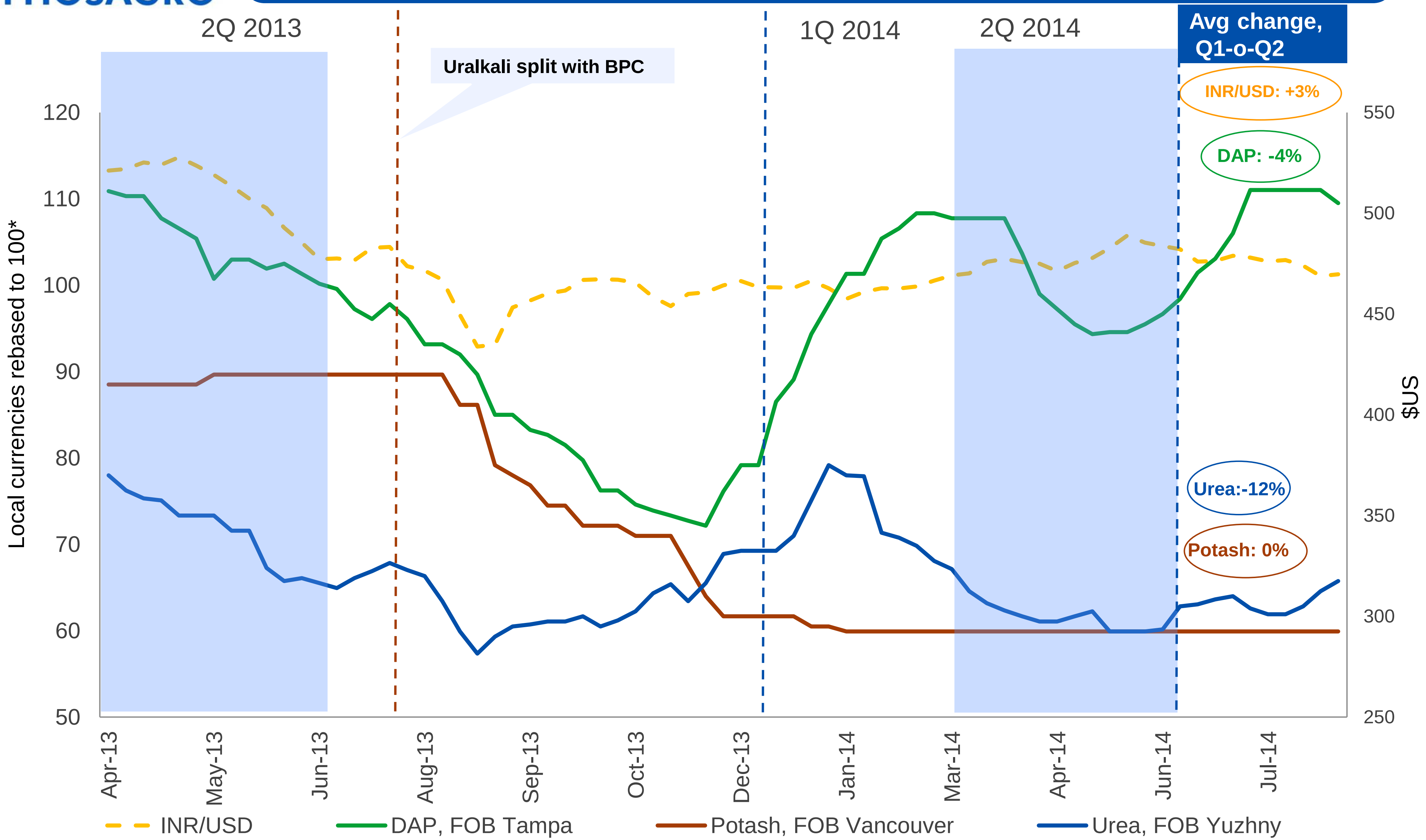
Cereals basket to DAP price spread



Source: Fertecon, Argus-FMB, FAO, USDA, IFA

2. Market challenges

Fertilizer price developments in 2Q 2013 -1H 2014

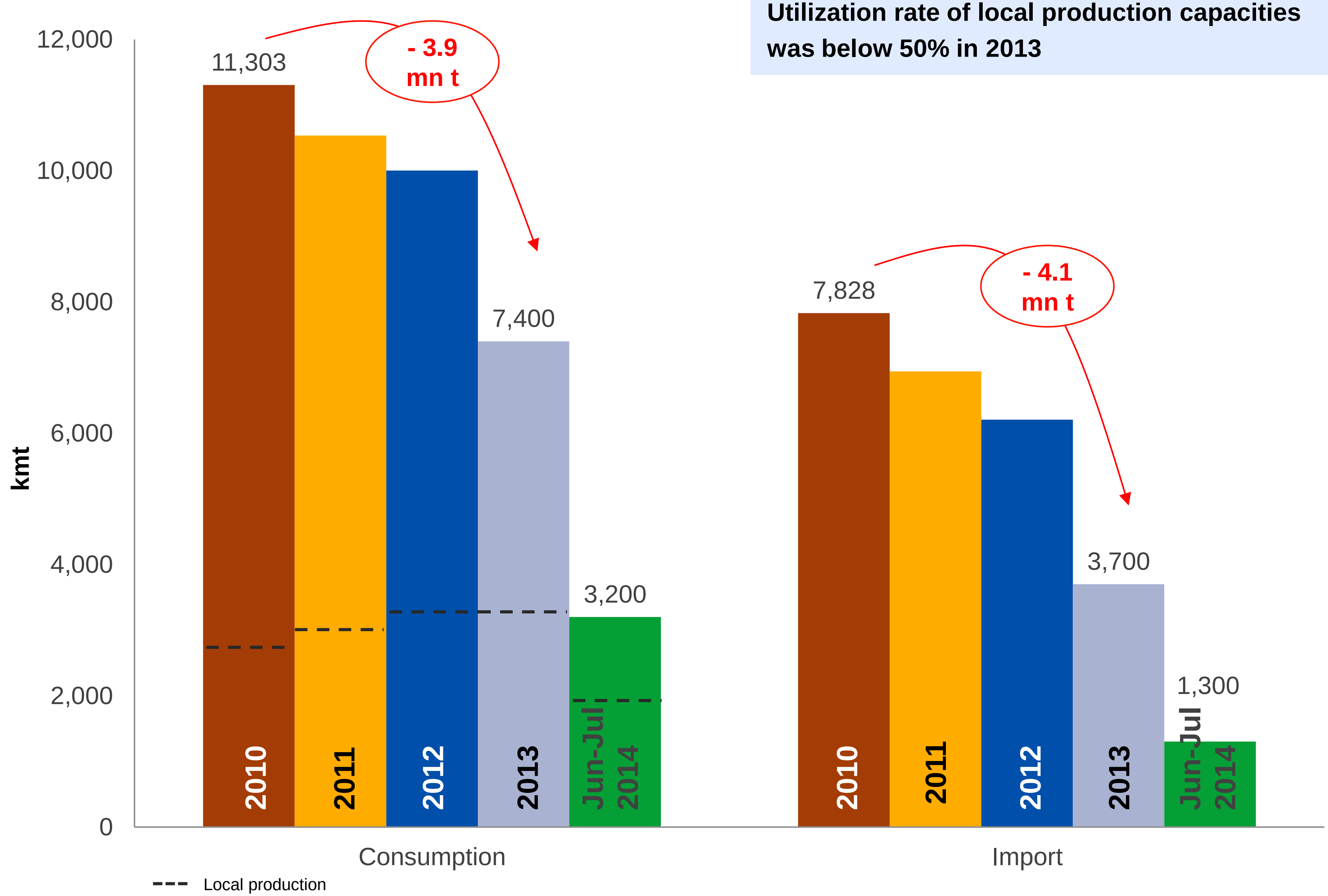


Source: Argus-FMB, Bloomberg, PhosAgro analysis
Note:(*) – rebased at 1 January 2014

Phosphate fertilizers imports and consumption in India

DAP imports and consumption in India decreases

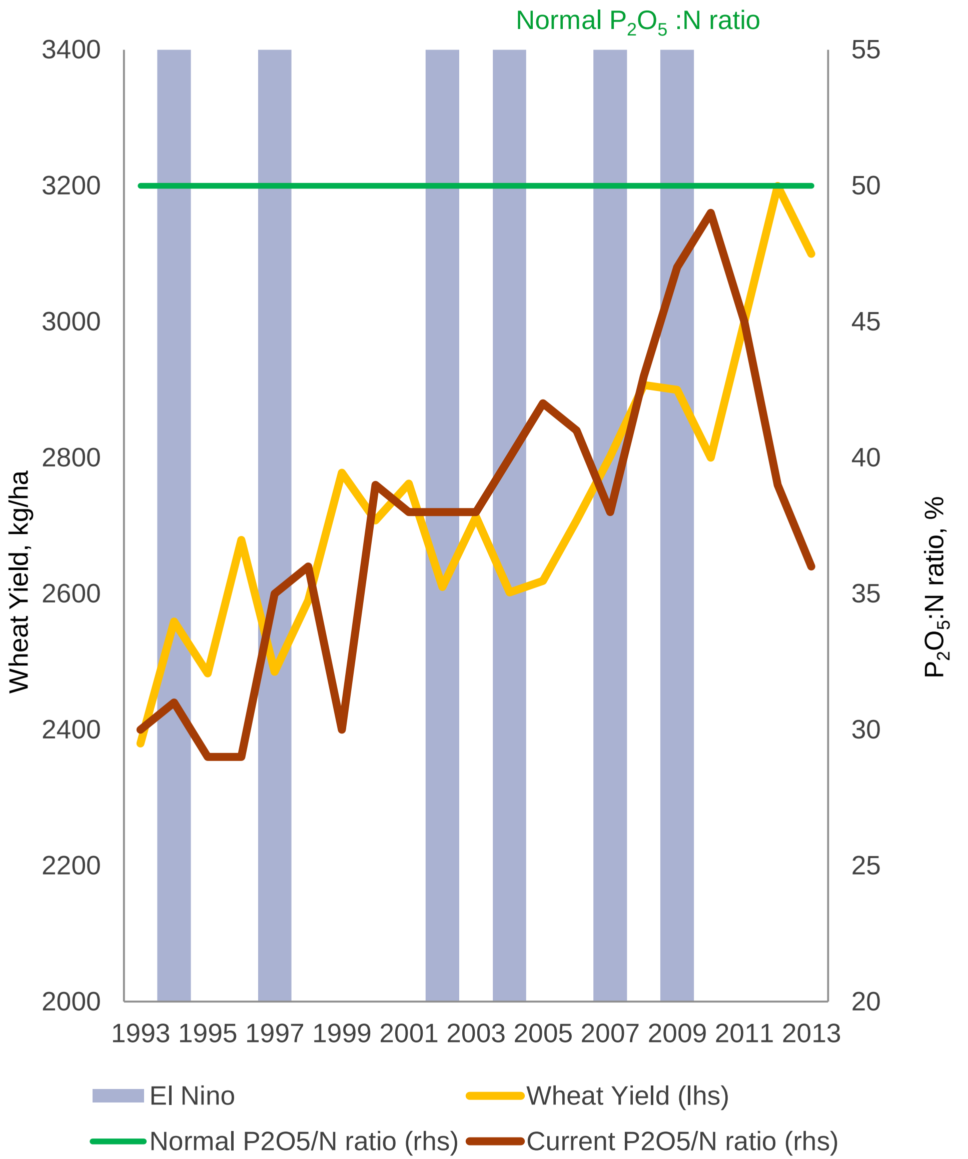
Utilization rate of local production capacities was below 50% in 2013



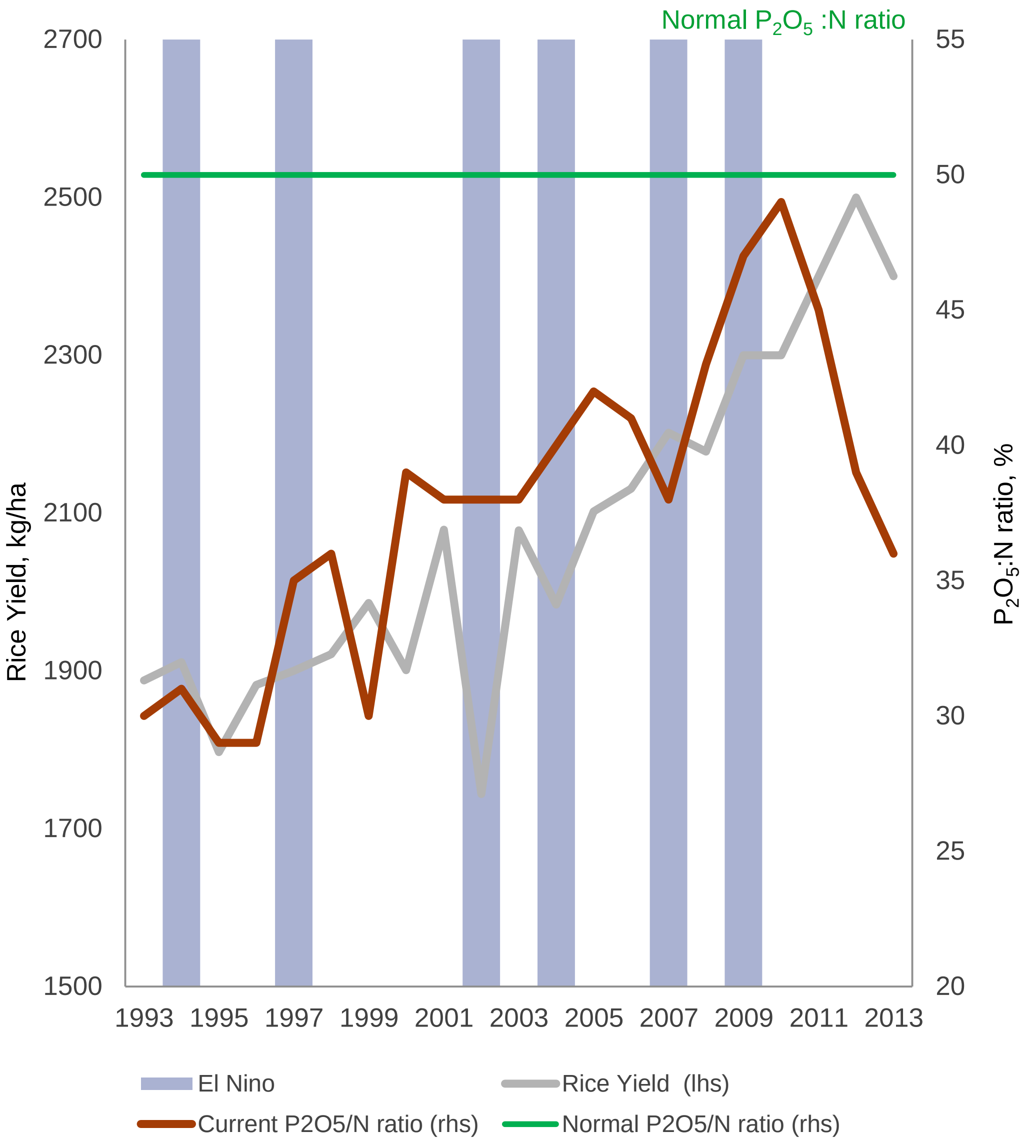
Source: CRU, FAI

India: crop production and El Nino effect

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



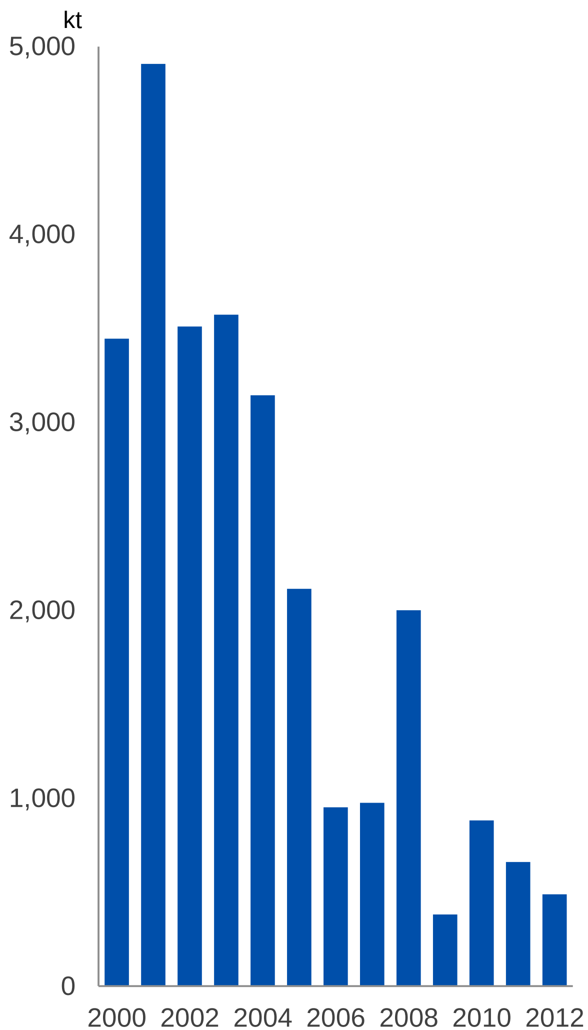
P_2O_5 : N ratios, rice yields, and El Nino



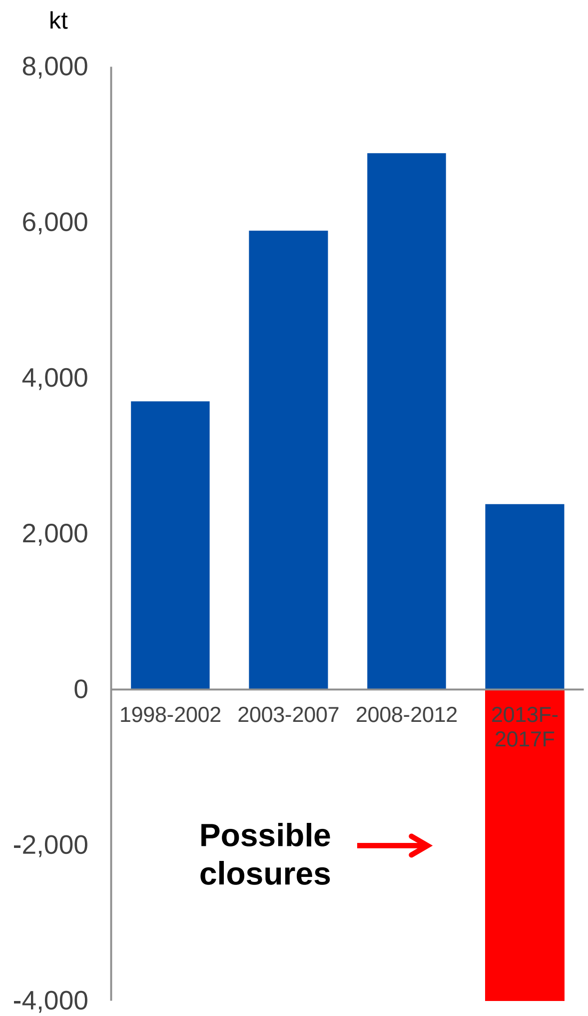
Source: IGC, CRU

Development of Chinese phosphate exports

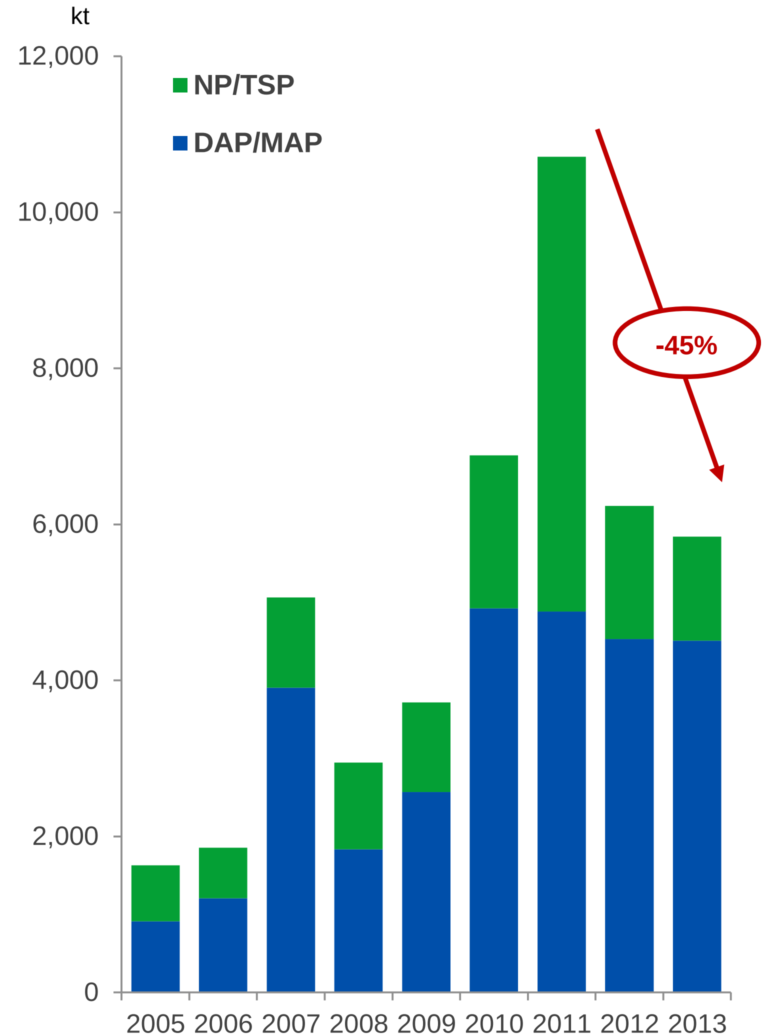
Chinese phosphate rock exports



Commissioning of new H_3PO_4 capacities



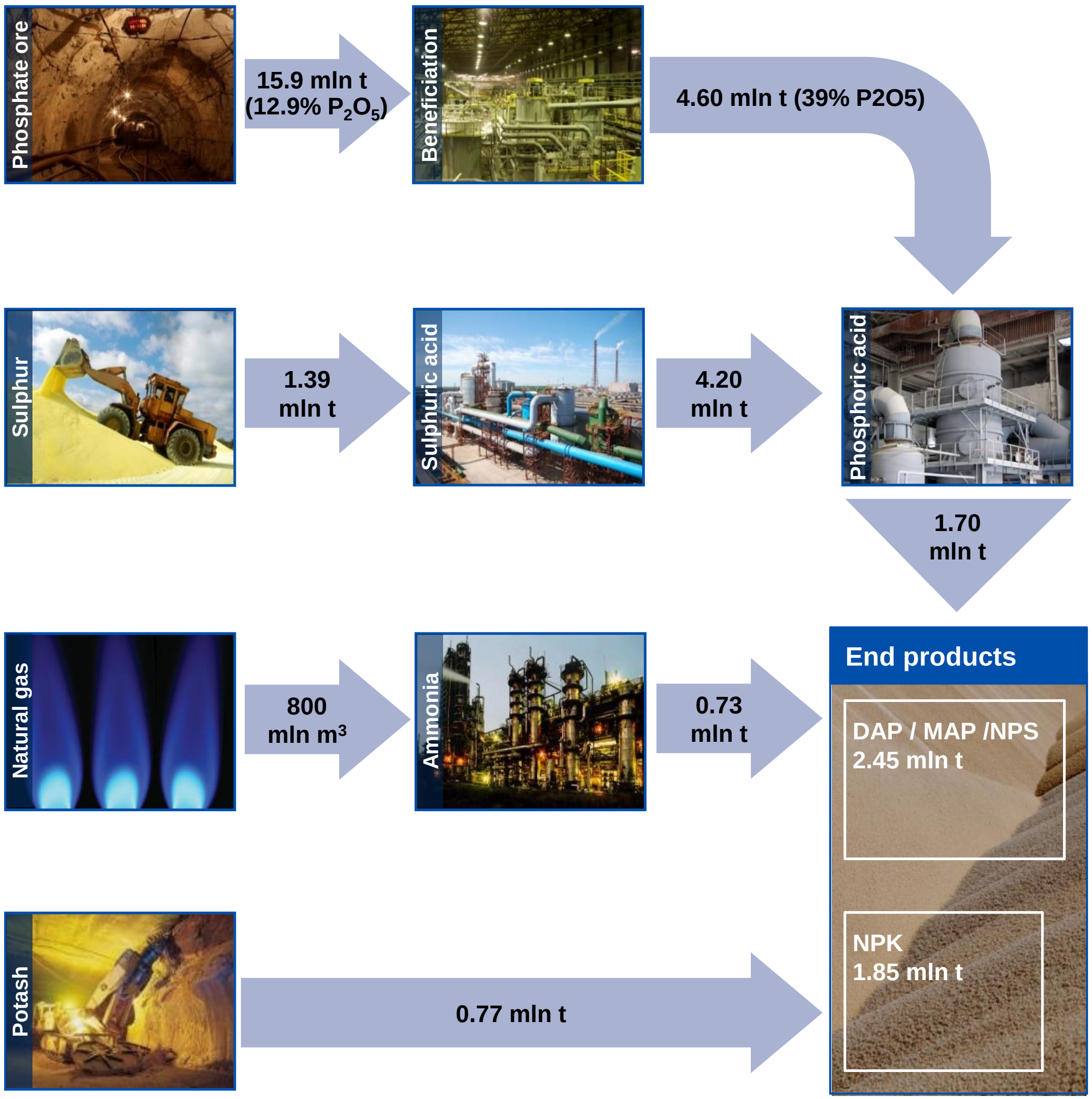
Chinese exports of DAP / MAP / NP / TSP



Source: IFA, CFMW, China National Information Center (CNCIC), CRU

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 +

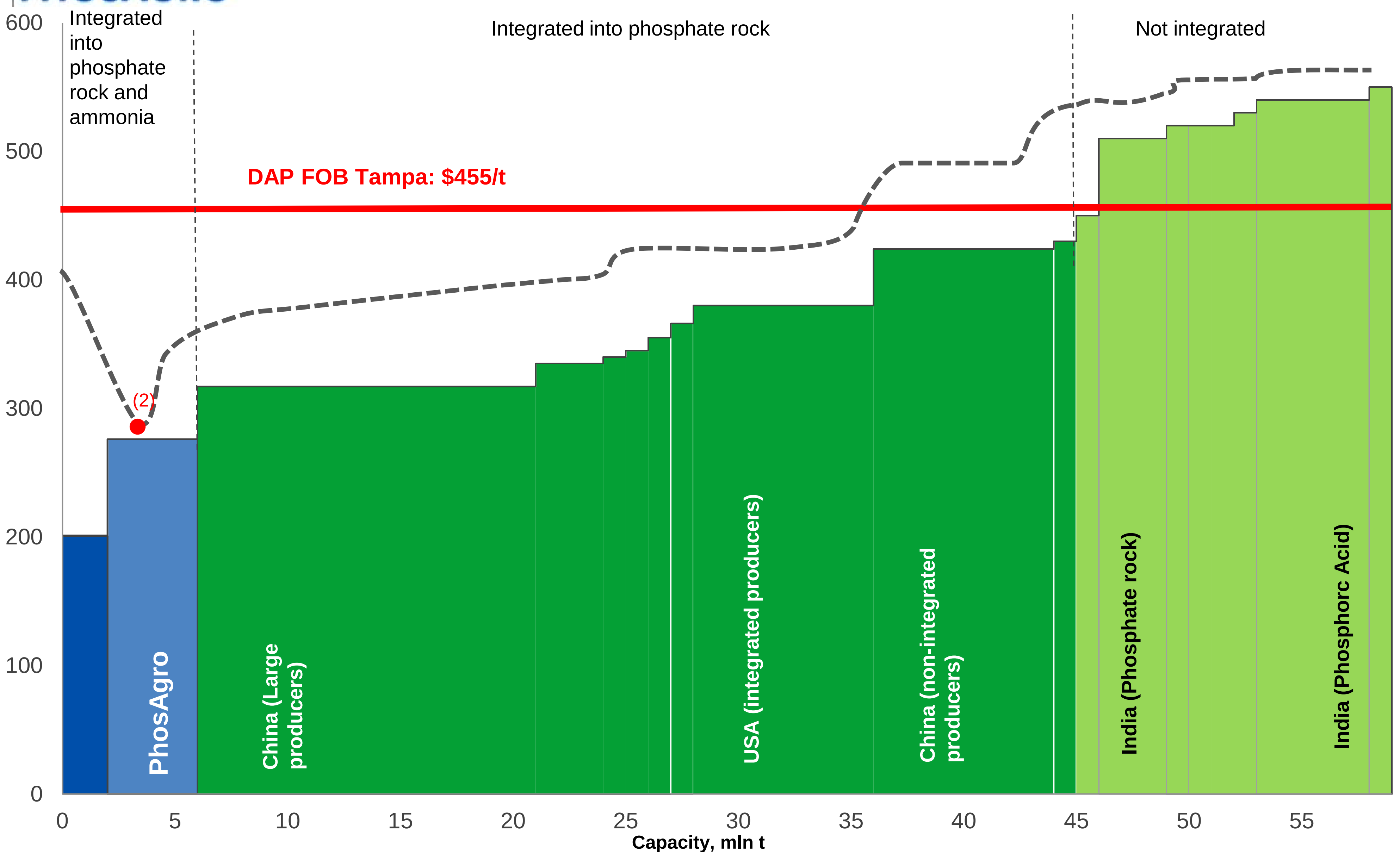
Over US$ 2,000/tonne

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

Access to abundant local resources

Source: IFA, Belstat, PhosAgro. Data for 2012

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



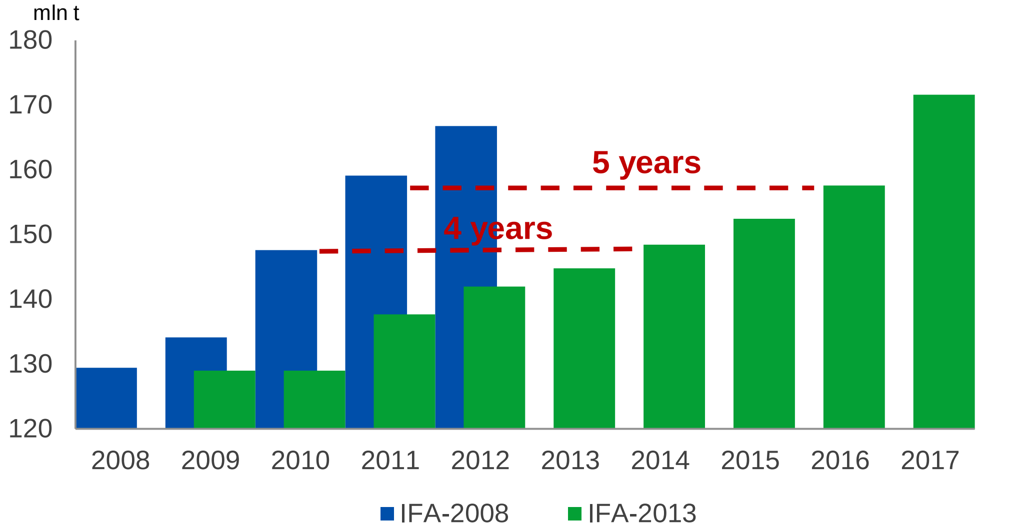
Source: companies data, CRU, Argus-FMB, China Fert Market Weekly, PhosAgro

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

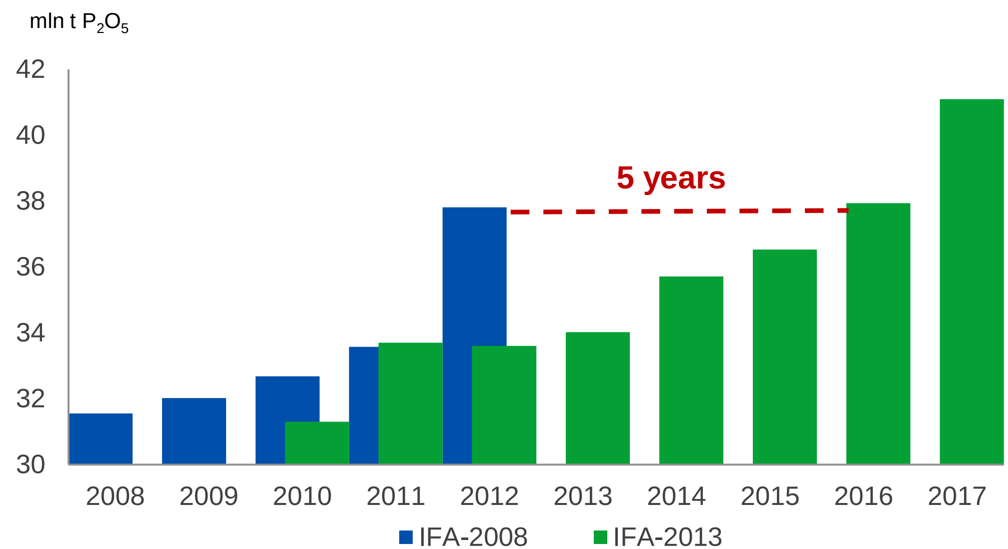
(2) PhosAgro actual cash costs as per Oracle OEBS data/ circa peer cash costs, including SG&A , etc.

Commissioning phosphate rock and phosphoric acid capacities

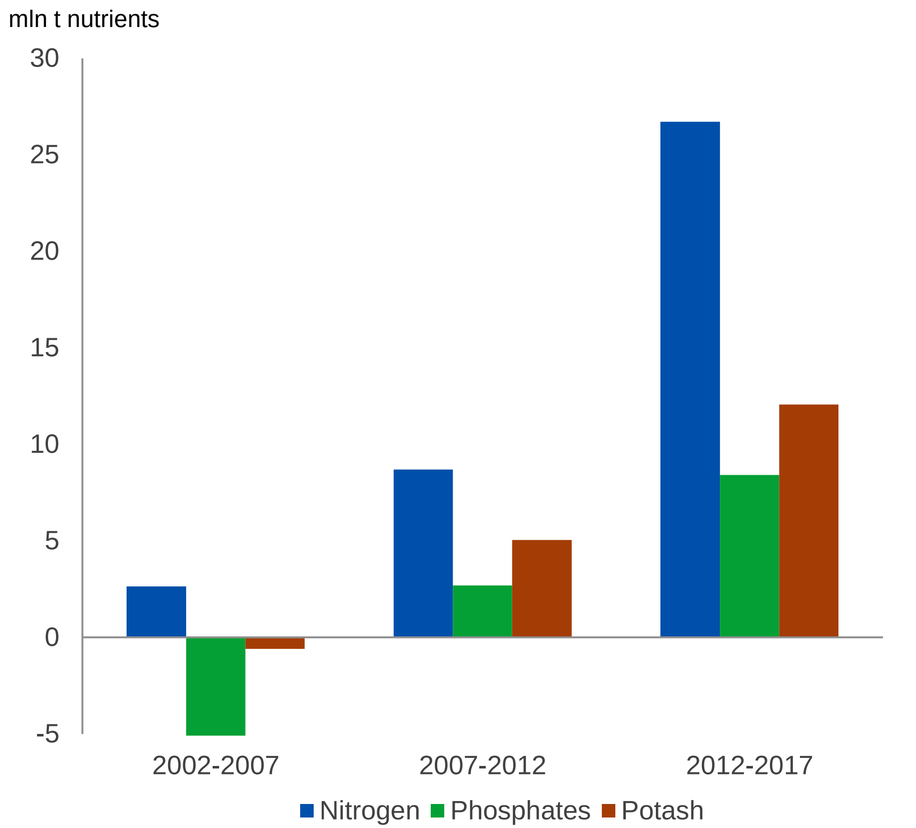
Delays in addition of new phosphate rock capacities (excl. China)



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

Source: IFA, PhosAgro

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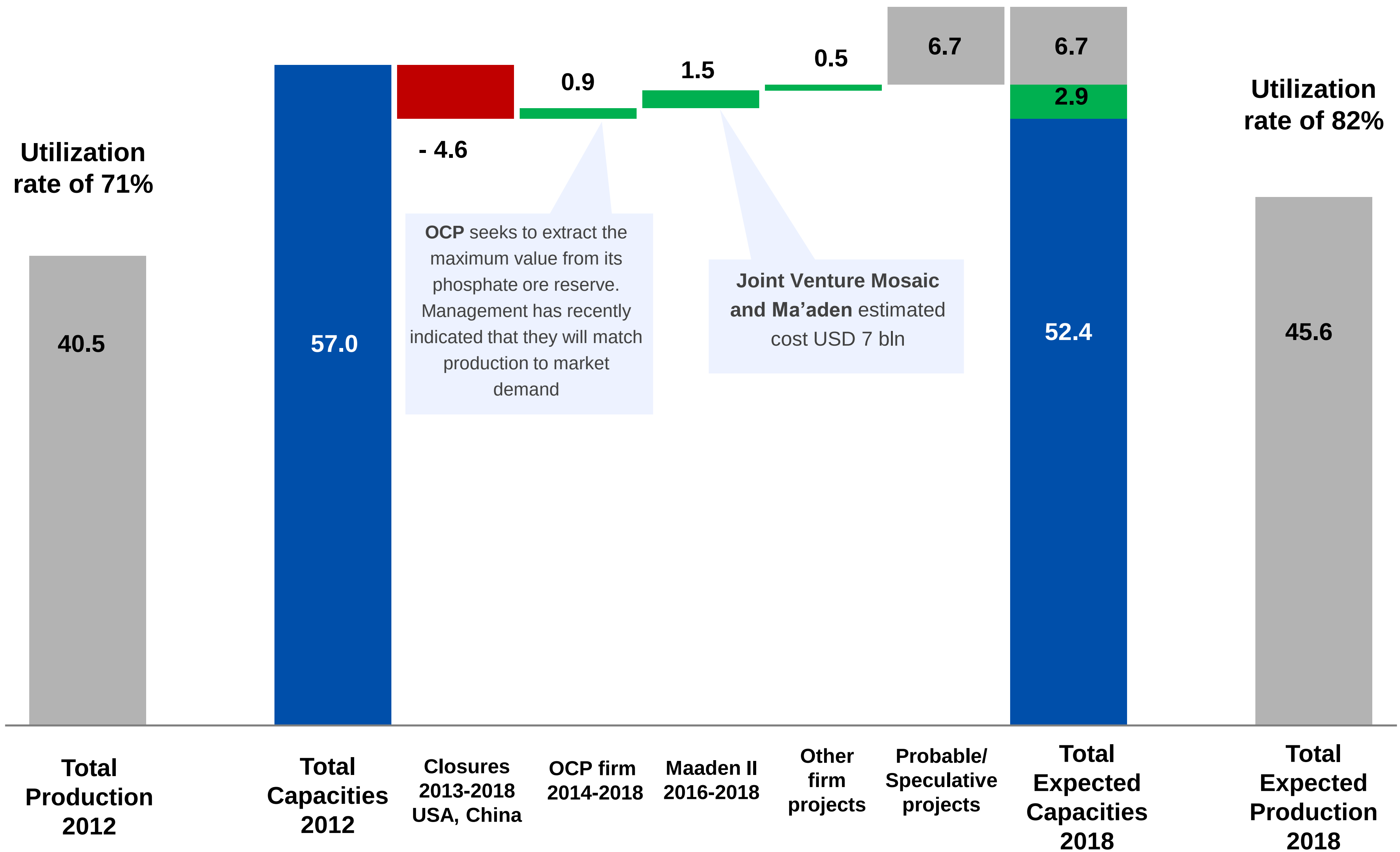
Timing and completion of new capacities is uncertain

mln t of P_2O_5



Source: CRU, companies' data

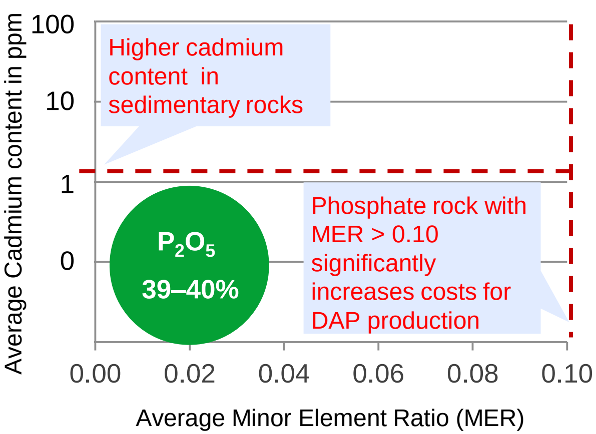
3. Company Highlights

PHOSAGRO

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_2O_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**

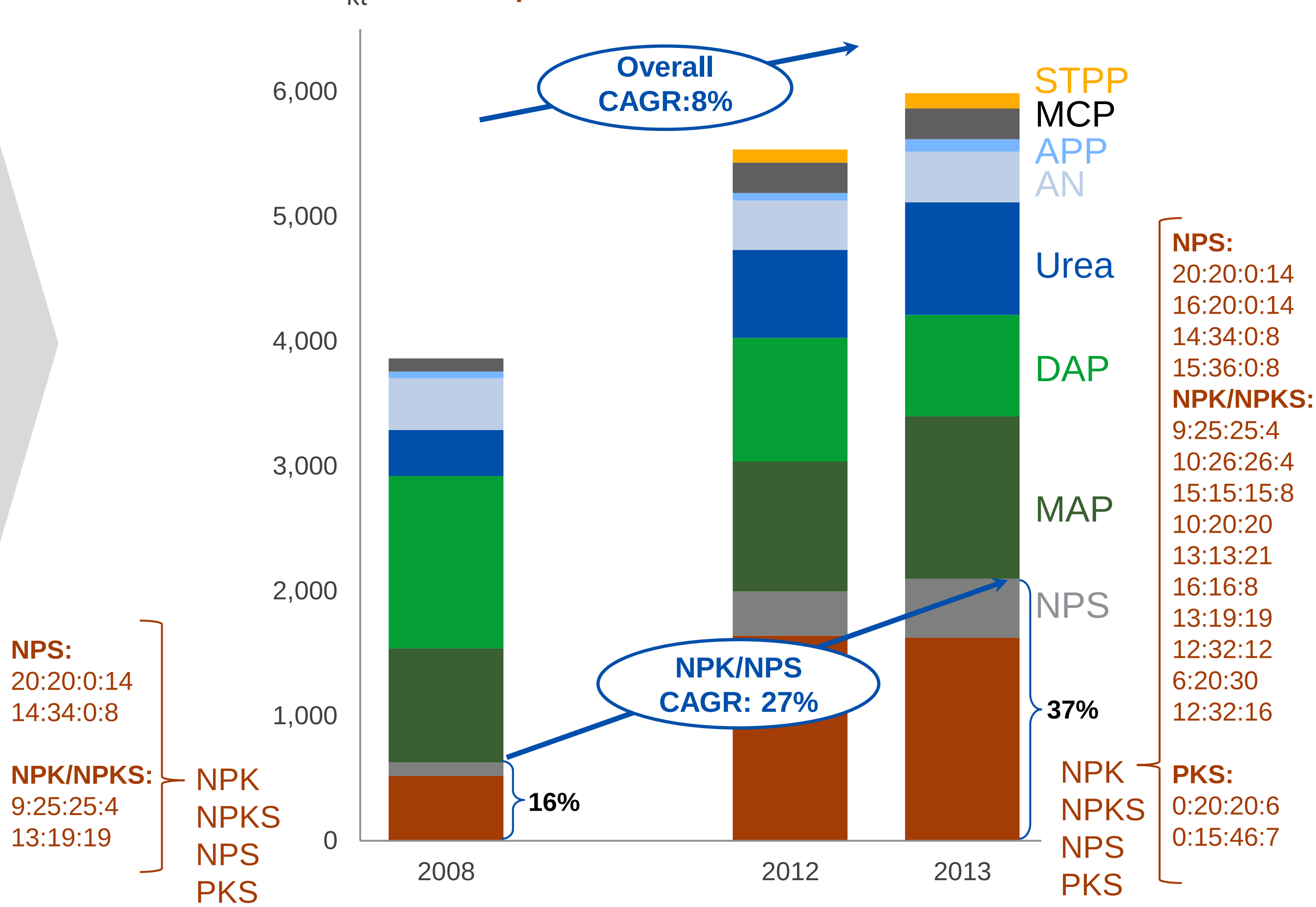


High margin NPK demand drives production mix

10 Downstream Products in 2008

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

25 Downstream Products in 2013(3)



Source: PhosAgro, IMC, Fertecon

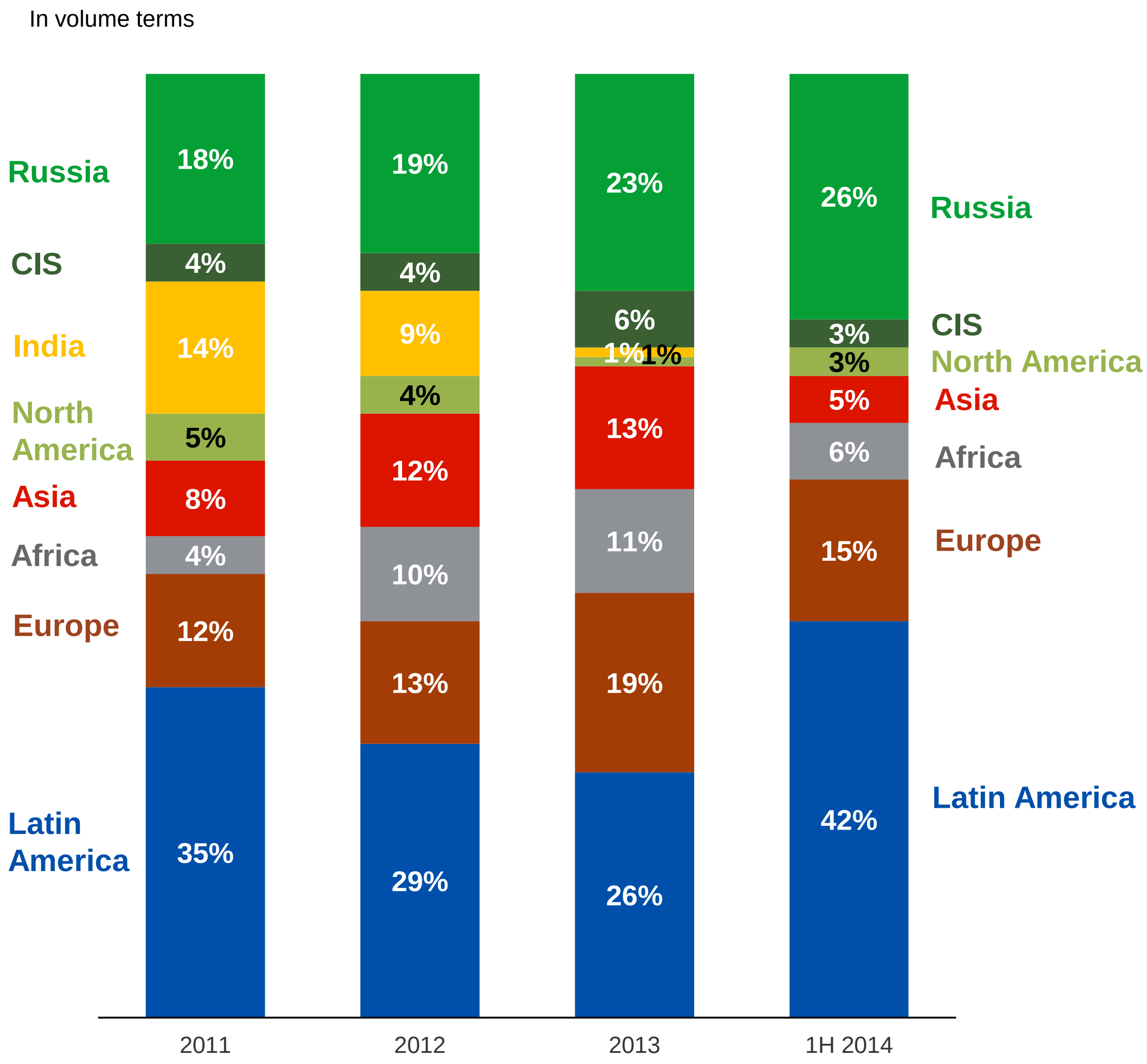
Note: (1) Average Minor Element Ratio (MER) greater than 0.1 not sustainable for production of high quality DAP

(2) Average cadmium content in ppm

(3) as of 31 December 2013

Flexible business model

Fertilizers and feed phosphate sales by region

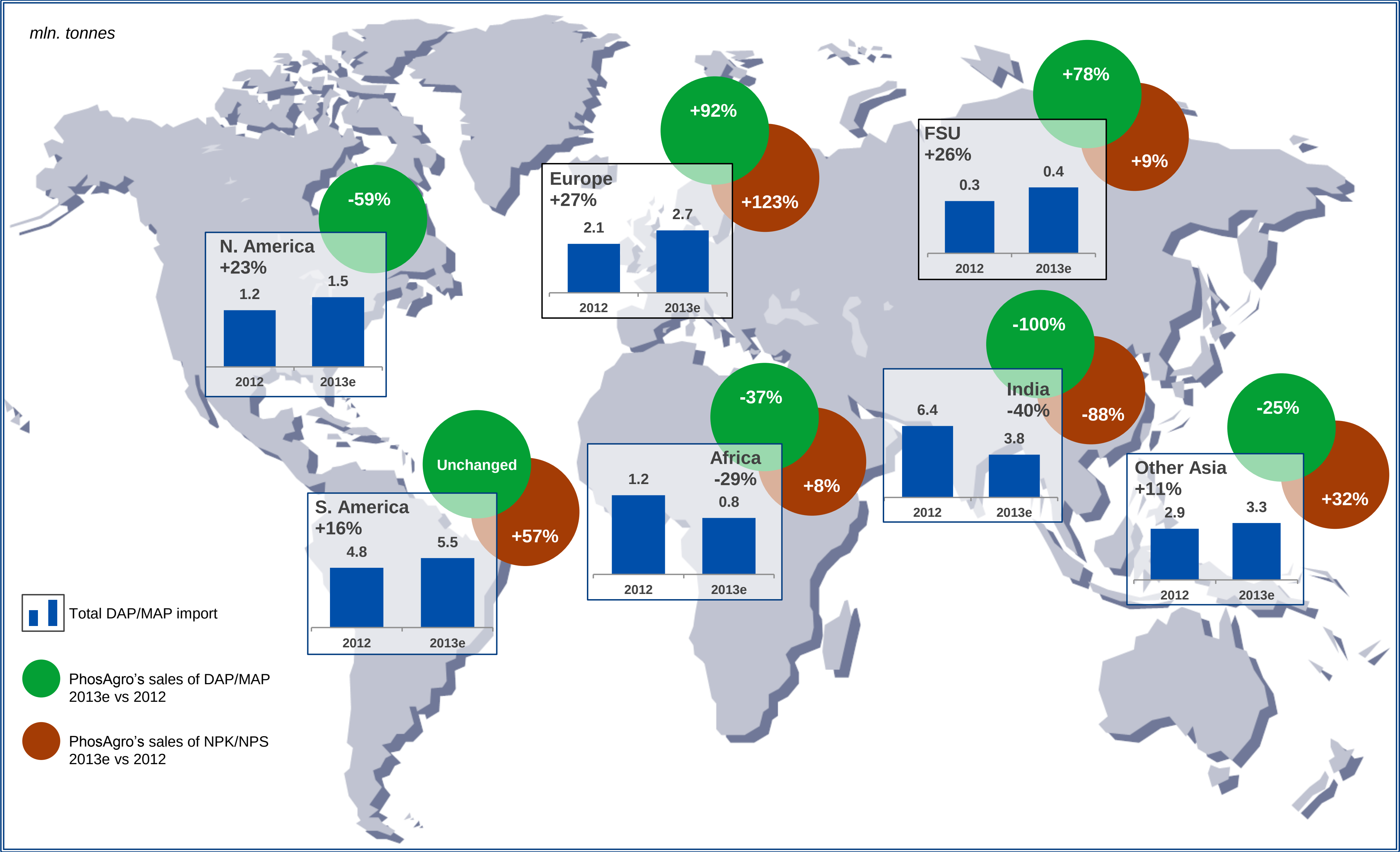


Comment

- 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

Source: PhosAgro

PhosAgro increases market share in fast-growing and premium markets

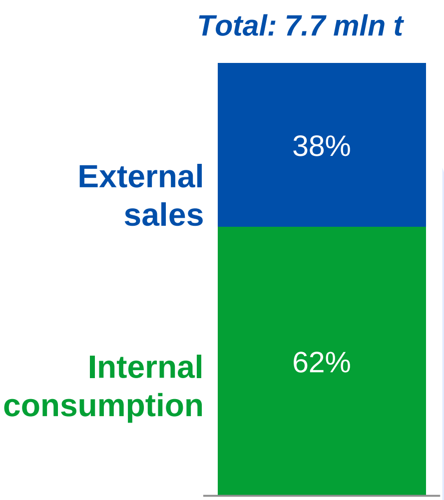


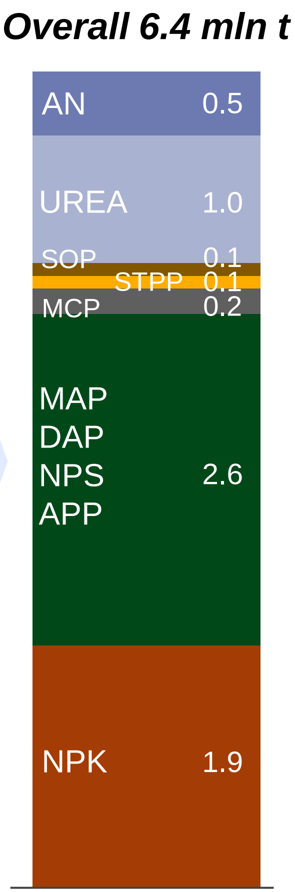
Source: IFA, CRU, PhosAgro

Long term strategy for volume growth of fertilisers

Here we are	Largest current development	Future

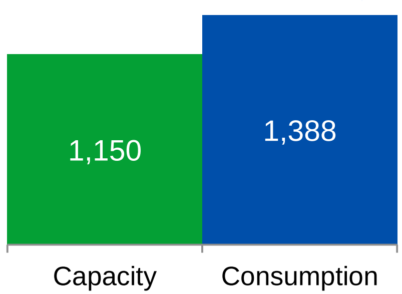
Phosphate rock



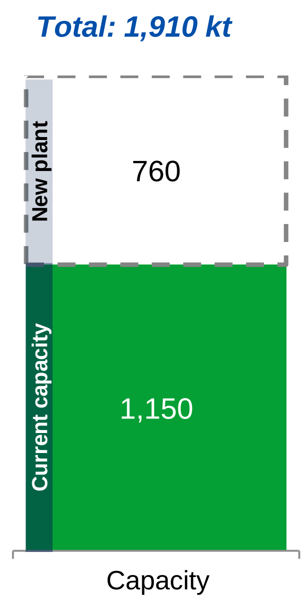


Ammonia

kt



New ammonia plant
Start up first half 2017



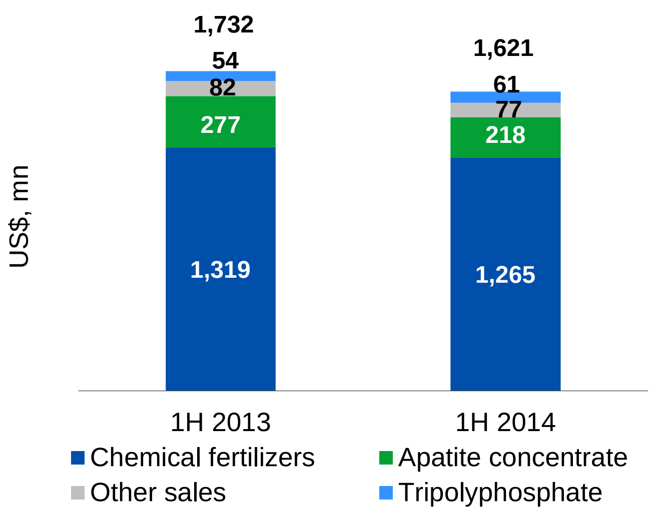
Sustainable growth

Source: PhosAgro

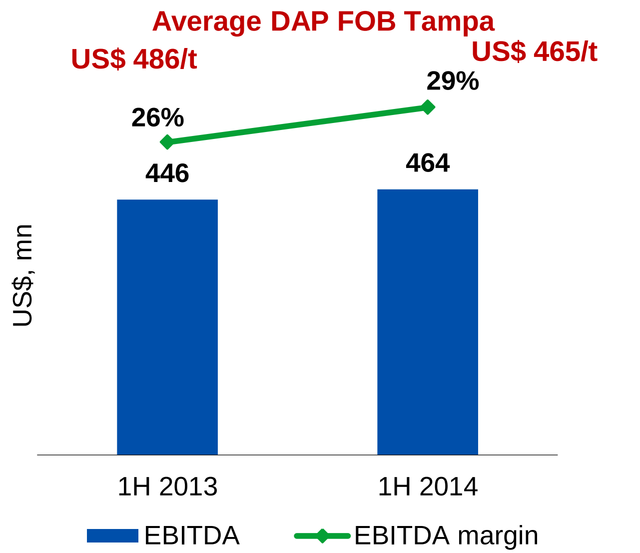
3. Financial Overview

Revenue, EBITDA and Net Profit

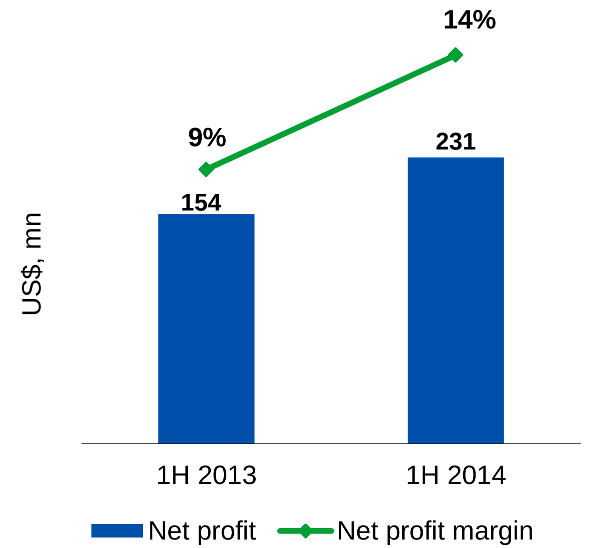
Revenue (1H 2013/2014)



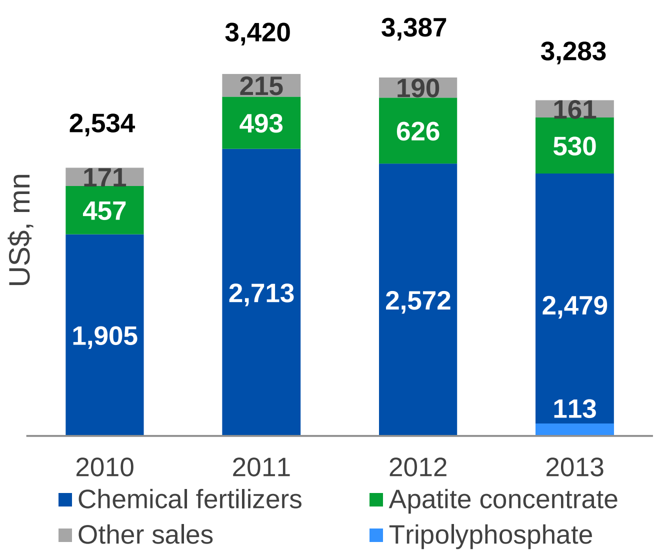
EBITDA (1H 2013/2014)



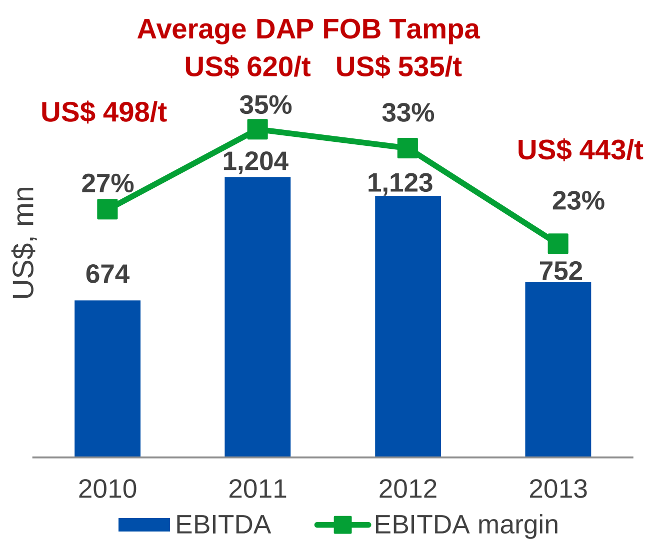
Net Profit (1H 2013/2014)



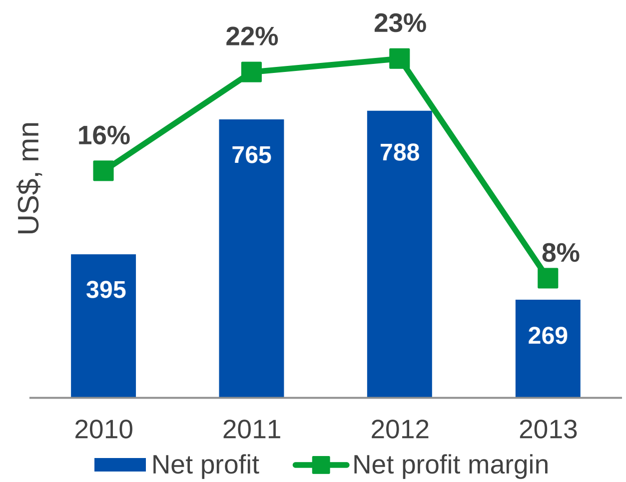
Revenue (FY2010-2013)



EBITDA (FY2010-2013)



Net Profit (FY2010-2013)

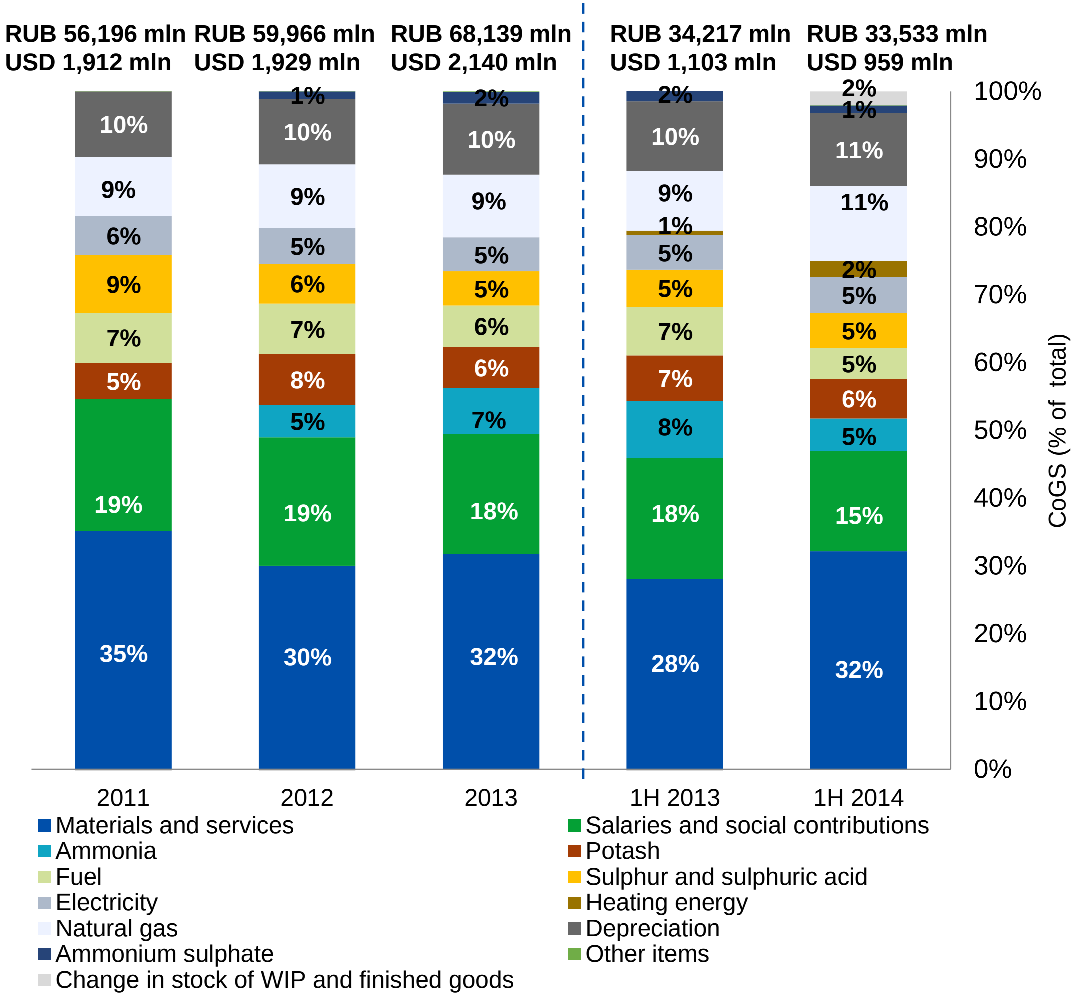


Note: Applied average USD/RUB exchange rates: 30.37 (2010), 29.39 (2011); 31.09 (2012); 31.85 (2013); 31.02 (1H 2013); 34.98 (1H 2014)

Cost of goods sold

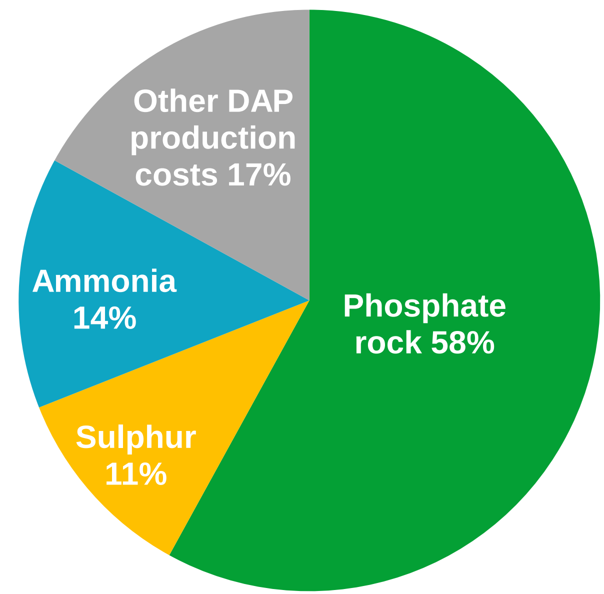
Cost of Goods Sold and Sales Volumes

Sales (kt)	2011	2012	2013	1H2013	1H2014
Fertilisers[1]	4,062	4,243	4,672	2,307	2,332
Phosphate Rock	3,153	3,542	2,921	1,479	1,479



DAP production cash cost breakdown

ExW, US$, 2013



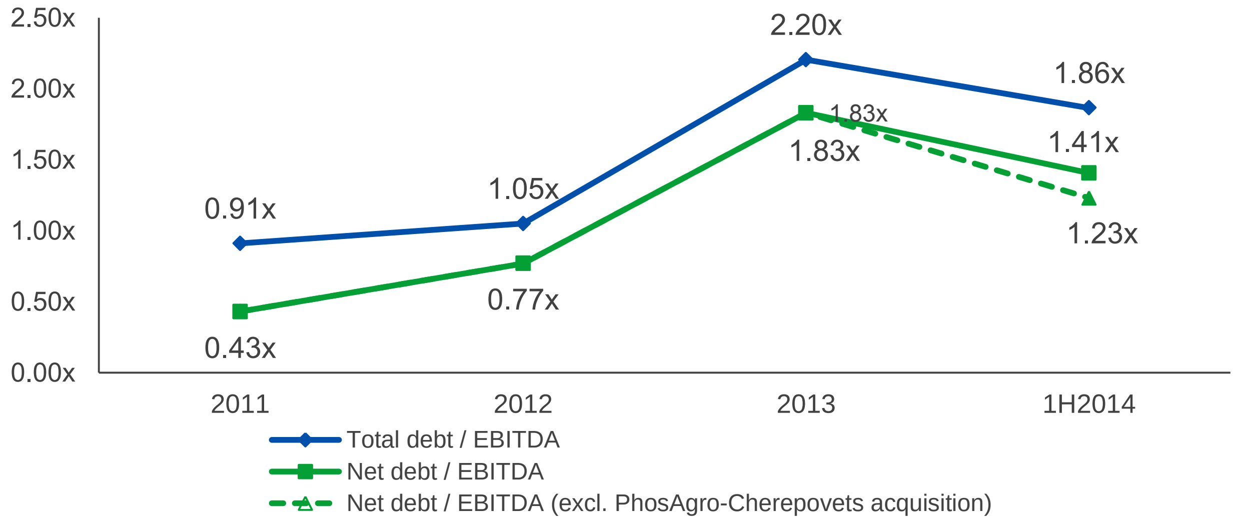
Source: PhosAgro

RUB/USD rates: 29.39 (2011); 31.09 (2012); 31.85 (2013); 31.02 (1H 2013); 34.98 (1H 2014)

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

Overview of debt

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

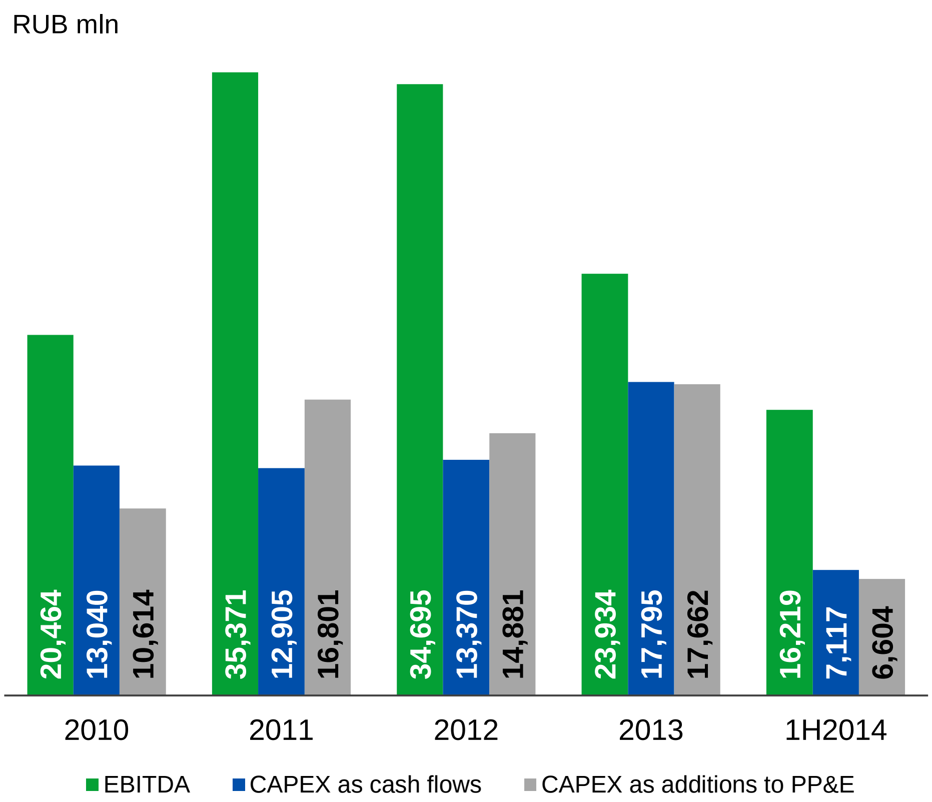
Comment

- PhosAgro carefully manages its balance sheet and cost of financing for all current initiatives, including both the consolidation of subsidiaries and growth projects
- The Company's net debt to annualised EBITDA ratio decreased to 1.4x as of 30 June 2014, from 1.8x as of 31 December 2013. Excluding effect of PhosAgro Cherepovets buyout (assuming normal course of business), net debt/EBITDA would be 1.23x
- Net debt at 30 June 2014 stood at RUB 45.6 billion, up from RUB 43.8 billion at 31 December 2013. Most of the Company's debt is denominated in USD as a natural hedge against primarily USD-denominated sales. The depreciation of the Russian rouble against the US dollar was the primary reason for the increase of PhosAgro's net debt in RUB terms.

Source: PhosAgro

Capital expenditure

Capex / EBITDA



Comment

- Capex defined as all additions to PP&E – additions to PP&E do not necessarily match cash flow in the same period

Main projects:

- Construction of ore shaft № 2 at Kirovsky underground mine (in progress)
- Commencement of construction of new 760 kt per annum ammonia plant
- Construction of liquid ammonia storage facilities in Balakovo

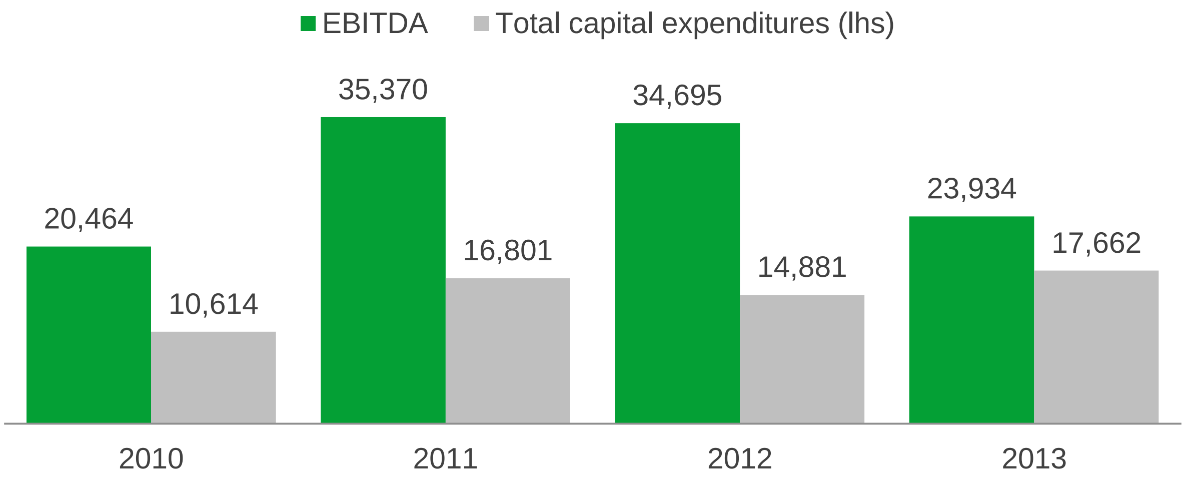
Capex by segment (RUB m)

	1H 2014	1H 2013
Phosphate mining and beneficiation	3,288	4,500
Phosphate-based products - downstream	1,885	1,850
Nitrogen fertilizers	1,165	612
Other	266	1,046
Total capital expenditures	**6,604**	**3,245**

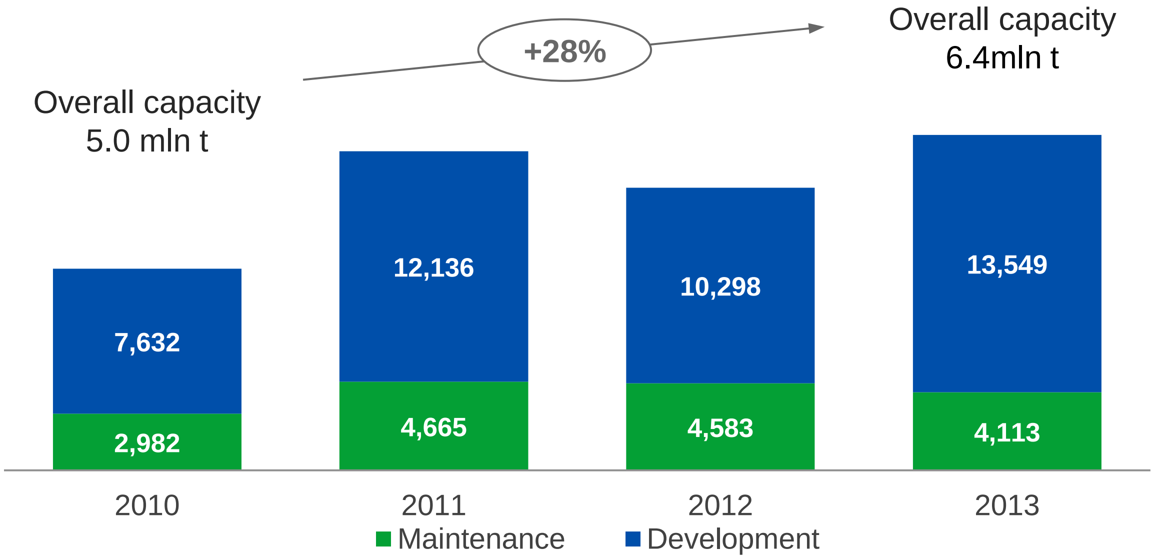
Source: PhosAgro

CAPEX 2013

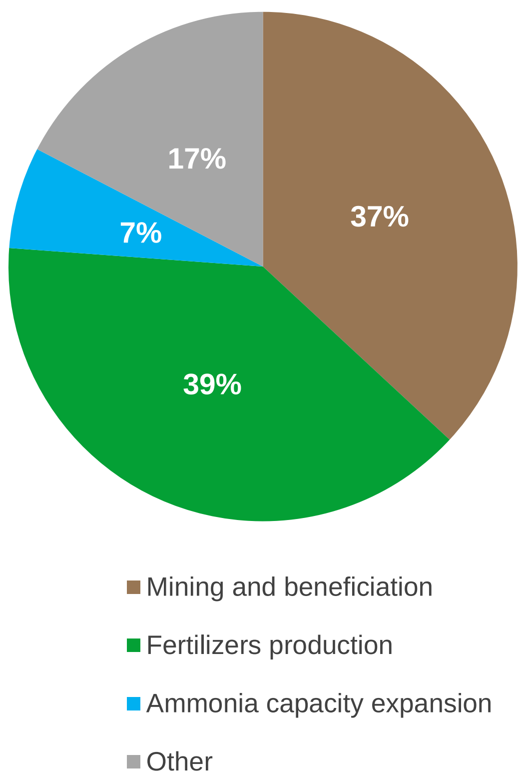
EBITDA vs Capex[1]



Downstream end-products overall capacity increase



Development CAPEX 2010 - 2013

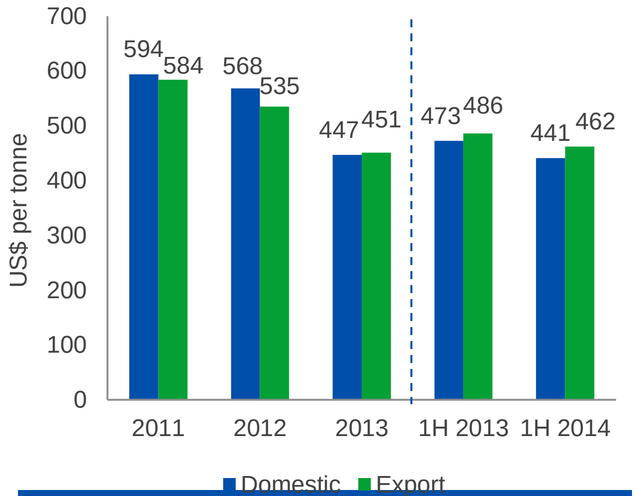


Source: PhosAgro
Note: (1) Cash flows used in operations before income tax and interest paid
Applied average USD/RUB exchange rates: 30.37 (2010), 29.39 (2011), 31.09 (2012), 31,85 (2013)

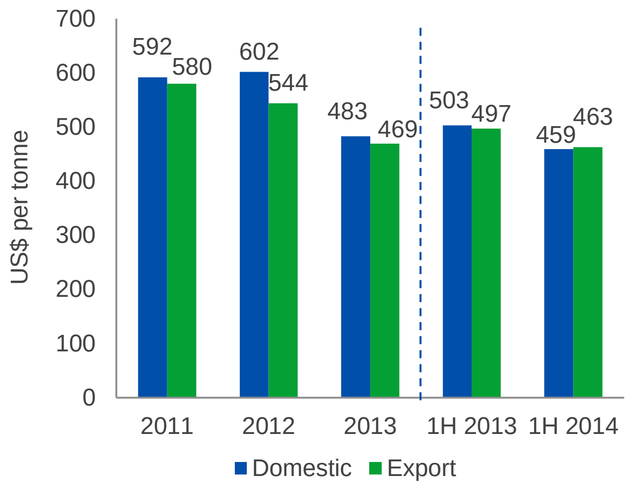
Revenue per tonne and volume developments for key products

DAP

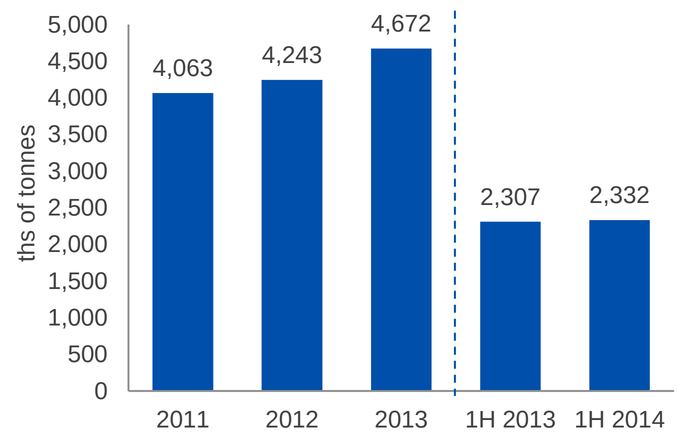
Peak 2008 FOB Baltic price: US$1,190/t (1)



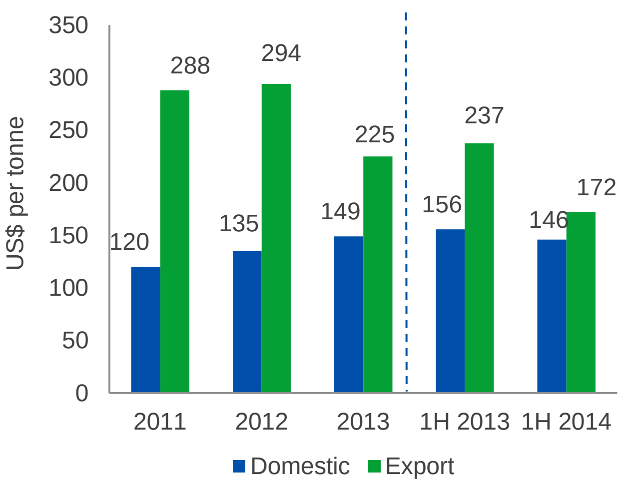
MAP



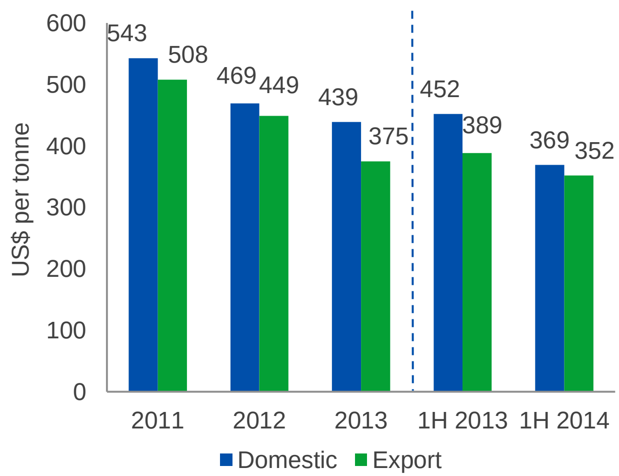
Phosphate-based fertilizers and MCP sales volumes



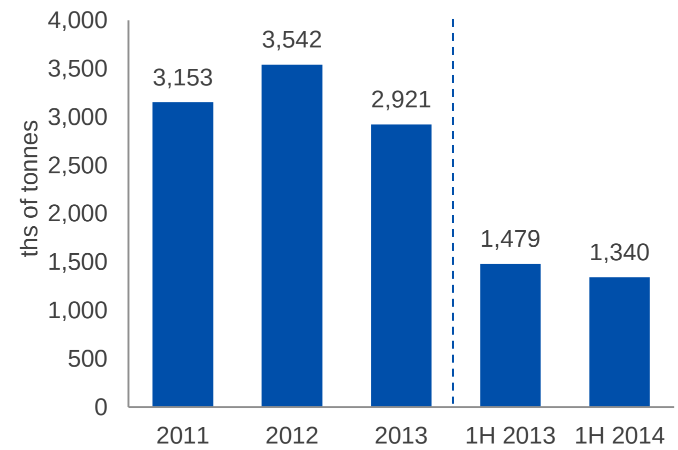
Phosphate rock



NPK



Phosphate rock volumes (3rd party sales)



Note: Applied average USD/RUB exchange rates: 30.37 (2010), 30.09 (2012) , 31.85 (2013)
(1) Source: FERTECON, Argus-FMB

Dividend history

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

Consolidated income statement

(USD in millions)	2011	2012	2013	1H 2013	1H 2014
Revenues	**3,420**	**3,387**	**3,283**	**1,732**	**1,621**
Cost of Sales	(1,912)	(1,934)	(2,139)	(1,103)	(959)
Gross Profit	**1,508**	**1,453**	**1,144**	**629**	**662**
Selling, General & Administration	(426)	(462)	(526)	(250)	(268)
Other Income (Expense)	(84)	(85)	(111)	(55)	-45
Operating Profit	**998**	**906**	**507**	**324**	**349**
Financial Income (Costs)	(35)	98	(192)	(118)	(52)
Profit Before Taxation	**963**	**1,004**	**315**	**206**	**297**
Income Tax Expense	(198)	(216)	(54)	(61)	(65)
Profit from continuing operations	-	788	261	145	231
Profit from discontinued operations, net of tax	-	-	8	9	-
Profit for the Period	**765**	**788**	**269**	**154**	**232**
Margin	*22%*	*23%*	*8%*	*9%*	*14%*
EBITDA Calculation					
Operating Profit	**998**	**913**	**507**	**324**	**349**
D&A and impairment	206	210	245	123	115
EBITDA	**1,204**	**1,123**	**752**	**447**	**464**
Margin	*35%*	*33%*	*23%*	*26%*	*29%*

Source: PhosAgro (IFRS)
Note: Applied average USD/RUB exchange rates: 29.39 (2011), 31.09 (2012), 31,85 (2013) , 31.02 (1H 2013); 34.98 (1H 2014)

Consolidated balance sheet

(USD in millions)	2011	2012	2013	1H 2014
Cash and Equivalents	526	318	273	442
Accounts Receivable	339	416	371	388
Inventory	314	406	376	342
Other Current Assets	66	40	50	48
Total Current Assets	**1,244**	**1,181**	**1,070**	**1,220**
Net Property, Plant & Equipment	1,774	2,186	2,320	2,331
Intangible Assets	20	23	19	15
Investments in Associates	246	317	259	260
Deferred tax Assets	-	-	55	51
Other Long-Term Assets	110	101	134	166
Total Non-Current Assets	**2,150**	**2,626**	**2,787**	**2,823**
Total Assets	**3,394**	**3,807**	**3,857**	**4,043**
Accounts Payable	379	430	303	351
Loans and borrowings	483	725	403	349
Derivative financial liabilities	14	-	-	-
Total Current Liabilities	**876**	**1,155**	**706**	**700**
Loans and borrowings	515	476	1,208	1,450
Defined benefit obligations	29	41	30	30
Deferred tax liabilities	89	98	101	109
Total Non-Current Liabilities	**632**	**615**	**1,339**	**1,589**
Total Liabilities	**1,509**	**1,770**	**2,045**	**2,289**
Equity attributable to Parent shareholders	1,360	1,629	1,720	1,736
Equity attributable to non-controlling interests	526	408	92	18
Total Liabilities & Equity	**3,394**	**3,807**	**3,857**	**4,043**

Source: PhosAgro (IFRS)
Note: Applied closing USD/RUB exchange rates: 29.39 (2011), 30.37 (2012), 32.73 (2013) , 33.63 (1H 2014)

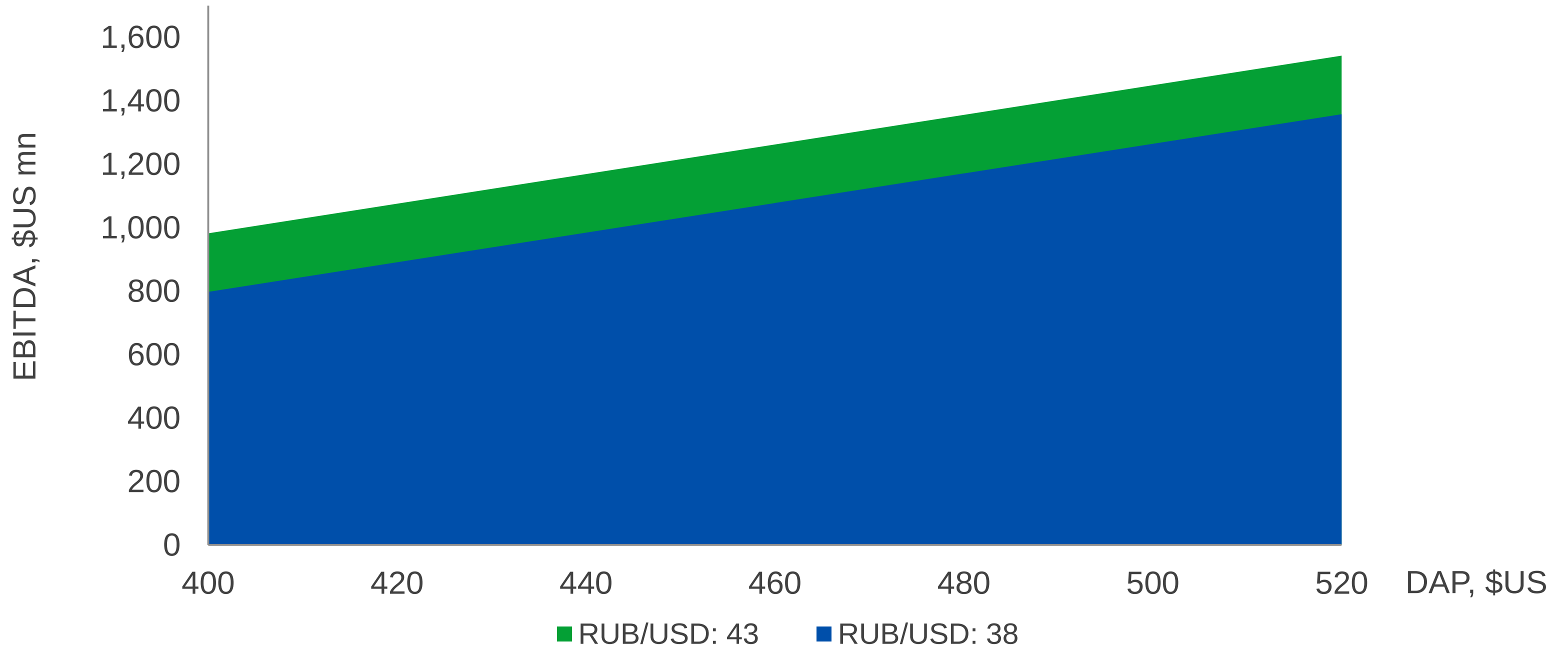
Consolidated cash flow statement

(USD in millions)	2011	2012	2013	1H 2014
Profit before taxation	**963**	**1,004**	**315**	**297**
Depreciation, amortisation + reversal of impairment loss	206	210	245	115
Finance Costs	45	47	71	36
Finance Income	(28)	(67)	(36)	(15)
Other	16	(60)	105	35
Operating Profit before changes in Working Capital and Provisions	**1,203**	**1,134**	**700**	**469**
(Inc.) Dec. in Trade and other Receivables	153	(10)	48	(7)
(Inc.) Dec. in Inventory	(81)	(59)	4	26
Inc. (Dec.) in Trade and other Payables	40	29	(26)	(27)
(Inc.) Dec. in Net Working Capital	**112**	**(40)**	**26**	**(8)**
Cash flows from operations before income taxes and interest paid	**1,315**	**1,094**	**726**	**461**
Income tax paid	(184)	(229)	(103)	(51)
Finance costs paid	(29)	(46)	(60)	(26)
Cash Flow From Operating activities	**1,102**	**819**	**563**	**383**
Loans repaid/(issued)	106	(5)	25	(14)
Acquisition of property, plant and equipment	(439)	(430)	(559)	(203)
Acquisition of investments	(32)	-	-	6
Other	136	31	48	16
Cash Flows used in Investing Activities	**(229)**	**(404)**	**(486)**	**(195)**
Proceeds from borrowings	1,326	687	1,493	607
Repayment of borrowings	(681)	(513)	(1,161)	(409)
Dividends paid	(1,155)	(394)	(236)	(13)
Other	33	(425)	(211)	(189)
Cash Flows used in Financing Activities	**(476)**	**(645)**	**(115)**	**(5)**
Net decrease/increase in Cash and Equivalents	**396**	**(230)**	**(38)**	**183**
Cash and Equivalents at beginning of the year/period	173	526	318	273
Effect of exchange rate fluctuations	(43)	22	(7)	(14)
Cash and Equivalents at the end of the year/period	**526**	**318**	**273**	**442**

Source: PhosAgro (IFRS)
Note: Applied average USD/RUB exchange rates: 29.39 (2011), 30.09 (2012), 31,85 (2013) , 34.98 (1H 2014)

Appendix

RUB devaluation: EBITDA sensitivity[(1)]



in mln USD		2014E DAP FOB Baltic price, $/tonne						
		400	420	440	460	480	500	520
RUB/USD exchange rate	38	798	891	985	1,078	1,171	1,265	1,358
	39	839	932	1,025	1,119	1,212	1,305	1,399
	40	877	971	1,064	1,157	1,251	1,344	1,437
	41	914	1,007	1,101	1,194	1,287	1,381	1,474
	42	949	1,042	1,136	1,229	1,322	1,416	1,509
	43	983	1,076	1,169	1,263	1,356	1,449	1,543

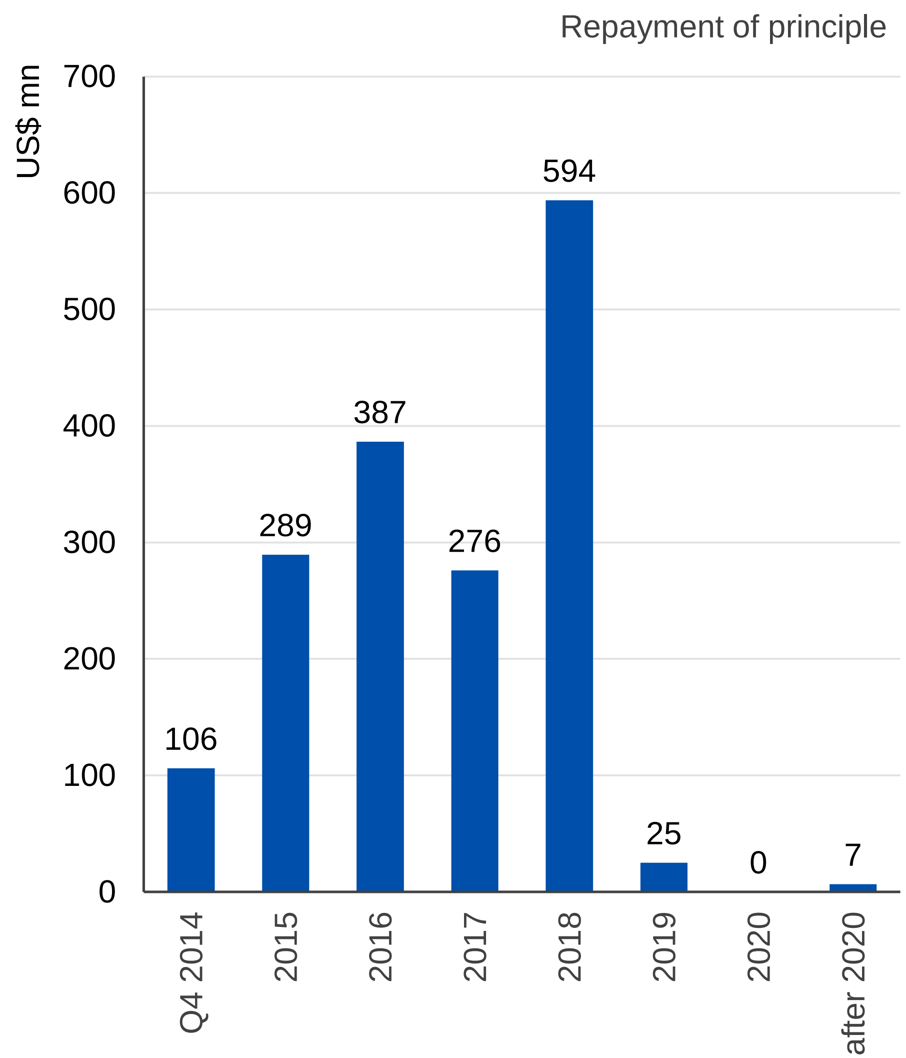
Current market conditions

Source: PhosAgro

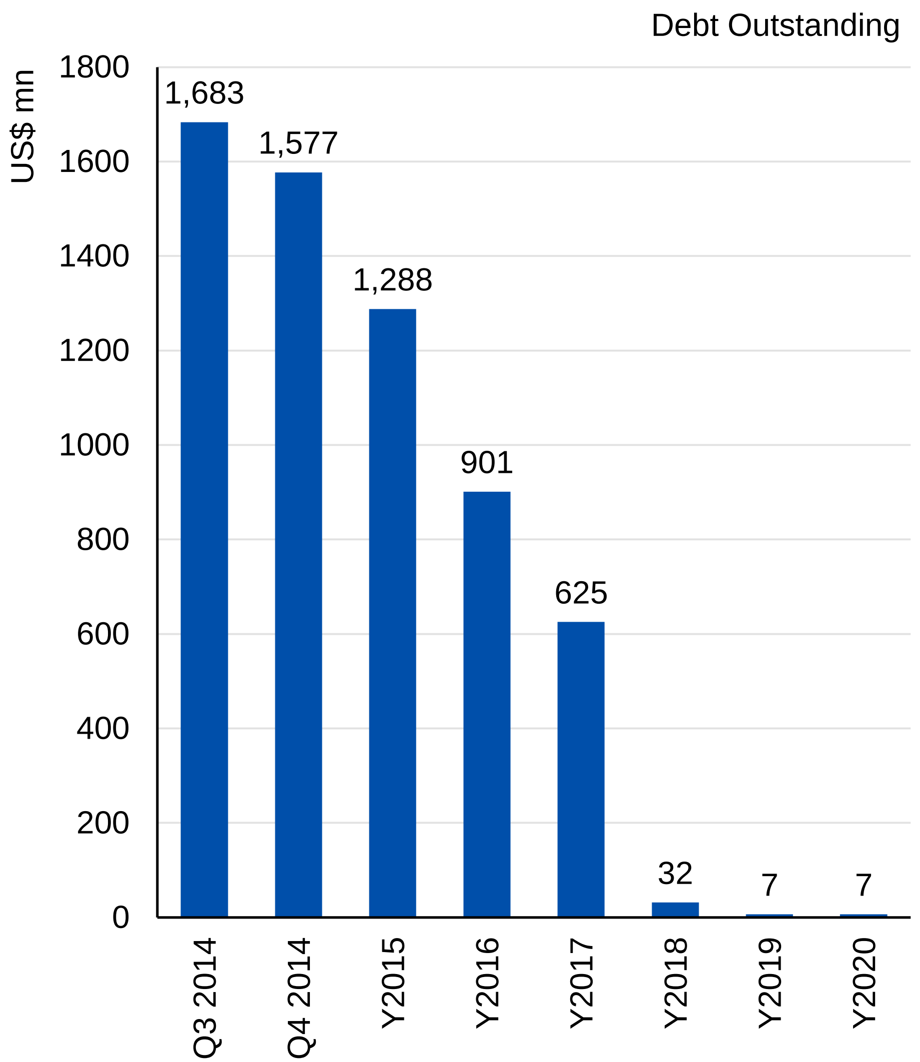
Note: (1) EBITDA estimations are based on 9M 2014 feedstock prices (ammonia, sulphur and potash)

Debt Maturity Profile(1)

Payment Schedule



Debt Repayment Plan/ Outstanding Debt



Source: PhosAgro

Note: (1) maturity profile as of August 21, 2014
applied USD/RUB exchange rate : 36.22

High quality production assets

Apatit

Resources(1)

Apatite-nepheline ore: 2 060 mt
Al_2O_3: 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 – P_2O_5 content of 39%
  - Superior grade – P_2O_5 content of 40%
- Lowest hazardous element content among the major phosphate rock producing regions; benefits from low levels of radioactivity

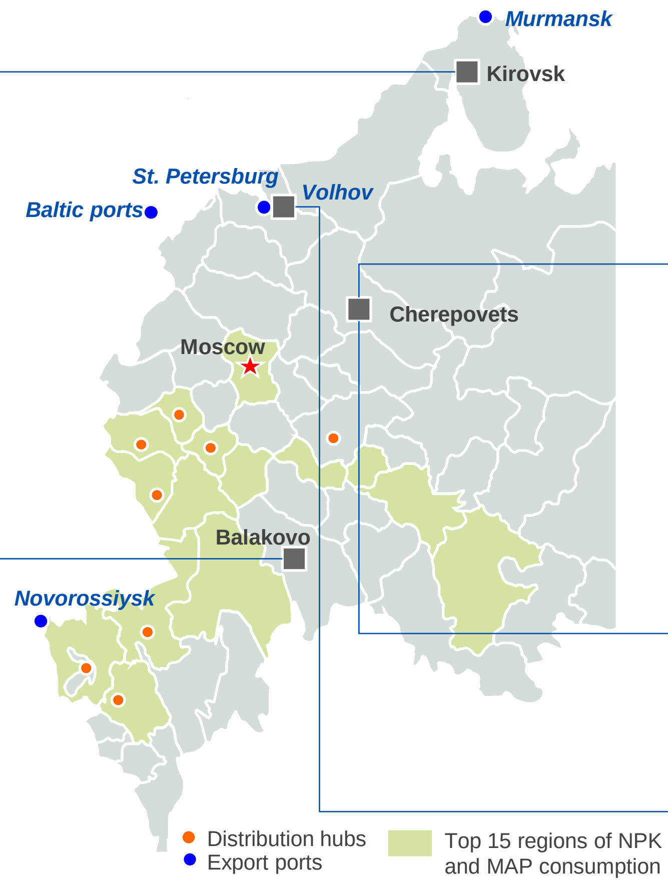
Balakovo Mineral fertilizers (BMF)

Capacity by product

MAP/DAP/NPS: 1.2 mln t
Feed phosphate (MCP): 240 kt

Highlights

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



PhosAgro-Trans (Transportation)

- Operates around 7,000 rail cars, of which the majority are mineral hoppers

PhosAgro-Region (Domestic distribution)

- Owns and operates eight distribution centres in Russia located in proximity to major agricultural regions of Russia (processed over 1.2mn tonnes in 2012, largest distributor in Russia)

Cherepovets production complex - largest in Europe

PhosAgro Cherepovets

Capacity by product

MAP/DAP/NPK/NPS: 3.1 mln t
Ammonia: 1,150 kt
AN/AN-based: 450 kt
Urea: 500 kt
APP: 140 kt
AlF_3: 24 kt

Highlights

- Largest standalone phosphate fertilizers producer in Europe
- Largest standalone producer of sulphuric and phosphoric acids in Europe
- One of the largest standalone producers of urea, ammonia, AN/AN-based fertilizers in Russia

Agro-Cherepovets

Capacity by product

Urea: 480 kt

Highlights

- One of the most modern urea capacity in Russia

Metachem

Capacity by product

Sulphuric acid: 215 kt
Phosphoric acid: 80 kt of P_2O_5
Sulphate of potash (SOP): 80 kt
Sodium tripolyphosphate (STPP): 130 kt

Highlights

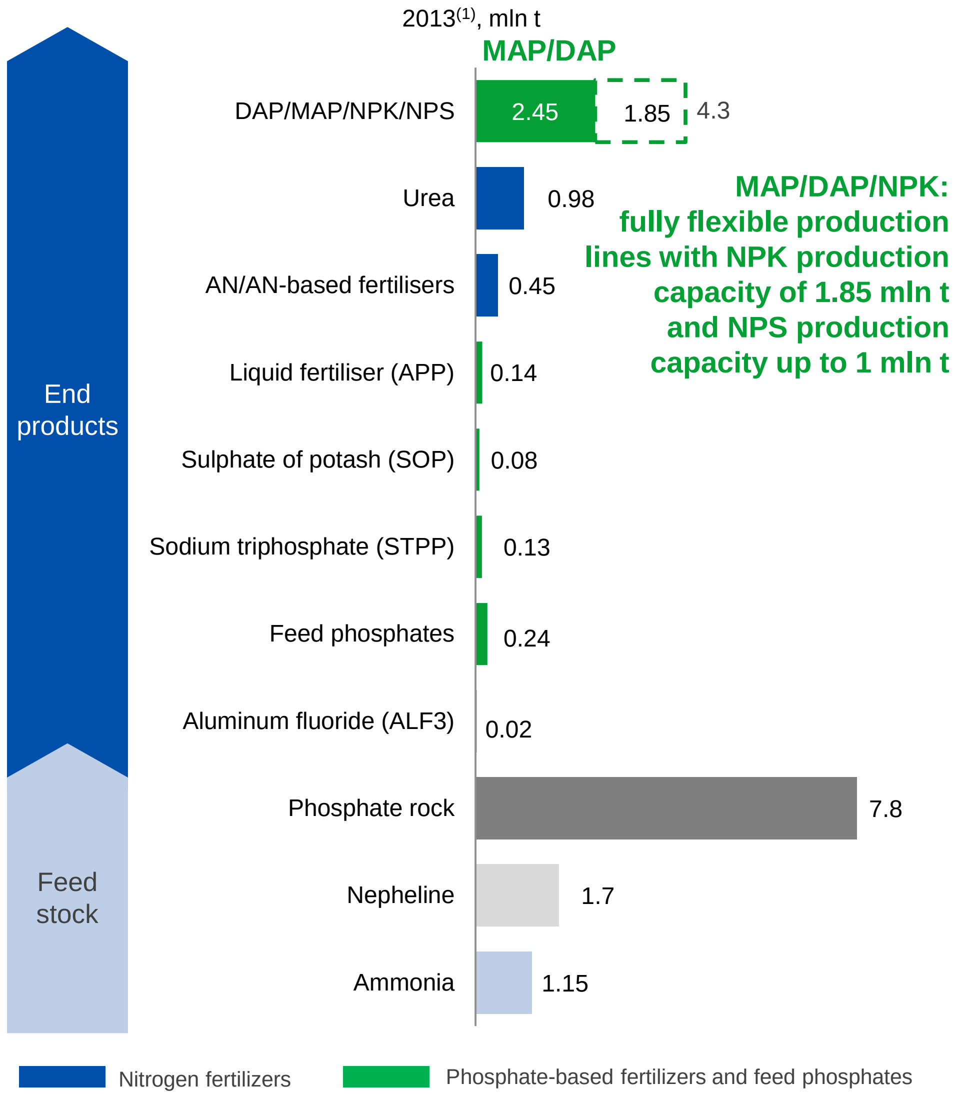
- Unique SOP granulating technology in Russia
- Close proximity to Saint-Petersburg sea port

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

Note: (1) Measured and indicated, PhosAgro, IMC, JORC report June 2011
(2) Rare earth oxides
(3) Defined as phosphate rock with P_2O_5 content over 35.7%

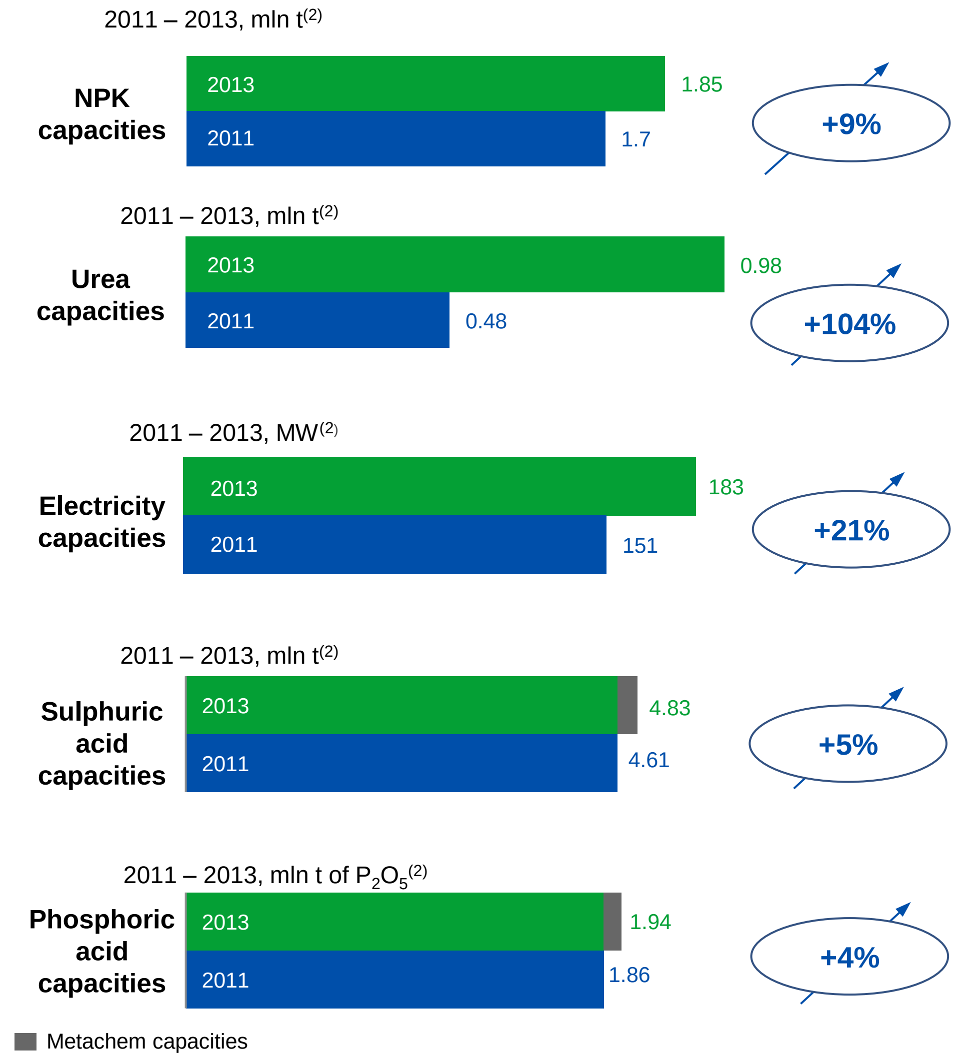
Flexible production capacity

PhosAgro production capacities



Source: PhosAgro

Capacity growth 2011-2013



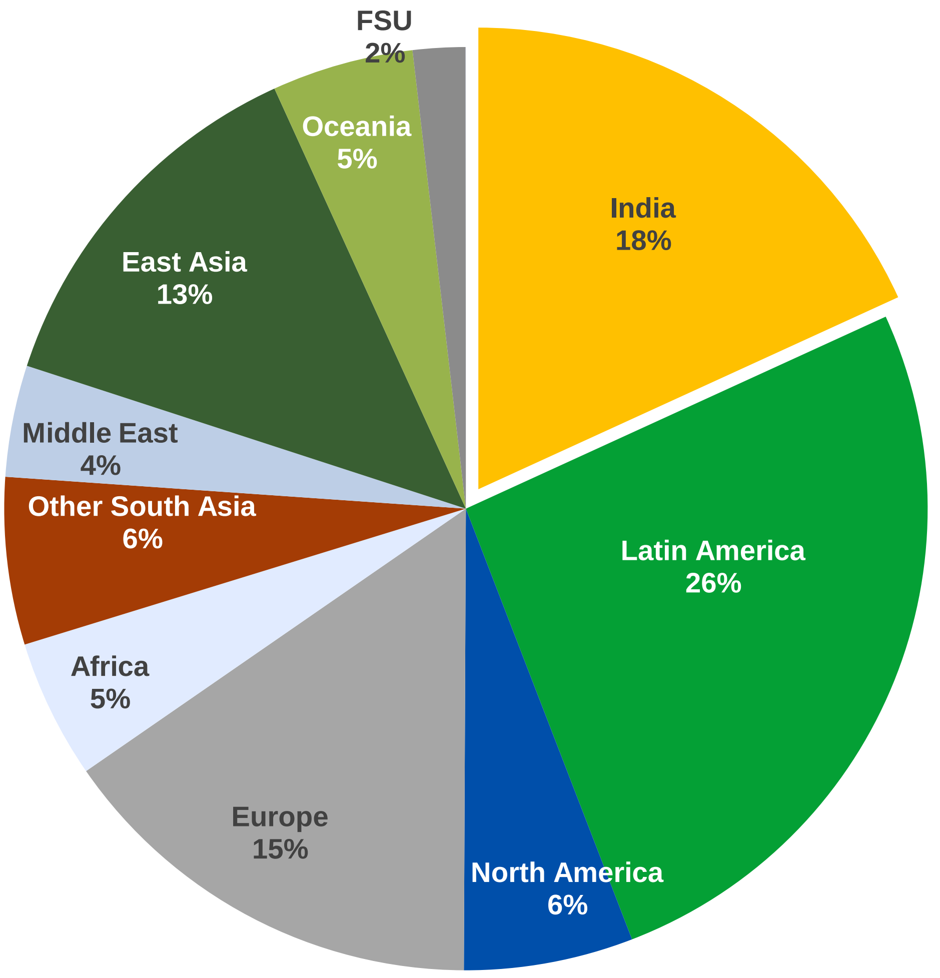
Source: PhosAgro

Note: (1) production capacities as of 31 December 2013
(2) as of 31 December 2011 and 31 December 2013

India depends on P_2O_5 imports

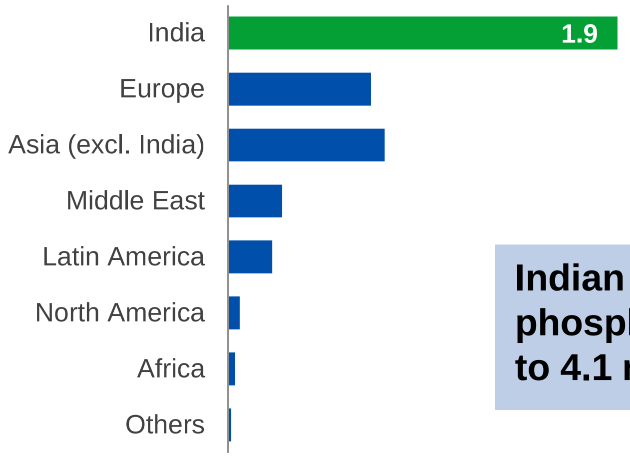
India is the major purchaser of DAP/MAP…

World DAP/MAP Imports : ~9.5 mln t of P_2O_5 per annum[(1)]



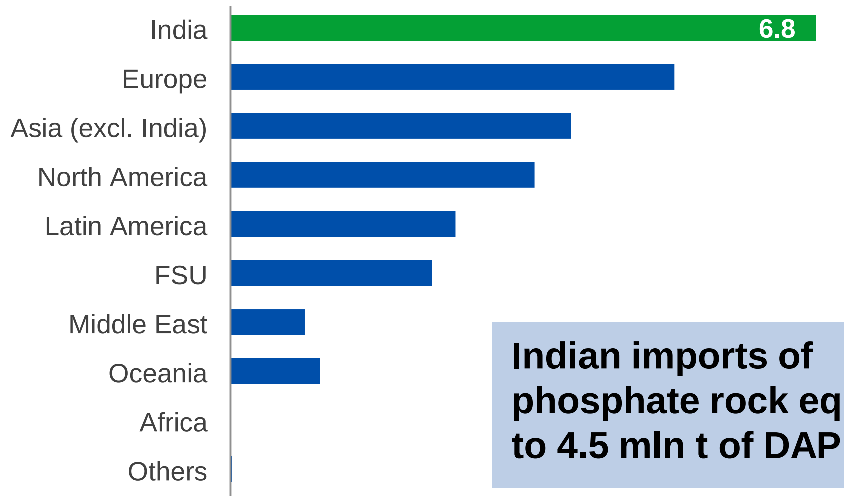
… and importer of feedstock for phosphates production

Global Phosphoric Acid Imports of 3.9 mln t P_2O_5



Indian imports of phosphoric acid equal to 4.1 mln t of DAP

Global Phosphate Rock Import of 26.3 mln t



Indian imports of phosphate rock equal to 4.5 mln t of DAP

Source: PhosAgro, FAI, IFA, Fertecon, Argus-FMB

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

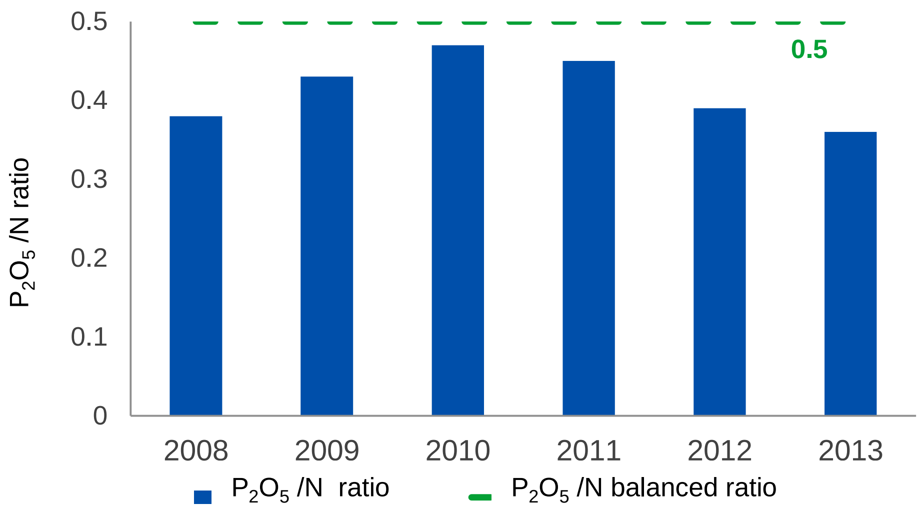
Evolution of N : P_2O_5 : K_2O ratio in India

	N	P_2O_5	K_2O
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

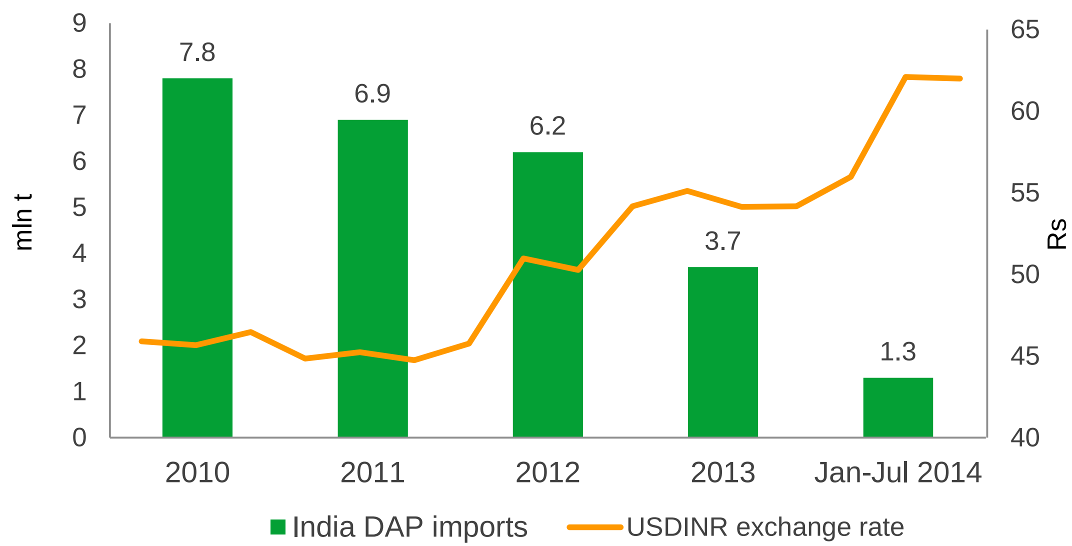
Nutrient Based Subsidy (NBS) Rates in India (Rs/kg nutrient)

	N	P_2O_5	K_2O
2011/12	27.153	32.338	26.756
2012/13	24.0	21.804	24.0
2013/14	20.875	18.679	18.833
2014/15	20.875	18.679	15.5
2014/2011 Change	-23%	-42%	-42%

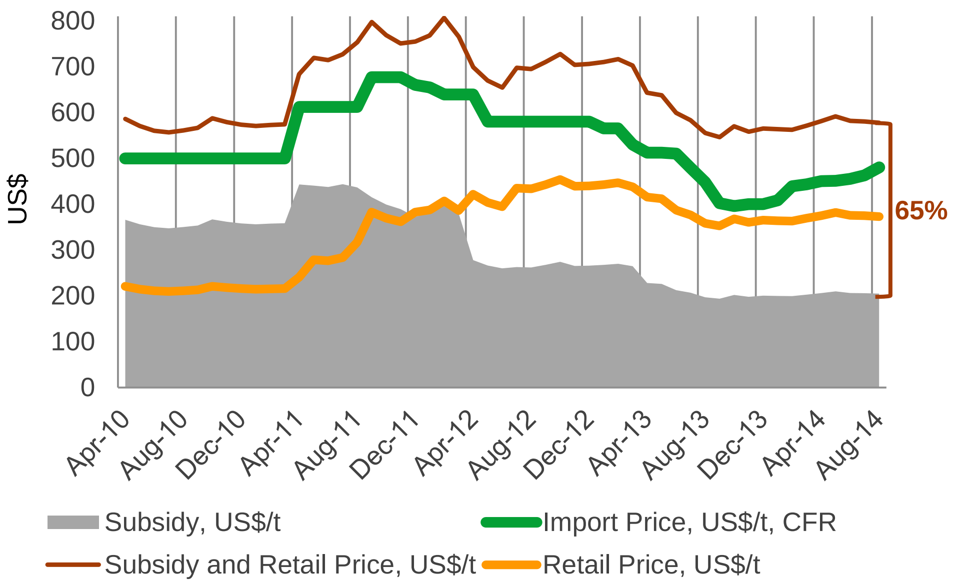
Unbalanced fertilization



India DAP imports and Rupee exchange rate



Indian domestic price is twice above the current subsidy level

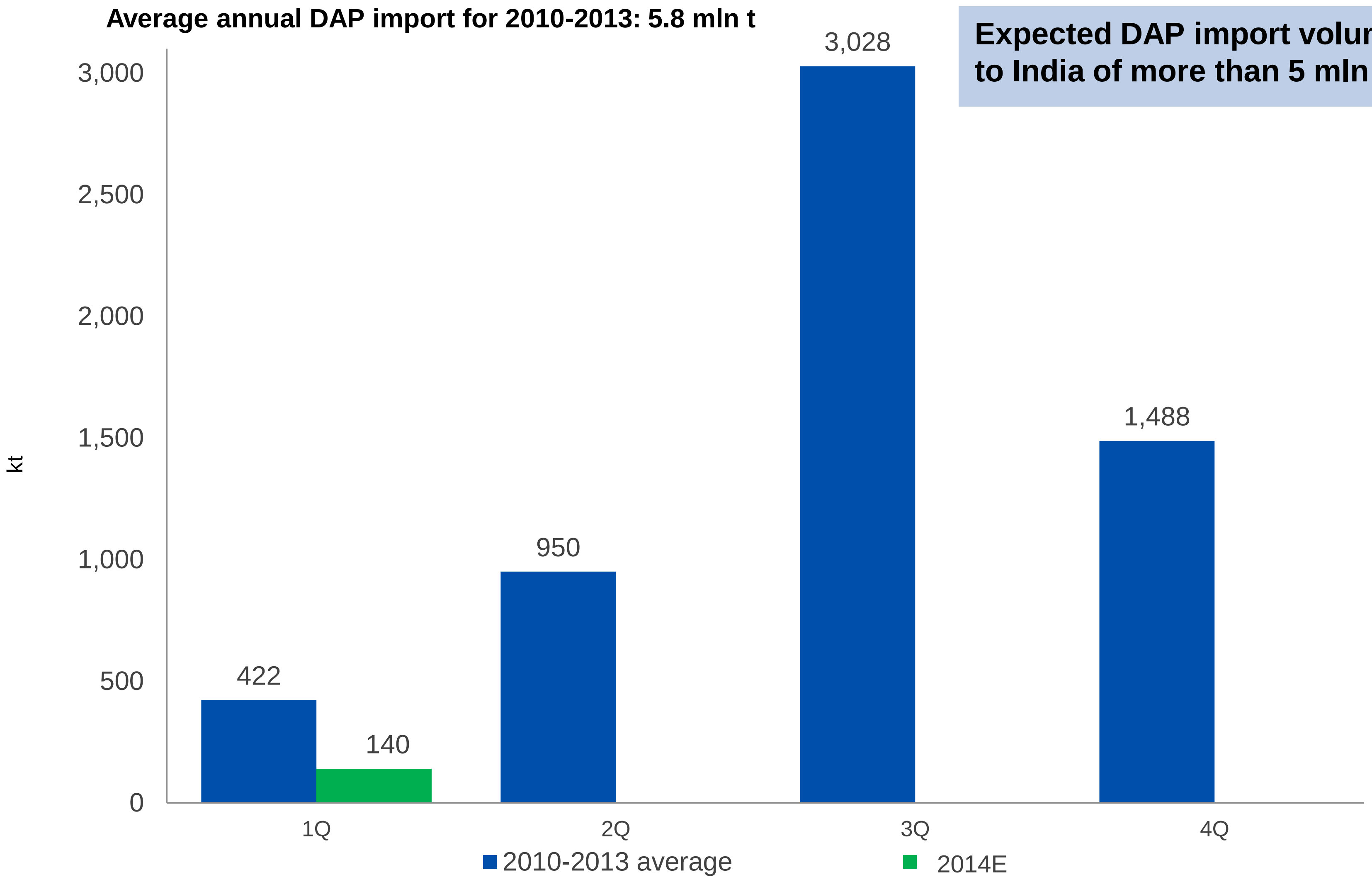


Source: PhosAgro, FAI, IFA, Fertecon, Argus-FMB

India DAP import demand set to rise

Quarterly DAP imports to India

Expected DAP import volumes to India of more than 5 mln t

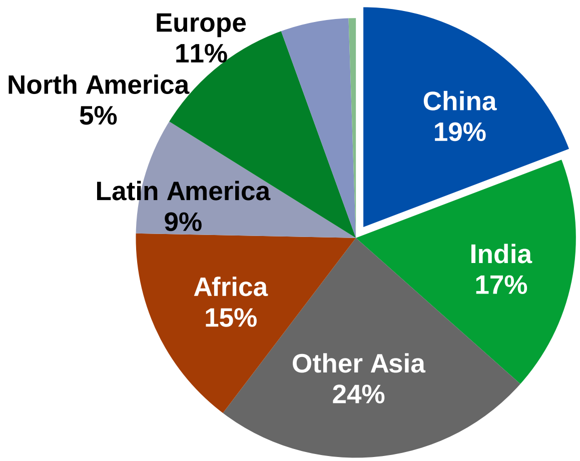


Source: FAI, Argus-FMB

China is the major consumer of phosphate fertilizers

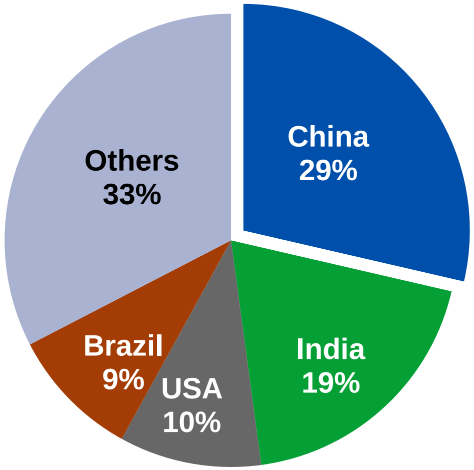
The biggest portion of the world's growing 7 bln population(1)…

Breakdown of World population by countries

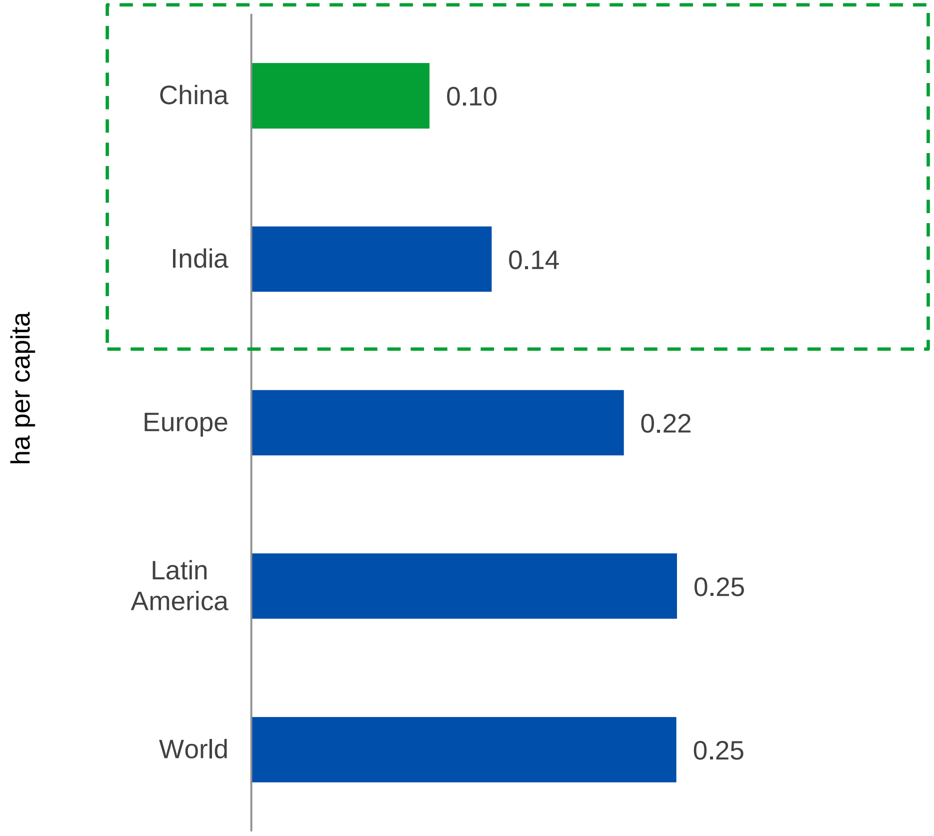


… translates into the largest share of phosphate consumption

Breakdown of global phosphate fertilizer consumption by countries



Limited arable land stimulates fertilizer consumption



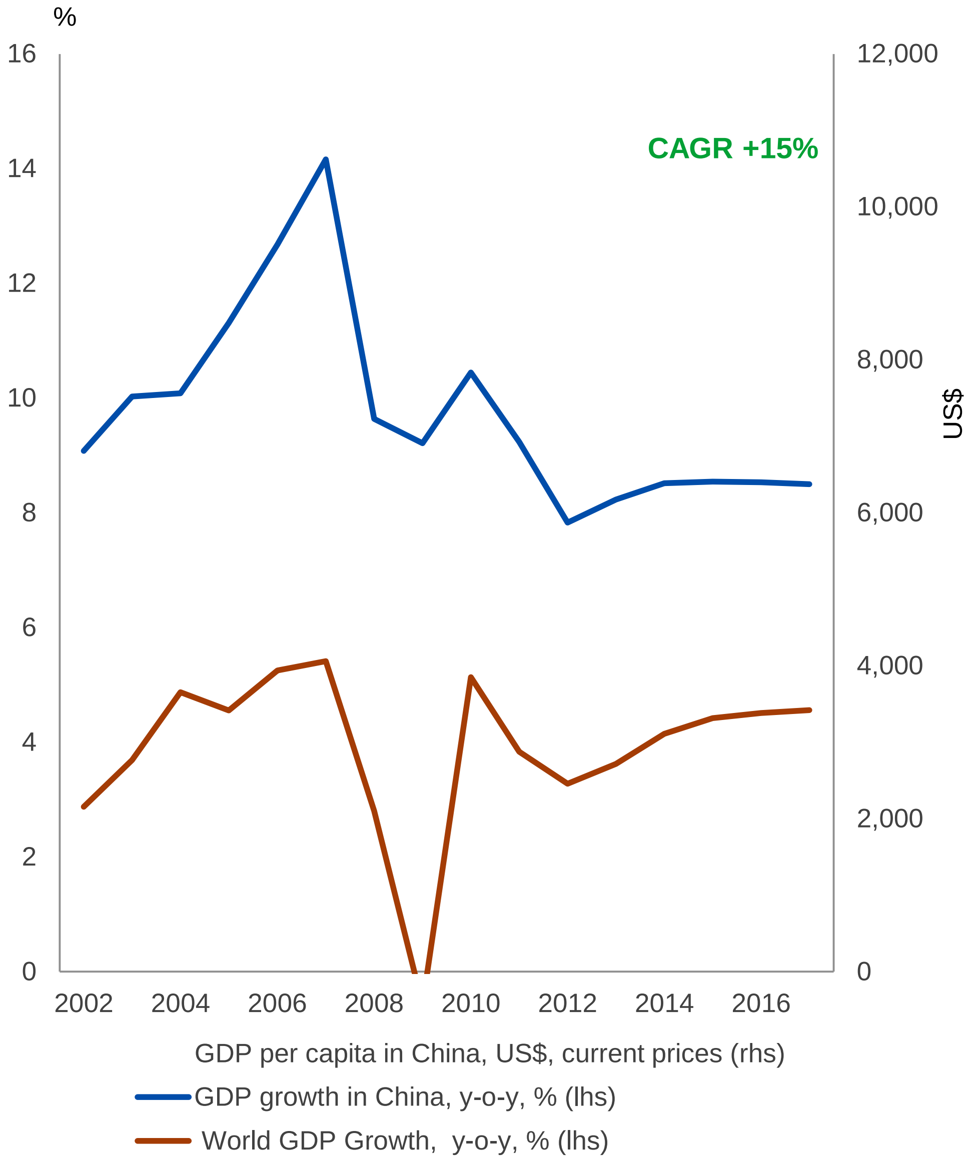
- **Global phosphate fertilizer consumption is 44.1 mln t of P_2O_5 per annum**
- **China consumes about 25 mln t of DAP equivalent products**

Source: PhosAgro, UN statistics division

Note: (1) World Population was of 6,974 mln people in 2011

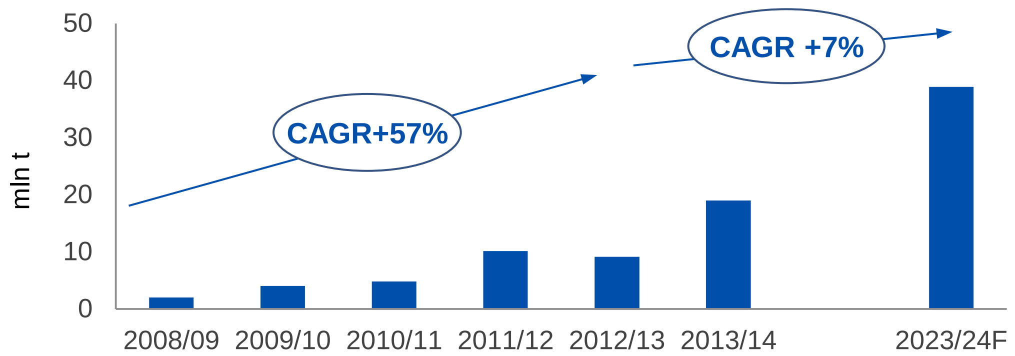
Growing food consumption in China drives demand for phosphates

China's Economy keeps growing

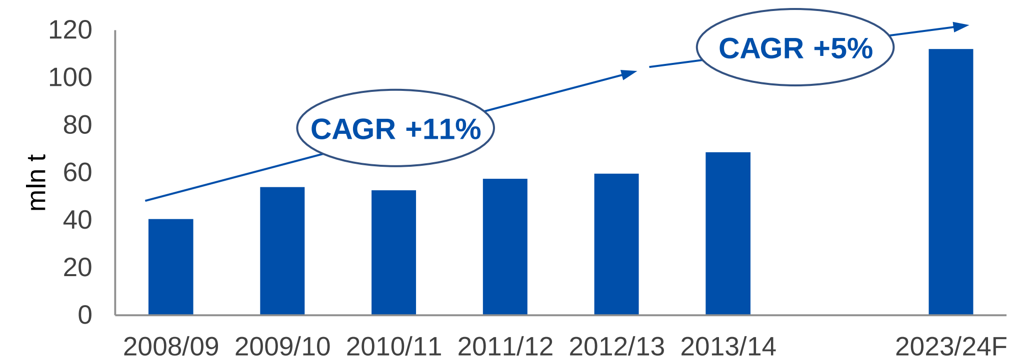


Food Imports are growing in China

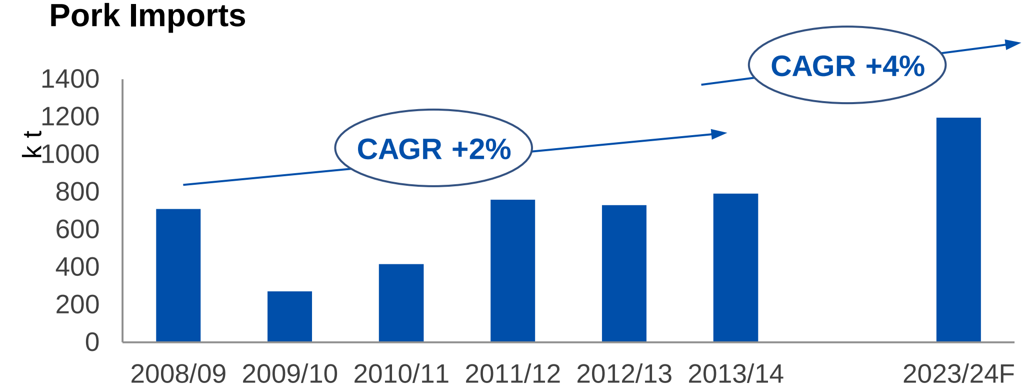
Grain Imports



Soybean Imports



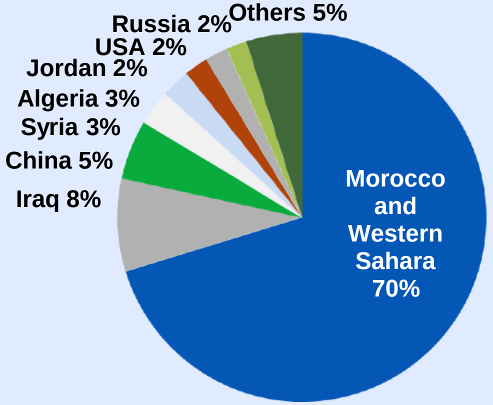
Pork Imports



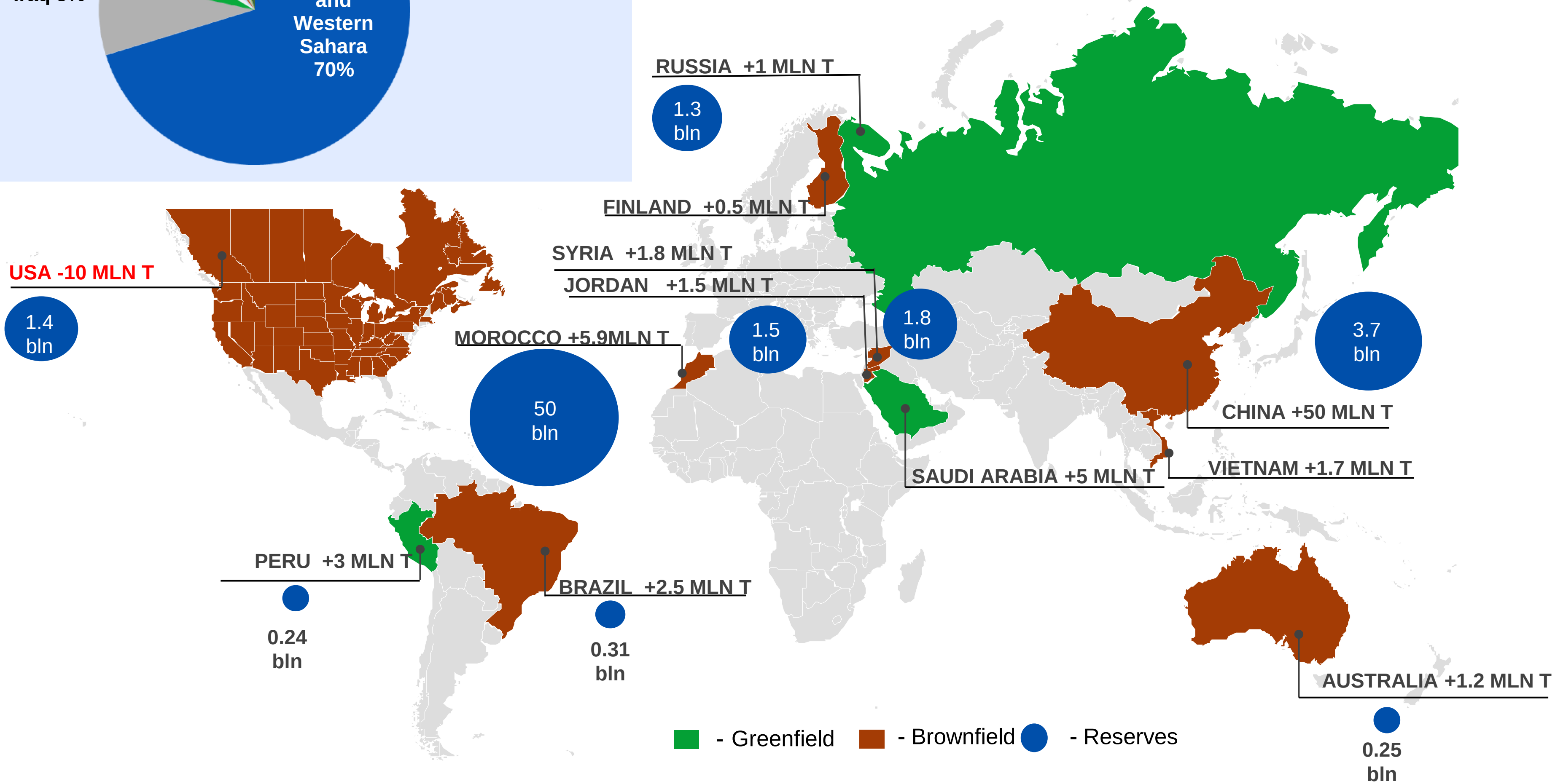
Source: PhosAgro, FAO, United Nations, IFA, World Bank, US$A

Growth in phosphate rock production capacities 2000-2011

Morocco controls most of world phosphate ore reserves

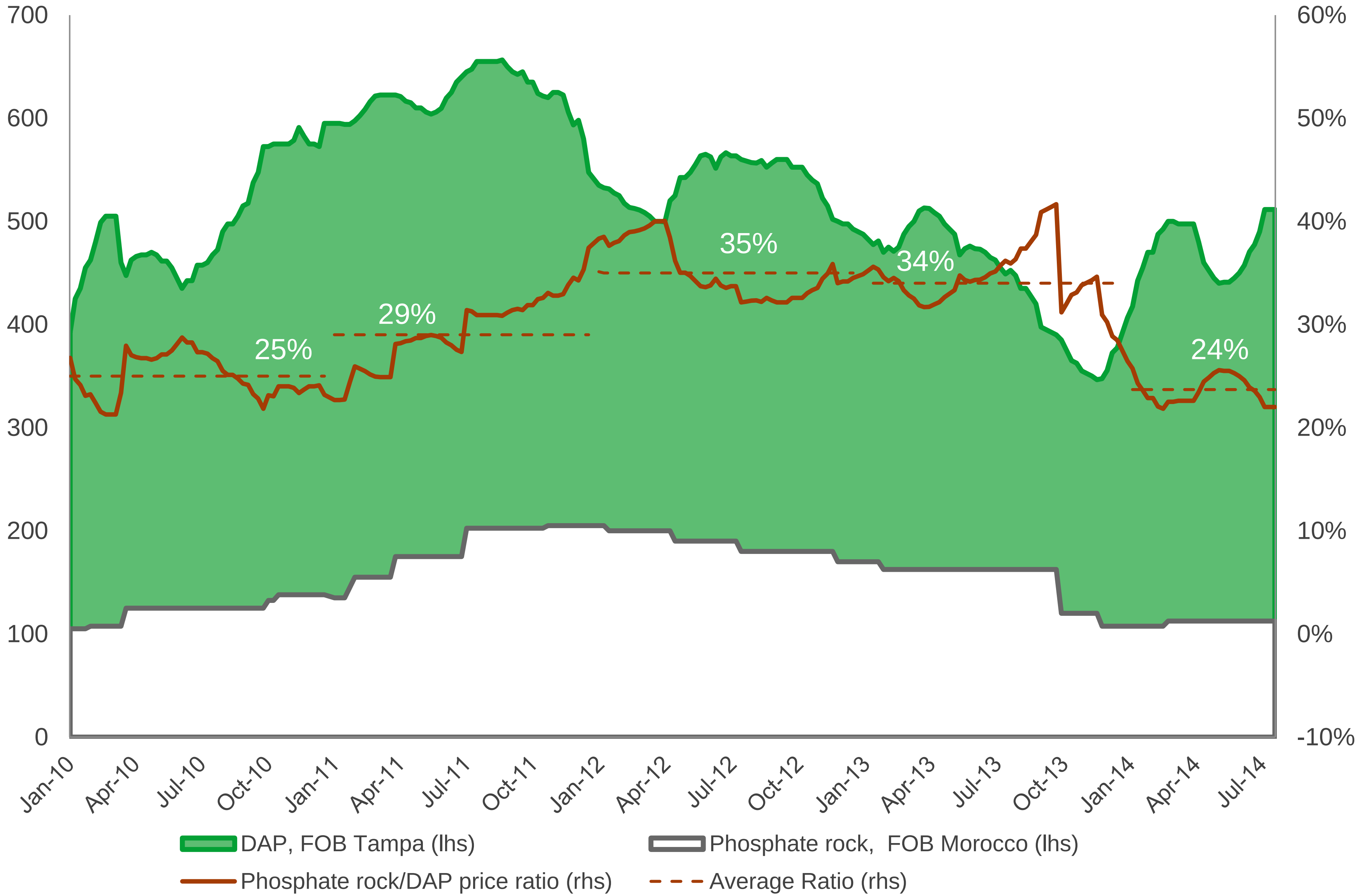


Net addition to phosphate rock production capacities (excl. China) of 14 mn t with 0.8% CAGR



Source: CRU, USGS

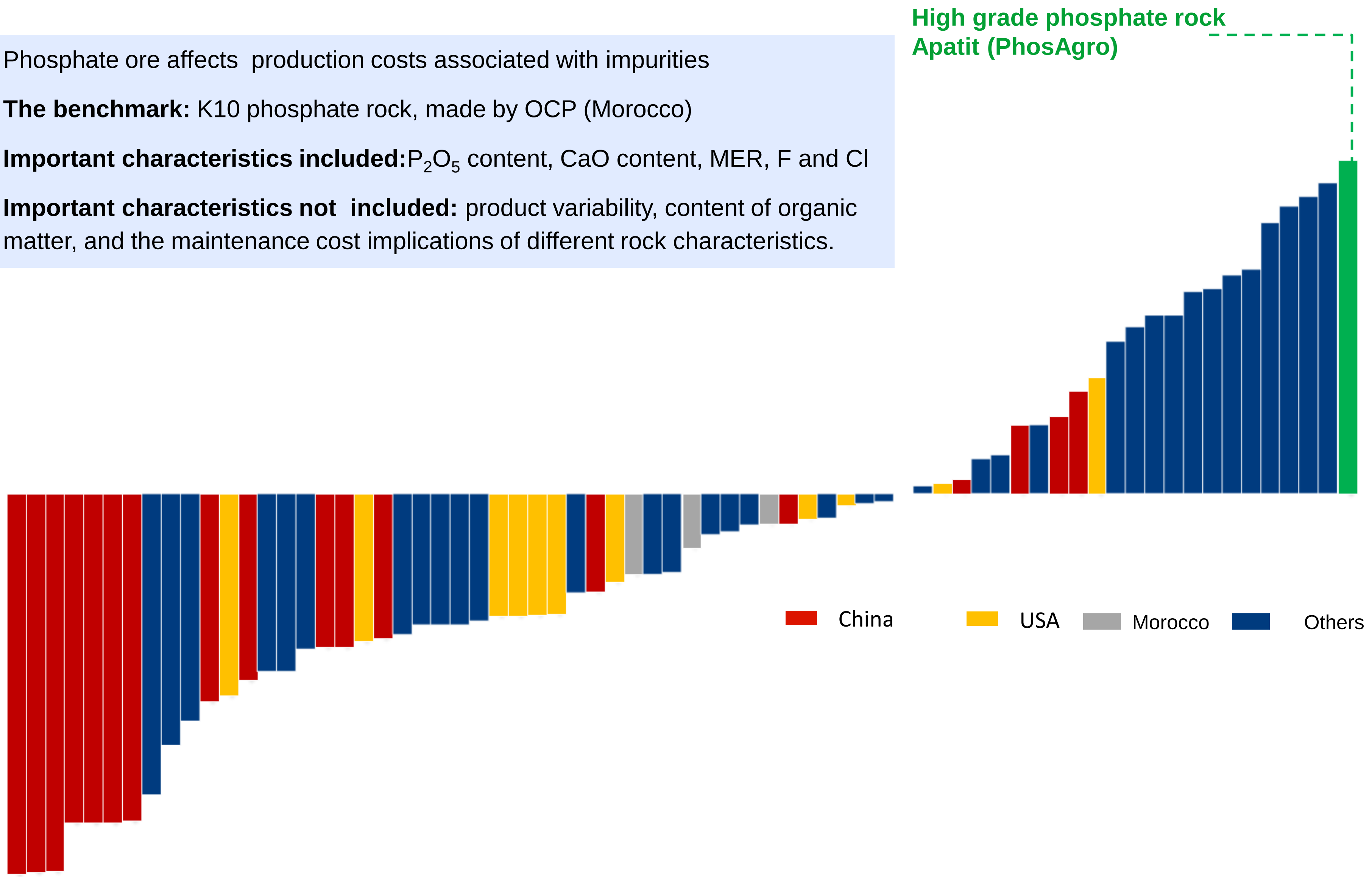
Phosphate rock/DAP price ratio



Source: FMB

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:** P_2O_5 content, CaO content, MER, F and Cl
- **Important characteristics not included:** product variability, content of organic matter, and the maintenance cost implications of different rock characteristics.

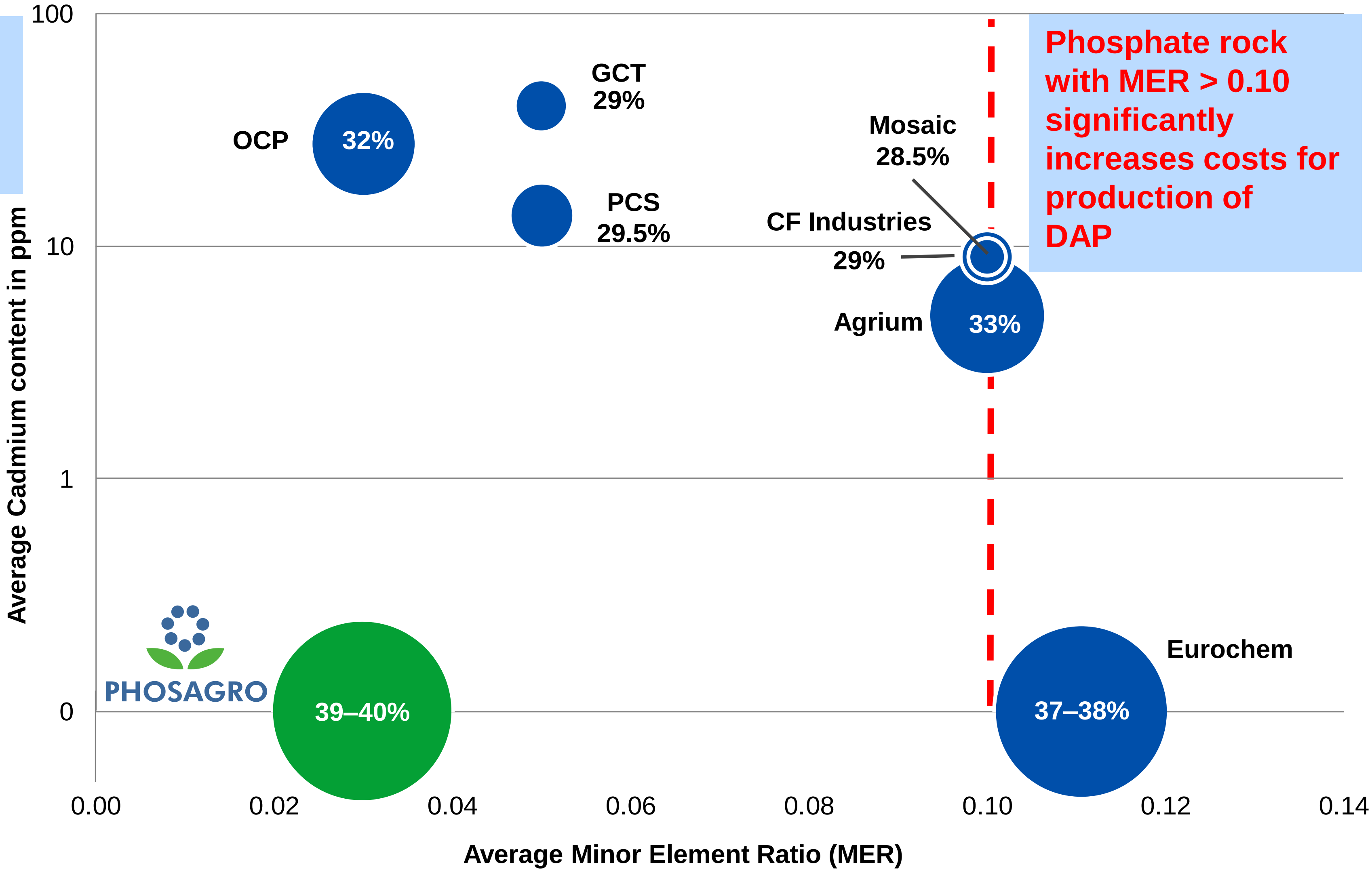


Source: CRU 'Phosphate Rock Cost Report' 2014 edition

Control of world's premium phosphate resource base

Higher cadmium content in sedimentary rocks

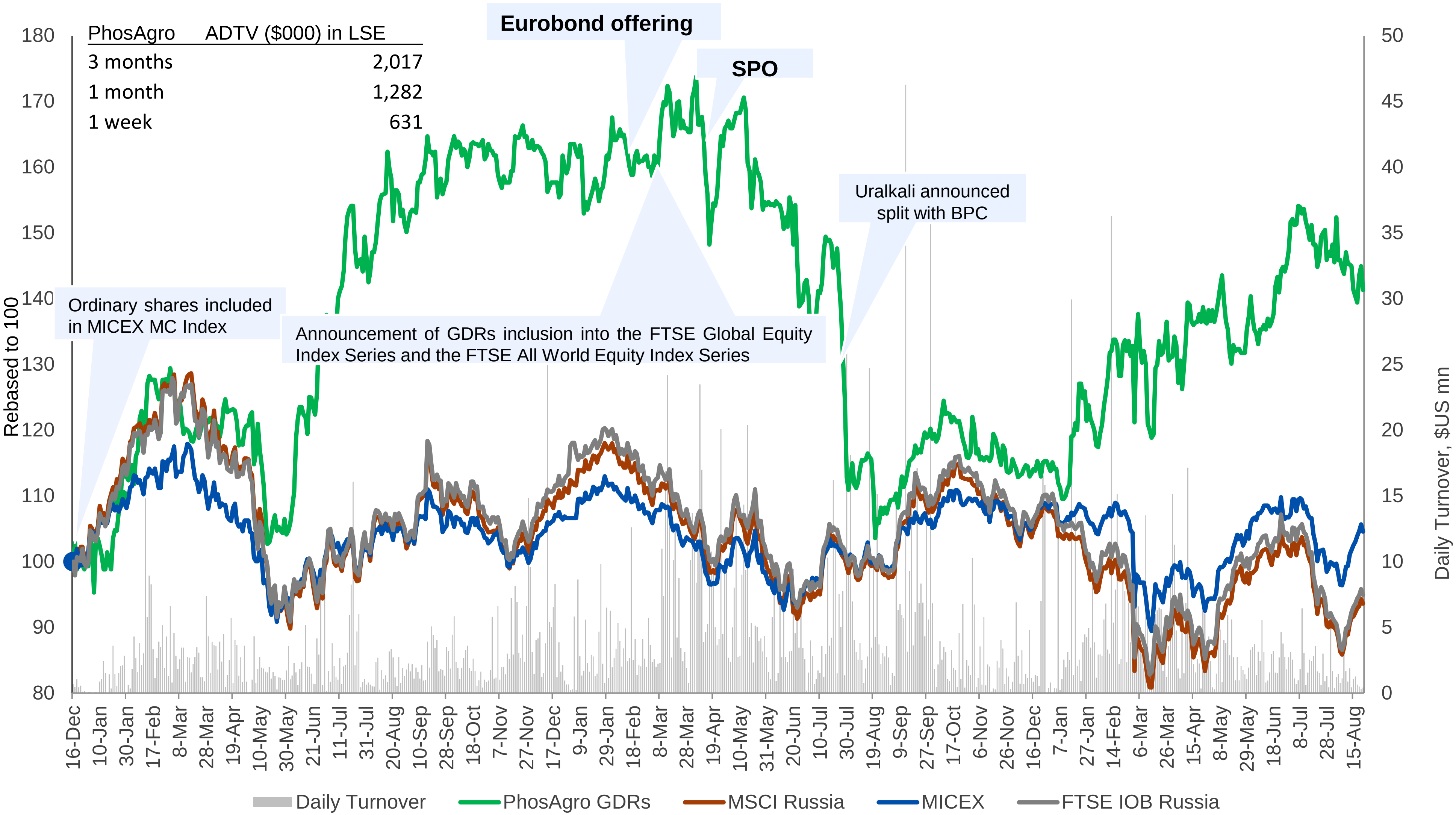
Phosphate rock with MER > 0.10 significantly increases costs for production of DAP



Note: Size of the bubble represents P_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

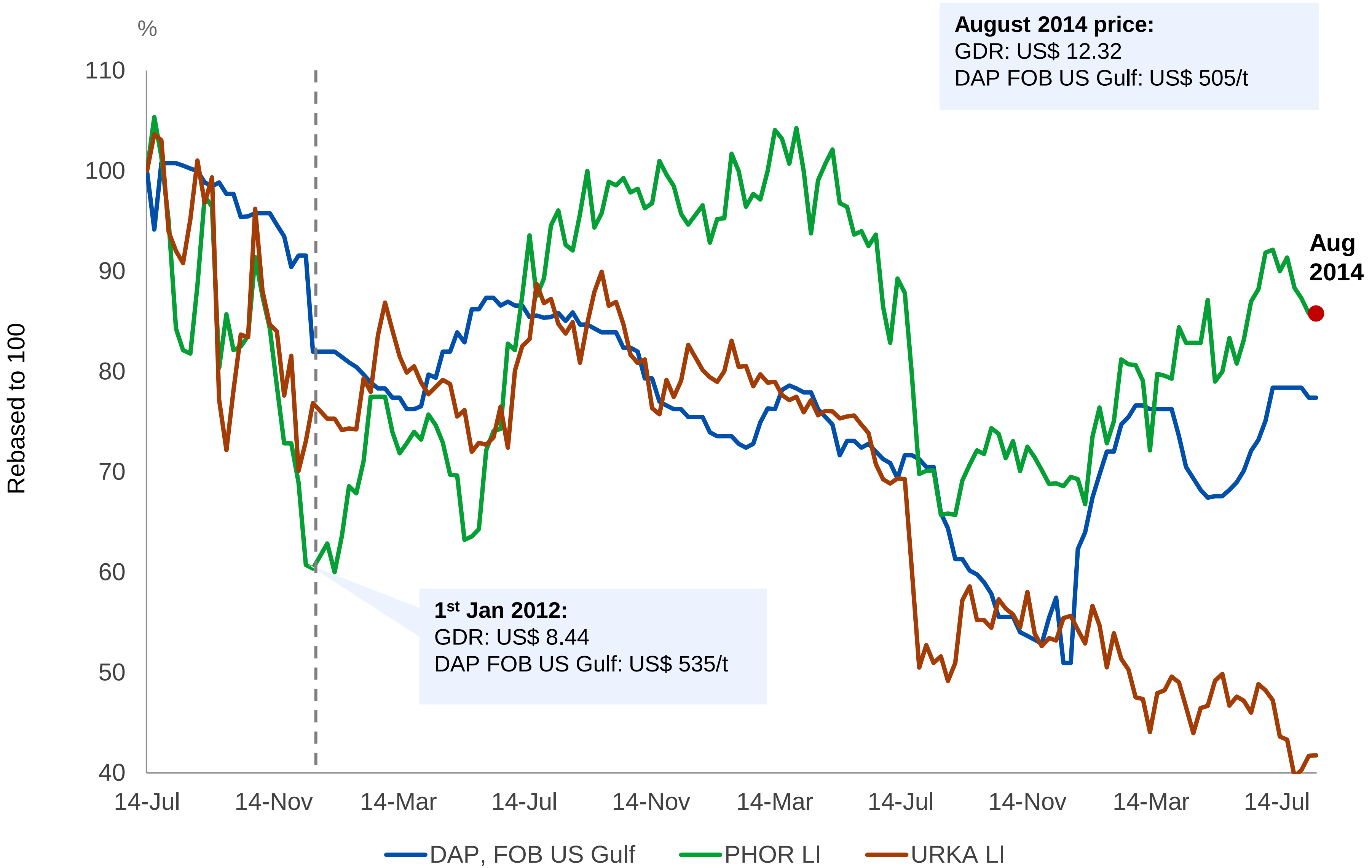
GDR performance



% Performance	PhosAgro	FTSE IOB Russia	MSCI Russia	MICEX
Since PhosAgro inclusion in MICEX Mid Cap Index	28.9%	(15.4%)	(17.3%)	(3.5%)
1 month	(3.2%)	(0.5%)	(0.2%)	2.9%
1 week	0.0%	2.0%	2.1%	2.1%

Source: Bloomberg (data as of 21 August 2014), PhosAgro analysis

GDR performance and DAP prices



Source: Bloomberg (data as of 21 Aug 2014), Argus-FMB, PhosAgro analysis