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ИНН 5902128939 / КПП 590401001  
ОГРН 1025900520513  
р/с 40702810849090170658 в Ленинском ОСБ №22 / 0266  
Западно-Уральского Сбербанка РФ г. Перми  
к/с 30101810900000000603, БИК 045773603

*To the shareholders  
Of the Open Joint Stock Company  
"Uralkali"*

## **AUDITOR'S REPORT ON THE ACCOUNTING (FINANCIAL) STATEMENTS**

Audited company:

***Open Joint Stock Company "Uralkali"***

Address: 618426, Perm Territory, Berezniki, Pyatiletki Street, 63

State registration: Order of the Head of the City Administration of Berezniki, Perm Territory No. 1128 dated 14.10.1992. Registration number: 2-319; MSRN: 1025901702188.

Auditor:

***Limited Liability Company Audit Firm "BAT-Audit"***

Address: 614039, Perm, Gazety Zvezda Street, 46, office 2.

State registration: Certificate No. 3788 dated 02.12.1997, MSRN: 1025900520513.

Certificate No. 0475-yu of a member of the Russian Collegian of Auditors, a self-regulating organization of auditors, PNRE: 10205026931.

We have conducted the audit of the attached accounting (financial) statements of ***OJSC "Uralkali"*** which consisted of the following: the balance sheet for the period ending **31 December 2011**, the profit and loss statement, the statement of changes in equity, and the cash flow statement for **the year 2011**, as well as other annexes to the balance sheet, the profit and loss statement, and the explanatory note.

### **Responsibility of OJSC "Uralkali" for the accounting statements**

The management of ***OJSC "Uralkali"*** is responsible for the development and accuracy of the accounting statements in compliance with the current rules of preparation of accounting statements and for the internal control system which is necessary in order to develop accounting statements which contain no significant misrepresentations due to fraud or error.

## **Responsibility of the Auditor**

We are responsible for expressing an opinion on the accuracy and reliability of the accounting statements based on the audit which we ourselves have conducted in compliance with the federal standards of auditing. The indicated standards require that the applicable ethical norms be observed and that the planning and conduct of the audit be done in such a way that we are able to conclude that the accounting statements do not contain any significant misrepresentations.

The audit included several audit procedures aimed at obtaining evidence that would support the numerical indicators contained in the accounting statements and the degree of information disclosure. The audit procedures were selected at our own discretion which was based on the assessment of the risk of significant misrepresentations which could be made due to fraudulent actions or error. During the assessment of the indicated risk an analysis was made of the system of internal control which is called upon to ensure proper development and reliability of the accounting statements in order to select the appropriate audit procedures. We did not analyze the internal control system in order to form an opinion regarding its effectiveness.

The audit also included an assessment of the implemented accounting policy and of the justification of the figures obtained by the management of the audited company, plus a general assessment of the submitted accounting statements.

We believe that the evidence obtained in the course of the audit provides sufficient grounds for forming an opinion regarding the reliability of the accounting statements.

## **Opinion**

In our opinion, the accounting statements properly and reliably reflect the financial status of *OJSC "Uralkali"* as of **31 December 2011**, the results of its financial and economic activities and the cash flow in **2011** in compliance with the regulations applicable to preparation of accounting reports.

*General Director*  
*LLC "BAT-Audit"*

*G.I. Korenev*

*Deputy Director of the Department of General Audit*

*K.S. Ponomarev*

Auditor Qualification certificate:

Order of the Ministry of Finance of the RF No. 26 dated 05.02.2004

Certificate No. K 011618 dated 05.02.2004

(issued for an indefinite period of time)

**14 March 2012**

**Balance sheet**  
for the period ended 31 December 2011

Organization OJSC "Uralkali"  
Taxpayer's identification number \_\_\_\_\_  
Type of economic activity Mining of raw minerals for the chemical industry and production of fertilizers; production of fertilizers and nitrogen compounds

Organizational form/type of ownership Open Joint Stock Company

Measurement unit: thousand rubles

Location (address) 618426, Perm Territory, Berezniki, Pyatiletki Street, 63 telephone (3424) 29-60-79

	Codes
OKUD Form	0710001
Date (day, month, year)	14.10.92
OKPO	00203944
TIN	5911029807
OKVED	24.15; 14.30
OKOPF/OKFS	47/41
OKEI	0384

Explanatory notes (to the balance sheet and the P&L statement)	ASSETS	Code	As of 31 Dec 2011	As of 31 Dec 2010	As of 31 Dec 2009
		2		3	4
	<b>I. Fixed assets</b>				
Section 1.1	Intangible assets	1110	9 442	9 036	1 256
Section 1.4	Results of R&D	1120	163	313	8
Sections: 1.5; 2.1; 2.2	Capital assets	1130	67 496 715	42 959 081	35 516 418
Sections: 1.5; 2.2	including: uncompleted construction	1135	26 144 673	22 239 028	18 281 126
Section 2.1	Income-bearing investment in tangible assets	1140	1 816 609	305 310	308 272
Section 3.1	Financial investments	1150	53 169 587	2 160 391	2 815 499
	Deferred tax assets	1160	0	0	0
	Other fixed assets	1170	62 895 912	235 482	152 289
	<b>Section I, Total</b>	<b>1100</b>	<b>185 388 428</b>	<b>45 669 613</b>	<b>38 793 742</b>
	<b>II. CURRENT ASSETS</b>				
Section 4.1	Reserves	1210	5 349 915	3 088 128	3 012 142
	Value added tax on acquired assets	1220	2 682 880	1 794 699	1 771 894
Section 5.1	Accounts receivable	1230	19 496 862	7 174 554	8 088 676
Section 3.1	Financial investments (excluding cash equivalents)	1240	158	0	450 000
	Cash assets and cash equivalents	1250	20 741 421	11 016 944	3 063 979
	Other current assets	1260	13 588 701	413 767	393 767
	<b>Section II, Total</b>	<b>1200</b>	<b>61 859 937</b>	<b>23 488 092</b>	<b>16 780 458</b>
	<b>BALANCE</b>	<b>1600</b>	<b>247 248 365</b>	<b>69 157 705</b>	<b>55 574 200</b>
Explanatory notes (to the balance sheet and the P&L statement)	LIABILITIES	Code	As of 31 Dec 2011	As of 31 Dec 2010	As of 31 Dec 2009
	1	2			
	<b>III. CAPITAL AND RESERVES</b>				
	Charter capital	1310	1 547 319	1 062 195	1 062 195
	Own shares repurchased from shareholders	1320	(24 675)	0	0
	Re-evaluation of fixed assets	1340	2 999 731	1 892 005	1 914 294
	Added capital (without re-evaluation)	1350	15 902 925	816 959	816 959
	Reserve capital	1360	232 098	159 329	159 329
	Undistributed profit (uncovered loss)	1370	79 427 584	44 527 297	33 643 052
	<b>Section III, Total</b>	<b>1300</b>	<b>100 084 982</b>	<b>48 457 785</b>	<b>37 595 829</b>
	<b>IV. LONG-TERM LIABILITIES</b>				
	Borrowed funds	1410	106 829 295	17 304 874	14 104 848
	Deferred tax liabilities	1420	1 565 950	588 641	404 238
	Estimated liabilities	1430	0	0	0
	Other liabilities	1450	0	0	0
	<b>Section IV, Total</b>	<b>1400</b>	<b>108 395 245</b>	<b>17 893 515</b>	<b>14 509 086</b>
	<b>V. SHORT-TERM LIABILITIES</b>				
	Borrowed funds	1510	6 724 324	3 040	456 834
Section 5.3	Accounts payable	1520	29 685 347	2 796 542	3 005 243
	Deferred revenue	1530	13 842	6 823	7 208
Section 7	Estimated liabilities	1540	2 344 625	0	0
	Other liabilities	1550	0	0	0
	<b>Section V, Total</b>	<b>1500</b>	<b>38 768 138</b>	<b>2 806 405</b>	<b>3 469 285</b>
	<b>BALANCE</b>	<b>1700</b>	<b>247 248 365</b>	<b>69 157 705</b>	<b>55 574 200</b>

Director V.N. Belyakov  
(signature) (clarification of signature)

Chief Accountant S.G. Zotova  
(signature) (clarification of signature)

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**Profit and Loss Statement  
for January-December 2011**

Organization OJSC "Uralkali"  
 Taxpayer's identification number \_\_\_\_\_  
 Type of activity Mining of raw minerals for the chemical  
 industry and production of fertilizers;  
 production of fertilizers and nitrogen compounds  
 Organizational form/Type of ownership  
Open Joint Stock Company  
 Measurement unit: thousand rubles

OKUD Form \_\_\_\_\_  
 Date (day, month, year) 14.10.92.  
 OKPO 00203944  
 TIN 5911029807  
 OKVED 24.15;14.30  
 \_\_\_\_\_  
 \_\_\_\_\_  
 OKOPF/OKFS 47 / 41  
 OKEI 384

Codes
0710002
14.10.92.
00203944
5911029807
24.15;14.30
47 / 41
384

Explanations (Explanatory note)	Indicator	Code	For Jan-Dec 2011	For Jan-Dec 2010
Table 6	Proceeds	2110	99 825 940	43 177 194
Tables: 2,6	Net cost of sales	2120	(20 037 245)	(12 366 834)
Table 6	Gross profit (loss)	2100	79 788 695	30 810 360
Tables: 2,6	Commercial expenses	2210	(15 076 508)	(7 034 952)
Tables: 2,6	Management expenses	2220	(5 963 974)	(4 644 912)
Table 6	<b>Profit (loss) from sales</b>	<b>2200</b>	<b>58 748 213</b>	<b>19 130 496</b>
Table 6	Participation capital	2310	113 577	433 615
Table 6	Interest receivable	2320	984 659	139 813
Table 6	Interest payable	2330	(3 416 718)	(467 207)
Table 6	Other revenue	2340	6 966 984	307 961
Table 6	Other expenses	2350	(13 684 770)	(2 248 337)
Table 6	including reorganization expenses	2351	(36 193)	0
Table 6	<b>Profit (loss) before taxation</b>	<b>2300</b>	<b>49 711 945</b>	<b>17 296 341</b>
Table 6	Current profit tax	2410	(8 373 023)	(2 745 231)
Table 6	including permanent tax liabilities (assets)	2421	634 664	(136 209)
Table 6	Changes in deferred tax liabilities	2430	(616 235)	(169 476)
Table 6	Changes in deferred tax assets	2450	311 859	(14 555)
Table 6	Other	2460	1 537 416	102 236
	<b>Net profit (loss)</b>	<b>2400</b>	<b>42 571 962</b>	<b>14 469 315</b>

Explanations (Explanatory note)	Indicator	Code	For Jan-Dec 2011	For Jan-Dec 2010
	<b>FOR INFORMATION</b>			
Table 6	Result of re-evaluation of fixed assets not included in net profit (loss) of the period	2510	1 127 028	0
Table 6	Result of other operations not included in net profit (loss) of the period	2520	15 086 374	0
Table 6	<b>Total financial result of the period</b>	<b>2500</b>	<b>58 785 364</b>	<b>14 469 315</b>
	Basic earnings (loss) per share	2900	13,76	6,81
	Diluted earnings (loss) per share	2910		

Director V.N. Belyakov  
 (signature) (clarification of signature)

Chief Accountant S.G. Zotova  
 (signature) (clarification of signature)

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**Statement of changes in equity  
for 20 11**

Organization **OJSC "Uralkali"**  
Taxpayer's identification number \_\_\_\_\_  
  
Type of economic activity **Mining of raw minerals for the chemical industry and production of fertilizers; production of fertilizers and nitrogen compounds**  
Organizational form/Type of ownership  
**Open Joint Stock Company**  
Measurement unit: thousand rubles

OKUD Form	Codes		
	0710003		
Date (day, month, year)	14	10	92
	00203944		
TIN	5911029807		
OKVED	24.15;14.30		
OKOPF/OKFS OKEI			
	384		

**1. Capital flow**

Indicator	Code	Charter capital	Own shares repurchased from shareholders	Added capital	Reserve capital	Undistributed profit (uncovered loss)	Total
Amount of capital as of 31 December 2009 For 20 10	3100	1 062 195	-	2 731 253	159 329	33 643 052	37 595 829
Growth of capital - total:	3210	-	-	-	-	14 495 708	14 495 708
including:							
net profit	3211	x	x	x	x	14 469 315	14 469 315
re-evaluation of property	3212	x	x	-	x	22 289	22 289
revenues directly connected with growth of capital	3213	x	x	-	x	4 104	4 104
additional issuance of shares	3214	-	-	-	x	x	-
increase of the face value of the shares	3215	-	-	-	x	-	x
reorganization of the legal entity	3216	-	-	-	-	-	-
Reduction of capital - total:	3220	-	-	(22 289)	-	(3 611 463)	(3 633 752)
including:							
loss	3221	x	x	x	x	-	-
re-evaluation of property	3222	x	x	(22 289)	x	-	(22 289)
expenses directly connected to reduction of capital	3223	x	x	-	x	-	-
reduction of the face value of the shares	3224	-	-	-	x	-	-
reduction of the number of shares	3225	-	-	-	x	-	-
reorganization of the legal entity	3226	-	-	-	-	-	-
dividends	3227	x	x	x	x	(3 611 463)	(3 611 463)
Change of added capital	3230	x	x	-	-	-	-
Change of reserve capital	3240	x	x	x	-	-	-
Amount of capital as of 31 December 2010 For 20 11	3200	1 062 195	-	2 708 964	159 329	44 527 297	48 457 785
Increase of capital - total:	3310	485 124	-	16 213 402	72 769	61 358 691	78 129 986
including:							
net profit	3311	x	x	x	-	42 571 962	42 571 962
re-evaluation of property	3312	x	x	-	x	19 302	19 302
revenues directly connected with growth of capital	3313	x	x	-	x	87 999	87 999
additional issuance of shares	3314	485 124	-	-	x	x	485 124
increase of the face value of the shares	3315	-	-	-	x	-	x
reorganization of the legal entity	3316	-	-	16 213 402	72 769	18 679 428	34 965 599
Reduction of capital - total:	3320	-	(24 675)	(19 710)	-	(26 458 404)	(26 502 789)
including:							
loss	3321	x	x	x	x	-	-
re-evaluation of property	3322	x	x	(19 302)	x	-	(19 302)
expenses directly connected to reduction of capital	3323	x	x	(408)	x	(287)	(695)
reduction of the face value of the shares	3324	-	-	-	x	-	-
reduction of the number of shares	3325	-	(24 675)	-	x	-	(24 675)
reorganization of the legal entity	3326	-	-	-	-	-	-
dividends	3327	x	x	x	x	(26 458 117)	(26 458 117)
Change of added capital	3330	x	x	-	-	-	-
Change of reserve capital	3340	x	x	x	-	-	-
Amount of capital as of 31 December 2011	3300	1 547 319	(24 675)	18 902 656	232 098	79 427 584	100 084 982

**2. Corrections due to changes in accounting policy and correction of errors**

Indicator	Code	As of 31 December 20 09	Changes of capital in 20 10		As of 31 December 20 10
			due to net profit (loss)	due to other factors	
<b>Capital - total</b>					
before correction	3400	37 595 829	14 469 315	(3 607 359)	48 457 785
corrected due to:					
changes in accounting policy	3410	-	-	-	-
correction of errors	3420	-	-	-	-
after correction	3500	37 595 829	14 469 315	(3 607 359)	48 457 785
including:					
undistributed profit (uncovered loss)					
before correction	3401	-	-	-	-
corrected due to:					
changes in accounting policy	3411	-	-	-	-
correction of errors	3421	-	-	-	-
after correction	3501	-	-	-	-
other articles corrected:					
(by article)					
before correction	3402	-	-	-	-
corrected due to:					
changes in accounting policy	3412	-	-	-	-
correction of errors	3422	-	-	-	-
after correction	3502	-	-	-	-

**3. Net assets**

Indicator	Code	As of 31 December 20 11	As of 31 December 20 10	As of 31 December 20 09
Net assets	3600	100 074 149	48 464 608	37 603 037

Director \_\_\_\_\_ V.N. Belyakov \_\_\_\_\_  
(signature) (clarification of signature)  
Chief Accountant \_\_\_\_\_ S. G. Zotova \_\_\_\_\_  
(signature) (clarification of signature)

**Cash flow statement**  
For January - December 20 11

Organization OJSC "Uralkali"  
Taxpayer's identification number \_\_\_\_\_

Type of economic activity Mining of raw minerals for the chemical industry and production of fertilizers; production of fertilizers and nitrogen compounds

Organizational form/type of ownership Open Joint Stock Company

Measurement unit: thousand rubles

OKUD Form

Date (day, month, year)

OKPO

TIN

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OKOPF/OKFS

OKEI

Codes		
0710004		
14	10	92
00203944		
5911029807		
24.15; 14.30		
47	41	
384		

Indicator	Code	For January-December 20 11	For January-December 20 10
<b>Cash flow from current operations</b>			
Total receipts	4110	108 295 165	47 718 623
including:			
from sale of products, goods, work and services	4111	98 130 023	43 971 799
lease payments, license payment, royalties, commissions and other similar payments	4112	31	0
from re-sale of financial investments	4113	0	0
other receipts	4119	10 165 111	3 746 824
Total payments	4120	(63 207 043)	(33 718 030)
including:			
to suppliers (contractors) for raw materials, materials, work and services	4121	(40 151 831)	(24 767 383)
remuneration of labor	4122	(4 509 064)	(3 485 466)
interest under debt obligations	4123	(2 986 542)	(490 811)
corporate profit tax	4124	(9 700 531)	(2 732 822)
other payments	4129	(5 859 075)	(2 241 548)
<b>Cash balance from current operations</b>	<b>4100</b>	<b>45 088 122</b>	<b>14 000 593</b>
<b>Cash flow from investment activities</b>			
Total receipts	4210	42 292 951	1 608 353
including:			
from sale of fixed assets (except financial investments)	4211	875 186	43 826
from sale of shares of other organization (participation stakes)	4212	162 907	35 586
from repayment of provided loans, sale of debt securities (right to demand payment from other parties)	4213	2 322 170	470 000
dividends, interest under debt financial investments and similar receipts from participation interest in other	4214	122 679	476 197
other receipts	4219	38 810 009	582 744
Total payments	4220	(150 876 028)	(6 761 303)
including:			
due to acquisition, establishment, modernization, reconstruction and preparation of fixed assets for use	4221	(4 741 791)	(6 657 960)
due to acquisition of shares in other organizations (participation interests)	4222	(41 992 734)	(150)
due to acquisition of debt securities (rights to demand payment from other parties), provision of loans to	4223	(63 227 541)	(103 193)
interest under debt obligations included in the cost of investment assets	4224	0	0
other payments	4229	(40 913 962)	0
<b>Cash balance form investment operations</b>	<b>4200</b>	<b>(108 583 077)</b>	<b>(5 152 950)</b>
<b>Cash flow from financing activities</b>			
Total receipts	4310	95 901 234	18 394 559
including:			
receipt of credit and loans	4311	95 893 705	18 390 552
cash contributions from owners (participants)	4312	0	0
from issuance/increase of shares	4313	0	0
from issuance of bonds, promissory notes and other debt securities etc	4314	0	0
other receipts	4319	7 529	4 007
Total payments	4320	(23 373 166)	(18 967 902)
including:			
to owners (participants) due to repurchasing of the shares (participation interests) of the organization from	4321	(24 675)	0
toward payment of dividends and other payments due to distribution of profits among owners (participants)	4322	(20 386 448)	(3 340 857)
due to payment (repurchasing) of promissory notes and other debt securities, repayment of credits and loans	4323	(2 962 043)	(15 627 045)
other payments	4329	0	0
<b>Cash balance from financing operations</b>	<b>4300</b>	<b>72 528 068</b>	<b>(573 343)</b>
<b>Cash balance for the reporting period</b>	<b>4400</b>	<b>9 033 113</b>	<b>8 274 300</b>
<b>Balance of cash and cash equivalents as of the beginning of the reporting period</b>	<b>4450</b>	<b>11 016 904</b>	<b>3 063 920</b>
<b>Balance of cash and cash equivalents as of the end of the reporting period</b>	<b>4500</b>	<b>20 741 342</b>	<b>11 016 904</b>
Effect of exchange rate changes	4490	691 325	(321 316)

Director \_\_\_\_\_ V. N. Belyakov  
(signature) (clarification of signature)

Chief  
Accountant

\_\_\_\_\_ S. G. Zotova  
(signature) (clarification of signature)

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**Explanatory notes to the balance sheet and the P&L statement (thousand rubles)**

**1. Intangible assets and costs of Research and Development**

**1.1. Existence and turnover of intangible assets**

Indicator	Code	Period	As of the beginning of the year		Changes in the period							As of the end of the period	
			original value	Depreciation and impairment losses	Received	Retired		accumulated depreciation	Impairment loss	re-evaluation		original value	accumulated depreciation and losses from depreciation
						original value	Depreciation and impairment losses			original value	accumulated depreciation		
<b>Total intangible assets, including:</b>	<b>5100</b>	<b>for 20 <u>11</u></b>	<b>13 118</b>	<b>(4 082)</b>	<b>5 996</b>	<b>(8)</b>	<b>3</b>	<b>(5 585)</b>	-	-	-	<b>19 106</b>	<b>(9 664)</b>
	<b>5110</b>	<b>for 20 <u>10</u></b>	<b>2 094</b>	<b>(838)</b>	<b>11 027</b>	<b>(3)</b>	<b>1</b>	<b>(3 245)</b>	-	-	-	<b>13 118</b>	<b>(4 082)</b>
patents	5101	for 20 <u>11</u>	30	(11)	55	(8)	3	(18)	-	-	-	77	(26)
	5111	for 20 <u>10</u>	30	(5)	3	(3)	1	(7)	-	-	-	30	(11)
trademarks	5102	for 20 <u>11</u>	1 587	(951)	27	-	-	(164)	-	-	-	1 614	(1 115)
	5112	for 20 <u>10</u>	1 587	(791)	-	-	-	(160)	-	-	-	1 587	(951)
software	5103	for 20 <u>11</u>	10 624	(2 795)	5 914	-	-	(4 976)	-	-	-	16 538	(7 771)
	5113	for 20 <u>10</u>	451	(38)	10 173	-	-	(2 757)	-	-	-	10 624	(2 795)
exclusive rights	5104	for 20 <u>11</u>	851	(319)	-	-	-	(426)	-	-	-	851	(745)
	5114	for 20 <u>10</u>	-	-	851	-	-	(319)	-	-	-	851	(319)
other	5105	for 20 <u>11</u>	26	(6)	-	-	-	(1)	-	-	-	26	(7)
	5115	for 20 <u>10</u>	26	(4)	-	-	-	(2)	-	-	-	26	(6)

**1.2. Original cost of intangible assets created by the organization**

Indicator	Code	as of <u>31 December</u> 20 <u>11</u>	as of <u>31 December</u> 20 <u>10</u>	as of <u>31 December</u> 20 <u>09</u>
Total	5120	21	21	17

**1.3. Fully paid intangible assets**

Indicator	Code	as of <u>31 December</u> 20 <u>11</u>	as of <u>31 December</u> 20 <u>10</u>	as of <u>31 December</u> 20 <u>09</u>
<b>Total</b>	<b>5130</b>	<b>225</b>	-	-
including: patents	5131	-	-	-
trademarks	5132	-	-	-
software	5133	225	-	-
exclusive rights	5134	-	-	-
other	5135	-	-	-

#### 1.4. Existence and turnover of R&D

Indicator	Code	Period	As of the beginning of the year		Changes in the period				As of the end of the period	
			original value	Portion of cost written off to expenses	Received	Retired		Portion of cost written off to expenses	original value	Portion of cost written off to expenses
						original value	Portion of cost written off to expense			
Total R&D	5140	for 20 <u>11</u>	450	(137)	-	-	-	(150)	450	(287)
	5150	for 20 <u>10</u>	500	(492)	450	(500)	500	(145)	450	(137)

#### 1.5. Incomplete and unexecuted R&D, incomplete transactions to acquire intangible assets

Indicator	Code	Period	As of the beginning of the year	Changes in the period			As of the end of the period
				Costs in the period	Portion of cost written off as unsuccessful	accepted as intangible assets or R&D	
Costs of uncompleted R&D - total	5160	for 20 <u>11</u>	160	7 654	(12)	-	7 802
	5170	for 20 <u>10</u>	11 442	-	(5)	(11 277)	160
Uncompleted operations to acquire intangible assets - total	5180	for 20 <u>11</u>	11 210	41 989	(2 043)	(2 800)	48 356
	5190	for 20 <u>10</u>	3 164	8 390	(144)	(200)	11 210



### 2.1. Existence and turnover of capital assets

Indicator	Code	Period	As of the beginning of the year		Changes in the period						As of the end of the period	
			original value	Accumulated depreciation	Received	Retired		Accrued depreciation	Re-evaluation		original value	Accumulated depreciation
						original value	Accumulated depreciation		original value	Accumulated depreciation		
Capital assets (without interest-bearing investments in tangible assets) - total including	5200	for 20 <u>11</u>	34 133 086	(13 413 033)	41 880 256	(2 239 292)	1 012 699	(20 021 674)	-	-	73 774 050	(32 422 008)
	5210	for 20 <u>10</u>	27 590 520	(10 355 228)	7 105 670	(563 104)	466 775	(3 524 580)	-	-	34 133 086	(13 413 033)
buildings	5201	for 20 <u>11</u>	5 333 386	(902 382)	4 649 334	(205 880)	32 504	(897 641)	-	-	9 776 840	(1 767 519)
	5211	for 20 <u>10</u>	3 746 075	(782 132)	1 596 926	(9 615)	6 558	(126 808)	-	-	5 333 386	(902 382)
structures	5202	for 20 <u>11</u>	6 265 360	(2 628 453)	7 969 151	(34 559)	19 781	(3 024 160)	-	-	14 199 952	(5 632 832)
	5212	for 20 <u>10</u>	5 069 821	(2 136 017)	1 212 910	(17 371)	5 809	(498 245)	-	-	6 265 360	(2 628 453)
equipment and machines	5203	for 20 <u>11</u>	18 170 798	(8 250 271)	25 336 208	(1 682 732)	728 786	(13 567 450)	-	-	41 824 274	(21 088 935)
	5213	for 20 <u>10</u>	14 399 129	(6 075 482)	4 206 980	(435 311)	395 415	(2 570 176)	-	-	18 170 798	(8 250 243)
production and maintenance stock	5204	for 20 <u>11</u>	105 843	(79 949)	135 626	(43 052)	42 502	(104 660)	-	-	198 417	(142 107)
	5214	for 20 <u>10</u>	99 288	(70 723)	8 766	(2 211)	1 985	(11 208)	-	-	105 843	(79 946)
vehicles	5205	for 20 <u>11</u>	4 063 660	(1 551 978)	3 505 192	(272 792)	189 126	(2 427 763)	-	-	7 296 060	(3 790 615)
	5215	for 20 <u>10</u>	4 083 252	(1 290 874)	79 000	(98 592)	57 008	(318 143)	-	-	4 063 660	(1 552 009)
perennial plantings	5206	for 20 <u>11</u>	3 166	-	-	-	-	-	-	-	3 166	-
	5216	for 20 <u>10</u>	3 166	-	-	-	-	-	-	-	3 166	-
land plots	5207	for 20 <u>11</u>	190 658	-	284 745	(277)	-	-	-	-	475 126	-
	5217	for 20 <u>10</u>	189 574	-	1 088	(4)	-	-	-	-	190 658	-
other	5208	for 20 <u>11</u>	215	-	-	-	-	-	-	-	215	-
	5218	for 20 <u>10</u>	215	-	-	-	-	-	-	-	215	-
Booked as interest-bearing investments in tangible assets - total, including	5220	for 20 <u>11</u>	409 652	(104 342)	1 934 080	(59 290)	21 372	(384 863)	-	-	2 284 442	(467 833)
	5230	for 20 <u>10</u>	380 061	(71 789)	32 124	(2 533)	320	(32 873)	-	-	409 652	(104 342)
buildings	5221	for 20 <u>11</u>	113 558	(3 191)	597 159	-	-	(47 507)	-	-	710 717	(50 698)
	5231	for 20 <u>10</u>	105 872	(1 727)	7 686	-	-	(1 464)	-	-	113 558	(3 191)
structures	5222	for 20 <u>11</u>	886	(270)	72 459	(144)	92	(10 368)	-	-	73 201	(10 546)
	5232	for 20 <u>10</u>	886	(124)	-	-	-	(145)	-	-	886	(269)
equipment and machines	5223	for 20 <u>11</u>	159 556	(43 671)	1 240 934	(55 005)	17 866	(304 931)	-	-	1 345 485	(330 736)
	5233	for 20 <u>10</u>	139 884	(27 666)	20 020	(348)	58	16 064	-	-	159 556	(11 544)
production and maintenance stock	5224	for 20 <u>11</u>	1 028	(767)	-	(377)	337	(133)	-	-	651	(563)
	5234	for 20 <u>10</u>	1 029	(628)	-	-	-	(139)	-	-	1 029	(767)
vehicles	5225	for 20 <u>11</u>	134 624	(56 443)	23 528	(3 764)	3 077	(21 924)	-	-	154 388	(75 290)
	5235	for 20 <u>10</u>	132 390	(41 644)	4 418	(2 185)	262	(15 061)	-	-	134 623	(56 443)
perennial plantings	5226	for 20 <u>11</u>	-	-	-	-	-	-	-	-	-	-
	5236	for 20 <u>10</u>	-	-	-	-	-	-	-	-	-	-
land plots	5227	for 20 <u>11</u>	-	-	-	-	-	-	-	-	-	-
	5237	for 20 <u>10</u>	-	-	-	-	-	-	-	-	-	-
other	5228	for 20 <u>11</u>	-	-	-	-	-	-	-	-	-	-
	5238	for 20 <u>10</u>	-	-	-	-	-	-	-	-	-	-

## 2.2. Incomplete capital investments

Indicator	Code	Period	As of the beginning of the year	Changes in the period			as of the end of the period
				Costs in the period	Written off	Accepted as fixed assets/cost	
<b>Incomplete construction and incomplete transactions to acquire, modernize etc fixed assets - total</b>	<b>5240</b>	for 20 <u>11</u>	<b>22 227 658</b>	<b>17 810 859</b>	<b>(3 757 665)</b>	<b>(10 192 337)</b>	<b>26 088 515</b>
	<b>5250</b>	for 20 <u>10</u>	<b>18 266 520</b>	<b>16 836 402</b>	<b>(5 740 911)</b>	<b>(7 134 353)</b>	<b>22 227 658</b>
including:	5241	for 20 <u>11</u>	-	20 152	-	(14 929)	5 223
Acquisition of land plots	5251	for 20 <u>10</u>	-	1 089	-	(1 089)	-
Acquisition of fixed assets	5242	for 20 <u>11</u>	6 151 661	5 729 312	(3 755 543)	(3 342 329)	4 783 101
	5252	for 20 <u>10</u>	5 498 911	9 202 372	(5 359 996)	(3 189 626)	6 151 661
Construction of fixed assets	5243	for 20 <u>11</u>	16 075 997	12 061 395	(2 122)	(6 835 079)	21 300 191
	5253	for 20 <u>10</u>	12 767 609	7 632 941	(380 915)	(3 943 638)	16 075 997

## 2.3. Change of cost of capital assets as the results of reconstruction, re-equipment and partial liquidation

Indicator	Code	for 20 <u>11</u>	for 20 <u>10</u>
<b>Increase of the value of fixed assets as the result of extension, re-equipment, reconstruction - total</b>	<b>5260</b>	<b>1 766 040</b>	<b>2 904 719</b>
including:			
buildings and structures	5261	1 177 075	2 337 984
machines, equipment, vehicles	5262	588 965	563 708
other	5263	-	3 027
<b>Reduction of the value of fixed assets as the result of partial liquidation - total</b>	<b>5270</b>	<b>(4 080)</b>	<b>(36 035)</b>
including:			
buildings and structures	5271	(1 870)	(5 688)
machines, equipment, vehicles	5272	(2 162)	(30 260)
other	5273	(48)	(87)

## 2.4. Other use of capital assets

Indicator	Code	as of <u>31 December</u> 20 <u>11</u>	as of <u>31 December</u> 20 <u>10</u>	as of <u>31 December</u> 20 <u>09</u>
Leased out fixed assets in the books	5280	4 227 346	1 210 140	1 244 273
Leased out fixed assets - off balance	5281	-	-	-
Leased fixed assets in the books	5282	391 628	-	-
Leased fixed assets - off balance	5283	2 220 518	1 116 783	17 242
Real property accepted into use and factually used, in process of state registration	5284	-	-	-
Conserved fixed assets	5285	604 534	226 399	392 085
Other use of capital assets (pledge etc)	5286	-	-	-

**3. Financial investments**  
**3.1. Existence and movement of financial investments**

Indicator	Code	Period	As of the beginning of the year		Changes in the period					as of the end of the period	
			original value	accumulated correction	Received	Retired (repaid)		accrued interest (including change of original cost to nominal cost)	current market value (impairment loss)	original value	accumulated correction
						original value	accumulated correction				
<b>Total long-term</b>	<b>5301</b>	for 20 <u>11</u>	<b>1 963 130</b>	<b>197 261</b>	<b>55 567 031</b>	<b>(4 887 341)</b>	<b>(201 314)</b>	-	<b>530 820</b>	<b>52 642 820</b>	<b>526 767</b>
	<b>5311</b>	for 20 <u>10</u>	<b>2 658 866</b>	<b>156 633</b>	<b>150</b>	<b>(695 886)</b>	-	-	<b>40 628</b>	<b>1 963 130</b>	<b>197 261</b>
including:	5302	for 20 <u>11</u>	1 465 798	-	26 556 654	(880)	-	-	(72 367)	28 021 572	(72 367)
investments in subsidiaries and dependent companies	5312	for 20 <u>10</u>	1 468 254	-	150	(2 606)	-	-	-	1 465 798	-
investments in other organizations	5303	for 20 <u>11</u>	13 332	197 261	563 565	(343 684)	(197 261)	-	(8 235)	233 213	(8 235)
	5313	for 20 <u>10</u>	236 612	156 633	-	(223 280)	-	-	40 628	13 332	197 261
other	5304	for 20 <u>11</u>	484 000	-	28 446 812	(4 542 777)	(4 053)	-	611 422	24 388 035	607 369
	5314	for 20 <u>10</u>	954 000	-	-	(470 000)	-	-	-	484 000	-
<b>Total short-term</b>	<b>5305</b>	for 20 <u>11</u>	-	-	<b>54 258</b>	<b>(54 100)</b>	-	-	-	<b>158</b>	-
	<b>5315</b>	for 20 <u>10</u>	<b>450 000</b>	-	-	<b>(450 000)</b>	-	-	-	-	-
including:	5306	for 20 <u>11</u>	-	-	-	-	-	-	-	-	-
bank deposits	5316	for 20 <u>10</u>	450 000	-	-	(450 000)	-	-	-	-	-
other	5307	for 20 <u>11</u>	-	-	54 258	(54 100)	-	-	-	158	-
	5317	for 20 <u>10</u>	-	-	-	-	-	-	-	-	-
<b>Total financial investments</b>	<b>5300</b>	for 20 <u>11</u>	<b>1 963 130</b>	<b>197 261</b>	<b>55 621 289</b>	<b>(4 941 441)</b>	<b>(201 314)</b>	-	<b>530 820</b>	<b>52 642 978</b>	<b>526 767</b>
	<b>5310</b>	for 20 <u>10</u>	<b>3 108 866</b>	<b>156 633</b>	<b>150</b>	<b>(1 145 886)</b>	-	-	<b>40 628</b>	<b>1 963 130</b>	<b>197 261</b>

**3.2. Other use of financial investments**

Indicator	Code	as of <u>31 December</u> 20 <u>11</u>	as of 31 December 20 <u>10</u>	as of 31 December 20 <u>09</u>
Pledged financial investments - total	<b>5320</b>	-	-	-
Financial investments transferred to other parties (except sale)				
- total	5325	-	-	-
Other use of financial investments	5329	-	-	-

#### 4. Inventory

##### 4.1. Existence and turnover of inventory

Indicator	Code	Period	as of the beginning of the year		Changes in the period					as of the end of the period	
			net cost	depreciation allowance	receipts and expenses	retired		loss from depreciation	turnover of inventory between groups	net cost	depreciation allowance
						net cost	depreciation allowance				
Total inventory	5400	for 20 <u>11</u>	3 088 128	-	181 781 876	(179 520 089)	-	9 710	x	5 349 915	-
	5420	for 20 <u>10</u>	3 012 142	-	101 792 088	(101 716 102)	-	622	x	3 088 128	-
including:	5401	for 20 <u>11</u>	326 915	-	4 013 142	(3 120 972)	-	4 548	1 267 440	1 219 085	-
raw materials and materials	5421	for 20 <u>10</u>	312 420	-	801 820	(787 325)	-	520	1 035 965	326 915	-
internally manufactured materials	5402	for 20 <u>11</u>	-	-	-	-	-	-	-	-	-
	5422	for 20 <u>10</u>	-	-	-	-	-	-	-	-	-
fuel	5403	for 20 <u>11</u>	53 136	-	975 812	(822 196)	-	92	314 795	206 752	-
	5423	for 20 <u>10</u>	56 574	-	149 225	(152 663)	-	-	237 867	53 136	-
tare and packing materials	5404	for 20 <u>11</u>	-	-	77 743	(77 343)	-	-	335	400	-
	5424	for 20 <u>10</u>	-	-	-	-	-	-	-	-	-
spare parts	5405	for 20 <u>11</u>	572 287	-	1 699 067	(1 337 848)	-	4 420	358 926	933 506	-
	5425	for 20 <u>10</u>	763 832	-	629 054	(820 599)	-	89	239 265	572 287	-
other materials	5406	for 20 <u>11</u>	16 085	-	121 344	(122 602)	-	-	11 749	14 827	-
	5426	for 20 <u>10</u>	8 011	-	74 426	(66 352)	-	-	8 907	16 085	-
equipment and maintenance accessories	5407	for 20 <u>11</u>	32 964	-	255 447	(174 086)	-	519	113 313	114 325	-
	5427	for 20 <u>10</u>	36 253	-	65 202	(68 491)	-	2	88 626	32 964	-
rears and breeders	5408	for 20 <u>11</u>	-	-	41 759	(32 978)	-	-	-	8 781	-
	5428	for 20 <u>10</u>	-	-	-	-	-	-	-	-	-
finished product and goods for re-sale	5409	for 20 <u>11</u>	992 119	-	20 521 167	(20 464 427)	-	-	-	1 048 859	-
	5429	for 20 <u>10</u>	798 226	-	13 357 642	(13 163 749)	-	-	-	992 119	-
goods delivered	5410	for 20 <u>11</u>	796 925	-	26 609 355	(25 965 614)	-	-	-	1 440 666	-
	5431	for 20 <u>10</u>	726 270	-	15 260 865	(15 190 210)	-	-	-	796 925	-
other	5411	for 20 <u>11</u>	297 697	-	127 467 040	(127 402 023)	-	131	-	362 714	-
	5431	for 20 <u>10</u>	310 556	-	71 453 854	(71 466 713)	-	11	-	297 697	-

##### 4.2. Pledged stock

Indicator	Codes	as of <u>31 December</u> 20 <u>11</u>	as of <u>31 December</u> 20 <u>10</u>	as of <u>31 December</u> 20 <u>09</u>
total stock unpaid as of the reporting date	5440	-	-	-
total stock pledged	5445	-	-	-

## 5. Accounts receivable and accounts payable

### 5.1. Existence and turnover of accounts receivable

Indicator	Code	Period	As of the beginning of the year		Changes in the period						As of the end of the period	
			under the conditions of agreement	bad debt allowance	Received		Retired			transfer from long-term to short-term indebtedness	under the conditions of agreement	bad debt allowance
					as the result of operations (amount of debt under the transaction/operati	interest, fines and other payments due	repayment	charged off to financial result	allowance recovery			
Long-term accounts receivable - total	5501	for 20 11	870	-	47 814	-	(8 040)	-	-	(56)	40 588	-
	5521	for 20 10	2 110	-	-	-	(1 133)	-	-	(107)	870	-
Short-term accounts receivable - total	5510	for 20 11	7 249 564	(75 880)	259 510 224	-	(247 155 700)	-	(71 990)	56	19 604 144	(147 870)
	5530	for 20 10	8 193 271	(106 705)	57 362 330	-	(58 306 144)	-	30 825	107	7 249 564	(75 880)
including: settlements with buyers and customers	5511	for 20 11	3 978 461	(61 378)	111 860 234	-	(101 435 683)	-	(1 708)	-	14 403 012	(63 086)
	5531	for 20 10	3 422 414	(91 143)	45 580 143	-	(45 024 096)	-	29 765	-	3 978 461	(61 378)
settlements with non-budgetary funds	5512	for 20 11	4 093	-	(3 842)	-	-	-	-	-	251	-
	5532	for 20 10	512	-	75 203	-	(71 622)	-	-	-	4 093	-
settlements with the budget	5513	for 20 11	1 448 096	-	1 761 399	-	(1 908 901)	-	-	-	1 300 594	-
	5533	for 20 10	1 837 191	-	375 134	-	(764 229)	-	-	-	1 448 096	-
advances granted	5514	for 20 11	1 544 440	(69)	18 152 190	-	(17 010 672)	-	(10 195)	-	2 685 958	(10 264)
	5534	for 20 10	2 335 406	(11 974)	9 698 386	-	(10 489 352)	-	11 905	-	1 544 440	(69)
other debtors	5515	for 20 11	274 474	(14 433)	127 740 243	-	(126 800 444)	-	(60 087)	56	1 214 329	(74 520)
	5535	for 20 10	597 748	(3 588)	1 633 464	-	(1 956 845)	-	(10 845)	107	274 474	(14 433)
Total	5500	for 20 11	7 250 434	(75 880)	259 558 038	-	(247 163 740)	-	(71 990)	x	19 644 732	(147 870)
	5520	for 20 10	8 195 381	(106 705)	57 362 330	-	(58 307 277)	-	30 825	x	7 250 434	(75 880)

### 5.2. Overdue accounts receivable

Indicator	Code	as of 31 December 20 11		as of 31 December 20 10		as of 31 December 20 09	
		booked	balance-sheet value	booked	balance-sheet value	booked	balance-sheet
Total	5540	212 874	65 003	221 847	145 967	107 963	1 259

### 5.3. Existence and turnover of accounts payable

Indicator	Code	Period	As of the beginning of the year	Changes in the period					Remainder as of the end of the period
				Received		Retired		transfer from long-term to short-term overdue indebtedness	
				as the result of operations (amount of debt under transaction/operation)	interest, fines and other payments due	Repayment	charged off to financial result		
Long-term accounts payable -total	5551	for 20 <u>11</u>	-	20 000 000	-	-	-	-	20 000 000
	5571	for 20 <u>10</u>	-	-	-	-	-	-	-
including: notes payable	5552	for 20 <u>11</u>	-	20 000 000	-	-	-	-	20 000 000
	5572	for 20 <u>10</u>	-	-	-	-	-	-	-
Short-term accounts payable - total	5560	for 20 <u>11</u>	2 796 542	226 856 072	-	(219 880 535)	(86 732)	-	9 685 347
	5580	for 20 <u>10</u>	3 005 243	52 135 076	-	(52 321 474)	(22 303)	-	2 796 542
including: suppliers and contractors	5561	for 20 <u>11</u>	1 541 309	44 379 384	-	(42 457 654)	-	-	3 463 039
	5581	for 20 <u>10</u>	1 537 013	31 539 130	-	(31 533 744)	(1 090)	-	1 541 309
payables to employees	5562	for 20 <u>11</u>	266 752	7 349 270	-	(7 010 374)	-	-	605 648
	5582	for 20 <u>10</u>	185 895	4 151 145	-	(4 070 288)	-	-	266 752
payables to state non-budgetary funds	5563	for 20 <u>11</u>	54 127	2 206 052	-	(2 076 010)	-	-	184 169
	5583	for 20 <u>10</u>	52 140	542 878	-	(540 891)	-	-	54 127
tax payables	5564	for 20 <u>11</u>	455 396	9 242 401	-	(9 531 809)	-	-	165 988
	5584	for 20 <u>10</u>	206 876	3 741 146	-	(3 492 626)	-	-	455 396
advances received	5565	for 20 <u>11</u>	198 083	7 242 391	-	(6 851 109)	-	-	589 365
	5585	for 20 <u>10</u>	546 352	4 508 847	-	(4 857 116)	-	-	198 083
other creditors	5566	for 20 <u>11</u>	194 785	130 165 589	-	(130 126 375)	(15)	-	233 984
	5586	for 20 <u>10</u>	369 917	4 076 499	-	(4 251 631)	-	-	194 785
payables to participants (founders)	5567	for 20 <u>11</u>	86 090	26 270 985	-	(21 827 204)	(86 717)	-	4 443 154
	5587	for 20 <u>10</u>	107 050	3 575 431	-	(3 575 178)	(21 213)	-	86 090
Total	5550	for 20 <u>11</u>	2 796 542	246 856 072	-	(219 880 535)	(86 732)	x	29 685 347
	5570	for 20 <u>10</u>	3 005 243	52 135 076	-	(52 321 474)	(22 303)	x	2 796 542

### 5.4. Overdue accounts payable

Indicator	Code	as of 31 December 20 11	as of 31 December 20 10	as of 31 December 20 09
Total	5590	38 867	56 578	48 214

### 6. Costs of production

Indicator	Code	for 20 11	for 20 10
Material costs	5610	21 676 893	12 964 342
Remuneration of labor	5620	5 611 795	3 845 132
Social payments	5630	1 220 951	583 686
Depreciation	5640	5 827 814	3 426 716
Other costs	5650	6 278 812	3 209 917
<b>Total by cost element</b>	<b>5660</b>	<b>40 616 265</b>	<b>24 029 793</b>
Change in remainder (increase [-], reduction [+]):			
incomplete production, finished products etc (increase (-))	5670	-	-
incomplete production, finished products etc (reduction (-))	5680	461 462	16 905
<b>Total costs of ordinary operations</b>	<b>5600</b>	<b>41 077 727</b>	<b>24 046 698</b>

### 7. Estimated liabilities

Indicator	Code	As of the beginning of the year	Accepted	Discharged	Written off as excessive amount	Balance as of the end of the period
<b>Total estimated liabilities</b>	<b>5700</b>	<b>75 880</b>	<b>5 778 499</b>	<b>(1 574 163)</b>	<b>(1 707 119)</b>	<b>2 497 217</b>
including:						
Provisions for future expenses	5701	-	2 103 408	(1 565 436)	-	537 972
Provisions for contingent liabilities	5702	75 880	1 868 438	(8 727)	(1 707 119)	152 592
Other estimated liabilities	5703	-	1 806 653	-	-	1 806 653

### 8. Security for obligations

Indicator	Code	as of 31 December 20 11	as of 31 December 20 10	as of 31 December 20 09
<b>Total received</b>	<b>5800</b>	<b>3 089</b>	<b>1 057</b>	<b>2 869</b>
including:				
promissory notes	5801	-	-	-
pledged property	5802	3 089	1 057	2 869
including:				
fixed assets		-	-	-
securities and other financial investments		-	-	-
other		3 089	1 057	2 869
<b>Total granted</b>	<b>5810</b>	<b>18 034 749</b>	<b>17 495 863</b>	<b>4 862 214</b>
including:				
promissory notes	5811	-	-	-
pledged property	5812	18 034 441	17 473 179	4 859 348
including:				
fixed assets		4 565 579	4 565 579	3 719 345
securities and other financial investments		-	-	-
other		13 468 862	12 907 600	1 140 003
Security/guarantee	5813	308	22 684	2 866

### 9. State aid

Indicator		Code	for 20 11		for 20 10	
Total budget funds received		5900	7 529		4 007	
including						
for operational expenses		5901	-		-	
for investment in capital assets		5905	-		-	
other		5906	7 529		4 007	
Total public budget loans		5910 5920	As of the beginning of the year	Total received	Total returned	As of the end of the year
			-	-	-	-
			-	-	-	-

Director \_\_\_\_\_ V. N. Belyakov \_\_\_\_\_ Chief Accountant \_\_\_\_\_ S. Zotova \_\_\_\_\_  
 (signature) (clarification of signature) (signature) (clarification of signature)

" " 20

Open Joint-Stock Company  
“Uralkali”

## **Explanatory Notes to the 2011 Annual Report**

Berezniki, Perm region



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## **Introduction**

### **Information about the legal name of the Company**

Full legal name: Open Joint-Stock “Uralkali”

Abbreviated legal name: OJSC “Uralkali”

### **Location and mailing address**

63 Pyatiletki St., Berezniki 618426, Perm region, Russia.

Tel.: +7 (3424) 29-60-03, 29-60-20

Fax: +7 (3424) 26-02-95, 26-01-97

### **State registration of the Company**

Certificate of state registration of a legal entity:

Date of state registration: 14 October 1992

Registration number: 1128

Registering authority: Berezniki Municipal Administration

Account number: 2-319

Registration in the Unified State Register of Legal Entities:

Date of registration: 11 September 2002

Main state registration number: 1025901702188

Registering authority: Interdistrict Inspectorate 2 for the Perm Region and Komi-Permyatski Autonomous District of the Ministry of Taxation of the Russian Federation

### **Taxpayer Identification Number (INN)**

5911029807

### **Management of the Company**

Vladislav Arturovich Baumgertner, Chief Executive Officer

Tel.: +7 (3424) 29-60-79, fax: +7 (3424) 29-61-52

Svetlana Grigoryevna Zotova, Chief Accountant

Tel.: +7 (3424) 29-60-87, fax: +7 (3424) 29-69-09.

### **Registered capital**

The registered capital of the Company amounts to 1,547,319 thousand roubles and consists of 3,094,637,905 ordinary registered shares with a par value of 0.5 roubles each.

### **Auditor of the Company**

Full legal name: Limited Liability Company “Bukhgalterskiye Auditorskiye Traditsii – Audit”

Abbreviated legal name: “BAT – Audit” LLC

Location: Office 2, 46 Gazety St., Perm 614000, Russia.

Tel.: +7 (342) 2 44-19-20, fax: +7 (342) 2 44-08-68

E-mail: [info@bat-audit.ru](mailto:info@bat-audit.ru)

State registration: Certificate No 3788 dated 2 December 1997. OGRN 1025900520513.

Current membership: member of NP “Russian Collegium of Auditors”, a self-regulating auditor organisation, principal number of registration record 10205026931, Certificate 0475-ю dated 26 May 2006.

### **Registrar of the Company**

Full legal name: Closed Joint-Stock Company “Registrator Intraco”

Abbreviated legal name: CJSC “Registrator Intraco”

Location: 64 Lenina St., Perm, Russia

Tel.: +7 (342) 233-01-64; fax: +7 (342) 233-01-63

E-mail: [root@intraco.ru](mailto:root@intraco.ru)

Licencing: Register Maintenance Licence No 10-000-1-00272

Date of issue: 24 December 2002

Validity period: unlimited

Issuing authority: Federal Financial Markets Service

## Financial and economic activities of the Company

### Review of the Company's activities in the reporting year

#### Key operating, commercial and investment activities of the Company

The Company was established to supply products, goods and services to the consumer market and to make profits in the interests of its shareholders.

To fulfil its objectives, the Company is engaged in the following types of activities:

- Production of potash fertilisers and other chemical products;
- External economic activities, including import-export operations;
- Sales and procurement;
- Investments;
- Other.

#### Production

OJSC "Uralkali" (hereinafter referred to as "Uralkali") is one of the world's largest producers of mineral fertilisers.

The Company develops the Verkhnekamskoye deposit of potash-magnesium salts, the world's second largest of the kind. The mineral composition of commercial seams at the deposit includes sylvinit, halite, and carnallite with inclusions of carbonates and calcium sulphates and clay minerals.

Uralkali's main product is potassium chloride, used as a fertiliser that is directly introduced into soils or added to other raw materials in the production of compound (NPK) fertilisers. Potassium chloride also has other industrial applications in the chemical, petrochemical, food, pharmaceutical, nuclear and other industries. It is a very important material for agriculture as it not only improves crop yield, but also significantly improves crops' quality parameters: disease resistance, storage and transportation resilience, and taste.

#### Output in 2010-2011

Table 1

Product	UoM	2010	2011 (incl. Solikamsk site from 17 may, 2011)	Deviation	
				Kilotonnes	%
Potassium chloride (commodity), including	kt	5 061,2	8 723,0	3 661,8	72,3
Halurgic method	kt	1 944,9	2 273,7	328,8	16,9
Flotation method	kt	1 805,3	4 617,0	2 811,7	155,7
Granulation	kt	1 311,0	1 832,3	521,3	39,8
Enriched carnallite	kt		204,5		

For reference: Output of OJSC "Sylvinit" during the period from 1 January 2011 to 16 May 2011:

Potassium chloride (commodity) 2 104,1 kilotonnes

Enriched carnallite 120 kilotonnes

## Review of sales markets and product shipments

2011 was a highly favourable year for the potash fertiliser players due to a rapid growth of demand for potassium chloride (KCl), which was determined by high prices for main agricultural crops and a decline in consumers and producers' KCl stocks.

The global output of potash fertilisers in 2011 grew 5% y-o-y, while global sales in 2011 practically remain the same (a 1% increase).

In 2011, demand for potash fertilisers in all regions went up by 5% y-o-y, which the USA, Brazil, South-East Asia and Chinese markets as the main contributors.<sup>1</sup>

The first nine months of 2011 accounted for the majority of potash fertiliser consumption, while in Q4 the demand plummeted due to the overall macroeconomic instability.

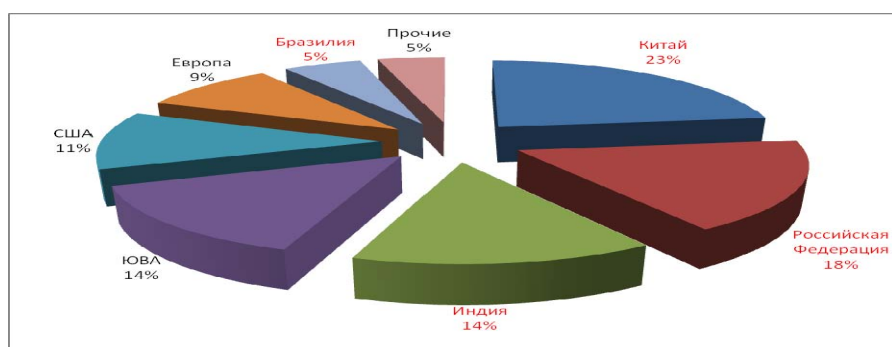
Global KCl prices remained stable, continuing a progressive growth trend throughout 2011.

Following the combination with OJSC “Sylvinit” (hereinafter referred to as “Sylvinit”), the combined Uralkali began operating five mines and nine concentration plants, including an enriched carnallite plant and an industrial salt plant. The 2011 output of commodity KCl was around 8.7 mln tonnes, 1.7 times above the output in 2010.

Uralkali's total sales of potash fertilisers in 2011 were 8.899 mln tonnes, a 76.5% increase from 5.042 mln tonnes in 2010. Export sales accounted for 82% of total sales in 2011.

Uralkali supplies its products to over 40 countries. Traditionally, the key consumers were Brazil, Russia, India, China (members of BRICS), which accounted for 60% of the Company's sales in 2011. Other significant export consumers included the USA, Indonesia and Malaysia.

BRICS, the USA and South-East Asia are priority markets for the Company and they hold the bulk of Uralkali's exports.



In 2011, Uralkali increased its domestic KCl deliveries by 2.3 times y-o-y. The main Russian consumers traditionally were NPK producers and agricultural companies.

Uralkali has one of the largest fleet on special-purpose railway cars in Russia. The fleet includes over 8,000 mineral carrier cars that ensure an uninterrupted delivery of finished products to marine handling terminals and end users, both in domestic and external markets..

<sup>1</sup> 'Global Fertilizer Supply and Trade 2011-2012', IFA, December 2011

## **Capital investments**

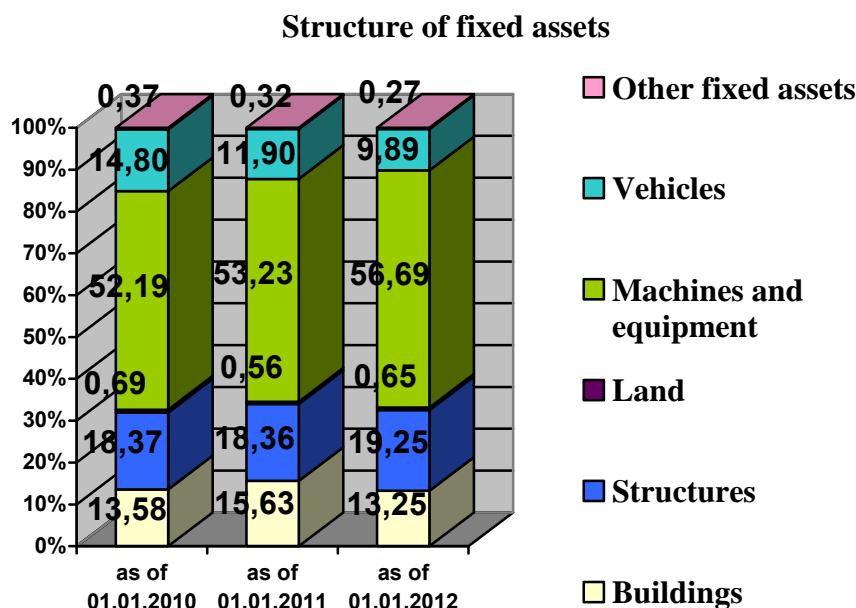
The Company's investments in 2011 totalled 10,686,179 thousand roubles and were mainly used for sustaining and development purposes.

The investments targeted the following main projects:

- Expansion of Berezniki-4 from 1.3 to 3 mln tonnes starting from 2012, including:
  - o Development of the concentration plant;
  - o Increase in the mine hoisting capacity;
  - o Expansion of the underground complex
- Completion of the Ust-Yaivinsky mine design;
- Commissioning of new mine hoists at Berezniki-2;
- Expansion of the granulation area at Berezniki-3;
- Energy programme: commissioning of Stage 2 of the electricity and thermal energy generating facilities at Berezniki-4;
- Design and procurement of main equipment for the reconstruction of the granulation area at Solikamsk-2.

To sustain the existing production facilities and ensure their uninterrupted operations, capital projects in 2011 also included replacement and modernisation of life-expired equipment, reconstruction of buildings' façades and load-bearing structures.

## Analysis of utilisation of fixed assets and material resources in 2009-2011



During the reviewed period (2009-2011), the prevailing element in the Company's fixed asset structure was 'machines and equipment' (in 2011, the value of machines and equipment was 56.69%, the value of buildings and structures – 32.50%), which is a positive factor as, with all other factors being equal, the machines and equipment's high specific weight in the fixed assets contribute to a better equipment capabilities, higher capacity and investment yield.

A significant increase in the fixed asset value was caused by the combination between Uralkali and Sylvinitt on 17 May 2011.

The renewal and retirement rates give a generalised assessment of the fixed assets history. The renewal rate reflects the intensity of fixed assets' renewal and is calculated as a ratio between the value of the fixed assets procured during the reporting period and their closing value during the same period.

In 2011, the renewal rate was 56.77%. Machines and equipment had the highest renewal rate in 2011 (60.58% as of 31 December 2011). Other groups included buildings (47.55%), structures (56.12%) and vehicles (48.04%).

The retirement rate shows the intensity of fixed assets' retirement from operations and is calculated as a ratio between the value of the fixed assets that retired during the reporting period and their opening value during the same period.

Fixed asset retirement is caused by physical wear and obsolescence, disposal, gratuitous transfer to other entities etc.

In 2011, the fixed asset retirement mainly consisted of retirement of machines and equipment, and the retirement rate went up from 2.04% in 2010 to 6.56% in 2011.

Overall, renewal of fixed assets in the Company is higher than their retirement.

The wear rate, calculated as a ratio between total wear and initial value of fixed assets, gives a generalised assessment of the fixed assets' technical condition.

The wear rate indicates the fixed asset renewal intensity and production modernisation.

Over the reviewed period of 3 years, the Company's total wear rate went up from 37.53% to 43.95%, which was mainly determined by an increase in vehicles' wear rate from 31.61% to 51.95% and an increase in machines and equipment's wear rate from 42.19% to 50.42%. The combination with Sylvinit was also a contributor as Sylvinit had a higher wear rate than Uralkali.

The latest revaluation of fixed assets was made as of 1 January 1999 by separate fixed asset group, via an expert review.

As of 31 December 2011, the value of the stock of raw and other materials and other similar assets went up by 1,576,268 thousand roubles (146.3%) to 2,653,999 thousand roubles (including materials in transit), with the combination with Sylvinit being the main growth factor.

The utilisation of inventory is assessed through the following indicators:

- Inventory turnover rate;
- Inventory turnover period.

The inventory turnover rate shows the average turnover time at a production facility, and is calculated as a ratio between annual consumption and average annual stock of materials.

The turnover period reflects the number of days required for one inventory turnover.

In 2011, the overall turnover rate went up to 2.36 from 1.74 in 2010.

The reviewed period also saw a decline in the overall turnover period down to 155 days.



## Cost of production and sales of products, goods, works and services

### Dynamics of the cost structure

Table 2

Cost item	2009		2010		2011		Deviation 2011/2010
	RUB thousand	Specific weight, %	RUB thousand	Specific weight, %	RUB thousand	Specific weight, %	
Material expenses	7 691 875	51%	12 324 688	53%	21 630 314	52%	76%
Including:							
- raw and other materials	793 275	5%	925 954	4%	2 696 364	6%	191%
- third party production-related works and services	5 446 194	36%	9 212 682	39%	16 165 666	39%	75%
Including cargo transportation	2 103 393	14%	5 377 969	23%	10 029 949	24%	87%
- energy	1 023 046	7%	1 569 468	7%	2 601 149	6%	66%
- fuel	401 535	3%	588 294	3%	915 664	2%	56%
- water	27 825	0%	28 290	0%	36 871	0%	30%
Labour costs	1 832 914	12%	2 438 844	10%	5 062 274	12%	108%
Social contributions	422 208	3%	565 951	2%	1 239 400	3%	119%
Depreciation	2 557 093	17%	3 519 906	15%	6 010 952	15%	71%
Other costs	2 619 030	17%	4 822 154	20%	7 287 720	18%	51%
Changes in work-in-progress	61 650		-13 978		29 625		
Changes in deferred expenses	89 884		33 859		20 705		
Expenses written-off to non-production accounts	-168 919		-76 665		- 245 355		
Total cost of production and sales (of works and services)	15 105 735	100%	23 614 759	100%	41 035 635	100%	74%
Expenses written-off as capital expenditure	-151 979		-247 068		- 392 448		
Changes in finished products and shipped goods	-327 178		517 178		411 129		
Other recognition (write-off) of goods and products	31 849		161 829		23 411		
Cash cost of goods, products, works and services sold (including cost of sales and general and administrative expenses)	14 658 427		24 046 698		41 077 727		71%

The cash cost of goods, products, works and services sold (including cost of sales and general and administrative expenses) in 2011 was 41,077,727 thousand roubles. The cash cost went up 71% y-o-y, and the cost of production and sales went up by 74% y-o-y.

The main cause of the increase in the cost of production and sales of products, works and services was a 72% increase in the potassium chloride output y-o-y following the combination with Sylvinit on 17 May 2011.

### Energy costs in 2011

Table 3

Item	UoM	Quantity	Amount, RUB thousand
Electricity	kWh	1 264 173 292	2 400 293
Thermal energy	Gcal	266 158	200 856
Natural gas	m <sup>3</sup>	335 746	915 664
Fuel oil	t	6 744	57 826
Water and discharge	m <sup>3</sup>	6 499 115	60 719

## Labour and salaries

### Average personnel headcount by category and activity type

Table 4

Item	2010	2011	Deviation 2011/2010 +/-	Deviation, %
<b>Total average headcount:</b>	<b>7 099</b>	<b>12 282</b>	<b>5 183</b>	<b>73,01</b>
including:				
Core activities, including:	<b>6 953</b>	<b>11798</b>	<b>4 845</b>	<b>69,68</b>
- workers	4 394	8 133	3 739	85,09
- managers	1 433	2 028	595	41,52
- specialists	1 076	1 586	510	47,40
- office staff	50	51	1	2,00
Non-core activities, including:	<b>146</b>	<b>484</b>	<b>338</b>	<b>231,50</b>
- workers	48	271	223	464,58
- managers	26	52	26	100,00
- specialists	69	149	80	115,94
- office staff	3	12	9	300,00

In 2010, the average headcount in Uralkali was 7,099 employees; in 2011 – 12,282 employees. The increase was mainly caused by the combination with Sylvinit on 17 May 2011.

Total average salary in 2011 was RUB 31,757. A salary increase effected in 2011 was made in line with a collective bargaining treaty.

A year-end bonus was paid to employees in 2011.

### Remuneration of key executives in 2011

The total remuneration of the senior executives in 2011 was 617,977 thousand roubles.

## Notes to accounting reports

The accounting statements were generated based on Russian rules of accounting and reporting. In 2011, the Company maintained accounting records in line with rules specified by the Accounting Policy for book-keeping purposes approved by corporate Order No 1093 dated 29 December 2010.

The beginning balance in relation to deposit accounts was adjusted: balance in Line 1250 “Cash and cash equivalents” was increased by 10,557,150 thousand roubles, and the balance in Line 1240 “Financial investments excluding cash equivalents” was reduced by 10,557,150 thousand roubles.

### Major changes in the Accounting Policy for book-keeping purposes in 2011

Several changes were introduced to the Accounting Policy for book-keeping purposes:

Section “Inventory accounting”:

- 1) General economic expenses directly related to the purchase and manufacture of specific inventories were excluded from actual cost of inventory purchases. Starting from 2011, business trip allowances related to the procurement of inventories are not part of the actual cost of inventories and are recognised as general expenses based on the following principles:
  - a. Accounting efficiency principle
  - b. Immateriality principles.

Section “Borrowings accounting” was supplemented with a bond accounting procedure:

- 1) Loans raised through emission and placement of bonds are accounted for by Accounts 66 “Settlements under short-term borrowings” or 67 “Settlements under long-term borrowings” separately;
- 2) Interest and/or discount in relation to bonds due for repayment are reflected separately from the bond’s par value as accounts payable;  
The bond interest and/or discount are reflected as part of other expenditures:
  - In the reporting periods to which such accruals are attributed;
  - Evenly throughout the effective period of a loan agreement.

Following the issuance and enactment of Order No 63H on the approval of Accounting Regulation “Correction of accounting and reporting mistakes” of the Russian Ministry of Finance dated 28 June 2010, the additional Section “Correction of Accounting and Reporting Mistakes” was introduced:

- 1) A mistake is deemed significant if it alone or in combination with other mistakes committed during the same reporting period may affect economic decision of users made based on the accounting statements developed for the same reporting period. The Company recognises a mistake as significant if it misrepresents at least 10% of data in a balance sheet account, whose specific weight in the balance sheet currency is no less than 5%, or causes a misrepresentation of at least 10% of data in an item of the profit and loss statement.

Following the reorganisation of the Company in the form of a combination with OJSC “Sylvinit” and for the purpose of harmonising accounting methods, the Company issued Order No 746 dated 30 June 2011 that approved and introduced Amendments to Uralkali’s Accounting Policy for book-keeping purposes in 2011.

Section 3 “Fixed assets accounting”:

- 1) Rules for accrual of depreciation of fixed assets that were previously used and acquired through legal succession following the reorganisation (combination):
  - Starting from the 1<sup>st</sup> day of the month following the month of state registration of the newly established company;
  - Based on depreciation rate and the useful life of a facility set by the previous owner of such fixed assets less the period of operation of such property by the previous owner.

Section 9 “Inventory accounting”:

- 1) A procedure was developed for the branch office to write-off workwear that have been used for over 12 months: the cost is charged simultaneously to production accounts upon the transfer of workwear to workers.

In Section 11 “Cost of production accounting and calculation of cost of products”, the following expenditures were excluded from Account 97 “Prepaid expenses”:

- Personnel training (tuition fees paid to educational institutions);
- Insurance premium payments;
- Expenses incurred during the production suspension period;
- Depreciation of reserve fixed assets;
- Vacation allowances;
- Storage of finished products in railcars and warehouses outside the relevant subdivision/area.

The Accounting Policy for book-keeping purposes in 2011 was also supplemented with the additional Section “Catering and Trade Accounting”.

### **Major changes in the Accounting Policy for book-keeping purposes in 2011**

The following major changes were introduced to the Accounting Policy for book-keeping purposes in 2012:

Section 3 “Fixed asset accounting”:

- 1) Expenses related to the procurement of fixed assets reflected in the accounting records after their commissioning;
- 2) The procedure for calculating the useful life of fixed assets based on estimated physical wear that depends on operating conditions, natural conditions, aggressive environment impact etc. was removed.

In Section 11 “Cost of production accounting and calculation of cost of products”, natural resource development costs were excluded from prepaid expenses.

Section “Catering and Trade Accounting” was removed.

Section 18 “Estimated values, estimated liabilities, contingent liabilities, contingent assets” was introduced:

- 1) The following estimated provisions were made by the Company in line with approved Regulations:
  - a. Doubtful debt provisions
  - b. Inventories depreciation provisions
  - c. Financial investments impairment provisions.
- 2) As future expenses related to payment of vacation allowances and year-end bonuses were recognised as estimated liability, the Company made provisions for employees’ paid annual leaves and year-end bonuses in line with the approved Regulation.

Additional Section 19 “Natural resource development expenses” was introduced following the issuance and enactment of Order No 106H on the approval of Accounting Regulation “Natural resource development expenses accounting” of the Russian Ministry of Finance dated 6 October 2011:

- 1) The cost of procuring licences to utilise subsoil to explore and mine mineral resources include the following expenses:
  - a. Preparation of documents to obtain a licence;
  - b. Payment of tender participation fee;

- c. Other expenses related to the licence procurement.
- 2) For licences to utilise subsoil to explore and mine mineral resources that were re-classified as intangible assets, depreciation is calculated in proportion to the output of products. Depreciation is included in general expenses in proportion to the volume of mined resources and the reserves of mineral resources approved after additional exploration of a deposit.

### **Major changes in the Accounting Policy for tax accounting purposes in 2011**

The Accounting Policy for tax accounting purposes in 2011 was approved by corporate Order No 1093 dated 29 December 2010.

The most significant changes introduced to the policy are listed below.

Profit tax:

Fixed assets with a useful life of over 12 months and initial value of over RUB 40,000, owned by the Company and used for profit-making purposes, and whose value is retired through accrual of depreciation are recognised as depreciable fixed assets.

Assets are not recognised as depreciable intangible assets if their value does not exceed RUB 40,000, their useful life does not exceed 12 months and/or they are not used for profit-making purposes.

For intangible assets, specified in subitems 1, 2, 3, 5 and 7, Para. 3, Item 3, Articles 257 of the Russian Tax Code, the Company determines the useful life at its own discretion; however, this period cannot be less than two years.

The cost of procuring a subsoil utilisation licence (if such licence is missing) is included in other expenses from the 1<sup>st</sup> day of the month following the month of a tender, evenly throughout two years.

The cost of procuring a subsoil utilisation licence (if a decision was made that procurement of the licence is not practical or participation in the tender was rejected) is included in other expenses from the 1<sup>st</sup> day of the month following the month of such decision, evenly throughout two years. The decision should be formalised through an order (instruction) of the management of the Company (or an authorised person).

Interest charged under a debt obligation under the terms and conditions of the relevant contract is recognised as the cost of interest payments under debt obligations in line with Chapter 25 of the Russian Tax Code.

Also, on condition that there is no outstanding debt to Russian entities, created in the same quarter on comparable terms, from 1 January 2011 through 31 December 2012 the maximum amount of interest that is recognised as an expense (including interest and sum differences under the debt obligations nominated in conventional cash units at the exchange rate of conventional cash unit as agreed by the parties), will be the interest rate set by the parties (but not more than the refinancing rate set by the Central Bank of the Russian Federation) multiplied by 1.8 for rouble debts and by 0.8 for foreign currency debts.

### **Major changes in the Accounting Policy for tax purposes in 2012**

The following major changes were introduced to the Accounting Policy for tax purposes in 2012:

Profit tax:

Following the issuance and enactment of Federal Law 132-FZ dated 7 June 2011, Section “Research and development expenses” was amended.

The R&D expenses are recognised for taxation purposes regardless of results of such R&D activities and are included in other expenses. The R&D expenses reduce the taxable profit of the reporting (tax) period, during which such activities were completed. No provisions are made for future R&D expenses.

Intangible assets created as part of R&D activities are subject to depreciation pursuant to Items 2 and 5 of Article 258 of the Russian Tax Code in line with Item 3 of Article 259 of the Russian Tax Code.

The Accounting Policy for tax purposes in 2012 was supplemented with the new Section “Recognition of expenses to create provision for future expenses related to payment of vacation compensations and year-end bonuses”.

The Company creates provisions for future expenses for payment of:

- Vacation compensations;
- Year-end employee bonuses;
- Year-end executive bonuses.

Also amended was Section “Profit tax calculation and payment”:

Reporting periods for calculation of the profit tax in 2012 are: three months, six months, nine months, one year.

Value-added tax:

The procedure of calculating VAT for procured inventories and services used in the production of export products was changed: as products intended for supply to the domestic and external markets are produced in a single process, the VAT for procured inventories and services used in the production of export products is determined by calculation in proportion to the output of products.

Mineral extraction tax:

New items of taxation in relation to the mineral extraction tax were added:

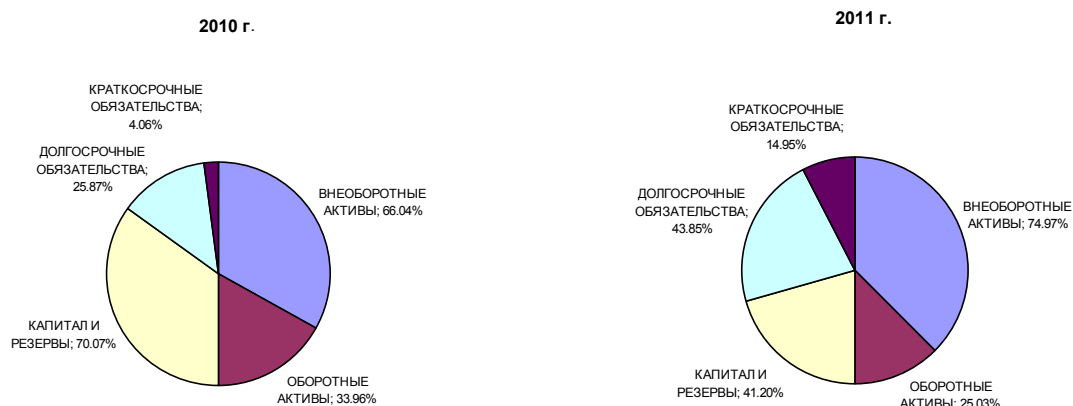
- Magnesium salt;
- Rock salt.

The policy was also supplemented with the new Section “Personal income tax accounting”.

## Balance Sheet Structure

### Changes in the balance sheet structure in 2010-2011

% of the balance sheet currency



Over the reviewed period, the value of Uralkali's assets increase by 178,090,660 thousand roubles or 257.51% to 245,248,365 thousand roubles as of 31 December 2011.

The main factors for the asset value growth were the combination with Sylvinit on 17 May 2011, as well as intensive investments in acquisition of fixed assets, capital construction, reconstruction and modernisation of fixed assets, combined with an increase in the value of financial investments.

The liabilities side of the balance sheet is characterised by prevailing long-term obligations and own sources.

## Cash flow analysis

Table 5

RUB thousand

Item	Amount	
	2010	2011
Opening cash balance	3 063 920	11 016 904
Incoming cash	67 721 535	246 489 350
Spent cash	59 447 235	237 456 237
Exchange rate impact	-321 316	691 325
Closing cash balance	11 016 904	20 741 342

Due to high labour intensity of calculations and based on the accounting efficiency principles, figures in the cash flow statement are presented inclusive of VAT.

The main sources of incoming cash in 2011 were proceeds from:

- sales of products, goods, works and services – 39.81% of total incoming cash;
- loans and borrowings from other organisations – 38.9%;
- other sources – 21.29%.

The cash received in 2011 were allocated for:



- payments to suppliers (contractors) for raw and other materials, works and services – 16.91% of total spending;
- payments in relation to acquisition of shares / stakes in other organisations – 17.68^;
- loans to other persons – 26.62%;
- other operations – 38.79%.

The exchange rate of the Central Bank of the Russian Federation on 31 December 2011 was:

- USD/RUB 32.1961;
- EUR/RUB 41.6714;
- 10 UAH/RUB 40.0549.

## Key financial indicators

Table 6.

RUB thousand

Item	2010	2011	Deviation 2011/2010	
			+/-	%
Revenues	43 177 194	99 825 940	56 648 746	131,20
Cash cost of goods, products, works and services sold, including:	(12 366 834)	(20 037 245)	(7 670 411)	62,02
Gross profit	30 810 360	79 788 695	48 978 335	158,97
Cost of sales	(7 034 952)	(15 076 508)	(8 041 556)	114,31
General and administrative expenses	(4 644 912)	(5 963 974)	(1 319 062)	28,40
<b>Profit (loss) on sales</b>	<b>19 130 496</b>	<b>58 748 213</b>	<b>39 617 717</b>	<b>207,09</b>
Income from participation in other organisations	433 615	113 577	(320 038)	-73,81
Interest receivable	139 813	984 659	844 846	604,27
Interest payable	(467 207)	(3 416 718)	(2 949 511)	631,31
Other income	307 961	6 966 984	6 659 023	2 162,29
Other expenses	(2 248 337)	(13 684 770)	(9 570 930)	425,69
Including reorganisation-related expenses	---	(36 193)	(36 193)	
<b>Profit (loss) before tax</b>	<b>17 296 341</b>	<b>49 711 945</b>	<b>32 415 604</b>	<b>187,41</b>
Current profit tax	(2 745 231)	(8 373 023)	(5 627 792)	205,00
Including fixed tax liabilities (assets)	(136 209)	634 664	770 873	-565,95
Changes in deferred tax liabilities	(169 476)	(616 235)	(446 759)	263,61
Changes in deferred tax assets	(14 555)	311 859	326 414	-2 242,62
Other	102 236	1 537 416	1 435 180	1 403,79
<b>Net profit (loss) of the reporting period</b>	<b>14 469 315</b>	<b>42 571 962</b>	<b>28 102 647</b>	<b>194,22</b>
FOR REFERENCE				
Effect of revaluation of non-current assets excluded from the net profit (loss) of the reporting period	---	1 127 028	1 127 028	
Effect of other operations excluded from the net profit (loss) of the reporting period	---	15 086 374	15 086 374	
<b>Aggregate financial result of the reporting period</b>	<b>14 469 315</b>	<b>58 785 364</b>	<b>44 316 049</b>	<b>306,28</b>

Proceeds from sales of goods, products, works and services in 2011 went up by 56,648,746 thousand roubles or 131.2% y-o-y to 99,825,940 thousand roubles.

The cash cost of goods, works and services sold in 2011 went up to 41,077,727 thousand roubles or 70.82% y-o-y.

In 2011, the Company profited from its participation in other organisations, including:

- 21,542 thousand roubles from Russian legal entities;
- 101,137 thousand roubles from foreign legal entities (CJSC “Belarus Potash Company”), including 9,102 thousand roubles in profit tax received as dividends from a foreign organisations, which were paid by the Company to the budget.

## Description of taxes charged and paid in 2011

Table 7

Tax	Charged, RUB thousand					Paid, RUB thousand		
	2011		2010		Absolute deviations	2011	2010	Absolute deviations
	Total	Including refund from the budget	Total	Including refund from the budget				
Profit tax	6 934 034	---	2 644 344	1 722	4 289 690	8 163 453	2 445 082	5 718 371
Tax on profit of foreign legal entities	---	---	6 603	---	-6 603	---	6 603	-6 603
Tax on profit in the form of dividends received by Russian entities from Russian entities	504 154	244	8 474	---	495 680	504 153	8 474	495 679
Tax on profit in the form of dividends received by foreign entities from Russian entities	1 024 414	5	236 257	4	788 157	1 024 415	236 257	788 158
Tax on profit in the form of dividends received by Russian entities from foreign entities	9 102	---	42 582	116	-33 480	9 102	42 573	-33 471
Tax on property of entities	484 256	---	296 241	1 229	188 015	574 037	267 374	306 663
Land tax	103 273	---	89 364	---	13 909	101 240	89 318	11 922
Land rental	78 797	---	16 418	5 000	62 379	74 342	21 425	52 917
Value-added tax	1 499 447	3 606 445	454 303	3 542 546	1 045 144	51 582	69 310	-17 728
Value-added tax (on property imported from members of the customs union)	9 573	---	3 743	---	5 830	21 650	4 478	17 172
Personal income tax	826 393	---	560 422	---	265 971	775 539	548 168	227 371
Transport tax	4 873	---	3 945	---	928	4 880	3 717	1 163
Mineral extraction tax	227 400	---	130 010	---	97 390	225 161	124 319	100 842
Water tax	1 532	---	390	300	1 142	1 056	664	392
Water body utilisation fee	3 802	---	1 390	---	2 412	3 221	1 587	1 634
Environmental impact fee	44 720	---	13 980	---	30 740	43 959	11 818	32 141
Forest utilisation fee	870	---	1 878	---	-1 008	960	1 613	-653
Fines and penalties	1 659	---	1 062	---	597	-6 505	-8 970	2 465
Taxes paid in Russia	259	---	570	---	-311	308	551	-243
<b>Total</b>	<b>11 758 558</b>	<b>3 606 694</b>	<b>4 511 976</b>	<b>3 550 917</b>	<b>7 246 582</b>	<b>11 572 553</b>	<b>3 874 361</b>	<b>7 698 192</b>

The total tax accruals in 2011 went up by 7,246,582 thousand roubles or 161%, which was mainly caused by the combination with Sylvinit that determined an absolute growth of all indicators involved in tax calculations. The most significant changes can be observed in relation to the following taxes:

- An increase in the profit tax by 4,289,690 thousand roubles or 162.2% and the personal income tax by 265,971 thousand roubles or 47.4% are explained a better financial performance of the Company and higher payments to natural persons following the combination;
- The property tax accruals increased by 188,015 thousand roubles or 63.5%. The change was caused by an increase in the taxable base and the annual average value of fixed assets following the reorganisation and annexation of the property formerly owned by Sylvinit worth 143,361 thousand roubles, while purchases of new equipment and implementation of old asset reconstruction and modernisation projects increased the tax amount by 44,654 thousand roubles;
- An increase in the accrued amount of the mineral extraction tax in 2011 increased by 97,390 thousand roubles or 75% y-o-y.

The key tax accrual increase factors were:

- A 98,199 thousand rouble increase in the amount of the tax due to additional mining at subsoil plots annexed following the combination with Sylvinit;
- A decrease in the cost of a unit of extracted mineral resulted in a 9,328 thousand rouble decrease in the tax amount;
- An increase in mining and excessive processing losses resulted in 2,810 thousand rouble and 2,268 thousand rouble increases in the tax amount respectively;
- The amount of the accrued transport tax increased by 928 thousand roubles or 52% vs 2010 due to the annexation of vehicles formerly owned by Sylvinit (1,864 thousand roubles). Retirement of vehicles reduced the tax amount by 936,000 thousand roubles;
- The water tax increased by 1,142 thousand roubles due to taxation of water intake from underground water bodies to satisfy operating demands of Solikamsk facilities;
- The water body utilisation fee increased by 2,412 thousand roubles due to new obligations under Water Utilisation Agreement No 59-10.01.01.002-X-Д3BX-T-2011-00707/00 for the intake of water from surface water bodies for the Solikamsk site;
- The environmental impact fee grew by 30,740 thousand roubles.

The key tax accrual increase factors were

- An increase in the environmental impact fee by 15,821 thousand roubles for the town of Solikamsk (including 14,477 thousand roubles for excessive payments) and 19,303 thousand roubles for the Solikamsk district (including 18,528 thousand roubles for excessive payments);
- A decrease in the environmental impact fee for the Berezniki site by 4,384 thousand roubles due to lower payments for production and consumption waste;
- An increase in the value-added tax (on property imported from members of the customs union) by 5,830 thousand roubles or 155.76% vs 2010 was caused by the combination of the companies and, as a result, increased procurement from the customs union members;
- The tax on profit in the form of dividends received by Russian and foreign entities from Russian entities went up as there were two dividend pay-outs in 2011 (vs one pay-out in 2010), and as the amount of dividends per share was significantly higher;
- The land tax accruals increased by 13,909 thousand roubles or 13.5%, including:
  - 12,061 thousand roubles or 11.7% following the combination with Sylvinit;
  - 1,848 thousand roubles or 1.6% following changes in the permitted conditions of use of a land plot occupied by the Berezniki-1 sludge pit;
- The land rental payments increased by 62,379 thousand roubles or 380 vs 2010, which was mainly caused by the following:
  - An increase of 43,976 thousand roubles is attributed to the fact that starting from 1 January 2011, the amount of rental payments for land plots provided for construction

for the design and established construction period under all effective land plot rental agreement except those entered into in 2010, was changed;

- An increase of 7,761 thousand roubles is attributed to the annexation of land plots formerly owned by Sylvinit following the combination.

## Assessment of the structure of the balance sheet and the financial stability of Uralkali

### Liquidity indicators

Table 8

Indicator	31.12.09	31.12.10	31.12.11	Recommended values
Current liquidity ratio (current assets / short-term liability)	4,85	8,39	1,70	Not less than 1,5
Equity ratio (current assets less short-term liability / current assets)	0,79	0,88	0,41	Not less than 0,1
Absolute paying capacity ratio (cash plus short-term financial investments / short-term liability)	1,01	3,94	0,57	0,2 - 0,3

The current liquidity ratio gives a general assessment of the company's liquidity and shows how well its working capital covers short-term liability. In economic interpretation, it means how many roubles from the working capital are accounted for one rouble from the current short-term debt. In 2011, current liquidity was 1.70, which was within the recommended range.

The equity ratio shows how well the company's working capital is covered by own working capital. In 2010, equity accounted for 88% of the company's working capital, while in 2011 it was 41%. Again, the reported indicator was within the recommended range.

The absolute paying capacity ratio characterises the company's instant paying capacity, i.e. shows how much of its debt the company is able to pay at the moment.

### Capital composition and structure

Table 9

Indicator	31.12.09	31.12.10	31.12.11	Recommended values
Equity level (equity / liabilities)	0,68	0,70	0,40	Not less than 0,1
Non-current asset coverage ratio (equity / non-current assets)	0,97	1,06	0,54	Not less than 1

The equity level characterises the share of the company's equity in the total amount of prepaid assets. The higher the equity level, the more financially stable and independent from external lenders the company is. In 2011, this indicator was within the recommended range.

The non-current asset coverage ratio in 2011 was 0.54.

### Turnover

Table 10

Indicator	2009	2010	2011
Net proceeds (RUB thousand)	27 842 806	43 177 194	99 825 940
Annual average asset value (RUB thousand)	56 212 921	62 365 953	158 203 035
Cash cost of goods sold (RUB thousand)	14 658 427	24 046 698	41 077 727
Average inventories (RUB thousand)	2 758 396	3 050 135	4 219 022
Average amount of accounts receivable (RUB thousand)	7 890 273	7 631 615	13 335 708

Asset turnover (line 1 / line 2)	0,50	0,69	0,63
Number of inventory turnovers (line 3 / line 4)	5,31	7,88	9,74
Inventory turnover period (days)	68	46	37
Number of accounts receivable turnovers (line 1 / line 5)	3,53	5,66	7,49
Accounts payable turnover period (days)	102	64	48
Closing return on assets ratio	1,79	2,28	3,22
Closing return on assets ratio*	1,12	1,40	1,85

\*Adjusted to the initial value.

Asset turnover rate characterises the company's ability to produce and sell goods using available assets. In 2011, the Company's turnover rate was 0.63.

The accounts payable turnover rate shows the efficiency of accounts receivable management, i.e. how quickly the company collects payments from its debtors. In 2011, the accounts payable turnover rate of the Company was 7.49 turnovers.

The average accounts receivable repayment period in 2011 went down to 48 days. This is the average time the Company needs to collect the money after selling its products.

The return on assets ratios in 2011 increased to 3.22 and 1.85, which is related to the fact that during the reporting period the volume of shipments of the Company's products grew.

### Additional paid-in capital composition and movement

Table 11  
RUB thousand

Operation	Balance as of 31.12.2010	Received*	Spent	Balance as of 31.12.2011
Fixed asset revaluation provisions	1 892 005	1 127 028	19 302	2 999 731
Own working capital provisions	816 959	67 626	408	884 177
Additional paid-in capital created following the combination with Sylvinit	---	15 018 748	---	15 018 748
Total additional paid-in capital	2 708 964	16 213 402	19 710	18 902 656

- Changes in the additional paid-in capital is related to the combination with Sylvinit on 17 May 2011.

### Registered and reserve capital composition and movement

As of 1 January 2011, the registered capital of Uralkali was 1,062,195 thousand roubles.

During its meeting held on 26 May 2011, the Board of Directors of Uralkali approved the following:

- report on the additional issue of securities of Uralkali, namely 835,247,687 ordinary registered non-certificated shares with a par value of 0.5 RUB each placed by way of conversion of ordinary registered non-certificated shares of Sylvinit into ordinary registered non-certificated shares of Uralkali upon the combination of the two companies, registered on 28 April 2011 under state registration number 1-01-00296-A-004D;
- report on the additional issue of securities of Uralkali, namely 135,000,218 ordinary registered non-certificated shares with a par value of 0.5 RUB each placed by way of conversion of Type A privileged registered non-certificated shares of Sylvinit into ordinary

registered non-certificated shares of Uralkali upon the combination of the two companies, registered on 28 April 2011 under state registration number 1-01-00296-A-005D.

The registered capital of Uralkali was thus split into 3,094,637,905 ordinary registered non-certificated shares with a par value of 0.5 RUB each and amounted to 1,547,318,952.50 roubles as of 31 December 2011.

As of 31 December 2011, the reserve fund was 232,098 thousand roubles.

### Net asset value

Table 12

Indicator	31.12.09	31.12.10	31.12.11
Net asset value, RUB thousand	37 603 037	48 464 608	100 074 149
Registered capital, RUB thousand	1 062 195	1 062 195	1 547 319
Reserve fund, RUB thousand	159 329	159 329	232 098
Net assets / registered capital ratio	35,40	45,63	64,68
Net assets / registered capital plus reserve fund	30,78	39,68	56,24

The net asset value shows how efficiently a company operates. A stable growth of this indicator in 2009-2011 is a positive factor.



## **Events after the reporting date, estimated liabilities, contingent liabilities and assets**

1. On 30 December 2011 Uralkali submitted to a tax authority its updated profit tax declaration for 2009.

The update was related to the following adjustments made during the profit tax calculation:

- pursuant to Item 7, Article 259 of the Russian Tax Code, a special coefficient of not more than 2 was applied to the basic depreciation rate in relation to depreciable fixed assets used under aggressive environment and/or high turnover conditions;
- expenses related to the recovery of regional and federal budget expenses for a technogenic emergency response and remediation in the amount of 7,804,255,589 roubles were additionally included in the operating and sales costs for 2009.

Following the updates, the profit tax was reduced to 1,335,919,805 roubles. This operation was reflected in the December accounts and creates the accounts receivable as of 31 December 2011.

The tax authority is currently conducting an in-office audit. The audit is expected to be completed by 30 March 2012 in line with Article 88 of the Russian Tax Code.

2. On 24 February 2012, the Board of Directors of Uralkali held a meeting, in which it was decided to hold an extraordinary general meeting ('EGM') of shareholders by way of absentee voting on 16 April 2012.

The agenda of the EGM includes the following items:

- Reorganisation of OJSC "Uralkali" through annexation of CJSC "Investment Company Sylvinit Resource", CJSC "SP Kama" and OJSC "Kamskaya Gornaya Kompaniya"; approval of the corresponding annexation agreements;
- Reduction of the registered capital of the Company;
- Approval of Non-Revolving Credit Line Agreement No 5480 dated 31 November 2011 entered into by and between OJSC "Uralkali" as the Borrower and OJSC "Sberbank of Russia" as the Lender, including Addendum 1 dated 9 December 2011, Addendum 2 dated 27 December 2011 and Addendum 3, as a related party transaction;
- Approval interrelated transactions to secure performance of OJSC "Uralkali" under Non-Revolving Credit Line Agreement No 5480 dated 31 November 2011 entered into by and between OJSC "Uralkali" as the Borrower and OJSC "Sberbank of Russia" as the Lender, including Addendum 1 dated 9 December 2011, Addendum 2 dated 27 December 2011 and Addendum 3, the Uralkali property asset pledge agreement, and the property rights pledge agreement under a contract (or contracts) entered into by and between OJSC "Uralkali" and CJSC "Belarus Potash Company", as related party transactions;
- Approval of a transaction (a series of interrelated transactions) for a cross currency interest rate swap under the agreement on the general conditions of bilateral time transactions with interest rate swaps between OJSC "Sberbank of Russia" and OJSC "Uralkali", as a related party transaction (transactions);
- Approval of the restated version of the Regulation of the Revision Commission of Uralkali;
- Approval of Amendments to the Regulation on Directors' Compensation and Remuneration.

### **Provisions for future expenses (estimated liabilities)**

Operation	Balance as of 01.01.2011	Increase (+) / decrease (-) in the provisions	Provisions drawdown	Balance as of 31.12.2011
Vacation compensation provisions	---	1 374 082	1 094 505	279 577
Year-end employee bonus provisions	---	407 533	407 533	---
Year-end executive bonus provisions	---	321 793	63 398	258 395
Other estimated liabilities, including	---	1 806 653	---	1 806 653
Premiums payable to NPK producers	---	104 476	---	104 476
Lawsuit filed by A. Lomakin	---	1 702 177	---	1 702 177

**List of litigations outstanding as of 31 December 2011, where Uralkali is a defendant or plaintiff and where rulings have been passed or will be passed after the reporting date**

#	Plaintiff	Defendant	Third party	Claim subject	Amount of the claim, RUB	Status	Court	Consideration result	Judicial acts
1	Gage's Fertilizer & Grain; Kraft Chem. Co.; Minn-Chem, Inc.; Shannon D. Flinn; Westside Forestry Services, Inc.; Thomasville Feed & Seed	OJSC "Uralkali"; Agrium Inc.; Agrium U.S. Inc.; Mosaic Co.; Mosaic Crop Nutrition L.L.C.; Potash Corporation of Saskatchewan, Inc.; PCS Sales Inc.; RUE PA Belaruskali; JSC Belarusian Potash Company; BPC Chicago L.L.C.; JSC Silvinit; JSC International Potash Company	-	Take measures to protect interests of direct buyers of potassium chloride after the defendants set prices for their production in breach of the Sherman Act	Currently undetermined	Consideration in progress	District court of Illinois, USA	The district court of Illinois, USA, rejected the motion to dismiss the claim and stop proceedings on the case.  The defendants filed an appeal from the judgement.	Decision of the district court of Illinois, USA, dated November 2010
2	Gillespie; Tillman; Feyh Farms Co; Coaker; Baier	OJSC "Uralkali"; Agrium Inc.; Agrium U.S. Inc.; Mosaic Co.; Mosaic Crop Nutrition L.L.C.; Potash Corporation of Saskatchewan, Inc.; PCS Sales Inc.; RUE PA Belaruskali; JSC Belarusian Potash Company; BPC Chicago L.L.C.; JSC Silvinit; JSC International Potash Company	-	Take measures to protect interests of indirect buyers of potassium chloride after the defendants set prices for their production in breach of the Sherman Act and USA state laws	Currently undetermined	Consideration in progress	District court of Illinois, USA	The district court of Illinois, USA, granted the motion to dismiss the claim and stop proceedings on the case for certain states and dismissed the other part of the motion.  The defendants filed an appeal from the judgement.	Decision of the district court of Illinois, USA, dated November 2010
3	OJSC "Uralkali"	Interregional Inspectorate 3 for large taxpayers of the Russian Federal Tax Service (Moscow)	-	Nullify Decision No 03-1-31/3 dated 31.03.2010 (refusal to hold liable for crime offence, namely, additional charge of the profit tax in the amount of 3,717,092 RUB and VAT in the amount of 13,040,466 RUB)	-	Consideration in progress by court of original jurisdiction	Moscow City Arbitrazh Court	The decision of the court of original jurisdiction and the upheld decision court of appeal dismissed the claims.  The court of cassation reversed decisions of lower courts and sent the case for retrial to the court of original jurisdiction.  The court of original jurisdiction satisfied the claims.  The defendants filed an appeal from the judgement.	Decision of the Moscow City Arbitrazh Court on Case No A40-108846/10-35-572 dated 24 November 2010.  Ruling of Ninth Arbitrazh Appeal Court dated 28 February 2011.  Ruling of the Federal Arbitrazh Court of the Moscow district dated 22 July 2011.  Decision of the Moscow City Arbitrazh Court dated 21 November 2011.
4	OJSC "Uralkali"	LLC "Ural-Taiser"	-	Recovery of an unjustified enrichment in the amount of		Consideration in progress	Perm	Consideration scheduled for 14 February	Ruling of the Perm Regional

				an advance payment paid under a civil works contract, from which the customer withdrew, and recovery of interest for the use of funds	12 405 294,33	by court of original jurisdiction	Regional Arbitrazh Court	2012.	Arbitrazh Court on Case No A50-26362/2011 dated 26 December 2011.
5	OJSC "Uralkali"	LLC "Permskoye Kraevoye Vserossiyskoye Dobrovolnoye Pozharnoye Obschestvo"	-	Recovery of losses in the amount of an advance payment paid under a contract, penalties for breaching the contract	2 993 070,00	Considered by court of original jurisdiction	Perm Regional Arbitrazh Court	The asserted claims were fully satisfied.	Ruling of the Perm Regional Arbitrazh Court on Case No A50-20640/2011 dated 30 January 2012.  The ruling is yet to enter into force (the period for appeal expires on 28 February 2012).
6	OJSC "Uralkali"	LLC "Ural-Taiser"	-	Recovery of penalties for breaching a civil works contract	2 900 000,00	Consideration in progress by court of original jurisdiction	Perm Regional Arbitrazh Court	Consideration scheduled for 14 March 2012.	Ruling of the Perm Regional Arbitrazh Court on Case No A50-25557/2011 dated 7 February 2012.
7	A.G. Lomakin	OJSC "Uralkali", CJSC "Computershare Registrator"	Ingosst rakh	Recovery of losses caused by the illegal write-off of OJSC Sylvinit shares	1 702 177 193,0	Considered by court of original jurisdiction	Perm Regional Arbitrazh Court	The asserted claims were satisfied. OJSC "Uralkali" filed an appeal from the judgement of the court of original jurisdiction.	Ruling of the Perm Regional Arbitrazh Court on Case No A50-370/2011 dated 311 January 2012.

## Guarantees, sureties and other types of security issued to third parties as of 31 December 2011

### Collateral

Table 14

Bank	Pledge	Collateral value, RUB thousand.
UniCreditBank (14 unsecured letters of credit)	Equipment	908 002
UniCreditBank	Property rights under an export sales contract	12 558 360
UniCreditBank	Equipment	1 939 123
Berezniki branch 8405 of Sberbank	Equipment	2 626 456

### Guarantees

Table 15

Bank	Guarantee amount, RUB thousand
Berezniki branch 8405 of Sberbank	2 500

### Issued sureties

Table 16

Surety target	Surety bank	Currency	Surety amount, loan balance
Sergey Grigorievich Egovtsev	OJSC "Permsky Aktsionerny Ecologo-Promyshlenny Kommerchesky Bank ECOPROMBANK"	RUB	155 196,12
Alexander Vladimirovich Shishkin	Solikamsk branch 4929 of Sberbank	RUB	53 999,67
Pyotr Victorovich Petrov	Solikamsk branch 4929 of Sberbank	RUB	48 422,78
Anna Ivanovna Aristova	Solikamsk branch 4929 of Sberbank	RUB	50 589,02

### **Discontinuing operations**

In 2011, the Board of Directors of Uralkali did not pass resolutions to discontinue any operations of the Company.

## Changes in estimates

### Doubtful debt provisions

Table 17  
RUB thousand

Operation	Balance as of 01.01.2011	Increase (+) / decrease (-) in the provisions	Provisions drawdown	Balance as of 31.12.2011
Doubtful debt provisions for settlements with buyers and customers	61 378,38	3229,06	1521,59	63 085,85
Doubtful debt provisions for settlements with suppliers and contractors	68,71	10 199,02	3,37	10 264,36
Doubtful debt provisions for settlements with lenders and debtors	14 433,41	60 116,22	29,18	74 520,45
<b>Total</b>	75 880,50	73 544,30	1 554,14	147 870,66

### Inventories depreciation provisions

Table 18  
RUB thousand

Operation	Balance as of 01.01.2011	Increase (+) / decrease (-) in the provisions	Provisions drawdown	Balance as of 31.12.2011
Inventories depreciation provisions	---	7 174	7 174	---

### Financial investments impairment provisions

Table 19  
RUB thousand

Operation	Balance as of 01.01.2011	Increase (+) / decrease (-) in the provisions	Provisions drawdown	Balance as of 31.12.2011
Financial investments impairment provisions	---	80 602	---	80 602

### **Planned development of the Company**

To further increase production capacity and reduce operating expenditures, the Company plans to complete the following activities in 2012:

- Reach full capacity at Berezniki-4 (3 mln tonnes of potassium chloride);
- Commence construction of shafts at the Ust-Yaivinsky mine;
- Complete reconstruction of the granulation area at Berezniki-3;
- Commission Stage 2 energy facilities at Berezniki-4 and connect the gas-turbine power plant to Permenergo grids;
- Commence implementation of projects aimed at increasing loads on production sections and debottlenecking;
- Develop design documents for the Polovodovsky sector development;
- Continue reconstruction of the granulation area at Solikamsk-2;
- Develop design documents for Stage 1 of the Solikamsk-3 expansion project.



## Corporate activities

### Structure and competence of Uralkali's management bodies

Pursuant to Item 7.2 of the Charter of the Company, the management bodies of the Company are:

- General Meeting of Shareholders
- Board of Directors
- Management Board (collective executive body)
- Chief Executive Officer (sole executive body).

Name	Competence	Note
General Meeting of Shareholders	<p>The following issues fall within the competence of the general meeting of the shareholders of the Company:</p> <ol style="list-style-type: none"> <li>1) Making of amendments and changes to the Charter of the Company and ratification of the new editions of the Charter with the exception of the cases provided under the Federal Law "On Joint Stock Companies";</li> <li>2) Reorganisation of the Company;</li> <li>3) Liquidation of the Company, appointment of the liquidation committee and approval of the intermediate and final liquidation balance sheets of the Company;</li> <li>4) Establishment of the head count of the Board of Directors of the Company, election of its members and early termination of its authority;</li> <li>5) Establishment of the number, par value, price, category (type) of the declared shares and the rights provided by these shares;</li> <li>6) Increase of the charter capital of the Company by increasing the par value of the shares or by placing additional shares in the cases provided under the federal legislation and this Charter;</li> <li>7) Reduction of the charter capital of the Company by reduction of the par value of the Company, by buy-back of the placed shares by the Company in order to reduce their total number and by cancellation of the acquired or bought-back shares by the Company;</li> <li>8) Election of the Revision Commission of the Company and early termination of its authority;</li> <li>9) Appointment of the auditor of the Company;</li> <li>10) Ratification of annual budgets, annual accounting statements, profit and loss statements of the Company, distribution of profits including the payment (declaration) of dividends, with the exception of the profits distributed as dividends based on the results of the first quarter, six months and nine months of the financial year, and the losses of the Company based on the results of the financial year;</li> <li>10.1) Payment (declaration) of dividends based on the results of the first quarter, six months and nine months of the financial year;</li> <li>11) Establishment of the procedure of the general meeting of the shareholders;</li> <li>12) Share split and consolidation;</li> <li>13) Approval of major transactions in the cases provided under the Article 83 of the Federal Law "On Joint Stock Companies";</li> <li>14) Approval of major transaction in the cases provided under the Article 79 of the Federal Law "On Joint Stock Companies";</li> <li>15) Acquisition of the placed shares by the Company in compliance with the cases provided under the Federal Law "On Joint Stock Companies";</li> <li>16) Decision to participate in financial and industrial groups, association and other associations of commercial organisations;</li> <li>17) Ratification of internal documents: Regulations on the general meeting of the shareholders of the Company, Regulations on the Management Board of the Company, Regulations on the Revision Commission of the Company;</li> <li>18) Resolution of other issues indicated under the Federal Law "On Joint Stock Companies".</li> </ol>	Item 8.5 of the Charter
Board of Directors	<p>The following issues fall within the competence of the Board of Directors of the Company:</p> <ol style="list-style-type: none"> <li>1) establishment of strategic plans of the Company;</li> <li>2) establishment of priority areas of business of the Company;</li> <li>3) establishment of the budget of the Company;</li> <li>4) utilisation of reserve and other funds of the Company;</li> </ol>	Item 9.3 of the Charter

	<p>5) convocation of annual and extraordinary meetings of the shareholders of the Company with the exception of the cases listed under the clause 8, Article 55 of the Federal Law “On Joint Stock Companies”;</p> <p>6) establishment of agendas of general meetings of shareholders;</p> <p>7) establishment of record dates for the general meeting of shareholders and other issues connected with preparation to general meetings of shareholders which fall within the competence of the Board of Directors of the Company in compliance with the provisions of the Chapter VII of the Federal Law “On Joint Stock Companies» and this Charter;</p> <p>8) preliminary approval of annual reports of the Company;</p> <p>9) recommendations to the general meeting of the shareholders of the Company on the amount of remuneration and compensation paid to the members of the Revision Commission of the Company;</p> <p>10) recommendations to the general meeting of the shareholders of the Company on the procedure of profit and loss distribution based on the results of the financial year; recommendation to the general meeting of the shareholders of the Company on distribution of profits as dividends based on the results of the first quarter, six months and nine months of the financial year.</p> <p>11) Recommendations to the general meeting of the shareholders of the Company on the size of dividends for the shares of the Company and the procedure of their payment;</p> <p>12) Election of the Chairman of the Board of Directors of the Company and his/her deputies;</p> <p>13) Establishment of the head count and appointment of the members of the Management Board of the Company;</p> <p>14) Appointment of the Chief Executive Officer of the Company and early termination of his/her authority. Establishment of the terms and conditions of the contract with the Chief Executive Officer of the Company;</p> <p>15) Establishment of aims and priority areas of work for the Chief Executive Officer of the Company and control over the fulfilment of the Chief Executive Officer’s rights and responsibilities; exercising other authority of the employer in relations with the Chief Executive Officer of the Company;</p> <p>16) Confirmation in office of the persons listed under the clause 14.3 of this Charter;</p> <p>17) Increase of the charter capital of the Company by placement of additional shares not exceeding the number of declared shares and in compliance with the type (category) of shares established under the clause 2.9 of this Charter;</p> <p>18) Placement of bonds and other securities by the Company;</p> <p>19) Decision to issue securities, approval of the securities prospectus, report on the results of the emission of securities and approval of amendments and changes thereto;</p> <p>20) Acquisition of the shares placed by the Company and other securities in the cases provided under the Federal Law “On Joint Stock Companies”;</p> <p>21) Approval of the report on the results of the acquisition of shares, acquired in compliance with the clause 1, Article 72 of the Federal Law “On Joint Stock Companies”;</p> <p>22) Decision on the disposal of the shares placed by the Company and owned by the Company;</p> <p>23) Establishment and liquidation of branches; establishment and liquidation of the representative offices of the Company; ratification of the regulations on branches and representative offices; approval of budgets and cost estimates of the branches and representative offices of the Company;</p> <p>24) Approval of major transactions in cases provided under the Chapter X of the Federal Law “On Joint Stock Companies”;</p> <p>25) Approval of transactions set under the Chapter XI of the Federal Law “On Joint Stock Companies”;</p> <p>26) Adoption of decision to create (establish) commercial and non-commercial organisations and decisions to liquidate them;</p> <p>27) Adoption of decisions to acquire and transfer shares (stakes, stocks) in charter (share) capitals of commercial organisations; adoption of decisions to joint non-commercial organisations and on withdrawal from non-commercial organisations;</p> <p>28) Nomination of Company representatives as candidates to the management and control bodies of organisations, where the Company is a shareholder (participant);</p> <p>29) Giving of consent to the Chief Executive Officer of the Company and the members of the Management Board of the Company to enter into gainful employment in other organisations;</p> <p>30) Establishment of the committees of the Board of Directors, ratification of the</p>	
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	<p>regulations on the committees of the Board of Directors;</p> <p>31) Ratification of the Regulations on the organisational structure of the Company;</p> <p>32) Making of amendments and changes to the Charter of the Company due to the increase of the charter capital of the Company as the result of a decision to increase the charter capital of the Company by placing additional shares; amendments and changes due to liquidation of the branches, opening and liquidation of the representative offices of the Company;</p> <p>33) Establishment of the price (monetary value) of the property (services), price of placement and buy-back of securities in the cases provide under the Federal Law “On Joint Stock Companies”;</p> <p>34) Establishment of the amount of compensation of the auditor;</p> <p>35) Appointment of the registrar of the Company and establishment of the terms and conditions of the agreement with the registrar of the Company and termination of the agreement with the registrar of the Company;</p> <p>36) Ratification of internal documents of the Company: Regulations on the dividend policy of the Company, Regulations on the organisational structure of the Company; Code of Corporate Conduct of the Company, Company Policies on participation in other organisations, and other internal documents defining the policy of the Company and its business activity;</p> <p>37) Appointment of the Secretary of the Board of Directors of the Company, establishment of the amount of remuneration and the procedure of its payment;</p> <p>38) Approval of consolidated accounting reports prepared in compliance with the International Financial Reporting Standards.</p> <p>39) Establishment of the key risks connected with the activity of the Company and establishment of the system of risk management in the Company;</p> <p>40) Appointment of the corporate secretary and termination of his/her authority;</p> <p>41) Other issues set under the Federal Law “On Joint Stock Companies» and this Charter.</p>	
Management Board	<p>The following issues fall within the competence of the Management Board of the Company:</p> <p>1) Establishment of short-term objectives of the Company;</p> <p>2) Preliminary approval of the budget of the Company and its presentation for the review of the Board of Directors of the Company;</p> <p>3) Recommendations to the Board of Directors of the Company on participation in other organisations;</p> <p>4) Decisions to order the making of Company seals and stamps;</p> <p>5) Ratification of the terms and conditions of the collective agreement on behalf of the Company and its provision to the Chief Executive Officer of the Company for signature;</p> <p>6) Confirmation in office of the persons indicated under the clause 14.3 of this Charter;</p> <p>7) Control over the implementation of the budget of the Company;</p> <p>8) Control over the operations of separate subdivisions and structural subdivision of the Company;</p> <p>9) Control over contract execution and performance;</p> <p>10) Establishment of internal documents: Regulations on the Commercial Secret of the Company; Rules of Internal Labor Conduct;</p> <p>11) Appointment of the Secretary of the Management Board; establishment of the amount and procedure of his/her remuneration;</p> <p>12) Resolution of issues submitted for consideration of the Management Board by the Chief Executive Officer of the Company.</p>	Item 10.9 of the Charter
Chief Executive Officer	<p>The Chief Executive Officer:</p> <p>1) Enters into transactions on behalf of the Company. The transactions which are subject to approval by the general meeting of the shareholders of the Company or by the Board of Directors of the Company in compliance with the Federal Law “On Joint Stock Companies» are concluded by the Chief Executive Officer upon receipt of such approval;</p> <p>2) Establishes the staffing chart and the head count;</p> <p>3) Issues orders and gives instructions which are mandatory for all employees of the Company;</p> <p>4) Concludes the collective agreement with the employees of the Company on behalf of the Company in compliance with the terms and conditions established by the Management Board of the Company;</p> <p>5) Concludes labor agreements/contracts with the employees of the Company, uses incentives in the relationships with employees and takes disciplinary action against them;</p> <p>6) Appoints branch managers and heads of representative offices;</p> <p>7) Issues powers of attorney;</p>	Item 10.19 of the Charter

	<p>8) Delegates his/her authority: appoints acting Chief Executive Officer and/or appoints a person to resolve a limited number of issues. The reasons for appointment of acting Chief Executive Officer in the absence of the Chief Executive Officer are limited by the following: vacation, business trip and temporary incapacity to work;</p> <p>9) Establishes internal documents of the Company with the exception of those that fall within the competence of the general meeting of the shareholders, the Board of Directors and the Management Board of the Company in compliance with this Charter and the Federal Law “On Joint Stock Companies”;</p> <p>10) Resolves other issues which do not fall within exclusive competence of the general meeting of shareholders, the Board of Directors or of the Management Board in compliance with this Charter;</p>	
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## Activities of the Board of Directors

In 2011, there were 16 meetings of the Board of Directors (the “Board”) of the Company. The Board passed its resolutions both through voting in person and in absentia. Of the 16 Board meetings, 8 were held in absentia (by poll).

On average, 9 directors took part in the Board meetings.

The Board considered 133 agenda items and passed 264 resolutions, including resolutions related to:

- Approval of the Company’s representatives as candidate members of management and control bodies of organisations, in relation to which the Company is a shareholder / participant – 9 resolutions;
- Approval of related party transactions – 11 resolutions (in total, 140 related party transactions were approved);
- Acquisition or alienation of shares (stakes, equity interests) in registered (share) capitals of commercial organisations; entry into and exit from non-profit organisations; incorporation (creation) of non-profit and commercial organisations – 7 resolutions;
- Amendments to the budget of the Company – 5 resolutions;
- Changes in the organisational structure of the Company – 2 resolutions;
- Convocation and preparation to shareholder meetings and other corporate actions, including actions of management and control bodies – 20 resolutions;
- Property write-off – 1 resolution.

The Board’s activities over the reporting period include:

- Preliminary approval of the Uralkali 2010 Annual Report;
- Approval of restated versions of: Charter, Regulations on the Board of Directors, Regulations on the Information Policy, Regulations on the Dividend Policy (all in relation to Uralkali);
- In relation to Board committees: creation of a Corporate Social Responsibility Committee; re-appointment of the Audit Committee, the Nominations and Remuneration Committee, and the Investment and Development Committee;
- Approval of the restated version of the Uralkali Corporate Governance Code;
- Approval of Uralkali’s IFRS consolidated financial statements, consolidated condensed interim financial information of Uralkali Group for the six months ended on 30 June 2011 prepared in line with IFRS 34.

## Members of the Board of Directors of Uralkali<sup>1</sup>

No	Name	Positions in Uralkali	Positions in management bodies of Uralkali	Date of the ground, by which the person is affiliated with Uralkali	Percentage of total number of shares
1.	Alexander Stalievich Voloshin	None held	Chairman of the Board	17.09.2010	-
2.	Vladislav Arturovich Baumgartner	Chief Executive Officer	Exercises the authority of the sole executive body; Chairman of the Management Board; Director	22.02.2011 22.02.2011 29.06.2011	-
3.	Pavel Sergeevich Grachov	None held	Director	17.09.2010	-
4.	Anna Alekseevna Kolonchina	None held	Director	17.09.2010	-
5.	Alexander Efimovich Malakh	None held	Director	17.09.2010	-
6.	Alexander Ilich	None held	Director	17.09.2010	-

	Mosionzhik				
7.	Robert John Margetts	None held	Deputy Chairman of the Board	29.06.2011	-
8.	Alexander Natanovich Nesis	None held	Director	17.09.2010	-
9.	Paul James Ostling	None held	Director	29.06.2011	-

<sup>1</sup> As of 31 December 2011.

**Note:**

This composition of the Board was approved by the Annual General Meeting of Uralkali held on 29 June 2011. The previous composition approved in June 2010 included A. Voloshin (Chairman), V. Baumgertner, P. Grachov, A. Kolonchina, A. Malakh, A. Mosionzhik, A. Nesis, H. Horn, I. Yuzhanov.

**Members of the Management Board of Uralkali<sup>1</sup>**

No	Name	Positions in Uralkali	Positions in management bodies of Uralkali	Date of the ground, by which the person is affiliated with Uralkali	Percentage of total number of shares
1.	Vladislav Arturovich Baumgertner	Chief Executive Officer	Chief Executive Officer; Director; Member of the Management Board	22.02.2011 29.06.2011 01.07.2011	-
2.	Alexander Yurievich Babinsky	Head of PR	Member of the Management Board	21.09.2011	-
3.	Vladimir Alexandrovich Bezzubov	Head of Procurement	Member of the Management Board	01.07.2011	-
4	Victor Nikolaevich Belyakov	Chief Financial Officer	Member of the Management Board	01.07.2011.	-
5.	Vladimir Vasilievich Vaulin	Chief engineer for repairs and production asset management	Member of the Management Board	01.07.2011	0,001
6.	Evgeny Konstantinovich Kotlyar	Head of Production	Member of the Management Board	01.07.2011	0,017
7.	Andrey Vladimirovich Motovilov	Head of GR	Member of the Management Board	01.07.2011	-
8.	Oleg Borisovich Petrov	Head of Sales and Marketing	Member of the Management Board	01.07.2011	-
9.	Elena Yurievna Samsonova	Head of HR	Member of the Management Board	01.07.2011	-
10.	Stanislav Sergeevich Seleznyov	Head of HSE	Member of the Management Board	01.07.2011	-
11.	Igor Grigorievich Tsuranov	Head of Strategy and Investments	Member of the Management Board	01.07.2011	-
12.	Marina Vladimirovna Shvetsova	Head of Legal and Corporate Affairs	Member of the Management Board	01.07.2011	-
13.	Dmitry Petrovich Sharapov	Head of Security	Member of the Management Board	01.07.2011	-

<sup>1</sup> As of 31 December 2011

**Note:**

The following changes were made to the composition of the Management Board of Uralkali in 2011:

1. As of 1 January 2011, the Management Board consisted of: Pavel Grachov, Victor Belyakov, Yuri Bogdanov, Oleg Petrov, Elena Samsonova, Marina Shvetsova.

2. On 21 February 2011, the Board of Directors resolved (Minutes 247 dated 21 February 2011) to change the composition of the Management Board to be as follows: Vladislav Baumgertner, Victor Belyakov, Yuri Bogdanov, Oleg Petrov, Elena Samsonova, Marina Shvetsova.
3. The Extraordinary General Meeting of Uralkali held on 29 June 2011 terminated the powers of all Directors and elected the new Board of Directors. Pursuant to applicable laws and the Charter of Uralkali, the Management Board is elected for the term of powers of the Board of Directors, which elects the Management Board. The new composition of the Management Board was approved by the Board of Directors on 1 July 2011 (Minutes 255 dated 1 July 2011) as follows: Vladislav Baumgertner, Victor Belyakov, Vladimir Bezzubov, Yuri Bogdanov, Vladimir Vaulin, Evgeny Kotlyar, Andrey Motovilov, Oleg Petrov, Elena Samsonova, Stanislav Seleznyov, Aleksey Sotskov, Igor Tsuranov, Marina Shvetsova, Dmitry Sharapov.
4. On 21 September 2011 (Minutes 257 dated 22 September 2011), the Board of Directors effected an early termination of powers of two members of the Management Board elected on 1 July 2011 (Yuri Bogdanov and Aleksey Sotskov), and elected Alexander Babinsky into the Management Board. Also, pursuant to subitem 9, item 1, Article 65 of the Federal Law 'On joint-stock companies', subitem 13, items 9.3 and 10.7 of the Charter of the Company, starting from 22 September 2011, the number of members of the Management Board was set at 13 members.
5. On 1 February 2012, the Board of Directors effected an early termination of powers of a member of the Management Board (Igor Tsuranov), and so the number of members of the Management Board changed to 12 members (Minutes 261 dated 24 January 2012).

### **Activities of the Revision Commission**

The Revision Commission of Uralkali has 5 members, led by the chairperson elected from among the Revision Commission members.

On 29 June 2011 the Annual General Meeting elected the following composition of the Revision Commission:

Chairman:

Valery Yurievich Lepekhin

Members:

Natalia Victorovna Zhuravlyova

Alexandra Vladimirovna Orlova

Natalia Sergeevna Prokopova

Elena Alekseevna Radayeva

The Revision Commission's area of competence is defined by item 11.5 of the Charter and the Federal Law 'On joint-stock companies' and includes the following tasks:

1. Confirm authenticity of data included in the Company's annual reports, annual and periodic accounts, and reporting documents for statistical and other state authorities;
2. Verify the competence of resolutions passed by the Board of Directors, Management Board, Chief Executive Officer;
3. Follow-up implementation of resolutions of the Annual General Meeting, Board of Directors, Management Board and of internal documents of the Company listed in the Charter of Uralkali by officials of the Company;
4. Verify the correctness of distribution of the Company's profits in line with the Annual General Meeting's resolution of profit distribution;
5. Verify the correctness of accrual of and timeliness of payment of dividends on shares and bond yields;
6. Verify legitimacy of contracts and other transactions entered into on behalf of the Company;
7. Verify the timeliness and correctness of calculations under agreements and obligations of the Company;
8. Assess the internal control system;
9. Review causes and implications of deviations from the budget of the Company.



## **Activities of the Internal Audit Department**

Starting from 2011, Uralkali's organisational structure includes the Internal Audit Department (formerly the Internal Audit Directorate in 2008-2011) headed by Valery Lepekhin.

The Internal Audit Department (IAD) reports to the Audit Committee of the Board of Directors.

The IAD assists the management in increasing the efficiency of internal control systems, managing risks and corporate governance issues through the following tasks:

- Assess efficiency of internal control systems; manage risks and corporate governance issues;
- Advise management when developing action plans (corrective measures) following audits;
- Monitor implementation of action plans;
- Advise management on matters falling under IAD's competence;
- Participate as an expert in special projects aimed at revealing and investigating apparent fraudulent and abusive actions, identifying key fraud and abuse risks, and developing specific recommendations to implement a preventive system to minimise such risks;
- Complete other tasks and participate in other projects at the instruction of the Audit Committee;
- Report to the Audit Committee and Chief Executive Office.

Cooperation of the IAD with the Company's external auditor:

- To estimate the required scope of audit activities and minimise double work, the IAD exchanges information and coordinates its activities with the external auditor of the Company.

### List of connected parties as of 31 December 2011

No	Affiliate's full legal name or full personal name	Location (for legal entities) / place of residence (for natural persons, a consent is required)	Ground by which the person is affiliated with Uralkali	Date of the ground	Affiliate's interest in the registered capital of Uralkali, %	Percentage of ordinary shares in the Company owned by the affiliate
1.	Vladislav Arturovich Baumgertner	Moscow	1. The persons exercises the authority of the sole executive body of the company 2. The person is a member of the Board of Directors (supervisory council) of the company 3. The person is a member of a collective executive body of the company	22.02.2011 29.06.2011 01.07.2011	-	-
2.	Alexander Stalievich Voloshin	Moscow	The person is a member of the Board of Directors (supervisory council) of the company	29.06.2011	-	-
3.	Pavel Sergeevich Grachov	Moscow	The person is a member of the Board of Directors (supervisory council) of the company	29.06.2011	-	-
4.	Alexander Efimovich Malakh	Moscow	The person is a member of the Board of Directors (supervisory council) of the company	29.06.2011	-	-
5.	Alexander Ilich Mosionzhik	Moscow	The person is a member of the Board of Directors (supervisory council) of the company	29.06.2011	-	-
6.	Anna Alekseevna Kolonchina	Moscow	The person is a member of the Board of Directors (supervisory council) of the company	29.06.2011	-	-
7.	Alexander Natanovich Nesis	Moscow	The person is a member of the Board of Directors (supervisory council) of the company	29.06.2011	-	-
8.	Robert John Margetts	Midhurst	The person is a member of the Board of Directors (supervisory council) of the company	29.06.2011	-	-
9.	Paul James Ostling	New York	The person is a member of the Board of Directors (supervisory council) of the company	29.06.2011	-	-
10.	Victor Nikolaevich Belyakov	Moscow	The person is a member of a collective executive body of the company	01.07.2011	-	-
11.	Vladimir Alexandrovich Bezzubov	Balashikha, Moscow region	The person is a member of a collective executive body of the company	01.07.2011	-	-
12.	Alexander Yurievich Babinsky	Moscow	The person is a member of a collective executive body of the company	21.09.2011	-	-
13.	Vladimir Vasilievich Vaulin	Solikamsk	The person is a member of a collective executive body of the company	01.07.2011	0,001	0,001
14.	Evgeny Konstantinovich Kotlyar	Solikamsk	The person is a member of a collective executive body of the company	01.07.2011	0,0017	0,0017
15.	Andrey Vladimirovich Motovilov	Moscow	The person is a member of a collective executive body of the company	01.07.2011	-	-
16.	Oleg Borisovich Petrov	Moscow	The person is a member of a collective executive body of the company	01.07.2011	-	-
17.	Elena Yurievna Samsonova	Perm	The person is a member of a collective executive body of the company	01.07.2011	-	-
18.	Stanislav Sergeevich Seleznyov	Pushkino, St. Petersburg region	The person is a member of a collective executive body of the company	01.07.2011	-	-

19.	Igor Grigorievich Tsuranov	Moscow	The person is a member of a collective executive body of the company	01.07.2011	-	-
20.	Marina Vladimirovna Shvetsova	Perm	The person is a member of a collective executive body of the company	01.07.2011	-	-
21.	Dmitry Petrovich Sharapov	Moscow	The person is a member of a collective executive body of the company	01.07.2011	-	-
22.	CJSC "Uralkali - Tekhnologia "	74 Sverdlova St., Berezniki, Perm region, 618426	1. The person is part of a group of owners of the company 2. The company has the right to dispose of more than 20 per cent of the total number of votes attached to voting shares (deposits, interest) comprising the registered (share) capital of this legal entity	27.07.2005  27.07.2005	-	-
23.	Mark Evgenievich Tsvetkov	St. Petersburg	The person is part of a group of owners of the company	17.11.2011	-	-
24.	LLC "Vagonnoye Depo Balakhontsy "	63 Pyatiletki St., Berezniki, Perm region, 618426	1. The person is part of a group of owners of the company 2. The company has the right to dispose of more than 20 per cent of the total number of votes attached to voting shares (deposits, interest) comprising the registered (share) capital of this legal entity	10.10.2006  10.10.2006	-	-
25.	Dmitry Vladimirovich Smirnov	Shakhunya, Nizhny Novgorod region	The person is part of a group of owners of the company	19.04.2011	-	-
26.	LLC "Stroitelno-Montazhny Trest Bereznikovskoye Shakhtostroitelnoye Upravlenie "	8 Lokomotivny per., Berezniki, Perm region, 618400	1. The person is part of a group of owners of the company 2. The company has the right to dispose of more than 20 per cent of the total number of votes attached to voting shares (deposits, interest) comprising the registered (share) capital of this legal entity	03.10.2003  03.10.2003	-	-
27.	Igor Borisovich Vyletok	Berezniki, Perm region	The person is part of a group of owners of the company	01.07.2008	0,0004	0,0004
28.	LLC «Poliklinika Uralkali-Med»	82 Sverdlova St., Berezniki, Perm region, 618400	The company has the right to dispose of more than 20 per cent of the total number of votes attached to voting shares (deposits, interest) comprising the registered (share) capital of this legal entity	28.07.2008	-	-
29.	LLC «Sylvinit»	63 Pyatiletki St., Berezniki, Perm region, 618426	1. The person is part of a group of owners of the company 2. The company has the right to dispose of more than 20 per cent of the total number of votes attached to voting shares (deposits, interest) comprising the registered (share) capital of this legal entity	07.07.2011  07.07.2011	-	-
30.	Stanislav Yurievich Kvitkin	Berezniki, Perm region	The person is part of a group of owners of the company	09.07.2011	0,0005	0,0005
31.	LLC «Avtotranskali»	4 Parizhskey Kommuny St., Berezniki, Perm region 618400	1. The person is part of a group of owners of the company 2. The company has the right to dispose of more than 20 per cent of the total number of votes attached to voting shares (deposits, interest) comprising the registered (share) capital of	07.07.2011  07.07.2011	-	-

			this legal entity			
32.	Yuri Vladimirovich Plyga	Chelyabinsk	The person is part of a group of owners of the company	07.07.2011	-	-
33.	Uralkali Trading S.A.	Geneva, Switzerland	1. The person is part of a group of owners of the company	04.07.2011	-	-
34.	Sergey Yurievich Evstratov	Geneva, Switzerland	The person is part of a group of owners of the company	04.07.2011	-	-
35.	OJSC "Baltic Bulker Terminal "	AS 28 Elevatornaya Ploshadka, Ugolnaya Gavan, St. Petersburg 198096	1. The person is part of a group of owners of the company 2. The company has the right to dispose of more than 20 per cent of the total number of votes attached to voting shares (deposits, interest) comprising the registered (share) capital of this legal entity	09.02.2005 12.10.2000	-	-
36.	Irina Valentinovna Krivoruchko	St. Petersburg	The person is part of a group of owners of the company	02.06.2010	0,002	0,002
37.	CJSC «SP Kama»	63 Pyatiletki St., Berezniki, Perm region, 618426	1. The person is part of a group of owners of the company 2. The company has the right to dispose of more than 20 per cent of the total number of votes attached to voting shares (deposits, interest) comprising the registered (share) capital of this legal entity	10.11.2011 10.11.2011	0,08036	0,08036
38.	Marina Vladimirovna Shvetsova	Perm	The person is part of a group of owners of the company	01.04.2011	-	-
39.	LLC "Satellit-Service"	63 Pyatiletki St., Berezniki, Perm region, 618426	1. The person is part of a group of owners of the company 2. The company has the right to dispose of more than 20 per cent of the total number of votes attached to voting shares (deposits, interest) comprising the registered (share) capital of this legal entity	08.08.2005 08.08.2005	-	-
40.	Oleg Victorovich Penkov	Berezniki, Perm region	The person is part of a group of owners of the company	19.03.2011	0,0001	0,0001
41.	LLC "Media-Sphera"	1 Yubileynaya St., Berezniki, Perm region	1. The person is part of a group of owners of the company 2. The company has the right to dispose of more than 20 per cent of the total number of votes attached to voting shares (deposits, interest) comprising the registered (share) capital of this legal entity	16.03.2004 16.03.2004	-	-
42.	Ekaterina Nikolaevna Dolgova	Yekaterinburg	The person is part of a group of owners of the company	03.03.2011	-	-
43.	CJSC «Belarus Potash Company»	1805a, 2 Melnikaite St., Minsk, Belarus	The company has the right to dispose of more than 20 per cent of the total number of votes attached to voting shares (deposits, interest) comprising the registered (share) capital of this legal entity	27.10.2005	-	-
44.	OJSC "Ural R&D Institute of Halurgic Processes"	94 Sibirskaya St., Perm, 614002	1. The company has the right to dispose of more than 20 per cent of the total number of votes attached to voting shares (deposits, interest) comprising the registered (share) capital of this legal entity 2. The person is part of a group of owners of the company	29.01.1996 07.10.2011	-	-

45.	Arkady Yakovlevich Grinberg	Perm	The person is part of a group of owners of the company	07.10.2011	-	-
46.	Belurs Handels GmbH	Austria, 1190 Wien, Gregor-Mendel Strasse, 56/9	The company has the right to dispose of more than 20 per cent of the total number of votes attached to voting shares (deposits, interest) comprising the registered (share) capital of this legal entity	27.12.1991	-	-
47.	LLC "PressA"	6 Uralskikh Tankistov St., Berezniki, Perm region 618400	The person is part of a group of owners of the company	09.06.2005	-	-
48.	Elena Yurievna Peshkova	Berezniki, Perm region	The person is part of a group of owners of the company	29.03.2011	-	-
49.	LLC "Televideotsentr"	63 Pyatiletki St., Berezniki, Perm region, 618426	The person is part of a group of owners of the company	27.12.2004	-	-
50.	Oleg Yurievich Kolpakov	Berezniki, Perm region	The person is part of a group of owners of the company	01.12.2010	-	-
51.	LLC "Bereznikovsky Rabochy"	1 Yubileinaya St., Berezniki, Perm region, 618400	The person is part of a group of owners of the company	28.12.2004	-	-
52.	Natalia Alekseevna Maltseva	Berezniki, Perm region	The person is part of a group of owners of the company	01.01.2011	-	-
53.	LLC "Gorodskaya Gazeta"	1 Yubileinaya St., Berezniki, Perm region, 618400	The person is part of a group of owners of the company	27.12.2004	-	-
54.	Elena Vasilievna Kazakova	Berezniki, Perm region	The person is part of a group of owners of the company	01.01.2011	-	-
55.	CJSC «Novaya Nedvizhimost»	8 Lokomotivny per., Berezniki, Perm region, 618400	The person is part of a group of owners of the company	14.05.2007	-	-
56.	Vladimir Alexandrovich Skoryupin	Berezniki, Perm region	The person is part of a group of owners of the company	14.05.2011	-	-
57.	LLC "SP Terminal"	11V Pervogo Maya St., Ilyichovsk, Odessa region, Ukraine	The person is part of a group of owners of the company	22.03.1995	-	-
58.	Arkady Saulovich Sterlin	Ukraine	The person is part of a group of owners of the company	No information	0,0086	0,0086
59.	Uralkali Trading (Gibraltar) Limited	57/63 Line Wall Road Gibraltar	The person is part of a group of owners of the company	01.12.2004	-	-
60.	Mark Borisovich Klinov	Moscow	The person is part of a group of owners of the company	10.12.2004	-	-
61.	UCT Chicago Inc. (USA)	Chicago, Illinois, USA	The person is part of a group of owners of the company	15.03.2008 06.07.2011	-	-
62.	Michel Joe Weathers	Chicago, Illinois, USA	The person is part of a group of owners of the company	15.03.2008	-	-
63.	Uralkali Trading Fertilizantes Brasil LTDA	Rua Sao Joaquim No 249, Loja 13, Liberdade, CEP 01508-001, Sao Paulo, SP, Brasil	The person is part of a group of owners of the company	15.03.2005	-	-
64.	Felipe Cortez Siqueira	Brazil	The person is part of a group of owners of the company	31.10.2006	-	-
65.	LLC «Sylvinit-Transport»	14 Mira St., Solikamsk, Perm	1. The person is part of a group of owners of the company	27.05.2011	-	-

		region, 618540	2. The company has the right to dispose of more than 20 per cent of the total number of votes attached to voting shares (deposits, interest) comprising the registered (share) capital of this legal entity	27.05.2011	-	
66.	Galina Ivanovna Petukhova	Solikamsk, Perm region	The person is part of a group of owners of the company	27.05.2011	-	-
67.	LLC «Sol-TV Television Company»	14 Mira St., Solikamsk, Perm region, 618540	1. The person is part of a group of owners of the company 2. The company has the right to dispose of more than 20 per cent of the total number of votes attached to voting shares (deposits, interest) comprising the registered (share) capital of this legal entity	27.05.2011 27.05.2011	-	-
68.	Anton Gerasimovich Subbotin	Solikamsk, Perm region	The person is part of a group of owners of the company	27.05.2011	-	-
69.	CJSC «Investment Company Sylvinit-Resource»	14 Mira St., Solikamsk, Perm region, 618540	1. The person is part of a group of owners of the company 2. The company has the right to dispose of more than 20 per cent of the total number of votes attached to voting shares (deposits, interest) comprising the registered (share) capital of this legal entity	19.08.2011 19.08.2011	0,3356	0,3356
70.	Alexander Fyodorovich Sharabaiko	Minsk, Belarus	The person is part of a group of owners of the company	19.08.2011	-	-
71.	OJSC «Kamskaya Gornaya Kompaniya»	17A Permskaya St., Solikamsk, Perm region, 618541	The person is part of a group of owners of the company	27.05.2011	-	-
72.	Bullat Shagemerdanovich Akhmetov	Solikamsk, Perm region	The person is part of a group of owners of the company	27.05.2011	0,0016	0,0016
73.	LLC «Sylvinit-Capital »	14 Mira St., Solikamsk, Perm region, 618540	1. The person is part of a group of owners of the company 2. The company has the right to dispose of more than 20 per cent of the total number of votes attached to voting shares (deposits, interest) comprising the registered (share) capital of this legal entity	27.05.2011 27.05.2011	-	-
74.	Mikhail Sergeevich Basilashvili	Solikamsk, Perm region	The person is part of a group of owners of the company	27.05.2011	0,000042	0,000042
75.	LLC «Vodokanal»	1 Mariny Raskovoy St., Solikamsk, Perm region, 618540	1. The person is part of a group of owners of the company 2. The company has the right to dispose of more than 20 per cent of the total number of votes attached to voting shares (deposits, interest) comprising the registered (share) capital of this legal entity	27.05.2011 27.05.2011	-	-
76.	Oleg Anatolievich Belkin	Berezniki, Perm reion	The person is part of a group of owners of the company	27.05.2011	-	-
77.	LLC «Predpriyatiye Materialno-Tekhnicheskogo Snaabzheniya OAO Sylvinit»	5 Volodarskogo St., Solikamsk, Perm region, 618540	1. The person is part of a group of owners of the company 2. The company has the right to dispose of more than 20 per cent of the total number of votes attached to voting shares (deposits, interest) comprising the registered (share) capital of this legal entity	27.05.2011 27.05.2011	-	-
78.	OJSC «Sudostroitelny Zavod Kama»	4 Buksirnyaya St., Perm, 614023	The company has the right to dispose of more than 20 per cent of the total number of votes attached to voting shares (deposits, interest) comprising the registered (share) capital of this legal entity	31.05.2011	-	-
79.	LLC «Mashinostroitelnoye Predpriyatie Kurs»	24 Lenina St., Kopeisk, Chelyabinsk region	The company has the right to dispose of more than 20 per cent of the total number of votes attached to voting shares	17.06.2011		-

			(deposits, interest) comprising the registered (share) capital of this legal entity		-	
80.	LLC «Kama Mineral »	5 Danshina St., Perm, Perm region, 614600	1. The person is part of a group of owners of the company 2. The company has the right to dispose of more than 20 per cent of the total number of votes attached to voting shares (deposits, interest) comprising the registered (share) capital of this legal entity	09.06.2011 09.06.2011	-	-
81.	Evgeny Victorovich Mamaev	Perm	The person is part of a group of owners of the company	05.10.2011	-	-
82.	LLC «KYAMTRIS»	6 Shestaya Sovetskaya St., St. Petersburg, 193036	1. The person is part of a group of owners of the company 2. The company has the right to dispose of more than 20 per cent of the total number of votes attached to voting shares (deposits, interest) comprising the registered (share) capital of this legal entity	16.06.2011 16.06.2011	-	-
83.	Oleg Alekseevich Varenaya	St. Petersburg	The person is part of a group of owners of the company	16.06.2011	-	-
84.	CJSC «GALUS»	2-B, 5-7 20 Liniya, St. Petersburg, 199106	The company has the right to dispose of more than 20 per cent of the total number of votes attached to voting shares (deposits, interest) comprising the registered (share) capital of this legal entity	27.06.2011	-	-
85.	Uralkali Capital S.a.r.l.	560A, rue de Neudorf L-2220 Luxembourg	1. The person is part of a group of owners of the company 2. The company has the right to dispose of more than 20 per cent of the total number of votes attached to voting shares (deposits, interest) comprising the registered (share) capital of this legal entity	04.07.2011	-	-
86.	Sergey Yurievich Evstratov	Geneva, Switzerland	1. The person is part of a group of owners of the company	04.07.2011	-	-
87.	Fender Christophe Louis Ernest	Luxembourg	The person is part of a group of owners of the company	04.07.2011	-	-
88.	CJSC «Interagroinvest»	Office 71, 7/15/12 Ostozhenka St., Moscow, 119034	1. The company has the right to dispose of more than 20 per cent of the total number of votes attached to voting shares (deposits, interest) comprising the registered (share) capital of this legal entity	05.07.2011	-	-
89.	URALKALI TRADING FERTILIZANTES PANAMA S.A.	Paitilla Tower Office, Office N 11-11; 8th Avenue South and 56th Street East, Panama City, Panama	1. The person is part of a group of owners of the company	12.08.2011	-	-
90.	Marcel Andres Chisneros Cotte	Barcelona, Spain	1. The person is part of a group of owners of the company	12.08.2011	-	-
91.	LLC «Centre of Automation and Measurements»	2a Mira St., Solikamsk, Perm region, 618540	1. The person is part of a group of owners of the company 2. The company has the right to dispose of more than 20 per cent of the total number of votes attached to voting shares (deposits, interest) comprising the registered (share) capital of this legal entity	22.08.2011 22.08.2011	-	-
92.	Maksim Borisovich Tomilin	Solikamsk, Perm region	1. The person is part of a group of owners of the company	22.08.2011	-	-
93.	LLC «EN-Resurs»	2a Mira St., Solikamsk, Perm region, 618540	1. The person is part of a group of owners of the company 2. The company has the right to dispose of more than 20 per cent of the total number of votes attached to voting shares	22.08.2011	-	-

			(deposits, interest) comprising the registered (share) capital of this legal entity	22.08.2011	-	
94.	Alexander Borisovich Isaev	Solikamsk, Perm region	1. The person is part of a group of owners of the company	22.08.2011	-	-
95.	LLC «Uralkali-Remont »	74 Sverdlova St., Berezniki, Perm region, 618426	1. The person is part of a group of owners of the company 2. The company has the right to dispose of more than 20 per cent of the total number of votes attached to voting shares (deposits, interest) comprising the registered (share) capital of this legal entity	24.08.2011 24.08.2011	-	-
96.	Konstantin Vladislavovich Beloglazov	Berezniki, Perm region	1. The person is part of a group of owners of the company	24.08.2011	0,000032	0,000032
97.	Uralkali Investments S.à.r.L	560A, rue de Neudorf L-2220 Luxembourg	1. The person is part of a group of owners of the company	24.08.2011	-	-
98.	Fender Christophe Louis Ernest	Luxembourg	1. The person is part of a group of owners of the company	24.08.2011	-	-
99.	Sergey Yurievich Evstratov	Geneva, Switzerland	1. The person is part of a group of owners of the company	24.08.2011	-	-
100.	CJSC «VNII Galurgii»	St. Petersburg	The person is part of a group of owners of the company	07.10.2011	-	-
101.	Yuri Vladimirovich Buksha	St. Petersburg	The person is part of a group of owners of the company	07.10.2011	-	-
102.	ENTERPRO SERVICES LTD	Agiou Methodiou, 15 Strovolos, P.C. 2055, Nicosia, Cyprus	The person is part of a group of owners of the company	30.09.2011	-	-
103.	Maria Charalambous	Vyzantiou, 33, Agios Dometios, 2370, Nicosia, Cyprus	The person is part of a group of owners of the company	30.09.2011	-	-
104.	CJSC «Solikamsk Construction Trust»	Solikamsk	1. The person is part of a group of owners of the company 2. The company has the right to dispose of more than 20 per cent of the total number of votes attached to voting shares (deposits, interest) comprising the registered (share) capital of this legal entity	07.10.2011	-	-
105.	Dmitry Georgievich Abashin	Solikamsk	The person is part of a group of owners of the company	07.10.2011	-	-
106.	LLC «Stroitelno-Montazhnoye Upravleniye 2»	Solikamsk	The person is part of a group of owners of the company	07.10.2011	-	-
107.	LLC «Insistut Promyshlenno-Grazhdanskogo Proyektirovaniya»	Solikamsk	The person is part of a group of owners of the company	07.10.2011	-	-
108.	Alexander Sergeevich Melkov	Solikamsk	The person is part of a group of owners of the company	07.10.2011	-	-
109.	LLC «Stroyservice»	Solikamsk	The person is part of a group of owners of the company	07.10.2011	-	-
110.	NV FERCHIMEX	2018 Antwerpen, Anneessensstraat 1 bus 9-10)	The company has the right to dispose of more than 20 per cent of the total number of votes attached to voting shares (deposits, interest) comprising the registered (share) capital of this legal entity	09.11.2011	-	-



## Operations with connected parties in 2011

Table 20  
RUB thousand

No	Affiliate	Contribution to assets	Acquisition of goods, works, services		Sales (or other disposal) of goods, products, works, services		Accounts as of 31.12.2011	
			Total	Including operations with securities	Total	Including operations with securities	Receivable	Payable
1	CJSC "Uralkali - Tekhnologia"	---	---	---	2 587	---	416	---
2	LLC "Vagonnoye Depo Balakhontsy "	233 154	1 148 757	---	496 533	---	350 000	83 440
3	LLC "Stroitelno-Montazhny Trest Bereznikovskoye Shakhtostroitelnoye Upravlenie "	---	4 682 964	---	974 016	---	318 427	587 704
4	LLC «Sylvinit»	350	---	---	---	---	---	---
5	LLC «Poliklinika Uralkali-Med»	12 597	54 422	---	7 196	---	1 053	---
6	LLC «Vodokanal»	---	6 829	---	12 038	---	2 104	720
7	LLC «Avtotranskali»	---	1 035 641	---	142 208	---	85 771	98 348
8	Uralkali Trading S.A.	---	33 928 162	---	31 974 448	---	3 347 756	102
9	OJSC "Baltic Bulker Terminal "	---	1 306 953	---	---	---	---	277 122
10	CJSC «SP Kama»	---	---	---	598	---	102	---
11	LLC "Satellit-Service"	---	240 561	---	6 253	---	4 802	22 858
12	LLC "Kama Mineral"	3 000	---	---	---	---	---	---
13	LLC "Media-Sphera"	65 262	---	---	21	---	---	---
14	CJSC "Investment Company Sylvinit-Resource"	---	---	---	11	---	7	---
15	LLC «KYAMTRIS»	---	---	---	---	---	---	---
16	LLC «Predpriyatiye Materialno-Tekhnicheskogo Snabzheniya OAO Sylvinit»	---	---	---	---	---	---	---
17	LLC «Sylvinit-Capital»	---	---	---	---	---	---	---
18	LLC «Sylvinit-Transport»	---	4 671	---	11	---	1	38 234
19	LLC «Sol-TV Television Company»	---	2 364	---	---	---	---	221
20	LLC «EN-Resurs»	1 575	23 126	---	4 861	---	1 898	3 127
21	LLC «Centre of Automation and Measurements»	9 805	22 847	---	18 032	---	8 227	7 847
22	LLC «Uralkali-Remont »	---	957 731	---	636 715	---	527 226	572 913
23	CJSC «Solikamsk Construction Trust»(Solikamskstroy)	---	547 293	---	501	---	182 386	96 813
24	OJSC «Galurgiya» (associate)	---	---	---	---	---	---	---
25	CJSC «Belarus Potash Company»	---	27 816 195	101 137	28 894 291	---	4 590 032	---
26	LLC «Solikamskavto» (associate, removed from the list in December)	---	---	---	---	---	---	---
27	OJSC «Kamskaya Gornaya Kompaniya»	---	---	---	142	---	20	---

## Financial flows (loans granted) with connected parties in 2011

Table 21  
RUB thousand

Lender	Loan debt as of 01.01.2011	Amount granted in 2011	Amount repaid in 2011	Loan debt as of 01.01.2012	Interest on loan received
OJSC "Baltic Bulker Terminal "	484 000	---	484 000	---	6 822
CJSC «SP Kama»	279 800	---	800	279 000	---
CJSC "Uralkali - Tekhnologia"	359 449	41 126	---	400 575	---
LLC «Poliklinika Uralkali-Med»	10 000	---	---	10 000	---
OJSC «Kamskaya Gornaya Kompaniya»	---	62 621 304	2 000	62 619 304	---
CJSC "Investment Company Sylvinit-Resource"	---	14 695 800	1 600 800	13 095 000	---
CJSC «Solikamsk Construction Trust» (Solikamskstroy)	---	50 000	---	50 000	---
LLC «Avtotranskali»	---	30 000	---	30 000	---

### Financial flows (loans obtained) with connected parties in 2011

Table 22

Lender	Currency	Loan debt as of 01.01.2011	Amount obtained in 2011	Amount repaid in 2011	Loan debt as of 01.01.2012	Interest on loan paid
Uralkali Trading (Gibraltar) Limited	USD thousand	130 000	---	---	130 000	---
Uralkali Trading (Gibraltar) Limited	EUR thousand	48 500	---	---	48 500	---
LLC «Sylvinit-Transport»	RUB thousand	---	170 000	---	170 000	---
LLC «Sylvinit-Capital»	RUB thousand	---	130 000	---	130 000	---
OJSC "Baltic Bulker Terminal "	RUB thousand	---	300 000	---	300 000	5 079

## Long-term financial investments and their movement in 2011

Table 23  
RUB thousand

Name	Share in the registered capital		Par value (RUB unless stated otherwise)	Type of investment	Balance  as of 01.01.11	Turnover in 2011		Balance  as of 31.12.11
	на 01.01.11	на 31.12.11				Incoming	Outgoing	
<b><u>Investments in Uralkali's subsidiaries</u></b> , including.								
CJSC "Sol»	50.99%	0.00%	0	Non-certificated shares	36,0	---	36,0	---
CJSC "Uralkali - Tekhnologia", Berezniki	100.00%	100.00%	10 000	Non-certificated shares	20,8	---	---	20,8
Uralkali Trading S.A., Switzerland	100.00%	0.00%	23 000 000 CHF	Non-certificated shares	532 351,2	-532 351,2	---	---
Uralkali Capital S.a.r.l., Luxembourg	0.00%	100.00%	19 184 300 EUR	Non-certificated shares	---	532 351,2	---	532 351,2
OJSC "Baltic Bulker Terminal", St. Petersburg	100.00%	100.00%	100 000	Non-certificated shares	853 935,3	---	---	853 935,3
LLC "Media Sphera", Berezniki	95%	95%	9,500	Contribution to the registered capital	9,5	---	---	9,5
LLC "SP KAMA", Berezniki	100.00%	0.00%	0	Contribution to the registered capital	51 436,1	-51 436,1	---	---
CJSC "SP KAMA", Berezniki	0.00%	100.00%	10,000	Non-certificated shares.	---	51 436,1	---	51 436,1
LLC "Stroitelno-Montazhny Trest Bereznikovskoye Shakhtostroitelnoye Upravlenie ", Berezniki	100.00%	100.00%	10,000,000	Contribution to the registered capital	10 000,0	---	---	10 000,0
LLC "Vagonnoye Depo Balakhontsy ", Berezniki	100.00%	100.00%	10,000	Contribution to the registered capital	10,0	---	---	10,0
CJSC «Avtotranskali «, Berezniki	100.00%	0.00%	0	Non-certificated shares	10,0	-10,0	---	---
LLC «Avtotranskali», Berezniki	0.00%	100.00%	10,000	Contribution to the registered capital	---	10,0	---	10,0
LLC "Satellit Service", Berezniki	100.00%	100.00%	9,635,000	Contribution to the registered capital	14 252,8	---	---	14 252,8
LLC "Uralkali Engineering", Perm	51.00%	0.00%	0	Contribution to the registered capital	510,0	---	510,0	---
LLC «Palasher Kali", Berezniki	100.00%	0.00%	0	Contribution to the registered capital	150,0	---	150,0	---
LLC "Kama Kali", Berezniki	100.00%	0.00%	0	Contribution to the registered capital	150,0	-150,0	---	---
LLC "Sylvinit", Berezniki	0.00%	100.00%	150 000	Contribution to the registered capital	---	150,0	---	150,0
LLC "Vodokanal", Solikamsk	0.00%	100.00%	13,492,560.14	Contribution to the registered capital	---	12 491,5	---	12 491,5
LLC "Kama Mineral", Perm	0.00%	100.00%	12,550,000	Contribution to the registered capital	---	39 960,5	---	39 960,5
LLC “Investment Company Sylvinit Resource", Solikamsk	0.00000%	0.00000%		Contribution to the registered capital	---	---	---	---
CJSC “Investment Company Sylvinit Resource”, Solikamsk	0.00000%	99.99994%	1,493,879,070.75	Non-certificated shares	---	20 255 706,0	---	20 255 706,0
LLC "Kyamtris", St. Petersburg	0.00%	51.00%	4,284	Contribution to the registered capital	---	4,3	---	4,3
LLC «Predpriyatiye Materialno-Tekhnicheskogo Snabzheniya OAO Sylvinit», Solikamsk	0.00%	100.00%	100,000	Contribution to the registered capital	---	100,0	---	100,0
LLC «Sylvinit-Capital», Solikamsk	0.00000%	91.66636%	2,750,000,000	Contribution to the registered capital	---	2 750 000,0	---	2 750 000,0
LLC «Sylvinit-Transport», Solikamsk	0.00%	100.00%	2,046,007,600	Contribution to the registered capital	---	2 046 007,6	---	2 046 007,6
LLC «Sol-TV Television Company», Solikamsk	0.00%	100.00%	10,000	Contribution to the registered capital	---	10,0	---	10,0
LLC "EN Resurs", Solikamsk	0.00%	100.00%	5,000,000	Contribution to the registered capital	---	5 000,0	---	5 000,0

LLC «Centre of Automation and Measurements ", Solikamsk	0.00%	100.00%	5,000,000	Contribution to the registered capital	---	5 000,0	---	5 000,0
LLC "Urakali Remont", Berezniki	0.00%	100.00%	10,000,000	Contribution to the registered capital	---	10 000,0	---	10 000,0
CJSC "Solikamsk Construction Trust», Solikamsk	0.00%	63.52%	34,938,317	Non-certificated shares	---	1 359 109,5	---	1 359 109,5
<b>TOTAL for subsidiaries</b>					<b>1 462 871,7</b>	<b>26 483 389,4</b>	<b>696,0</b>	<b>27 945 565,1</b>
1	2	3	4	5	6	7	8	9
<b><u>Investment in Uralkali's associates, including</u></b>								
OJSC "Galurgia», Perm	23.07%	23.07%	413,556	Non-certificated shares	2 162,8	---	---	2 162,8
CJSC "Belarus Potash Company", Minsk	50.00%	50.00%	50 000 000 BYR	Non-certificated shares	663,3	---	---	663 ,3
Belurs Handels GmbH, Austria	22.00%	44.00%	159 880,24 EUR	Contribution to the registered capital	26,5	0,1	---	26,6
LLC «Poliklinika Uralkali-Med", Berezniki	49.00%	49.00%	73,500	Contribution to the registered capital	73,5	---	---	73,5
LLC «Vostochno-Uralsky Terminal", Primorsky region	0.00%	0.00%		Contribution to the registered capital	---	180,0	180,0	---
LLC «Solikamskavto", Solikamsk	0.00%	0.00%	0	Contribution to the registered capital	---	4,0	4,0	---
CJSC "Galus", St. Petersburg	0.00%	33.30%	200	Non-certificated shares	---	0,2	---	0,2
OJSC "Sudostroitelny Zavod Kama", Perm	0.00%	29.99%	18,253	Non-certificated shares	---	67 666,7	---	67 666,7
CJSC "Interagroinvest", Moscow	0.00%	24.99%	4,650,000	Contribution to the registered capital	---	4 700,0	---	4 700,0
LLC "Mashinostroitelnoye Predpriyatiye Kurs", Kopeisk	0.00%	30.00%	150,715	Contribution to the registered capital	---	150,7	---	150,7
NV FERCHIMEX, Belgium	0.00%	24.00%	14 880 EUR	Non-certificated shares	---	563,5	---	563,5
<b>TOTAL for associates</b>				Non-certificated shares	<b>2 926,1</b>	<b>73 265,2</b>	<b>184,0</b>	<b>76 007,3</b>
<b><u>Investment in other organisations, including</u></b>								
OJSC "Sberbank of Russia", Moscow, No 10101481 B	0.00%	0.00%	5,688,000	Non-certificated shares	197 378,7	5 145,7	202 524,4	---
OJSC "Sylvinit", Solikamsk	0.00%	0.00%	0	Non-certificated shares	---	---	---	---
OJSC AKB "Ecoprombank", Perm	0.00%	0.00%	0	Non-certificated shares	---	338 420,4	338 420,4	---
CJSC "Agrosin Private Limited', North Korea	10.00%	20.00%	3 000 000\$ cd	Non-certificated shares	3 964,0	3 704,2	---	7 668,2
OJSC "Azot", Cherkassy	0.00%	11.34%	119 809 421 UAH	Non-certificated shares	---	155 011,7	---	155 011,7
OJSC "MIK Severo-Zapad-Prikamye", Perm	0.00%	9.69%	12,500,000	Non-certificated shares	---	12 500,0	---	12 500,0
OJSC FPG "Ruskhim", Moscow	7.00%	7.00%	14,000	Non-certificated shares	14,0	---	---	14,0
OJSC "Kopeisky Mashinostroitelny Zavod", Kopeisk	1.95%	1.95%	3,200	Non-certificated shares	200,0	---	---	200,0
CJSC "Registrator Intraco", Perm	12.3191%	18.0594%	16,181,220	Non-certificated shares	8 081,3	8 099,9	---	16 181,2
NV FERCHIMEX, Belgium	12.00%	0.00%	0	Non-certificated shares	309,3	-309,3	---	---
CJSC "Solikamsk Construction Trust"	0.00%	0.00%	0	Non-certificated shares	---	---	---	---
OJSC "Zapadno-Uralskaya Stroitel'naya Kompaniya", Perm	0.01%	0.01%	1,000	Non-certificated shares	1,0	---	---	1,0
CJSC "VNII Galurgii", St. Petersburg	0.00%	11.61%	72,000	Non-certificated shares	---	38 568,7	---	38 568,7
LLC "Mashinostroitelnoye Predpriyatiye Kurs"	15.34%	0.00%	0	Contribution to the registered capital	77,0	-77,0	---	---
LLC SP Terminal, Ilyichevsk, Ukraine	2.22%	2.22%	100 000 \$	Contribution to the registered capital	567,4	---	---	567,4

CJSC "VAO Agrokhimexport"	0.00%	1.07%	620.00	Non-certificated shares	---	0,6	---	0,6
OJSC "AKB Strategia", Moscow	0.00%	0.88%	2,500,000.00	Non-certificated shares	---	2 500,0	---	2 500,0
Russian Sberbank	0.00%	0.00%			0,2	---	0,2	---
<b>TOTAL for investments in other organisations</b>					<b>210 592,9</b>	<b>563 564,9</b>	<b>540,944,0</b>	<b>233 212,8</b>
1	2	3	4	5	6	7	8	9
<i>Other investments, including</i>								
Bonds				Bonds including accrued coupon yield	0.00	9 617 168,1	3 807 990.0	5 809 178..1
CJSC "Baltic Bulker Terminal"				Interest-bearing loan	484 000.0		484 000.0	0.00
CJSC "Production Complex GLAVKINO"				Interest-bearing loan	0.00	60 000.0	30 000.0	30 000.00
"Enterproservices LTD", contract dated 10.10.2011				Interest-bearing loan	0.00	19 367 415.6	211 190.0	19 156 225.6
LLC PTK Avangard-Perm				Earning bill	0.00	850.0	850.0	0.00
FAKB Ural FD, Perm				Earning bill	0.00	12 800.0	12 800.0	0.00
<b>TOTAL for other investments</b>					<b>484 000.00</b>	<b>29 058 233.7</b>	<b>4 546 830.0</b>	<b>24 995 403.7</b>
<b>TOTAL for long-term financial investments</b>					<b>2 160 390.7</b>	<b>56 178 453.2</b>	<b>5 088 655.0</b>	<b>53 250 188.9</b>
<i>Other non-current assets, including:</i>								
LLC "SP Kama", contract No 2277 dated 25.06.07				Interest-free loan.	16 000.0			16 000.0
CJSC "Uralkali Tekhnologia", contract No 2394/2008 dated 07.05.08				Interest-free loan	209 482.2	41,126,046.53		250 608.2
LLC "Poliklinika Uralkali-Med", contract dated 05.09.08				Interest-free loan	10 000.0			10 000.0
CJSC "Radavit"				Interest-free loan	0.00	13,454,304.00	13,454,304.00	0.00
OJSC "Kamskaya Gornaya Kompaniya"				Interest-free loan	0.00	62 621 304.0	2 000.0	62 619 304.0
LLC "Lovozerky Gorno-Obogatitelny Kombinat"				Interest-free loan	0.00	28 000..0	28 000.0	0.00
<b>TOTAL for other non-current assets</b>					<b>235 482.2</b>	<b>62 703 884.4</b>	<b>43 454.3</b>	<b>62 895 912.3</b>
<b>TOTAL for long-term financial investments</b>					<b>2 395 872.9</b>	<b>118 882 337.6</b>	<b>5,132,109.3</b>	<b>116 146 101.2</b>

## Issues of Uralkali securities

1. Total number and par value of the issuer's shares as of 31 December 2011, including:

	Number of shares	Par value, roubles
Ordinary shares	3 094 637 905	0,5 roubles each
Privileged shares	----	-----
Total (registered capital)	3 094 637 905	1 547 319 000

2. Total number of registered issues (additional issues) of shares:

Event	Date	State registration number	Number of shares in issue		Par value of a security, RUB	Prospectus (privatisation plan) registration date
			Ordinary	Privileged		
First issue (initial offering)	24.12.1993	56-I-II-489	370 928	Type A: 264 948 Type B: 423 916	1 000 RUR (pre-revaluation roubles)	06.10.1992 (privatisation plan)
Second issue	09.03.1999	1-02-00296-A; 2-02-00296-A	1 588 098 312	529 366 104	0,5	09.03.1999
Third issue	14.10.1999	1-03-00296-A	7 023 000	----	0,5	14.10.1999
Fourth issue	18.02.2002	3-01-00296-A	-----	529180000 (privileged convertible registered non-certificated shares)	0,5	18.02.2002
Fifth issue	27.04.2002	1-04-00296-A	529 180 000	----	0,5	27.04.2002
Combination of issues	16.01.2004	1-01-00296-A	2 124 390 000	----	0,5	----
Sixth issue	28.04.2011	1-01-00296-A-004-D	835 247 687	----	0,5	28.04.2011
Sixth issue	28.04.2011	1-01-00296-A-005D	135 000 218	----	0,5	28.04.2011
Cancellation of individual numbers (codes) of additional issues	20.10.2011	1-01-00296-A	-----	----	---	----
Number of outstanding shares		1-01-00296-A	3 094 637 905	----	0,5	----

Note:

1. As part of the first issue, 1,059,792 registered non-certificated shares with a par value of 1000 pre-revaluation roubles (RUR) each were placed, including:

- 264,948 privileged shares of Type A;
- 423,916 privileged shares of Type B.

The registered capital was 1,059,792,000 pre-revaluation roubles.

Following a voucher auction (No 178) dated 1 April 1994, a share split was effected. The new par value was 500 pre-revaluation roubles. As of the date of the securities offering report, Uralkali's registered capital was 1,059,792 post-revaluation roubles (RUB). The registered capital was split into 1,589,688 ordinary shares and 529,896 privileged shares with a par value of 0.5 RUB each. Amendments to the Charter of the Company were registered on 22 May 1998 through Decree No 8-π of the Berezniki municipal administration based on a resolution of the General Shareholder Meeting dated 15 May 1998 (Minutes 5). The securities offering report was registered on 5 October 1998 by the Russian Federal Securities Market Commission (Minutes No 45 of the meeting of the Commission), and the issue was assigned state registration number 56-1π-489.

2. On 8 June 2001, the General Shareholders Meeting of Uralkali resolved to reduce the registered capital to 1,062,195,000 roubles through the cancellation of 1,501,000 ordinary registered shares of Uralkali with a par value of 0.5 RUB each and 716,000 privileged registered shares of Uralkali with a par value of 0.5 RUB each. The resolution stated that the following securities of Uralkali were subject to cancellation:

- 1501 ordinary shares, state registration number of the issue 56-1π-489;
- 1,499,499 ordinary shares, state registration number of the issue 1-02-00296-A;

- 716 privileged shares, state registration number of the issue 56-1п-489;
- 715,284 privileged shares, state registration number of the issue 2-02-00296-A.

In its letter dated 24 august 2001, the Russian Federal Securities Market Commission reported the entry into the unified register of all registered and cancelled issues of securities, and issues of securities whose emission was suspended or resumed due to the following changes:

- The number of ordinary registered non-certificated shares of Uralkali, state registration number of the issue 56-1п-489, is 1,588,187;
- The number of ordinary registered non-certificated shares of Uralkali, state registration number of the issue 1-02-00296-A, is 1,586,598,813;
- The number of privileged registered non-certificated shares of Uralkali, state registration number of the issue 56-1п-489, is 529,180;
- The number of privileged registered non-certificated shares of Uralkali, state registration number of the issue 2-02-00296-A, is 528,650,820.

3. On 16 January 2004, the Russian Federal Securities Market Commission issued Instruction No 04-81/p to combine additional issues of issue-grade securities of Uralkali, following which state registration numbers assigned to issues of ordinary registered non-certificated shares of Uralkali (56-1п-489 dated 24.12.1993; 1-02-00296-A dated 09.03.1999; 1-03-00296-A dated 14.10.1999; and 1-04-00296A dated 27.04.2002) were cancelled, and the issues were assigned state registration number 1-01-0296-A dated 16.01.2004.

4. On 21 February 2011, the Board of Directors of Uralkali (Minutes 247 dated 21 February 2011) resolved to increase the Company's registered capital for the purpose of the combination agreement between Sylvinit and Uralkali dated 9 February 2011, pursuant to which Sylvinit shares are converted into Uralkali shares upon the combination. The Board of Directors resolved to increase the Company's registered capital by way of issuing 1,200,000,000 (one billion two hundred million) additional ordinary registered non-certificated shares with a par value of 0.5 RUB each for the total amount of 600,000,000 (six hundred million) roubles based on the par value, on the following terms and conditions:

#### 4.1. Placement arrangements:

- Conversion of ordinary registered non-certificated shares of Sylvinit into ordinary registered non-certificated shares of Uralkali upon the combination of the two companies;
- Conversion of Type A privileged registered non-certificated shares of Sylvinit into ordinary registered non-certificated shares of Uralkali upon the combination of the two companies;

#### 4.2. Conversion arrangements:

- 0.007495 ordinary registered non-certificated shares of Sylvinit with a par value of 50 (fifty) roubles 00 kopecks each;
- 0.019297 Type A privileged registered non-certificated shares of Sylvinit with a par value of 50 (fifty) roubles 00 kopecks each;

Are converted into 1 (one) ordinary registered non-certificated shares of Uralkali with a par value of 0.5 (point five) roubles each.

The same resolution of the Board of Directors approved i) additional issue of securities of Uralkali (1,050,000,000 ordinary registered non-certificated shares with a par value of 0.5 RUB each) placed by way of conversion of ordinary registered non-certificated shares of Sylvinit into ordinary registered non-certificated shares of Uralkali upon the combination of the two companies; ii) additional issue of securities of Uralkali (150,000,000 ordinary registered non-certificated shares with a par value of 0.5 RUB each) placed by way of conversion of Type A privileged registered non-certificated shares of Sylvinit into ordinary registered non-certificated shares of Uralkali upon the combination of the two companies. Also approved was the emission prospectus in relation to:

- 1,050,000,000 ordinary registered non-certificated shares with a par value of 0.5 RUB each placed by way of conversion of ordinary registered non-certificated shares of Sylvinit into ordinary registered non-certificated shares of Uralkali upon the combination of the two companies;
- 150,000,000 ordinary registered non-certificated shares with a par value of 0.5 RUB each placed by way of conversion of Type A privileged registered non-certificated shares of Sylvinit into ordinary registered non-certificated shares of Uralkali upon the combination of the two companies.

On 29 April 2011, the Russian Federal Securities Market Commission registered a resolution on an additional issue of securities, assigned state registration number 1-01-00296-A-004D, namely, 1,050,000,000 ordinary registered non-certificated shares with a par value of 0.5 RUB each placed by way of conversion of ordinary registered non-certificated shares of Sylvinit into ordinary registered non-certificated shares of Uralkali upon the combination of the two companies; and a resolution on an additional issue of securities, assigned state registration number 1-01-00296-A-005D, namely, 150,000,000 ordinary registered non-certificated shares with a par value of 0.5 RUB each placed by way of conversion of

Type A privileged registered non-certificated shares of Sylvinit into ordinary registered non-certificated shares of Uralkali upon the combination of the two companies, as well as the emission prospectus in relation to:

- 1,050,000,000 ordinary registered non-certificated shares with a par value of 0.5 RUB each placed by way of conversion of ordinary registered non-certificated shares of Sylvinit into ordinary registered non-certificated shares of Uralkali upon the combination of the two companies;
- 150,000,000 ordinary registered non-certificated shares with a par value of 0.5 RUB each placed by way of conversion of Type A privileged registered non-certificated shares of Sylvinit into ordinary registered non-certificated shares of Uralkali upon the combination of the two companies.

On 26 May 2011, the Board of Directors of Uralkali approved (Minutes 253 dated 26 May 2011) i) report on the additional issue of securities of Uralkali, namely 835,247,687 ordinary registered non-certificated shares with a par value of 0.5 RUB each placed by way of conversion of ordinary registered non-certificated shares of Sylvinit into ordinary registered non-certificated shares of Uralkali upon the combination of the two companies, registered on 28 April 2011 under state registration number 1-01-00296-A-004D; report on the additional issue of securities of Uralkali, namely 135,000,218 ordinary registered non-certificated shares with a par value of 0.5 RUB each placed by way of conversion of Type A privileged registered non-certificated shares of Sylvinit into ordinary registered non-certificated shares of Uralkali upon the combination of the two companies, registered on 28 April 2011 under state registration number 1-01-00296-A-005D.

On June 15<sup>th</sup>, 2011, the aforementioned additional issue reports were registered by the Russian Federal Securities Market Commission.

On 20 October 2011, the Russian Federal Securities Market Commission issued Order No 11-2736-пз-и cancelling individual numbers (codes) (004D and 005D) of state registration numbers 1-01-00296-A-004D dated 28 April 2011 and 1-01-00296-A-005D dated 28 April 2011 assigned to additional issues of ordinary registered non-certificated shares of Uralkali. As a result, Uralkali placed 3 094 637 905 ordinary registered non-certificated shares, state registration number 1-01-0296-A.

The ordinary registered non-certificated shares of Uralkali (state registration number 1-01-0296-A) were included in the list of securities admitted to trading in the securities market by the securities market operator:

Full legal name of the securities market operator: Closed Joint-Stock Company “MICEX Stock Exchange”;

Name of the quotation list, in which the securities of the Company were included: Quotation List A.

#### **Declared (accrued) and paid-out dividends on the shares of the Company in 2008-2011\*\***

Accrual period	Accrued amount, RUB thousand	Paid-out amount, RUB thousand*
2008	15 253 792,0	15 234 354,4
2009	5 784 411,4	5 744 021,9
2010	14 080 050,4	14 030 590,4
2011	12 378 066,3	8 044 341,8

\* As of 31 December 2011.

\*\* Including accrual and pay-out for OJSC “Sylvinit”.



## Market activities of the Company in 2009-2011

### Earnings per share

The calculation was made in line with Order 29H “On approval of guidelines for disclosure of information about earnings per share” of the Ministry of Finance of Russia dated 31 March 2000 save as otherwise provided in the notes thereto.

#### Basic earnings

2009	2010	2011
1 153 184 RUB thousand	14 469 315 RUB thousand	42 571 962 RUB thousand

#### Weighted average number of outstanding shares

2009	2010	2011
2 124 390 000	2 124 390 000	3 094 637 905

*Outstanding shares mean ordinary shares of the Company in circulation*

#### Book value of one outstanding share

2009	2010	2011
17,70 RUB	22,81 RUB	32,34 RUB

Note: This indicator was calculated as Section ‘Capital and reserves’ as of the year’s end divided by the weighted average number of outstanding shares of the Company.

#### Basic earnings per outstanding share

2009	2010	2011
0,54 RUB	6,81 RUB	13,76 RUB

#### Diluted earnings per outstanding share

Diluted earnings per one outstanding share of the Company is not disclosed pursuant to Item 16 of Order 29H of the Ministry of Finance of Russia dated 31 March 2000 as in 2005-2008 Uralkali did not have securities convertible into ordinary shares and Uralkali ordinary share sale and purchase agreements at a price below the market value.

#### Weighted average market value of one outstanding share

2009	2010	2011
86,00 RUB	133,86 RUB	240,37 RUB

#### Ratio between weighted average market value of one outstanding share and book value of one outstanding share

2009	2010	2011
4,86	5,87	7,43

#### Ratio between weighted average market value of one outstanding share and basic earnings per outstanding share

2009	2010	2011
158,43	19,65	17,47

Victor Belyakov  
Chief Financial Officer

Svetlana Zotova  
Chief Accountant