



Uralkali: A Leader in the Global Potash Market

Q3 2012 IFRS Key Figures and Potash Market Highlights

20 December 2012

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Uralkali Performance Update Q3 2012

Key Figures Overview

(US\$ mln)	IFRS Q3 2012	IFRS 9M 2012	IFRS Q3 2011	Pro-forma ¹ 9M 2011
Gross Revenue	1,060	3,294	1,209	3,182
Net Revenue	886	2,790	1,041	2,697
Average potash price, FCA, US\$				
- Domestic	228	255	219	201
- Export	373	378	376	342
(Mln tonnes)				
Production volume	2.6	7.4	2.9	8.1
Sales volume	2.5	7.6	2.8	8.1
- Domestic	0.6	1.6	0.5	1.4
- Export	1.9	6.0	2.3	6.7

Overview of the Q3 2012

- Q3 capacity utilization rate – c. 90% reflecting active buyers' sentiment and strong farmer economics
- Strong potash prices maintained in line with levels achieved in 2011

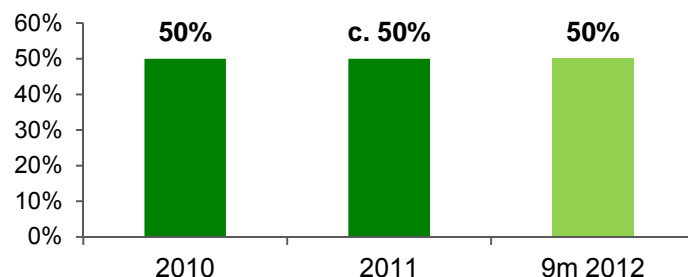
Solid Company performance reflects strong business fundamentals and signs of positive market developments

Focus on Robust Capital Structure

Dividend Policy

- Pay-out ratio: minimum 50% of IFRS net income
- Interim dividends at least twice a year

Dividend Payout Ratio



Buyback Programme

- 13 Nov'12 – 13 Nov'13 resumed buyback programme to the max amount US\$1,64bln
- 6 Oct'11 – 6 Oct'12: completed buyback programme in the amount of US\$863 mln (c. 5.1% of share capital was cancelled)
- As part of the new buyback programme, to-date US\$27.3 mln was spent (average GDR price – US\$37.2¹)

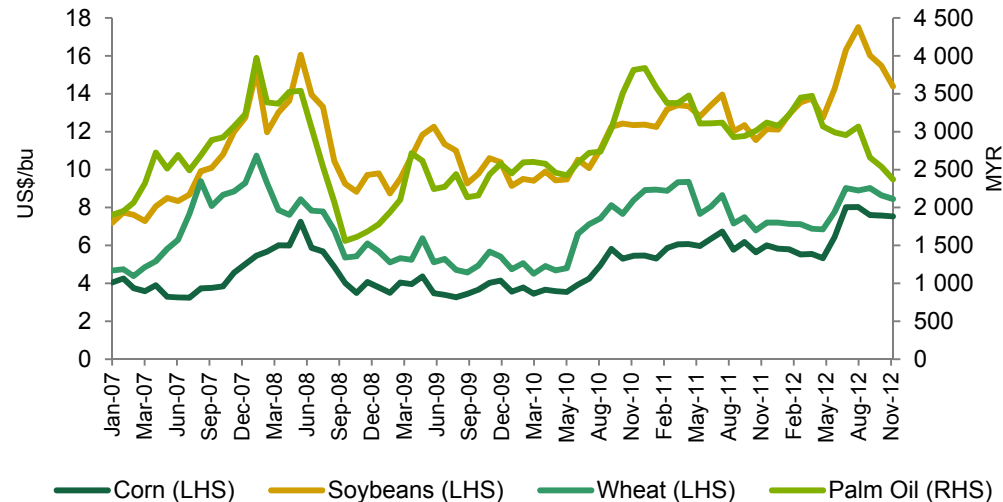
Strong Balance Sheet

- As of Sep'12 Net Debt/LTM EBITDA – 0.7x with target range 1.0–2.0x

Focused on shareholder value via a balanced approach to investing in growth and returning capital

Fundamentals Remain Strong

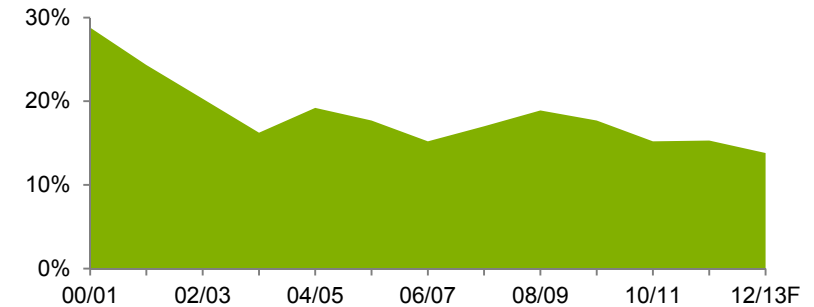
Crop Future Prices



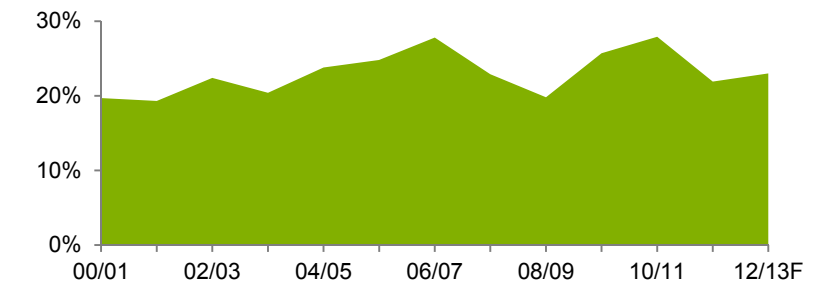
Source: CBOT, Bursa Malaysia

- Despite recent downward correction, grain prices remain at historic highs
- Global stocks-to-use ratio of major crops will remain below 2011/2012 levels, sustaining prices in 2013
- Drought and high agriculture commodity prices this year are expected to incentivize large planting during 2013
- Elevated agricultural commodity prices and strong farmer economics expected to result in a rebound in potash demand next year

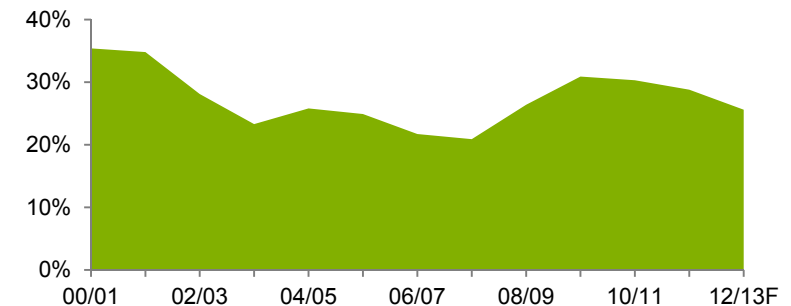
Corn stocks-to-use ratios



Soybeans stocks-to-use ratios



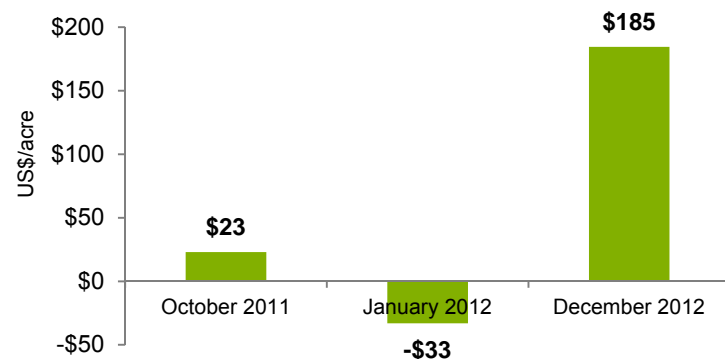
Wheat stocks-to-use ratios



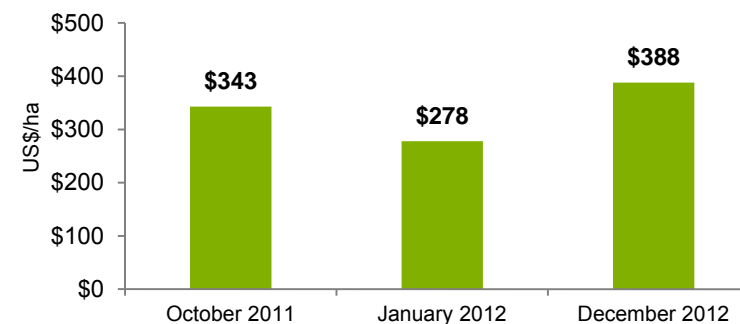
Source: USDA

Farmers' Gross Margins

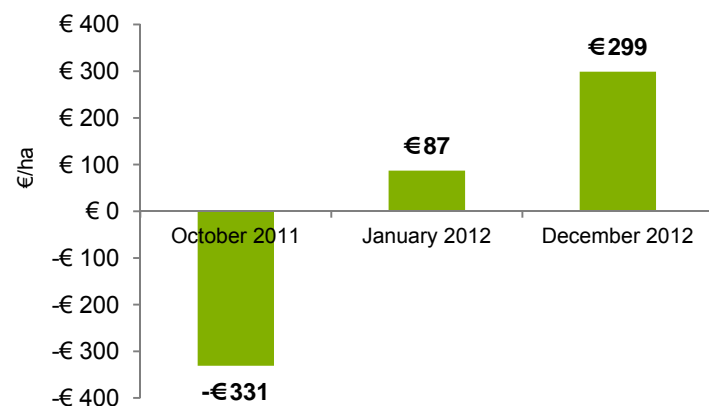
Corn, USA



Soybeans, Brazil



Wheat, Poland

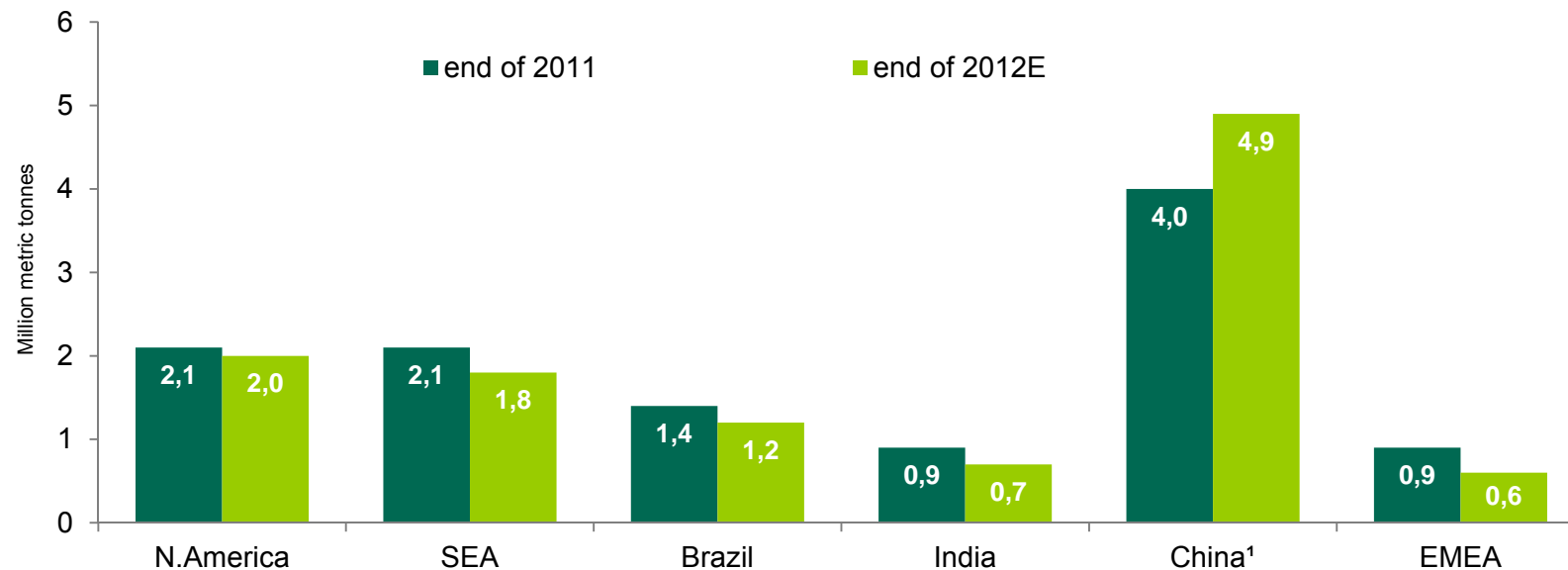


Palm oil, Malaysia



Farmer economics remains robust for almost every major crop around the world. Solid returns will provide substantial support for fertilizer consumption growth in 2013

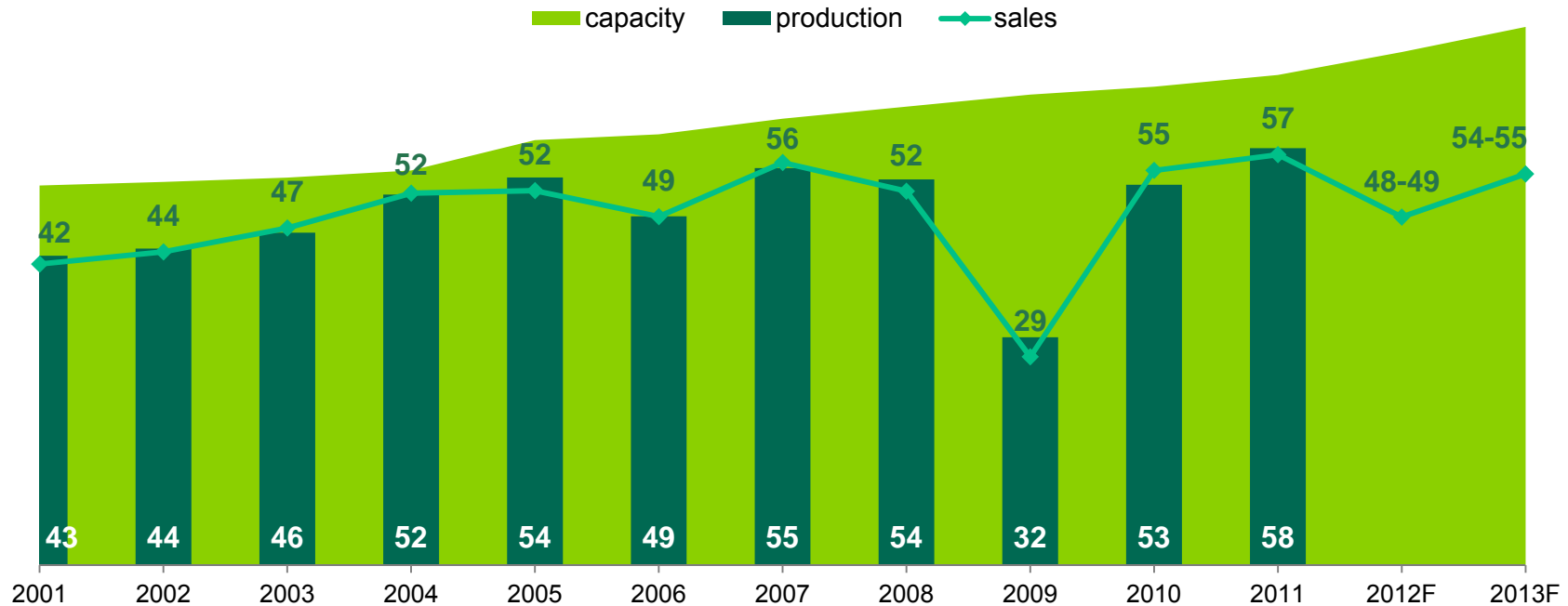
Global potash inventory¹



Source: BPC estimations

- Inventory drawdown is expected during 1Q2013
- Inventories in China will fall over the next 3 months due to a seasonal suspension of domestic production and a halt in rail imports
- Potash demand is expected to pick up following conclusion of the next contracts with China and India
- We believe China and India will look to begin re-negotiating a new contract in Q1 2013

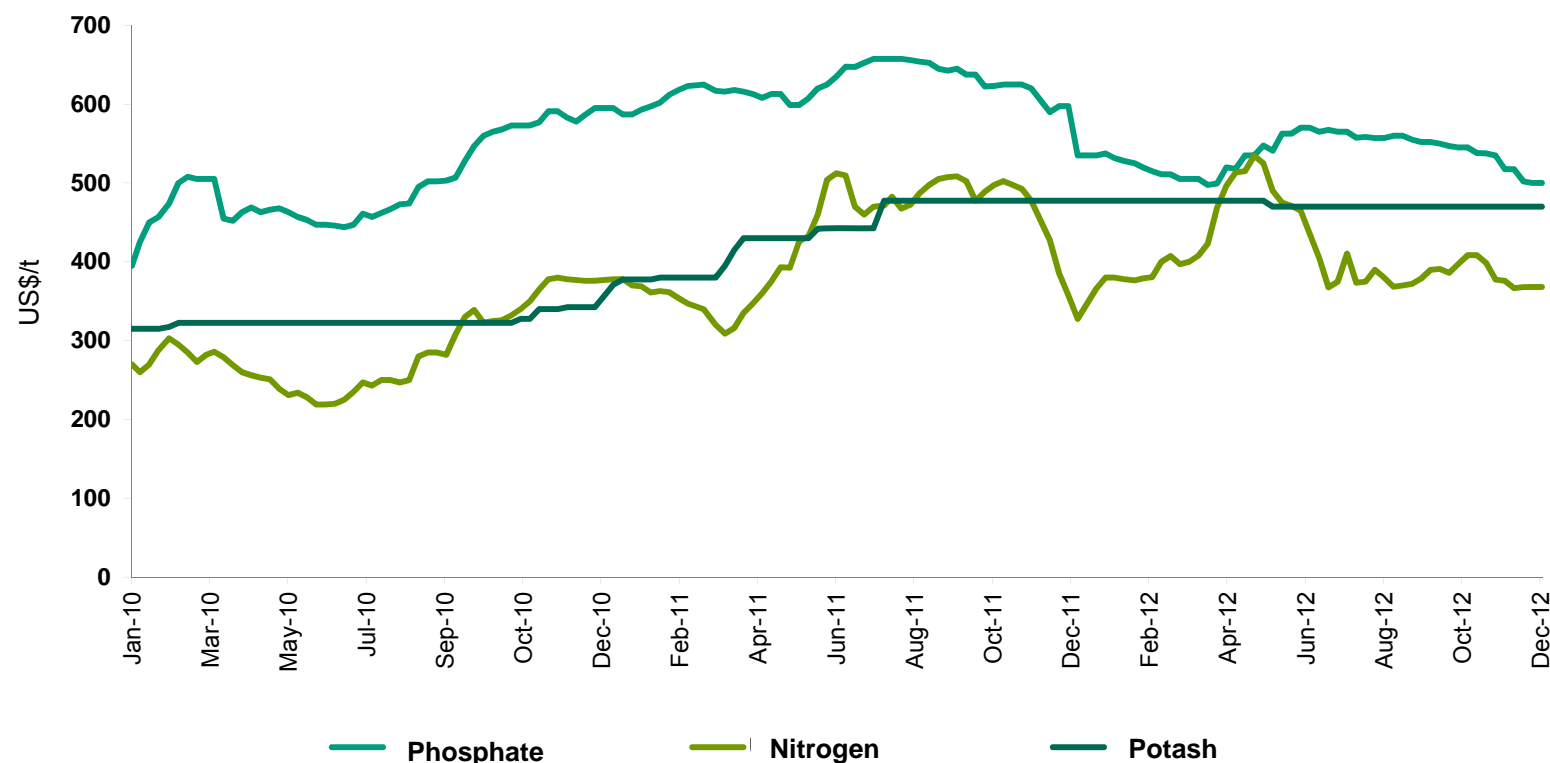
Supply/Demand Dynamics 2001-2013F



Source: IFA, UKT/BPC estimates

- Global potash deliveries for 2012 are estimated at 48-49 Mtpa, following weakness in 1Q 2012, ongoing challenges in India and China
- In 2013, potash demand globally is expected to be supported by healthy farm incomes. Farmers are likely to increase planted acreage going forward
- Therefore, global potash demand is expected to increase to 54-55 Mtpa in 2013

Potash Prices: Chinese and Indian Contracts are Expected to Boost Confidence in the Market



Source: FMB

- In 2013, potash prices are expected to be supported by low grains stocks-to-use ratios and strong prospective plantings for US corn in 2013
- India and China contracts are expected to be concluded in 1Q 2013 and set a floor for market pricing



Potash Market Outlook

- Potash market fundamentals are supported by strong farmer economics and affordable potash prices on a historic basis
- We expect potash deliveries to total 48-49 Mtpa in 2012 reflecting industry destocking during 1Q 2012, ongoing challenges in India and China, and macroeconomic concerns
- Chinese and Indian contracts are expected to be settled in 1Q 2013 and establish the floor for market pricing
- Potash demand is likely to return to its historical growth trend over the next few years. In 2013 we expect global potash demand to increase by 12-13% yoy to 54-55 Mtpa

Conclusion and Outlook



A Leader in the Global Potash Market

- Leading player in potash export market
- Amongst the lowest cost producers
- Attractive portfolio of cost-advantaged brownfield projects + large-scale greenfield opportunities

3Q 2012 Update

- Lower potash deliveries in the Q3 2012 due to market conditions and cautious buyer sentiment
- Strong potash prices maintained in line with levels achieved in 2011
- Q3 capacity utilization rate – c. 90% reflecting active buyers' sentiment and strong farmer economics
- Cash distribution through regular dividends and buyback to benefit all shareholders

Potash Market Update

- Global potash deliveries expected to range between 48-49 MT in 2012
- Industry fundamentals remain supportive - strong farmers' profitability and affordable potash prices on a historic basis
- 2013 global potash demand is expected to increase by 12-13% yoy to 54-55 Mtpa

Focused on delivery of growth to drive shareholder value



Thank You!