PHOSAGRO

Presentation for 1-on-1 meetings

December, 2016

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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 7.1 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

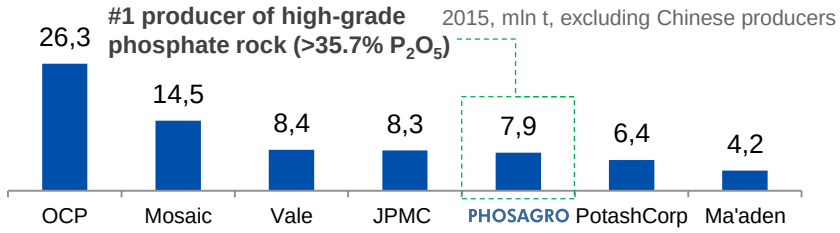
Flexible production and sales

- Flexible production lines
- Phosphate fertilizer capacities of 5.1 mln t, 2.2 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

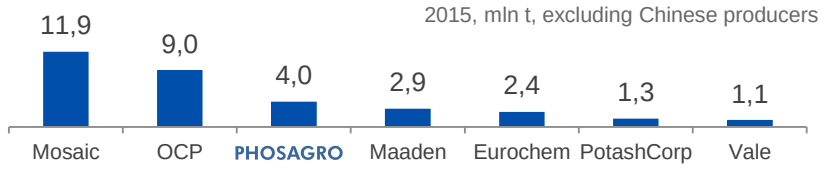
Strong financial performance

- EBITDA of $862 mln in 9mo16
- Net profit $710 mln in 9mo16
- Net debt/EBITDA as of 30Sep16: 1.2X

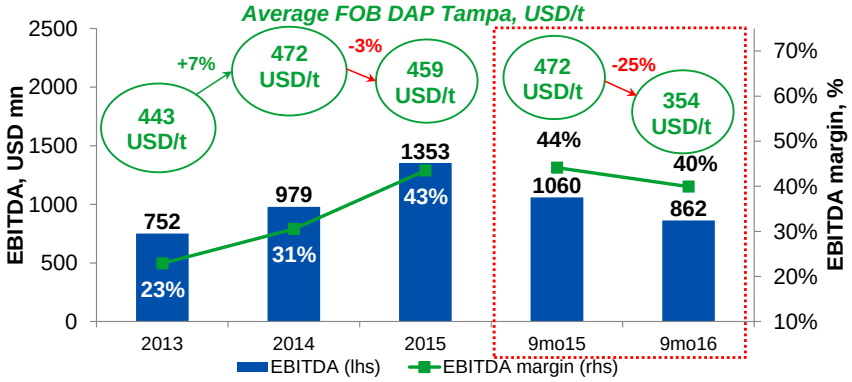
Leading global phosphate rock producers (by production)



Leading global DAP/MAP producers (by capacity)



EBITDA and EBITDA margin dynamic vs DAP price



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

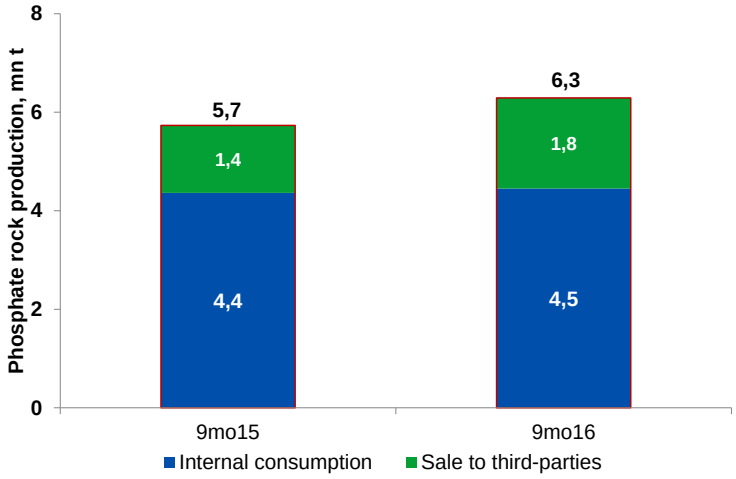
Note: (1) Excluding Chinese producers
(2) PhosAgro, IMC as of June 2011
(3) Russian Academy of Science
(4) self –sufficiency depends on the composition of the products produced by PhosAgro
Source: IFA, CRU, companies data, PhosAgro

PHOSAGRO

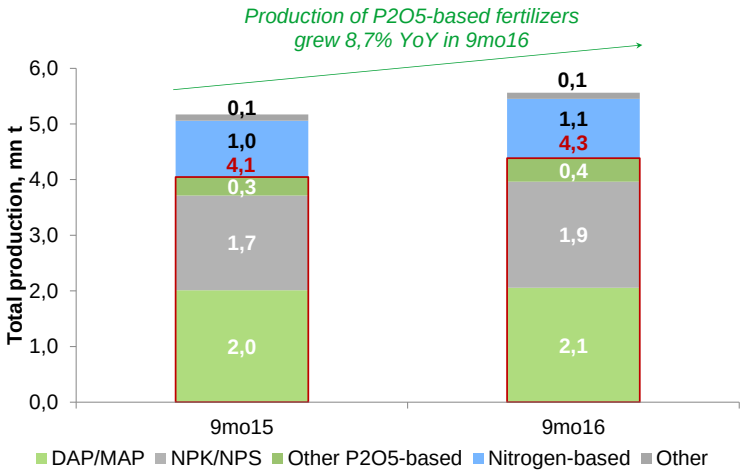
PhosAgro - Growing production profile & return for shareholders

Focus on Production growth and Domestic market

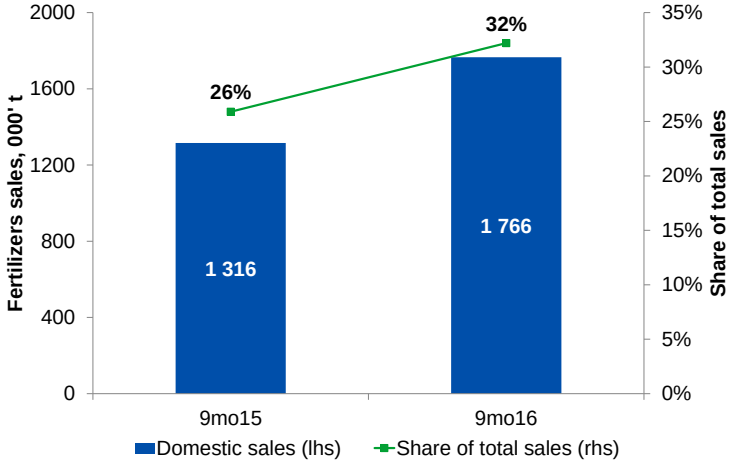
9mo16 Phosphate Rock Production and Sale



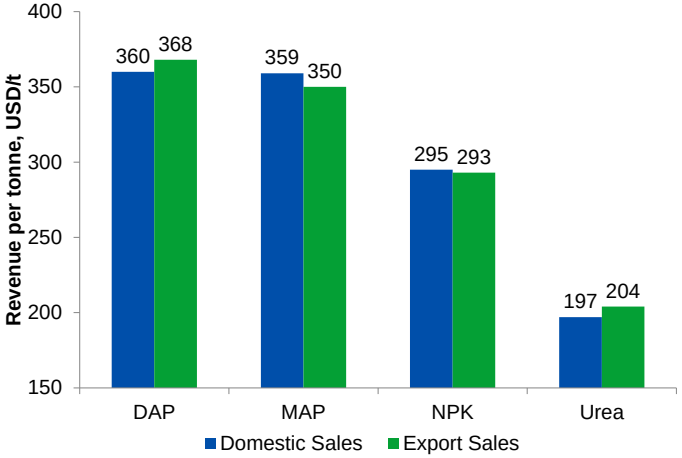
9mo16 Fertilizers Production Breakdown



Domestic sales in 9mo16 grew 34% YoY

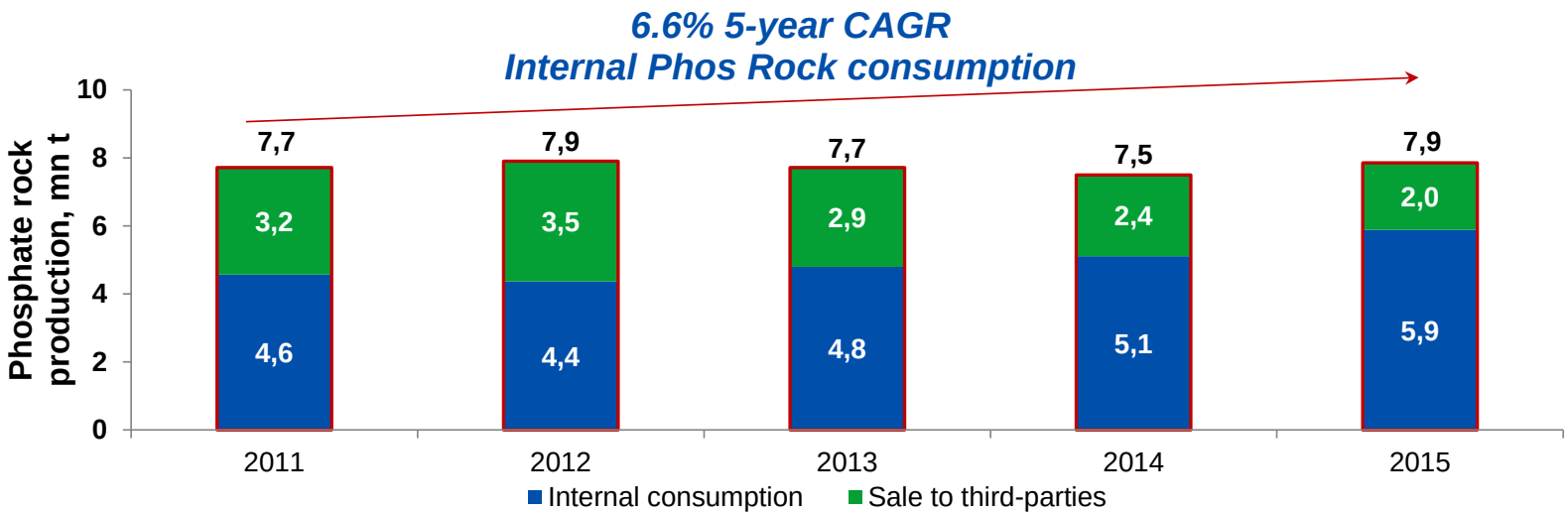


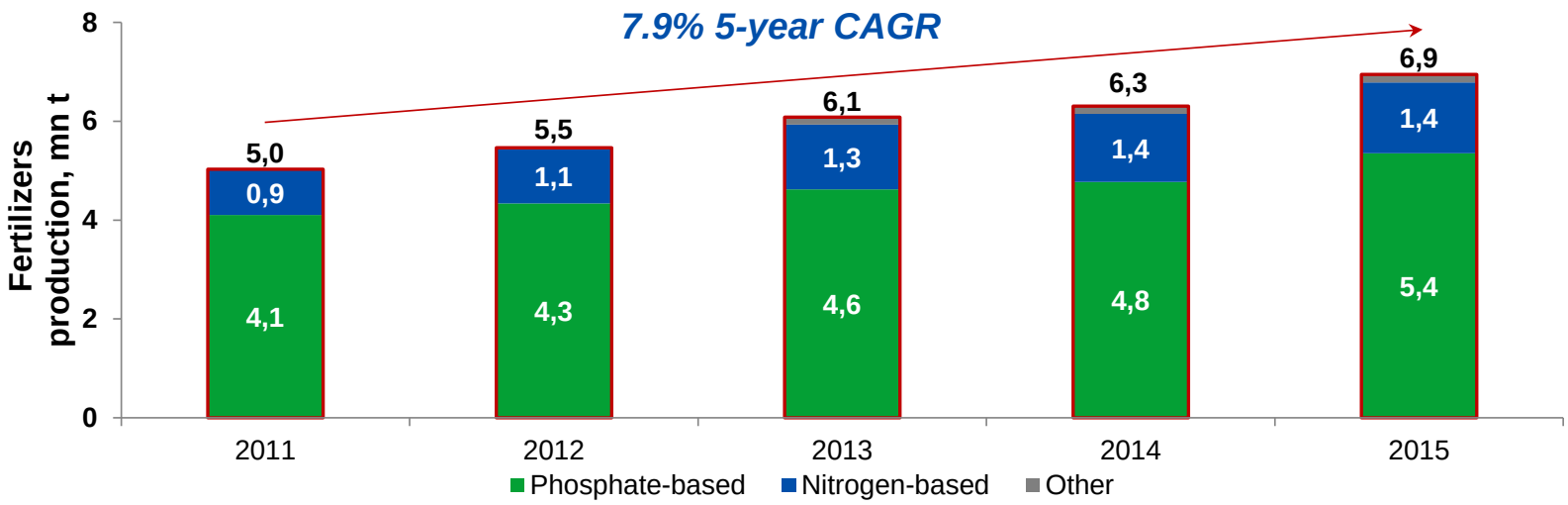
Average realized price for domestic and export sales 9mo16



Source: PhosAgro

Growing production profile





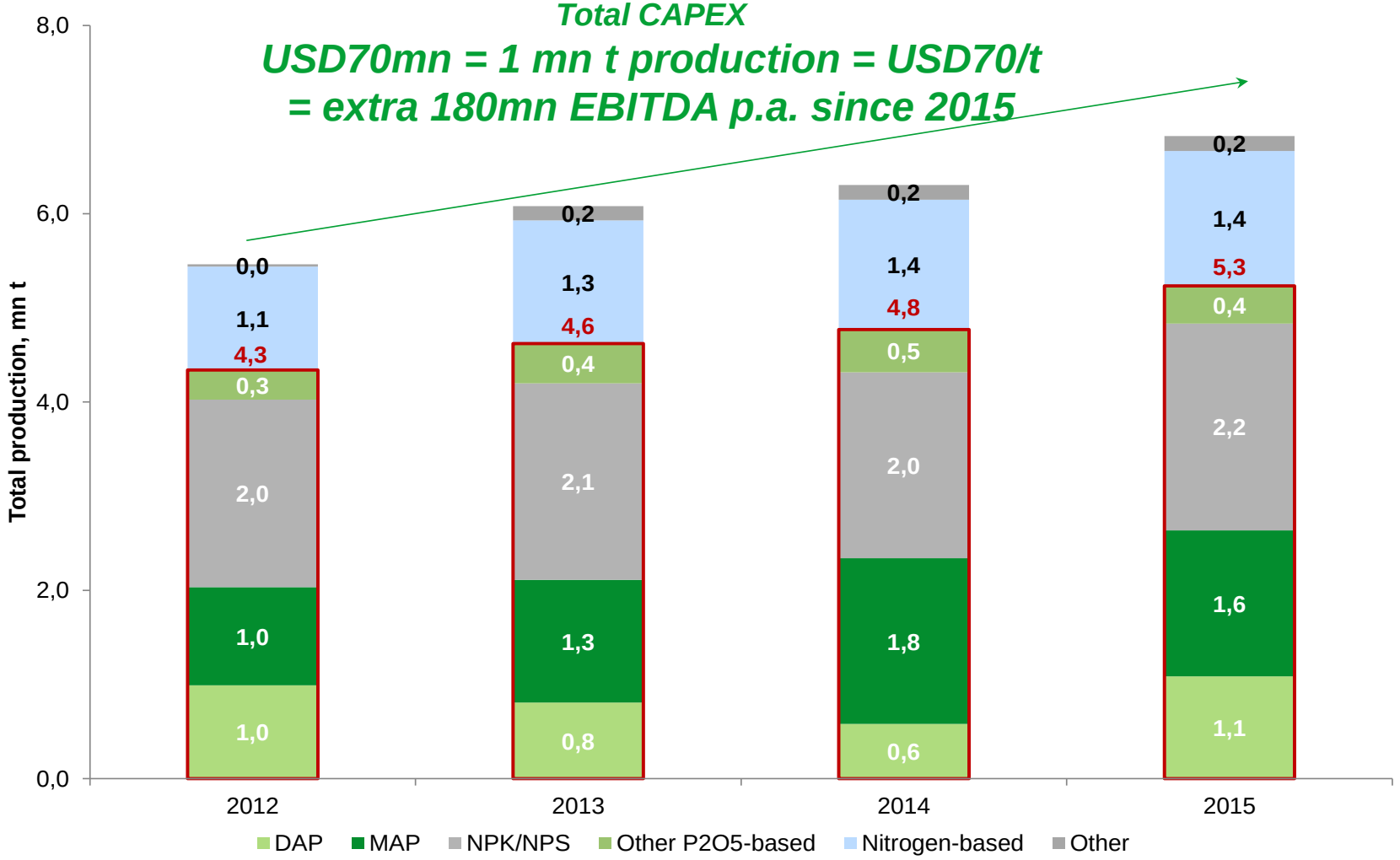
Source: PhosAgro

Strategy for fertilizer volume growth

Production of P2O5-based Fertilizers up 23% or 1mn t since 2012 thanks to modernization and debottlenecking

Total CAPEX

USD70mn = 1 mn t production = USD70/t = extra 180mn EBITDA p.a. since 2015



Source: PhosAgro

Strategy for fertilizer volume growth

	Where we have been in 2014	Where we are NOW	Where we are headed after 2017
Phosphate rock	7.5 mn t	7.9 mn t	8,3 mn t
External sales	32%	25%	29%
Internal consumption	68%	75%	71%
Ammonia, kt	214	428	
Production	1 180	1 112	1 915
Int Cons.	1 394	1 540	1 915
Fertilizers capacity, mn t	6,5 mn t	7,1 mn t	8,0 mn t
Nitrogen based	1,4	1,4	2,0
Phosphate based	5,1	5,6	6,0

Debottlenecking pushed production up 12%YoY

New Ammonia Project

+40%

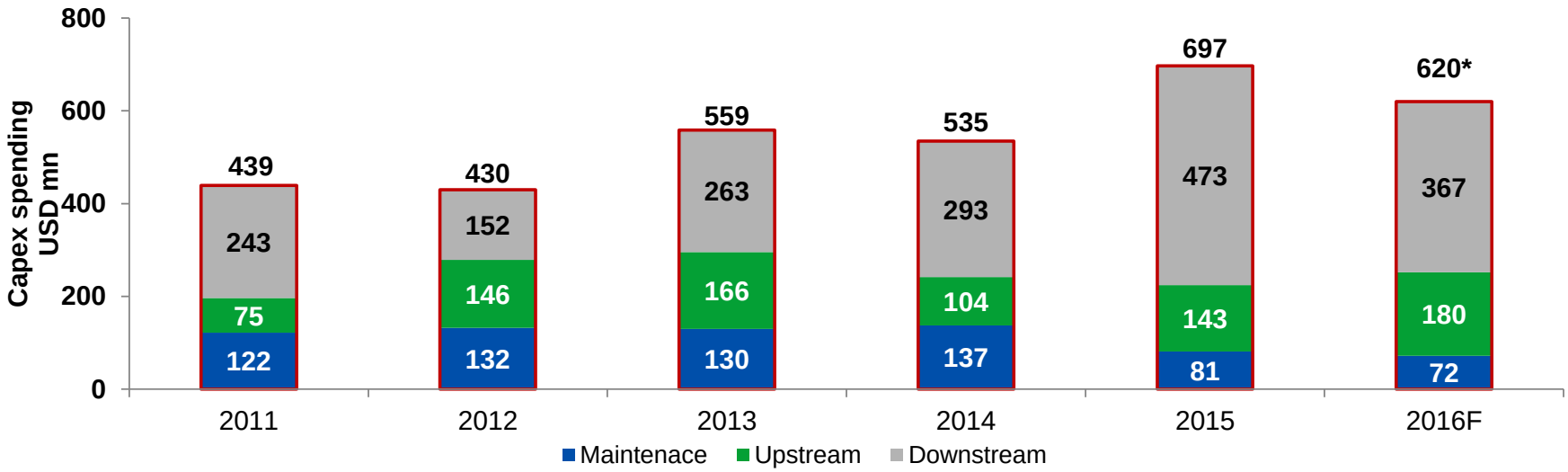
+7%

New Urea and Ammonium Sulphate Units

More Premium NPKs

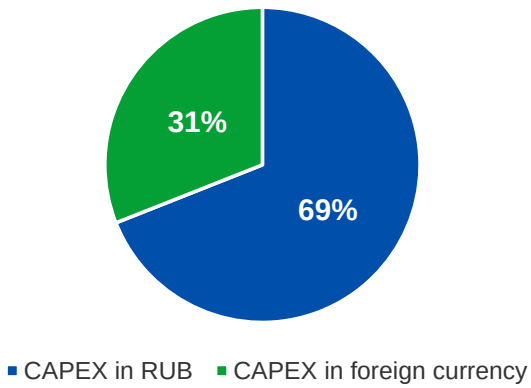
Source: PhosAgro

Capex dynamics over 2011-16

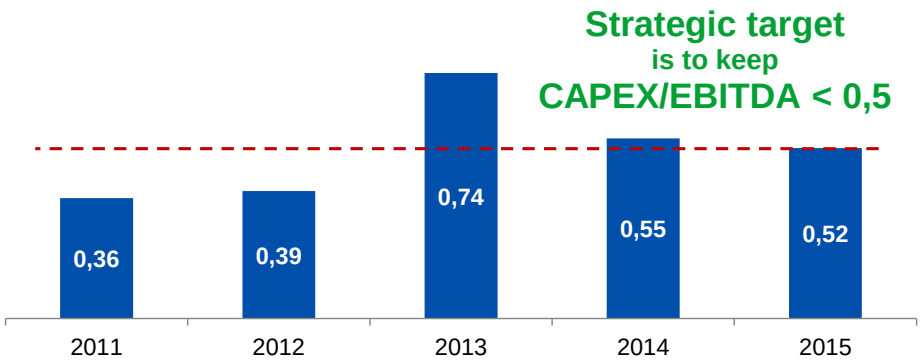


** Based on forecasted RUB67,5/USD exchange rate for 2016*

CAPEX 2016 Currency breakdown

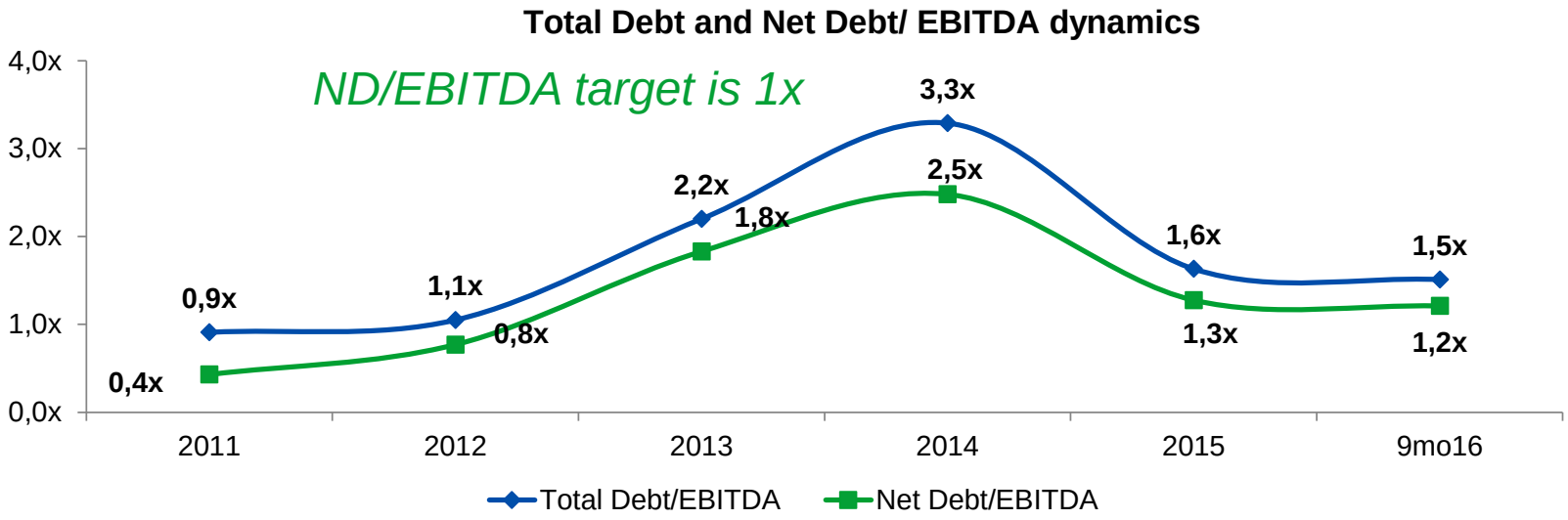


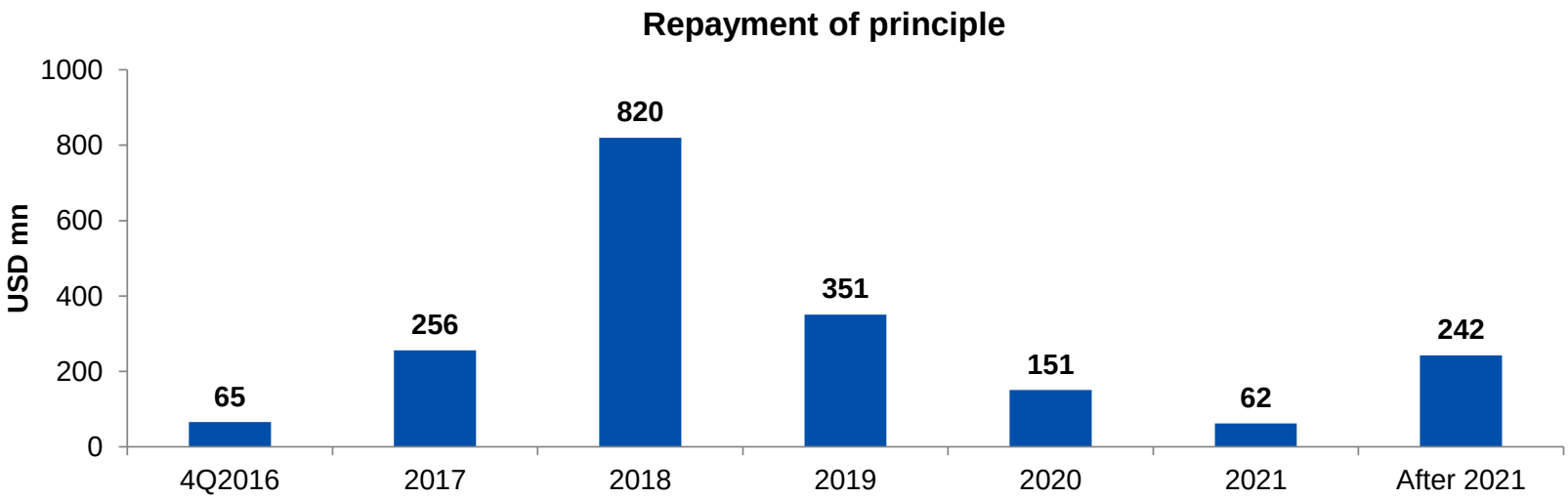
CAPEX/EBITDA ratio



Source: PhosAgro

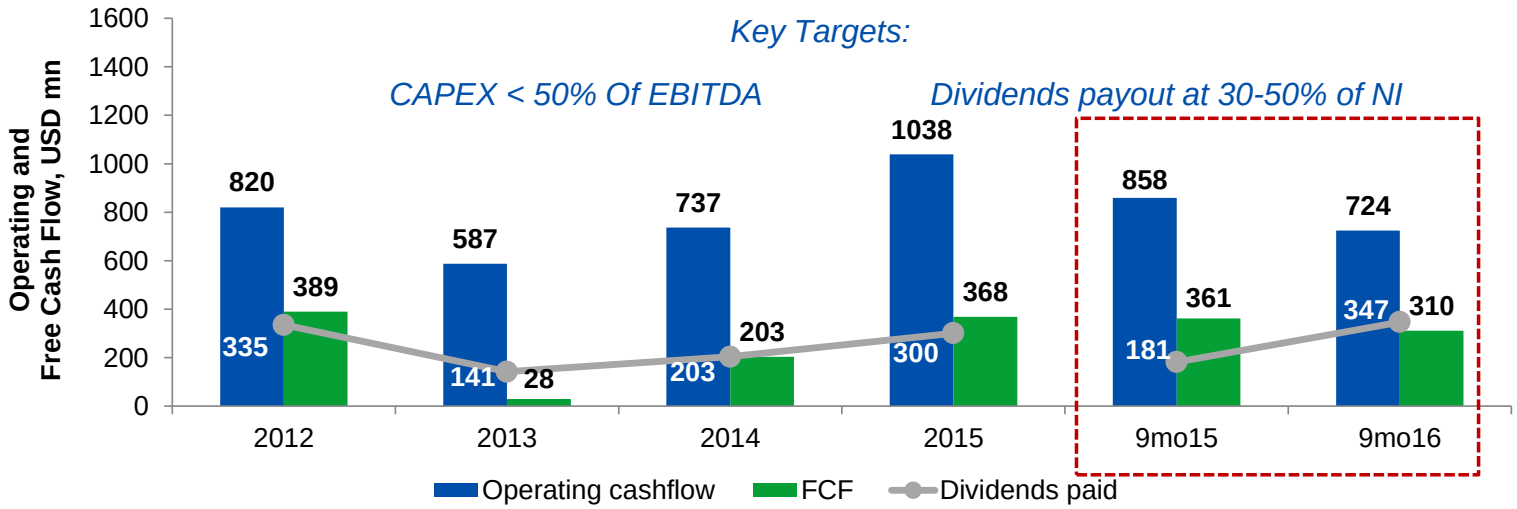
Healthy balance sheet

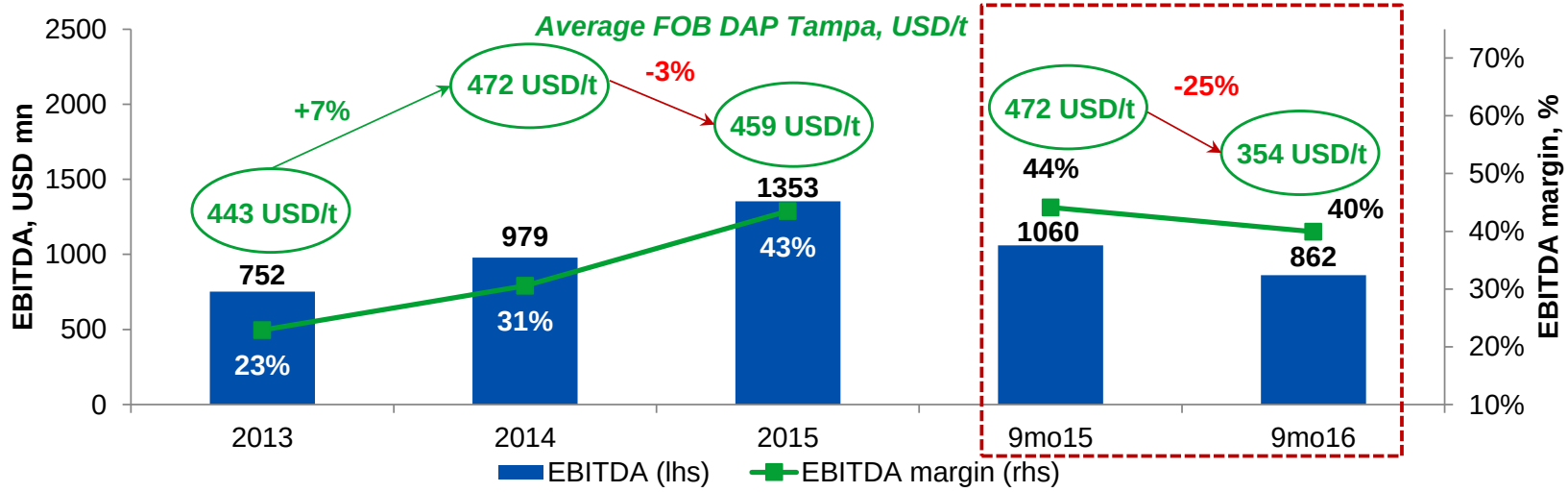




Source: PhosAgro

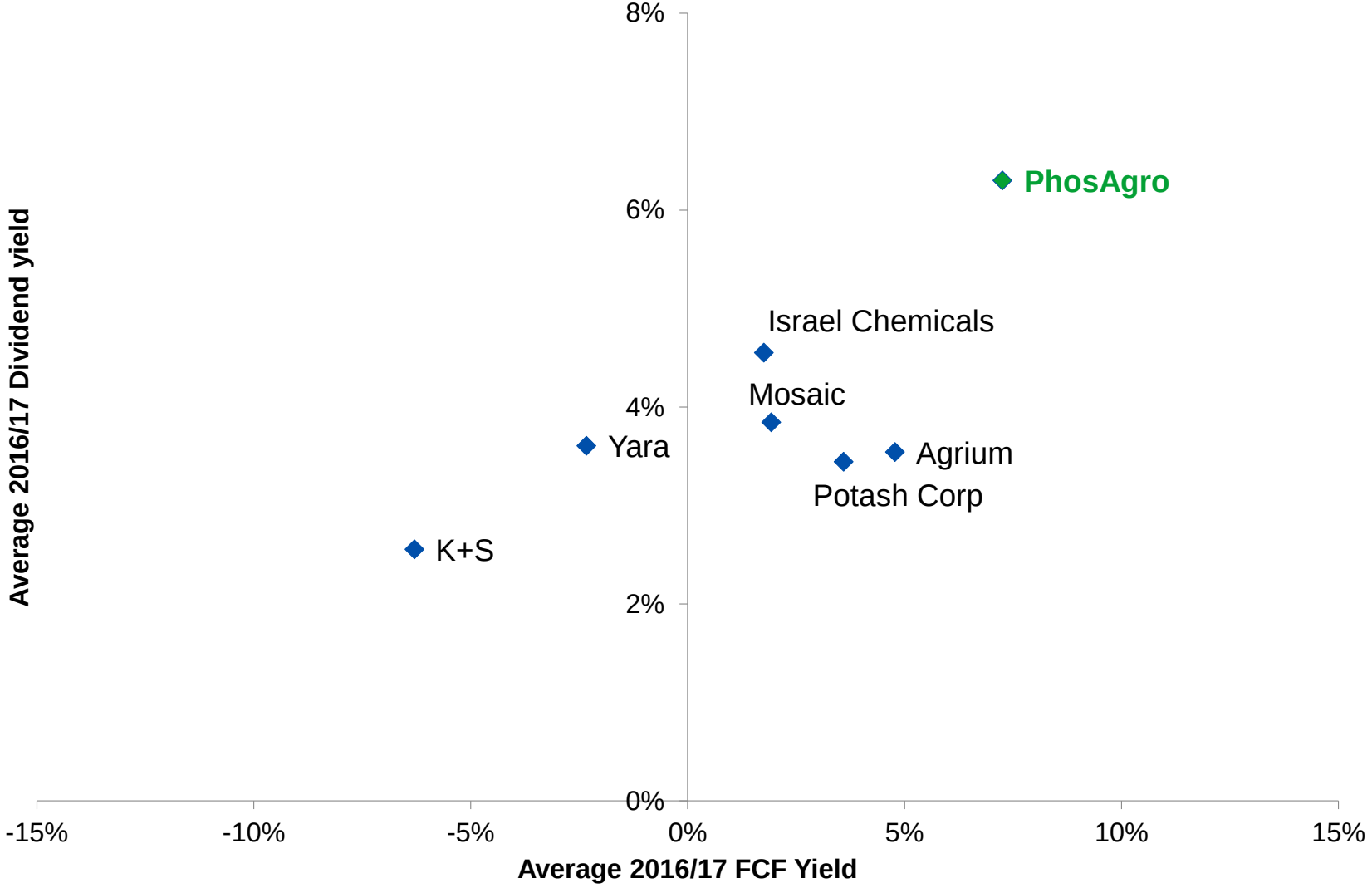
Growing return for shareholders





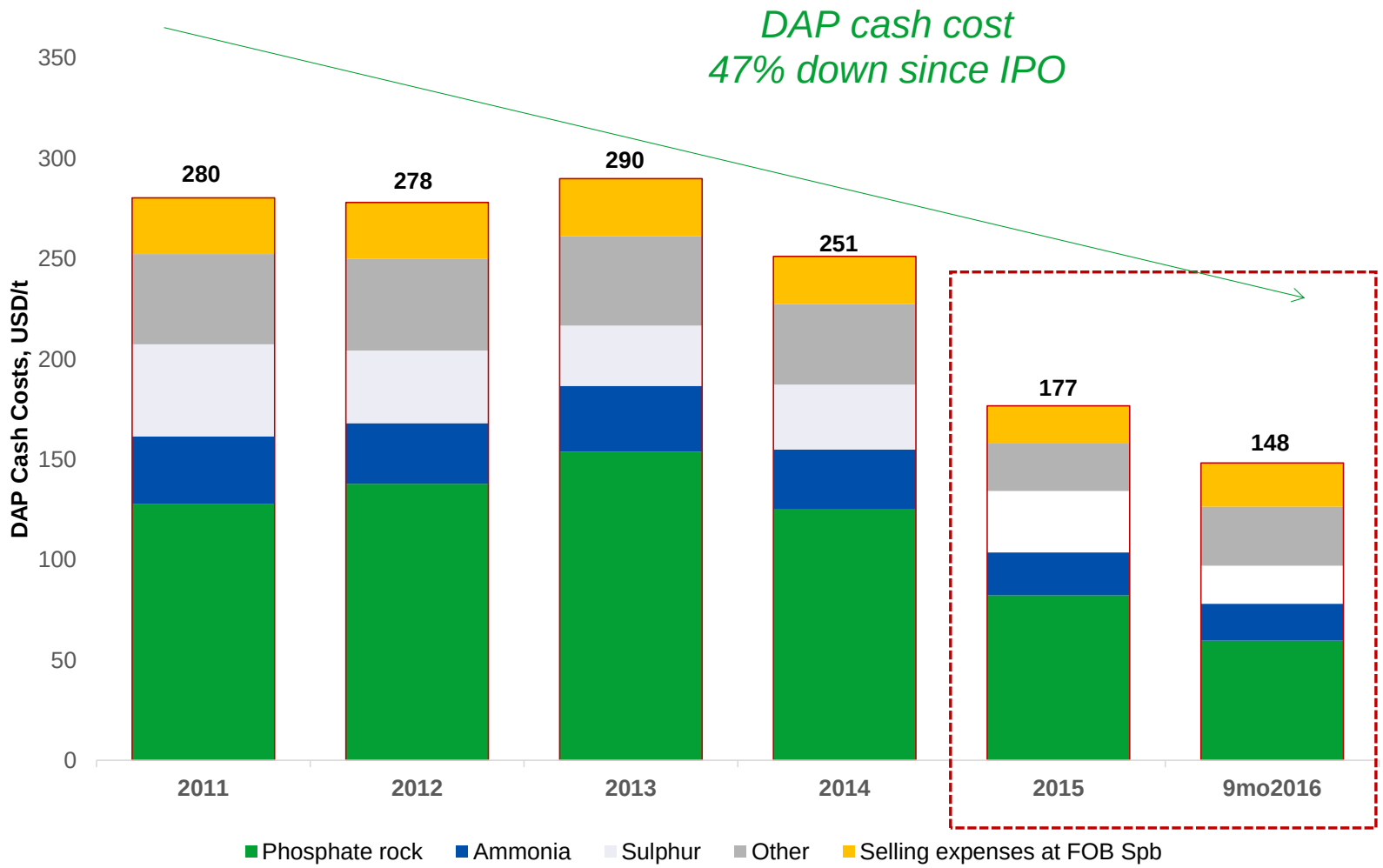
Source: PhosAgro

Unique symbiosis of growing profile and shareholders return



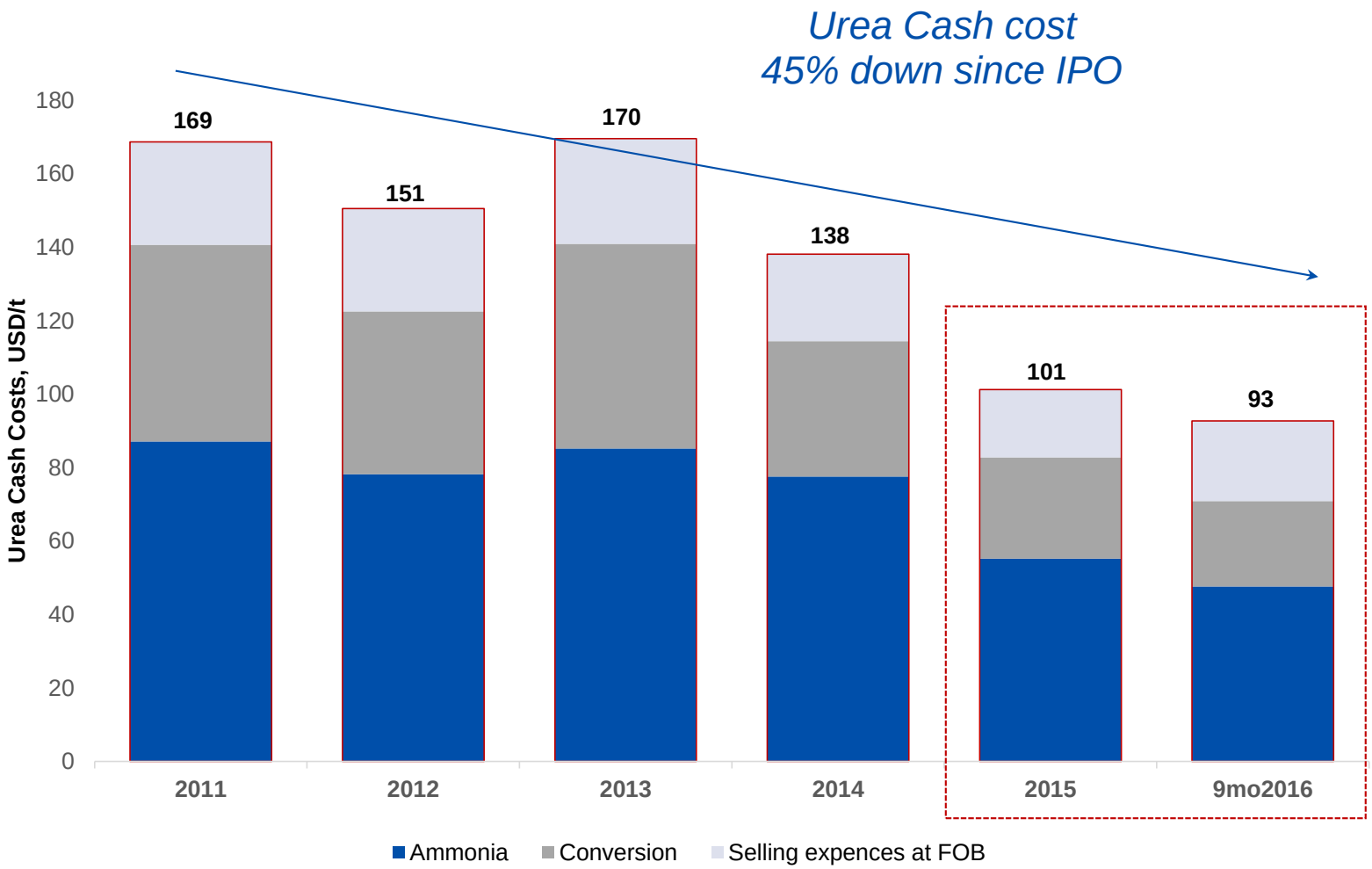
Source: Bloomberg (as of 21 November, 2016), PhosAgro analysis

PhosAgro: DAP Cash Cost Dynamics over 2011-16



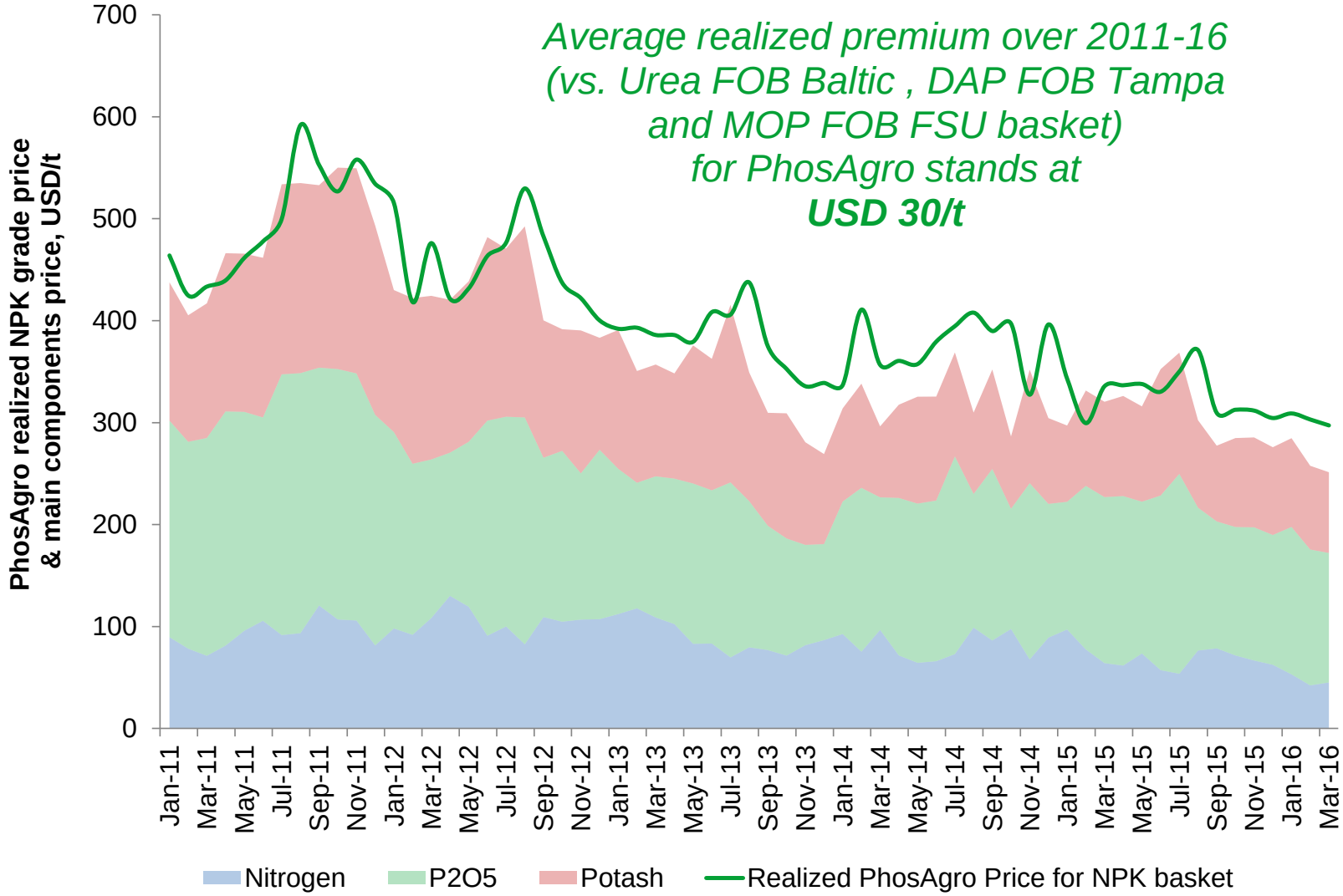
Source: PhosAgro

PhosAgro: Urea Cash Cost Dynamics over 2011-16



Source: PhosAgro

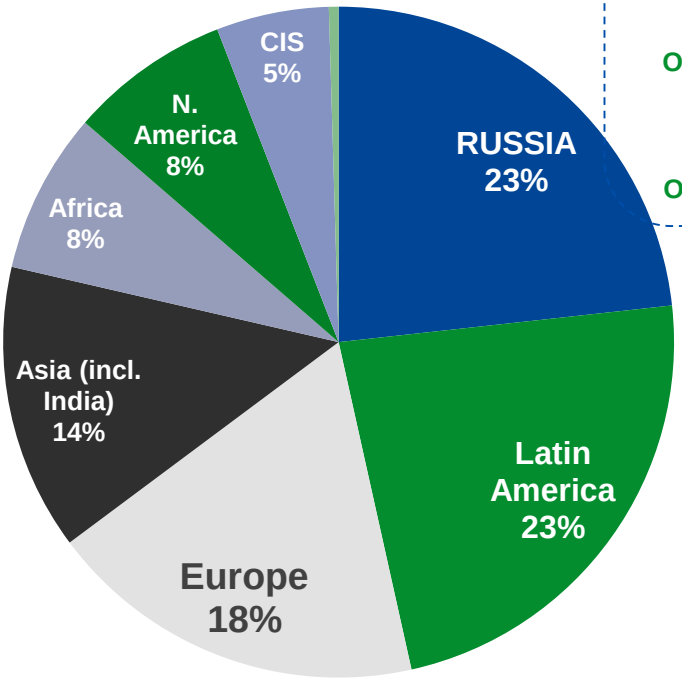
PhosAgro: Focus on NPK production secures extra margins



Source: Argus-FMB, Fertecon, PhosAgro

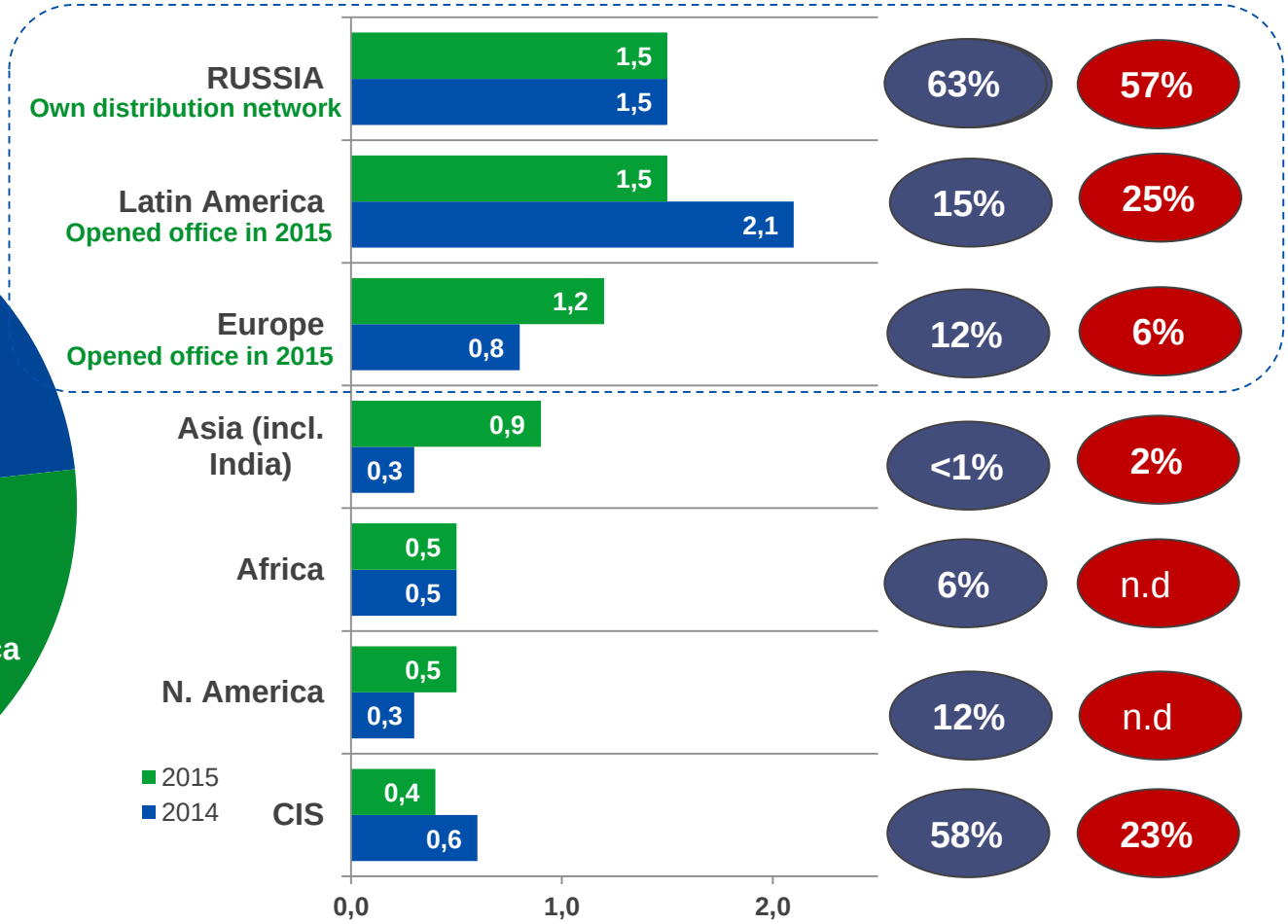
PhosAgro Trade Strategy

Breakdown of fertilizer shipments by region, 2015



Fertilizer Deliveries in 2014-2015, mln.tonnes

PhosAgro Market Share[1]



Source: PhosAgro estimates, CRU, IFA, GTIS
1) Market share for 2014 in the total import (excluding Russian) market

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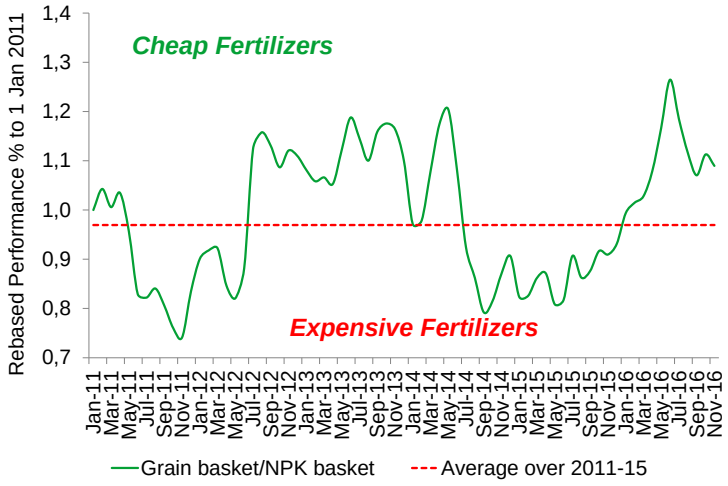
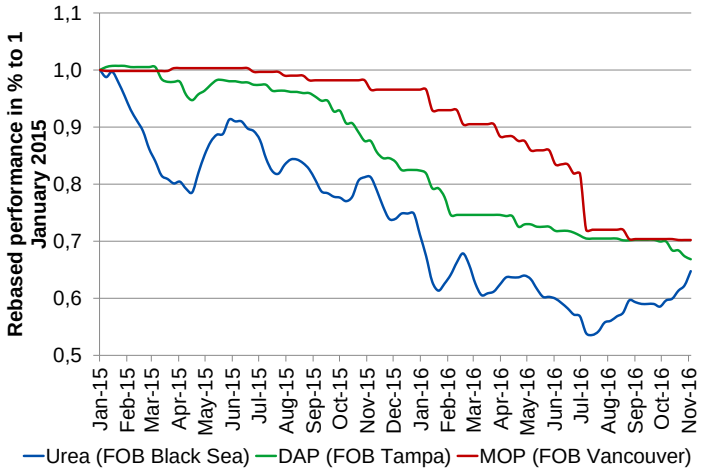
PhosAgro and the global fertilizer industry

Fertilizers affordability to drive further growth in consumption

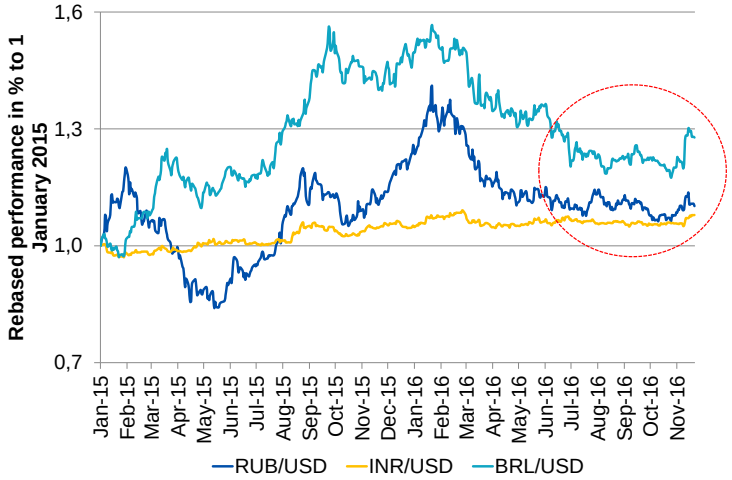
Fertilizers remain affordable for farmers



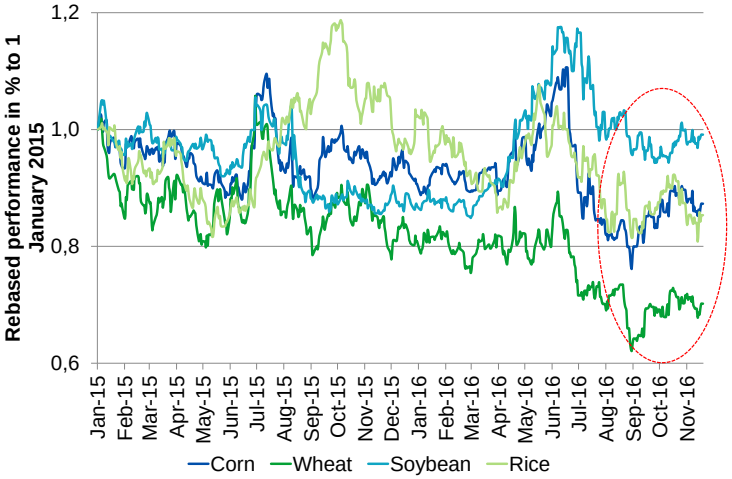
In the light of downtrend in fertilizers prices…



Stabilization in GEMs currencies…



and despite the new round of correction in soft commodities



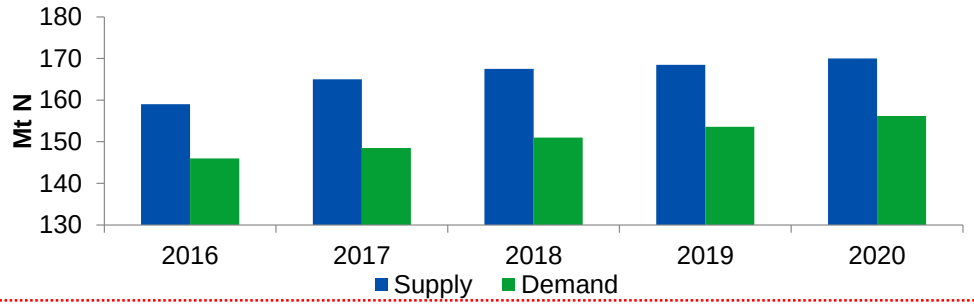
Source: : Fertecon, Argus-FMB, FAO, USDA, IFA, Bloomberg

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

Prices are as of 21 November 2016

Phosphates are better positioned among the main nutrients

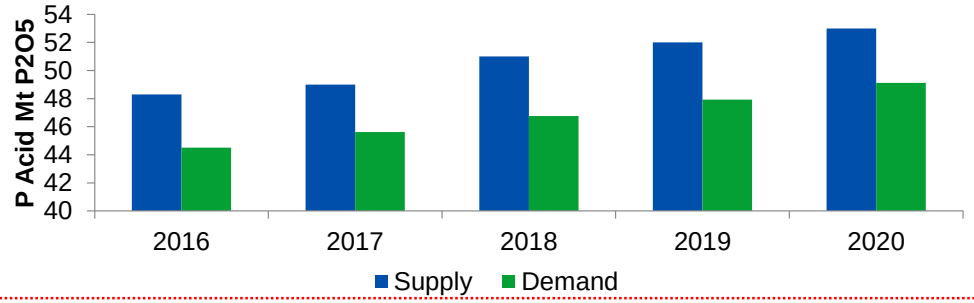
Nitrogen Supply/Demand Outlook



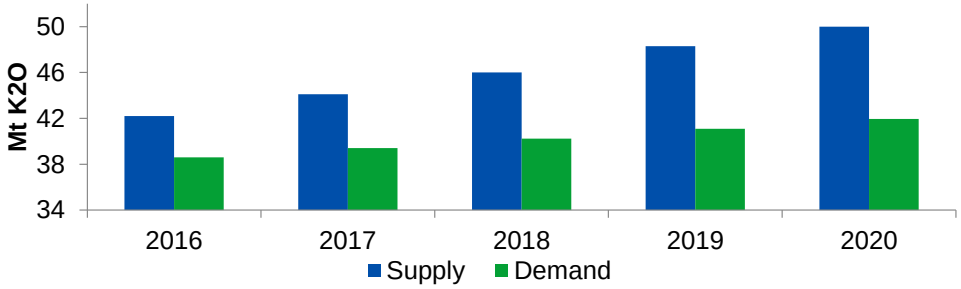
Supply: +2% p.a.
Demand: +1.7% p.a.

Supply: +2.4% p.a.
Demand: +2.5% p.a.

Phosphates Supply/Demand Outlook



Potassium Supply/Demand Outlook

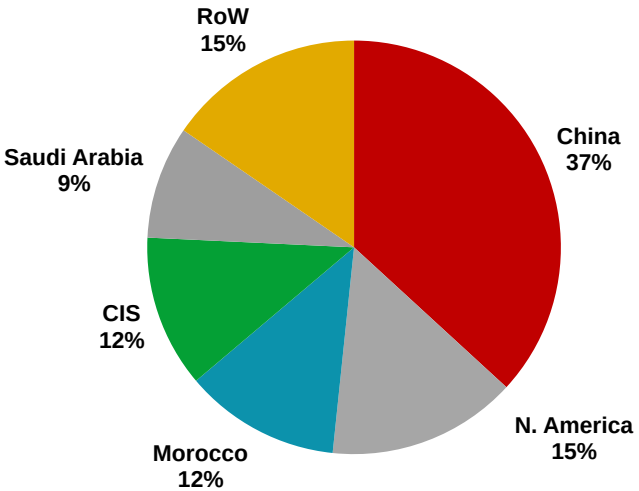


Supply: +3.2% p.a.
Demand: +2.1% p.a.

Source: IFA Agriculture, IFA Production and International Trade 2016, PhosAgro

DAP prices are driven by…

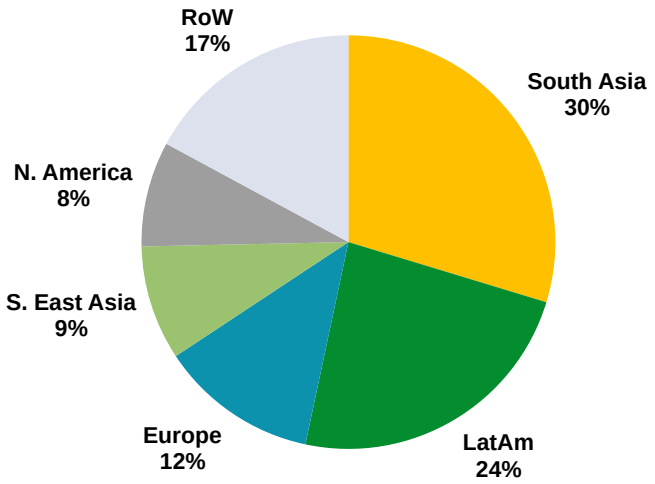
Chinese export potential… (Export market breakdown)



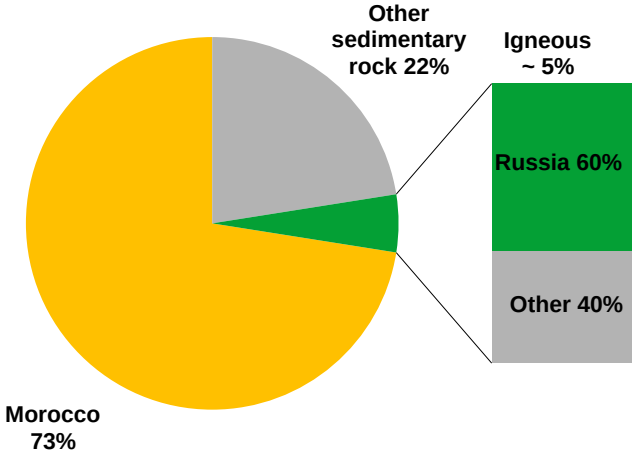
Global Trade (DAP, MAP, TSP) 13,2 mn t* P2O5 in 2015

* - CRU Estimates

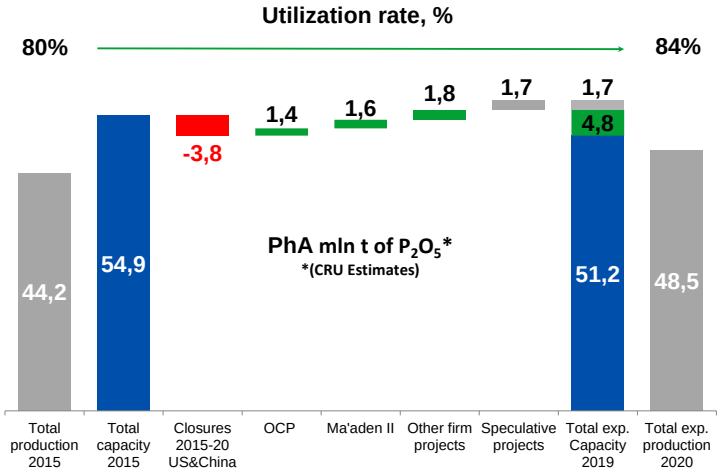
Demand in Latam and India… (Import market breakdown)



Moroccan OCP feedstocks pricing (P2O5 Resource allocation)



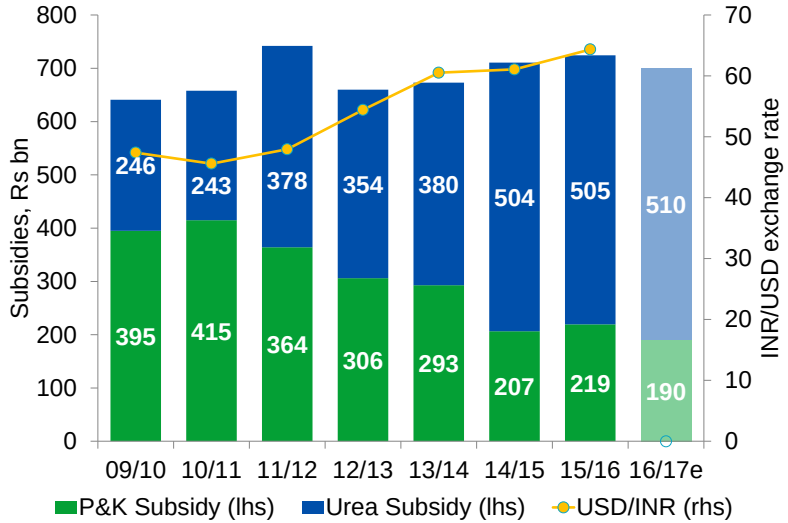
New projects pipeline.



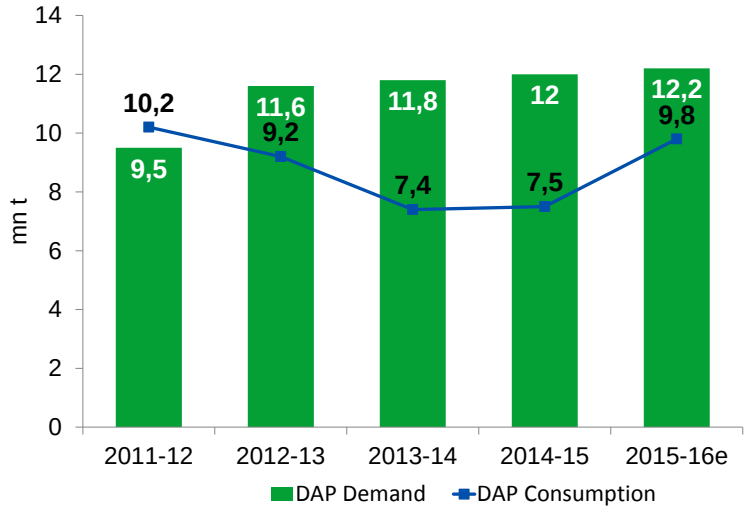
Source: IGC, CRU, FAI, USDA, WGR, PhosAgro

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

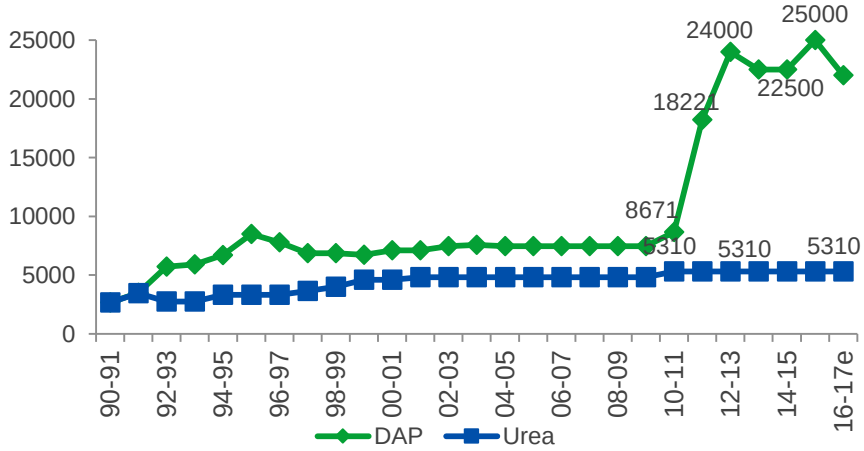
India introduced a new subsidy system in 2010



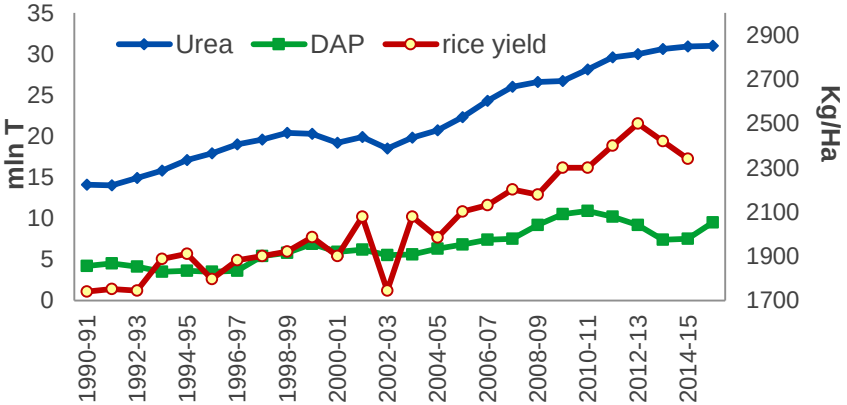
DAP demand and consumption in India (CRU est. for 2015-16)



Price Disparity, Rs/mT



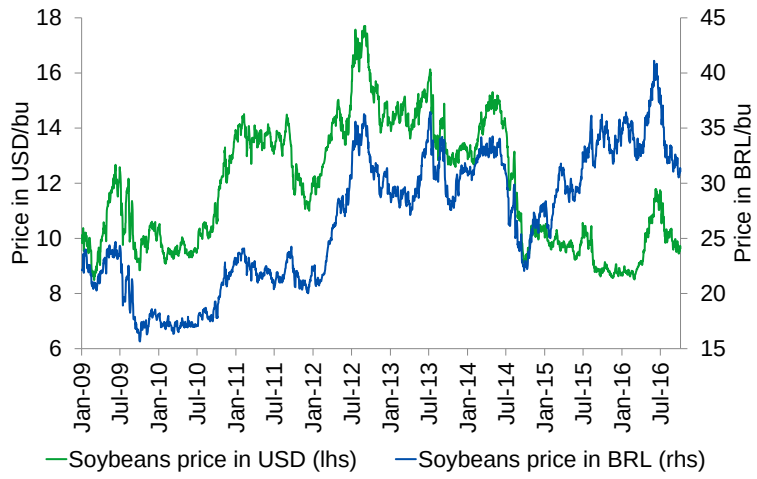
Consumption Disparity and Rice yield dynamic, mln t



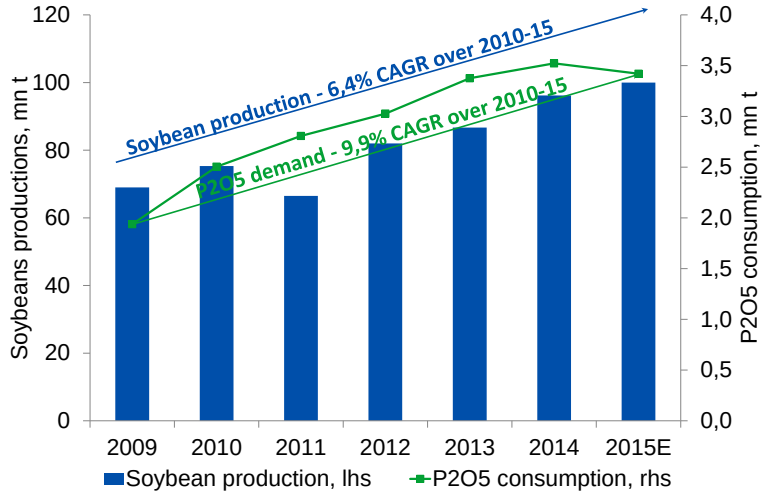
Source: IGC, CRU, FAI, USDA, WGR, PhosAgro

Brazil is a top ag exporter among developing countries

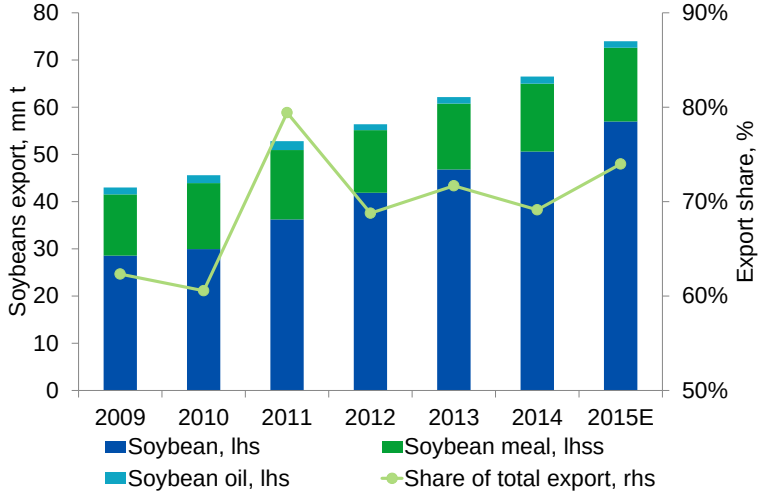
Soybean price is purely attractive in BRL



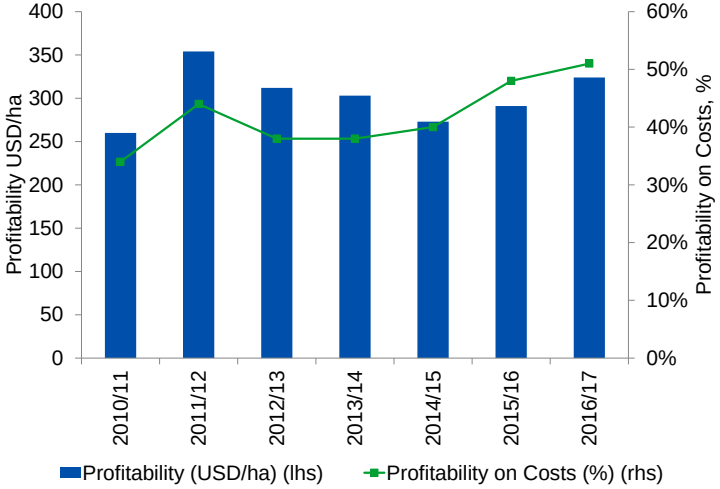
Brazil soybean production and P2O5 consumption



Major part of soybeans goes to export



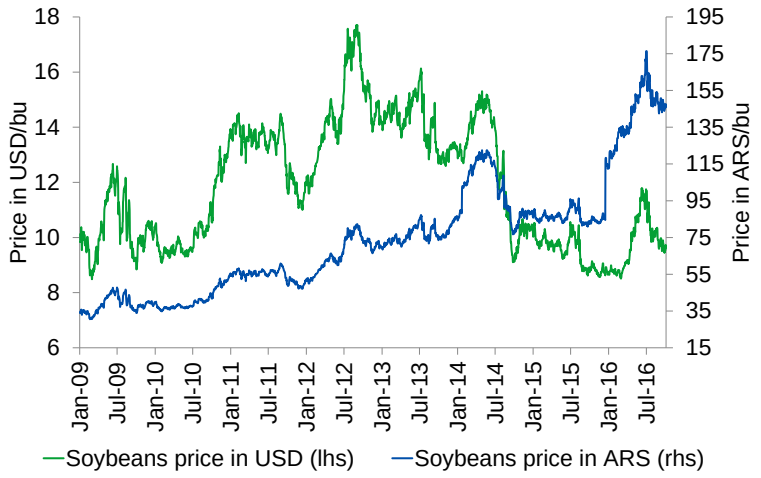
Profitability of soybean production in Brazil



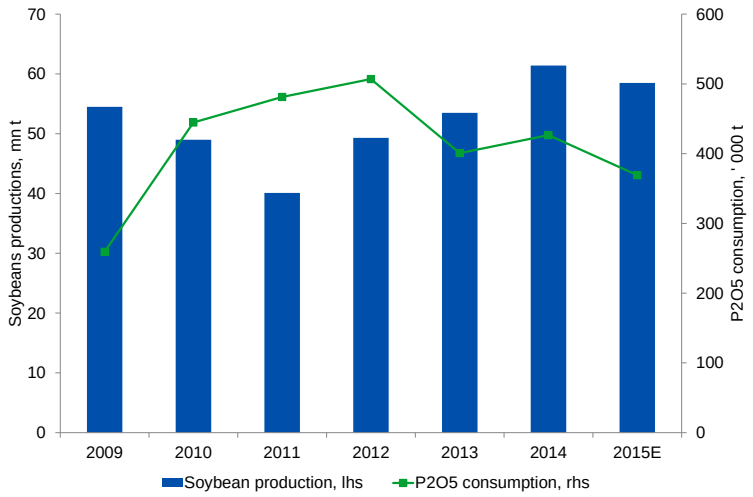
Source: IGC, CRU, FAI, USDA, WGR, PhosAgro, Agroconsult

Argentina – new point of growth in Latin America

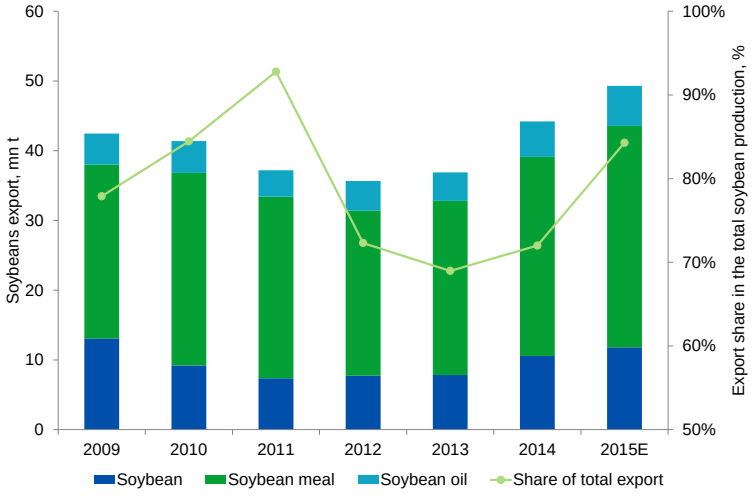
Soybean price at record highs in ARS due to devaluation



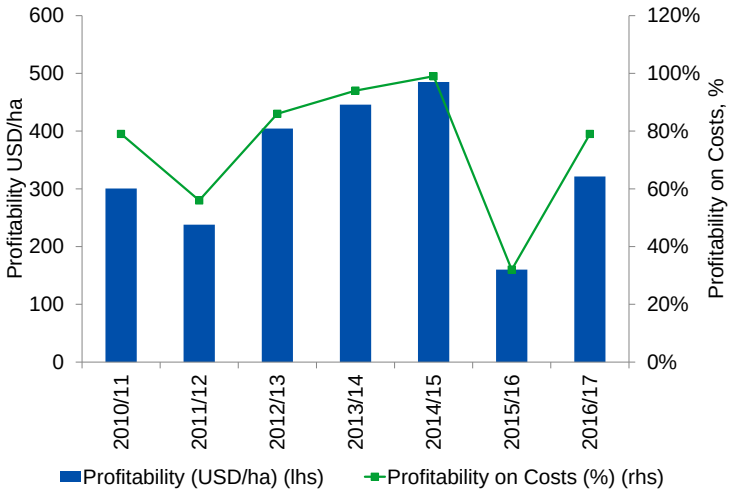
Argentina soybean production and P2O5 consumption



Major part of soybeans is exported

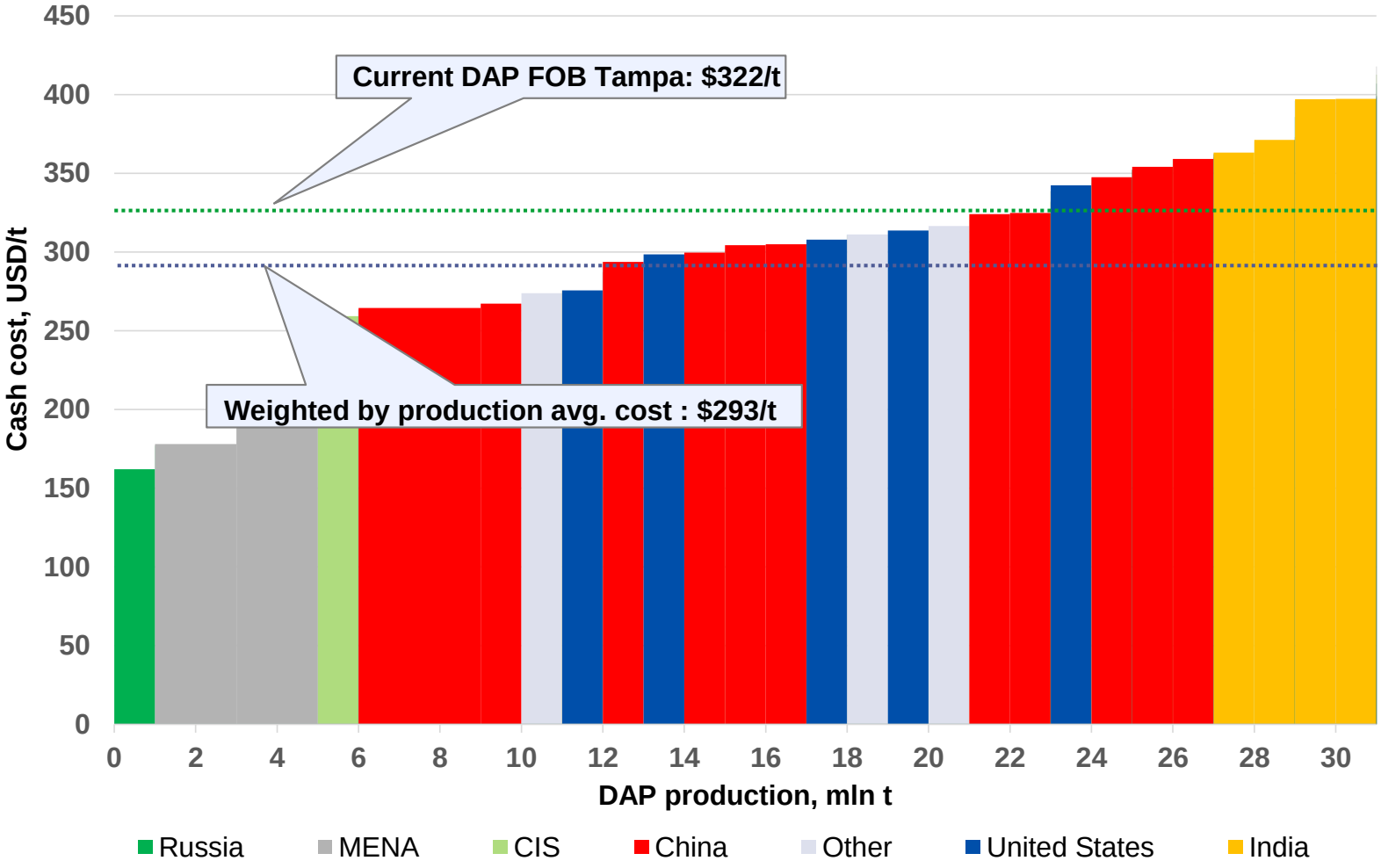


Profitability of soybean production in Argentina



Source: IGC, CRU, FAI, USDA, WGR, PhosAgro, Agroconsult

Avg. DAP business cash cost actual operating rates in 2016 $US/t



Source: PhosAgro estimation, CRU estimation for 2016, Argus-FMB, Fertecon

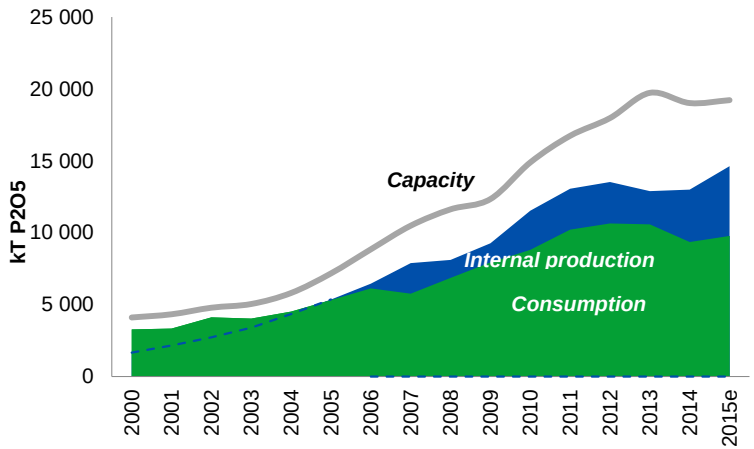
Note: (1) DAP business cash cost actual operating rate are based on feedstock prices in summer 2016, on site's specific location relative to FOB Morocco and its product nutrient content relative to DAP; USD/RUB exchange rate of RUB 64.5 applied for Russian producers

PHOSAGRO

Appendix

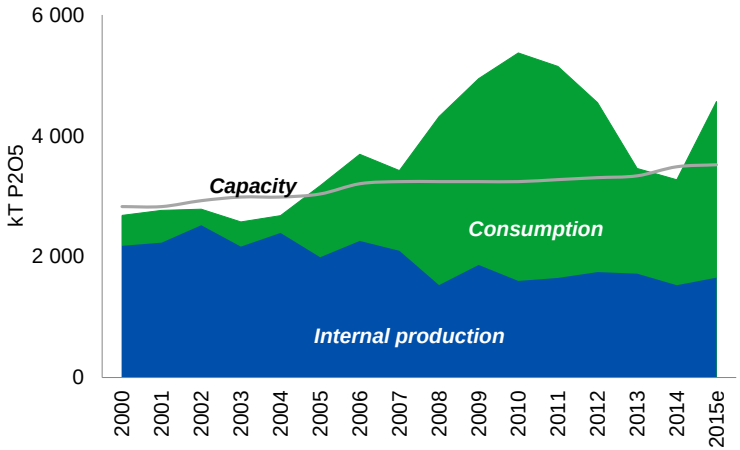
Phosphate fertilizers production/consumption balance

China



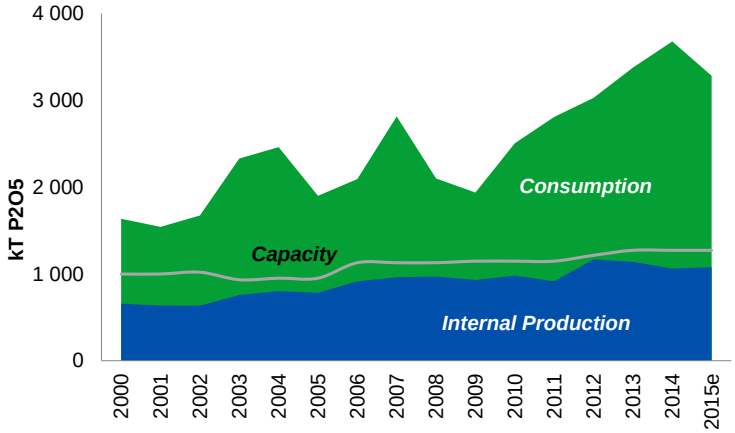
*-DAP/MAP/TSP

India



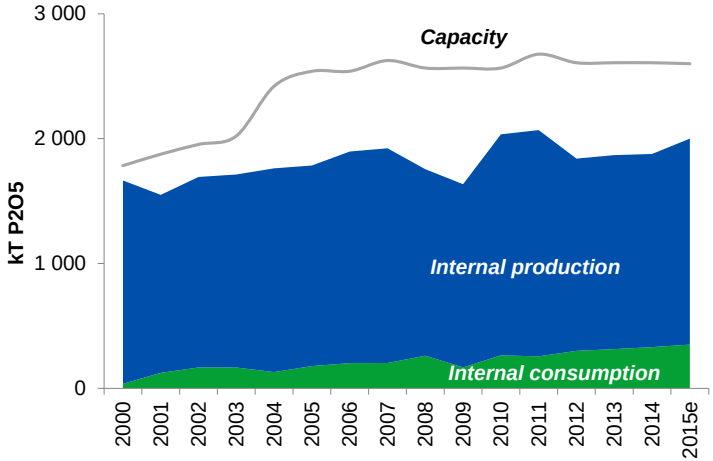
*-DAP/MAP/TSP

Brazil



*-DAP/MAP/TSP

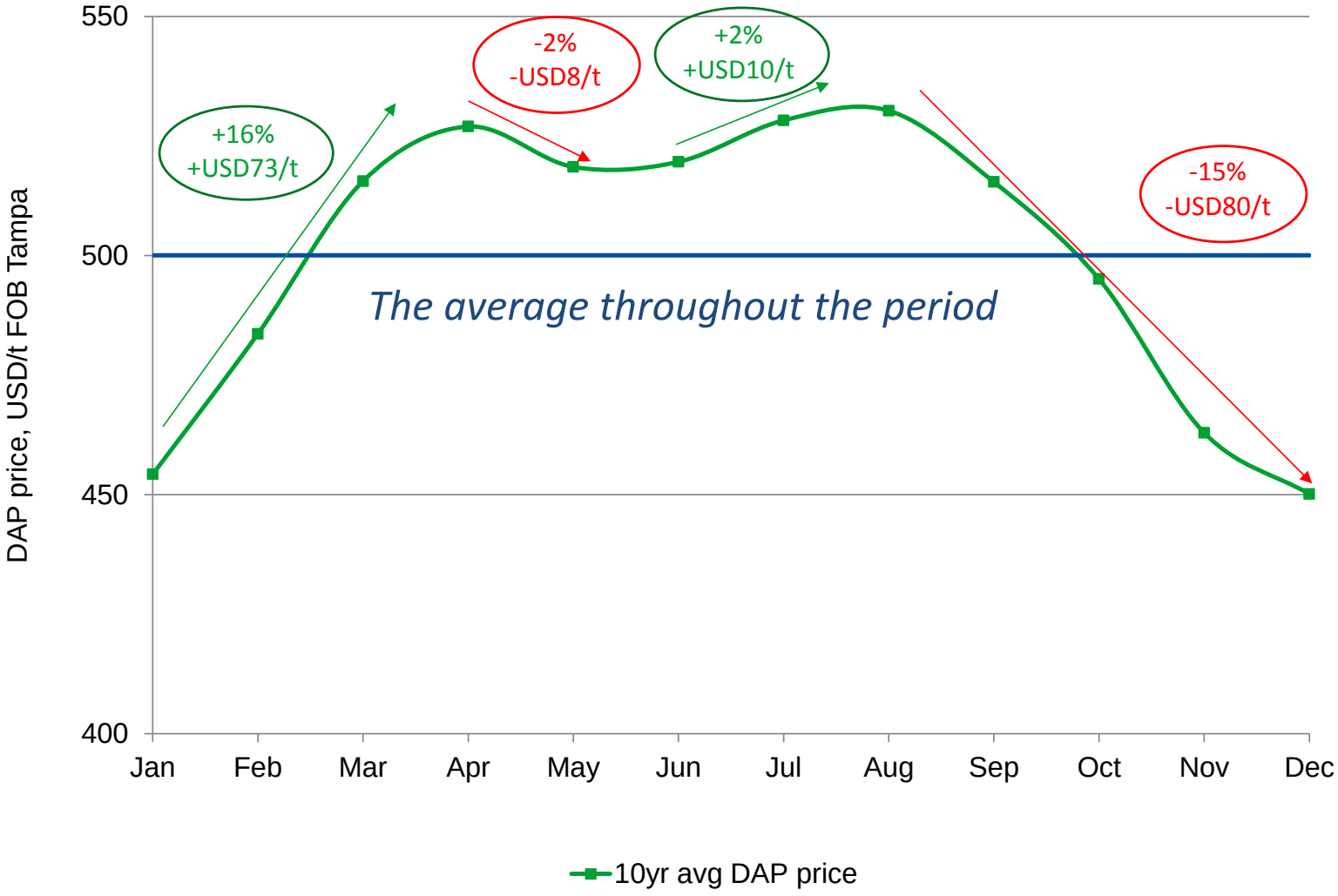
Russia



*-DAP/MAP/TSP

Source: CRU,PhosAgro

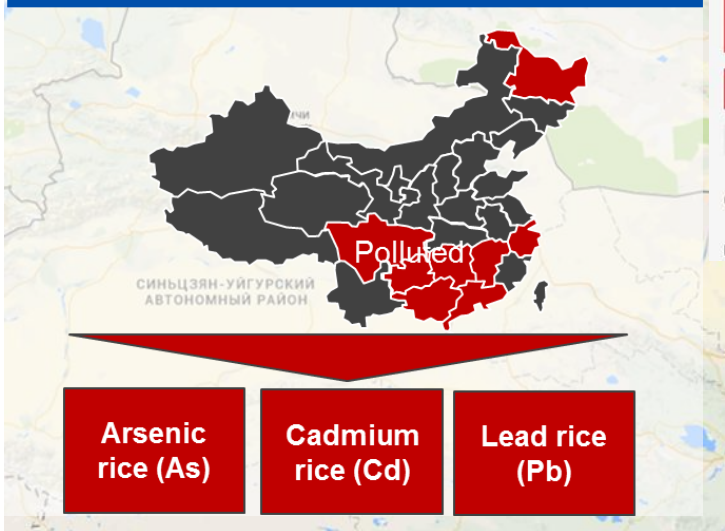
Historical DAP price fluctuation throughout a year



Source: FMB Argus, Bloomberg

Government is changing its focus from growth into efficiency

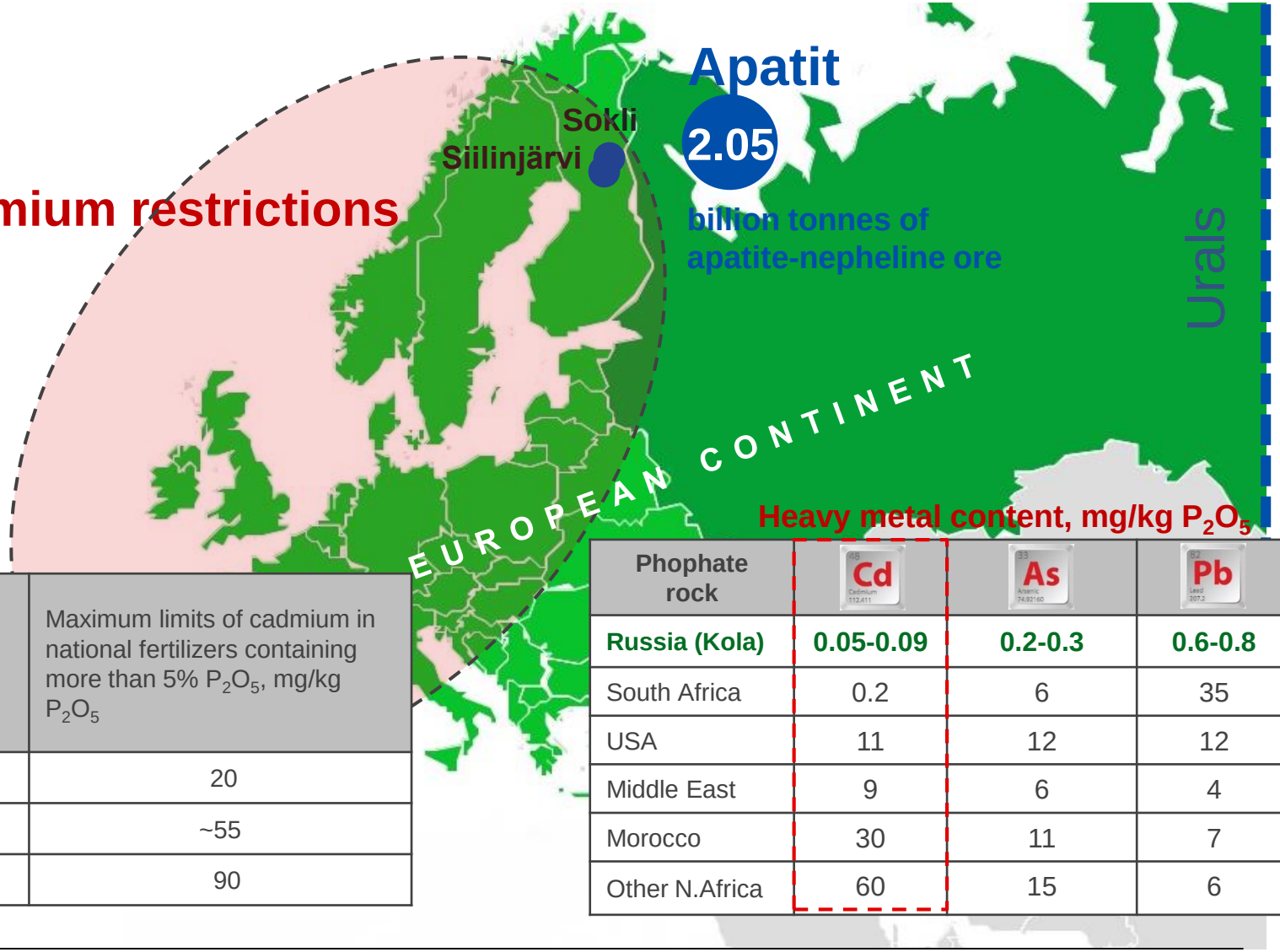
Tainted rice was discovered in several Chinese provinces



	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
4Big	**-**	**6 710**	**5 460**	**1 330**	**4 300**
China	**86.2**	**19 800**	**10 048**	**8 036**	**81 300**

Source: CRU, IFA

European heavy metals regulation



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

Our 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

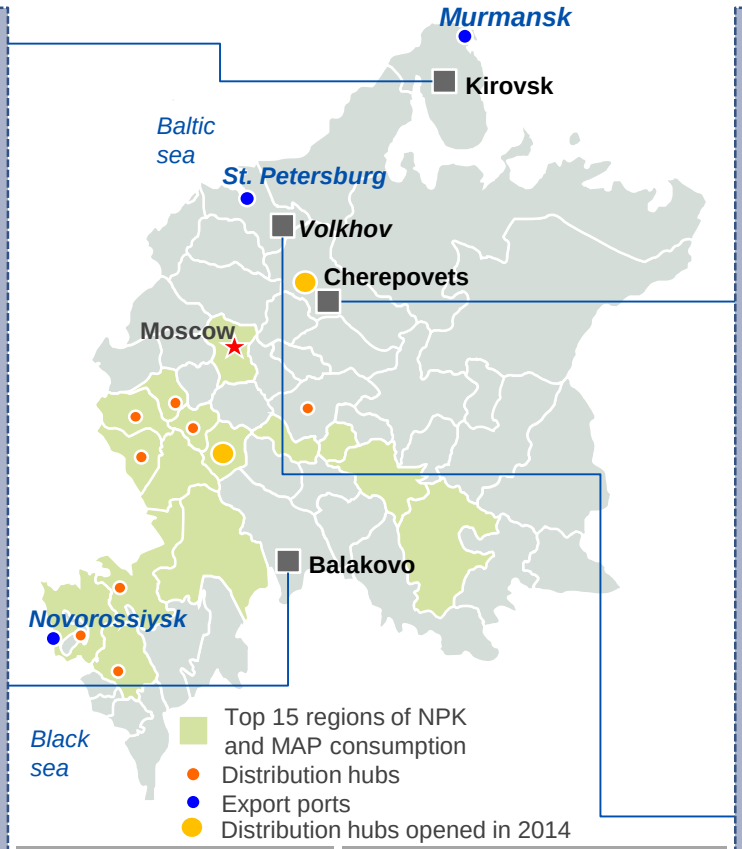
Capacity by product

MAP/DAP/NPS: 1.4 mn t

Feed phosphate (MCP): 270 kt

Highlights

- Leading European producer of feed phosphate MCP
- Only Russian producer of MCP



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
- Largest distributor in Russia

PhosAgro-Cherepovets

Capacity by product

MAP/DAP/NPK/NPS: 3.5 mn t

Ammonia: 1,186 kt

AN/AN-based: 450 kt

Urea: 980kt

APP: 140 kt

AlF_3: 35kt

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

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

Source: PhosAgro (capacity as of December 31, 2015), CRU, European Commission

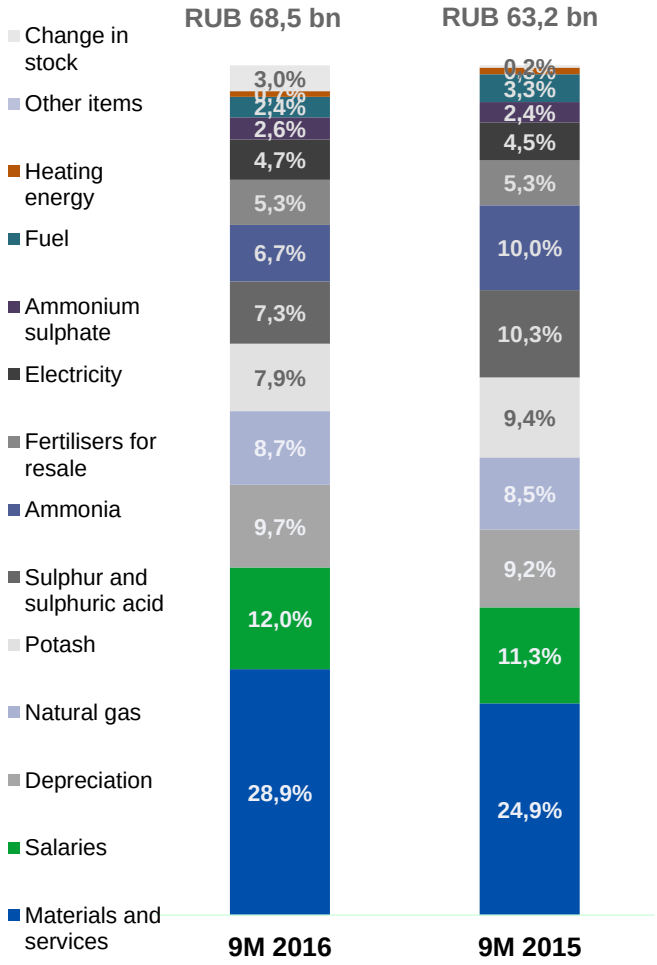
Note: (1) Measured and indicated, PhosAgro, IMC, JORC report June 2011

(2) Rare earth oxides

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

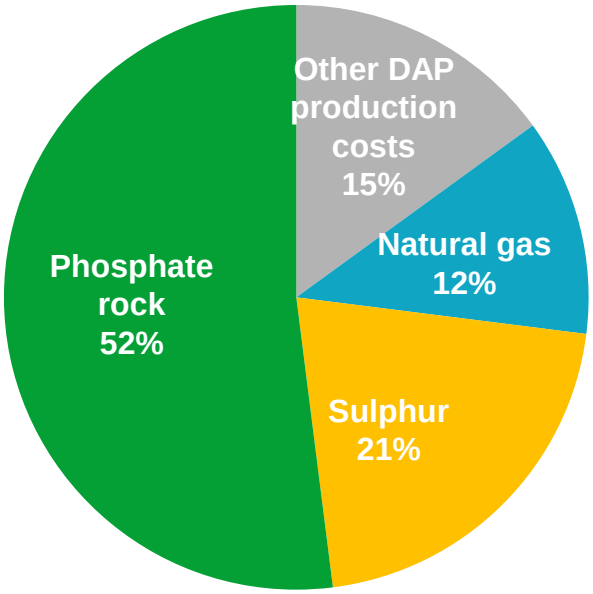
9mo16 Cost of goods sold

Cost of Goods Sold



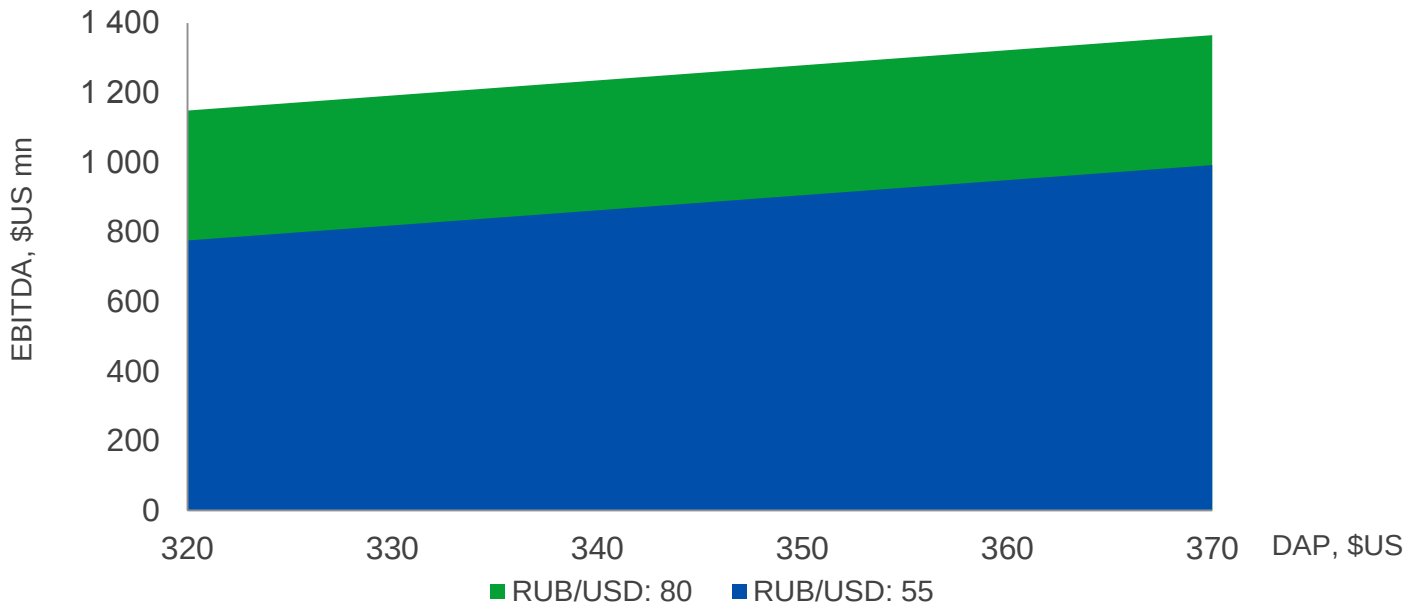
DAP production cash cost breakdown

ExW, US$, 9mo16



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

RUB devaluation: EBITDA sensitivity[1]

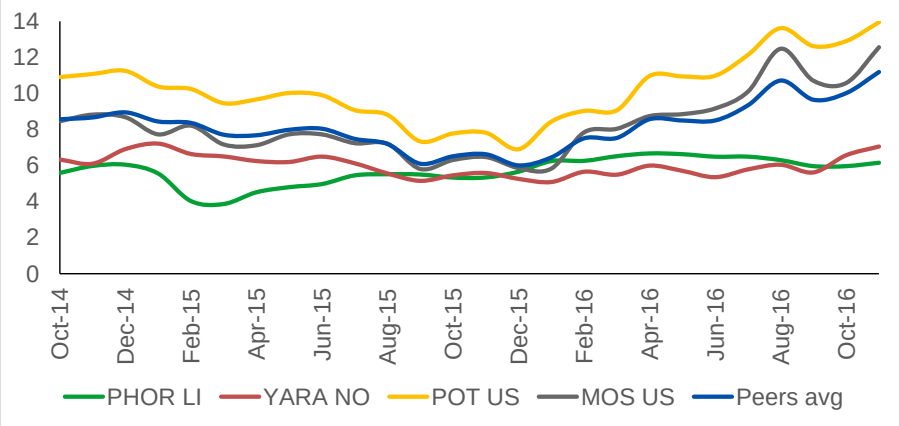


in mln USD		2016F DAP FOB Baltic price, $/tonne					
		320	330	340	350	360	370
RUB/USD exchange rate	55	775	819	862	905	949	992
	60	875	918	962	1,005	1,048	1,091
	65	959	1,002	1,046	1,089	1,132	1,176
	70	1,031	1,075	1,118	1,161	1,204	1,248
	75	1,094	1,137	1,180	1,224	1,267	1,310
	80	1,148	1,192	1,235	1,278	1,322	1,365

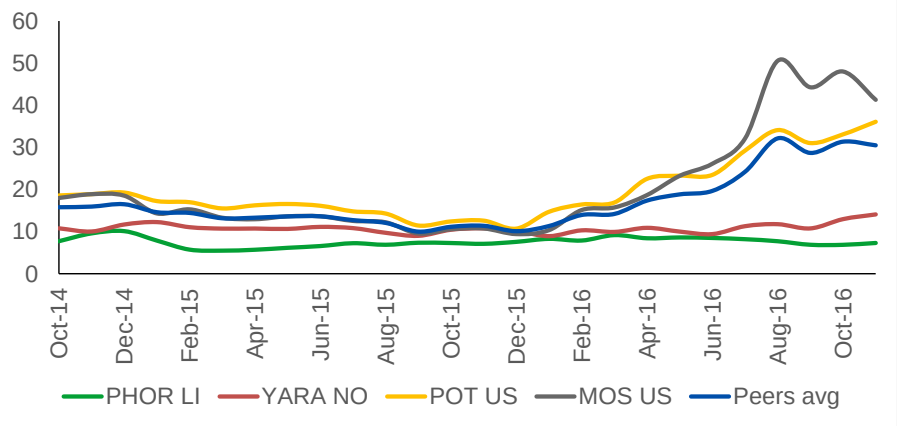
Source: PhosAgro
Note: (1) EBITDA estimations are based on 9mo 2016 feedstock prices (ammonia, sulphur and potash)

Performance relative to peers

EV/EBITDA 1yr fwd



P/E 1yr fwd



Company	Current Price, USD	Mcap, $ mln	EV/EBITDA		P/E		Dividend yield,%	
			2016E	2017E	2016E	2017E	2016E	2017E
PhosAgro	**13,2**	**5 128**	**6,2**	**6,9**	**7,3**	**8,7**	**6,9%**	**5,8%**
International peers								
Potash Corp	17,8	14 907	13,9	12,1	36,1	28,6	2,4%	2,4%
Yara Int	37,3	10 232	7,1	7,6	14,1	15,6	3,9%	3,4%
Mosaic	28,3	9 962	12,6	10,8	41,3	31,3	3,9%	3,8%
Median			**11,2**	**10,2**	**30,5**	**25,1**	**3,4%**	**3,2%**
Discount , %			*45%*	*32%*	*76%*	*66%*		

* - Calculated based on 50% payout ratio and FY16 and FY17 NI forecast provided by Bloomberg

Source: Bloomberg (as of November 21, 2016), PhosAgro analysis

Dividend history

Dividends

Post-IPO dividends	per share, RUB	per GDR, RUB	per GDR, US$
2011 (April-December)	57,5	19,2	0,61
2012	82,9	27,6	0,88
2013	34,75	11,6	0,35
2014	45,0	14,97	0,29
1Q2015	48,0	16,0	0,31
2Q2015	57,0	19,0	0,29
3Q2015	63,0	21,0	0,32
4Q2015	57,0	19,0	0,28
Subtotal for 2015	**225,00**	**75,00**	**1,20**
1Q2016	63,0	21,0	0,32
2Q2016	33,0	11,0	0,17
3Q2016	39,0	13,0	0,22

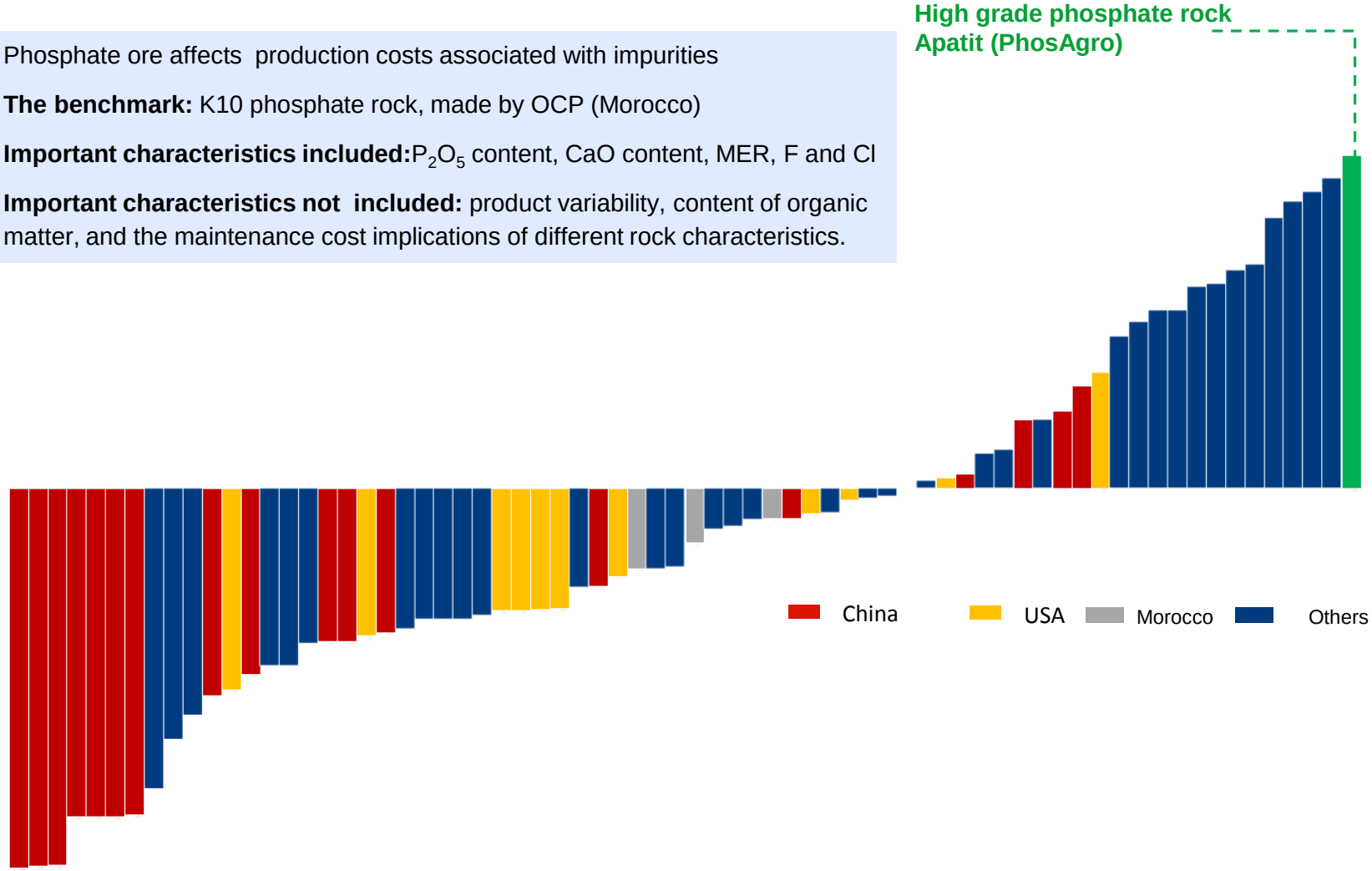
Total paid

Post-IPO dividends	Dividends, RUB bn	Net profit attributable to 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%
2015	29,1	36,4	80%
2016 (1H)	12,4	36,1	34%

Source: PhosAgro
* - based on Net Income as reported

Premium/discount to the most affordable Moroccan phosphate rock

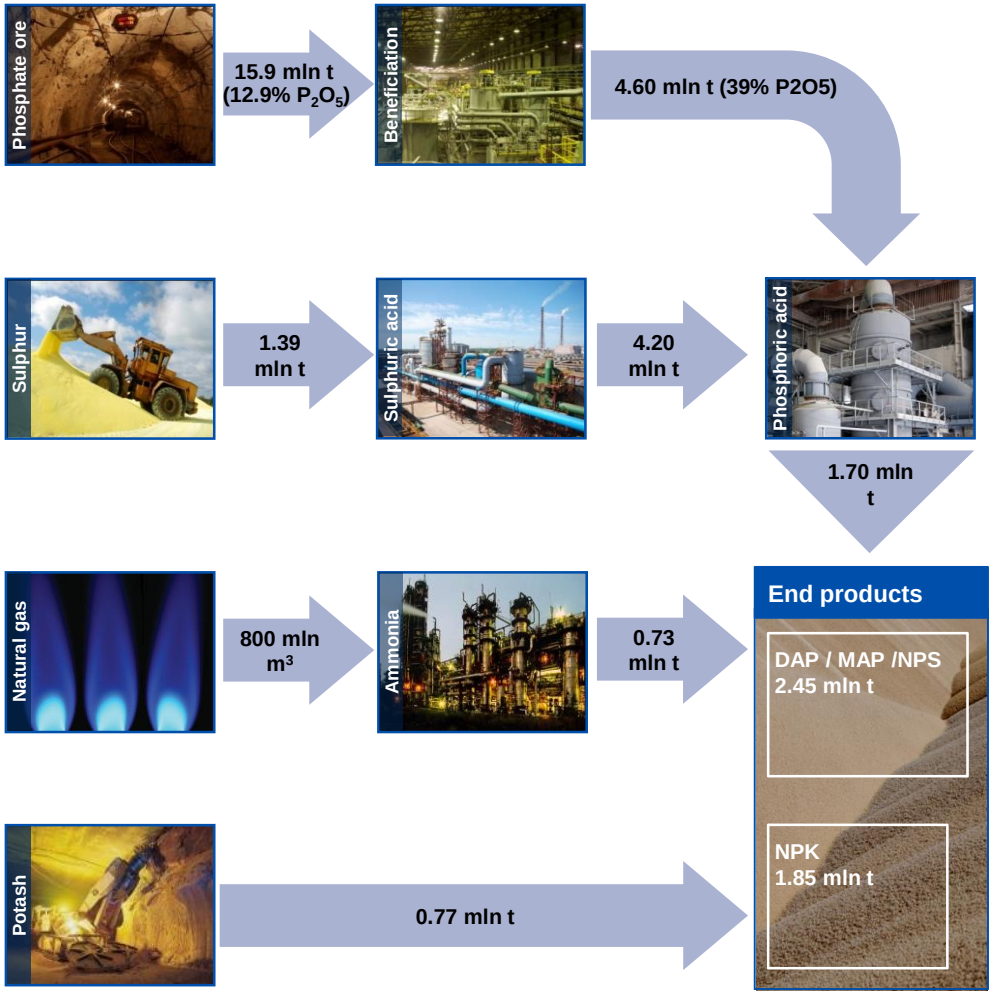
- Phosphate ore affects production costs associated with impurities
- **The benchmark:** K10 phosphate rock, made by OCP (Morocco)
- **Important characteristics included:** P_2O_5 content, CaO content, MER, F and Cl
- **Important characteristics not included:** product variability, content of organic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



Source: CRU 'Phosphate Rock Cost Report' 2014 edition

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

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

PHOSAGRO

Thank you!