PHOSAGRO

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PhosAgro at a glance

World class integrated phosphate producer

- #1 global producer of high-grade phosphate rock (P_2O_5>35.7%) with 8.1 mln t capacity
- #2 global DAP/MAP producer[1] with 3.5 mln t capacity
- Leading European producer of MCP feed phosphate and the only one in Russia

Control of large high quality apatite-nepheline resources

- 2.1 bln t of apatite-nepheline ore resources[2] (over 75 years of production)
- Al_2O_3 resource of 283 mln t
- Substantial resources of gallium oxide, TiO_2 and rare earth oxides (41% of Russian resources and 96% of the currently developed[3])

Self-sufficiency in key feedstocks provides for low costs

- First quartile cash cost of production globally
- 100% self-sufficient in phosphate rock and 94% in ammonia
- Local low-cost supplies of sulphur and potash

Strong position in prime agricultural markets

- Established presence through traders in India, Brazil and Europe
- Top-3 exporter of DAP/MAP globally
- Leader in the fast-growing Russian market

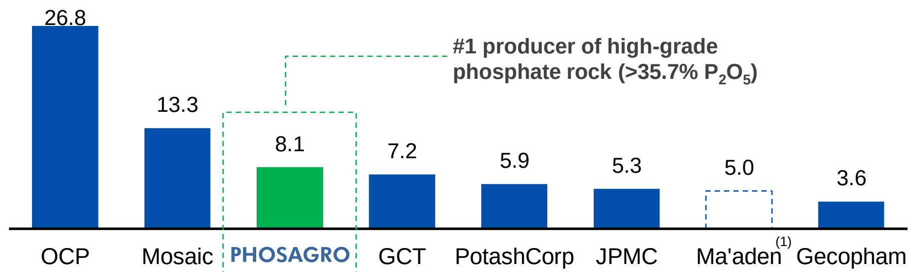
Strong financial performance

- EBITDA of $674 mn and $620 mn in 2010 and H1 2011, respectively
- Net debt/EBITDA: < 1.0x

Note: (1) Excluding Chinese producers
(2) IMC mineral expert's report (JORC)
(3) Russian Academy of Science
Source: FERTECON, IMC, PhosAgro

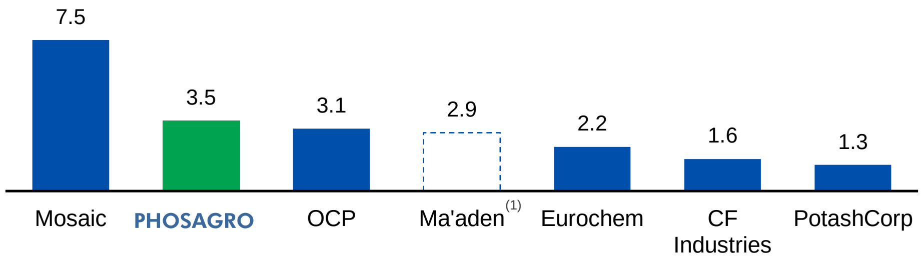
Leading global phosphate rock producers

2010, mln t, excluding Chinese producers



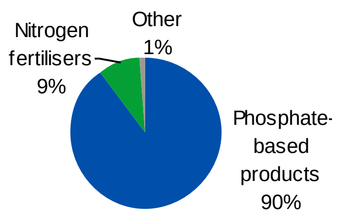
Leading global DAP/MAP producers (by capacity)

2010, mln t, excluding Chinese producers

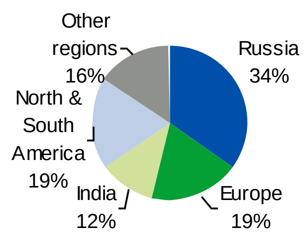


2010 Sales Breakdown

By segment



By geography



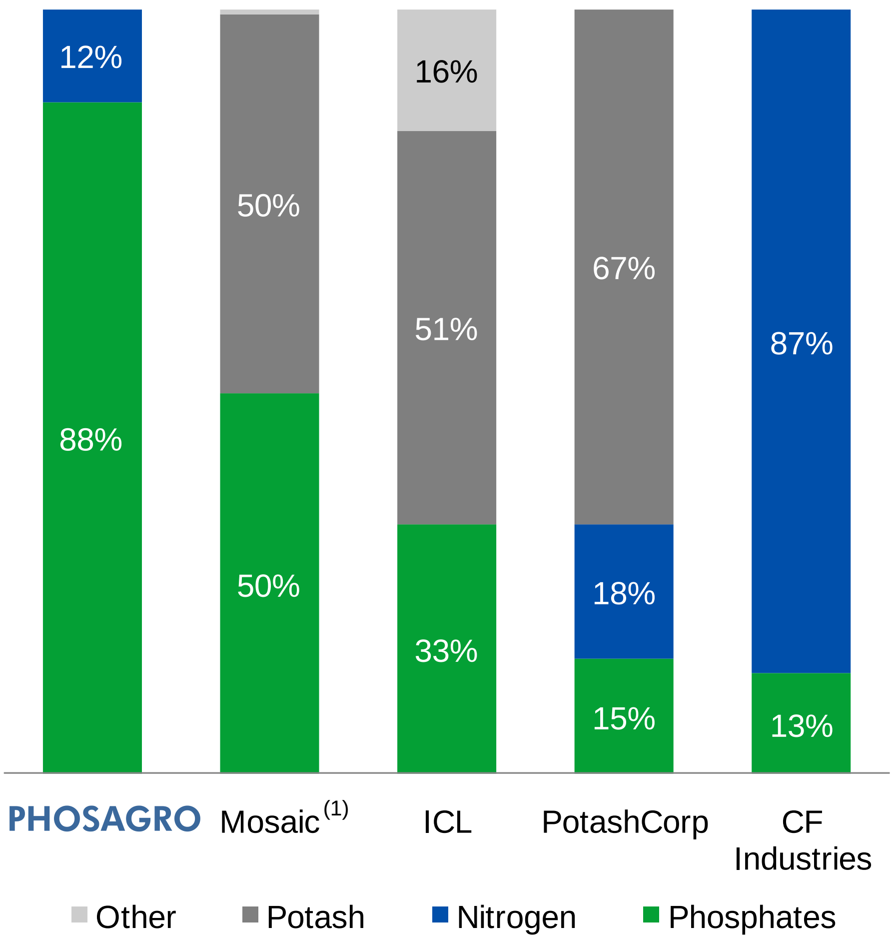
2010 Sales: $2,534 mln

Note: (1) Ma'aden first stage at full capacity
Source: FERTECON, companies' data

The only pure play phosphates producer and best-in-class profitability

Gross profit breakdown by segment

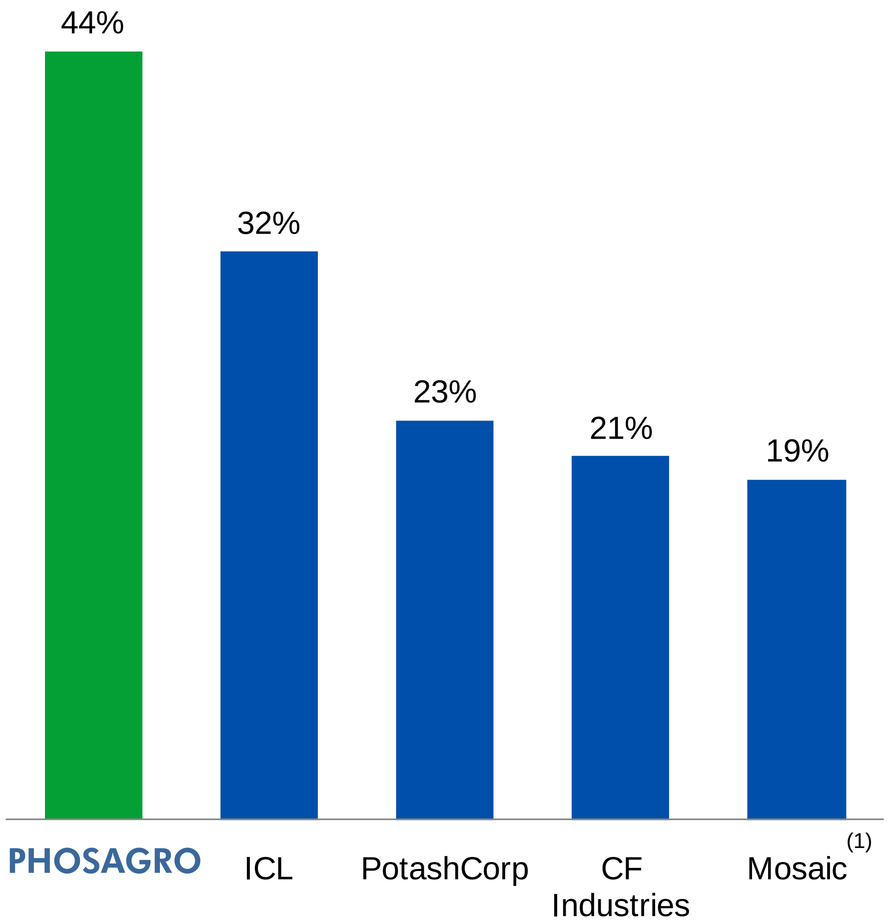
Average gross profit breakdown by segment for 2008-2010



Source: Company reports
Note: (1) Calendarised

Phosphate segment gross profit margin

Average gross profit margin of phosphate segment for 2008-2010



Source: Company reports
Note: (1) Calendarised

1. Phosphates – an attractive industry

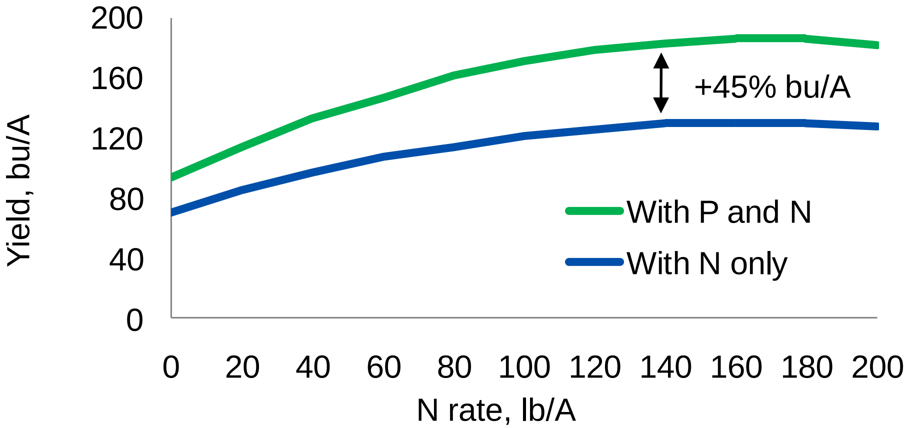
Phosphorus is essential for life

Fertilisers – 85%(1)

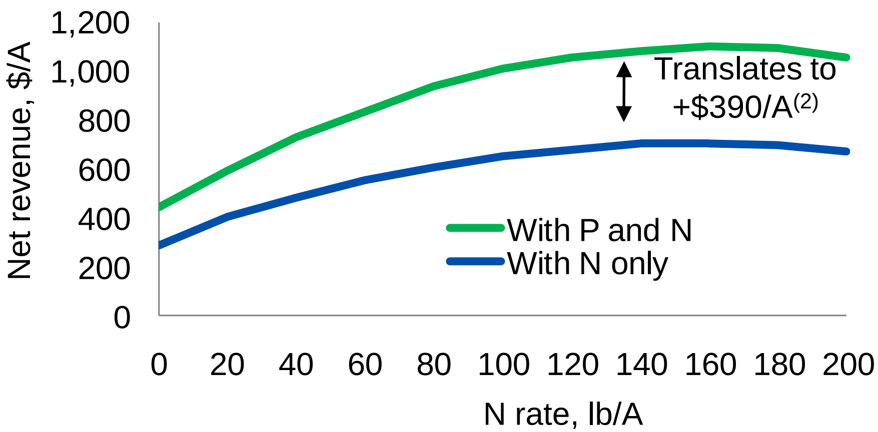
Without phosphate fertilisers

With phosphate fertilisers

Effect of phosphate and nitrogen fertilisers on corn yield



Effect of phosphate and nitrogen fertilisers on net farmer revenue



Source: Fertecon, International Plant Nutrition Institute
Note: (1) as percentage of total phosphorus consumption
(2) as corn price of US$ 7/bu

Phosphorus is essential for life

Technical Phosphates – 9%(1)

- Synthetic detergents

- Metal treatment

- Water treatment

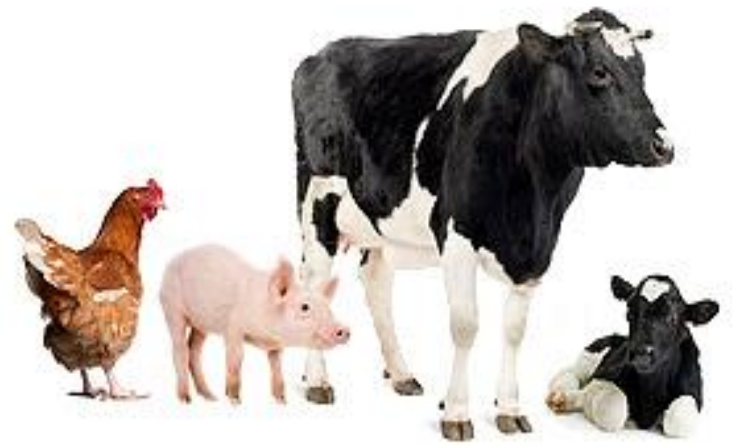
- Lithium phosphate for hybrid and electric vehicle batteries

- Personal care products

- Cheese
- Processed meat

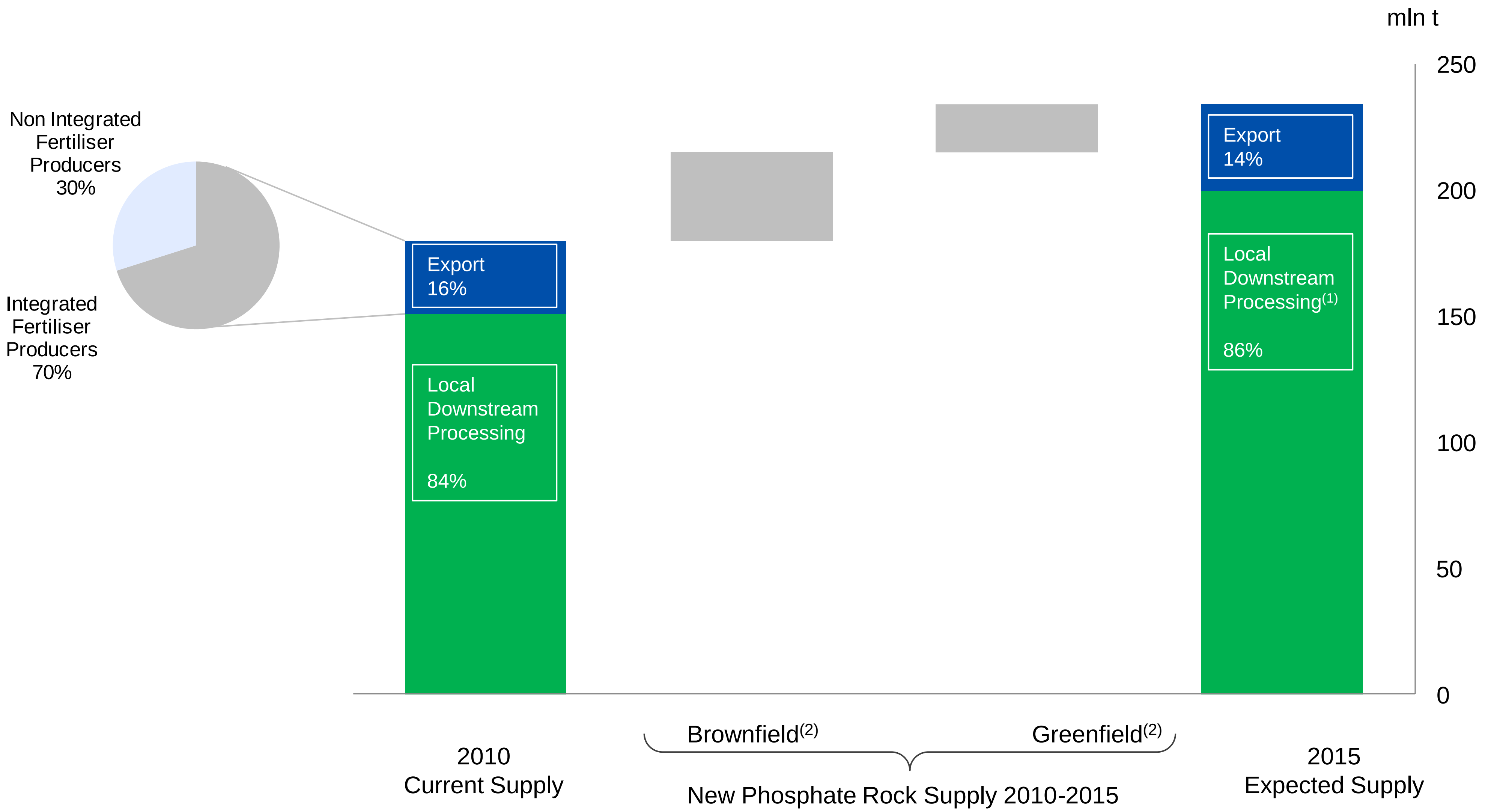
- Soft drinks

Animal Feed – 6%(1)



Source: Fertecon
Note: (1) as percentage of total phosphorus consumption

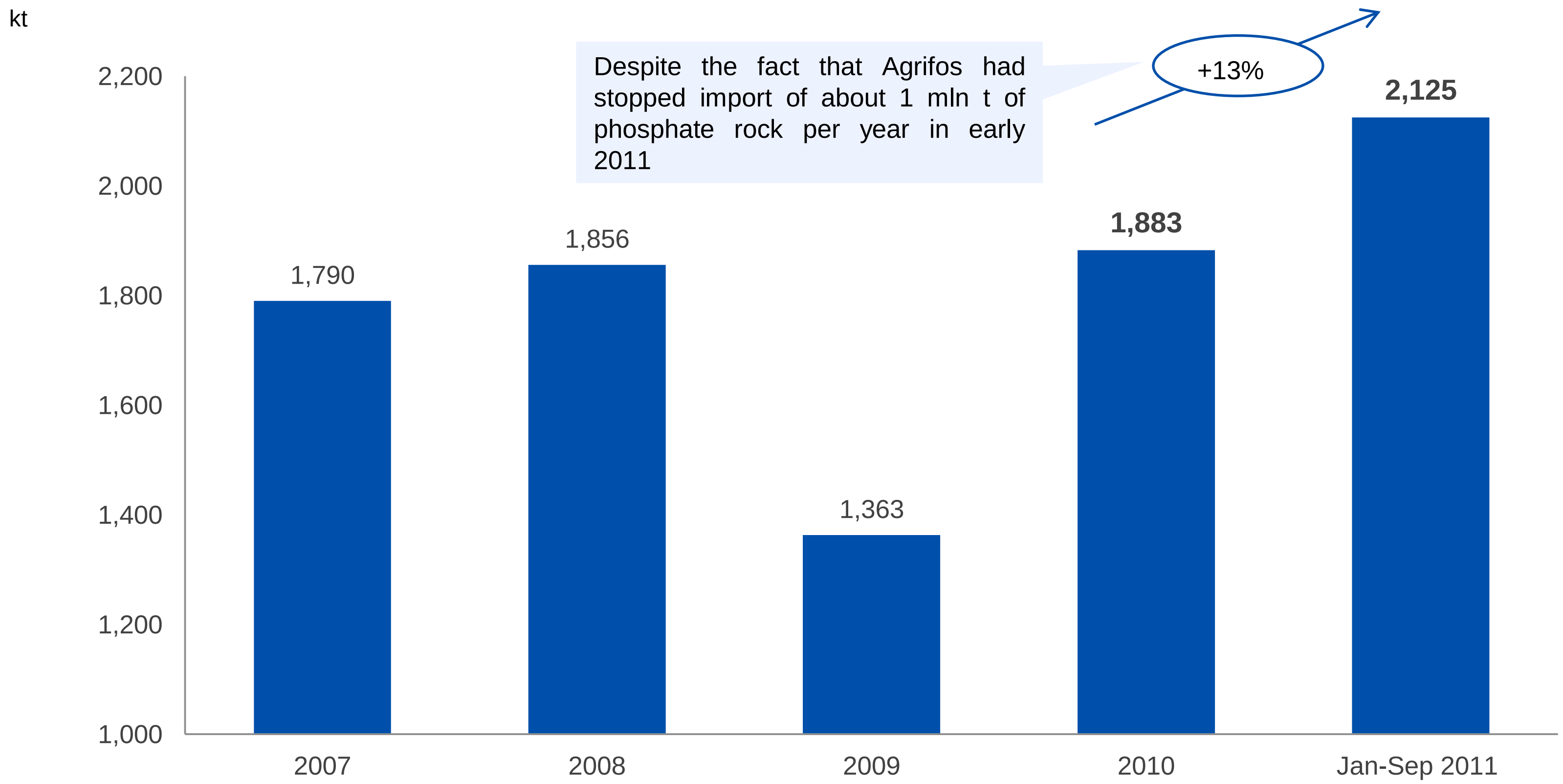
Potential Phosphate Rock Supply in 2010-2015



Source: IFA, Fertecon, PhosAgro
Note: (1) Estimate
(2) Assuming that declared projects will commission without delays and will operate at full capacities

Growth in US Phosphate Rock Imports

US phosphate rock imports



Import drivers

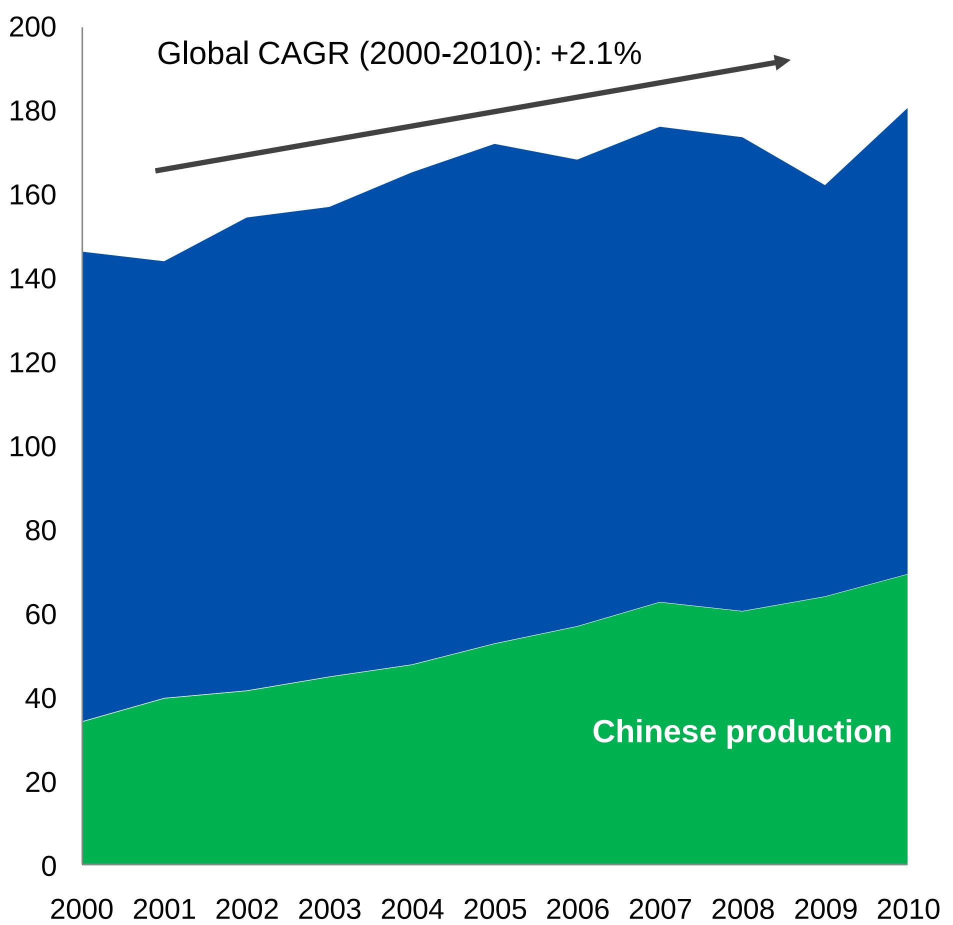
- Mosaic has increased phosphate rock imports as result of the decrease of its own mining at South Fort Meade
- Agrium has entered into contract with OCP to purchase phosphate rock as their own economic rock reserves are depleted

Source: USITC, PhosAgro

Stagnating production of phosphates

Global phosphate rock production is mainly driven by China …

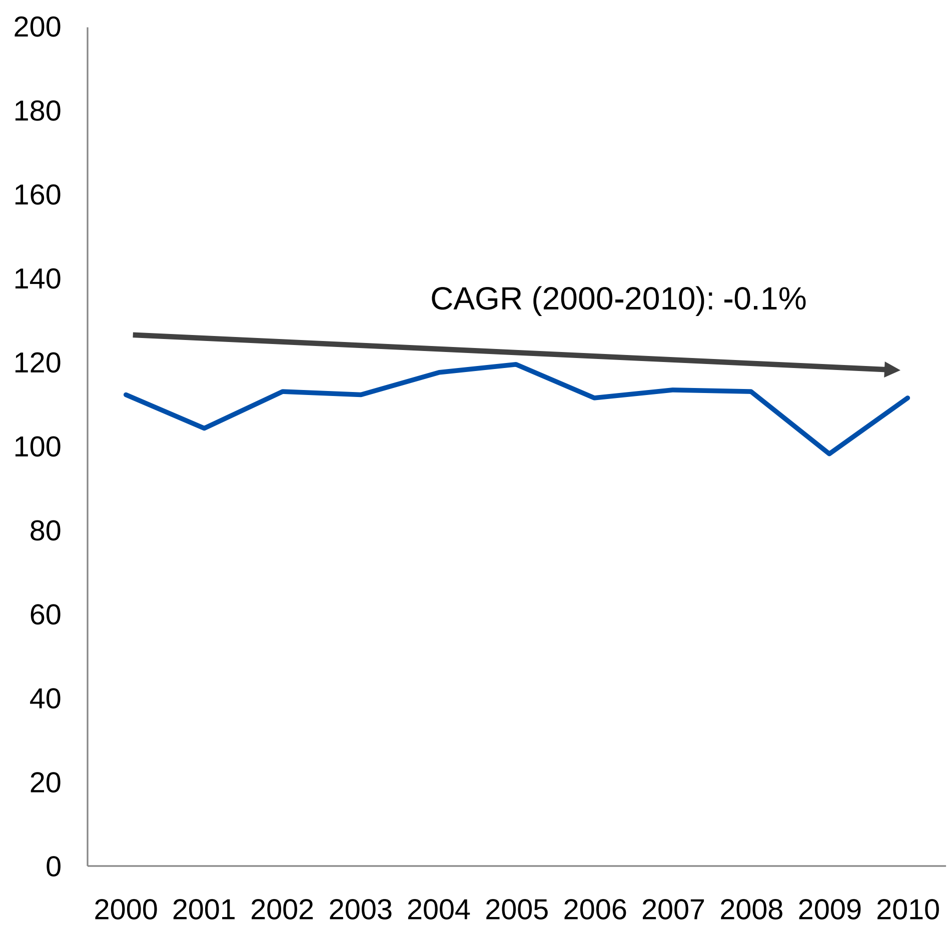
Mln tonnes product



Source: IFA, Fertecon

… with stagnating production in the rest of the world

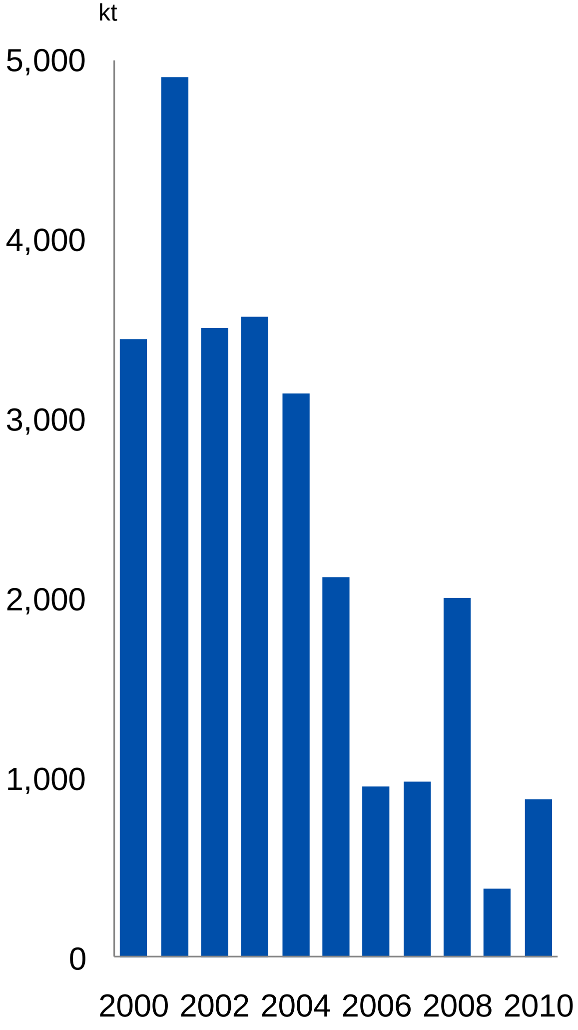
Mln tonnes product



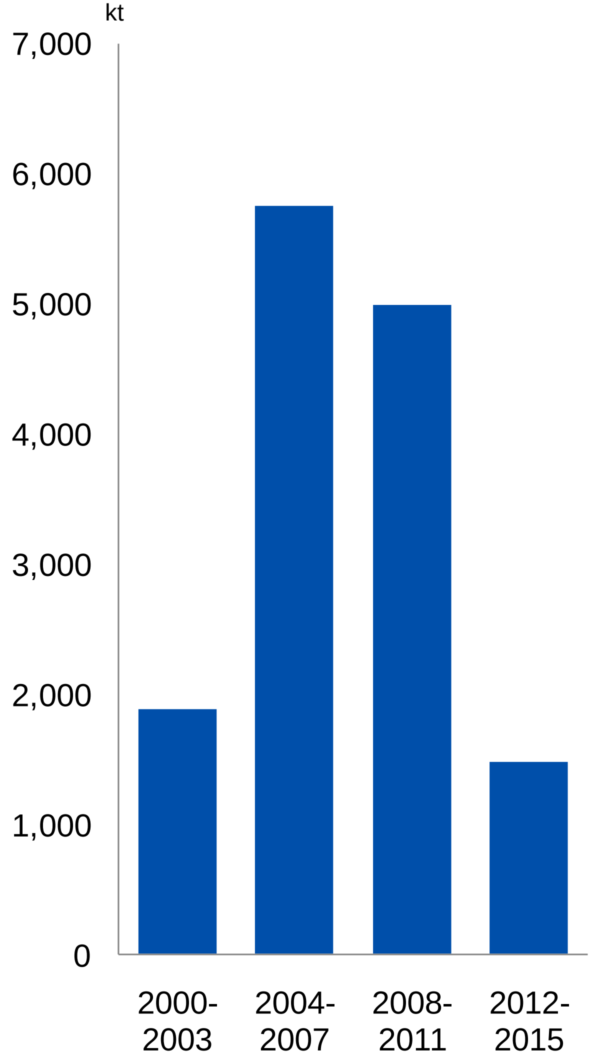
Source: IFA, Fertecon

Development of Chinese phosphate exports

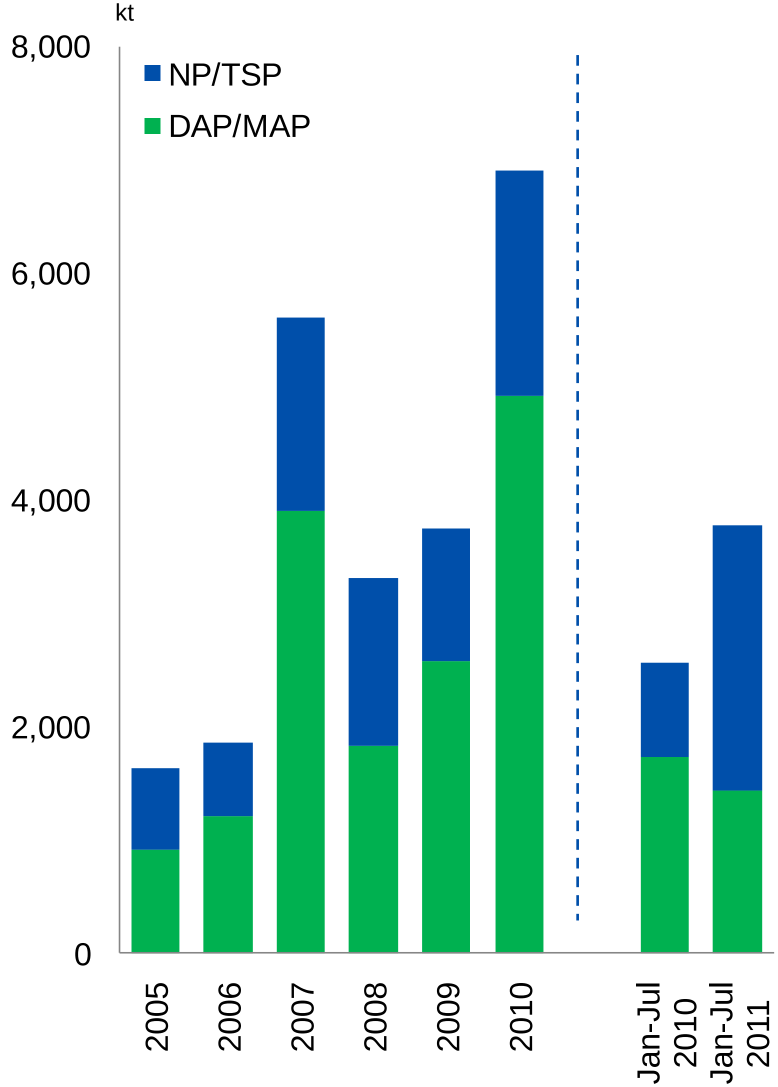
Chinese phosphate rock exports



Commissioning of new $H3PO_4$ capacities



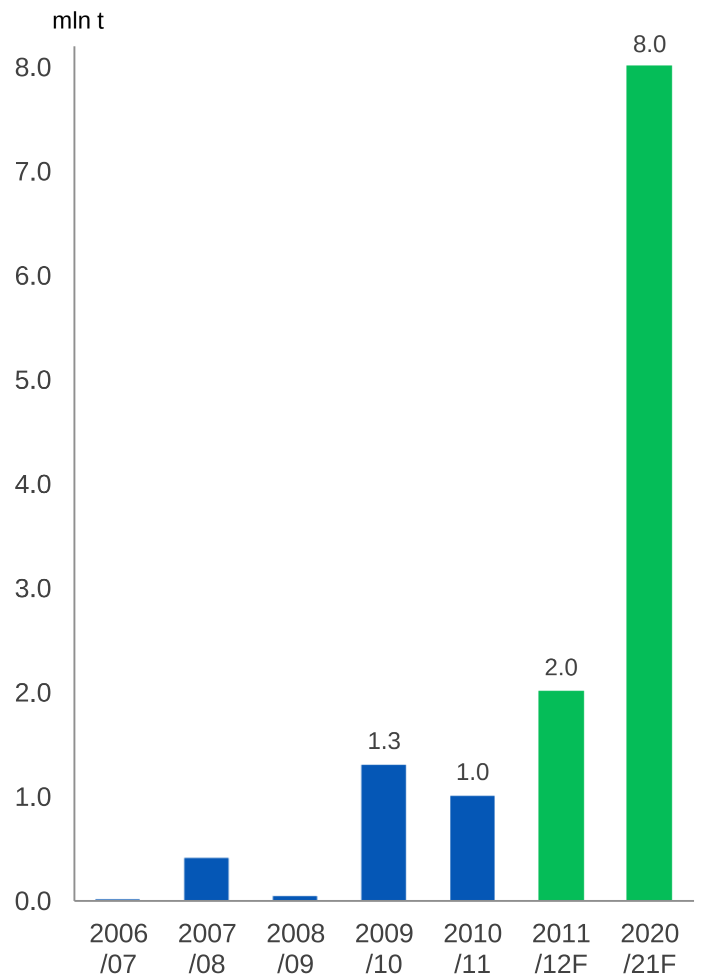
Chinese exports of DAP / MAP / NP / TSP



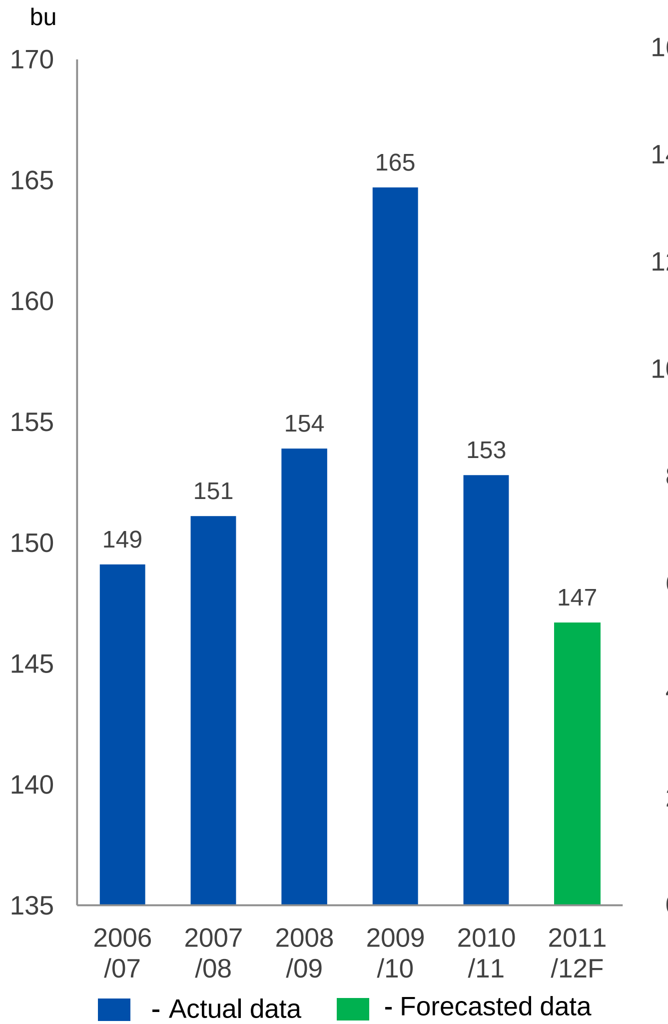
Source: IFA, CFMW

Tight corn supply-demand balance

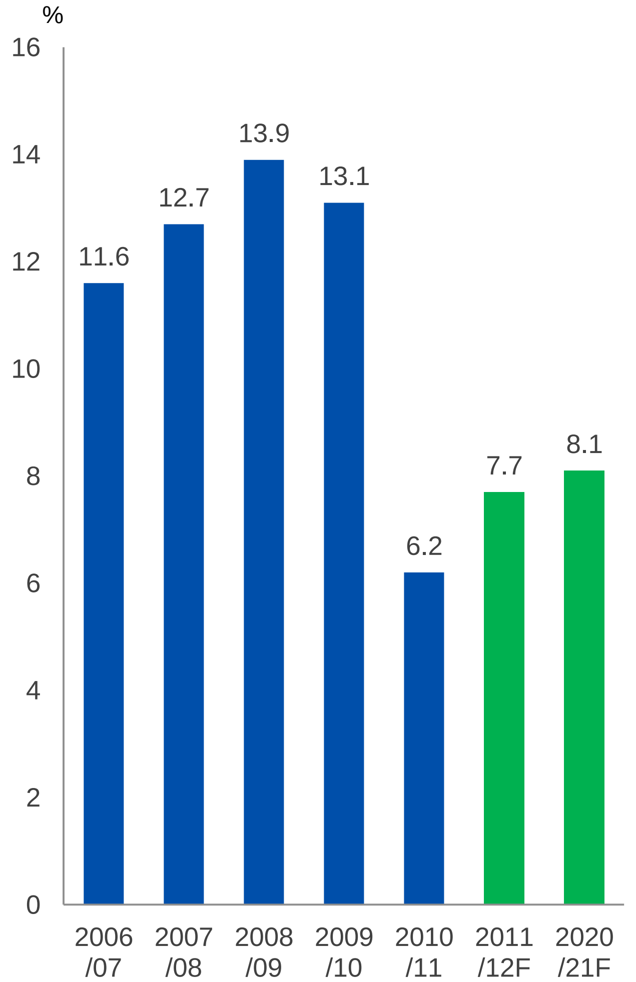
China corn imports



Corn yield per harvested acre in US



US corn stocks-to-use ratios, %



Rapid growth of corn imports in China

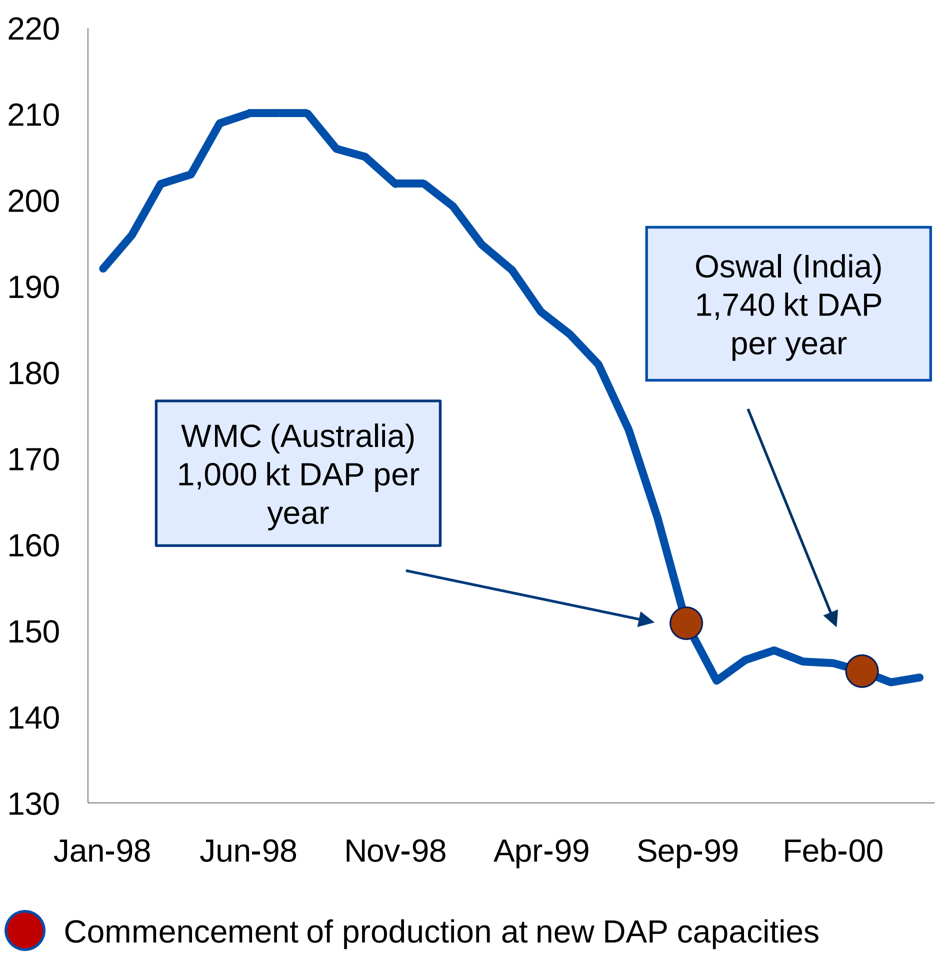
Decreasing corn yields in US

Tight corn supply-demand balance due to low stock-to-use ratio

Source: USDA

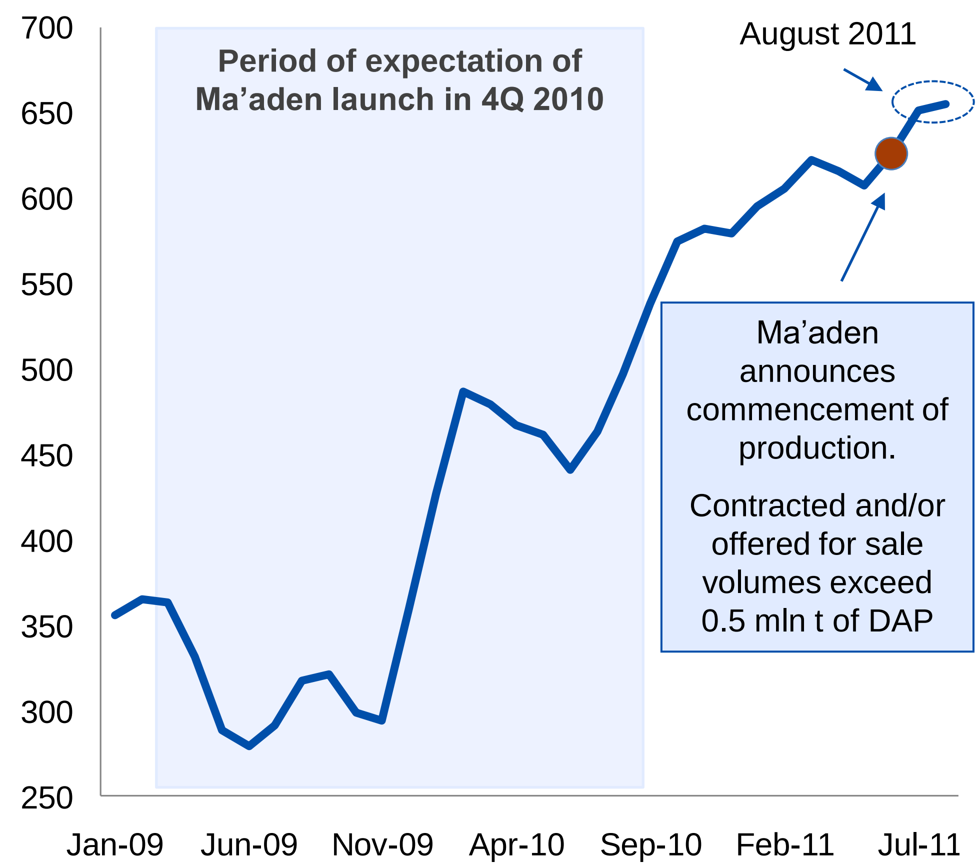
Ma'aden is already priced-in by the markets

New large capacity additions and change in DAP price in 1998-2000



Source: Fertecon, Bloomberg

Expected Ma'aden start and DAP price changes in 2009-2011

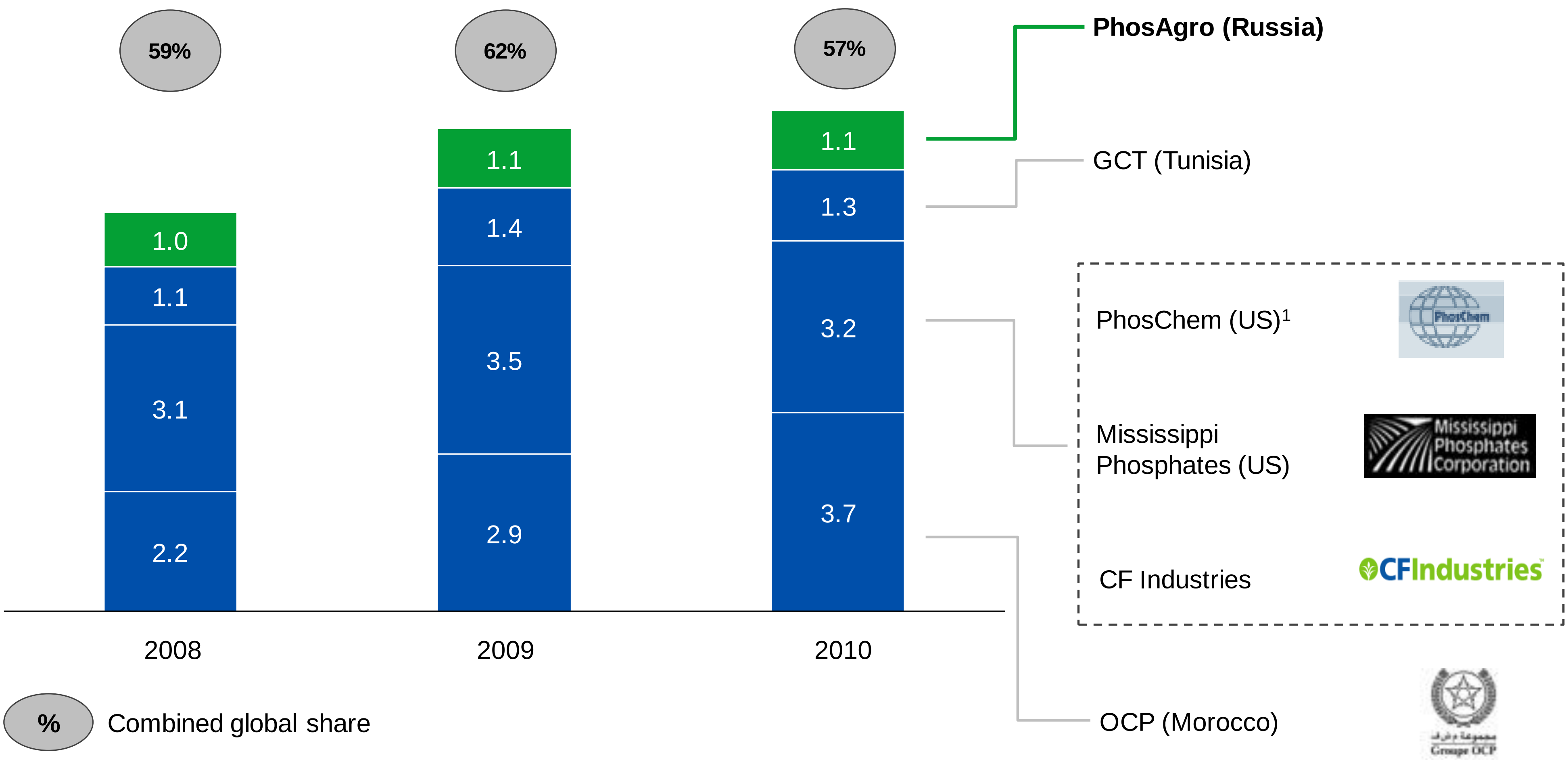


Source: Fertecon, Bloomberg

Phosphate is a consolidated industry

Global export volumes of MAP / DAP / TSP / Phosphoric acid

mln t P_2O_5

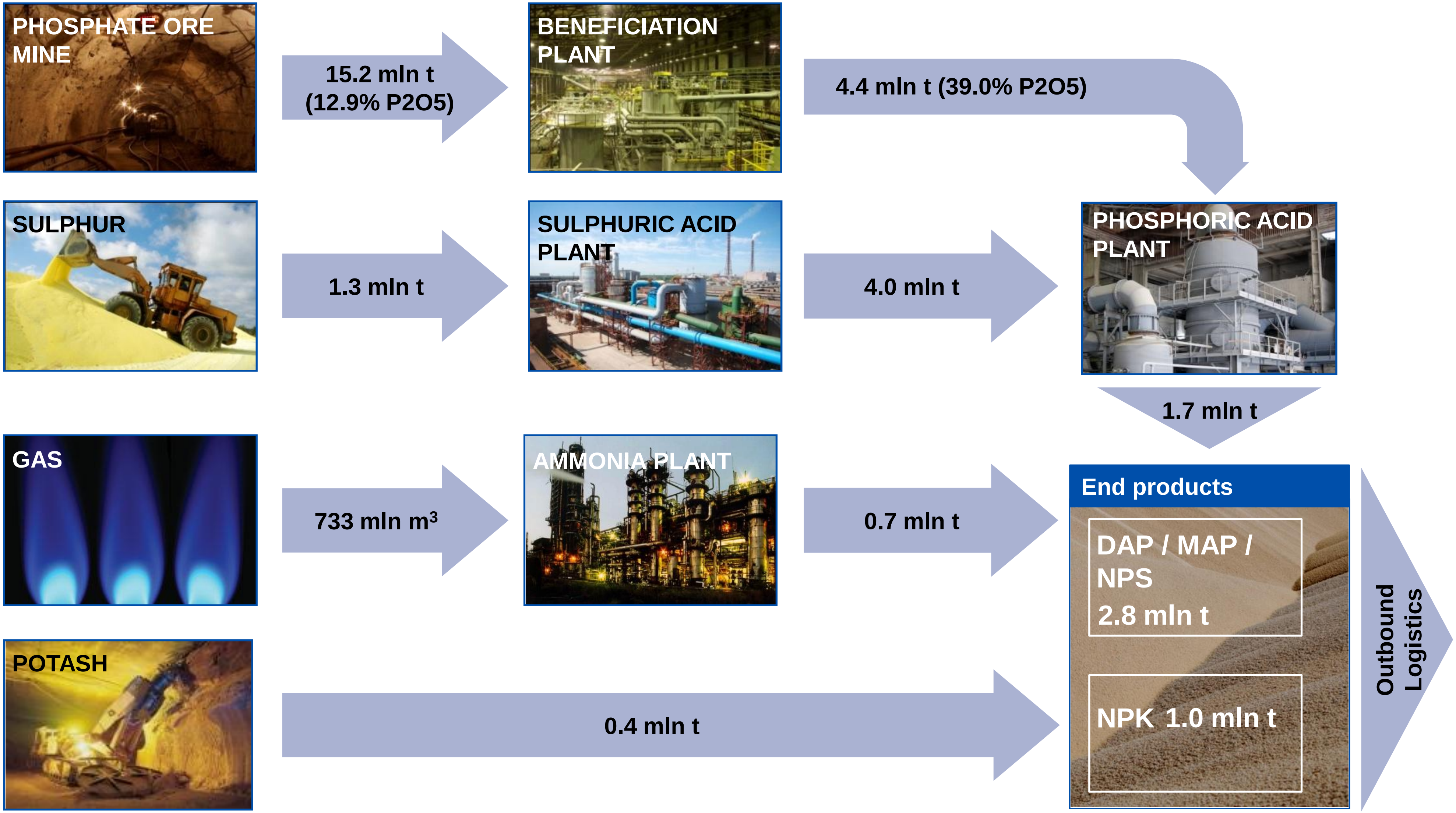


Source: Fertecon, IFA , Bloomberg, companies reports

Note: (1) PhosChem – Phosphate Chemical Export Association Inc. (Members: Mosaic, PCS)

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

Overview of integrated phosphate-based production model based on PhosAgro's consumption ratios



Source: PhosAgro

Greenfield plant – costs case-study

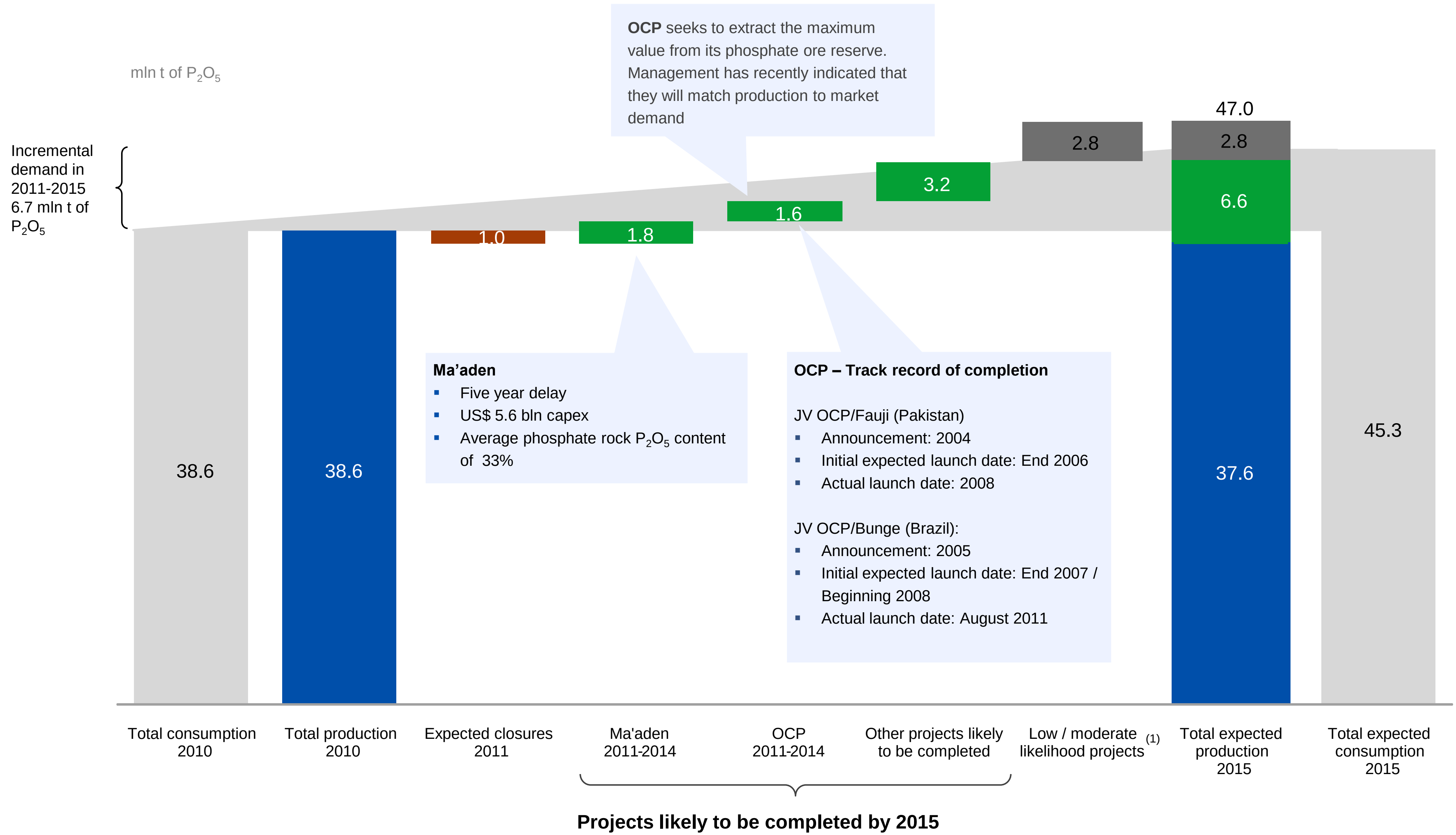
Production facilities *Capacity – mln t / year*	Ma'aden	PHOSAGRO
Phosphate rock mine	12.0	27.2
Beneficiation plant	5.0	8.1
Sulphuric Acid Plant	4.7	4.1
Phosphoric Acid Plant	1.5	1.8
Ammonia Plant	1.1	1.1
DAP Plant	2.9	3.7
Key products	DAP	MAP, DAP, NPK, NPS

Ma'aden – total est. CAPEX(1): US$ 5.6bln

Construction period: 6 years +

Source: PhosAgro, Ma'aden
Notes: (1) CAPEX for the Phosphate Project

Timing and completion of new capacities is uncertain



Note: (1) Projects with low / moderate likelihood of completion by 2015
Source: FERTECON, closures and new projects at 100% nameplate capacity, Fertiliser Week, IFA, companies' data

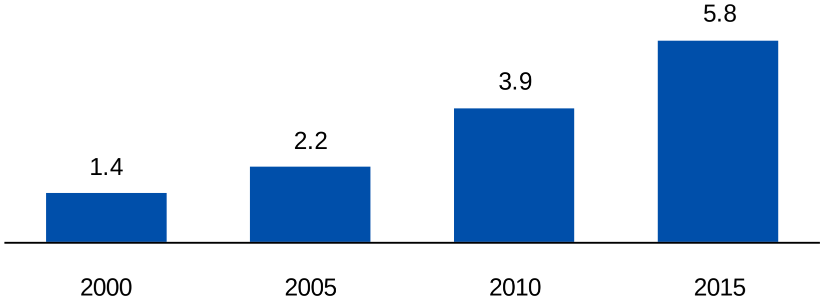
PHOSAGRO

Strong demand fundamentals for fertilisers

Meat consumption is driving demand for phosphate-based fertilisers and feed phosphates

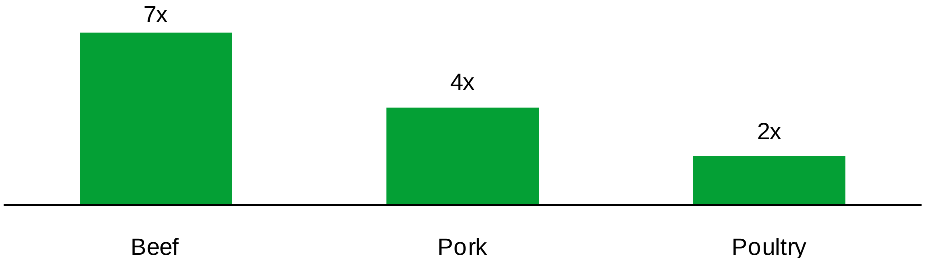
Growing GDP per capita in Emerging Markets

'000 US$



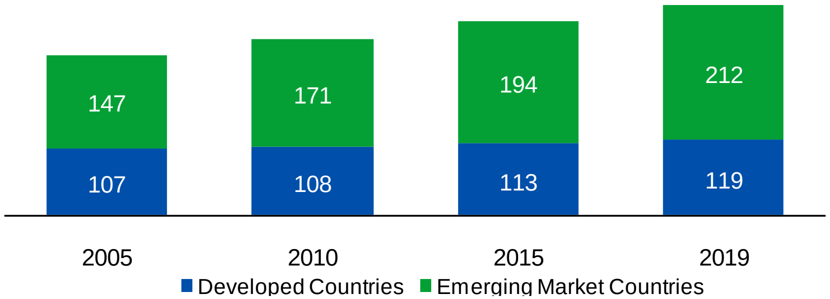
Animal feed a key driver for grain consumption

kg of grain required to produce 1 kg meat



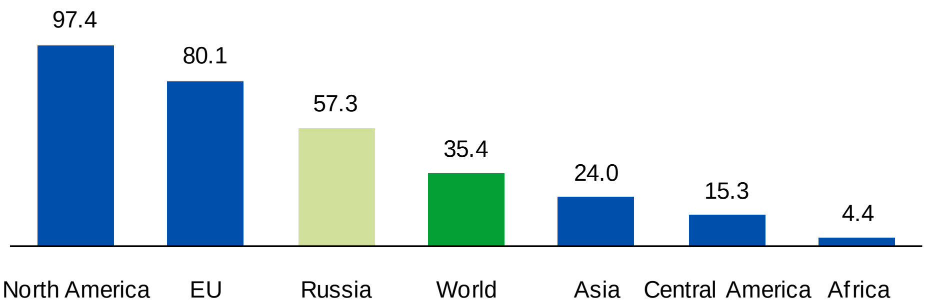
Changing diets – growth in meat consumption

mln t



Meat Consumption by Region

kg meat/capita/year

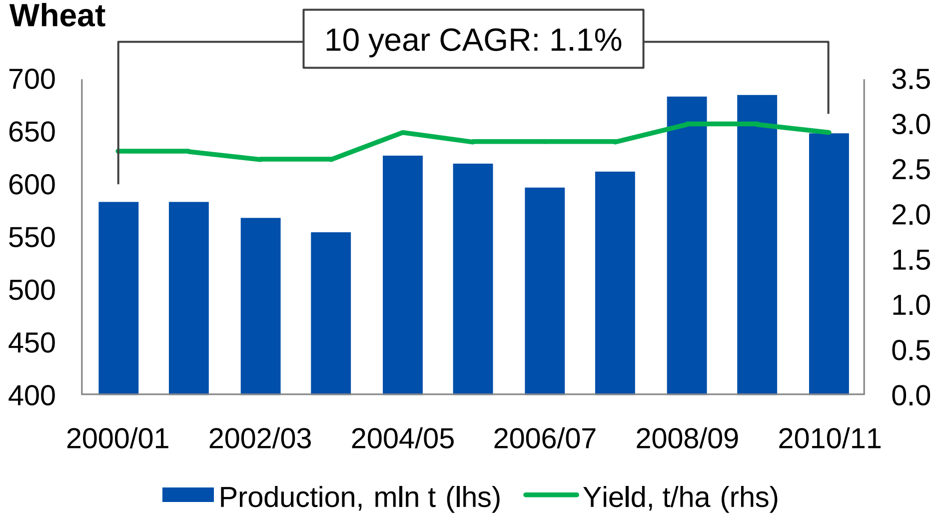


Source: United Nations, IMF, USDA, FAO

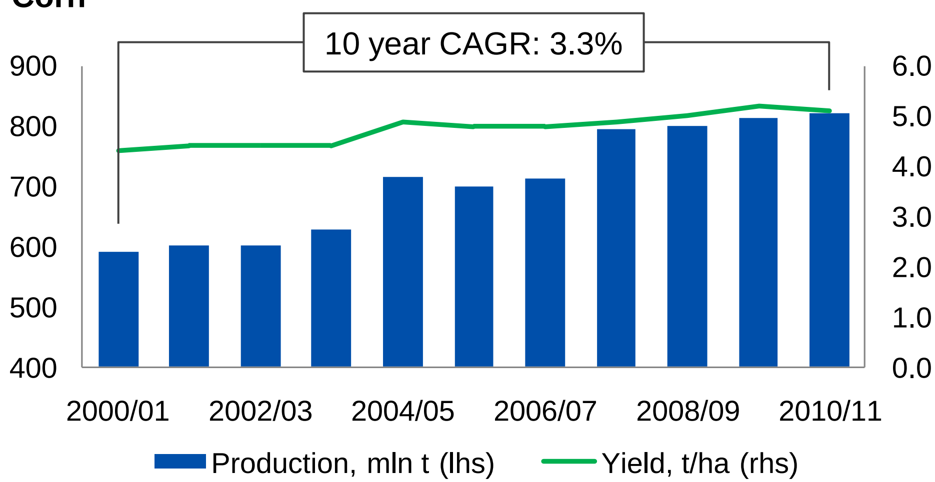
Significant room for further growth of use of phosphate fertilisers

Stagnating yields force farmers to increase planted area to increase production

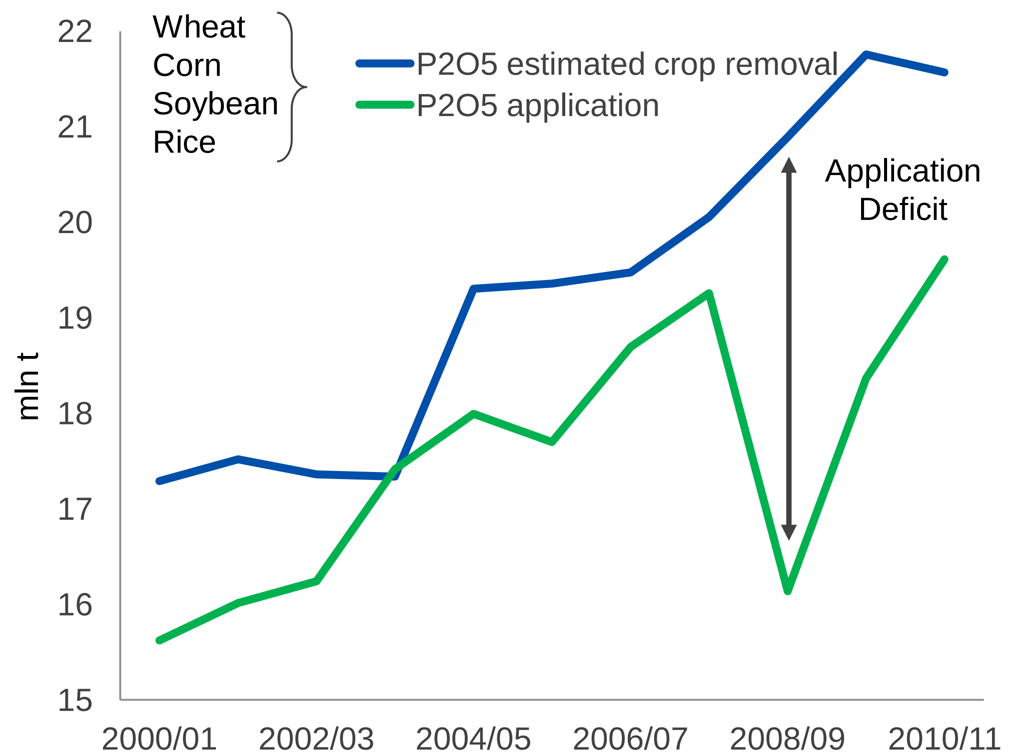
Wheat



Corn



Insufficient application of phosphate fertilisers creates significant room for growth



Nutrient removal rate

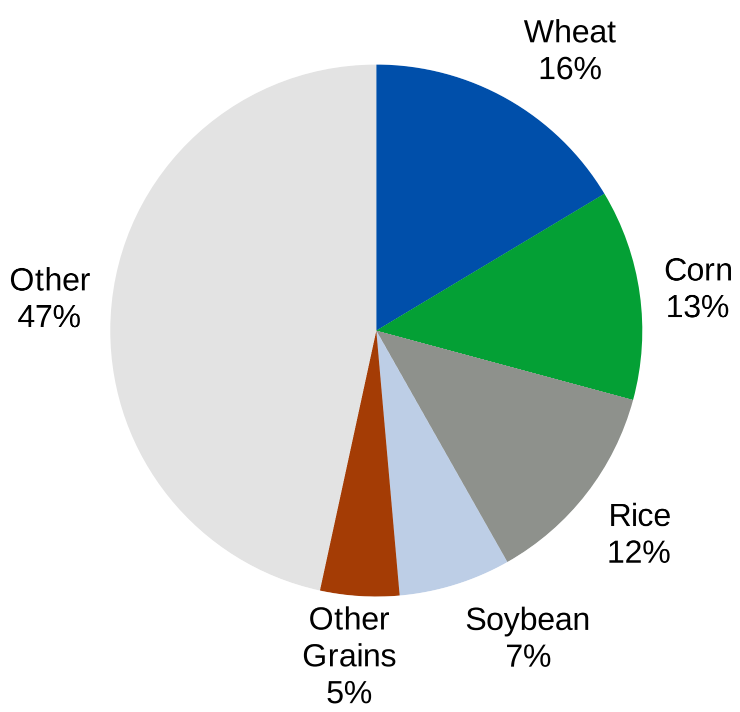
kg P_2O_5/t of crop

Wheat	Corn	Rice	Soybean
11.3	6.7	6.4	17.6

Source: USDA, IFA, IPNI, PhosAgro

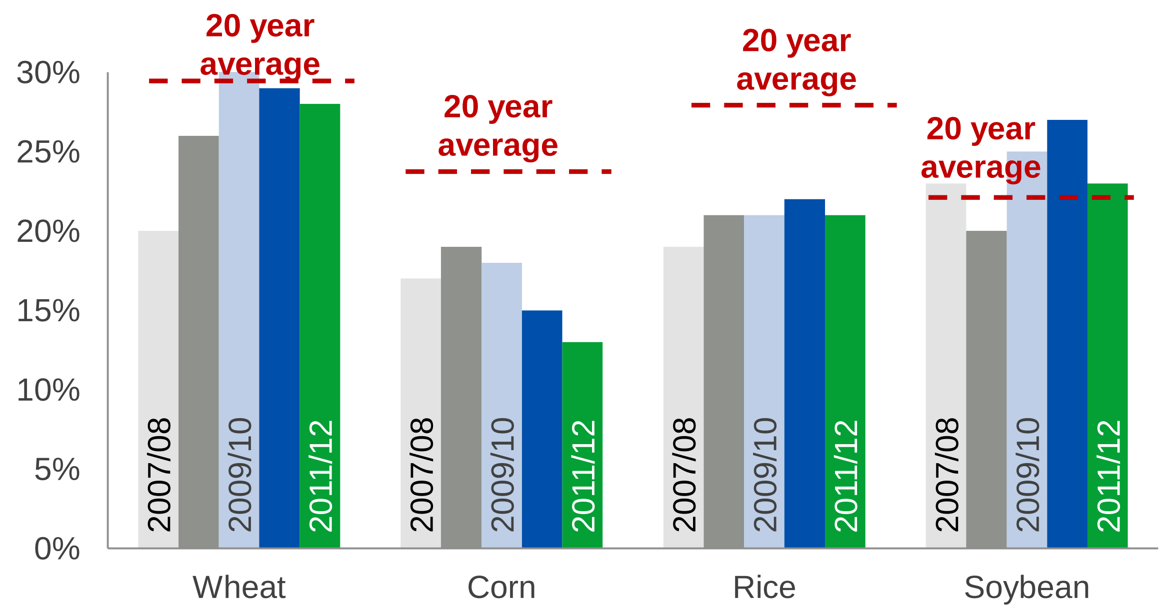
Stock-to-use ratios for the key phosphate-using crops are at low levels driving crop prices

Phosphate fertilizer use by crop

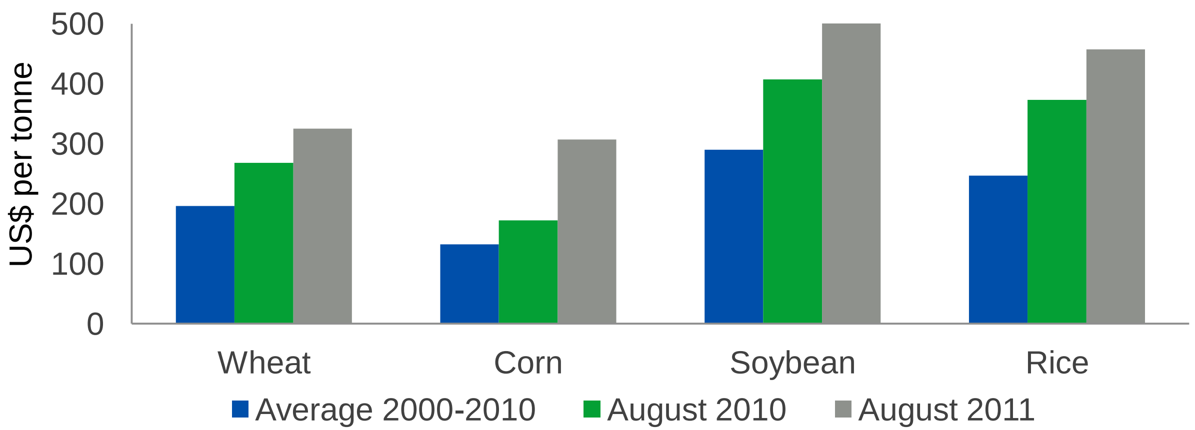


Source: IFA

World grain stocks-to-use ratios, %



Crop prices

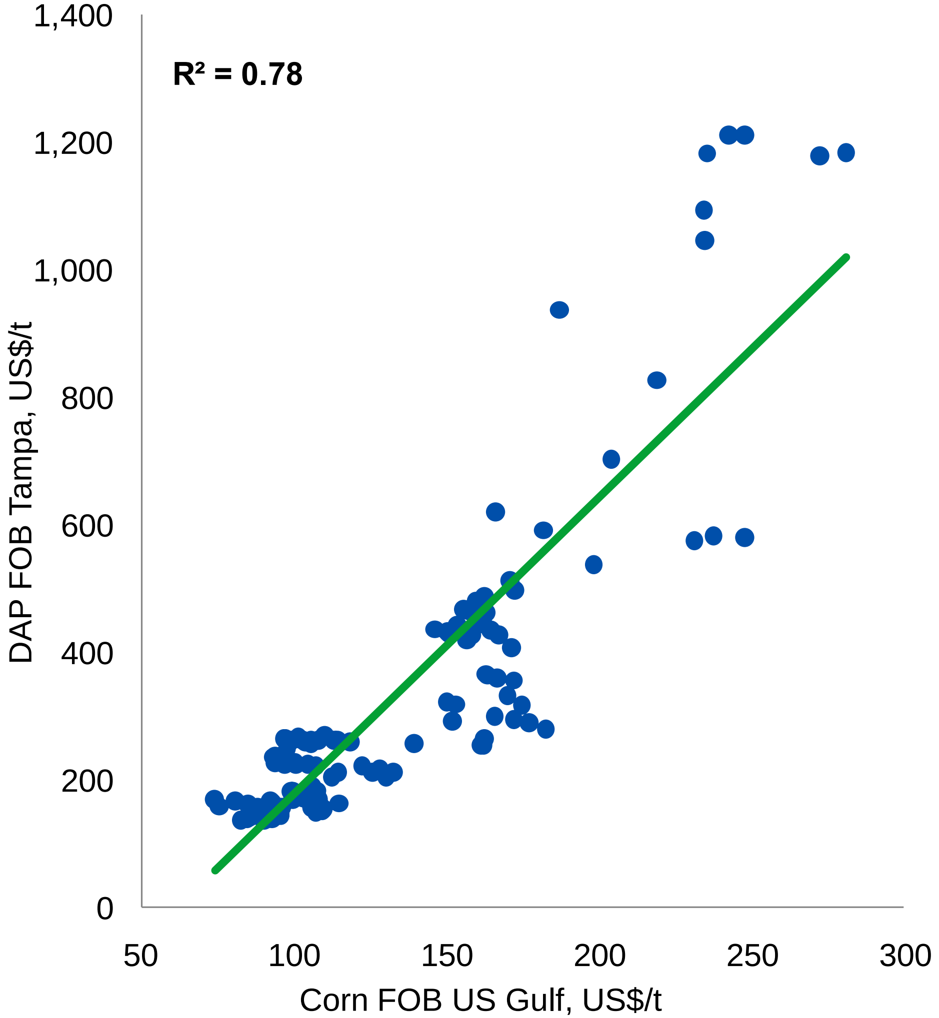


Source: USDA, FAO

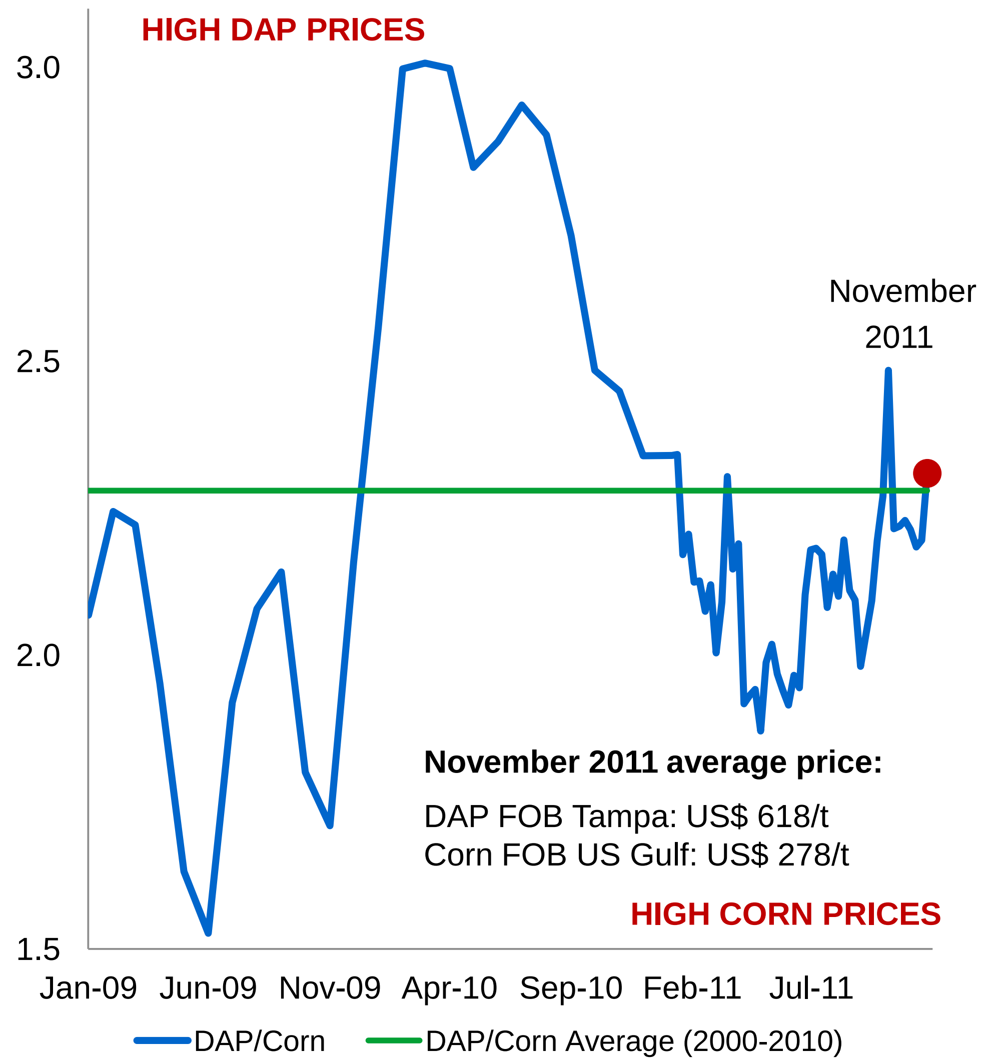
High grain prices driven by market imbalance motivate farmers to use more fertilisers

Corn prices relative to DAP Prices

10 year correlation



Corn to DAP prices ratio

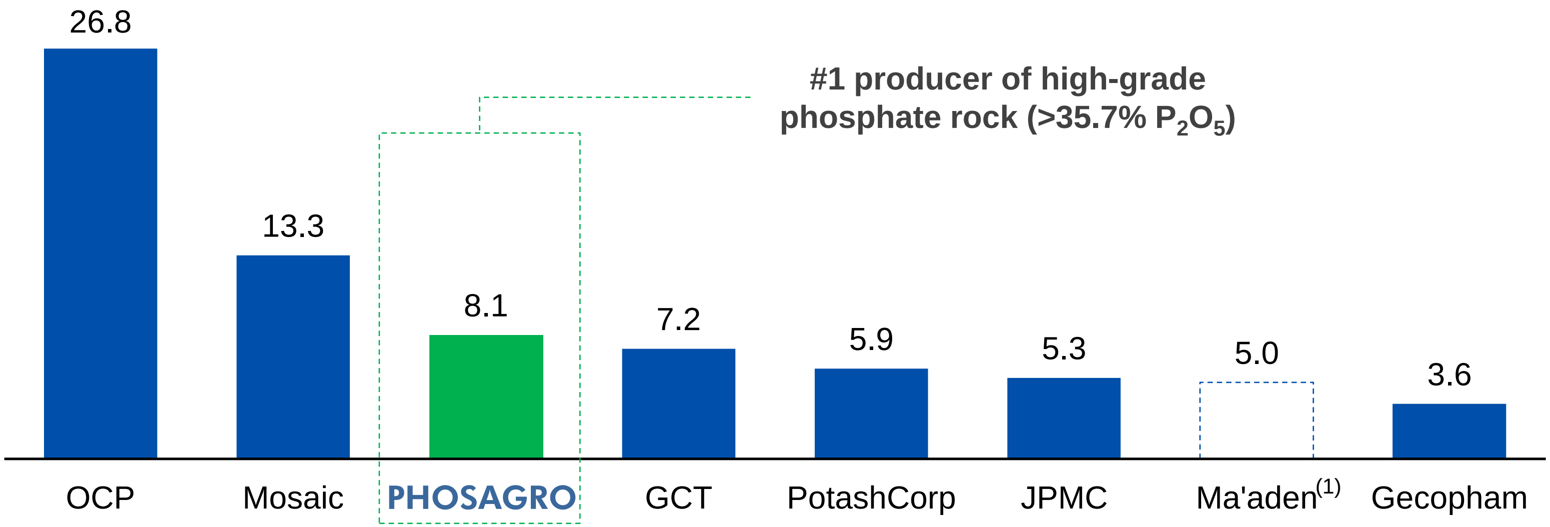


Source: Fertecon, USDA, FAO

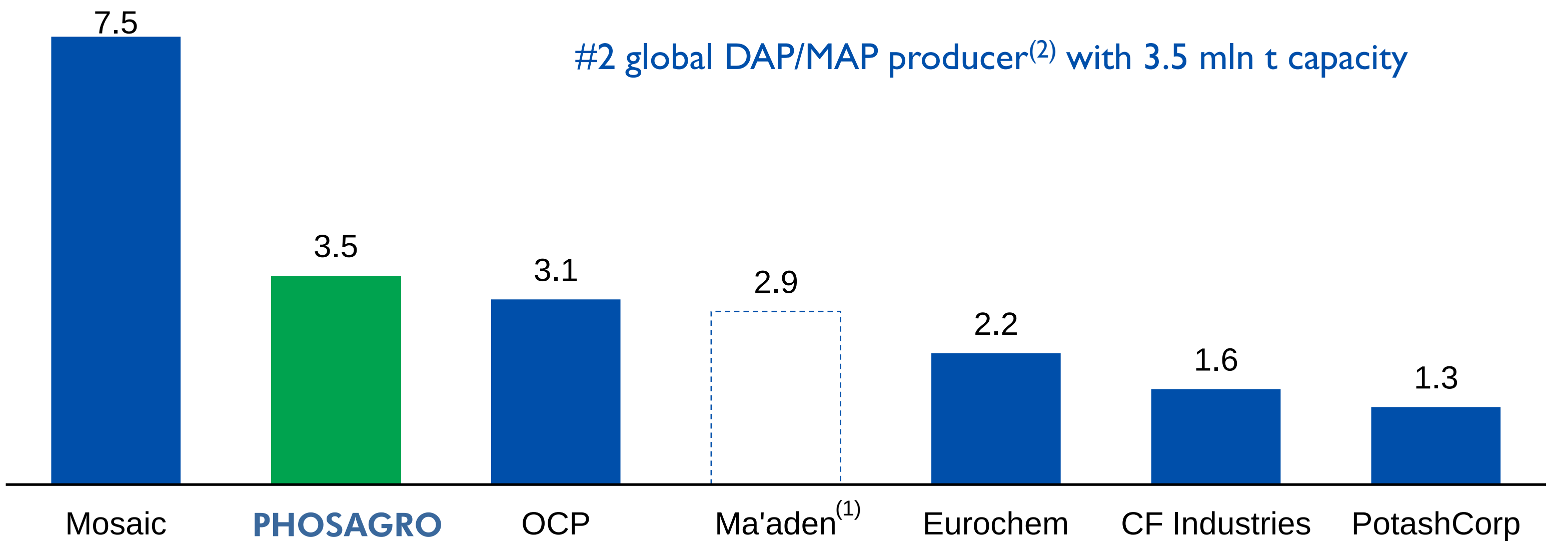
2. Company Highlights

World class integrated phosphate producer

A leading global phosphate rock producer with over 2.1 bln t of apatite-nepheline ore resources (over 75 years of production)



#2 global DAP/MAP producer(2) with 3.5 mln t capacity



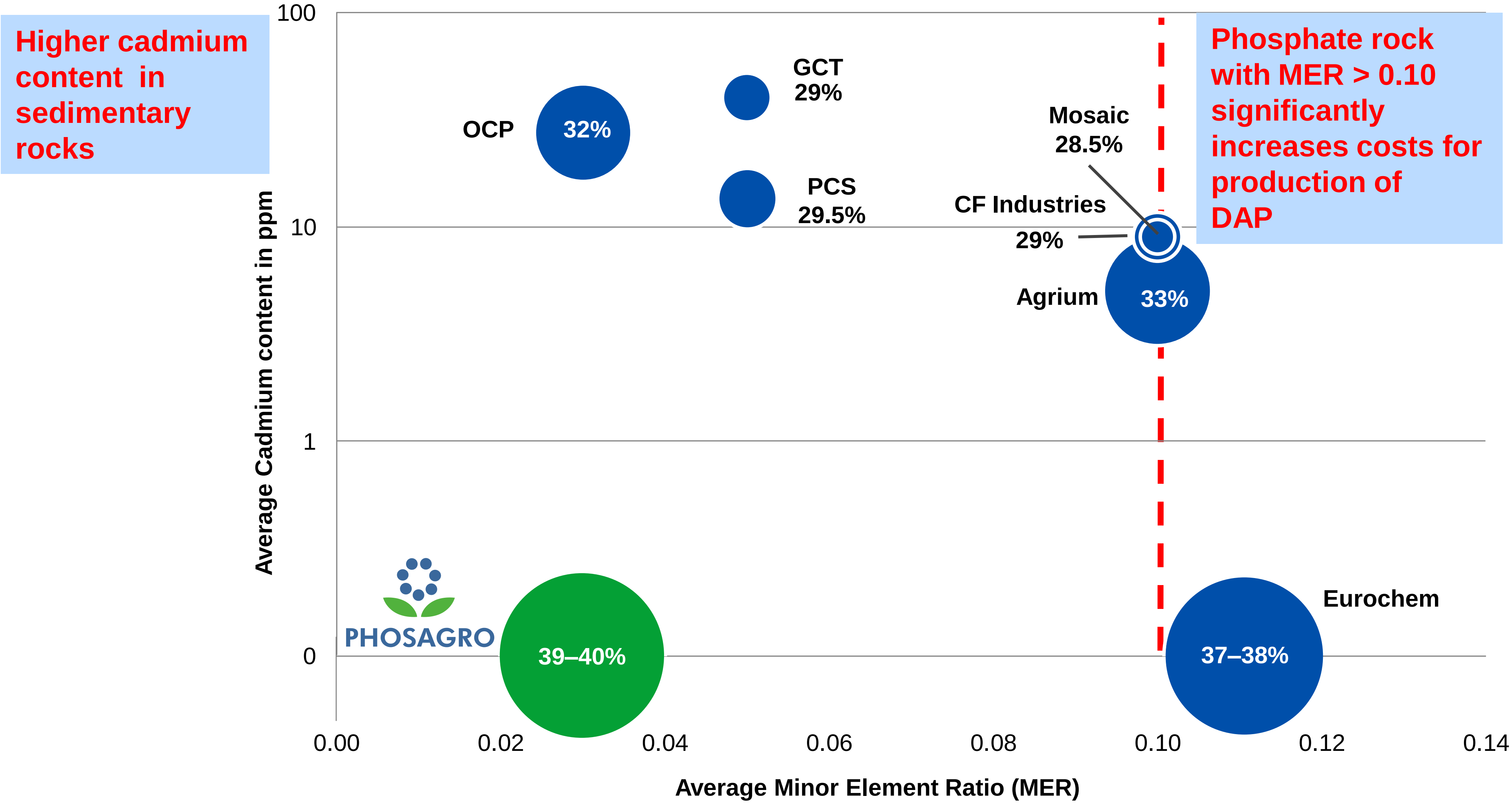
Source: Fertecon, companies' data
Note: (1) Ma'aden first stage at full capacity
(2) In 2010, excluding Chinese producers

Control of world's premium phosphate resource base

Location[1]	PHOSAGRO	Morocco	USA	Jordan	China	Tunisia
Al_2O_3 content	13.0-14.0% High	Very low	Very low	Very low	Very low	Low to moderate
Ore type	Igneous	Sedimentary	Sedimentary	Sedimentary	Sedimentary	Sedimentary
Level of radioactivity	Very low	Moderate	Moderate to high	Low to moderate	Low to moderate	Moderate
Hazardous metals content	Very low	Moderate	Moderate to high	Low	Low to moderate	Low to moderate
World Phosphate Rock Reserves, billion t	2.1	50	1.4	1.5	3.7	0.1

Note: (1) primary global DAP/MAP producing regions
Source: Fertecon, IMC, USGS 2011

Control of world's premium phosphate resource base

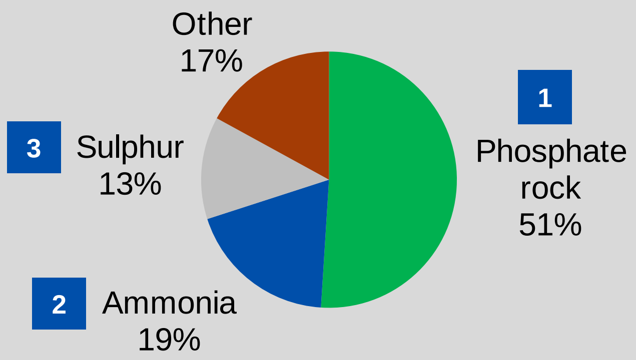


Note: Size of the bubble represents P_2O_5 content in phosphate rock in excess of 28%, which is recognized as a minimum for production of high quality phosphate fertilizers
Source: Fertecon, PhosAgro, companies' data

Self-sufficiency in key feedstocks …

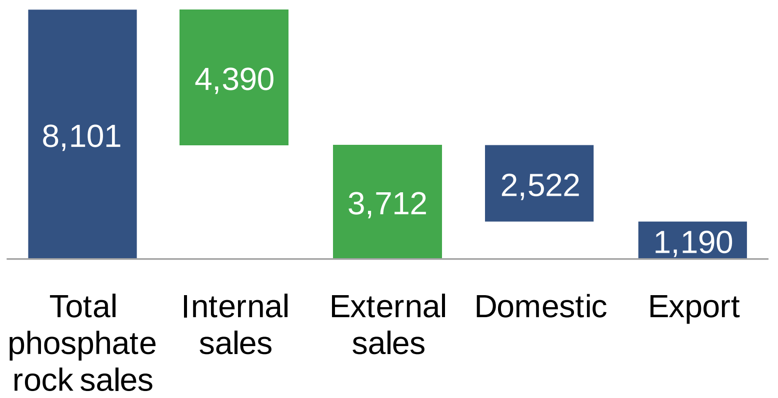
PhosAgro DAP production cash costs

2010, ExW, US$



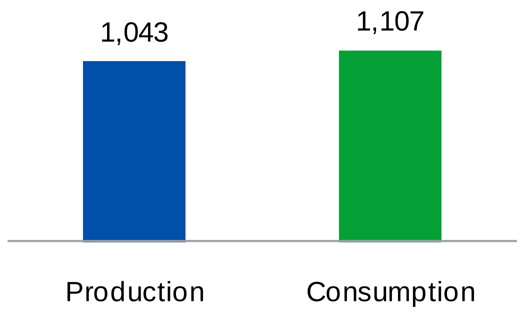
1 Phosphate rock: 100% self-sufficient

2010, kt



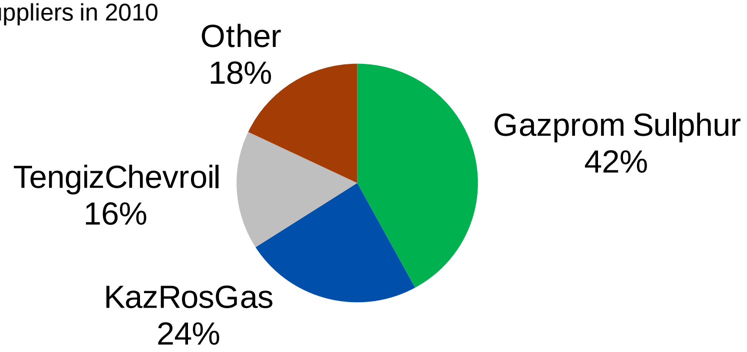
2 Ammonia: 94% self-sufficient

2010, kt



3 Sulphur: access to local supplies

Sulphur suppliers in 2010

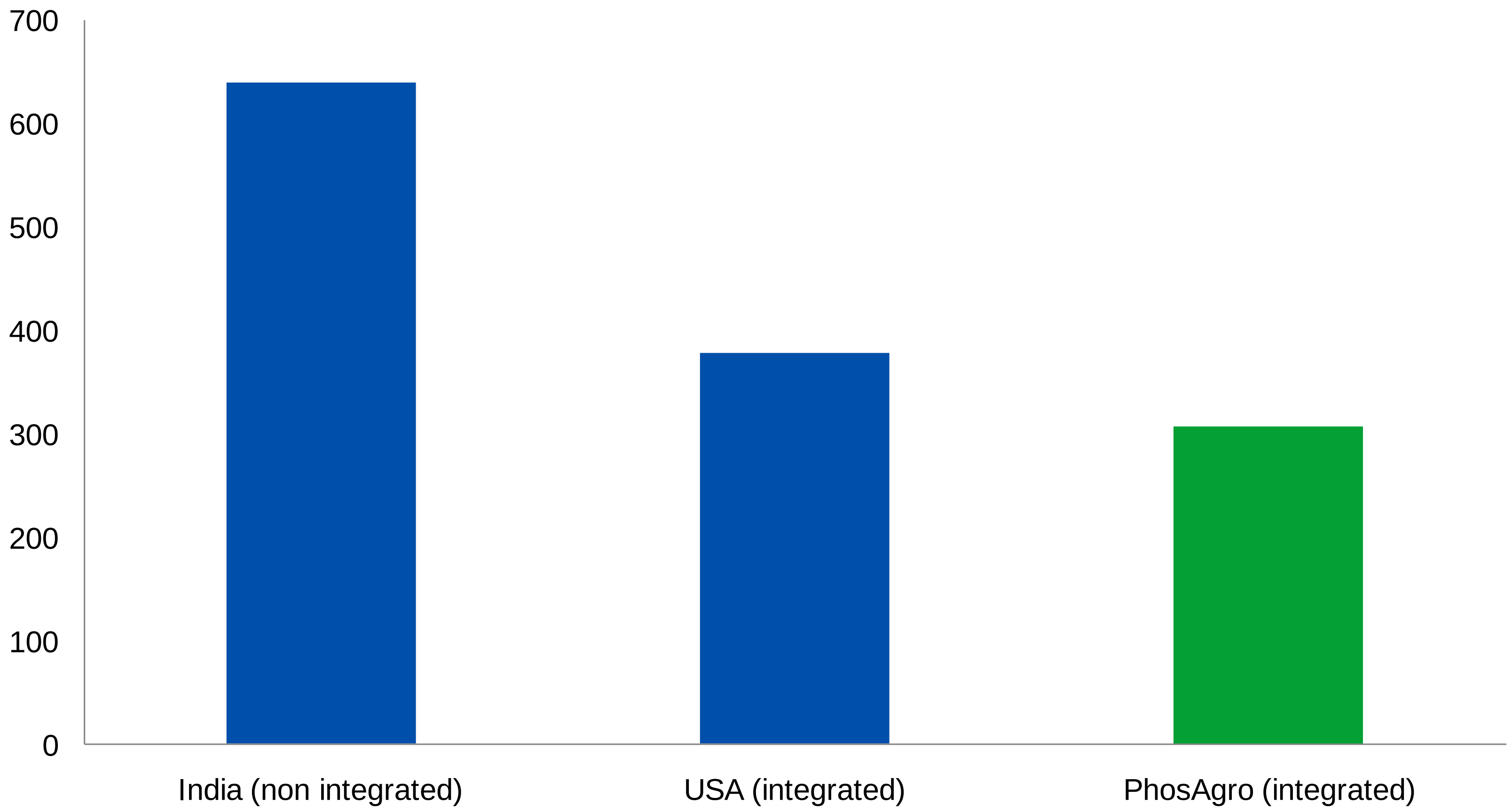


Source: PhosAgro

Significant cost advantage for integrated producers

Estimated DAP production cash costs

FOB, US$ per tonne DAP



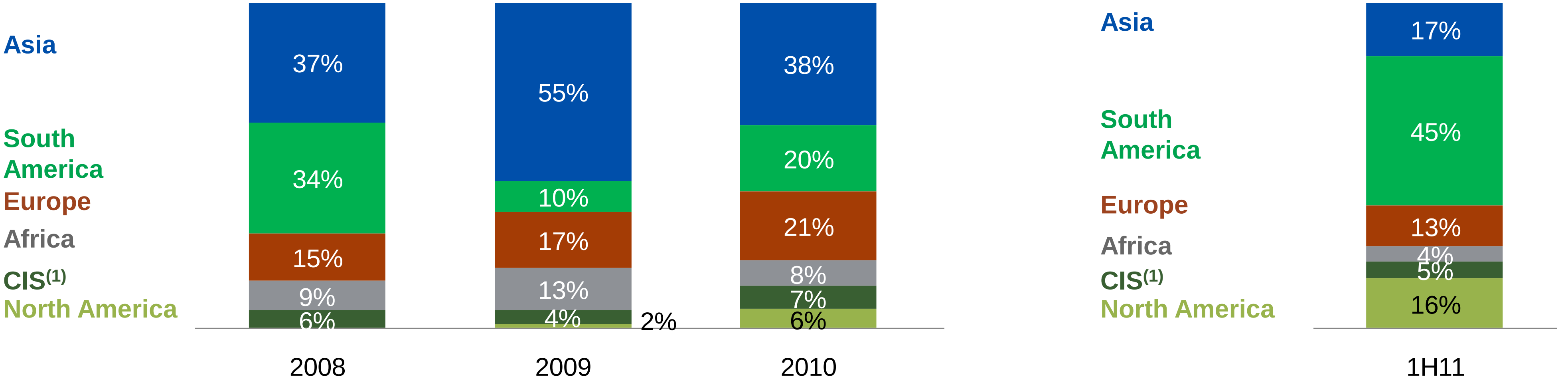
Source: companies' data, Fertecon, PhosAgro

Flexible business model

Flexible business model

Phosphate-based fertilisers and feed phosphate exports by region

In volume terms

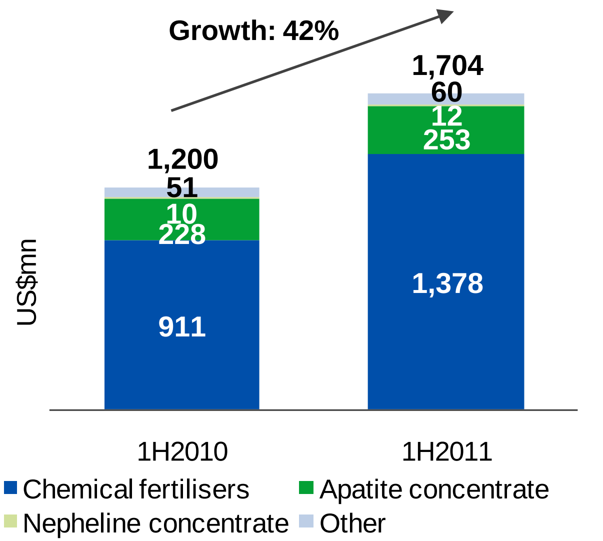


Source: PhosAgro
Note: (1) Excluding Russia

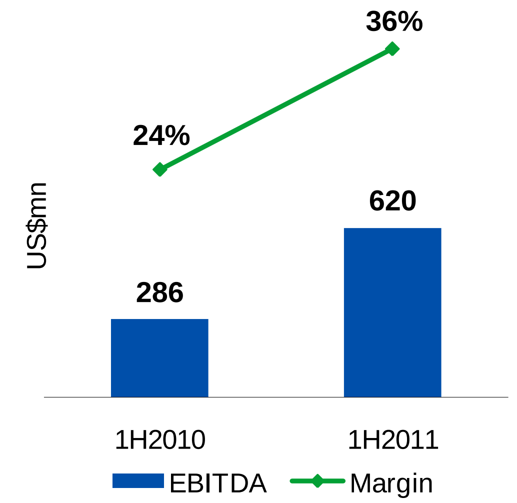
3. Financial Overview

Revenue, EBITDA and Net Income

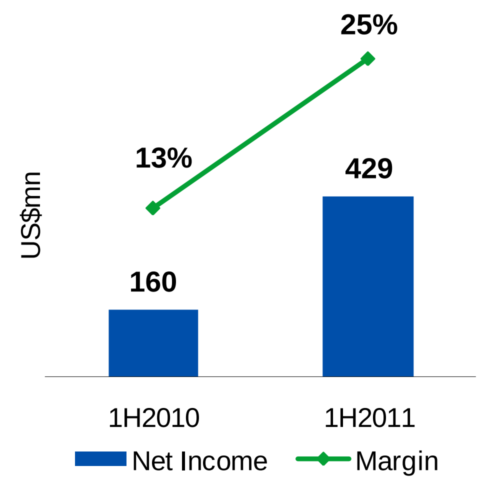
Revenue (H1 2010/2011)



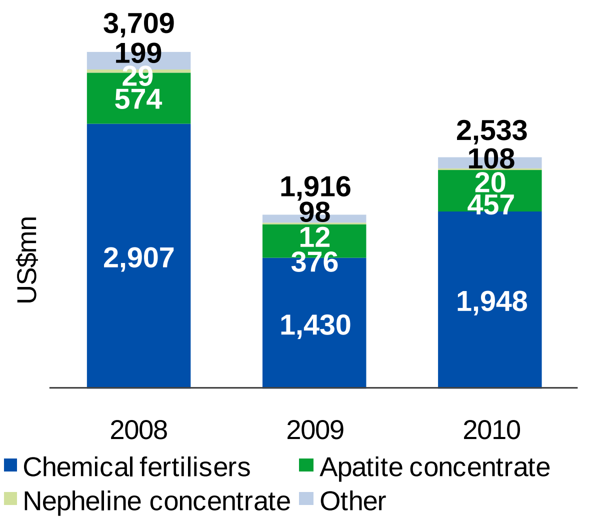
EBITDA (H1 2010/2011)



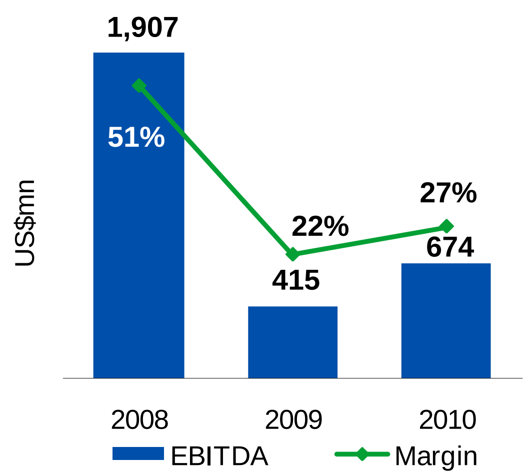
Net Income (H1 2010/2011)



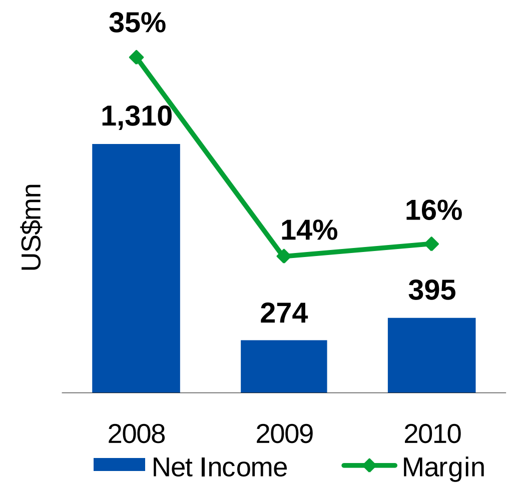
Revenue (FY 2008-2010)



EBITDA (FY 2008-2010)



Net Income (FY 2008-2010)

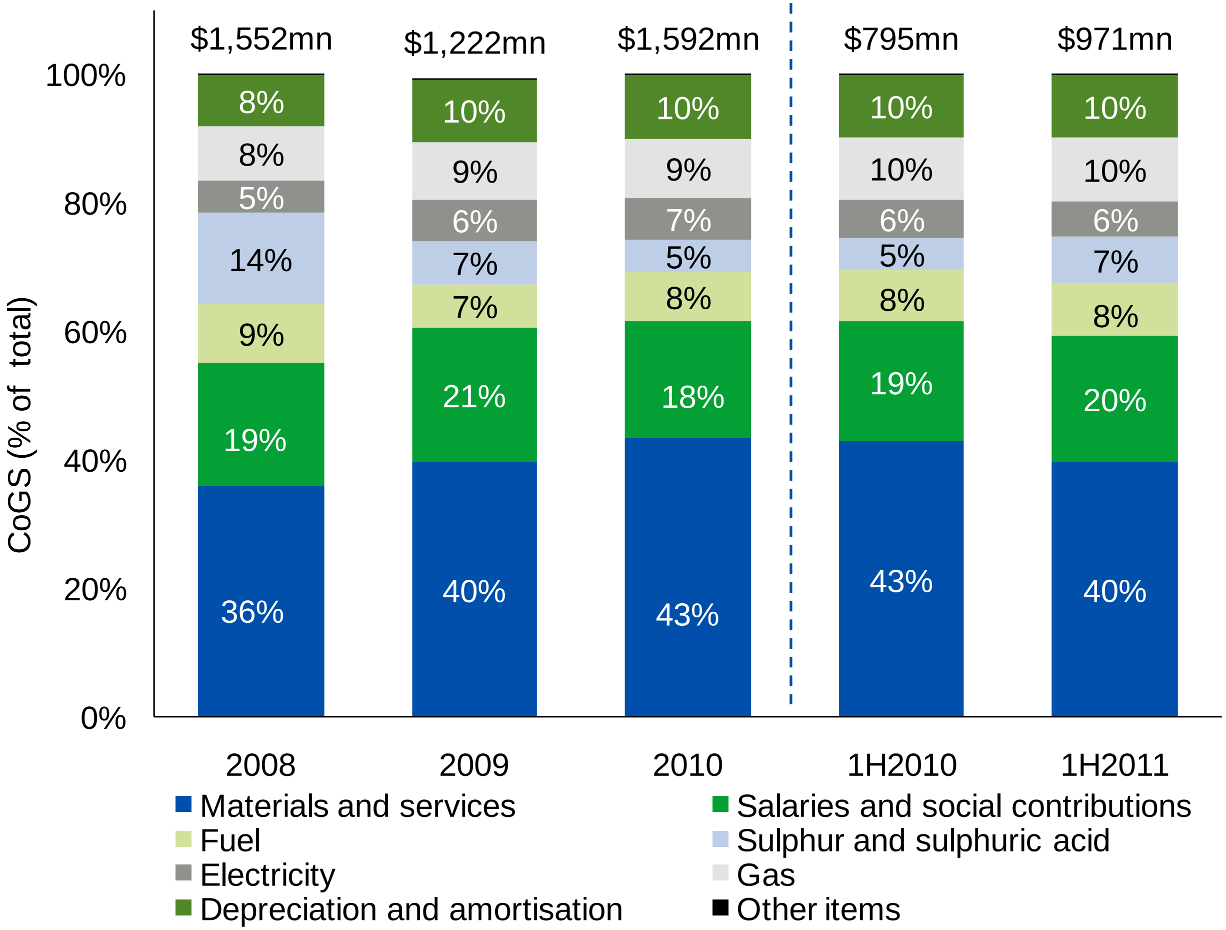


Note: Applied average USD/RUB exchange rates: 24.86 (2008), 31.72 (2009), 30.37 (2010), 30.07 (1H2010), 28.62 (1H2011)

Cost of Goods Sold

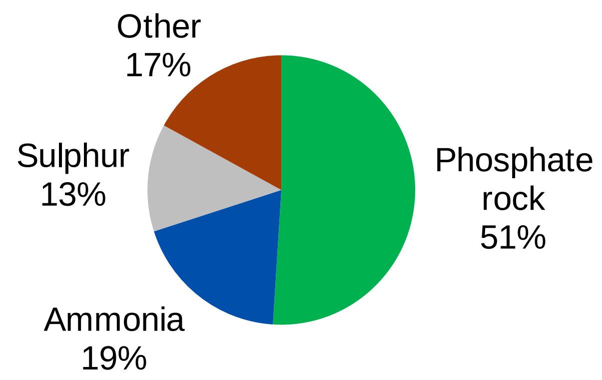
Cost of Goods Sold and Sales Volumes

Sales (kt)	2008	2009	2010	1H2010	1H2011
Fertilisers[1]	3,103	3,635	3,842	1,920	1,992
Rock	3,517	2,807	3,712	1,933	1,558



DAP Production Cash Cost Breakdown

ExW, US$, 2010



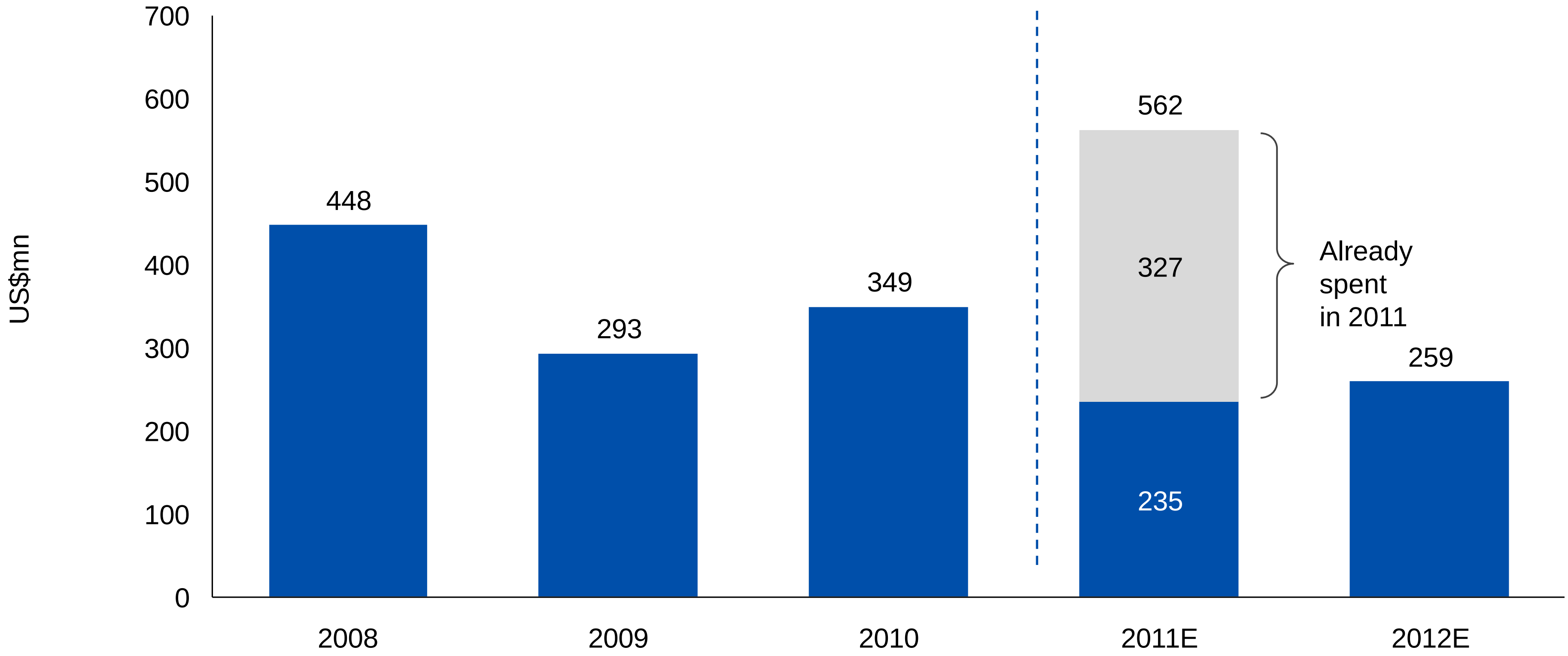
Source: PhosAgro

Note: Excluding change in stock of WIP and finished goods. Applied average USD/RUB exchange rates: 24.86 (2008), 31.72 (2009), 30.37 (2010), 30.07 (1H2010), 28.62 (1H2011)

(1) Phosphate-based fertilizers and feed phosphate MCP

Capex and Dividend Policy

Capex



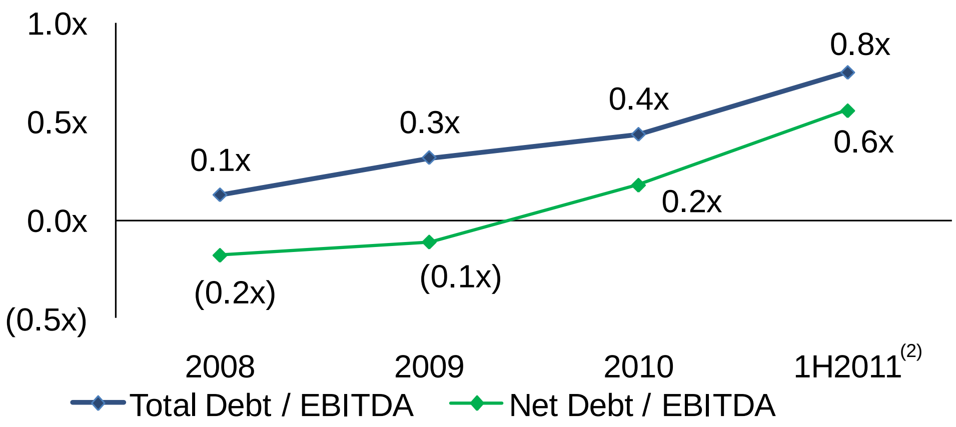
Dividend Policy

- PhosAgro expects to pay between 20% and 40% of consolidated profit for the year calculated in accordance with IFRS as dividends. The Board of Directors recommended the payment of preliminary dividend of US$ 7.83 (RUB 250) per share to the Extraordinary Shareholders Meeting to be held on December 1, 2011.
- For 2011 PhosAgro intends to pay out no less than 30% of the consolidated net income generated in the last 3 quarters of the year (from April 1 to December 31)

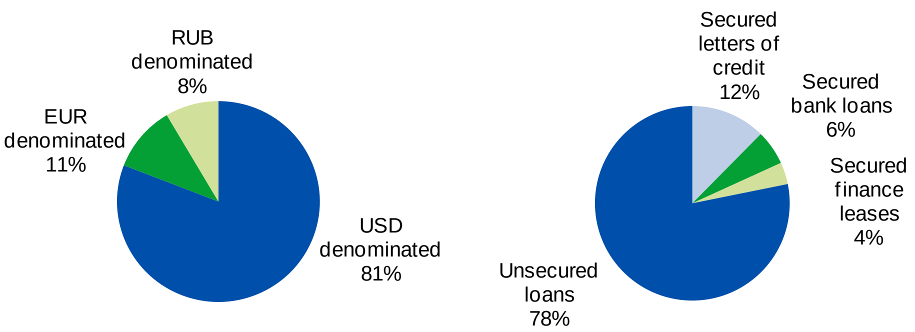
Source: PhosAgro
Note: Applied average USD/RUB exchange rates: 24.86 (2008), 31.72 (2009), 30.37 (2010), 29.4905 (current rate as of 9 September 2011).
USD/RUB exchange rate at the dividend declaration date : 31.9213

Overview of Debt

Total Debt / EBITDA and Net Debt [1] / EBITDA



Types of debt instruments [3]



Net Debt

Actual Net Debt as of 30 June 2011	(USD in millions)
Total Debt, incl.:	953
Short-term debt	408
Long-term debt	545
Cash and cash equivalents	(248)
Net Debt	**705**

Source: PhosAgro

Note: Applied end-of-period USD/RUB exchange rate of 28.08 (1H2011)

(1) Net debt is calculated as total loans and borrowings minus cash and cash equivalents

(2) Based on annualized EBITDA

(3) As of June 30, 2011. Includes secured bank loans, unsecured bank loans and letters of credit. Total loans and borrowings US$953mn

4. Future potential

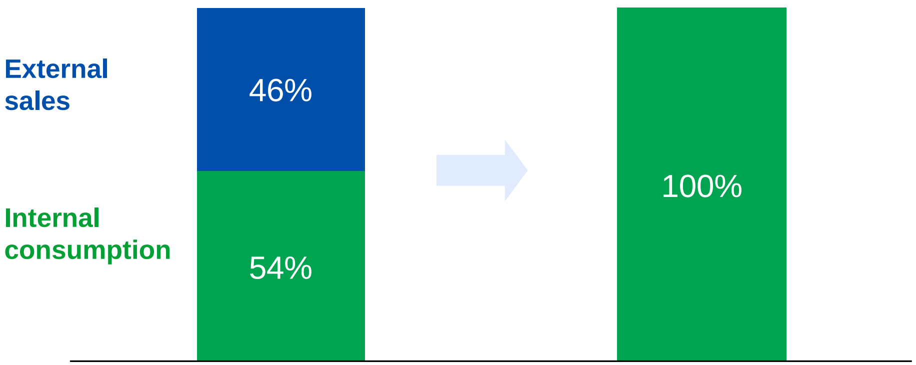
Long term strategy for volume growth of fertilisers

Today

Phosphate rock

Future

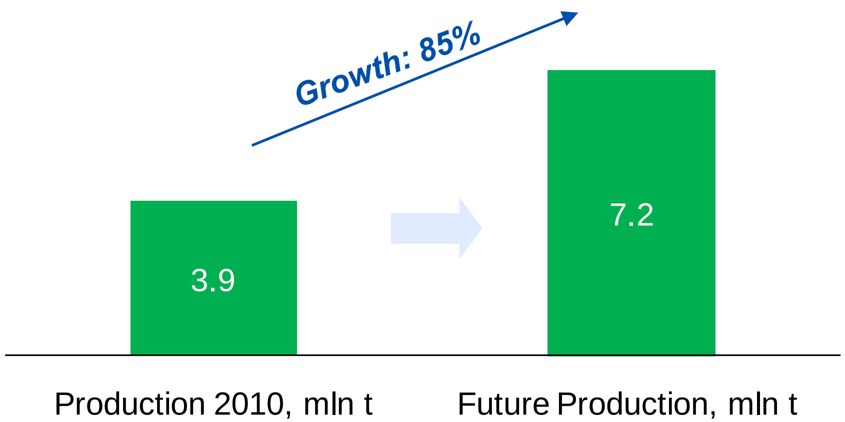
Phosphate rock, mln t



Total: 8.1 mln t

End Products

(DAP / MAP / NPK / NPS / APP/ MCP)



Future Potential Strategic initiatives

The future development of Shtokman field would allow PhosAgro to build new fertiliser capacity near its mines and simplify its export logistics

Source: Gazprom, PhosAgro

Thank You