PHOSAGRO

J.P. Morgan Credit and Equities Emerging Markets Conference

October, 2015

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PhosAgro and the global fertilizer 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 6.5 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

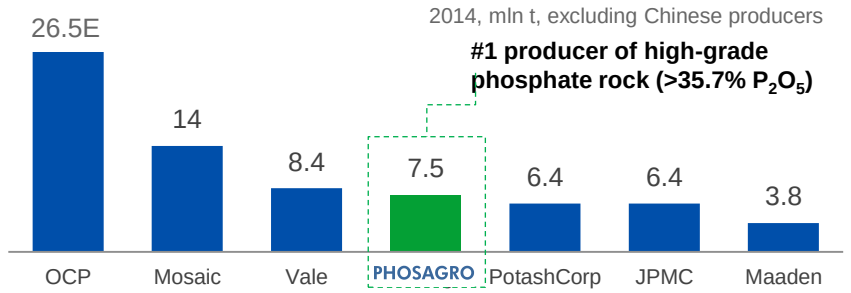
Flexible production and sales

- 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

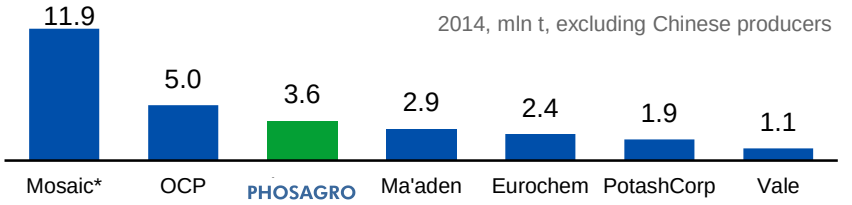
Strong financial performance

- EBITDA of $979 mln in 2014
- 1H2015 EBITDA of $723 mln
- 1H2015 Net debt/EBITDA: 0.94x

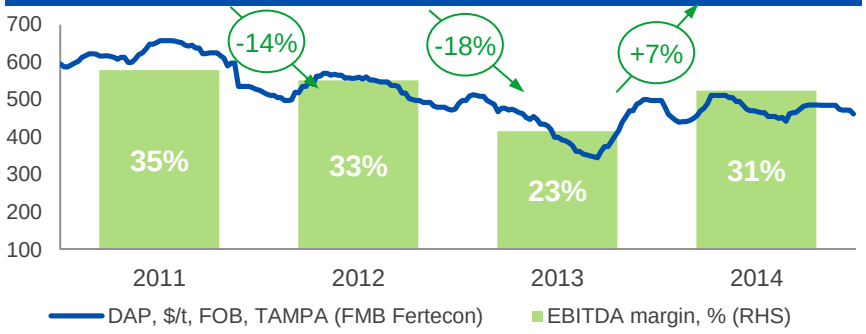
Leading global phosphate rock producers (by production)



Leading global DAP/MAP producers (by capacity)



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



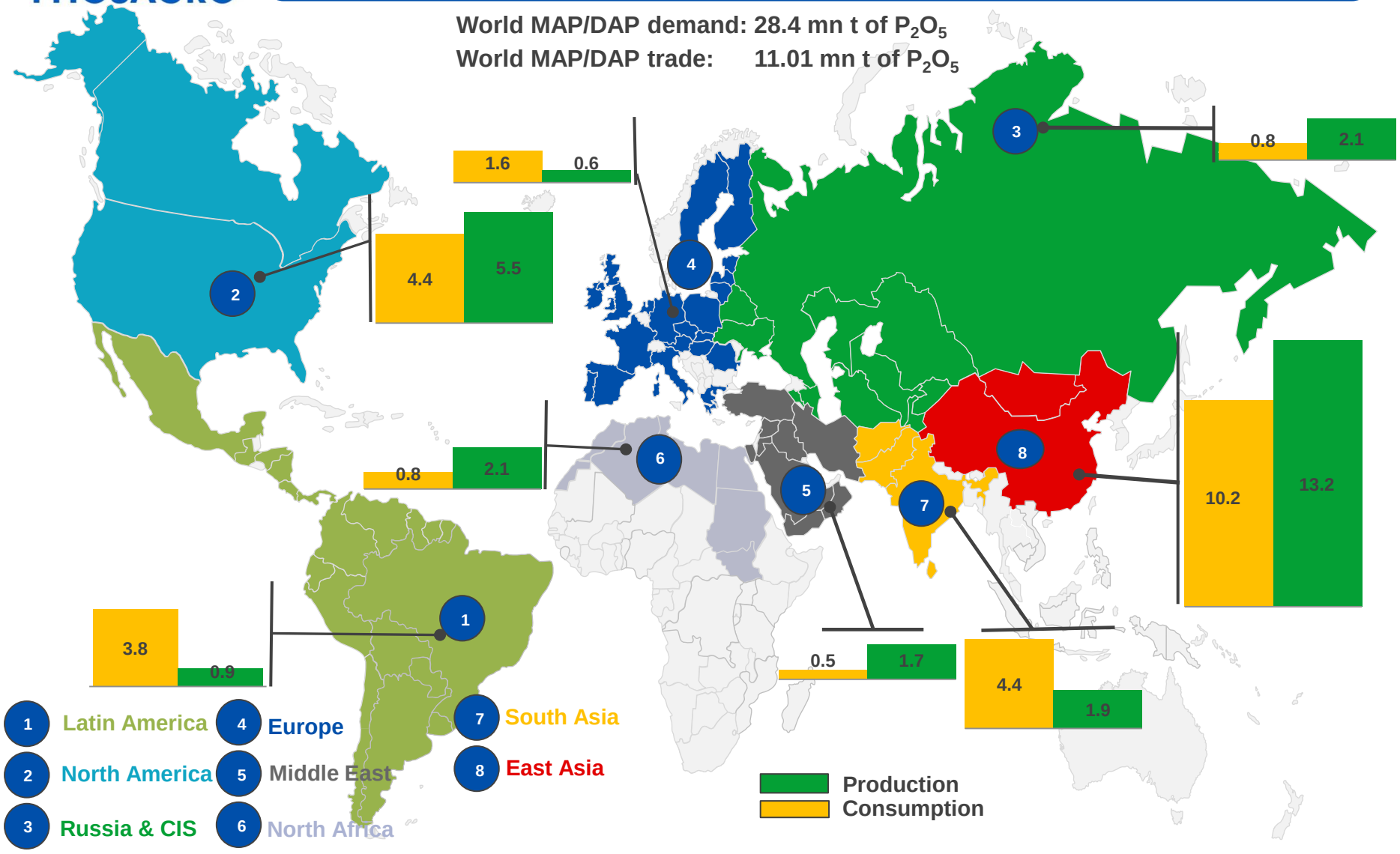
Source: Argus-FMB, CRU, IFA, companies' data, PhosAgro

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

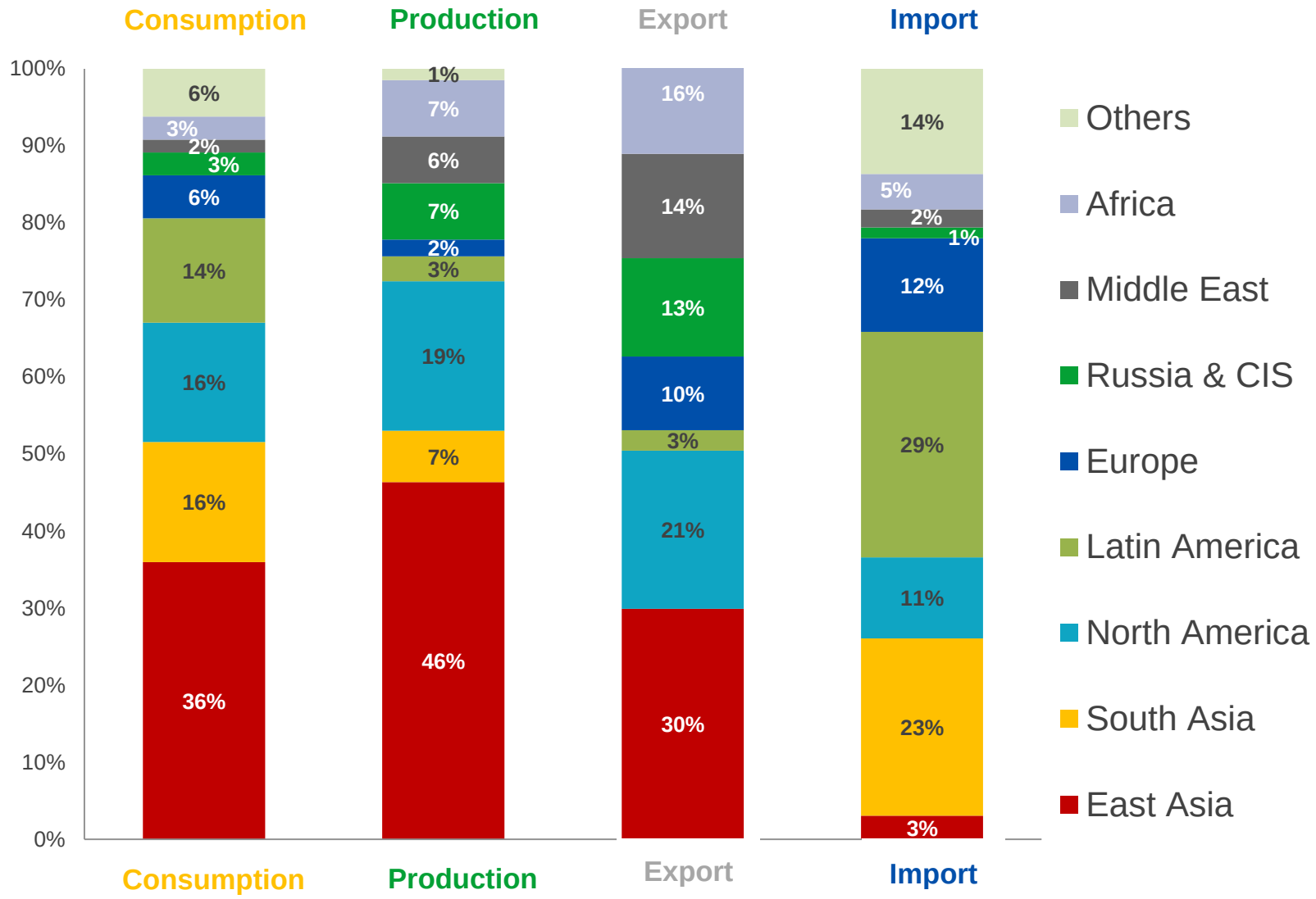
2014 MAP/DAP production vs consumption, global trade in million tonnes of P_2O_5

World MAP/DAP demand: 28.4 mn t of P_2O_5
World MAP/DAP trade: 11.01 mn t of P_2O_5



Source: IFA, CRU

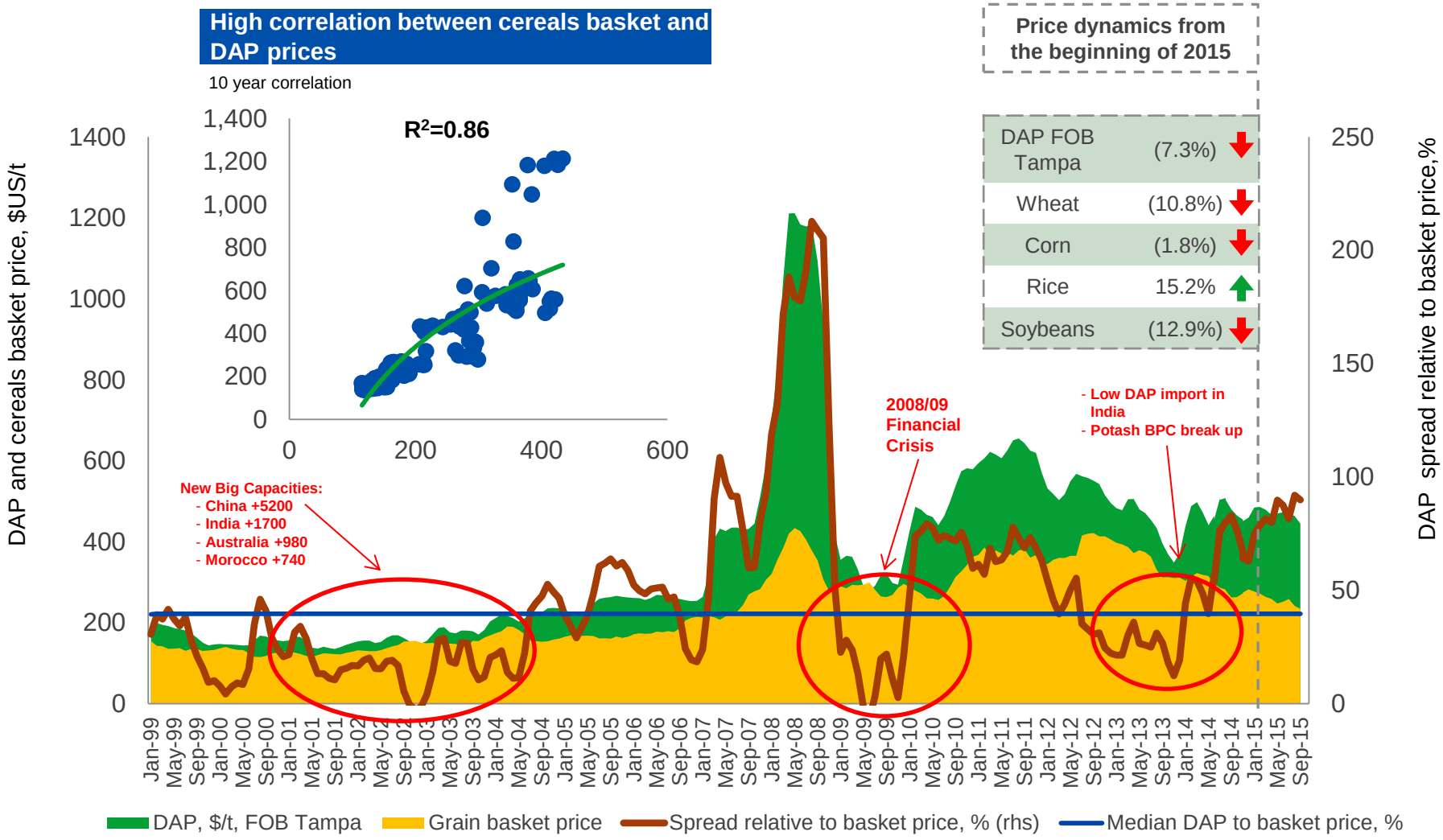
2014 MAP/DAP regional balances of P_2O_5, mn t



Source: CRU

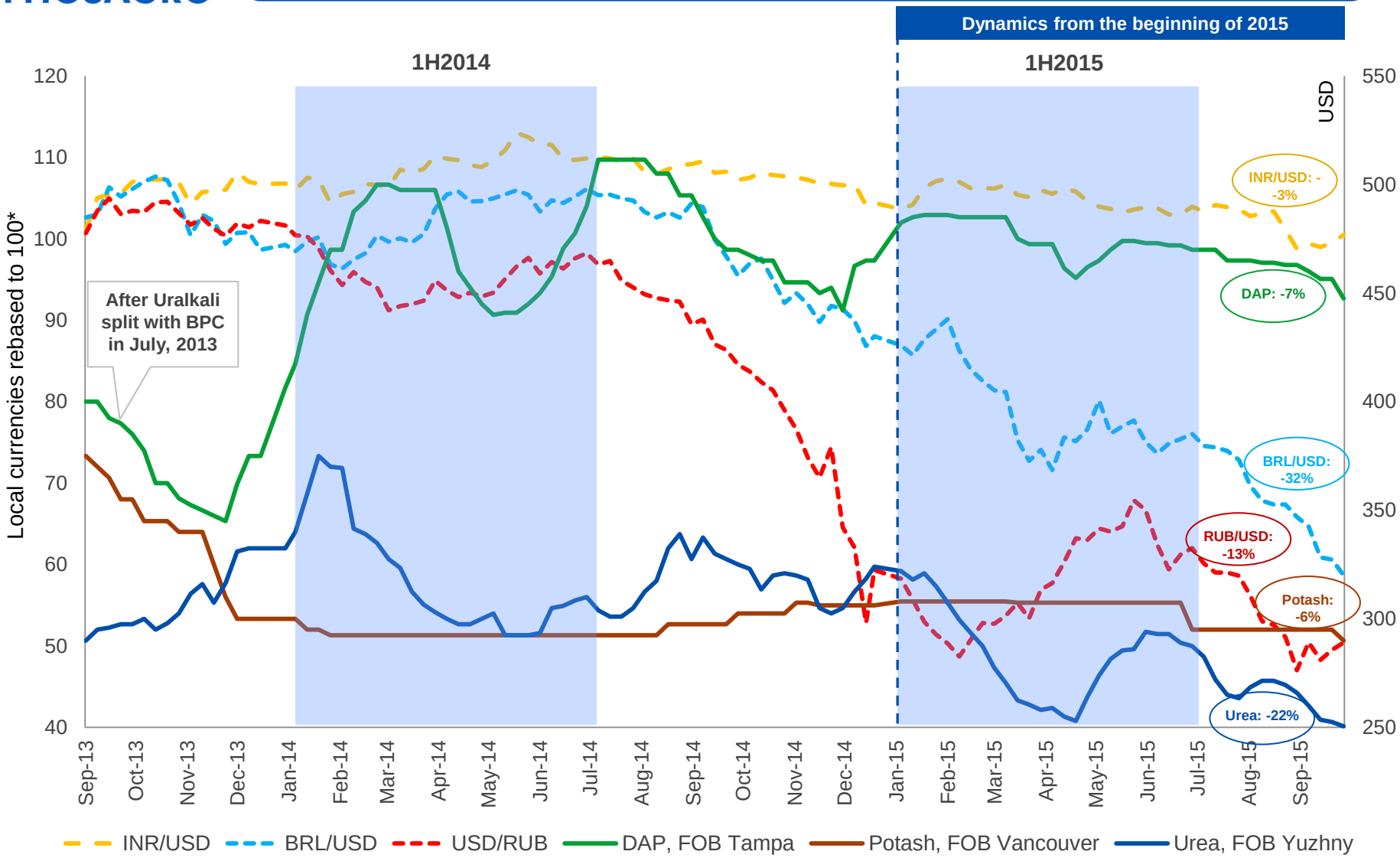
High grain prices driven by market imbalances motivate farmers to use more fertilizers

Cereals basket to DAP price spread



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

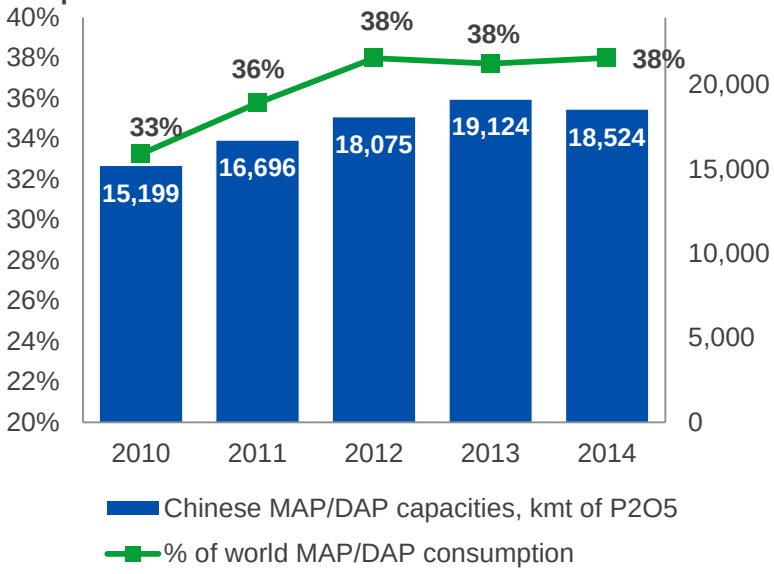
Fertilizer price developments



Source: Argus-FMB, Bloomberg, PhosAgro analysis
Note:(*) – rebased at 1 Sept 2013

China: key figures(1)

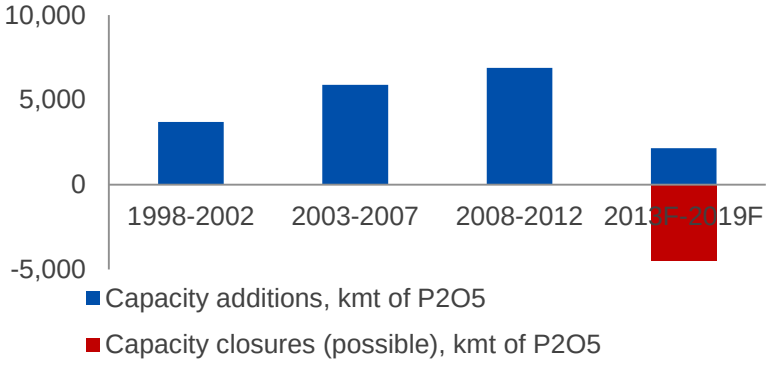
China is the world's largest MAP/DAP consumer and producer



China is a farming giant in absolute terms

Country	China	India	Brazil	Russia	USA
Employment in agriculture, % of total	**35**	47	15	10	2
Rural population, mn	**636**	852	30	38	59
Rural population, % of total	**47%**	68%	15%	26%	19%
Total population, mn	**1,375**	1,241	197	142	312
Farm Holdings, mn	**201**	138	5	23	2.2
Value added in agriculture, % of GDP	**10**	18	6	4	< 1
Arable land per capita, ha	**0.1**	0.1	0.4	0.8	0.5
Water resources per capita, '000 m^3/cap	**2.1**	1.6	42.2	31.5	9.9
P_2O_5 consumption, mn t	**16.7**	6.7	4.3	0.6	4.0
P_2O_5 consumption, % of world total	**36%**	15%	9%	1%	9%

Capacity closures outpace new capacity additions



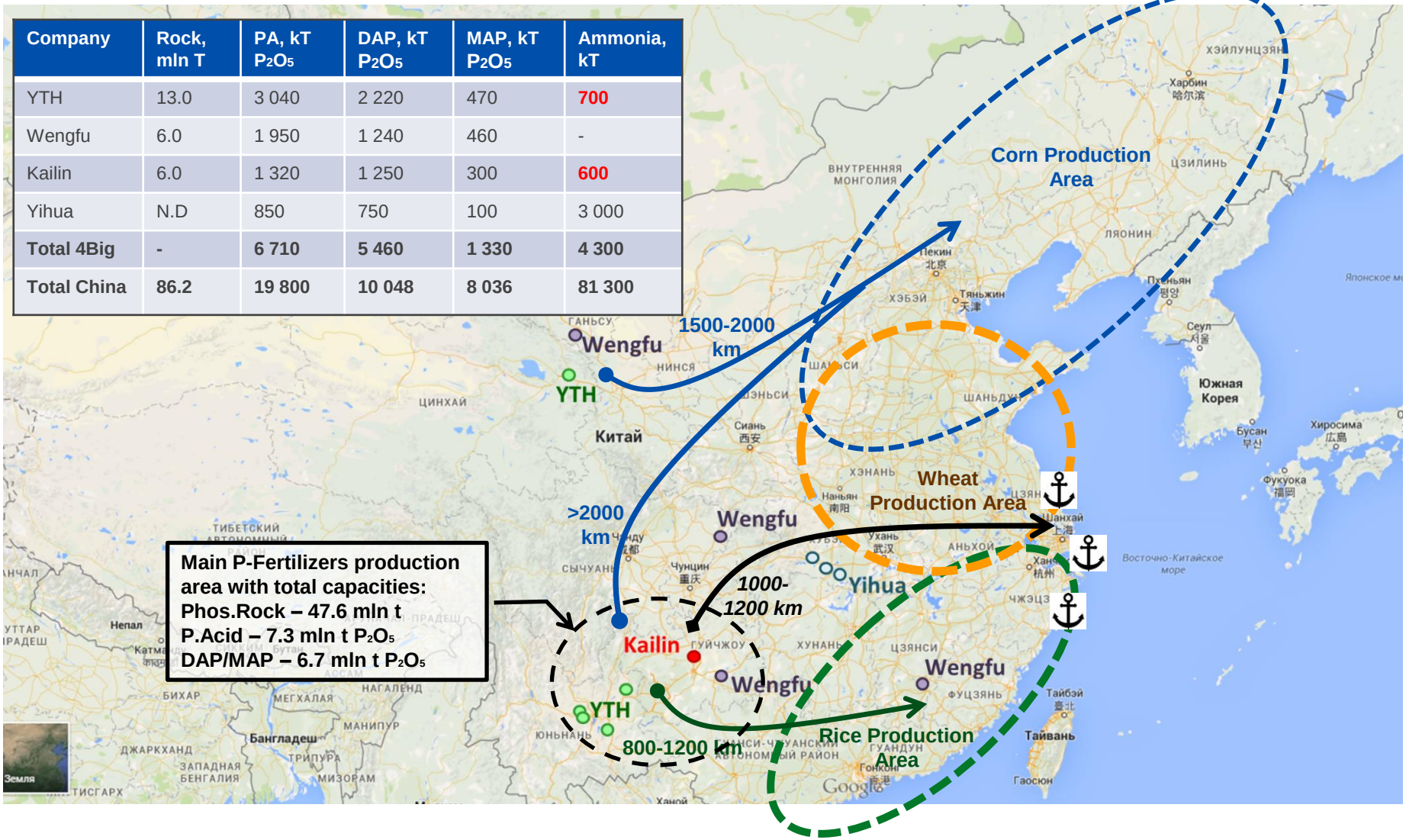
Comment

- China accounted for 6% of world phosphate rock resources and 36% of world P_2O_5 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 P_2O_5 capacity growth, though it will continue at a much slower rate

Source: World bank, IFA, FAO, CRU
Note:(1) data provided for 2012, unless otherwise stated

Chinese Big Phosphates Producers: Long distance to the main ports and agricultural area

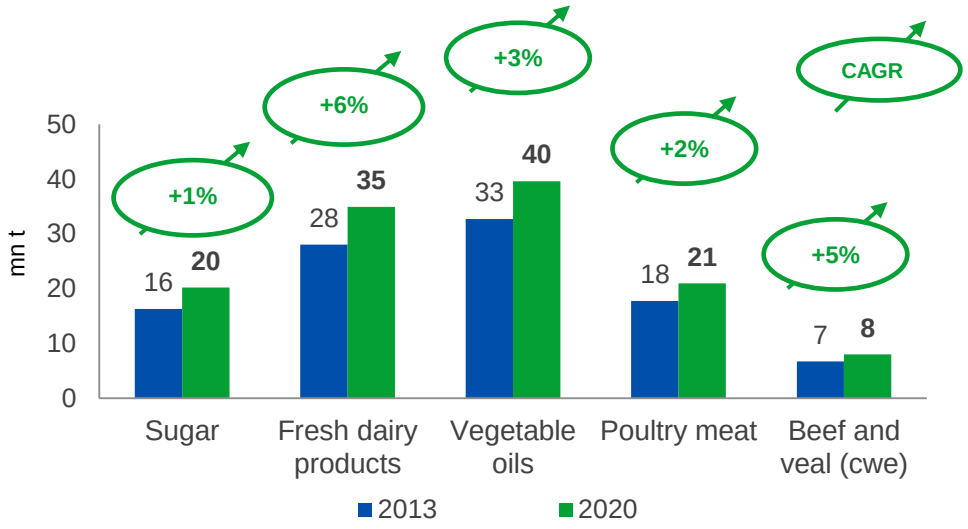
Company	Rock, mln T	PA, kT P_2O_5	DAP, kT P_2O_5	MAP, kT P_2O_5	Ammonia, kT
YTH	13.0	3 040	2 220	470	700
Wengfu	6.0	1 950	1 240	460	-
Kailin	6.0	1 320	1 250	300	600
Yihua	N.D	850	750	100	3 000
Total 4Big	**-**	**6 710**	**5 460**	**1 330**	**4 300**
Total China	**86.2**	**19 800**	**10 048**	**8 036**	**81 300**



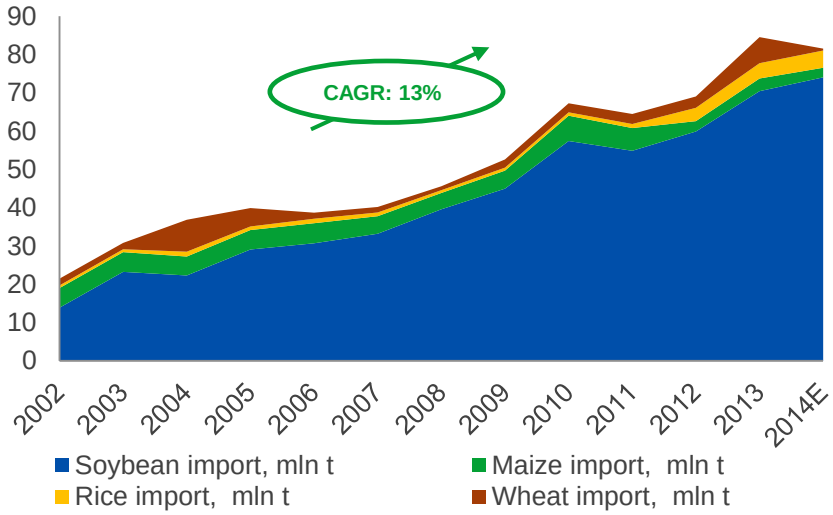
Source: CRU, IFA

China: a net P importer on the horizon

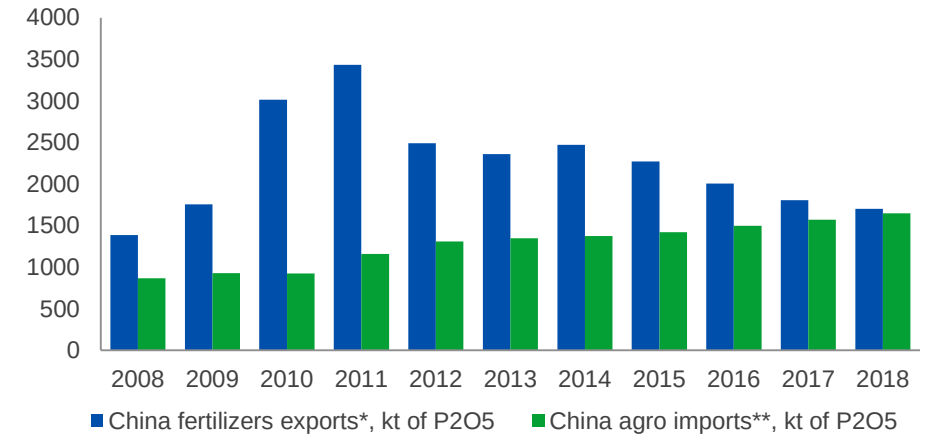
Economic growth will affect dietary patterns significantly



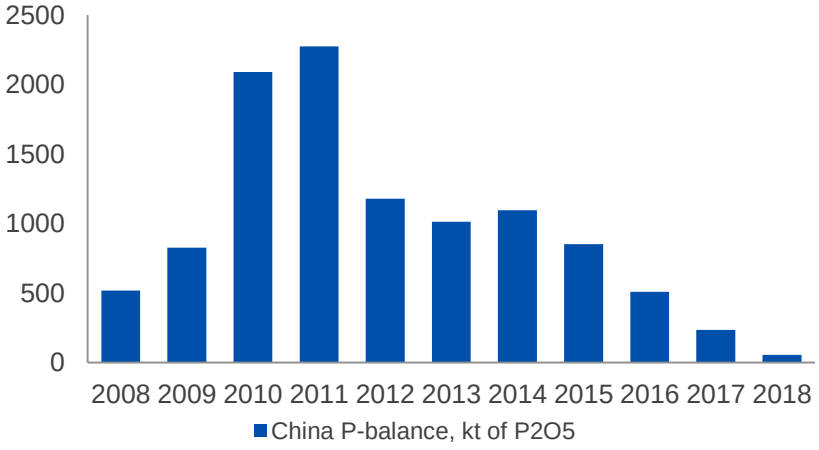
China will continue to increase food imports



Growing P intakes of imported food



..lead to potential P net imports

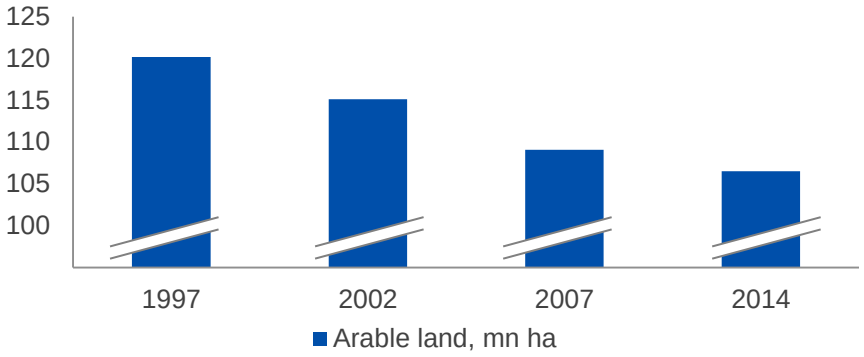


Note: (*) CRU data, (**) calculated as USDA/IGC data about ag imports multiplied on P_2O_5 removal rate in kg P_2O_5 per t of primary crops: wheat - 11.3; rice - 6.4; corn - 6.7; barley - 7; soybean - 17; palm oil - 2; rapeseed – 9

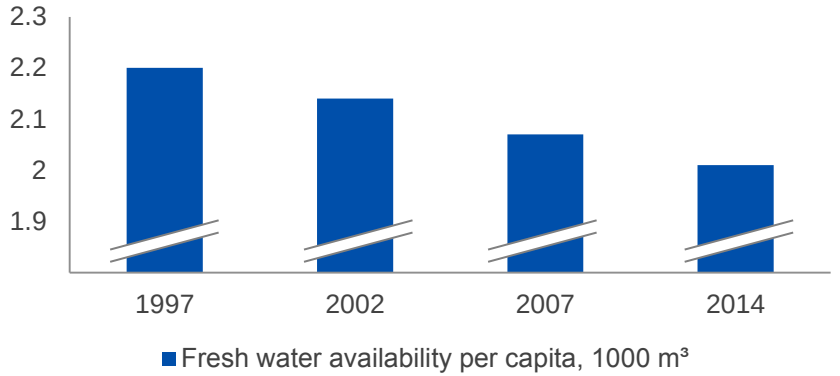
Source: FAO, CRU

China: environmental issues coming to the forefront

Chinese ag resources deteriorate with limited arable land



... and water availability decreases



Chinese farmers use high-intensity agricultural techniques

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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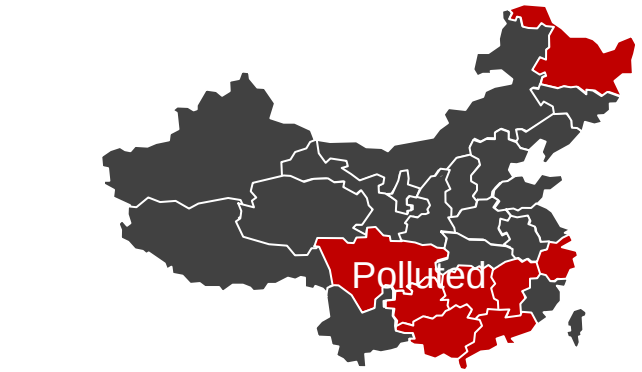
Guangzhou finds cadmium-tainted rice

By Duan Wuning Source:Global Times Published: 2013-5-20 0:03:01

Tainted rice was discovered in several Chinese provinces



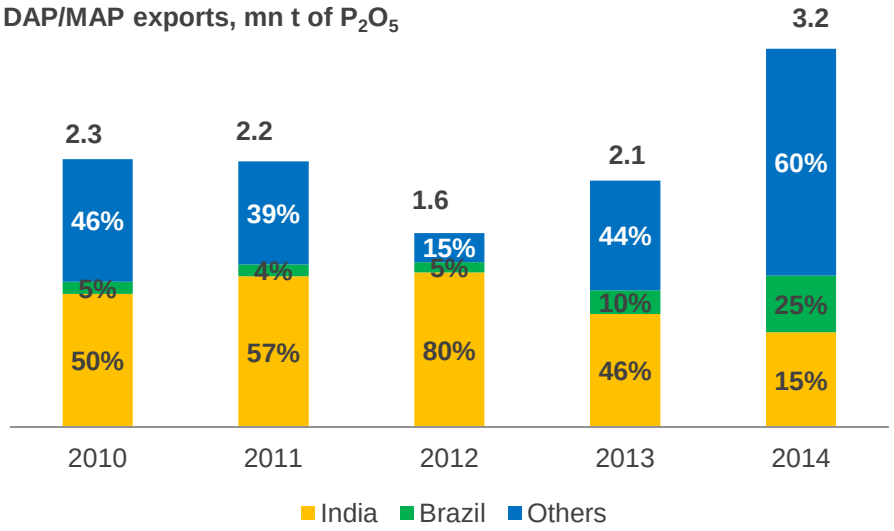
- **Arsenic rice (As)**
- **Cadmium rice (Cd)**
- **Lead rice (Pb)**

Source: FAO, Global Times

Chinese exports go to India

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

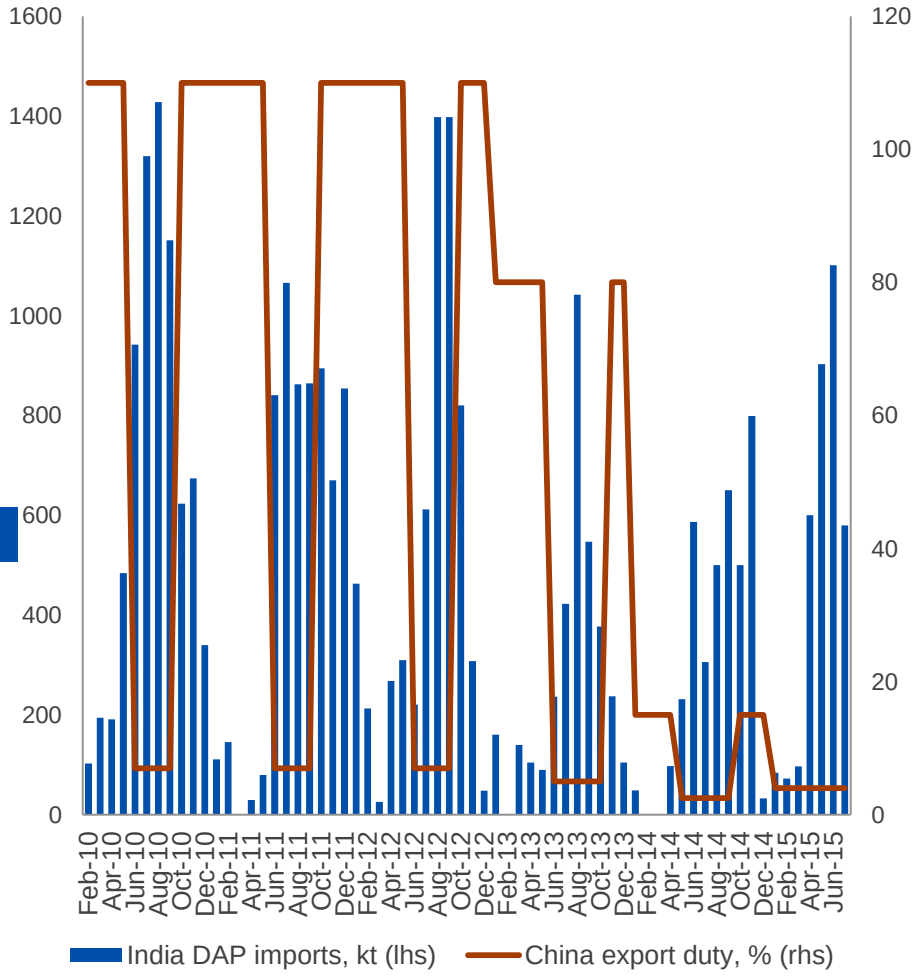
DAP/MAP exports, mn t of P_2O_5



... and India imports correspond with China's "export window"

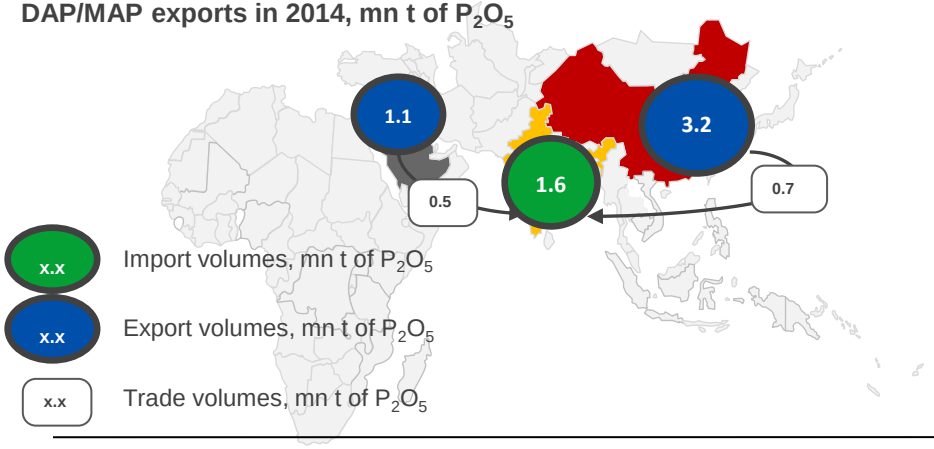
DAP imports, kt

Export duty for DAP, %



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

DAP/MAP exports in 2014, mn t of P_2O_5

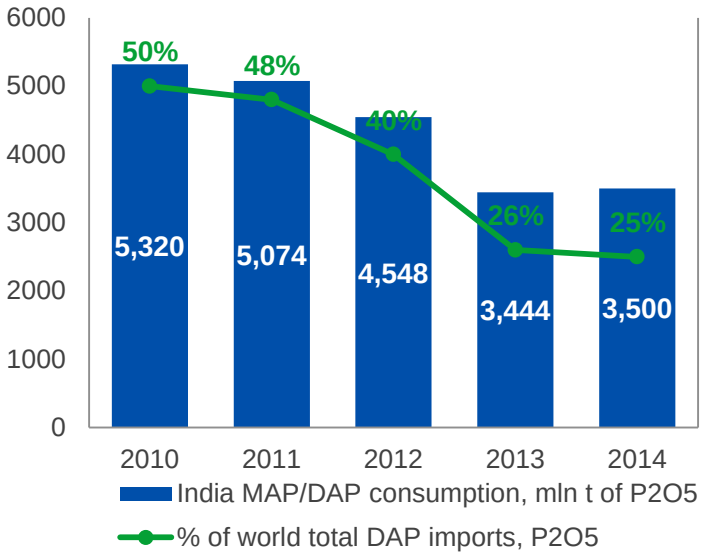


Source: CRU, FAI, IFA

India: key figures(1)

India is the second largest MAP/DAP consumer

and the world largest DAP importer



Rural population and ag production dominate in India

Country	India	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	0.8	0.5
Water resources per capita, '000 m^3/cap	**1.6**	2.1	42.2	31.5	9.9
P_2O_5 consumption, mn t	**6.7**	16.7	4.3	0.6	4.0
P_2O_5 consumption, % of world total	**15%**	36%	9%	1%	9%

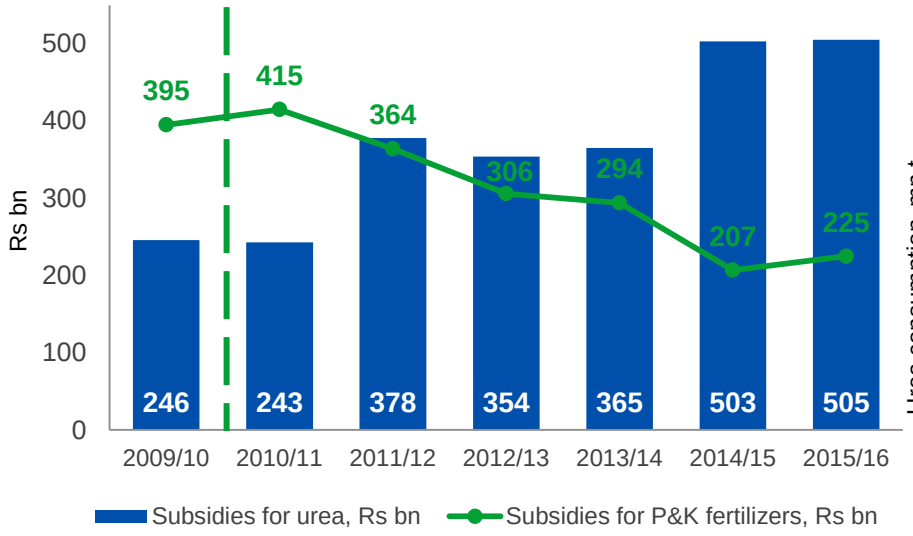
Comment

- India accounted for 0% of world phosphate rock resources and 15% of world P_2O_5 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

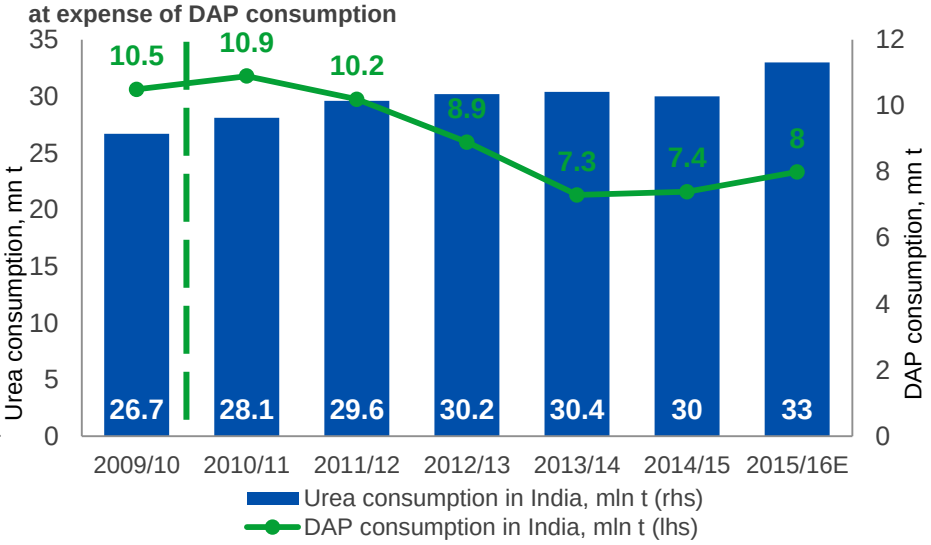
Source: World bank, IFA, FAO, CRU, USDA
Note:(1) data provided for 2012, unless otherwise stated

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

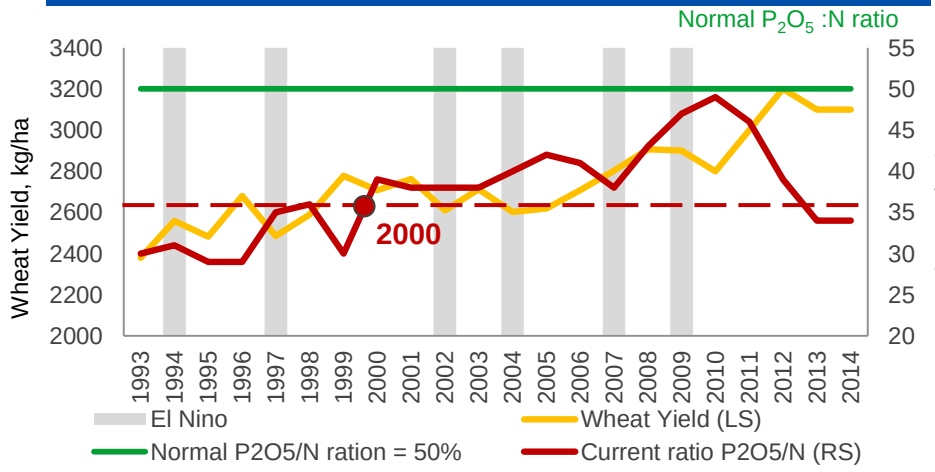
India introduced a new subsidy system in 2010



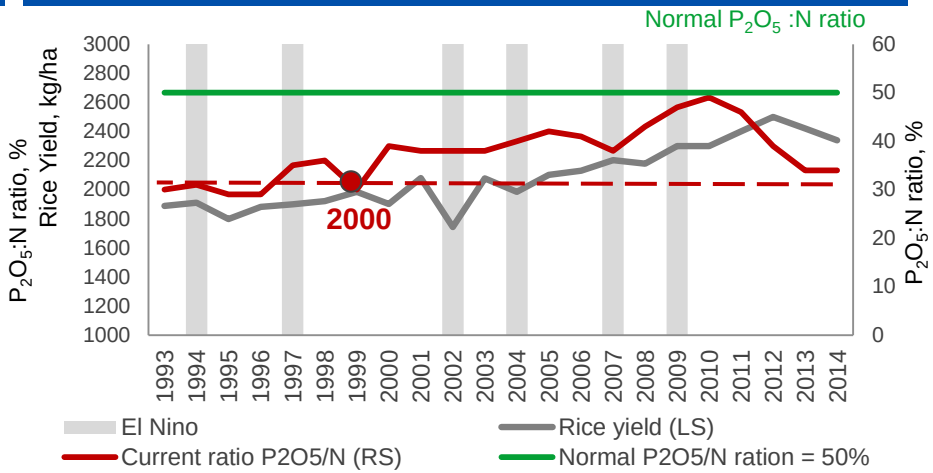
…which lead to increased urea consumption



P_2O_5 : N ratios, wheat yields



P_2O_5 : N ratios, rice yields



Source: IGC, CRU, FAI, USDA, PhosAgro

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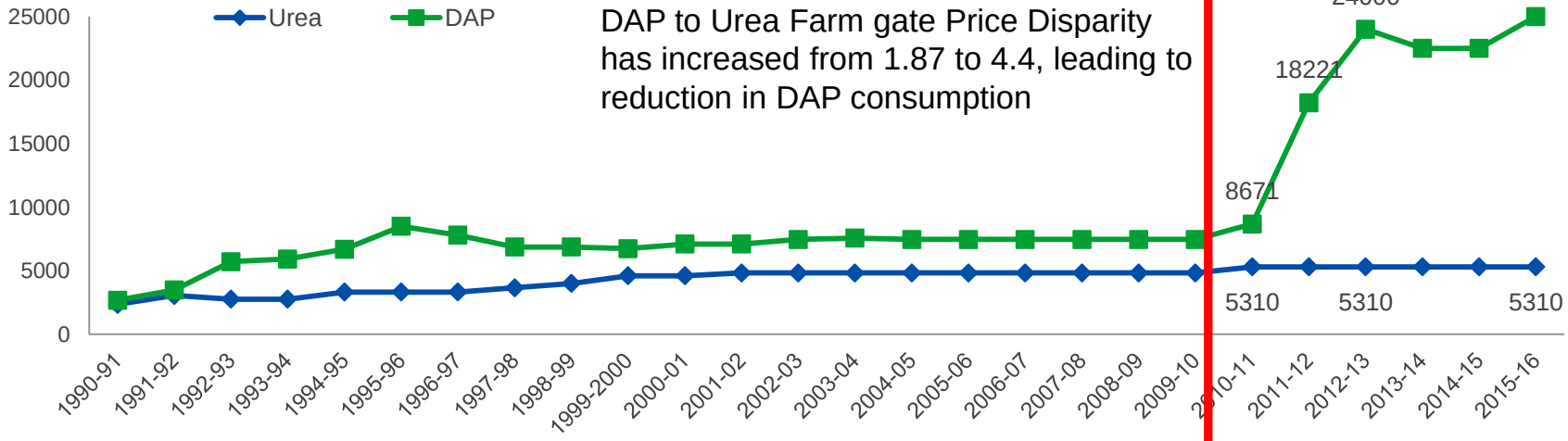
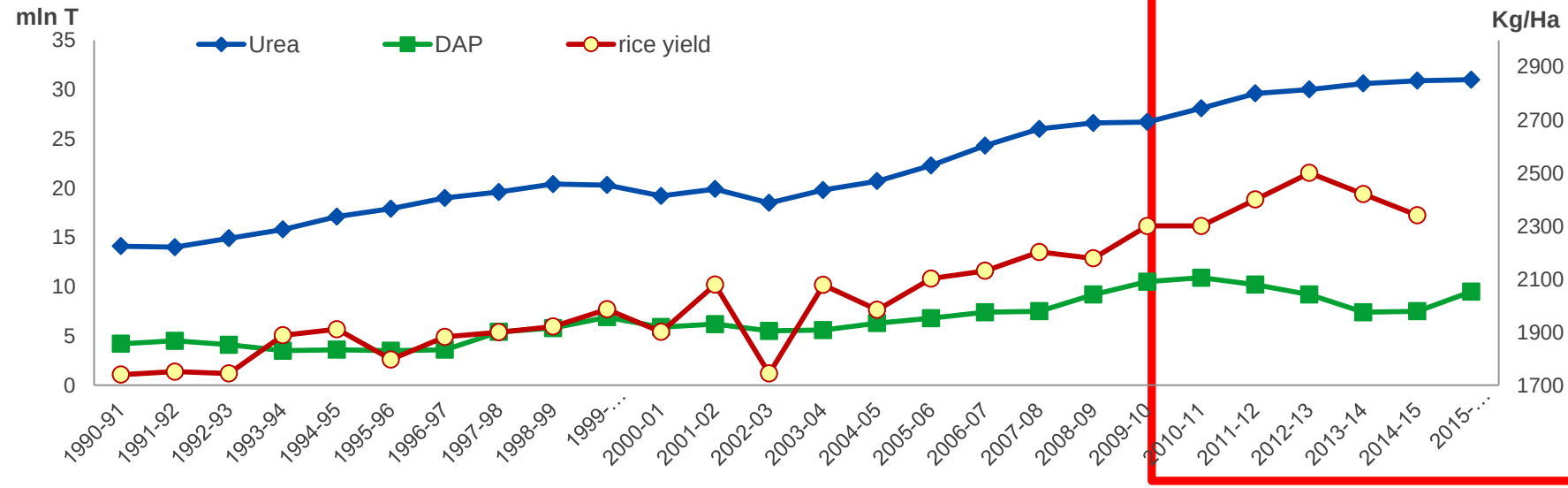
India: Historical Prices & Consumption Disparity of Urea vs DAP

Price Disparity, Rs/mT



Consumption Disparity and Rice yield dynamic, mln t



Source: FAI, WGR

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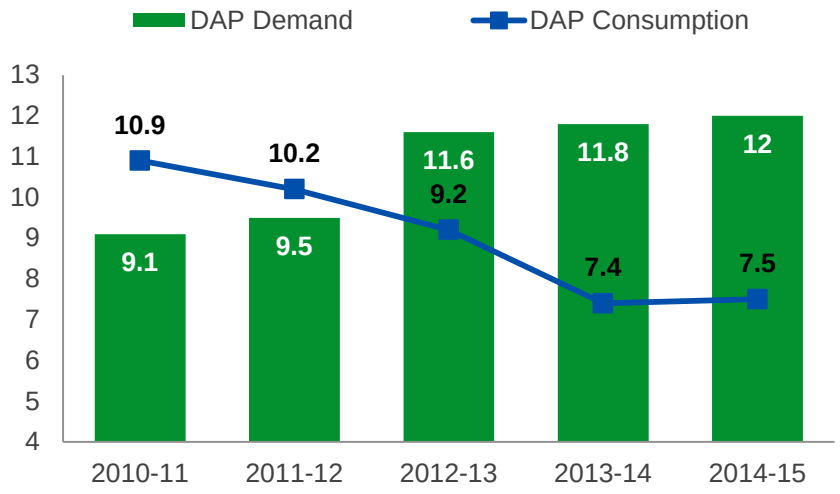
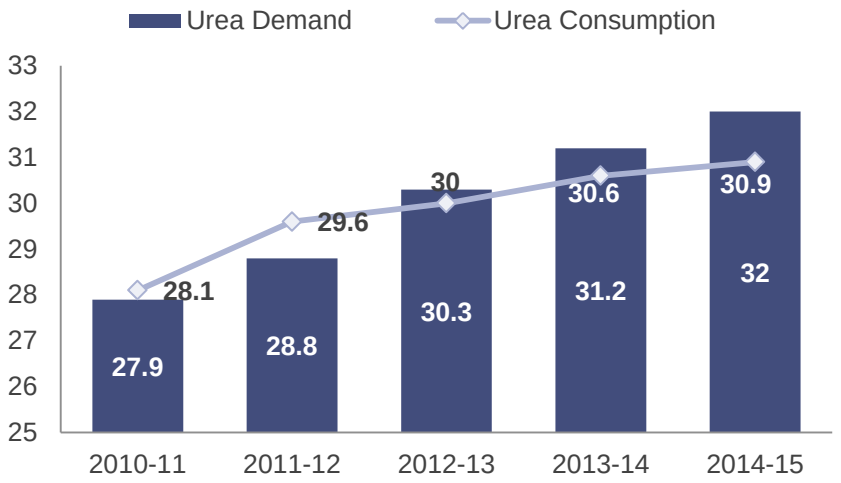
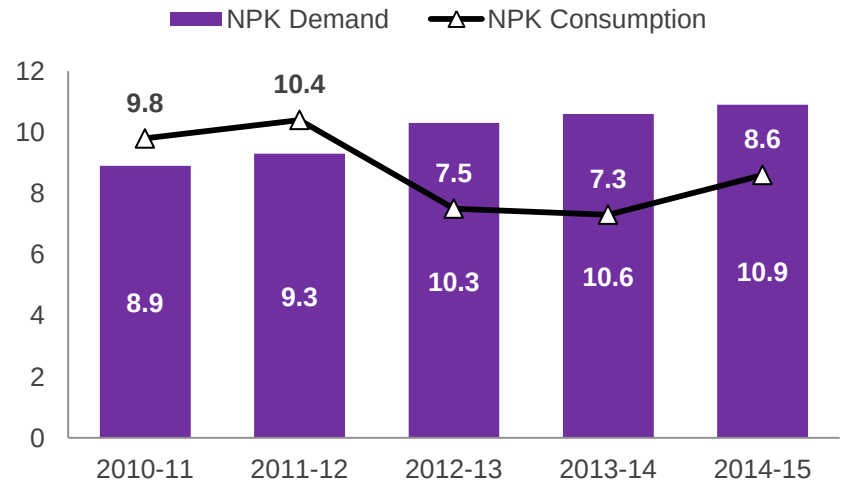
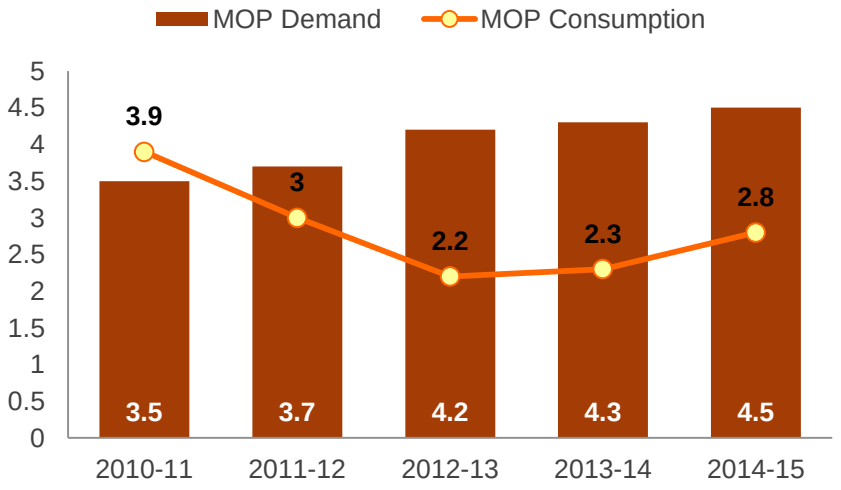
India: Fertilizer Demand & Consumption Update – Post NBS (2010-11)







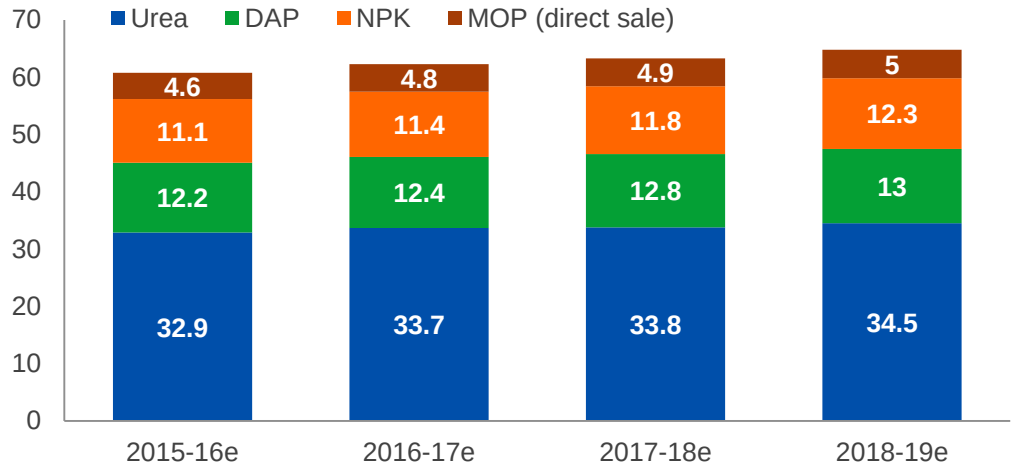


Source: FAI, WGR

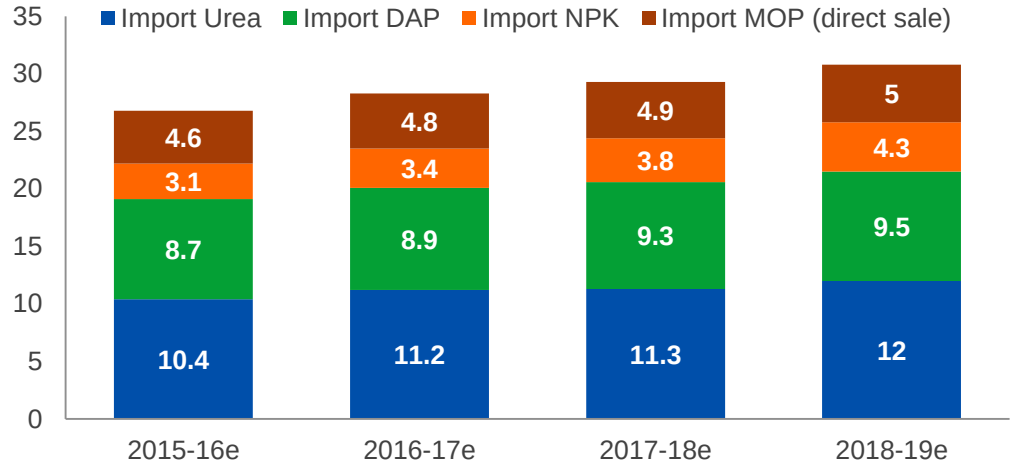
India: Fertilizer Demand & Import – Medium Term Outlook

- Urea Demand Growth estimated @ 2.7% annually;
- DAP, NPK, and MOP Demand estimated to grow @ 4% annually;
- DAP and Complex fertilizer consumption to remain low due to High Price Disparity with Urea
- DAP and Complex Fertilizer sale, however, likely to be higher than 2014-15

Demand, mln T



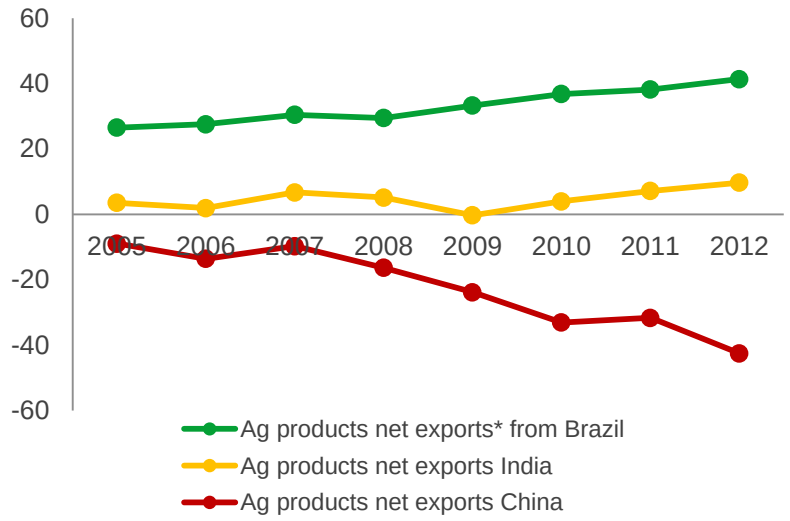
Import, mln T



Source: FAI, WGR

Brazil: key figures(1)

Brazil is the largest ag exporter among developing countries



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

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%
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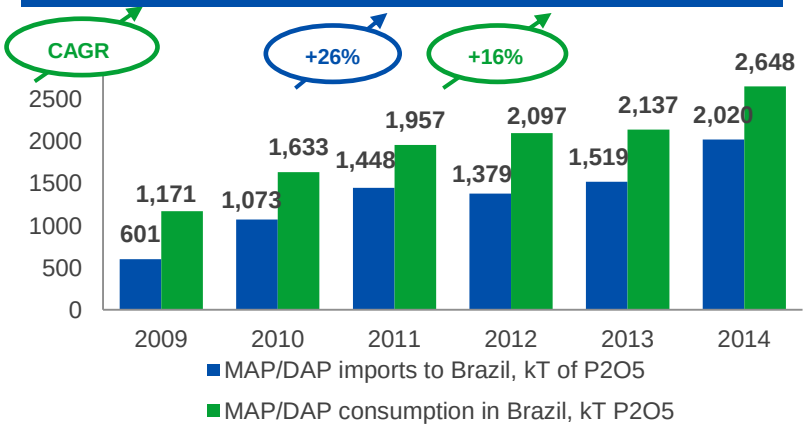
Growing P consumption is secured by imports



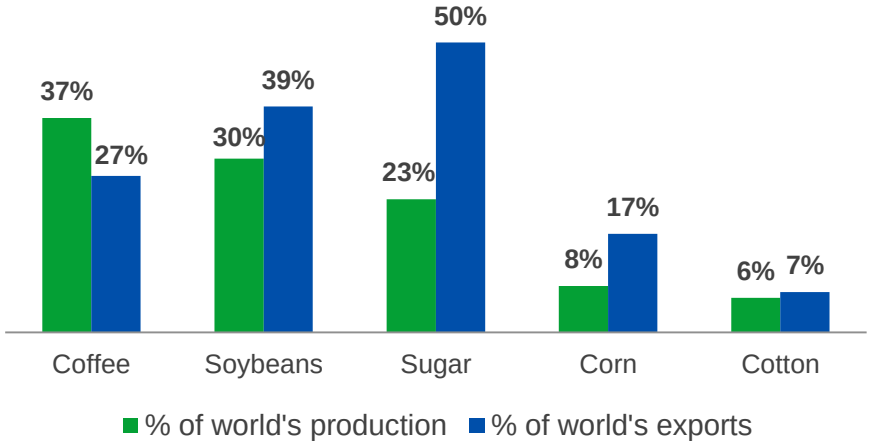
Comment

- Brazil accounted for 0.4% of world phosphate rock resources and 9% of world P_2O_5 consumption
- Agricultural exports are a key driver of Brazil ag production growth

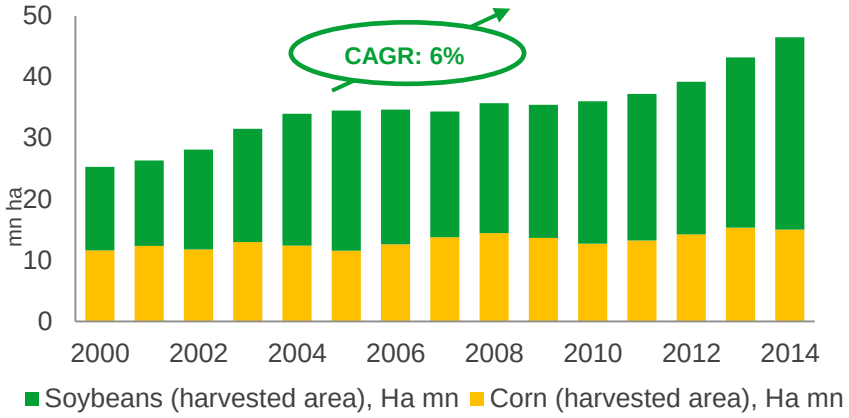
Source: World bank, IFA, FAO, CRU
Note:(1) data provided for 2012, unless otherwise stated
(*) Net export equals ag production exports less ag production imports

Brazil is a top ag exporter among developing countries

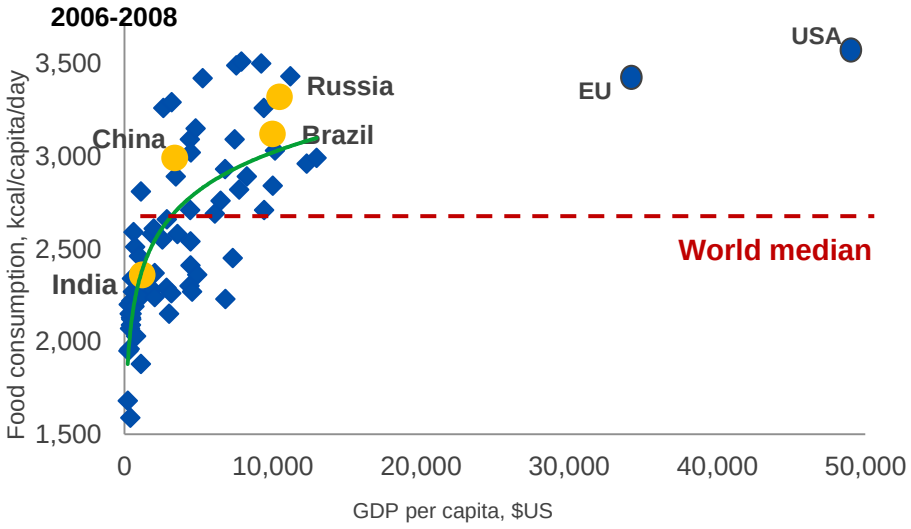
Exports are a key driver for ag production growth



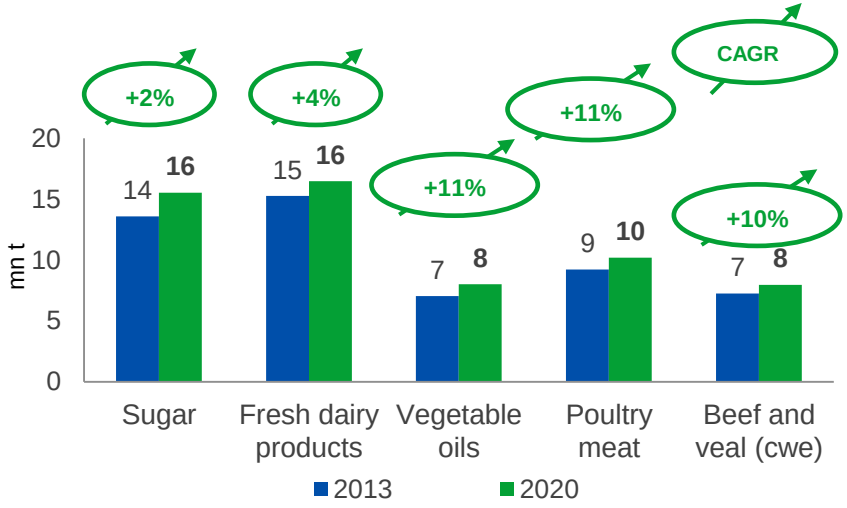
Soybeans drive ag production in Brazil



Domestic food consumption is relatively high



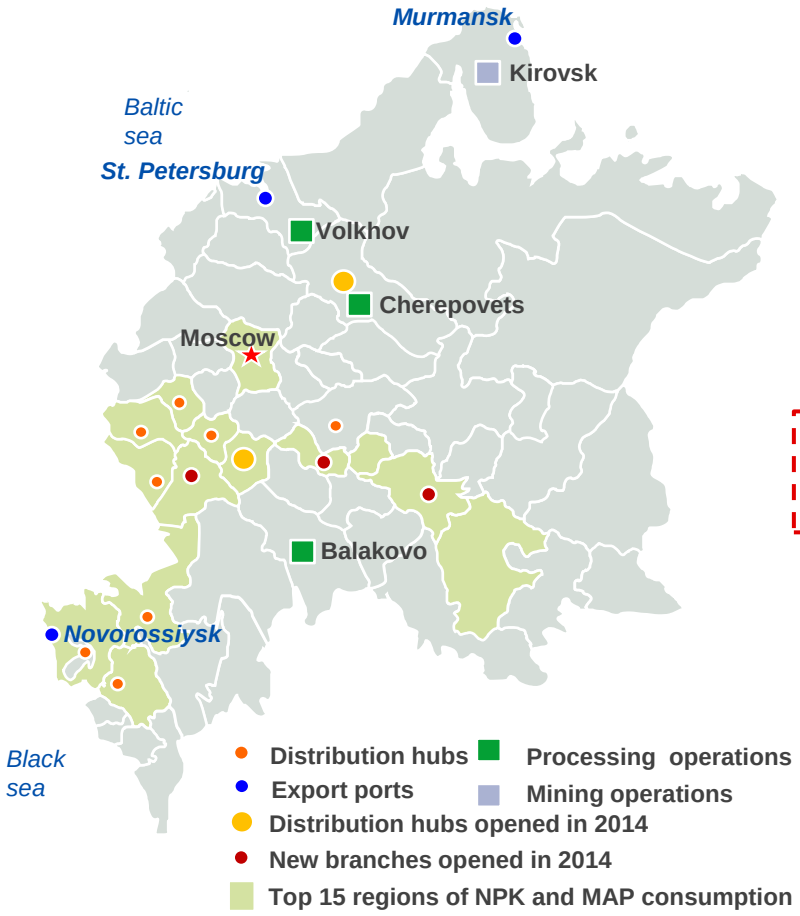
Dietary changes are more important



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

Russia: key figures(1)

PhosAgro dominates domestic phosphate market



Russia has abundant ag resources

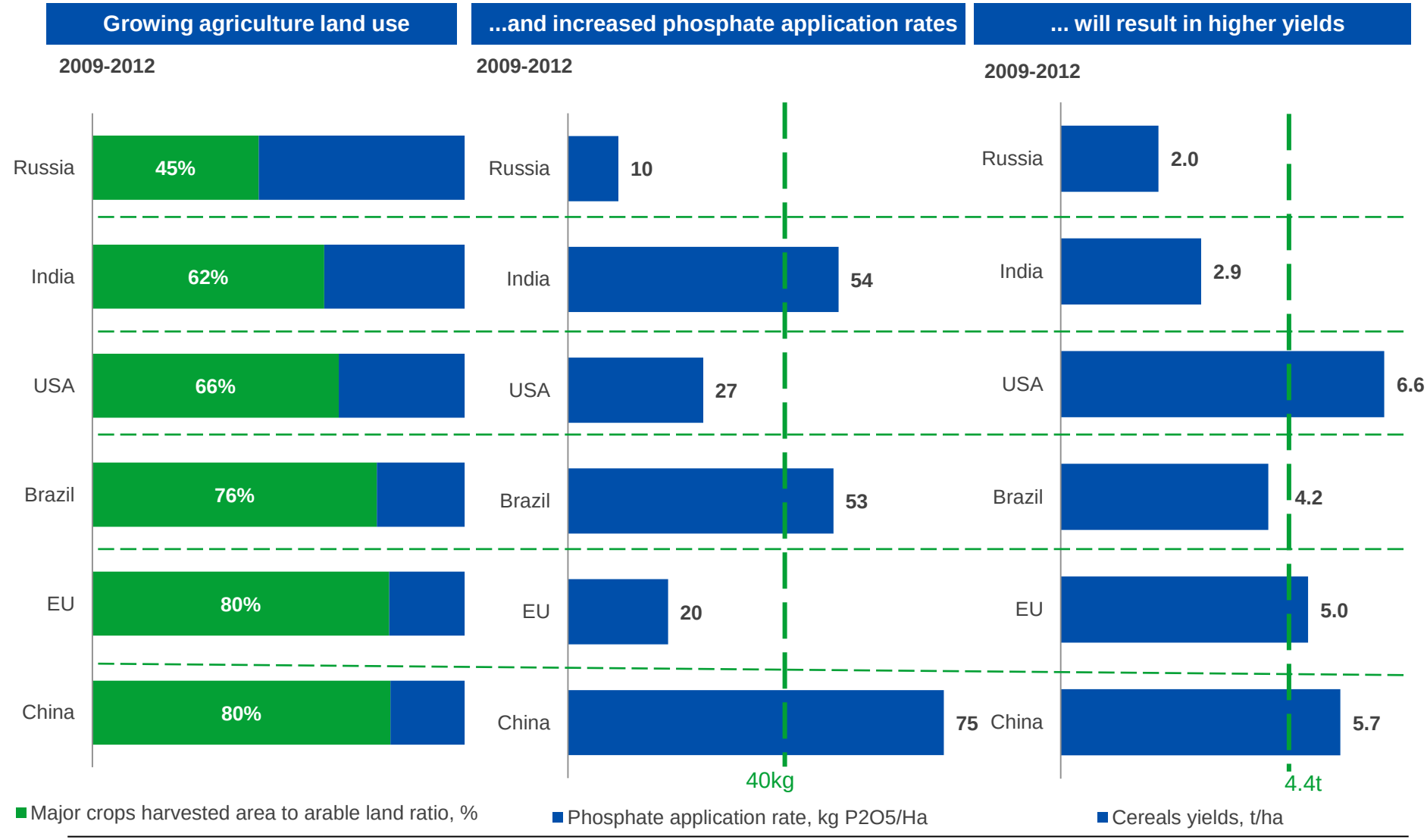
Country	Russia	China	India	Brazil	USA
Employment in agriculture, % of total	**10**	35	47	15	2
Rural population, mn	**38**	636	852	30	59
Rural population, % of total	**26%**	47%	68%	15%	19%
Total population, mn	**142**	1,375	1,241	197	312
Farm Holdings, mn	**23**	201	138	5	2.2
Value added in agriculture, % 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 m^3/cap	**31.5**	2.1	1.6	42.2	9.9
P_2O_5 consumption, mn t	0.4	16.7	6.7	4.3	4.0
P_2O_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 P_2O_5 consumption
- Ample resources provide a good base for ag production growth

Source: World bank, IFA, FAO, CRU
Note:(1) data provided for 2012, unless otherwise stated

Russia: potential for significant ag production growth



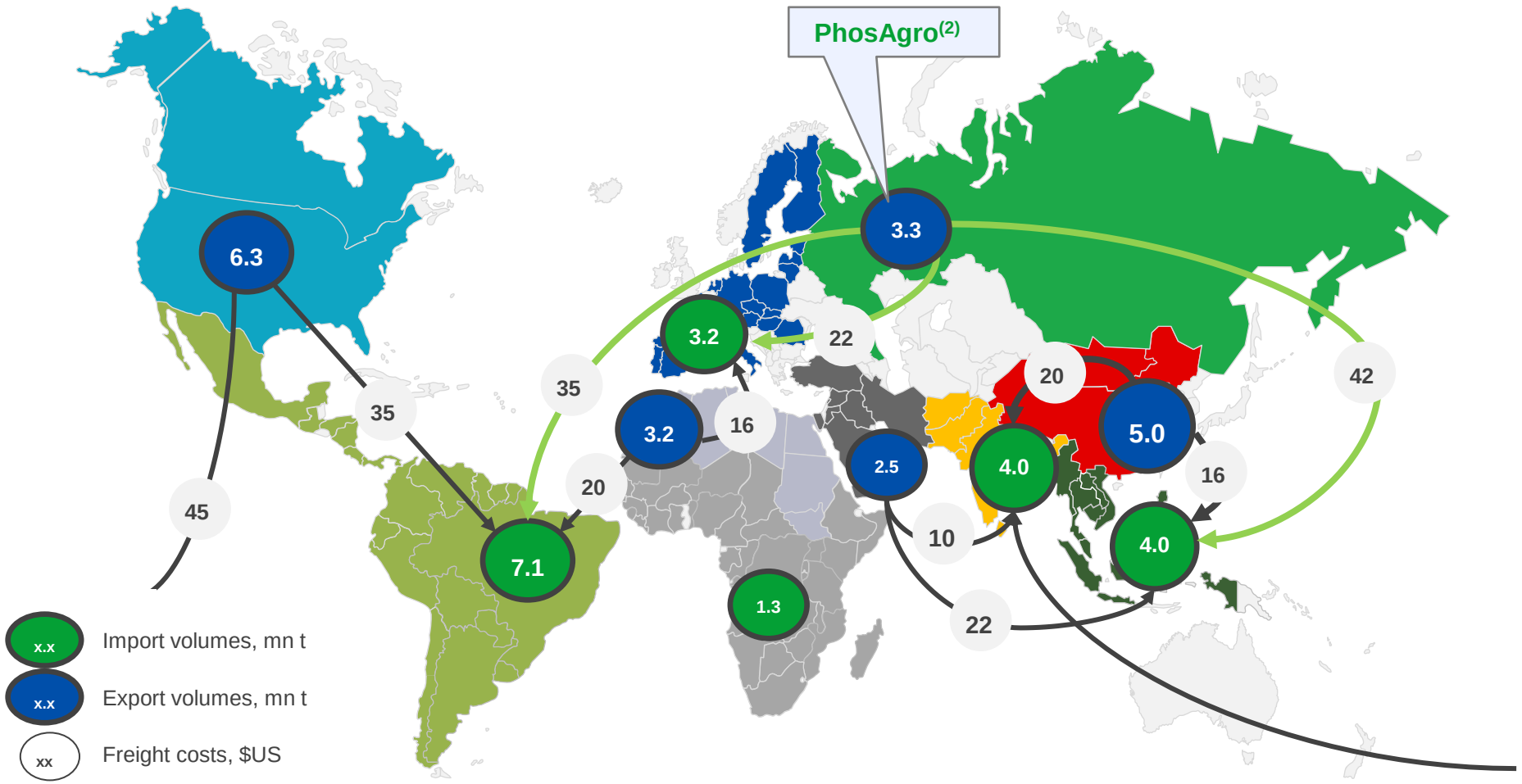
Source: FAO, Integer

PHOSAGRO

Sales focus and Industry developments

2013 Primary phosphate(1) trade flows

World DAP/MAP trade: 21.3 mn t



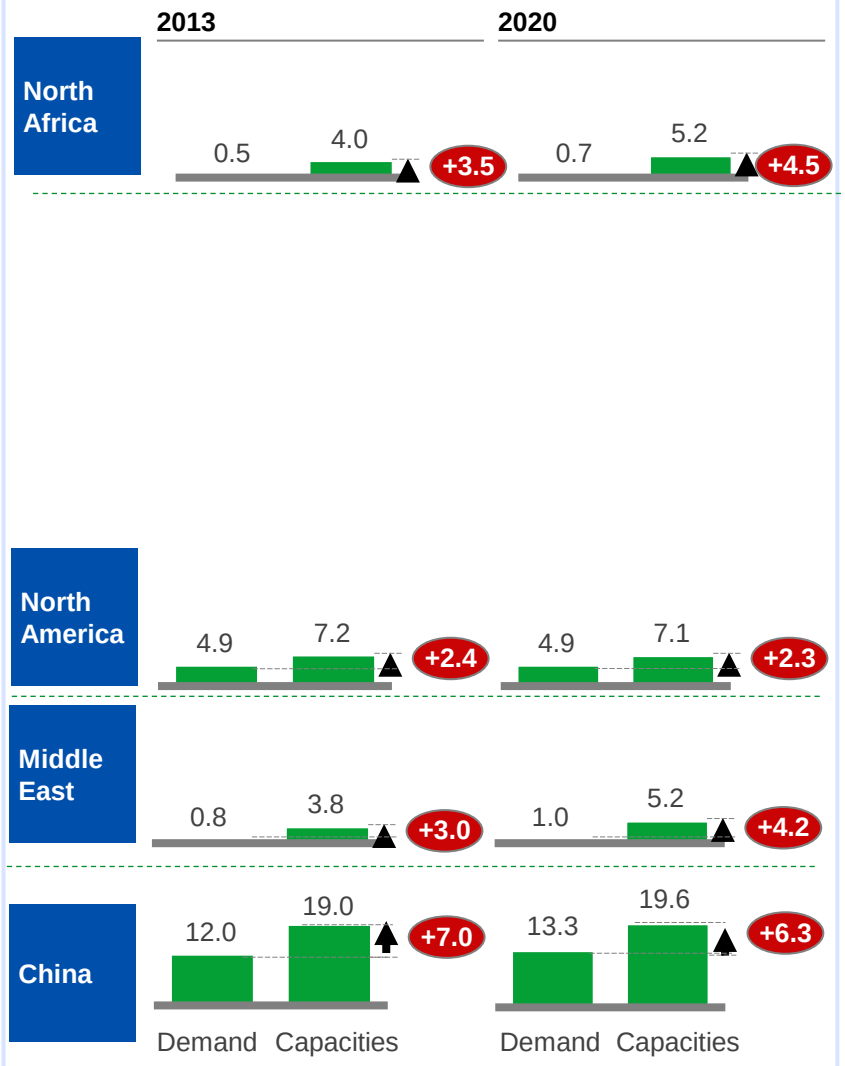
Source: IFA, CRU, USITC, CFMW, PhosAgro estimate
Note: (1) - DAP/MAP/NPK/NPKS
(2) – PhosAgro sales volumes

P_2O_5 : No changes in regional deficits by 2020

mn t P_2O_5

Supply – demand balance

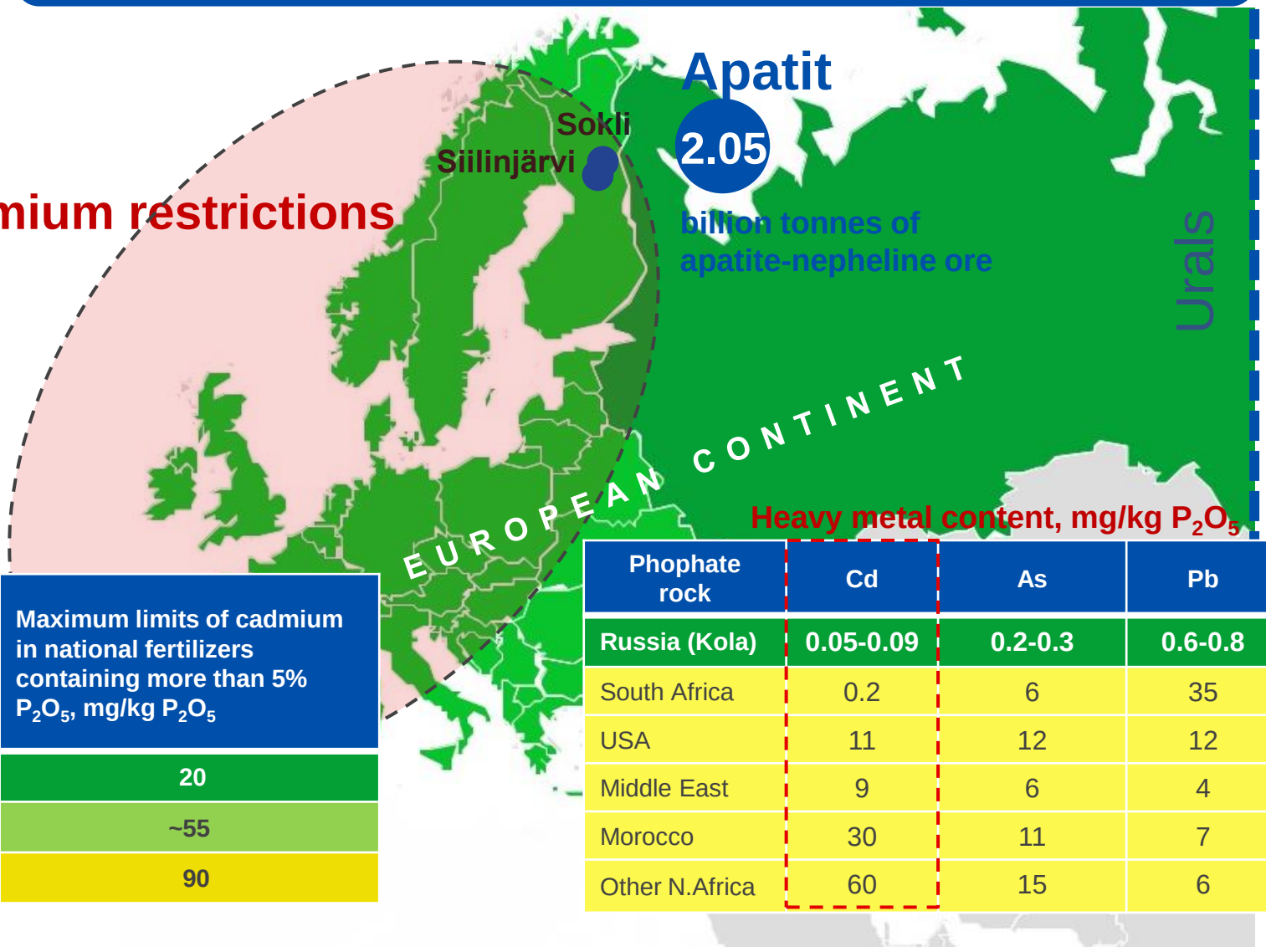
Oversupply regions



Deficit regions

Source: IFA; McKinsey demand model; work group analysis

Priorities: trade restrictions vs. health



European countries grouped by allowable cadmium level	Maximum limits of cadmium in national fertilizers containing more than 5% P_2O_5, mg/kg P_2O_5
Strict limits	20
Medium limits	~55
Mild limits	90

Heavy metal content, mg/kg P_2O_5

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

Source: European Council, National Fertilizer and Environmental Research Center, Tennessee Valley; TUV

New sales model to improve premium market access

Our new sales strategy

Roadmap

- Set up local sales offices in São Paulo, Zug and Warsaw
  - sales office in São Paulo will cover Latin America markets
  - sales office in Zug and Warsaw will cover Northern and Eastern Europe and potentially Southern Europe

Rationale

- ⊕ 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

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

New sale offices

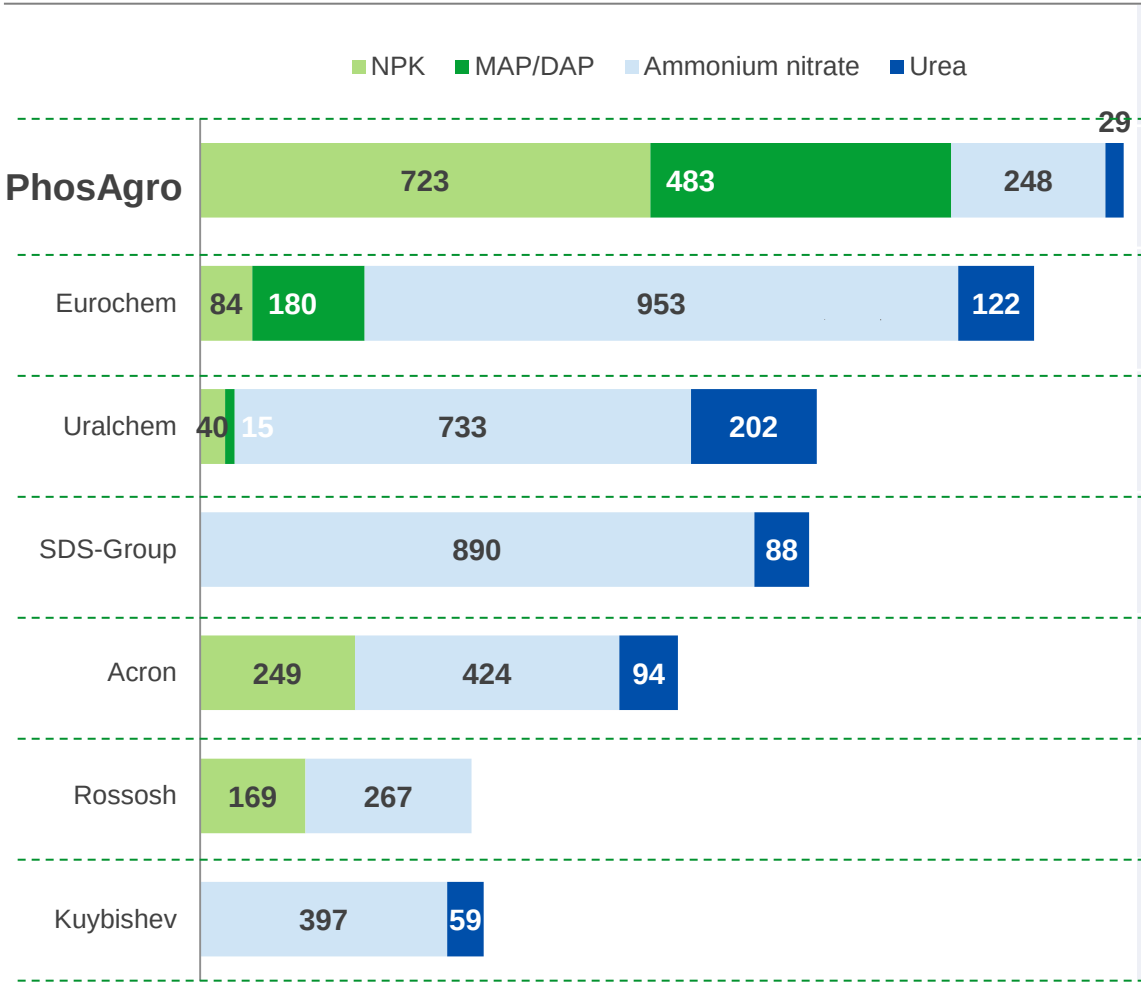
Existing sale offices

Source: PhosAgro

PhosAgro became the #1 overall supplier of fertilizers to the Russian market in 2014, and continues to grow its market share

Fertilizers sales in Russia, 2014

kt



Market share

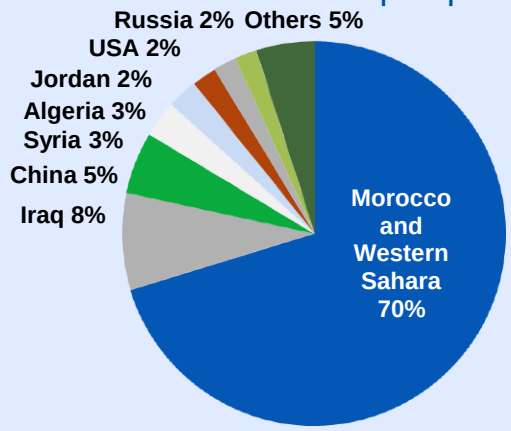
Percent

	Total	2014	2013	2012
PhosAgro	1483	20%	18%	15%
Eurochem	1339	18%	17%	17%
Uralchem	990	14%	12%	16%
SDS-Group	978	13%	14%	14%
Acron	768	10%	15%	13%
Rossosh	436	6%	6%	8%
Kuybishev	455	6%	7%	6%

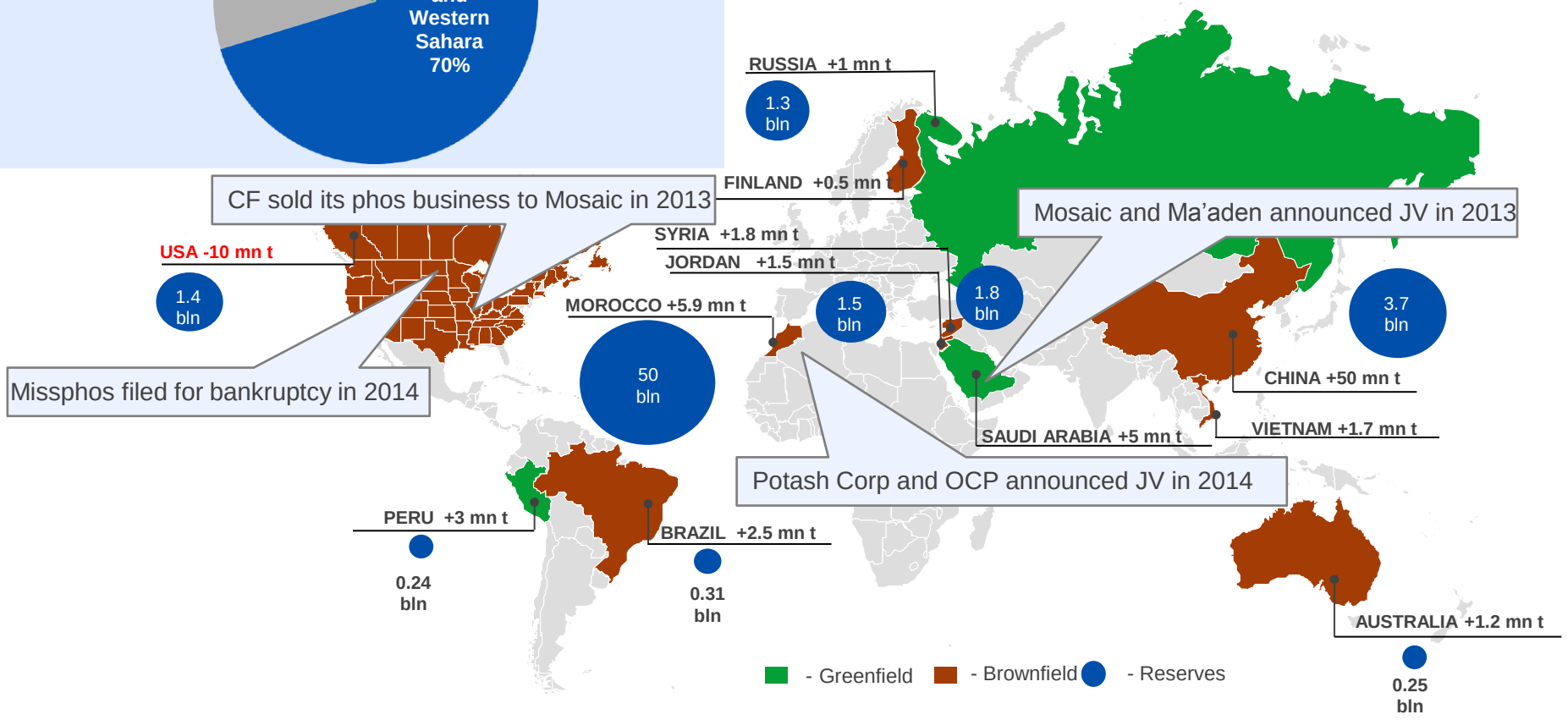
Source: RAPU – Russian association of fertilizer producers

Recent industry developments

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



CF sold its phos business to Mosaic in 2013

Mosaic and Ma'aden announced JV in 2013

Missphos filed for bankruptcy in 2014

Potash Corp and OCP announced JV in 2014

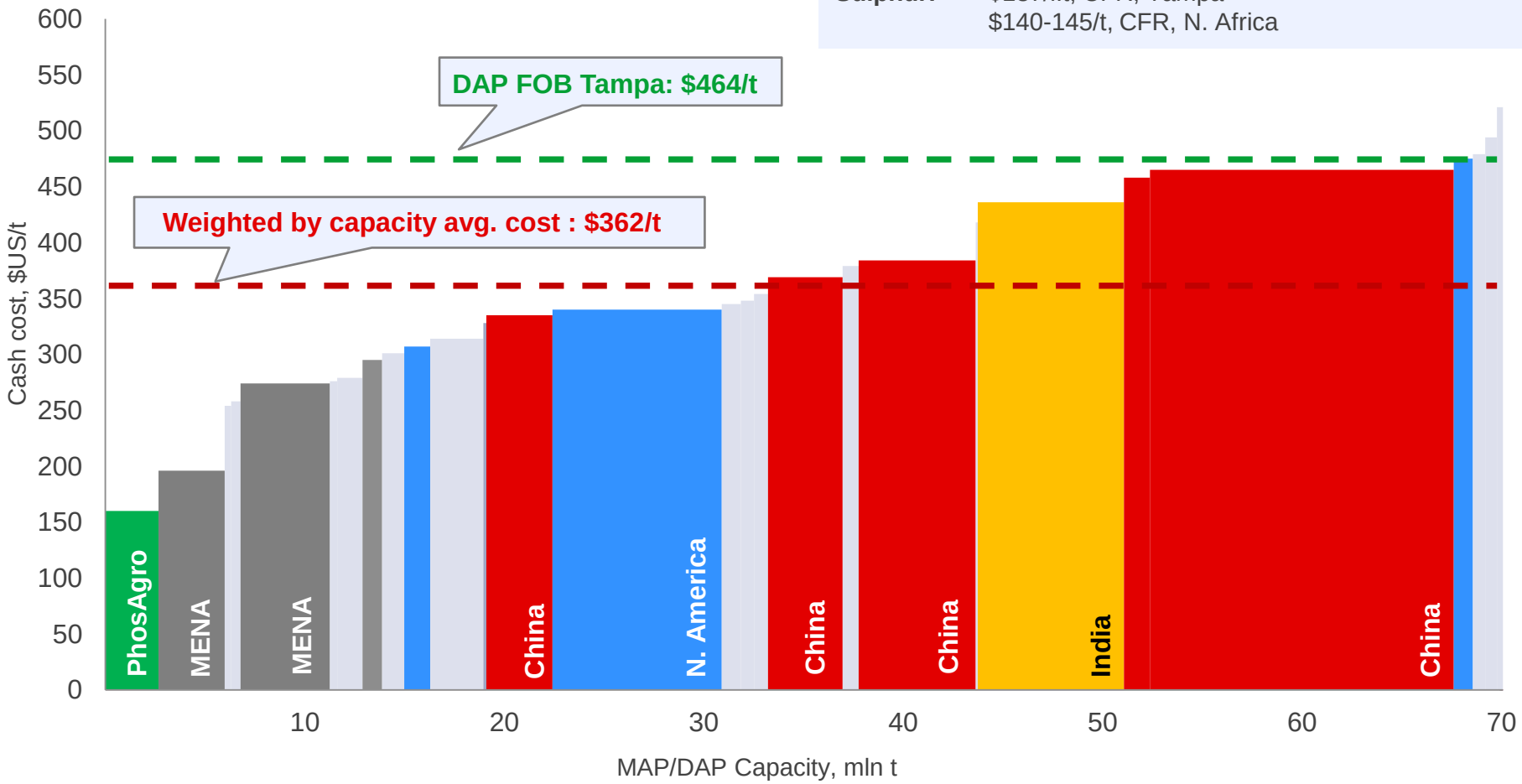
Source: CRU, USGS

Estimated MAP/DAP business cash cost curve $US/t FOB(1) Morocco

Estimated with feedstock prices set forth below:

Ammonia: $460/t, CFR, Tampa
$420-425/t, CFR, N. Africa

Sulphur: $137/l.t, CFR, Tampa
$140-145/t, CFR, N. Africa



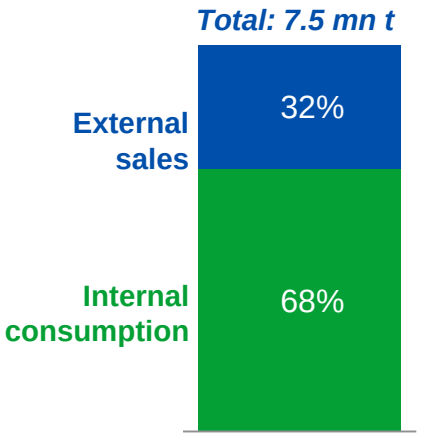
Source: PhosAgro estimates, CRU, Fertecon, Integer, Argus-FMB, PhosAgro

Note: (1) MAP/DAP business cash cost est. are based on feedstock prices in Q1 2015, on site's specific location relative to FOB Morocco and its product nutrient content relative to DAP USD/RUB exchange rate of RUB 61.88 applied for calculation MAP/DAP business cash cost

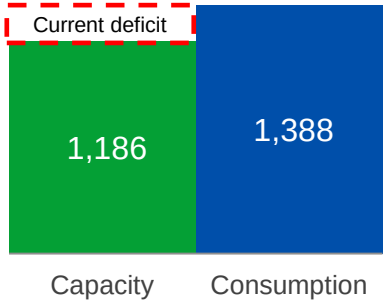
Strategy for fertilizer volume growth

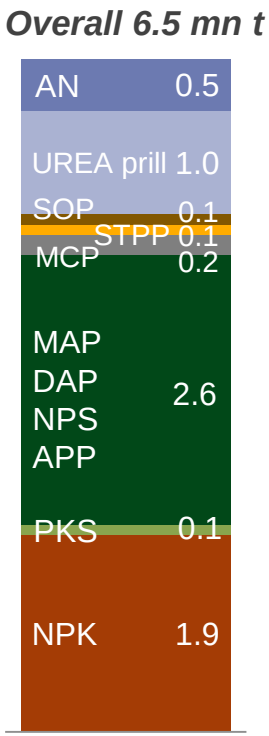
Where we are in 2014

Phosphate rock

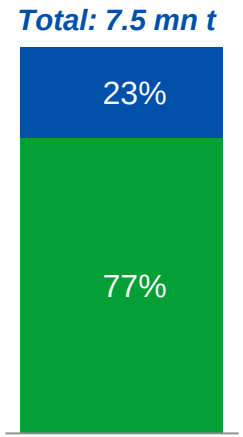


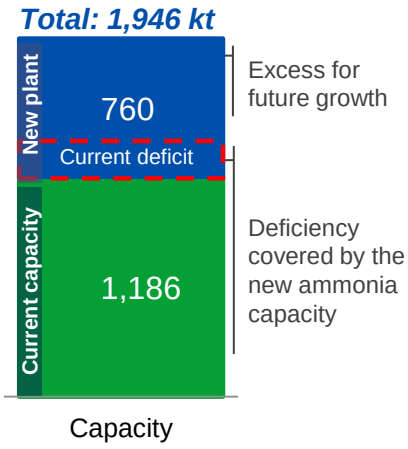
Ammonia

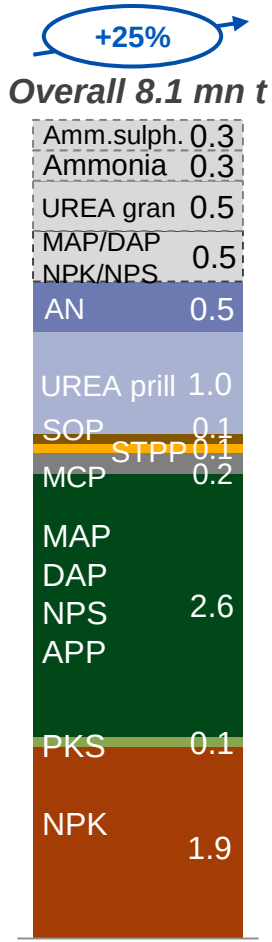




Where we are headed (2017-2020)



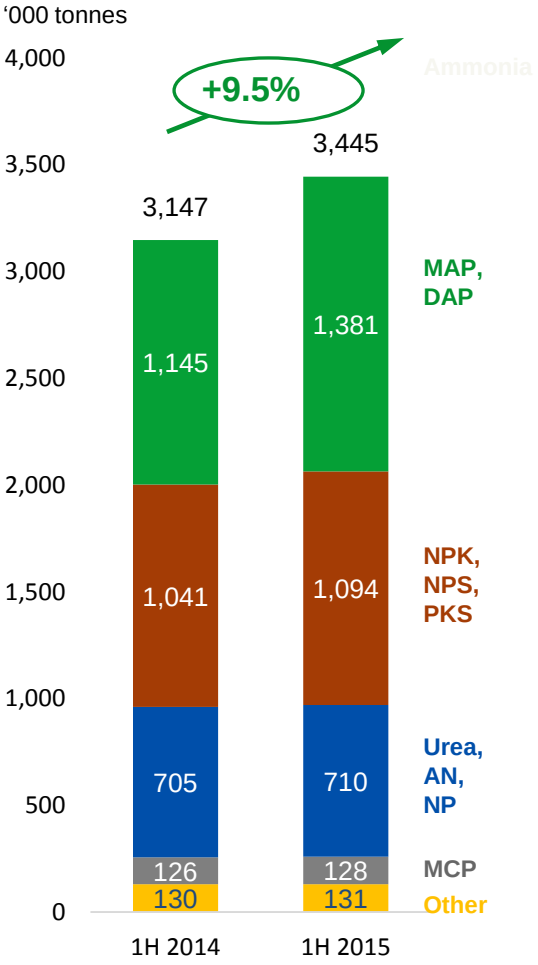




Source: PhosAgro

Increasing production volumes and product assortment

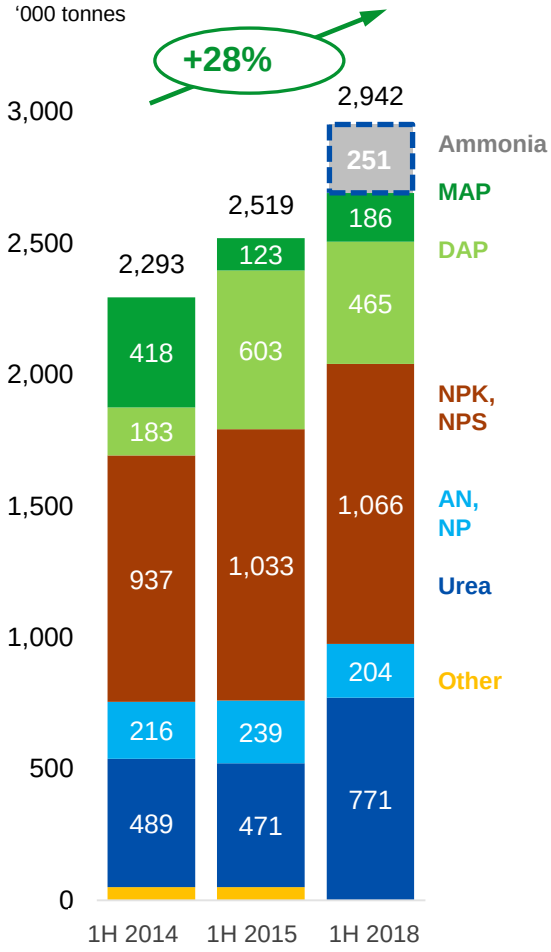
Fertilizers, feed phosphates and other finished goods



Key factors driving year-on-year production growth in 1H 2015

- Increase number of fertilizer grades from 23 (in 2013) to 28, including PKS and NPS fertilizers (both containing sulphur)
- Commissioning of Main Shaft #2 and related infrastructure will enable increasing the capacity of the Kirov mine to 16.5 mln tonnes of ore per year (by 2018)
- Commissioning of new ore mining capacity: +90m of the Kukisvumchorrskiy line of the underground crushing complex #2
- Increased production of aluminium fluoride from 23 ths tonnes/year to 35 ths tonnes/year.
- Implementing programme to improve operations and increase capacity of phosphate-based fertilizers

Finished goods growth outlook for PhosAgro-Cherepovets



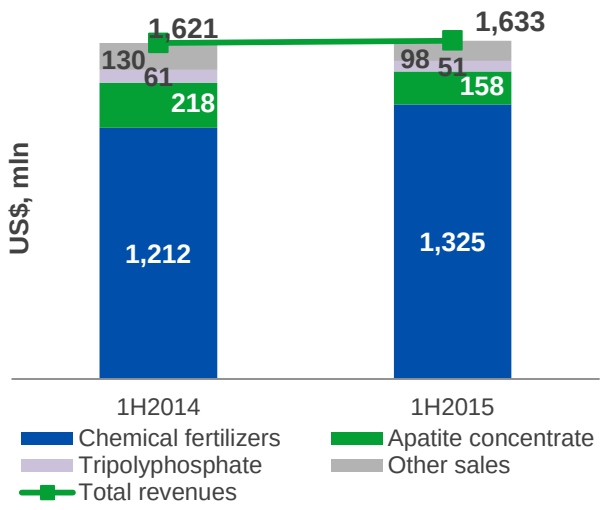
Source: PhosAgro
* - based on approved investment projects

PHOSAGRO

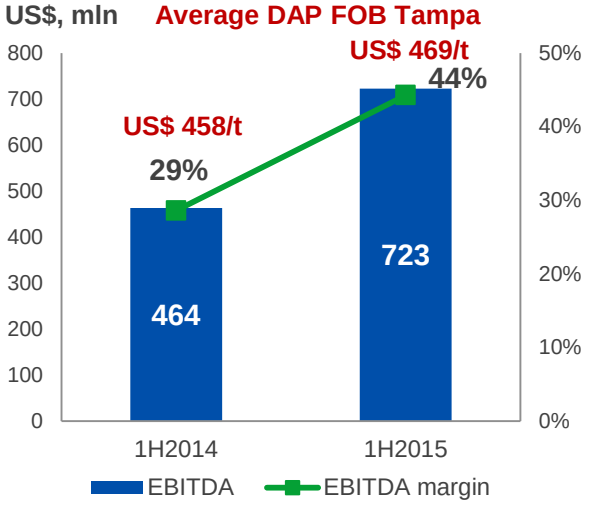
Financial performance: Strong balance sheet

1H2015 and FY2014 Revenue, EBITDA and Net Profit

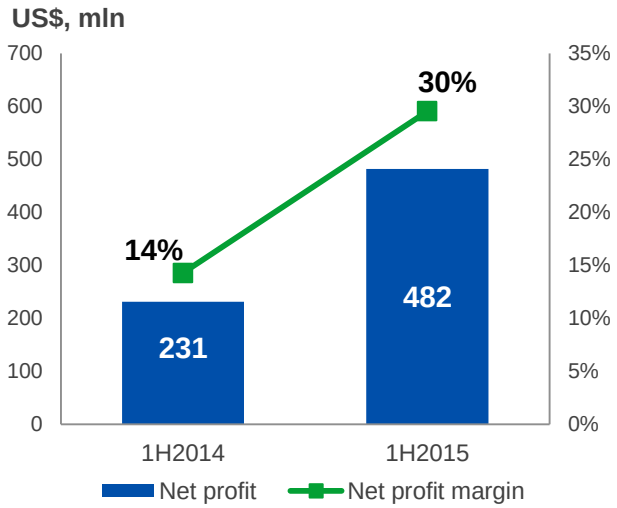
Revenue (1H2014-1H2015)



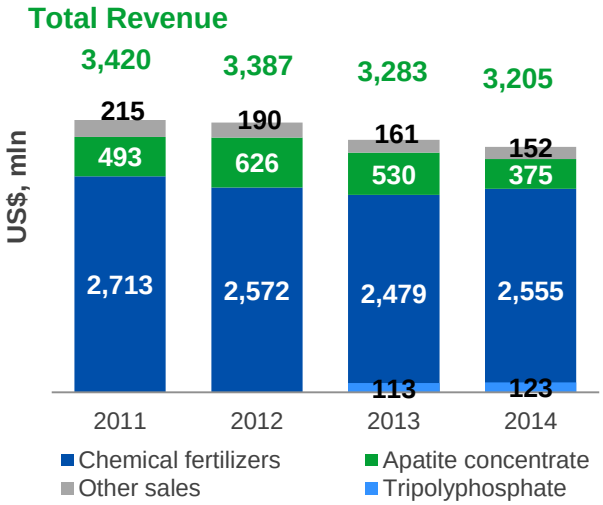
EBITDA (1H2014-1H2015)



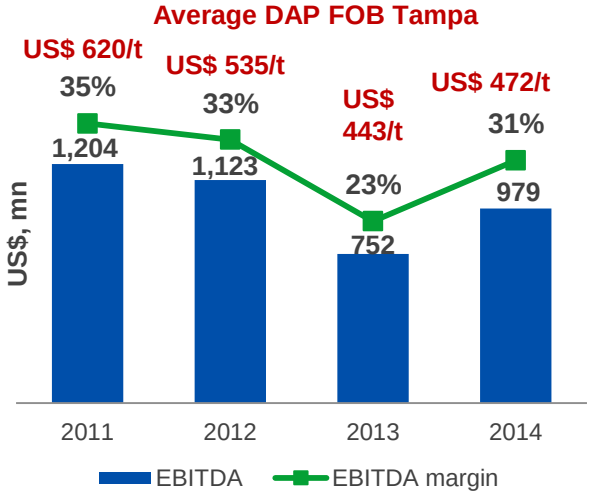
Net Profit (1H2014-1H2015)



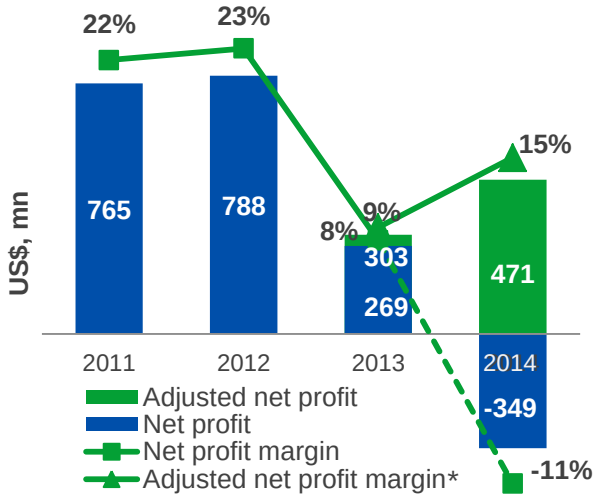
Revenue (FY2011-2014)



EBITDA (FY2011-2014)



Net Profit (FY2011-2014)



Note: Applied average USD/RUB exchange rates: 29.39 (2011), 31.09 (2012), 31.85 (2013), 38.4217 (2014), 34.9796 (1H2014), 57.3968 (1H 2015)

*Adjusted net profit is calculated for unrealized foreign exchange loss

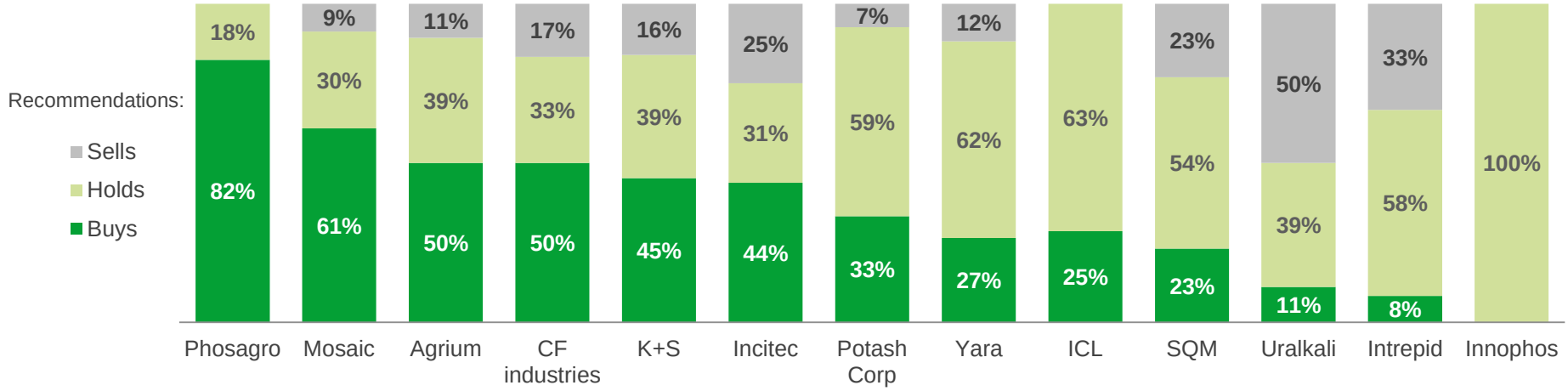
PHOSAGRO

Industry Broker Ratings

Peer valuations

(Typically a 12 month outlook)

	Phosagro	Mosaic	Agrium	CF industries	K+S	Incitec	Potash Corp	Yara	ICL	SQM	Uralkali	Intrepid	Innophos
# of Analysts	14	20	25	18	31	14	27	31	13	12	18	11	4
Average Target Price Premium	21%	34%	21%	29%	19%	1%	33%	16%	3%	35%	2%	35%	35%



	Phosagro	Mosaic	Agrium	CF industries	K+S	Incitec	Potash Corp	Yara	ICL	SQM	Uralkali	Intrepid	Innophos
Nitrogen	12%	-	34%	100%	-	-	11%	97%	-	-	-	-	-
Phosphates	88%	44%	6%	-	-	24%	22%	2%	12%	-	-	-	100%
Potash	-	56%	16%	-	70%	-	67%	1%	56%	48%	100%	100%	-

Positive outlook — **Negative outlook**

Sources: Bloomberg (2 October 2015), PhosAgro analysis

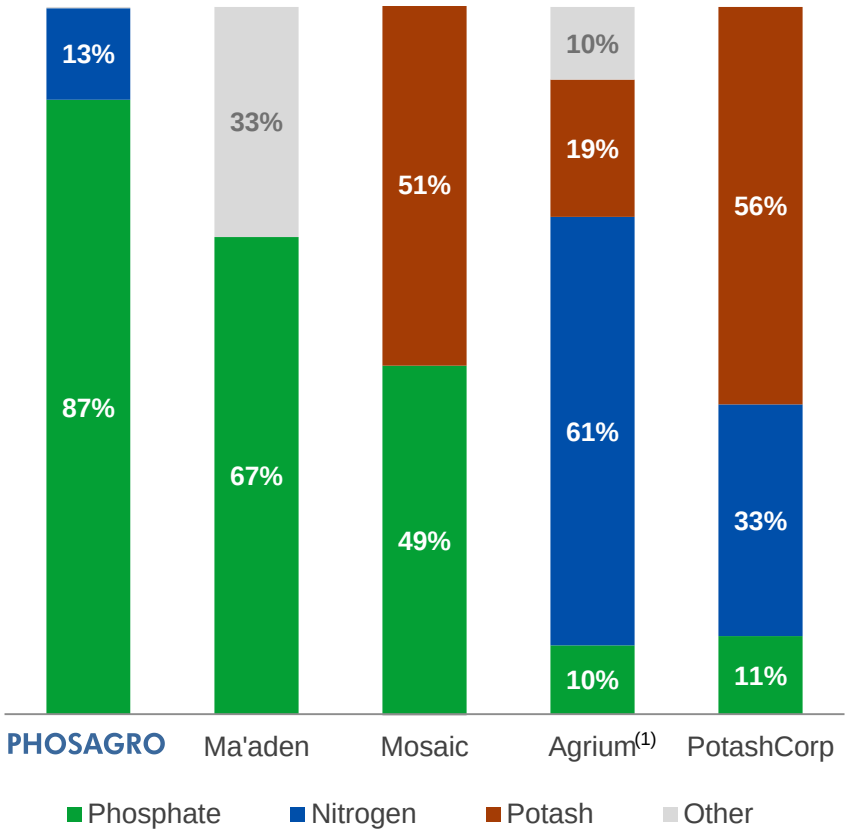
PHOSAGRO

Appendix

PhosAgro: the only pure play phosphates producer

Gross profit breakdown by segment

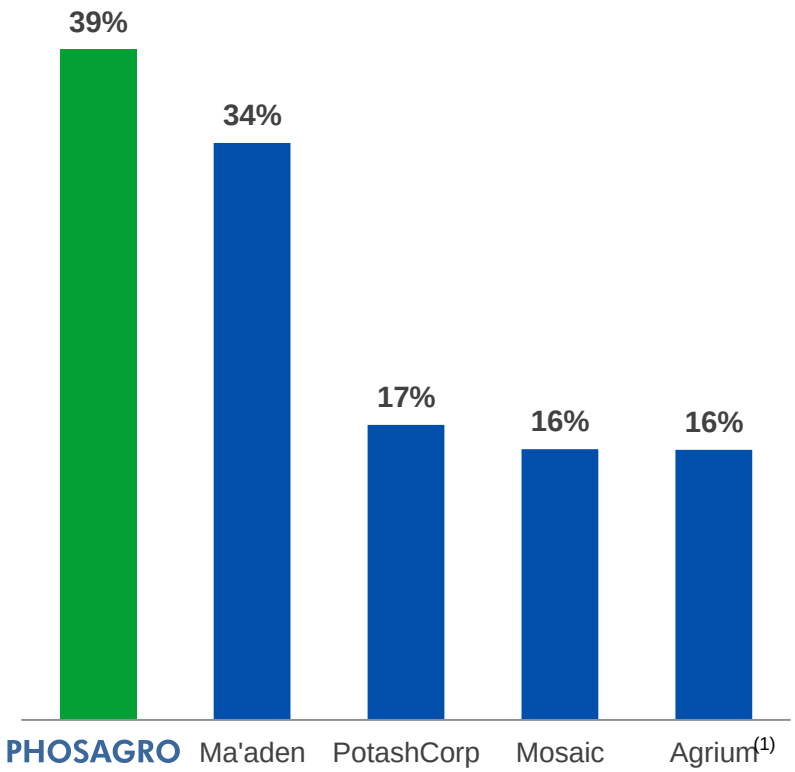
Average gross profit breakdown by segment for 2012-2014



Source: Capital IQ database, companies' reports
Note: (1) Excluding resale, retail and advanced technologies

Phosphate segment gross profit margin

Average gross profit margin of phosphate segment for 2012-2014



Source: Companies' reports
Note: (1) Wholesale

High quality production assets

Apatit

Resources[1]

Apatite-nepheline ore: 2,050 mt

Al_2O_3: 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 – P_2O_5 content of 39%
- Lowest hazardous element content among the major phosphate rock producing regions; benefits from low levels of radioactivity

Balakovo branch of Apatit

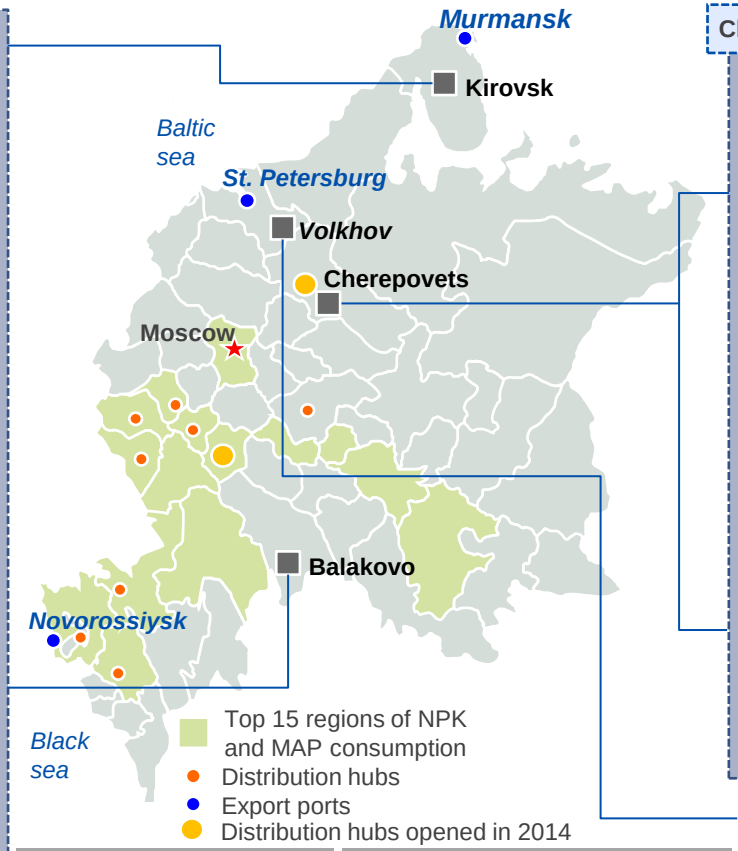
Capacity by product

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



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

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 capacities in Russia

Metachem

Capacity by product

Sulphuric acid: 215 kt

Phosphoric acid: 80 kt of P_2O_5

PKS: 100 kt

Sulphate of potash (SOP): 80 kt

Sodium tripolyphosphate (STPP): 130 kt

Highlights

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

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)

Source: PhosAgro (capacity as of December 31, 2014), CRU, European Commission

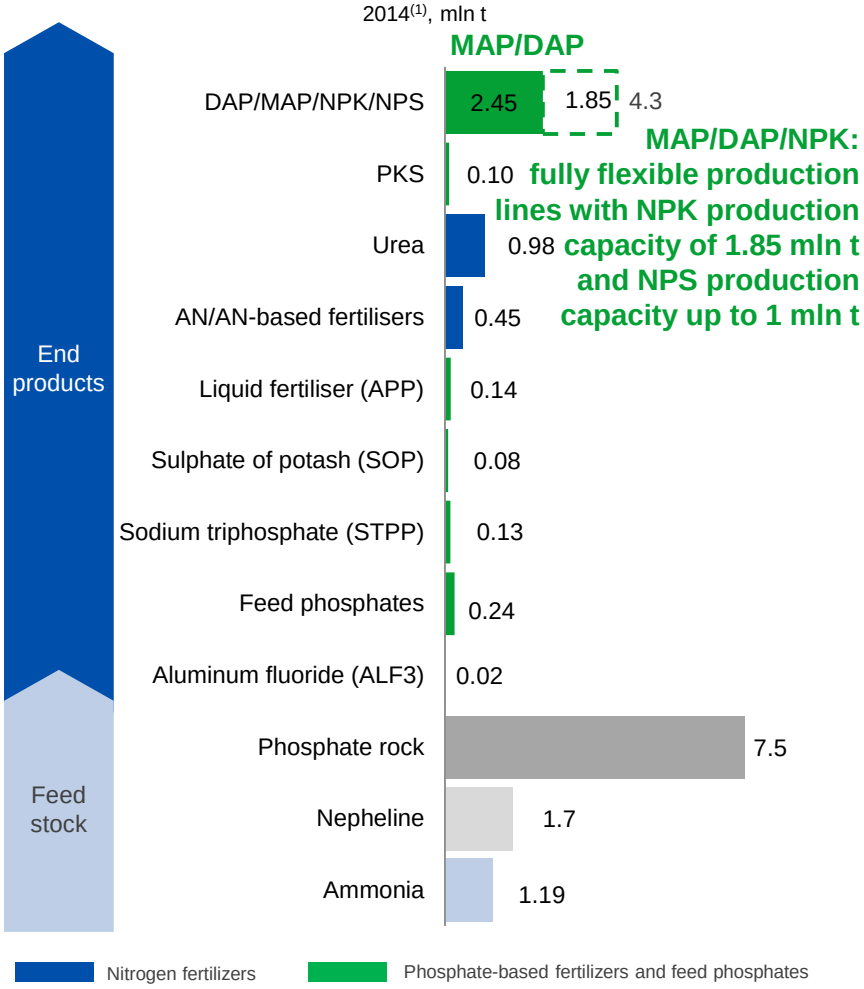
Note: (1) Measured and indicated, PhosAgro, IMC, JORC report June 2011

(2) Rare earth oxides

(3) Defined as phosphate rock with P_2O_5 content over 35.7%

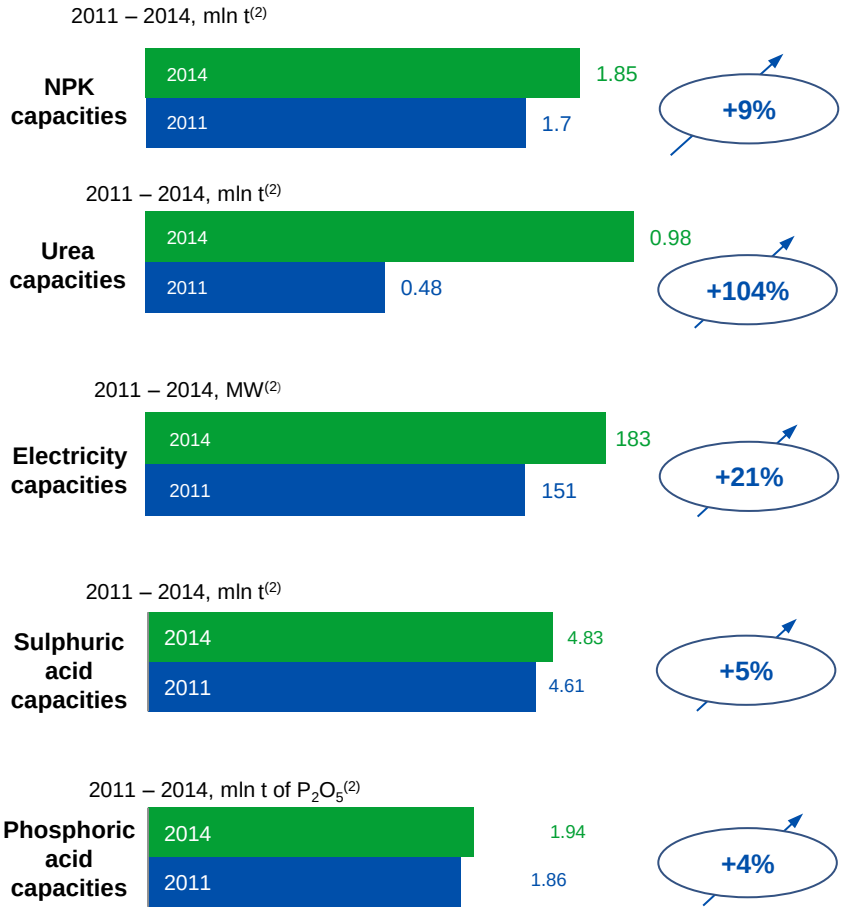
Flexible production capacity

PhosAgro production capacities



Source: PhosAgro

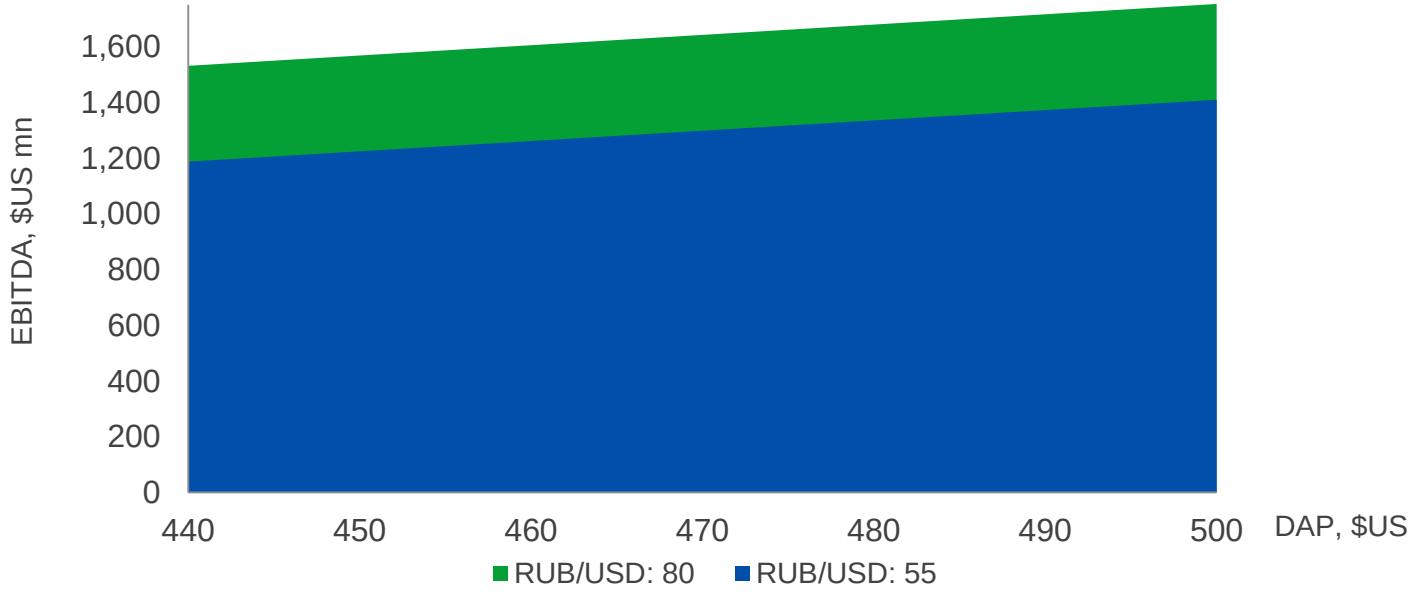
Capacity growth 2011-2014



Source: PhosAgro

Note: (1) production capacities as of 31 December 2014
(2) as of 31 December 2011 and 31 December 2014

RUB devaluation: EBITDA sensitivity(1)



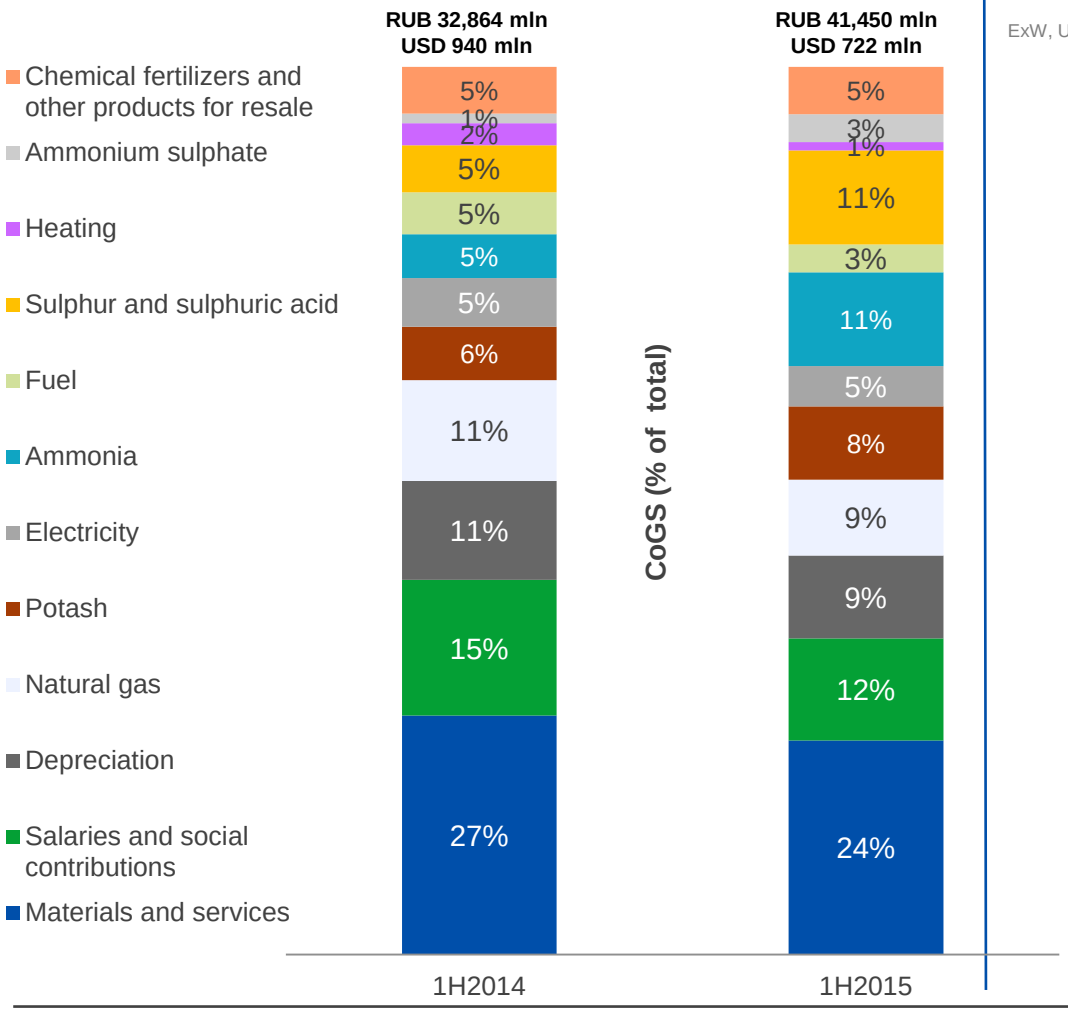
in mln USD		2015F DAP FOB Baltic price, $/tonne						
		440	450	460	470	480	490	500
RUB/USD exchange rate	55	1 187	1 224	1 261	1 298	1 335	1 372	1 409
	60	1 279	1 316	1 353	1 390	1 427	1 464	1 501
	65	1 357	1 394	1 431	1 468	1 505	1 542	1 579
	70	1 423	1 460	1 497	1 534	1 571	1 608	1 645
	75	1 481	1 518	1 555	1 592	1 629	1 666	1 703
	80	1 531	1 568	1 605	1 642	1 679	1 716	1 753

Current market conditions

Source: PhosAgro
Note: (1) EBITDA estimations are based on September 2015 feedstock prices (ammonia, sulphur and potash)

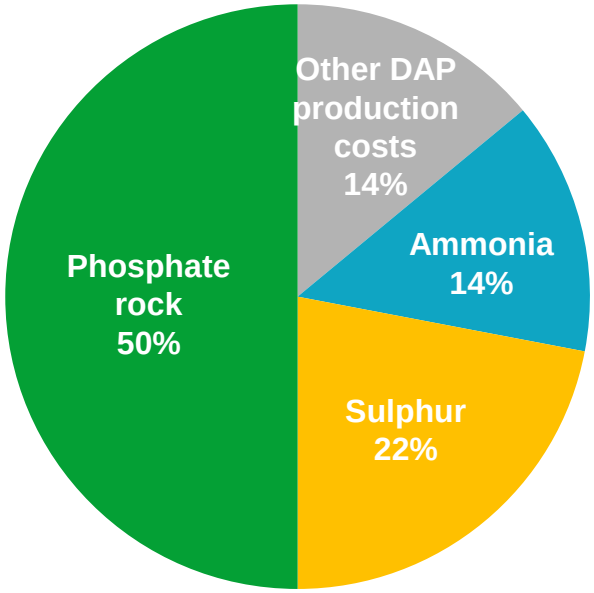
1H 2015 Cost of goods sold

Cost of Goods Sold



DAP production cash cost breakdown

ExW, US$, 1H2015



Source: PhosAgro
RUB/USD rates: 1H 2015: 57.3968; 1H 2014: 34.9796
(1) Phosphate-based fertilizers, MCP, STPP and nitrogen fertilizers

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
2014	45.00	14,97	0,29
1Q2015	48.00	16.00	0.31
Recommended dividend for 2Q2015*	57.00	19.00	0.29
Subtotal for 2015	105.00	35.00	0.60

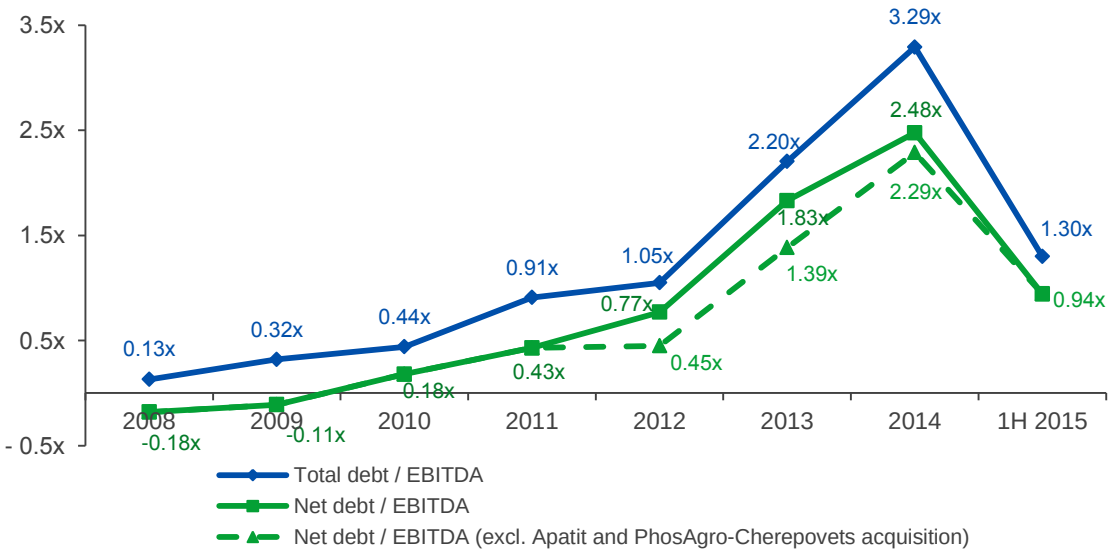
Total paid

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%
2014	7.8	13.6	57%
1Q2015	6.2	14.2	44%
Total	**36.1**	**71.3**	**51%**

Source: PhosAgro
Note: (*) - for recommended dividend for 2Q 2015 per GDR applied USD/RUB exchange rate 64.9363 (as of 17.08.2015)

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	Ba1 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

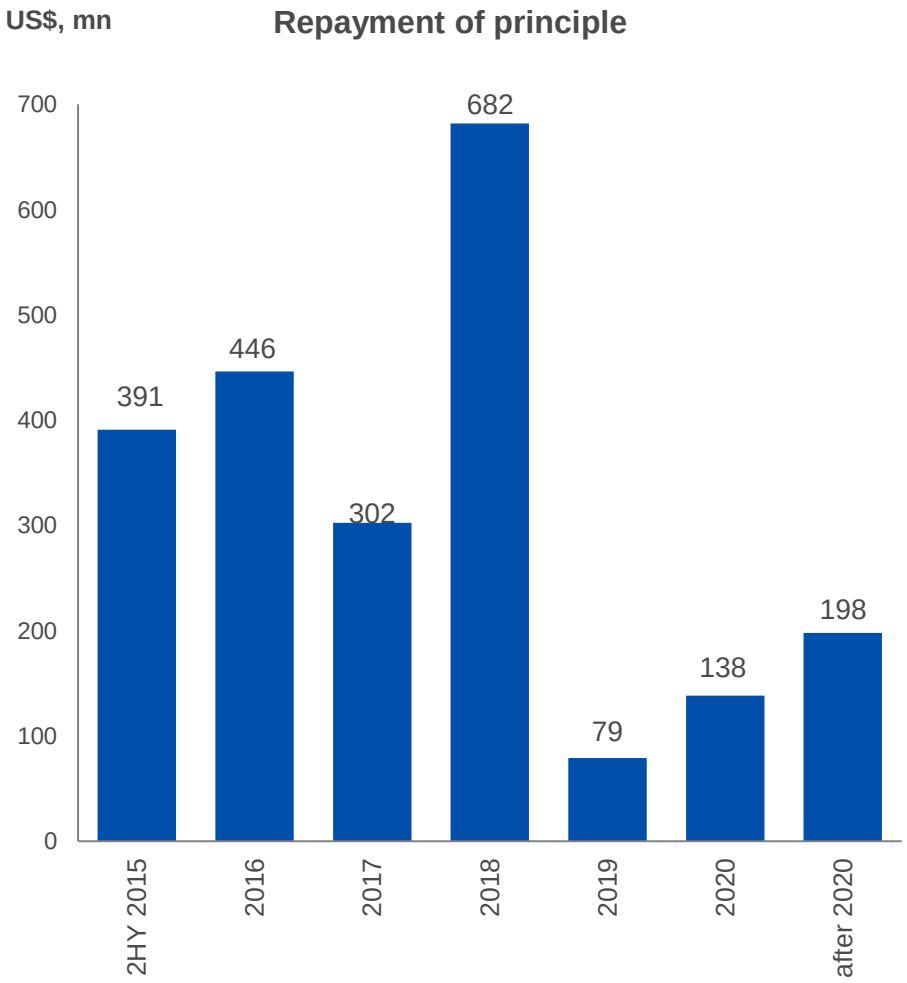
PhosAgro carefully manages its balance sheet and cost of financing for all current initiatives, including both the consolidation of subsidiaries and growth projects

- The Company's net debt to EBITDA ratio decreased to 0.94x as of 30 June 2015, from 2.48x as of 31 December 2014
- Net debt at 30 June 2015 stood at RUB 78.3 billion, down from RUB 93.1 billion at 31 December 2014. Most of the Company's debt is denominated in USD as a natural hedge against primarily USD-denominated sales
- Fitch Ratings has affirmed the Company's long-term foreign currency Issuer Default Rating (IDR) of BB+/Stable. Standard & Poor's left PhosAgro's BBB-/Negative rating unchanged after that agency's downgrade of the Russian sovereign rating in January 2015, while Moody's Investor Service adjusted the Company's long-term Issuer Rating to Ba1/Negative on 25 February 2015, following its downgrade of the Russian Federation sovereign ceiling

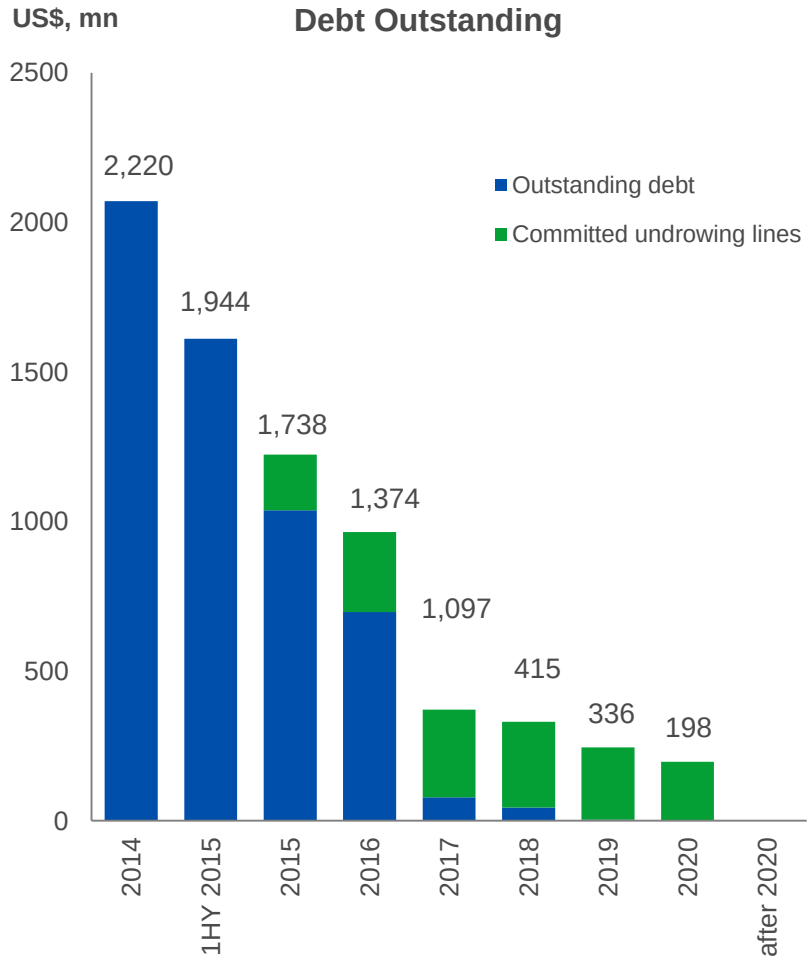
Source: PhosAgro

Debt Maturity Profile(1)

Payment Schedule



Debt Repayment Plan/ Outstanding Debt

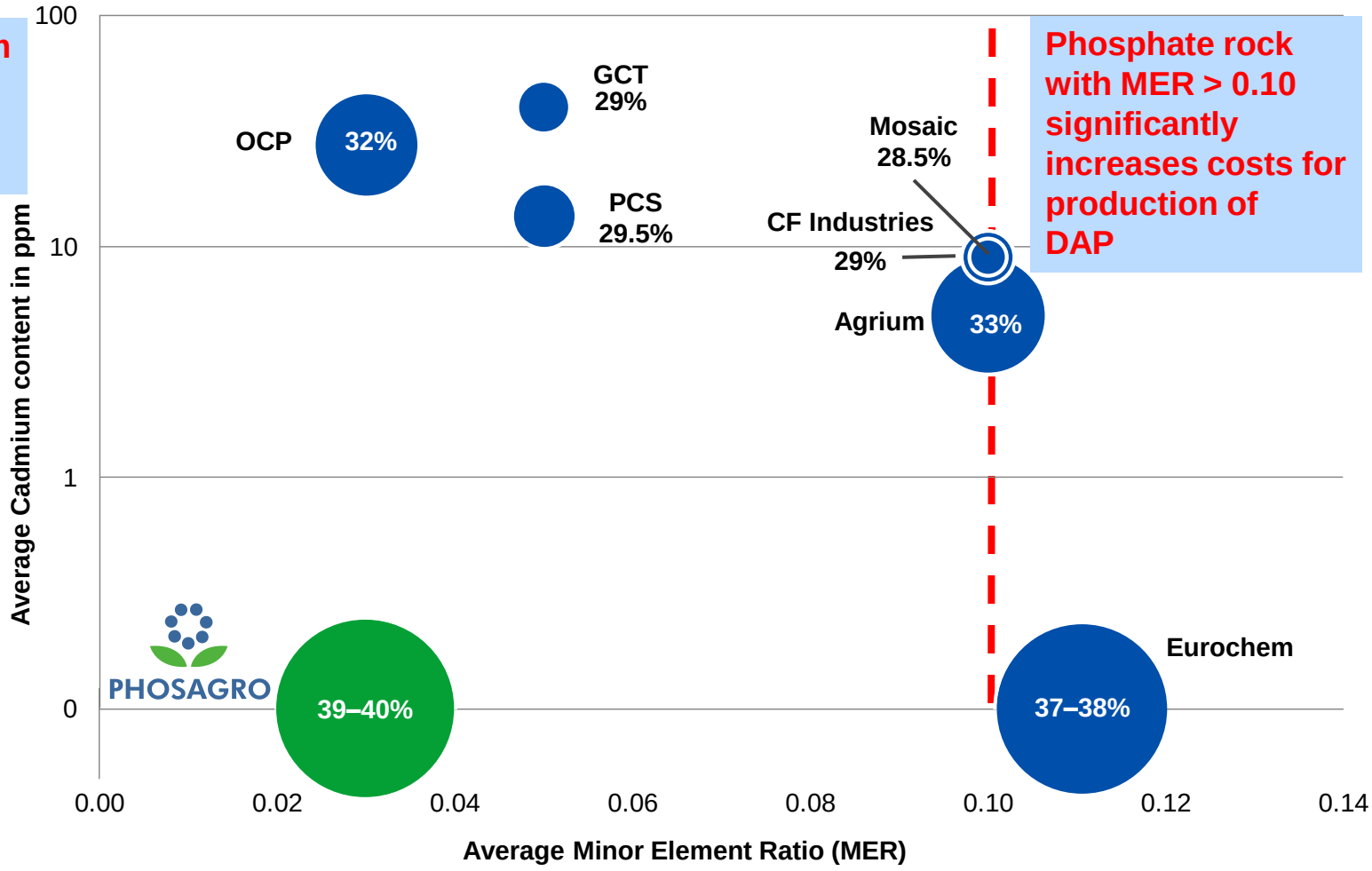


Source: PhosAgro

Note: (1) maturity profile as of June 30, 2015
applied USD/RUB exchange estimate rate: 68,12
applied EUR/RUB exchange estimate rate: 76,67

Control of world's premium phosphate resource base

Higher cadmium content in sedimentary rocks

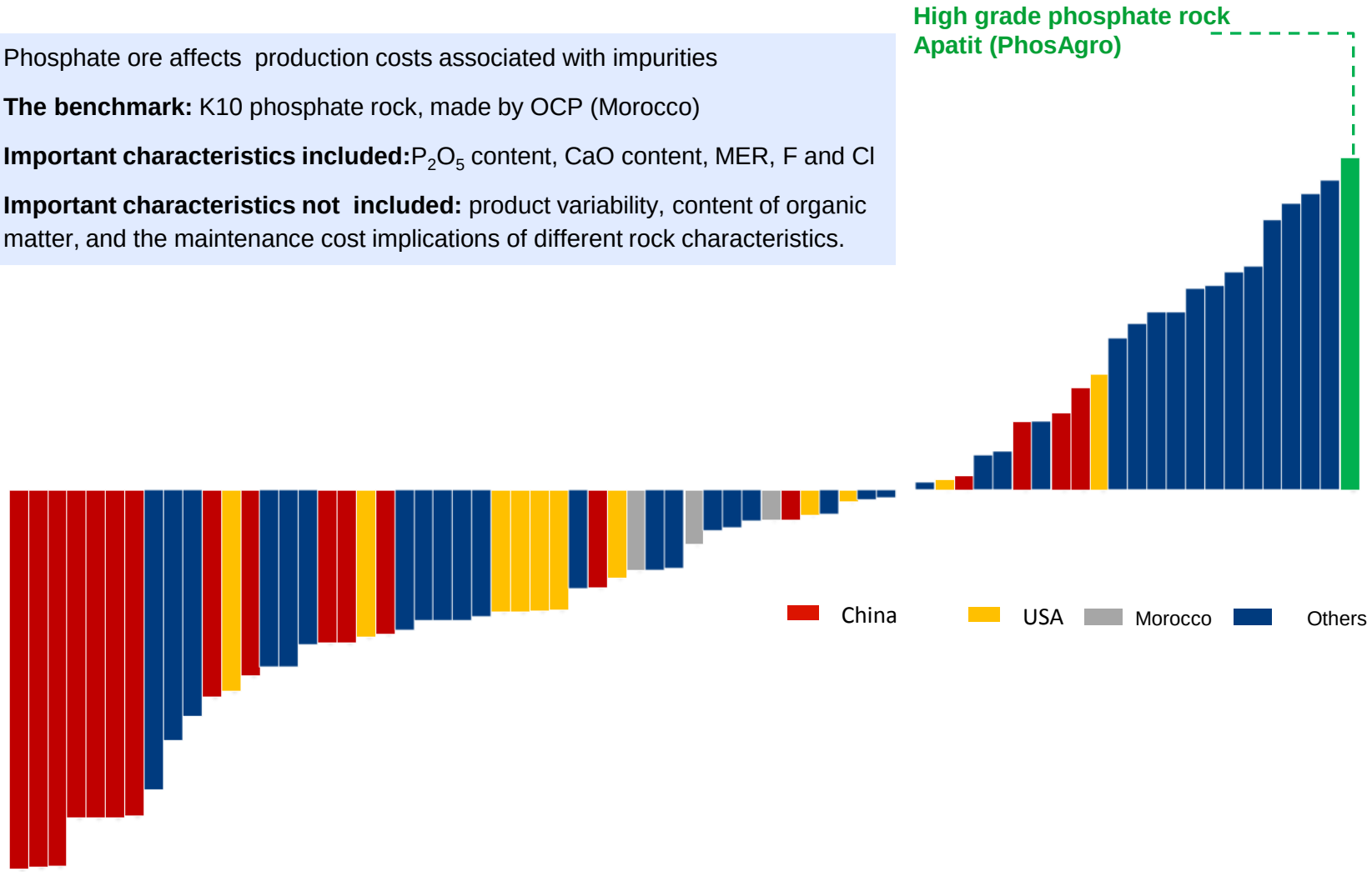


Phosphate rock with MER > 0.10 significantly increases costs for production of DAP

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

Premium/discount to the most affordable Moroccan phosphate rock

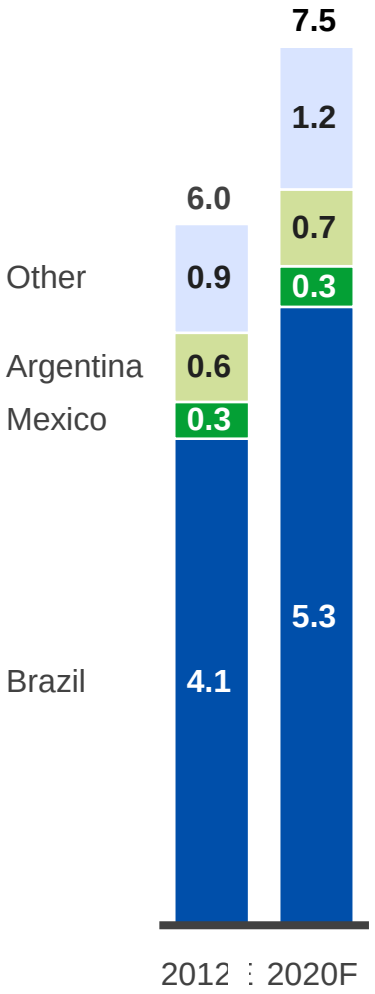
- Phosphate ore affects production costs associated with impurities
- **The benchmark:** K10 phosphate rock, made by OCP (Morocco)
- **Important characteristics included:** P_2O_5 content, CaO content, MER, F and Cl
- **Important characteristics not included:** product variability, content of organic matter, and the maintenance cost implications of different rock characteristics.



Source: CRU 'Phosphate Rock Cost Report' 2014 edition

Key drivers of P_2O_5 demand growth in Latin America

Demand growth by country
mn t



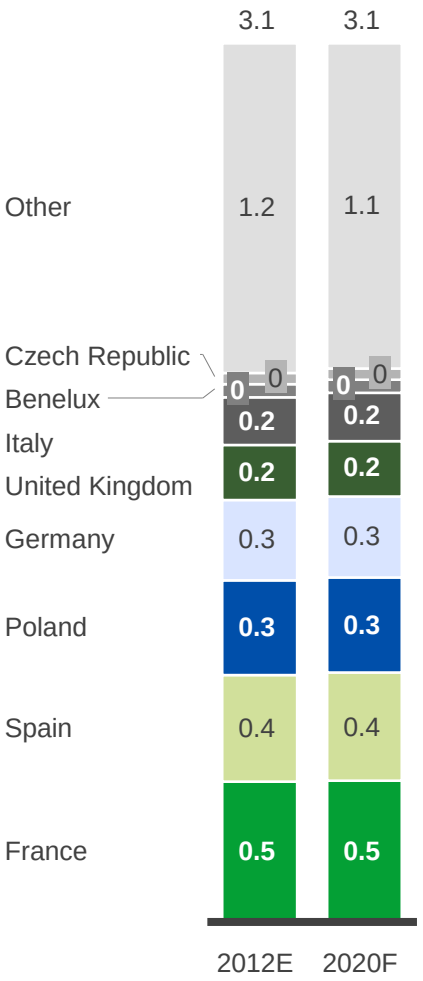
Largest phosphate fertilizer consumers in Latin America by crops

		Recommended application rates, kg/ha*	Solutions
 Soy bean	N	0-5	PKS 1:20:25
	P	15-32	MOP 0:0:60
	K	0-83	
 Sugar cane	N	110-120	MAP 15:15:15
	P	17-20	Urea 46:0:0
	K	50-116	MOP 0:0:60
 Maize	N	100-150	MAP 12:52:0
	P	20-28	Urea 46:0:0
	K	0-42	MOP 0:0:60
 Grape	N	80	NPK(S) 15:15:15(10)
	P	26	SOP 0:0:50
	K	66	Urea 46:0:0
 Wheat	N	80-120	NPK 10:20:20
	P	20-26	Urea 46:0:0
	K	0-42	

Source: McKinsey Fertilizer Demand Model
*IPNI (in nutrients: N – nitrogen; P – phosphorus in P2O5; K – potassium in K2O)

Key drivers of P_2O_5 demand growth in Europe

Demand growth structure
mn t



Largest phosphate fertilizer consumers in Europe by crops

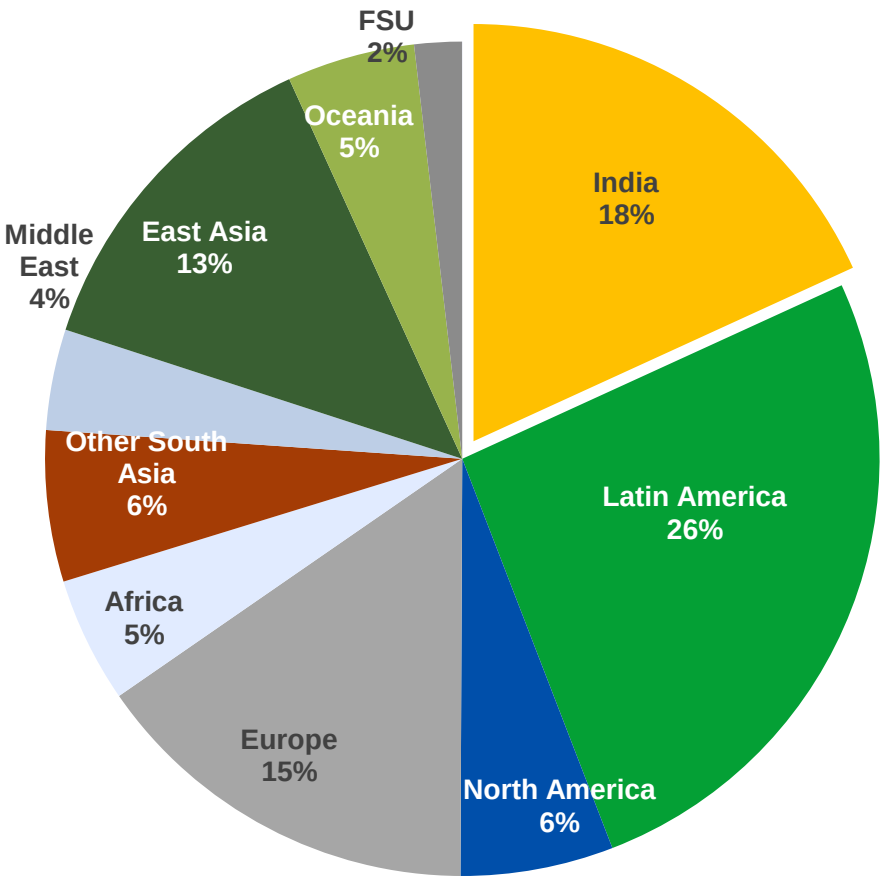
		Recommended application rates, kg/ha*	Solutions
 Wheat	N	40-210	NPK(S) 15:15:15(10)
	P	45-110	Urea 46:0:0
	K	40-130	
 Barley	N	30-160	NPK(S) 15:15:15(10)
	P	45-110	Urea 46:0:0
	K	40-130	
 Rape seed	N	50-150	NPK(S) 15:15:15(10)
	P	30-90	Urea 46:0:0
	K	20-80	
 Maize	N	20-150	DAP 18:46:0
	P	20-115	Urea 46:0:0
	K	110-205	MOP 0:0:60
 Grape	N	20-60	NPK(S) 15:15:15(10)
	P	40-110	SOP 0:0:50
	K	80-220	

Source: McKinsey Fertilizer Demand Model
*Defra, 8th edition, June 2010, Fertilizer manual – Spring sown (in nutrients: N – nitrogen; P – phosphorus in P2O5; K – potassium in K2O)

India depends on P_2O_5 imports

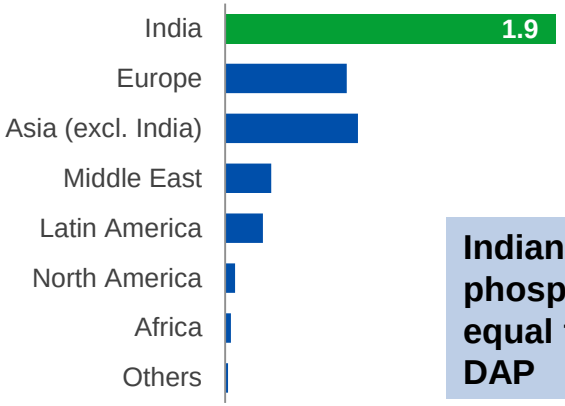
India is the major purchaser of DAP/MAP…

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



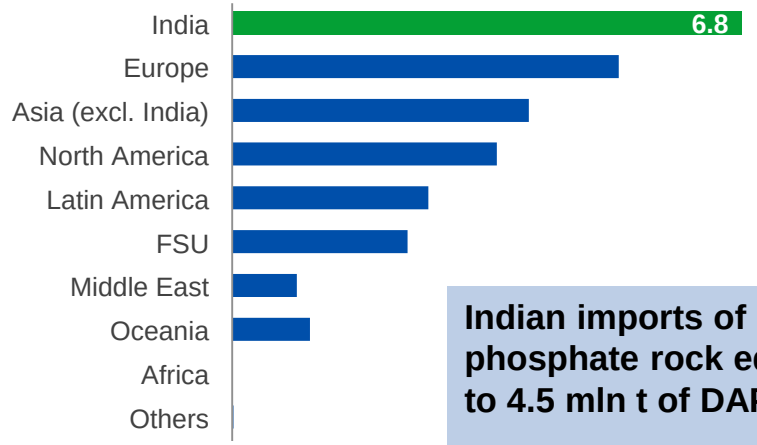
… and importer of feedstock for phosphates production

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
(*) Average 2011-2013

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

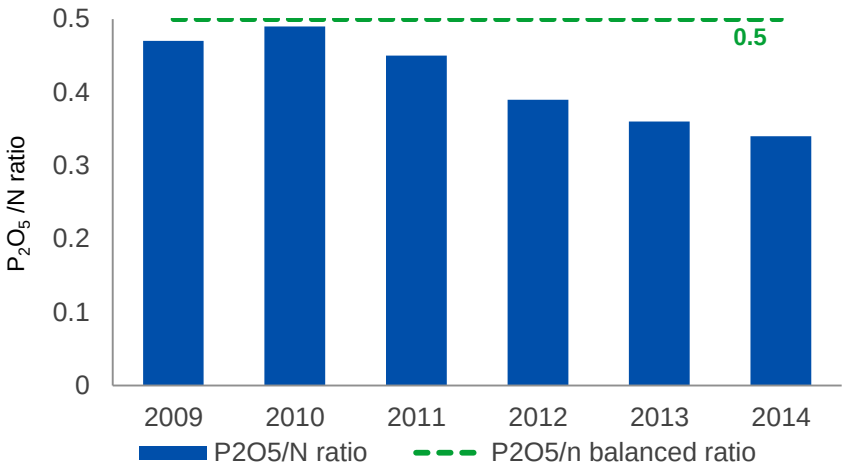
Evolution of N : P_2O_5 : K_2O ratio in India

	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

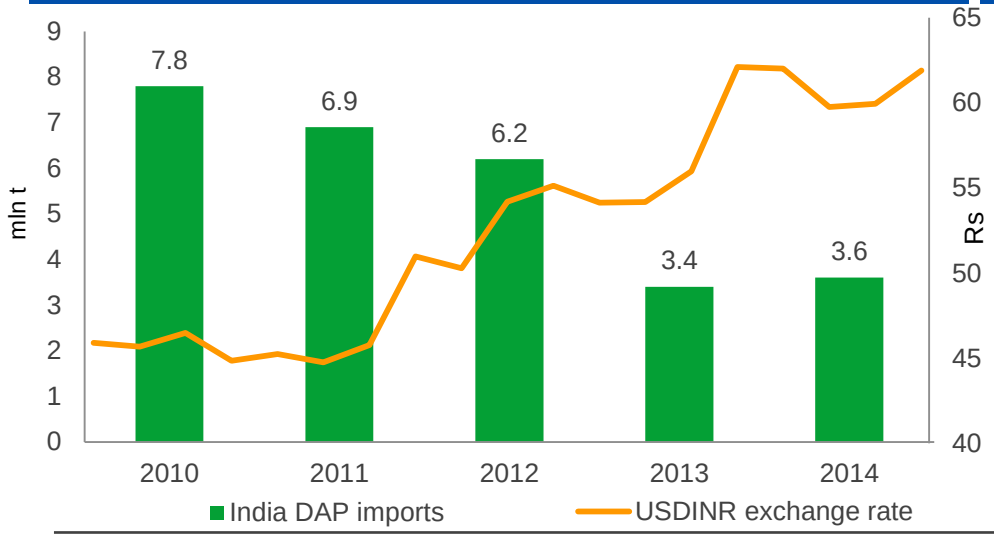
Nutrient Based Subsidy (NBS) Rates in India (Rs/kg nutrient)

	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
2015/16e	20.875	18.679	15.5
2015/2011 Change	-23%	-42%	-42%

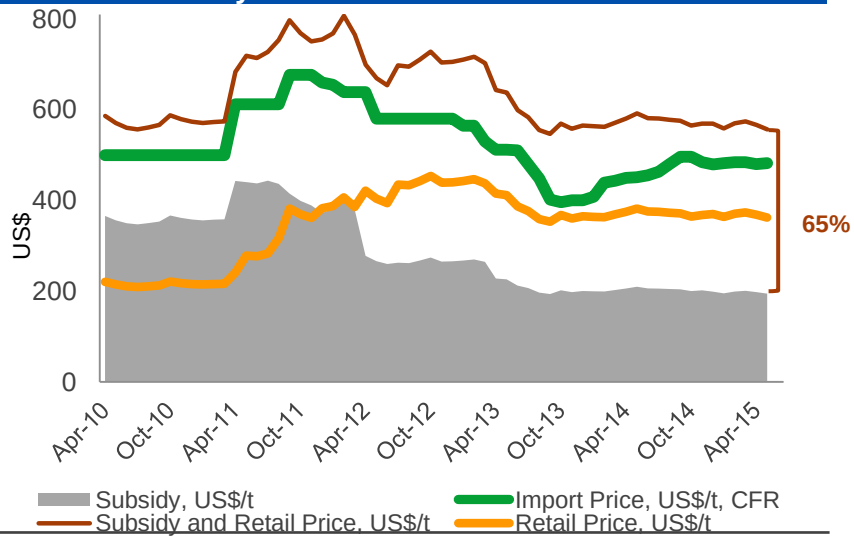
Unbalanced fertilization



India DAP imports and Rupee exchange rate



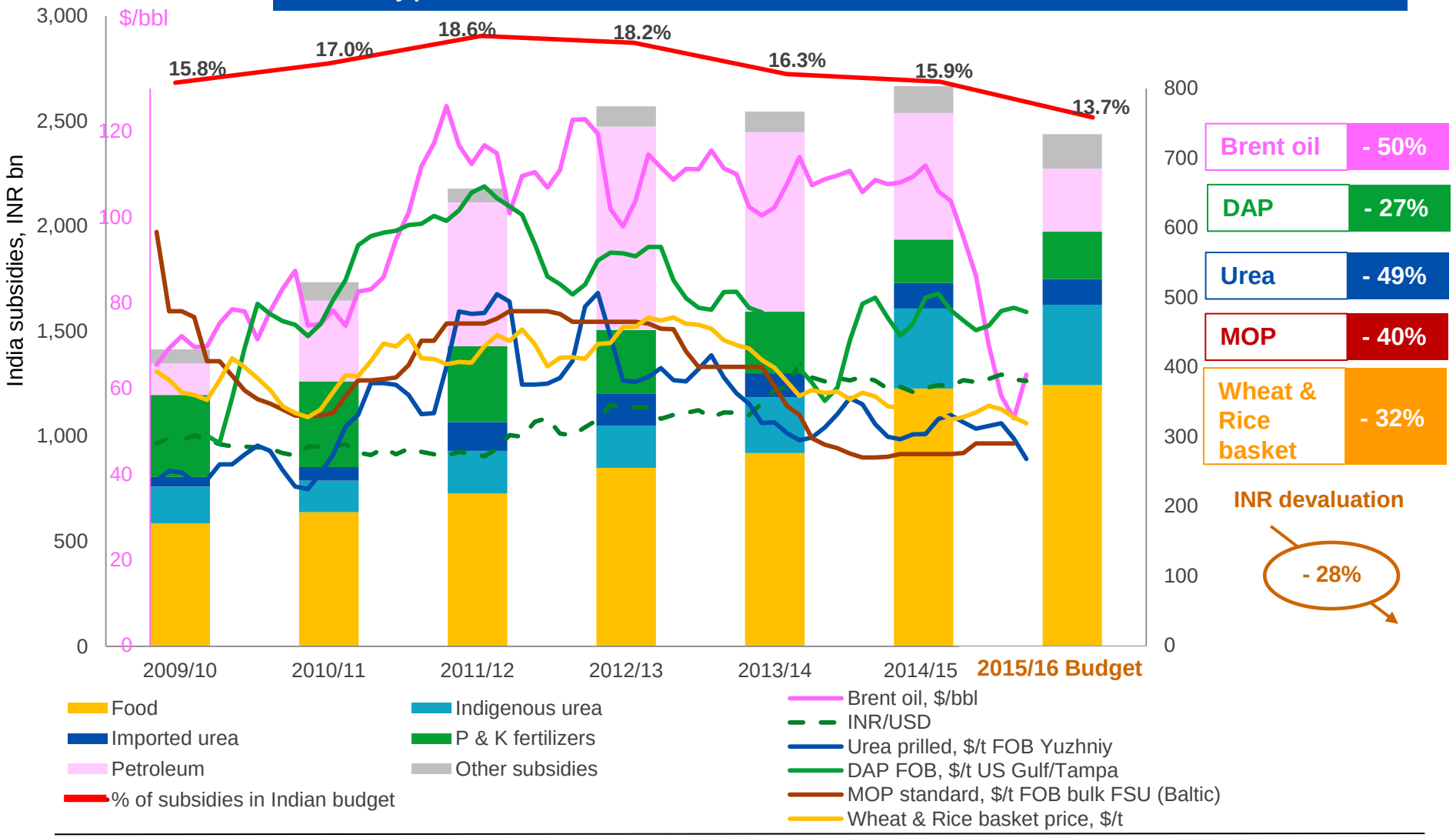
Indian domestic price is twice above the current subsidy level



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

Drop in commodity prices supports budget rebalancing

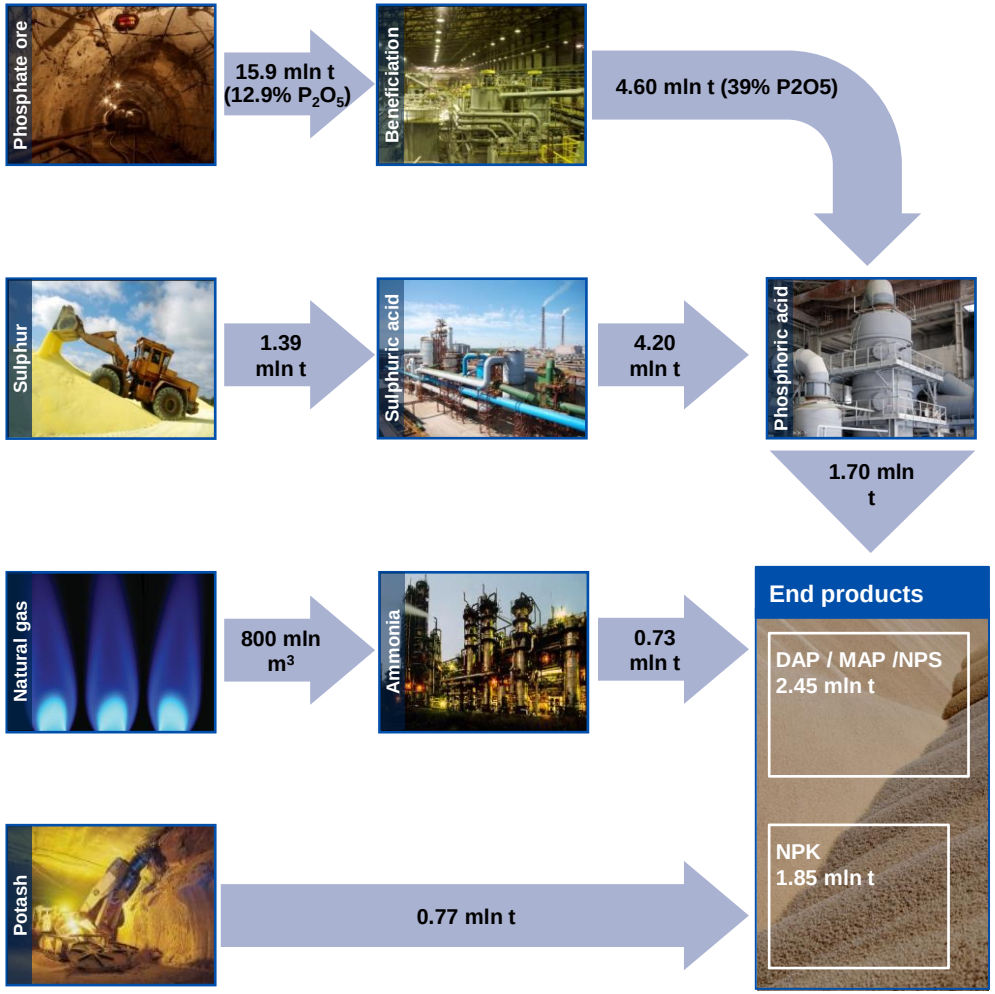
Commodity prices and Indian fertilizer subsidies



Source: CRU Fertilizer Week, Indian government, Capital IQ

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

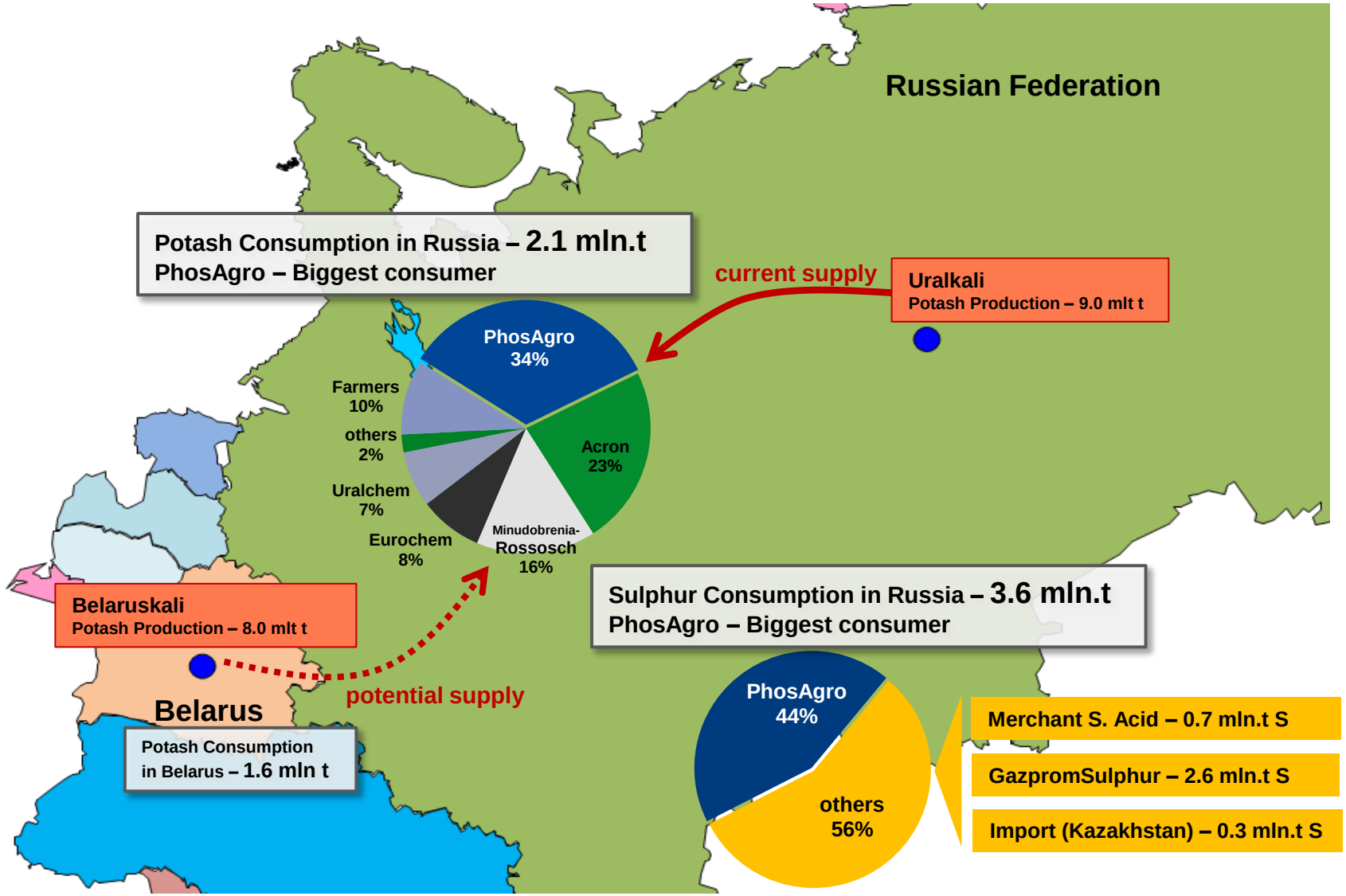
Construction period: 6 years +

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

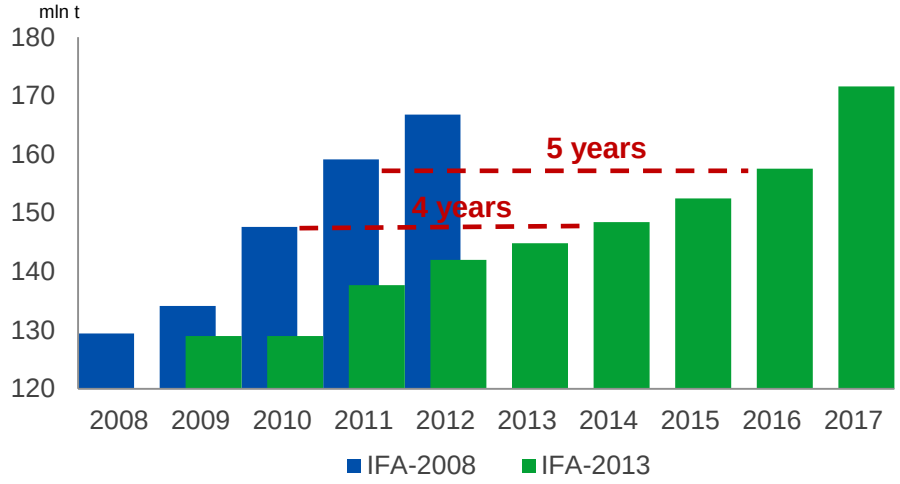
Access to abundant local resources



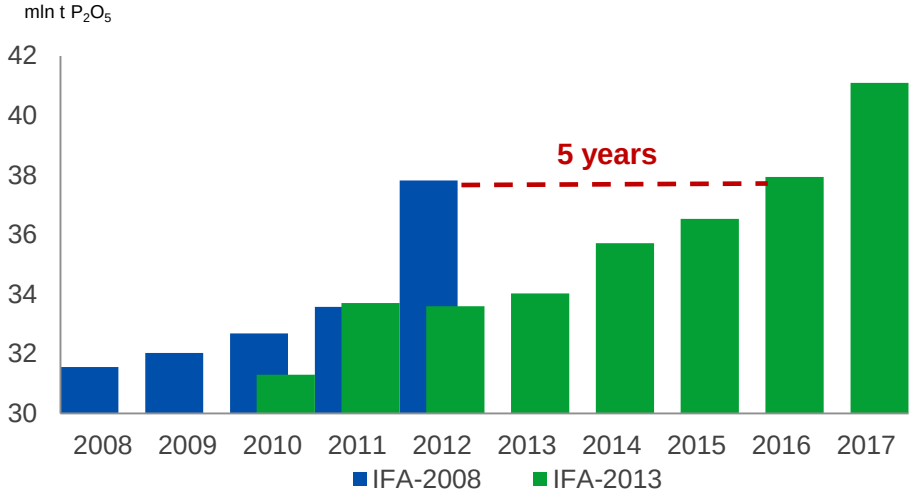
Source: IFA, Belstat, PhosAgro. Data for 2012

Commissioning phosphate rock and phosphoric acid capacities

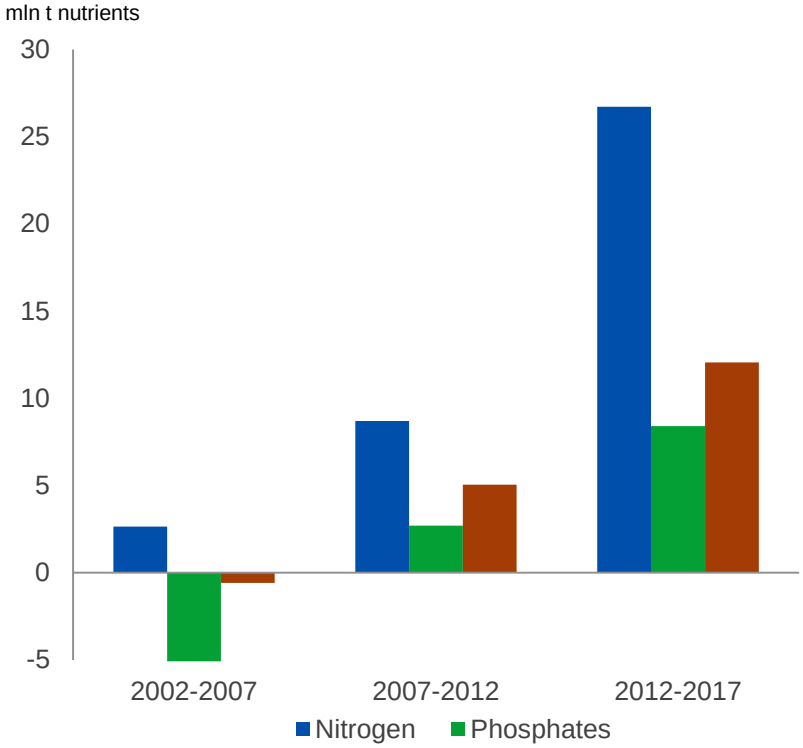
Delays in addition of new phosphate rock capacities (excl. China)



Delays in commissioning phosphoric acid capacities (excl. China)



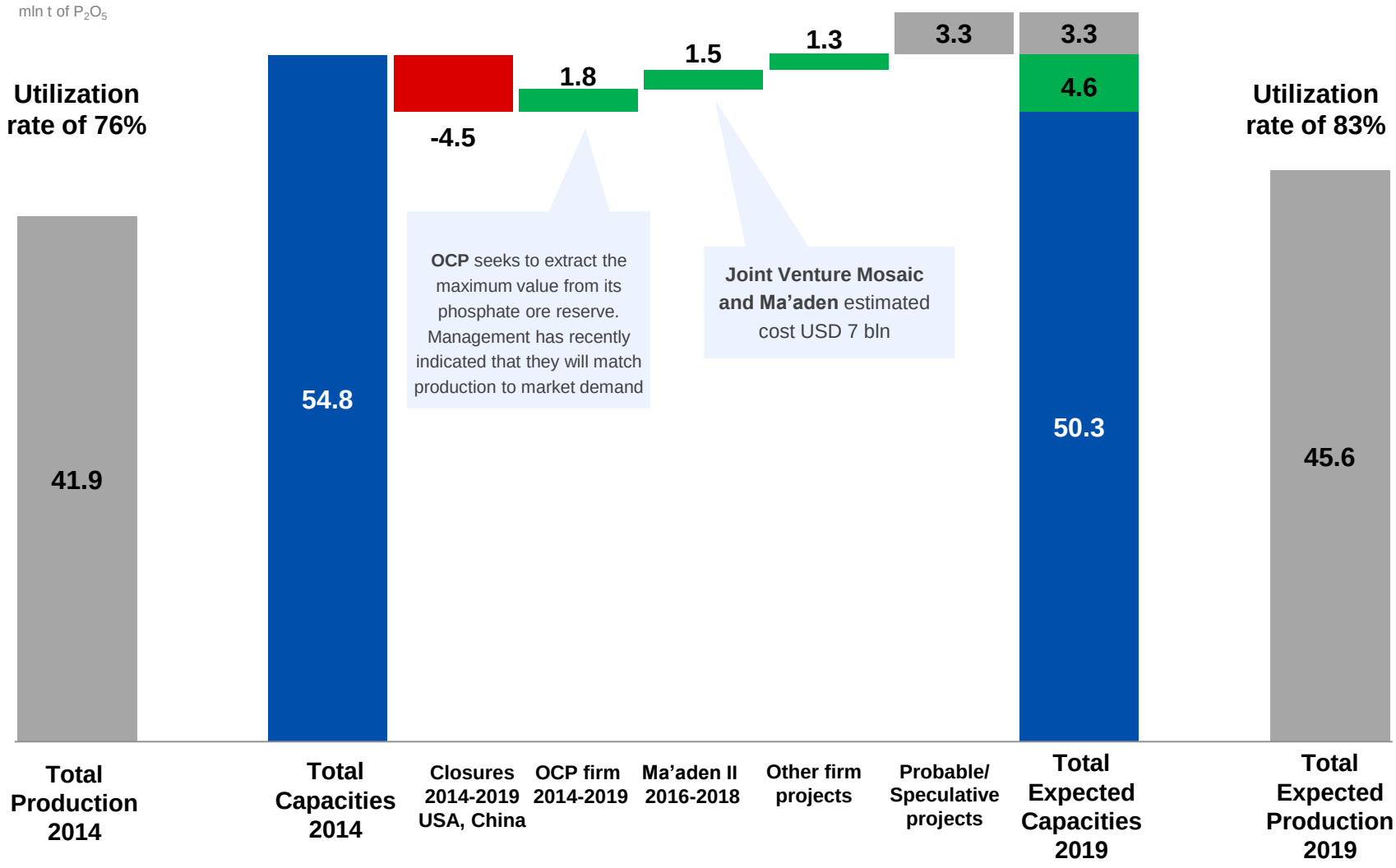
Changes in world fertilizer capacities (excl. China)



- 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

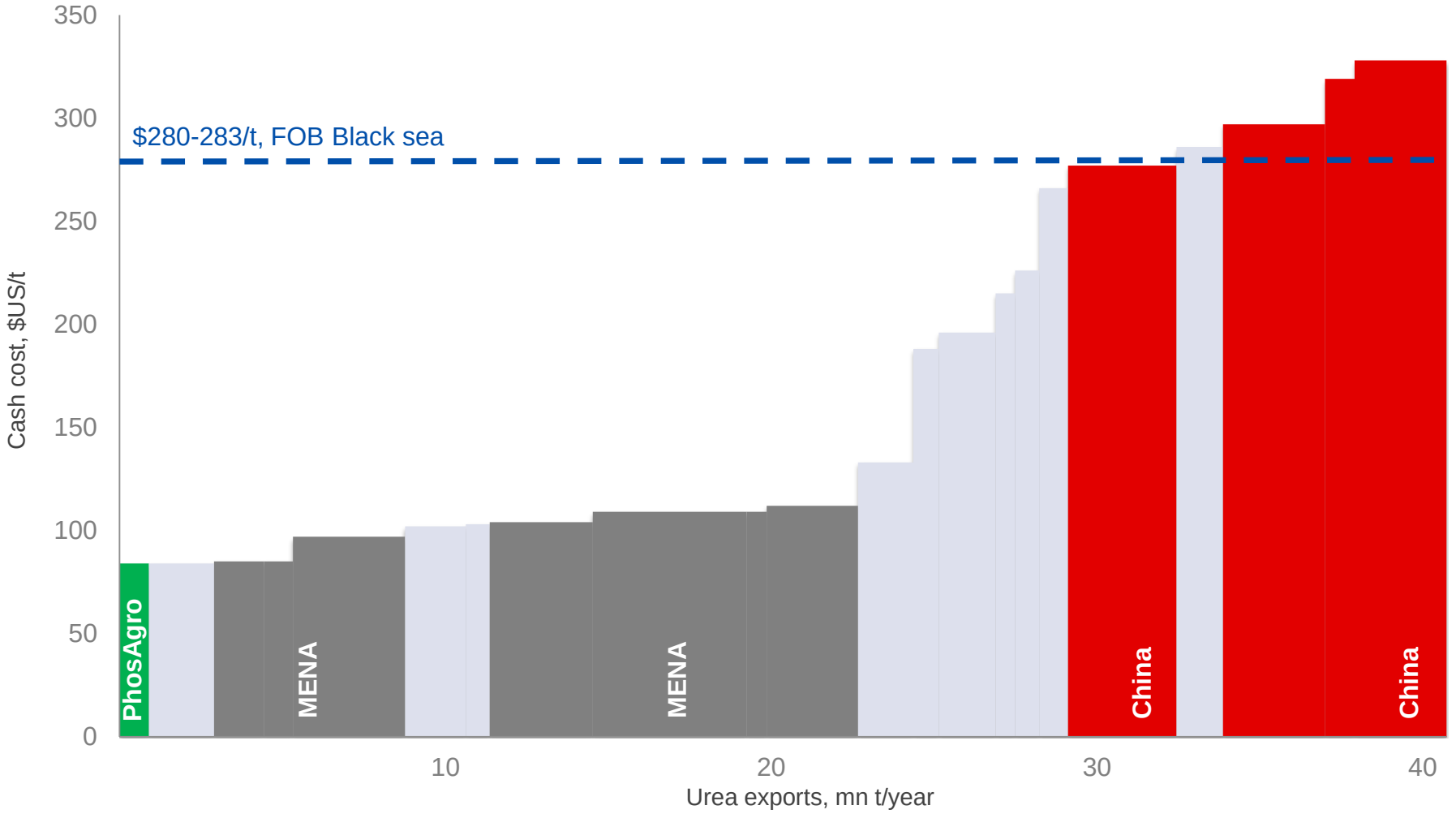
Source: IFA, PhosAgro

Timing and completion of new capacities is uncertain



Source: CRU, companies' data

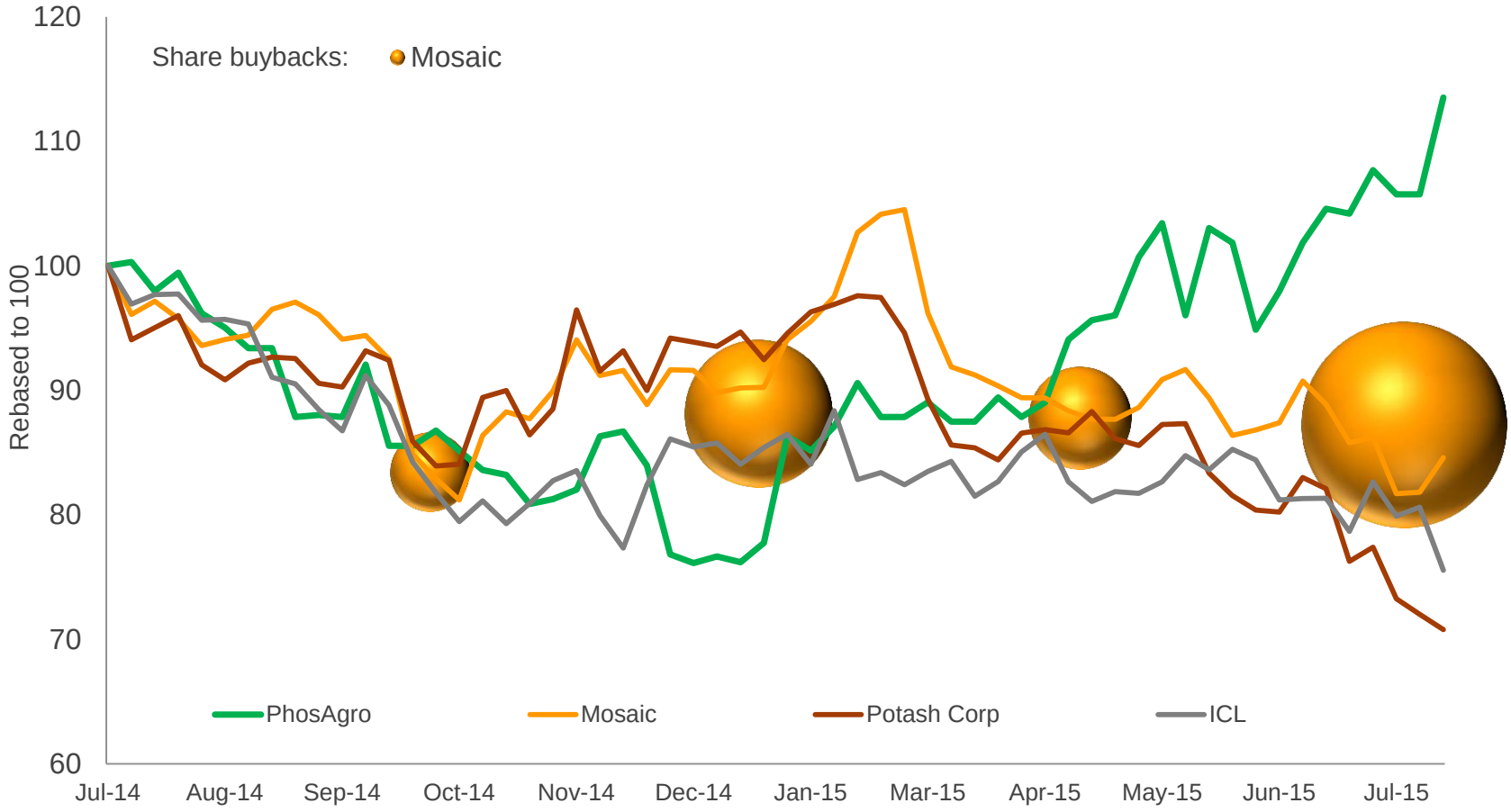
Estimated Urea export cash cost curve $US/t FOB(1) Yuzhny



Source: PhosAgro estimates, CRU, Fertecon, IFA, Argus-FMB
Note: (1) Urea cash cost estimates are based on feedstock prices in Q1 2015
USD/RUB exchange rate of RUB 61.88 applied for calculation urea export cash cost

Stock/GDR performance

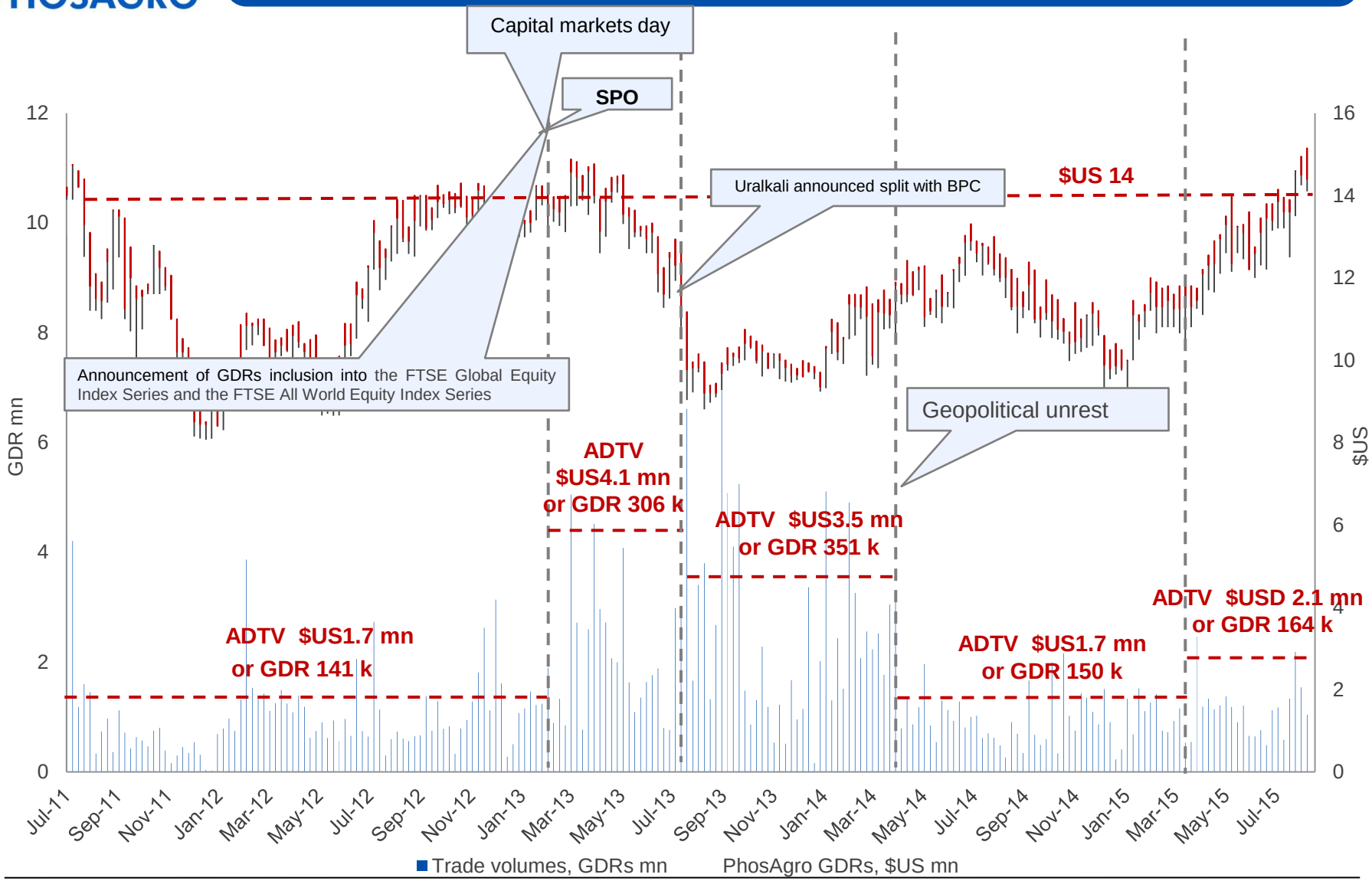
Share price performance



Peer companies	PhosAgro	Mosaic	ICL	Potash Corp
Share price performance July 2014 – August 2015	**14%**	(15%)	(24%)	(29%)
Market cap, USD bln	5.7	15.4	8.4	21.7
Buybacks (July 2014-August 2015), USD bln	**-**	1.0	-	-

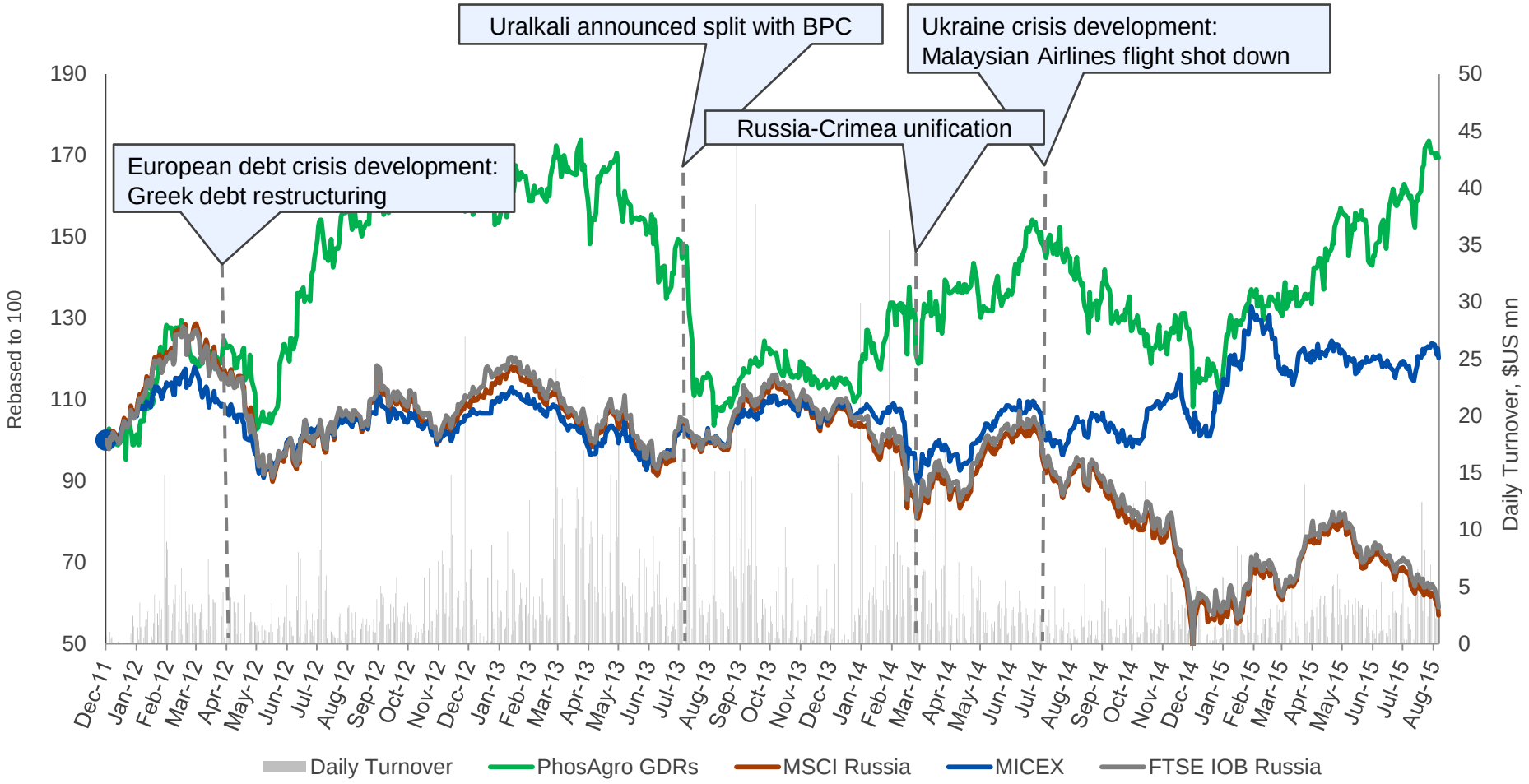
Sources: Bloomberg, PhosAgro

PhosAgro GDR performance



Source: Bloomberg (as of August 25, 2015)

Global political and economic instability

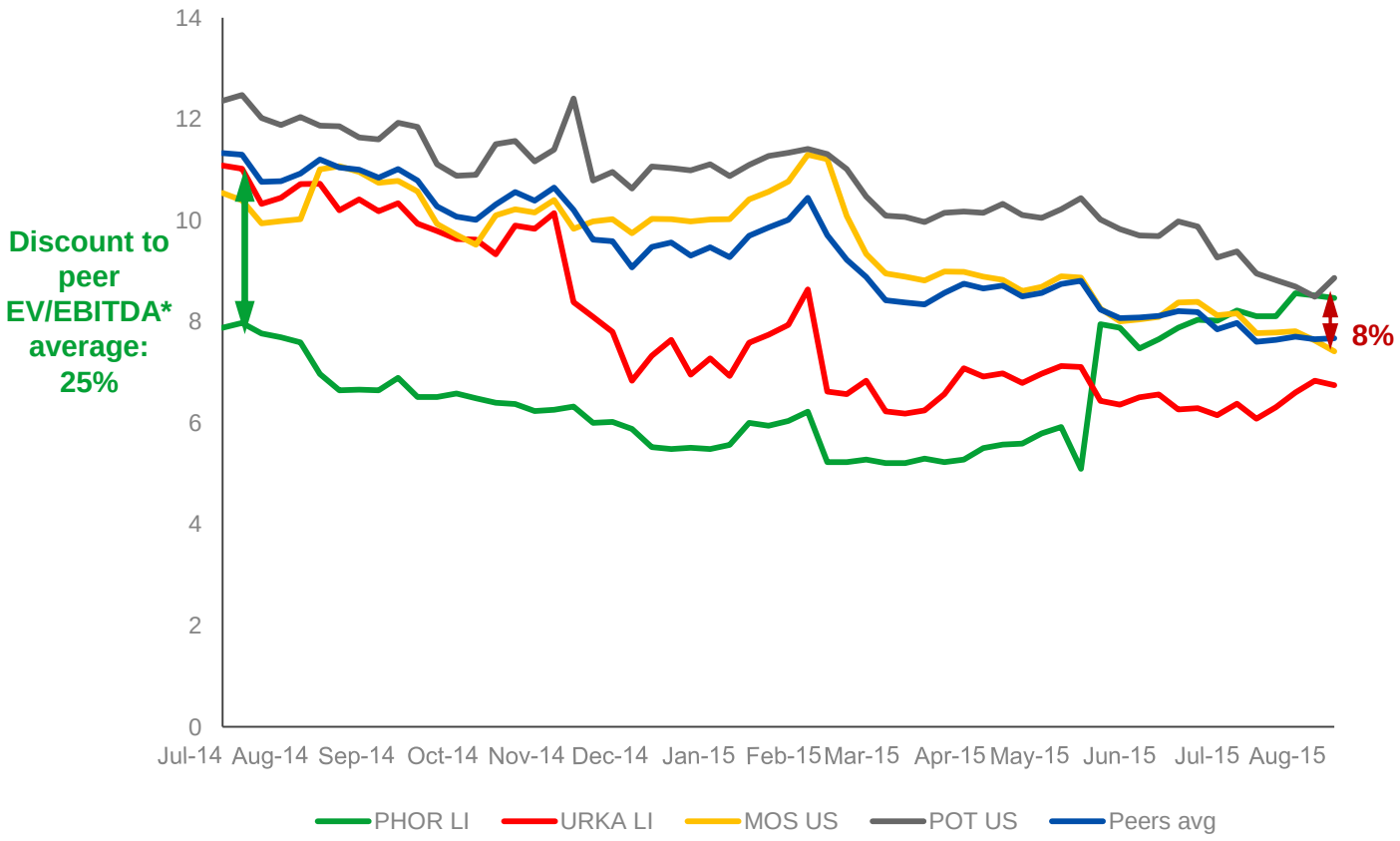


% Performance	PhosAgro	FTSE IOB Russia	MSCI Russia	MICEX
Since PhosAgro inclusion in Dow Jones Islamic BRIC Index	69.4%	(41.0%)	(43.0%)	20.2%
Since Russia-Crimea unification	42.0%	(31.4%)	(32.2%)	29.6%
1 month	5.5%	(15.9%)	(15.8%)	1.7%)
1 week	(1.0%)	(7.4%)	(7.4%)	(1.8%)

Source: Bloomberg (as of August 25, 2015), PhosAgro analysis

EV/EBITDA performance relative to peers

Current discount to peer EV/EBITDA average: 37%



Bloomberg EV/EBITDA consensus	FY 2015	PhosAgro Discount
Mosaic	7.5x	31%
Potash Corp	9.8x	48%
Uralkali	7.1x	28%
Peer average	8.1x	37%
PhosAgro	5.1x	

Source: Bloomberg (as of August 25, 2015), PhosAgro analysis

PHOSAGRO

Thank you!