



PhosAgro – 2011 IFRS Results

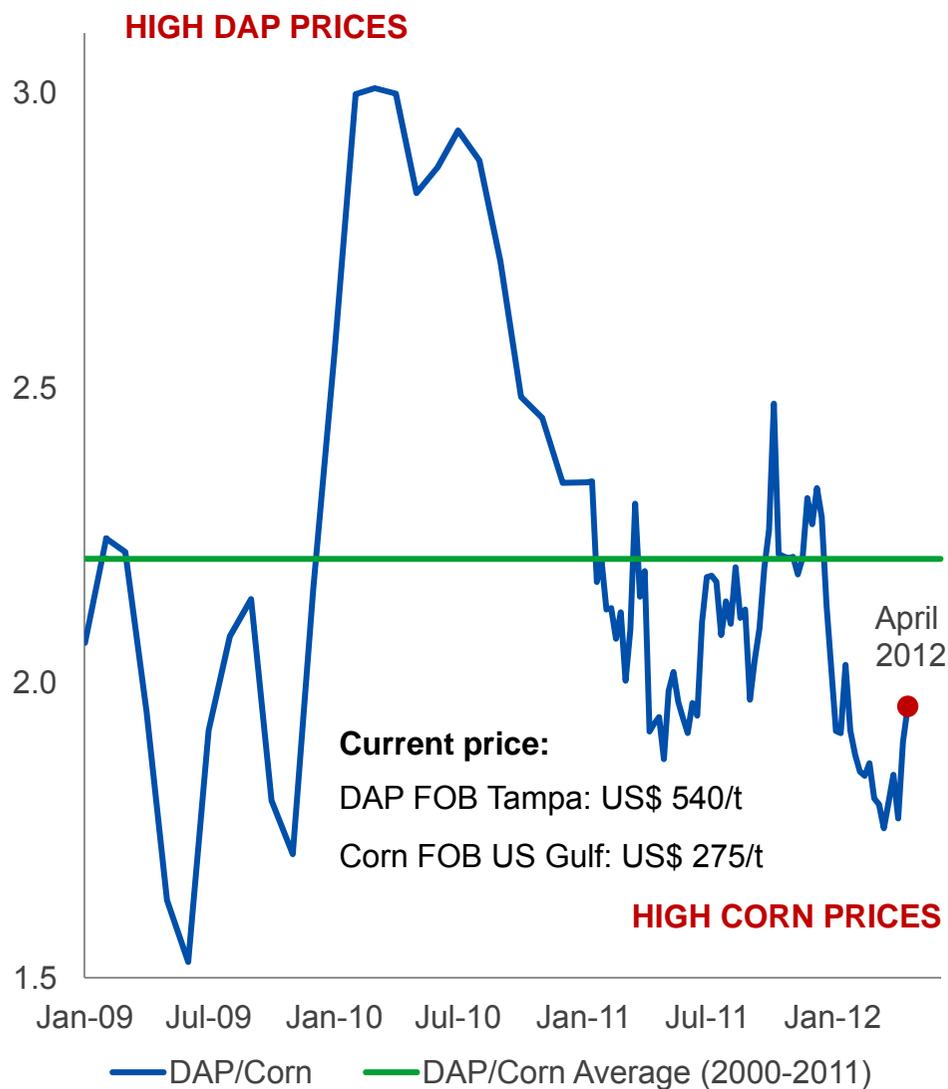


An aerial photograph of a large-scale open-pit mine. The mine is characterized by numerous terraced levels, creating a stepped appearance. The rock faces are primarily grey and dark grey, with some lighter-colored material visible in the lower levels. The surrounding landscape consists of rolling hills covered in green vegetation. The sky is blue with scattered white clouds. A green banner with white text is overlaid on the upper right portion of the image.

1. Market Context

- Fundamentals driving the fertiliser market remain strong
 - Corn and soybean prices at end-2011 63% and 22% higher than 2006-2010 average
 - USDA predicts record corn acreage in 2012
- Phosphate demand remains strong, despite Indian rupee decline and subsidy reduction
 - Weaker DAP prices in Q4 2012 (-15%) driven by India
 - Demand for NPK and other phosphate-containing fertiliser remains strong, keeping PhosAgro running at full capacity
- Ma'aden's entrance to market did not have significant impact initially expected and restrictive Chinese export duties have tightened global supply
- As an integrated phosphate player with flexible production capacity, PhosAgro remains well-positioned to meet growing global nutrient demand, with lower exposure to volatility in raw materials prices helping achieve better margins on its products

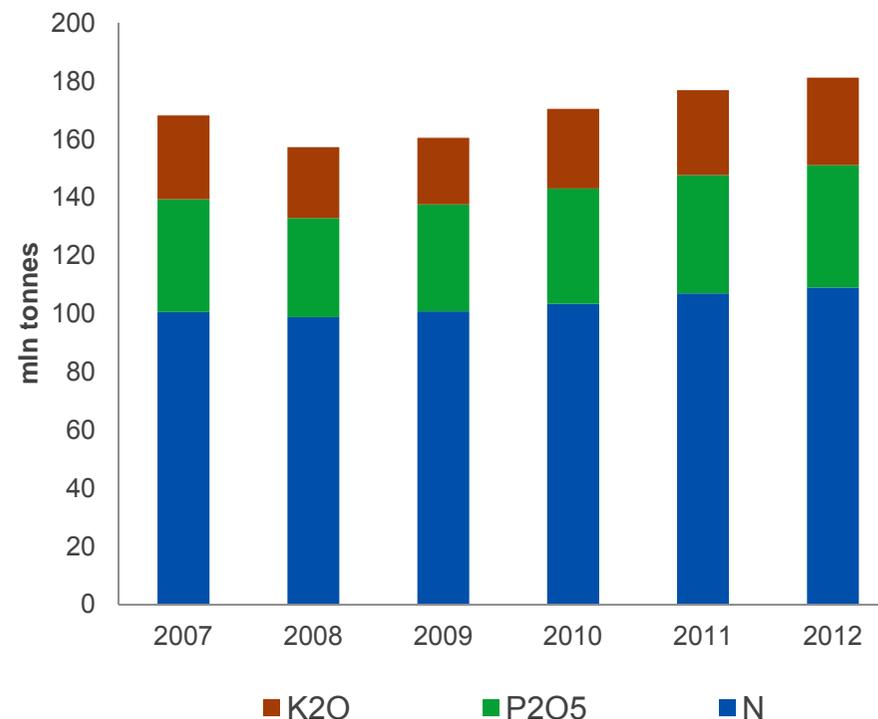
Corn to DAP prices ratio



Global fertiliser demand 2007-2012

mln tonnes of nutrients

Calendar Year	2010	2011	2012	2012 vs. 2011
N	103.3	106.9	108.9	1.9%
P ₂ O ₅	39.7	40.7	42.1	3.2%
K ₂ O	27.4	29.2	30.1	3.1%
Total	170.4	176.9	181.1	2.4%





2. Financial Performance

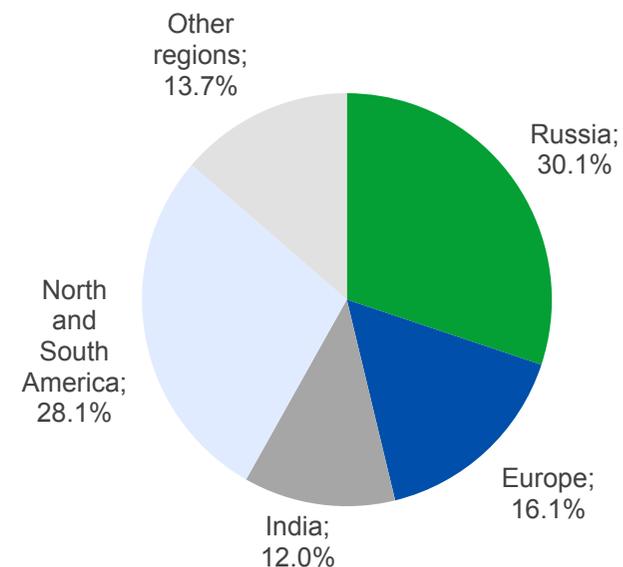
- Record annual revenue, breaking RUB 100 billion for first time in PhosAgro's history
- Net income and EBITDA second best ever (after 2008) at RUB 22,476 million and RUB 35,371 million, respectively
- Diluted earnings per share grew 89% y-o-y to RUB 161 per share, vs. RUB 85 per share in 2010
- Revenue per tonne up across all products for both domestic and export sales
- IPO in July 2011 raised USD 565 million
- Dividends: April-September 2011 interim dividend + proposed 2011 annual dividend to equal RUB 7.2 billion, or 49% of net profit for April-December 2011¹
- Phosphate-based fertilisers production up 6.1% y-o-y
- Investments in enhanced production flexibility increased NPK capacity from 1.2 mln tonnes/year to 1.7 mln tonnes/year

¹ April-December 2011 net profit attributable to holders of the Parent company of RUB 14,600 million (unaudited)

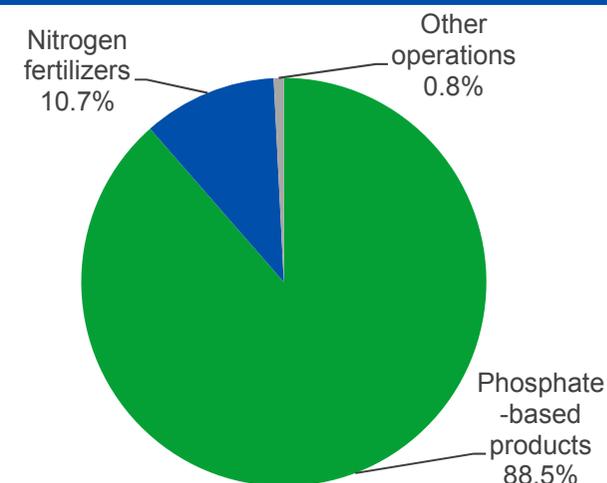
Key Financial Highlights

	2011	2010	%change
<i>(RUB million)</i>			
Revenues	100,518	76,951	31%
Cost of sales	(56,196)	(47,670)	18%
Gross profit	44,322	29,281	51%
<i>Gross margin</i>	44%	38%	
EBITDA	35,371	20,464	73%
<i>EBITDA margin</i>	35%	27%	
Net profit	22,476	11,981	88%
<i>Net profit margin</i>	22%	16%	
Diluted EPS	161	85	89%

Geography of Sales 2011 (%)

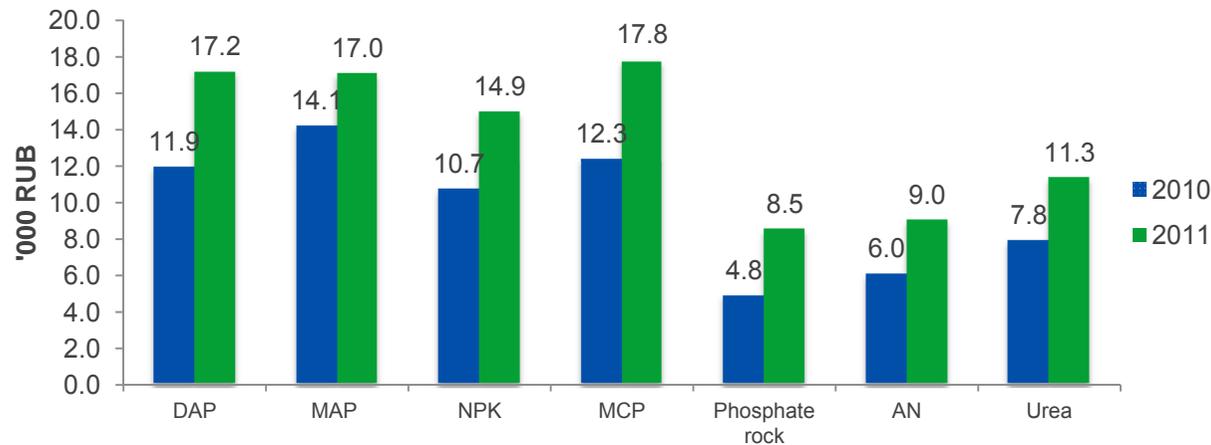


Segment revenue 2011 (%)



Revenue per tonne and volume developments for key products

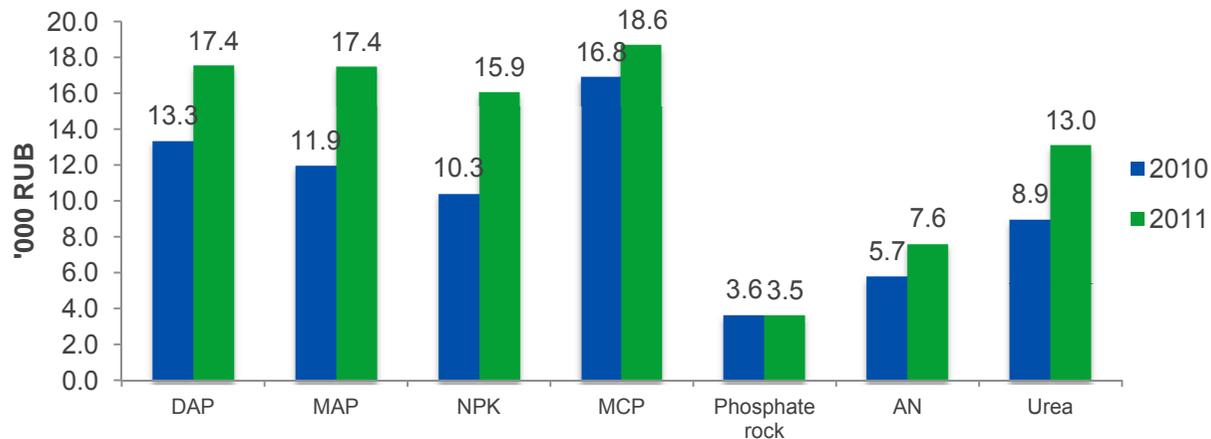
2011 Average Revenue per tonne - Export



Comment

- Export comprised 70% of sales in 2011
- Domestic revenue/tonne higher on all products except phosphate rock
- RUB-equivalent export revenue up across all products despite decline in USD/RUB rate

2011 Average Revenue per tonne - Domestic



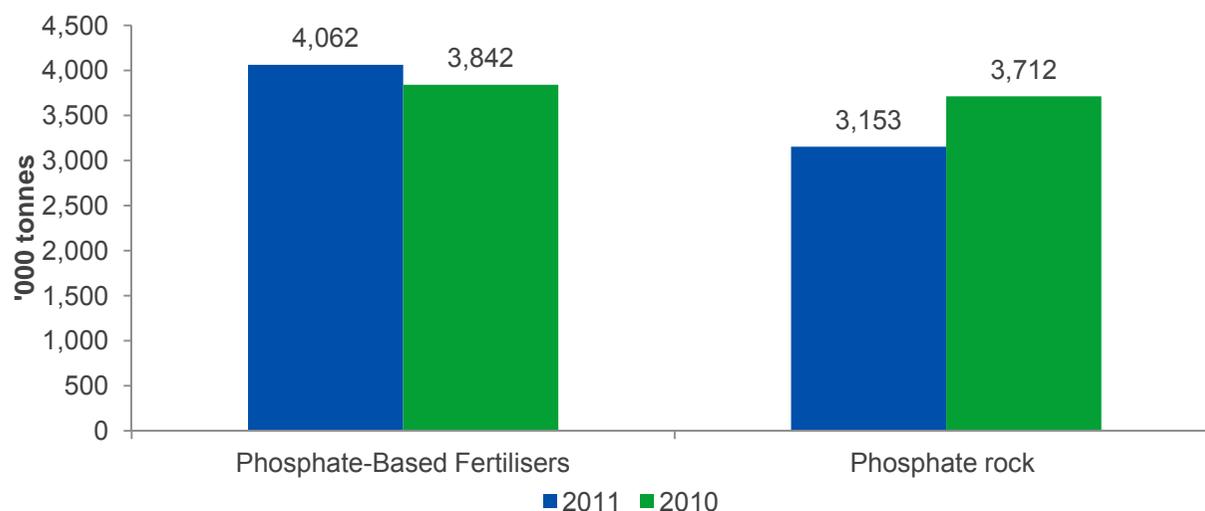
Key Financial Highlights

(RUB m or %)	2011	2010	Change
Revenue	88,982	68,832	29%
<i>Export</i>	60,837	43,875	39%
<i>Domestic</i>	28,145	24,957	13%
CoGS	(50,631)	(42,812)	18%
Gross profit	38,351	26,020	47%
<i>% margin</i>	43%	38%	

Comment

- Higher prices and strong demand drove c. 39% rise in export revenues
- CoGS rose primarily due to increase in salaries and social contributions as well as sulphur and sulphuric acid costs
- Phosphate rock sales declined due to lower production, higher internal use

Sales volumes 2011 vs. 2010 ('000 tonnes)



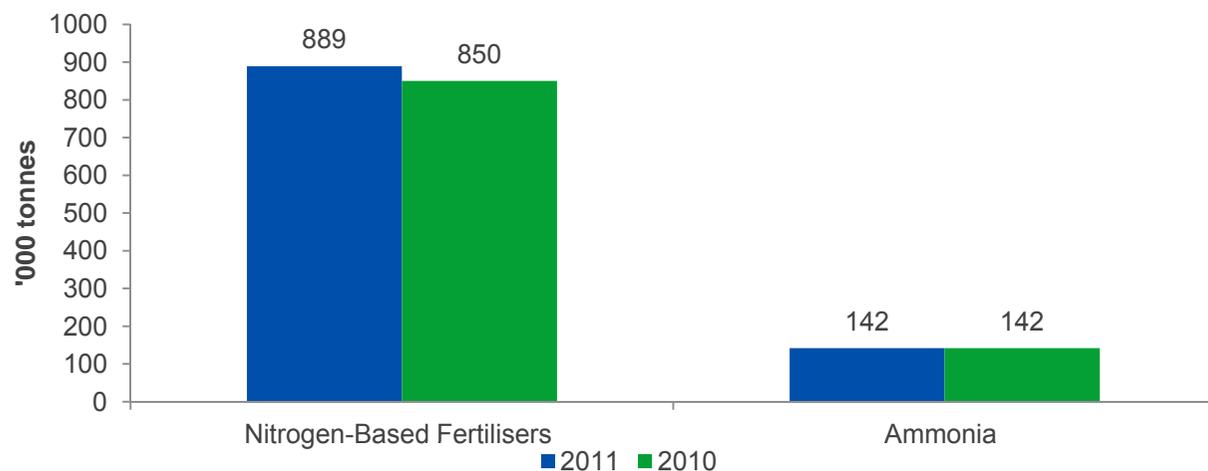
Key Financial Highlights

(RUB m or %)	2011	2010	Change
External Revenue	10,727	7,012	53%
<i>Export</i>	9,426	6,131	54%
<i>Domestic</i>	1,301	881	48%
Inter-segment Revenue	3,629	2,154	68%
CoGS	(7,495)	(6,253)	20%
Gross profit	6,861	2,913	136%
<i>% margin</i>	64%	42%	

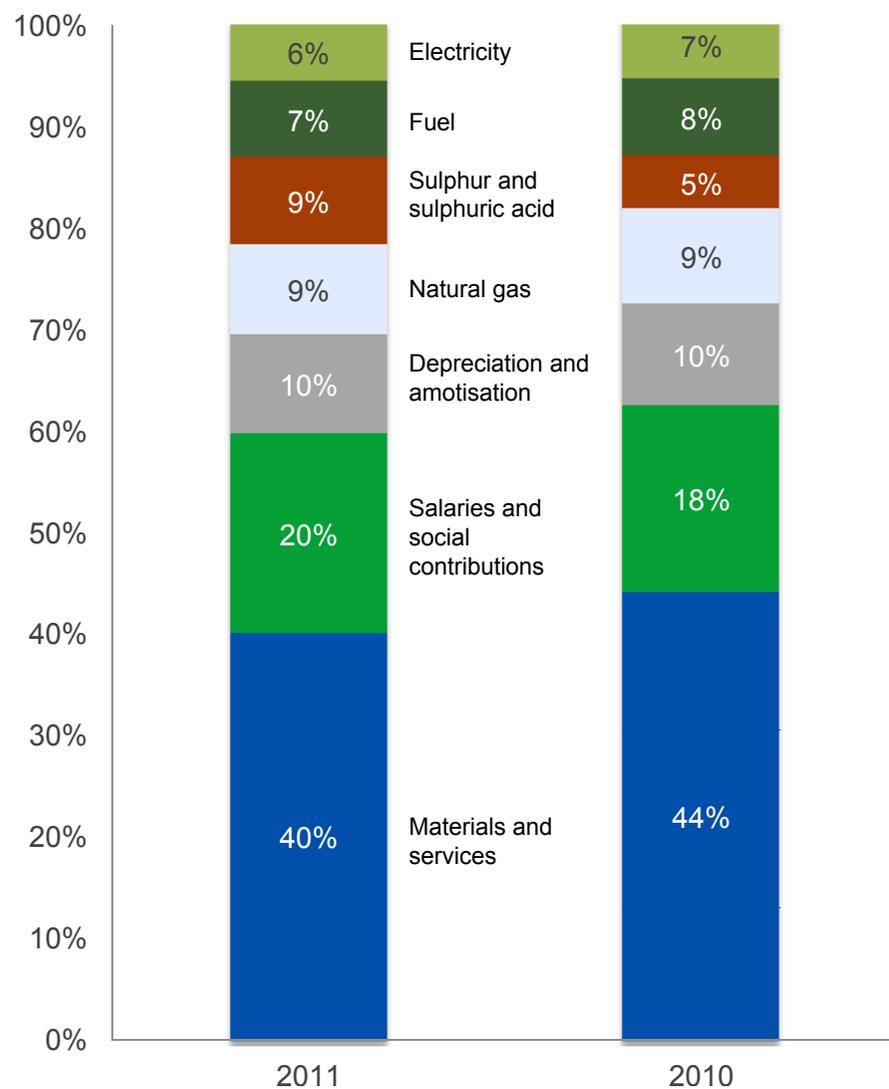
Comment

- Export revenue rose by 54% on higher demand and prices
- Rising CoGS primarily due to increase in salaries and social contributions as well as higher gas costs
- Urea capacity expansion and power station construction under way, aimed at increasing production of higher value-added products, lowering cost volatility

Sales volumes 2011 vs. 2010 ('000 tonnes)



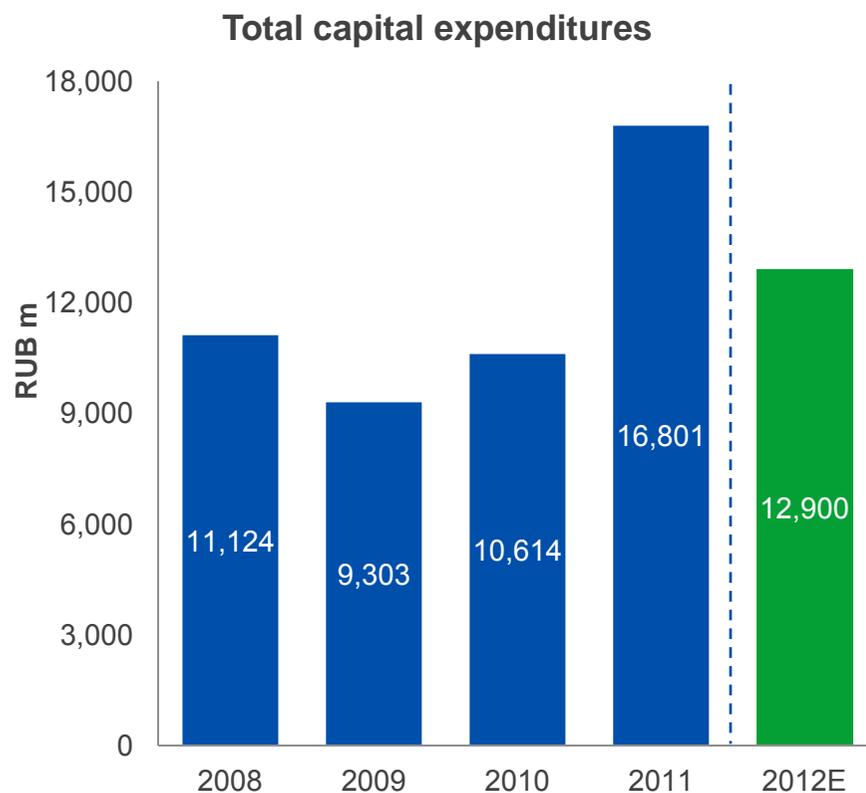
Cost of Goods Sold



CoGS key drivers overview: 2011 vs. 2010

- Increase in salaries and social expenditures by RUB 2,289 million, to RUB 11,078 due to increase in labour rates and higher social security contribution rates enacted in 2011
- Increase in expenditure on sulphur and sulphuric acid from RUB 2,447 million to RUB 4,838 million. From March 2011 a new pricing formula was negotiated with suppliers whereby price is linked to export prices for sulphur and DAP
- Cost of materials and services rose RUB 2,019 million, or 10%, to RUB 23,032 million, mainly due to an increase in prices for raw materials due to inflation in Russia and higher production volumes
- Natural gas expenditures increased 11% from RUB 4,459 million to RUB 4,951 million on higher prices. Tariffs for natural gas rose by 15% in 2011, while purchase volume decreased by approximately 3%
- Fuel costs rose by 15% to RUB 4,207 million following a general increase in oil prices: heating oil increased by 13%, while diesel fuel increased by 41%, while consumption of heating oil decreased by 6%

Capex (RUB m)



Comment

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

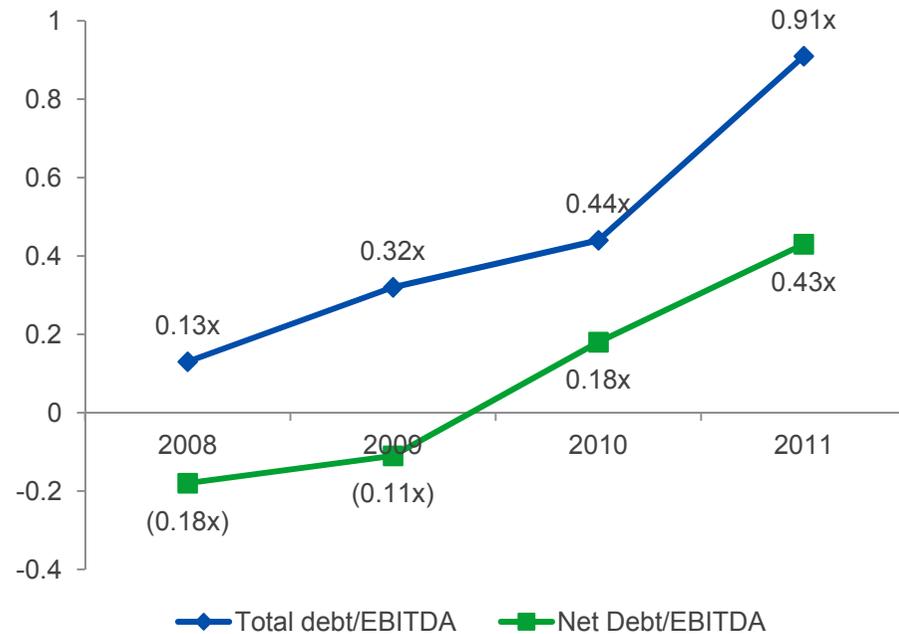
Main projects:

- Construction of ore shaft № 2 at Kirovsky underground mine
- Cherepovetsky Azot urea production capacity of 500 thousand tonnes per year, due for launch in May-June 2012
- Construction of a new 32MW gas fired electricity generation facility at Cherepovetsky Azot to support expansion
- All projects currently remain on track

Capex Details (RUB m)

	2010	2011
Phosphate rock	5,103	5,940
Phosphate-based products	3,263	2,070
Nitrogen fertilisers	1,100	6,561
Other	1,148	2,230
Total capital expenditures	10,614	16,801

Total Debt / EBITDA and Net Debt / EBITDA



Comment

- Net debt/EBITDA remains at very comfortable level of 0.43x
- Well below target Net Debt/EBITDA ratio of 2.0x (mid-cycle figure)

Dividend Policy

- April-September interim dividend and proposed 2011 annual dividend equal to 49% of consolidated net income for last 9 months of 2011 (April to December)¹
- Post-2011 intention to pay between 20% to 40% of annual consolidated profit calculated in accordance with IFRS as dividends



3. Conclusion

Short and medium term strategy for future growth

Strategic objectives

Key initiatives

Short term

1 Improve efficiency

2 Expand fertiliser production capacity and enter higher value segments

- Construction of shaft No. 2 at Kirovsky Underground Mine, which will increase annual apatite-nepheline ore production from 12 to 14 mln t from 2014
- Construction of a new 32 MW gas-powered electricity generation facility in Cherepovetsky Azot

- Increase urea production capacity by 500 kt at Cherepovetsky Azot – May-June 2012
- Enter the technical phosphates and SOP (sulphate of potash) markets through the integration of Metachem products (acquired 24% stake in the company in 2011)
- Commence production of purified phosphoric acid at Metachem

Medium term

3 Realize full potential of ore

Mineral	Application	Development Stage	Production	
			Today	Future
Apatit				
• Rare Earth Oxides	• Autocatalysts, fuel cells • High strength magnets, ceramics • Fiber optics, lasers		-	7k t
Nepheline				
• Aluminium Oxide	• Alumina, Cement, Catalysts		1.0 mln t	6.0 mln t
• Potassium carbonate • Soda Ash • Potassium Sulfate	• Glass production, agriculture, household chemicals		0.25 mln t	1.50 mln t
• Gallium Oxide	• Electronic engineering, lasers, lubricants			

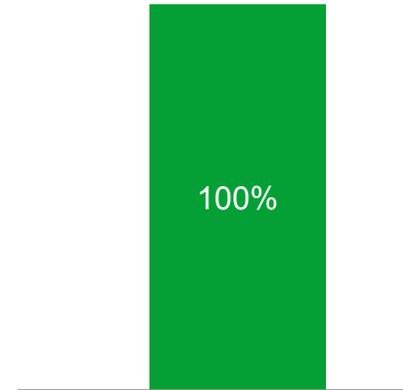
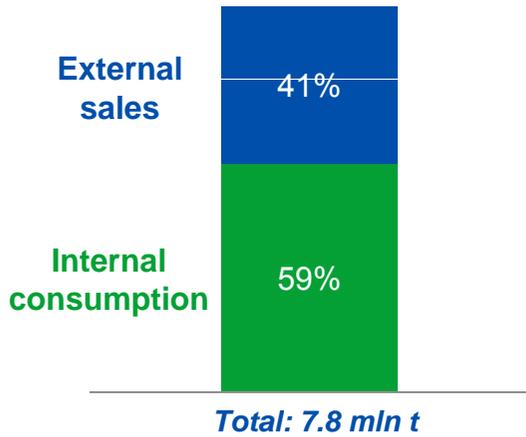
Long term strategy for volume growth of fertilisers

2011

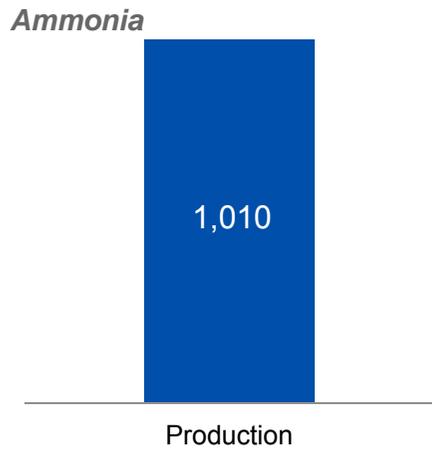
Future

Phosphate rock

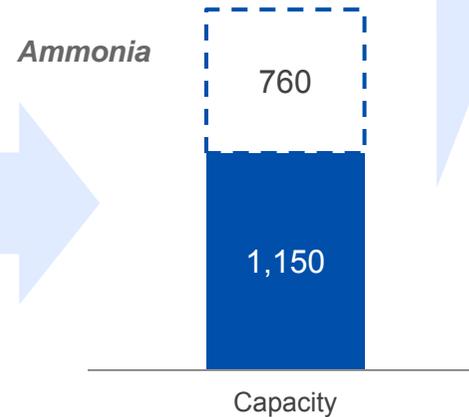
Phosphate rock



Growth 76%



New ammonia plant



Total: 1,910 kt

- Strong financial position and cash flows mean we are confident about planned investment program and expenditures on consolidation of minority stakes of subsidiaries
- Urea due to come online in May-June 2012 with 500 kmt capacity
- Ma'aden has come online, thus removing one of the major factors creating negative market/price sentiment – planned capacity additions likely to be outpaced by growing demand
- Record planting acreage and historically high prices for key grains mean demand for fertilisers
- Expect overall increase in PhosAgro's fertiliser production in 2012 vs. 2011, with greater share of NPKs
- Started selection of licensing and equipment supply partner for a new ammonia plant with annual capacity of 760 kmt p.a., planned to come online in 2016, enabling further expansion of PhosAgro's mineral fertiliser production capacities

Thank You

Q&A Session

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