Uralkali: A Leader in the Global Potash Market

6M 2011 Results and Market Outlook Conference Call

22 September 2011

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Agenda

1. **A Leader in the Global Potash Market**
2. **Financial Highlights**
3. **Potash Market Update**
4. **Conclusions and Outlook**

A Leader in the Global Potash Market

- Uralkali is a leading global player in potash production and capacity
  - #1 in potash production
  - #2 in capacity globally
- Uralkali is a leading player in the potash export market
- Uralkali is positioned amongst the lowest cost producers with advantageous competitive position and further synergistic potential from merger
- Uralkali has an attractive portfolio of cost-advantaged brownfield projects alongside large-scale greenfield development opportunities

Key Milestones of 6M 2011

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December | January | February | March-April | May | June | July - August | September

20-Dec-2010
Uralkali and Silvinit announce proposed combination

4-Feb-2011
Shareholder approval of proposed combination of Uralkali and Silvinit

21-Feb-2011
Vladislav Baumgertner appointed CEO

01-Apr-2011
Uralkali capacity has been increased up to 11.5 mln t KCl by brownfield project at Solikamsk-3 (+0.9 mln t)

17-May-2011
Registration of termination of Silvinit as a standalone legal entity

29-Jun-2011
BPC reaches agreement on 700 ths tonnes of potash shipments to China at the price US$470 (CFR), over the preiod Jul-Dec'11

29-Jun-2011
Election of two new INEDs – Sir Robert John Margetts and Paul James Ostling

24-Jun-2011
Under new cooperation terms with IPC Uralkali plans to export its products through the BPC starting from 1-Jan-2012

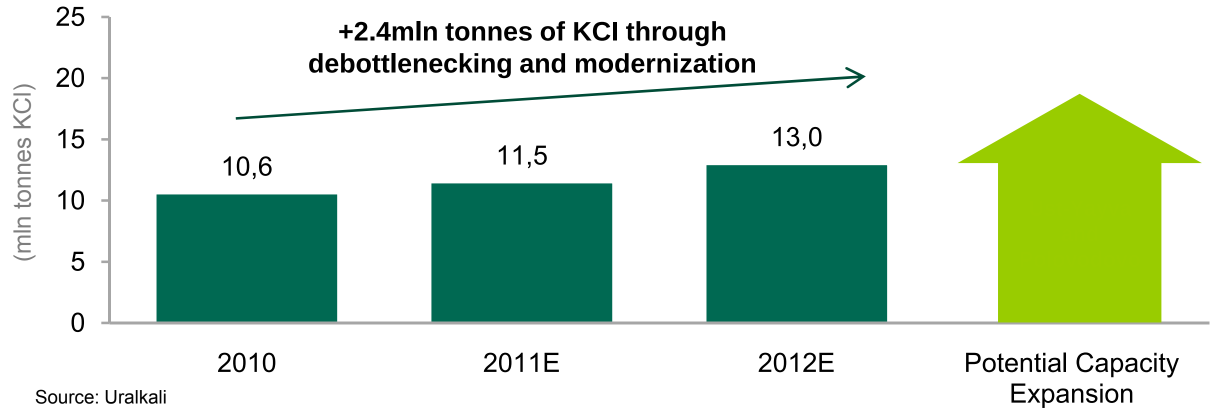
4-Aug-2011
BPC reaches agreement on 1.2 mln tonnes of potash shipments to India at the price US$490 (CFR), over the period Aug'11-Mar'12

26-Aug-2011
FSFM permission to increase GDR programme up to 25% of its share capital

16-Sep-2011
Uralkali refinances Silvinit debt of c. US$1.2 bn via syndicated loan at Libor + 1.8%

Significant Capacity Growth Potential

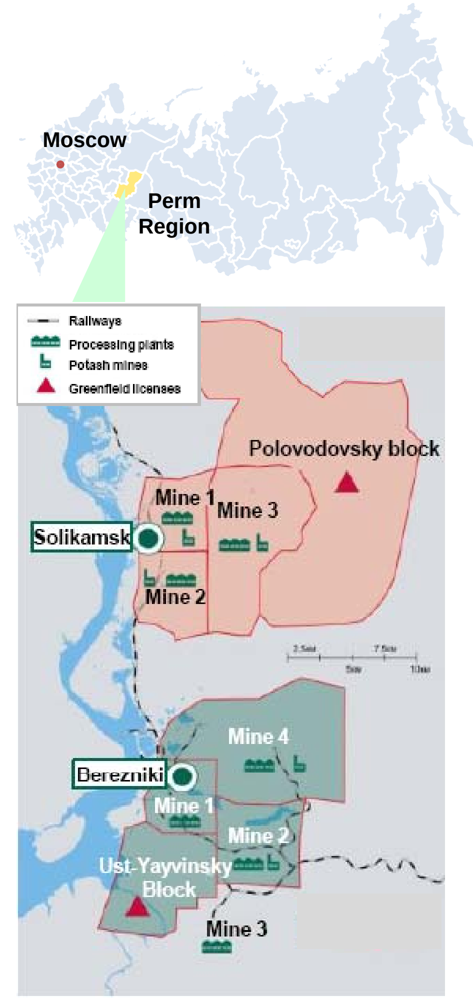
Planned Capacity Additions Synchronized with Global Potash Market Growth



Source: Uralkali

- **Existing Facliities: 5 potash mines, 7 potash-processing plants, 2 greenfield licenses**
- **Reserves & Resources**: JORC-compliant resource base of 8.7Bnt of ore including 4.4Bnt from Ust-Yayvinsky and Polovodovsky blocks combined
- **Brownfields**: 23% capacity expansion at one of the lowest costs in the industry
- **Greenfields**: Further expansion potential through Ust-Yayvinsky and Polovodovsky projects
    - the largest greenfield license areas in the industry, which are adjacent to the existing mines
    - one of the lowest depths of the mine (250-400m)
    - all required infrastructure already in place
    - strong geology and mining expertise

Complimentary Asset Base



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Financial Statement 1H 2011 – Alignment of Reporting Standards

CONSOLIDATION OF SILVINIT	
Profit and Loss, Cash Flow	Consolidation starting 17 May 2011, when Silvinit ceased to exist as Russian legal entity: • Financial Statement includes 1.5 months of Silvinit operations • Pro-forma numbers include 6 months of Silvinit operations –> more representative for results of the Combined Company
Balance Sheet	Purchase price allocation resulted in: • Goodwill of US$ 2.1bn – excess of consideration over the fair value of assets and liabilities • Intangible assets of US$ 6.4bn – operating licences of Silvinit

CHANGES IN REPORTING STANDARDS AS OF 1H 2011	
Changes in reporting	• Financial reporting in US Dollars • Key numbers on Q-Q basis

Further increasing transparency and disclosure standards

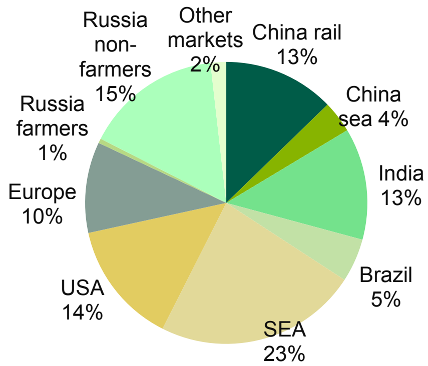
Key Financial Highlights – 1H 2011

Key Figures

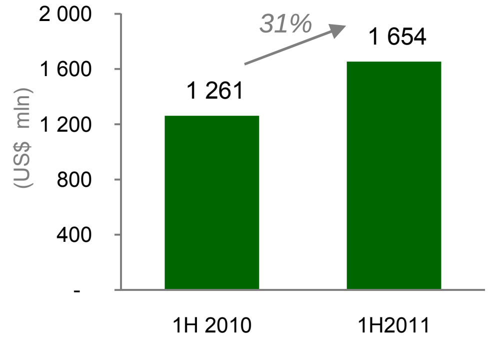
(US$ mln)	Pro-forma 1H 2011[1]	SILV + URKA 1H 2010[2]	*Change %*
Sales volume, 000 tonnes	5 276	5 272	*0%*
- Domestic sales	856	841	*2%*
Sales to farmers	46	48	*-4%*
- Export sales	4 421	4 431	*0%*
Revenue	1 973	1 527	*29%*
Net Revenue[3]	1 654	1 261	*31%*
EBITDA	1 036	764	*35%*
EBITDA margin, %	*63%*	*61%*	
Adjusted EBITDA[4]	1 054	765	*38%*
Adjusted EBITDA margin[5], %	*64%*	*61%*	
Net Profit	794	466	*70%*
CAPEX	226	223	*1%*
- Maintenance	118	109	*9%*
- Expansion	107	114	*-6%*
Average export price, US$	398	303	*31%*

Key Considerations

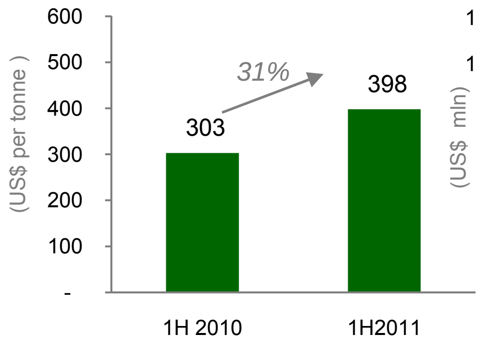
1H 2011 Market mix



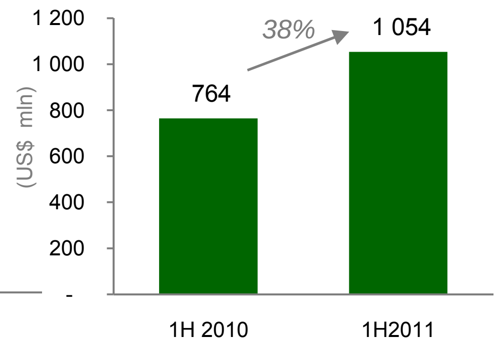
Net Revenue[3]



Average export price



Adjusted EBITDA[4]



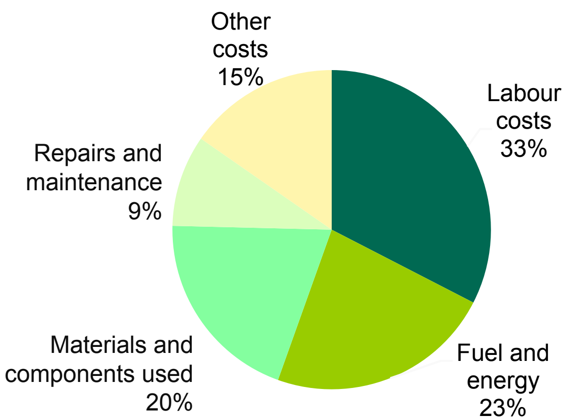
1H 2011 Demonstrated growth in prices together with virtually full capacity utilization rate

Notes:

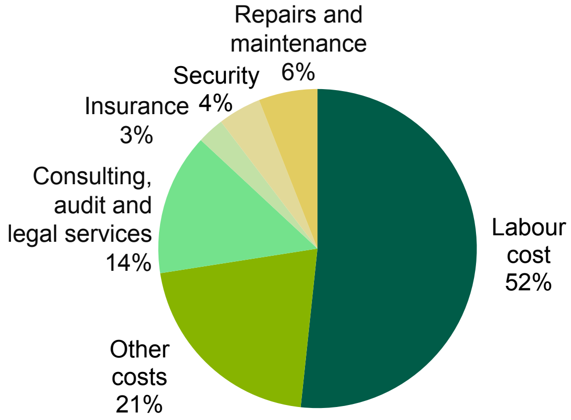
1. Uralkali financial results for the 6 months ended 30 June 2011 including Silvinit results starting from 1 January 2011
2. Pro-forma 1H 2010 is calculated as Uralkali financial results for 1H 2010 + Silvinit financial results for 1H 2010
3. Net revenue represents adjusted revenue (sales net of freight, railway tariff and transshipment costs)
4. Adjusted EBITDA is calculated as Operating Profit plus depreciation and amortization and does not include mine flooding costs
5. EBITDA margin is calculated as EBITDA divided by Net Sales

Review of Cost Structure 1H 2011[1]

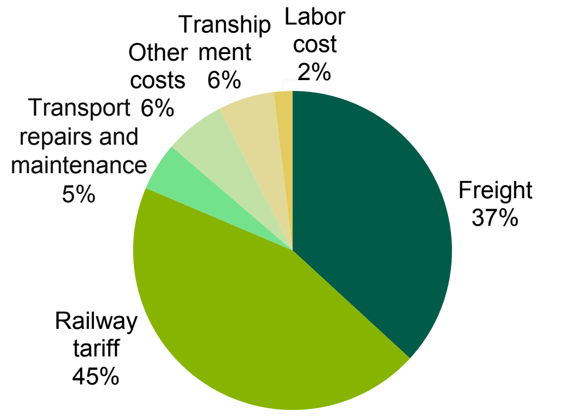
Cash COGS[2]



Cash G&A Costs

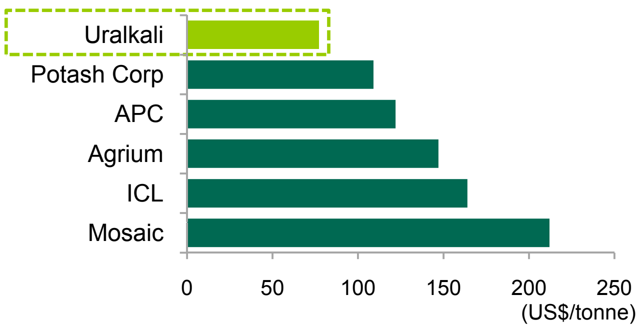


Cash S&D Costs



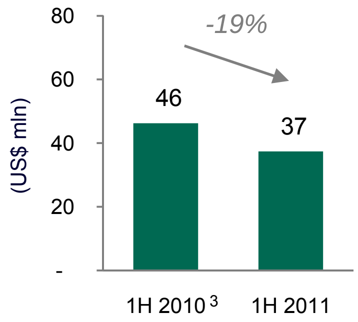
- Unit potash cash COGS 1H 2011 – 61 US$ per tonne - the lowest across the industry:

2010 Potash industry cost curve (excl. shipping)

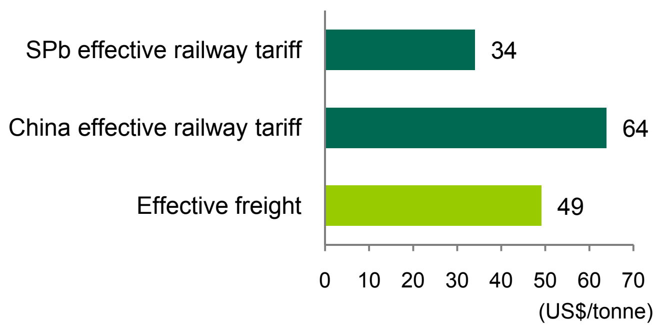


Source: Uralkali, Companies reports , HSBC

Labor GnA costs



Effective railway tariff and freight rates



Maintaining status of a low cost producer with the focus of further cost efficiency, optimization, delivery of synergies

Notes:
1. Consolidated Condensed Interim Financial Information for 6 months 2011
2. Without COGS of finished goods acquired at acquisition
3. Adjusted for one-off compensation costs

Capex, Cash Flow, Balance Sheet 1H 2011

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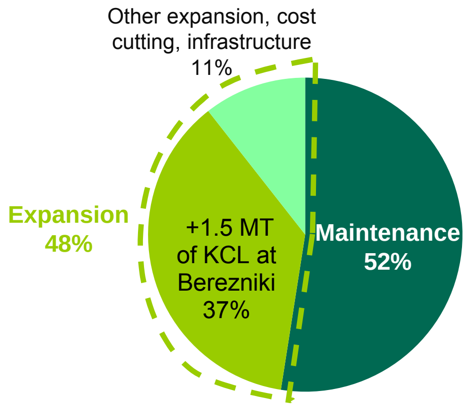
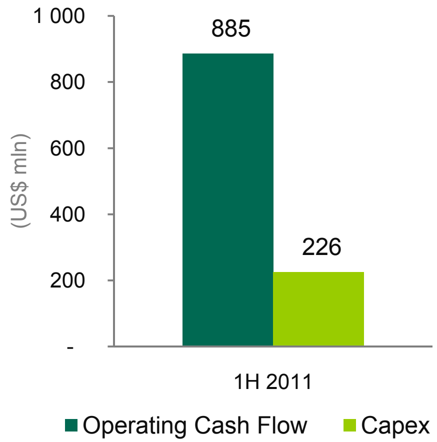
Capex, Cash Flow

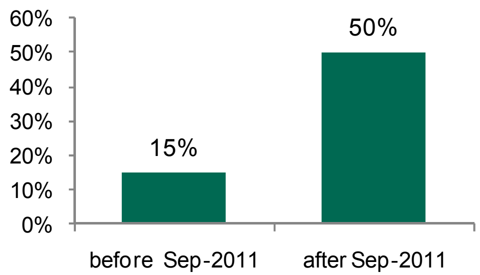
Capex by main projects, 1H 2011



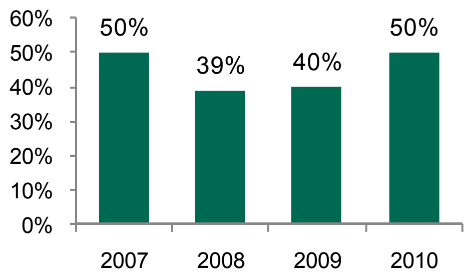
Capex vs. Operating Cash Flow



Dividend policy



Dividends payout ratio



Balance Sheet [1]

(US$ bn)	**30 June 2011**
Debt (bank loans+bonds)	3 173
- bank loans	2 074
- bonds issued	1 100
Cash	1 058
Net debt/(cash)	2 116

- Significant Balance Sheet changes:
  - Buy-back of bonds at the amount c. US$1bn in August 2011
  - Refinancing c.US$1.2bn of Silvinit debt with a syndicate loan in September 2011
- Loan portfolio parameters expected as of October 2011:
  - c.100% of debt exposure is in US Dollars
  - Average interest rate c.3.0%
  - Target Net Debt/EBITDA ratio of 1.0–2.0x LTM EBITDA

Robust capital structure, stable cash-flow generation, strong dividend strategy

Notes:
1. Consolidated Condensed Interim Financial Information for 6 months 2011

Synergy Realization Progress Update

	OPERATIONAL	TRANSPORTATION	SG&A / Financial
Synergies Description	• Operating savings of c. US$35m p.a. due to procurement improvements, technology efficiency and efficiency in repairs and services functions • Maintenance investment savings of c. US$20m p.a. • Additional benefits are expected to come from integrated approach to the development of Ust-Yayvinsky and Polovodovsky greenfield projects	• Redirection of Silvinit's transportation routes to the Baltic Bulk Terminal owned by Uralkali • More effective use of existing rolling stock through joint management • Decreased ship chartering costs thanks to larger and longer-term freight contracts	• Combination of corporate functions, streamlining divisional functions and offices • Reduction of administrative expenses through elimination of duplicate functions and roles • Optimisation of fixed cost levels – maintenance of funds, planned replacement of equipment, upkeeping of infrastructure and plant • Optimization of debt portfolio, refinancing of expensive Silvinit debt
Value	**US$55m p.a.**	**US$20m p.a.**	**US$25m p.a.**
Update and Near Term Plans	• 2011 Maintenance capex to be less than US$280mln • Carnalite plant to be shut down	• At least 800kt to be redirected to Baltic Bulk Terminal (economies of US$16/t) in 2011 with up to 1Mt in 2012 • Starting 2012 all export volumes of Silvinit to be redirected to traditional Uralkali traders (economies in trading administration cost)	• Headcount reduction of more than 300 people in 1H 2011 (mostly in G&A function) • Silvinit debt refinanced at interest rates LIBOR +1.8%

- **In aggregate, core synergies from the merger are expected to reach c.US$100 million p.a.[1] by 2013**
- **Over 500 employees involved in the integration process; execution stage already started**

Notes:
1. Net of realisation costs. Management of Uralkali is further reviewing the synergy potential created through the combination, which is expected to result in additional synergies being identified

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Crop Prices Stay High

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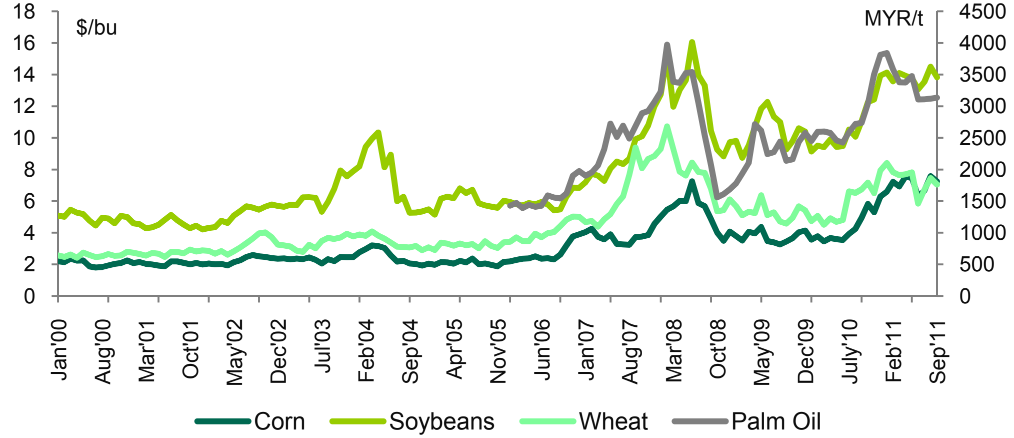
Crop Future Prices



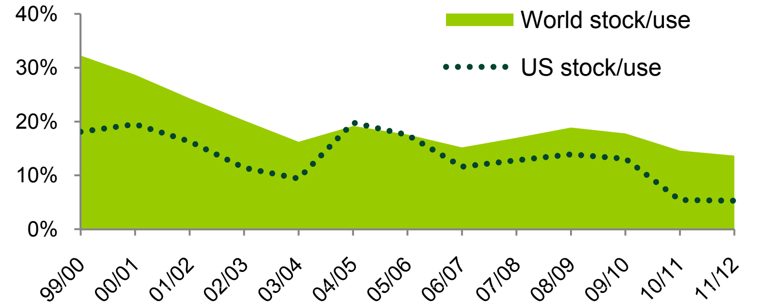
Source: CBOT, Bursa Malaysia

- Grain markets should stay relatively immune to any further deterioration in the macroeconomic environment this year as tight fundamentals continue to support price levels
- This year, planting delays, spring flooding, and uneven growing weather led the analysts to notably reduce forecasted harvest sizes especially in the US (for corn (~3%), soybean (~4%), and wheat (~3%)) thus pushing stock-to-use ratios to record lows
- Strong demand from China and other emerging markets is expected to support the prices and limit the possibility for stocks to be rebuilt

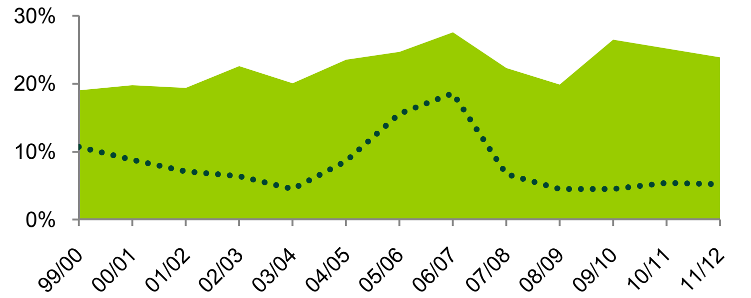
	2010 Average Price	Futures Price Forecast				
		3-months	6-months	12-months	2011E	2012E
Corn	$3.76/bu	$7.35/bu	$7.35/bu	$7.00/bu		
Soybeans	$10.44/bu	$13.75/bu	$14.00/bu	$14.00/bu		
Wheat	$5.29/bu	$7.50/bu	$7.90/bu	$7.50/bu		
Palm Oil	$856/t				$1100/t	$1250/t

Source: CBOT, Bursa Malaysia, Goldman Sachs

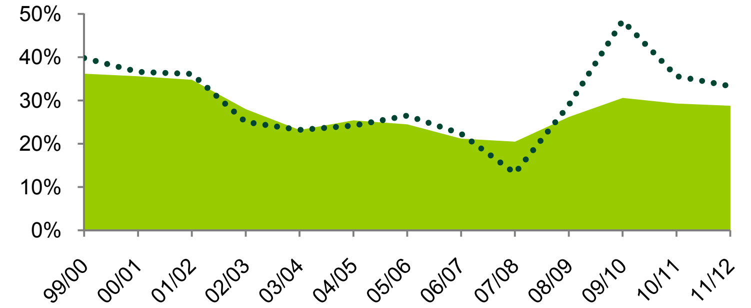
Corn stocks-to-use ratios



Soybeans stocks-to-use ratios



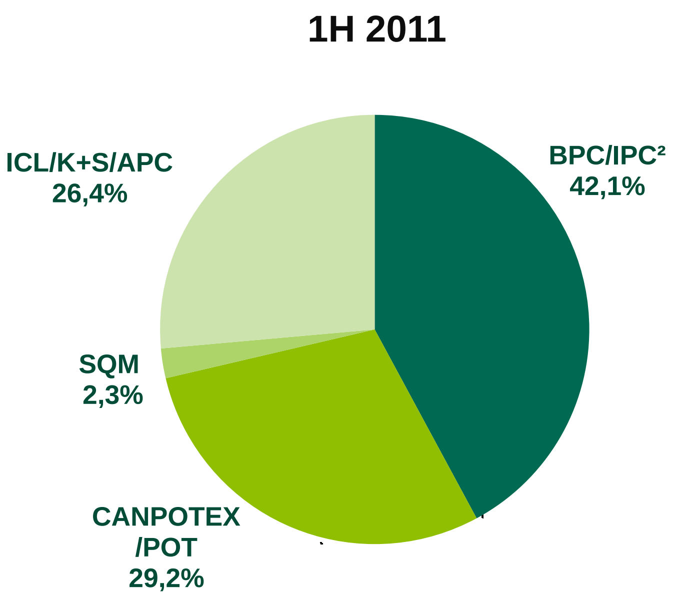
Wheat stocks-to-use ratios

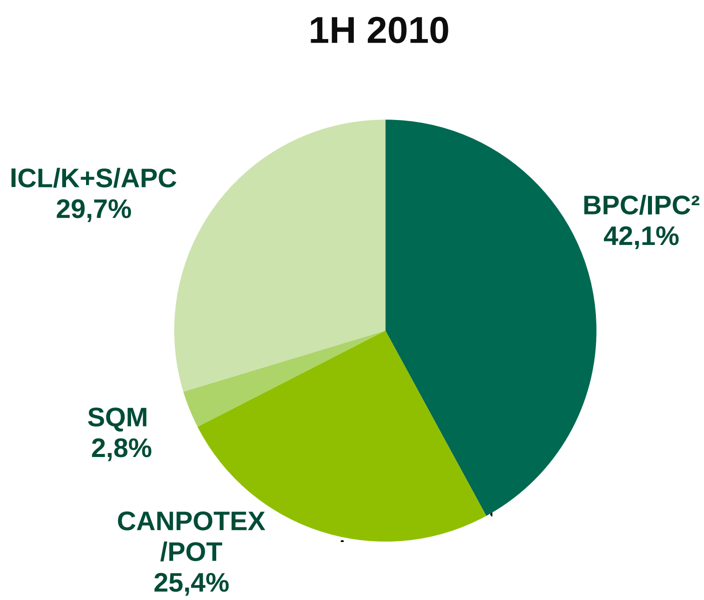


Source: USDA

Potash Export Trade in 1H 2011

Suppliers' market shares in global potash export[1]





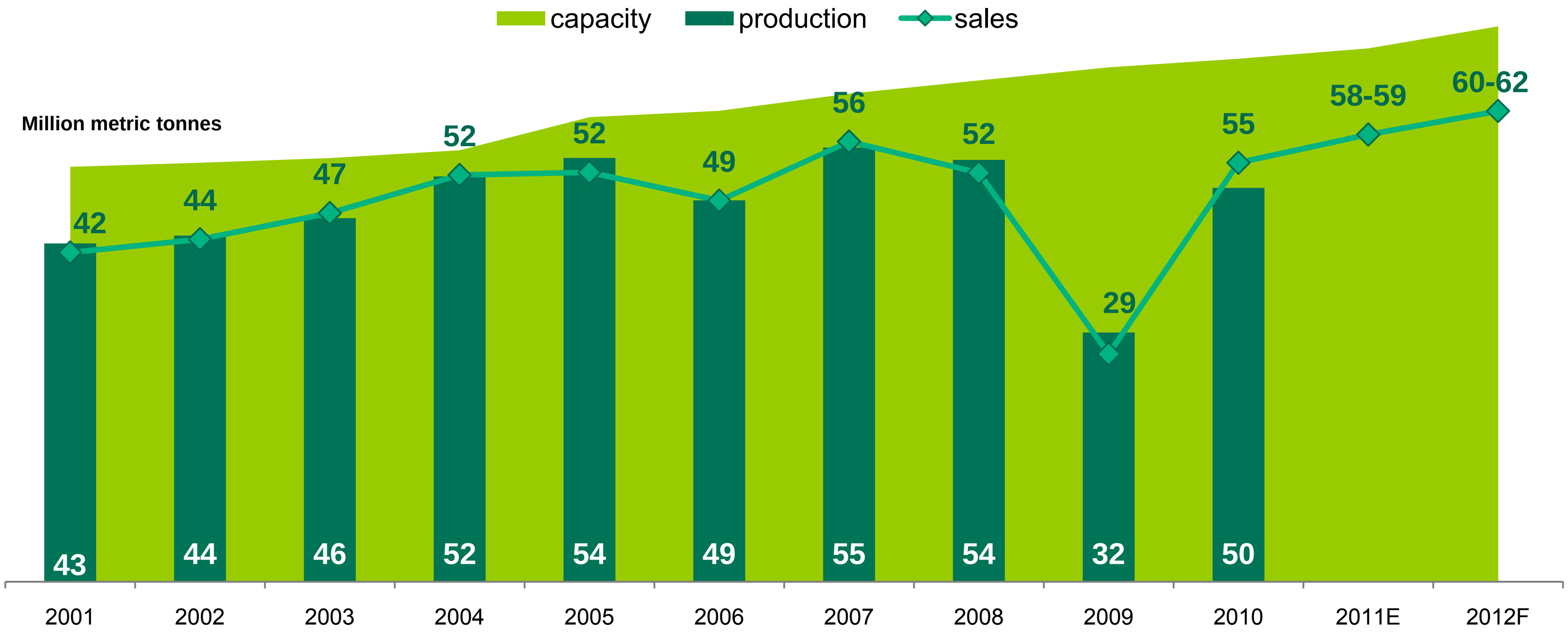
Source: IFA, BPC

Uralkali traders have sustained its top market share in the export potash market

Note:

1. Excluding Canadian potash export to the United States
2. Together with Uralkali Trading S.A

Supply/Demand Dynamics 2001-2012F

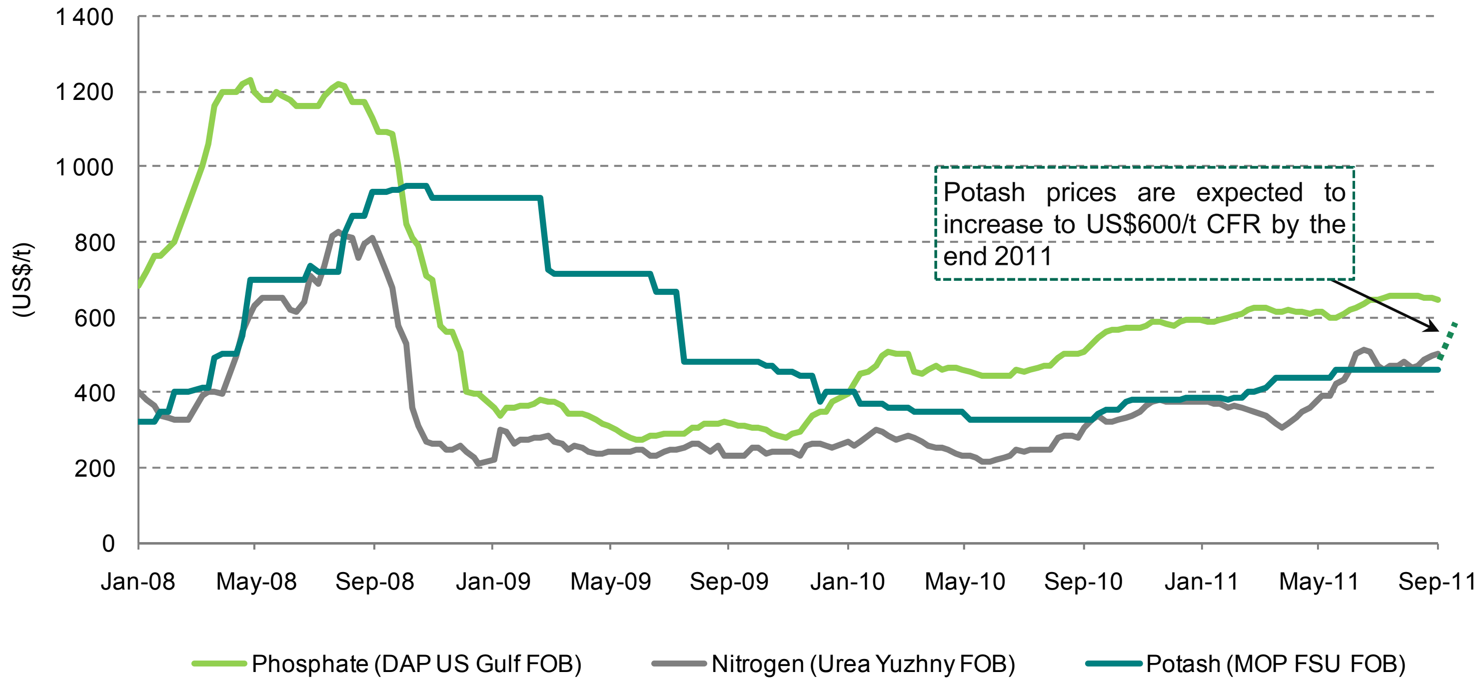


Source: IFA, BPC estimates

- Worldwide potash sales volumes are expected to hit a new record of 58-59 Mtpa in 2011
- Healthy farmer economics and re-stocking point to improved supply/demand dynamics into 2012
- The global supply/demand balances for potash remains relatively tight with effective operating rates for calendar 2011/12 close to 90%. In 2012, potash demand is likely to exceed 60 Mtpa

2011 expected to see potash sales exceeding pre-crisis level with further growth anticipated in 2012

Fertilizer Prices Continue to Strengthen



Source: FMB

- Potash prices haven't surpassed the record highs of 2008 yet
- Spot prices are US$550/t in Brazil, US$535/t - in South East Asia; The 2H'11 Chinese contract has been settled at US$470/t and Indian half-year contract at US$490/t
- While equities have recently experienced a downward trajectory, agriculture commodity prices did not correct much. Prices for potash, DAP, and urea each strengthened over the past month supported by strong agriculture fundamentals
- Potash industry fundamentals remain favorable for 2011 and 2012, owing to low stock-use ratios for grain and oilseeds, which, in turn, support potash prices. Spot prices are expected to increase to US$600/t CFR in Q4 2011

Potash Market Outlook

- Crop prices remain at historical highs, while fertilizers haven't surpassed the record highs of 2008 yet. In 2011, the combination of high crop prices and relatively low fertilizer prices (input costs) will result in one more record year for farmers' incomes
- The recent selloff in the equities market reflects a bearish macroeconomic views, particularly around Eurozone debt crisis. While equities have sold off sharply, agriculture commodity prices did not correct quite as much owing to low stock-use ratios for grain and oilseeds
- Spot prices are expected to increase to US$600/t CFR in Q4 2011
- Given healthy crop prices and strong farmers' economics, balanced to tight supply/demand suppliers are likely to achieve significant price increases over the next year

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Conclusion and Outlook

A Leader in the Global Potash Market	• #1 in global potash production • Leading player in potash export market • Amongst the lowest cost producers with highly cost advantageous competitive position and further synergistic potential • Attractive portfolio of cost-advantaged brownfield projects alongside large-scale greenfield development opportunities
Sustainable Superior Performance	• Adjusted EBITDA margin – 64% • Potash COGS per tonne – 61 US$ per tonne • Optimized low interest rate debt portfolio • Expected synergetic effects materializing
Potash Market Update	• Industry fundamentals are highly attractive with favourable demand growth prospects • Crop prices expected to stay elevated in 2011 / 12 • Global potash sales volumes expected to range between 58-59 Mtpa in 2011 • Upward pricing trajectory is likely to continue during 2012
Further Improvement in Corporate Governance	• High calibre international INEDs elected to the Board – Sir Robert John Margetts and Paul James Ostling • New dividend policy (50% payout) benefits all shareholders

Focused on delivery of growth to drive shareholder value

Thank You!