

A large, golden-brown wheat sheaf graphic, composed of many individual stalks of wheat, radiating outwards from a central point. The stalks are detailed with long awns and are set against a light green background.

aim. perform. achieve.

1H 2015 IFRS Results
and Potash Market Overview

Webcast & Conference Call

25 August 2015

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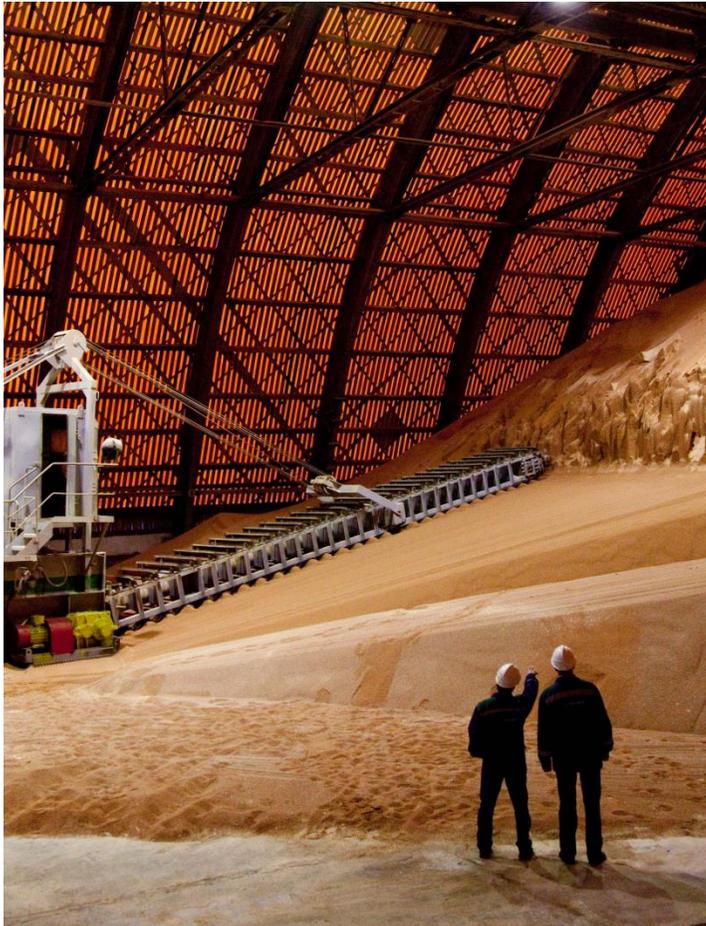
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Executive Summary



1H15 vs. 1H14 performance

EBITDA rose by 22% YoY to \$933 mln in 1H15

- EBITDA margin¹ expanded to 71% vs. 58% in 1H14 due to further RUB depreciation and average export potash price growth

Cash cost reduction to \$33/t (-35% YoY) due to ruble devaluation

Export potash price for the period averaged \$242 (+10% YoY)

- YoY price increase was mainly attributable to historically record demand in 2014

Potash sales down to 5 602 kt (-7% YoY)

- Decrease in sales triggered by lowering production volumes on the back of Solikamsk-2 accident and softening of the key markets

US\$ million	1H 2015	1H 2014	Δ	%
Sales volume, thousand tonnes	5 602	6 053	(451)	(7%)
- Export sales	4 587	5 075	(488)	(10%)
- Domestic sales	1 015	978	37	4%
Production volume, thousand tonnes	5 673	6 045	(372)	(6%)
Average export potash price, FCA (US\$/tonne)	242	220	22	10%
Revenue	1 562	1 726	(164)	(9%)
Net revenue ²	1 309	1 316	(7)	(1%)
EBITDA ³	933	767	166	22%
EBITDA margin ¹ , %	71%	58%	13 pts	22%
Net profit	556	370	186	50%

Strategic priorities

Sales

- Keeping and developing strategic partnerships
- Targeting sustainable market share in line with historic averages
- Maximizing revenue

Profitability

- Constant margin improvement via cost control and deliberate pricing strategy

Debt

- The Company expects to maintain a sustainable level of financial leverage

Financial and operational

Board of Directors' decisions

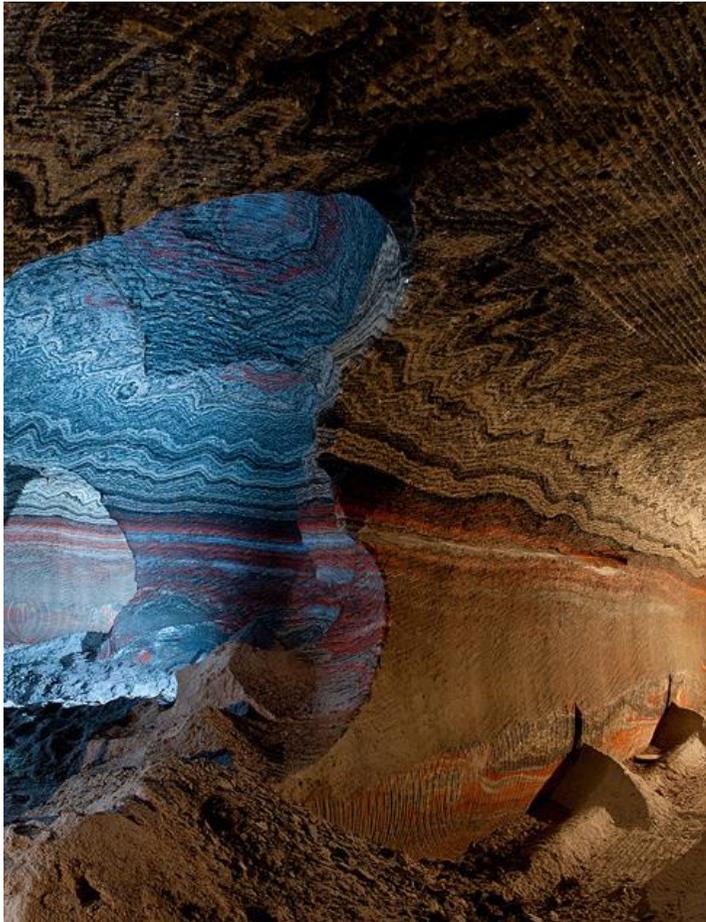
Approval of the principal terms of programme to purchase Uralkali's common shares and GDRs in the form of a Tender Offer

- US\$3.2 per Common Share, US\$16.0 per GDR
- Up to US\$1.32bn representing up to 14% of Uralkali share capital, will commence on August 25, 2015 and will expire at on September 25, 2015, unless extended

Approval of amendments to the Global Depository Receipts Deposit Agreement

- Removal of the obligation of the Company to use its reasonable efforts to list the GDRs on another EEA Regulated Market
- Amendment to the Deposit Agreement to reduce the notice period for the termination of the GDR program from 90 days to 30 days
- Termination of Rule 144A GDR programme

- EBITDA margin is calculated as EBITDA divided by Net Revenue
- Net Revenue represents Revenue net of freight, railway tariff and transshipment costs
- EBITDA is calculated as Operating Profit plus depreciation and amortization



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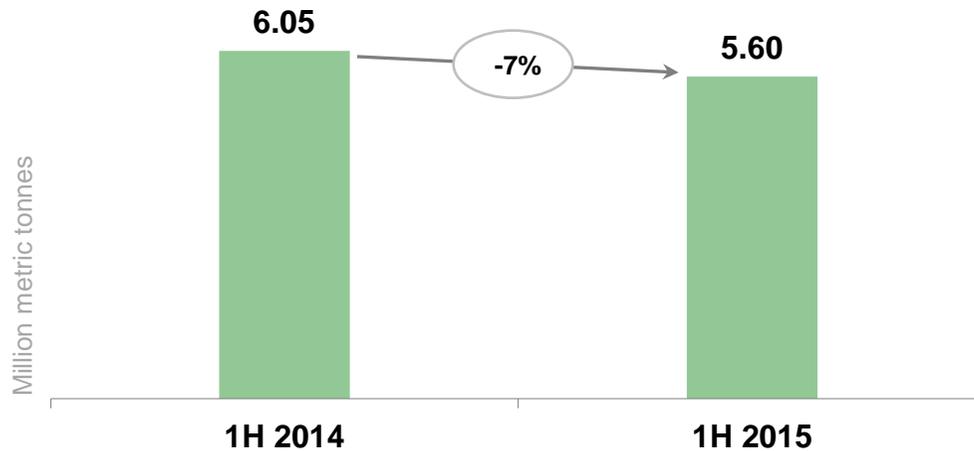
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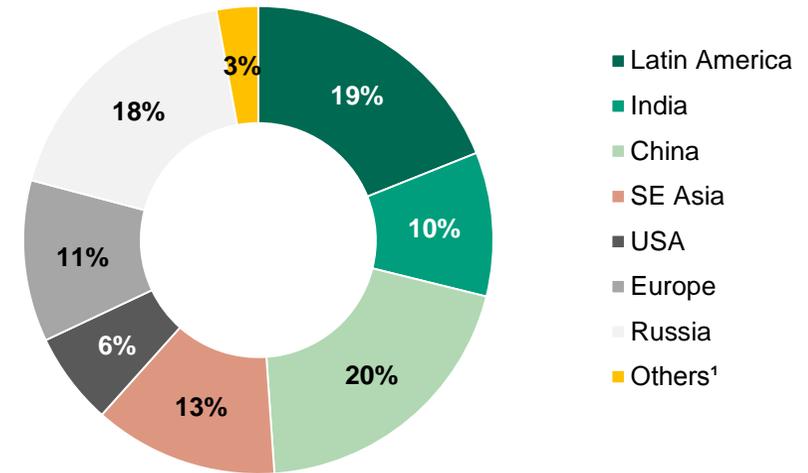
1H 2015 Uralkali Sales Overview



Uralkali 1H 2015 sales volumes



Uralkali 1H 2015 sales volume structure



- Customer caution across the global potash market amid a difficult agriculture dynamic resulted in a slowdown in new orders in 1H 2015
- The Company experienced a reduction of approximately 7% in potash sales in 1H 2015 due to lower buying activity and partial loss of production from Solikamsk-2 mine

1H 2015 Uralkali's shipments were adversely affected by the challenging potash market environment and partial loss of production

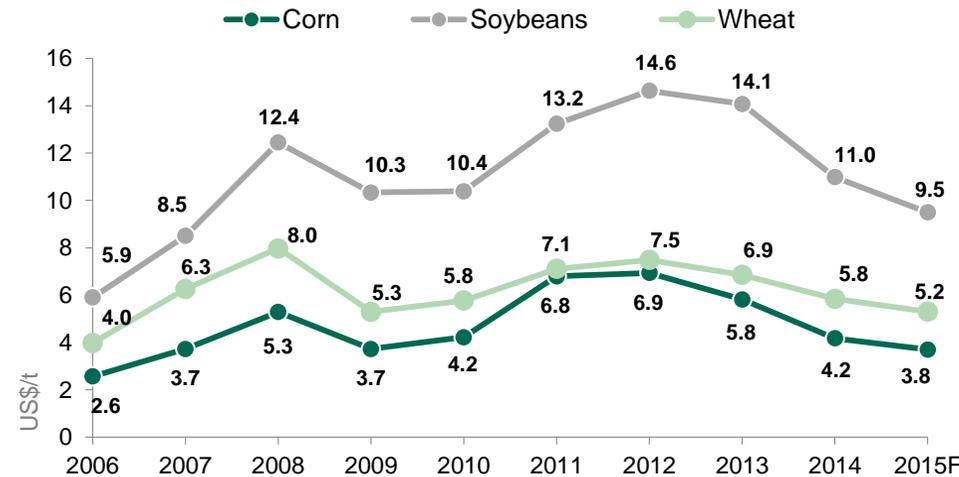
1. Africa, Middle East, FSU

Source: Uralkali

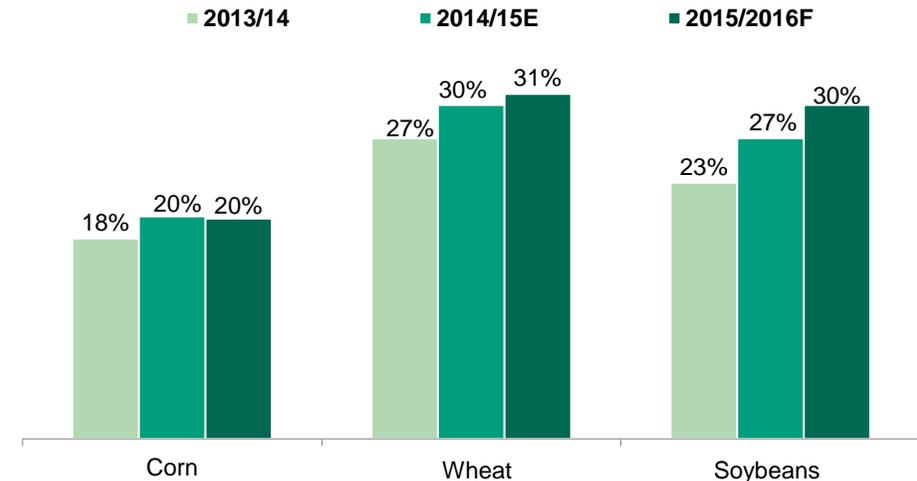
Grain Price Environment Negatively Impacts Potash Demand



Multi-year downturn in key crop prices



Global grains stocks to use ratio



Source: Bloomberg, USDA

Source: USDA's WASDE report, 12 August 2015

- Major agriculture commodity prices as well as farmers' margins have deteriorated due to US\$ strength and increased supply of major crops
- Lower crop prices which hit 5-year lows do not encourage farmers to increase applications rates
- Biofuel has been hit by competitive pressure from much cheaper oil
- In the absence of adverse weather over the coming months, ample supplies for major crops will keep downward pressure on prices

Weak grain prices have been impacting farmer purchasing decisions in 2015

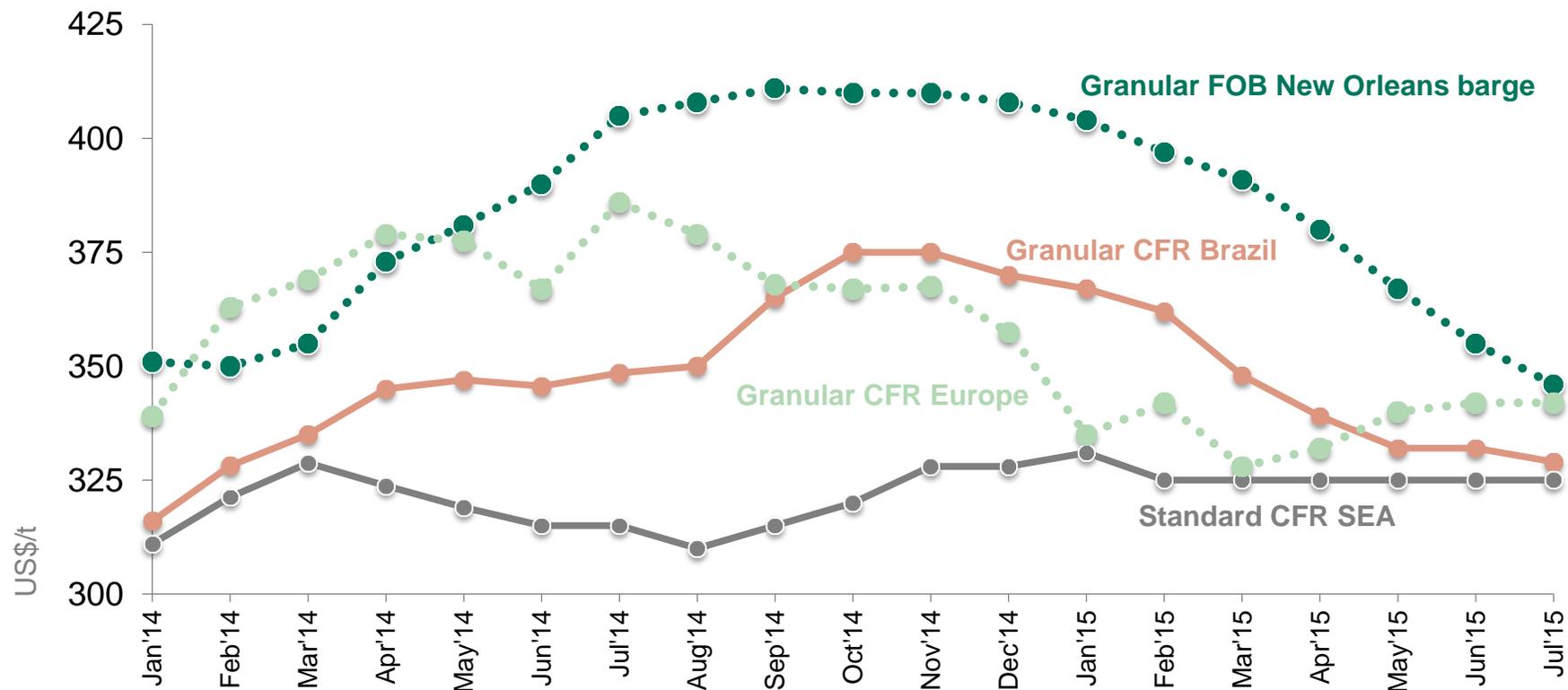
Competitive Environment



- Potash suppliers have become more aggressive in placing more volumes, especially with lower global consumption expected in 2015
- Brazil has become a focus due to lower demand and progressive consolidation of distribution level following a number of purchases
- Significant correction of prices in the US market, driven by oversupply due to the entrance of new players. After commissioning of new greenfield mine, the US market is likely to be under more pressure
- Some suppliers start loading substantial volumes to China and India before signing new contracts
- High volatility in global commodity markets

Potash market has become much more competitive with producers trying to place more volumes

Benchmark Potash Spot Prices Down In January – July 2015



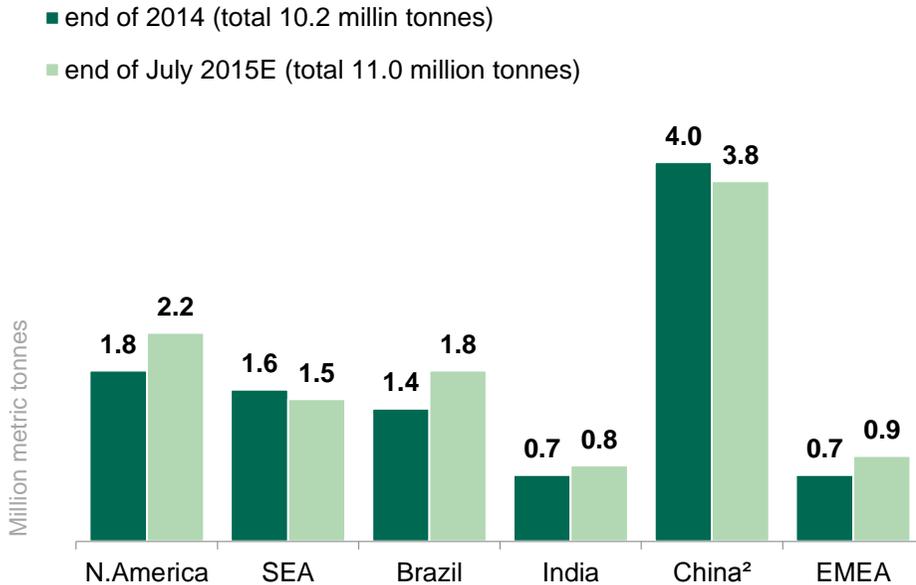
- Potash pricing trended negatively throughout 1H 2015 in major spot markets. Freight rates, which have seen significant drops y-o-y, have partially compensated negative effect on potash industry netbacks
- Higher freight rates in 2H 2015 may affect industry netbacks amid price weakness in Q3-Q4 2015

Destocking, strong competition, and local currency weakness against US dollar have been keeping downward pressure on prices

Potash Demand Outlook

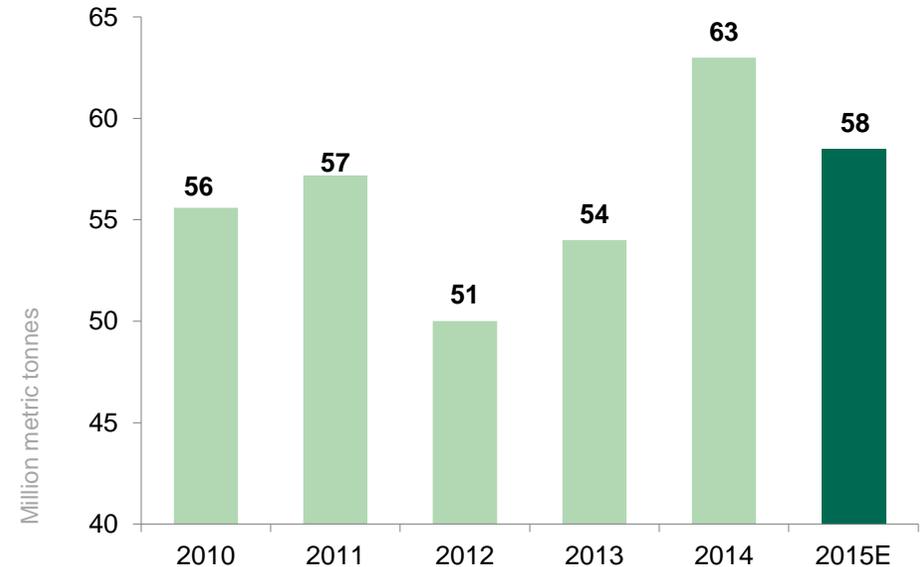


Global potash inventories¹



Source: Uralkali estimates

2015F global potash demand



Source: IFA, Uralkali estimates

Potash demand is expected to lower to 58 million tonnes in 2015, given inventory draw down post a solid buildup, lower y-o-y crop prices and currency headwinds

1. Inventories don't include domestic potash producers' stocks, excl. China

2. Including domestic producers' stocks

Source: Uralkali's estimates

Potash Markets Update



Latin America

- The market remains under pressure, as a combination of low credit availability in Brazil, low crop prices, currency volatility against US\$ and inventory destocking continue to restrain demand
- Along with lower demand, strong competition in Brazil has been causing a drop in potash prices
- **Potash demand in the region is expected to fall to 9.8-10.0 million metric tonnes compared to 11.8 million metric tonnes in 2014**

North America

- The US market sees little activity, as prompt buying interest remains muted and summer fill programs continue
- Potash prices are estimated to be under significant pressure due to additional product from new suppliers
- **N. American potash demand is estimated to decline by 14-16% y-o-y this year totaling 8.6-8.7 million metric tonnes**

EMEA

- Potash activity remains slow in Europe
- **EMEA demand is expected to decline to 11.0-11.1 million metric tonnes in 2015 compared to 12.3 million metric tonnes in the previous year.** Most of the drop can be attributed to softer demand in Europe
- FSU, African markets are expected to demonstrate a slightly increase in potash demand this year

China

- Producers continue to deliver volumes against 2015 contract
- Chinese fertilizer VAT introduction along with Yuan depreciation may negatively impact import volumes

India

- Vessels continue to arrive in India. 2.3 million tonnes of potash had been imported to India in Jan-Jul 2015, up 9% y-o-y
- The depreciation of Indian rupee against the US dollar, subsidy issue, and the monsoon deficit may affect importers and may influence the full-year potash import figure
- **Second half of 2015 may have more challenges than expected**

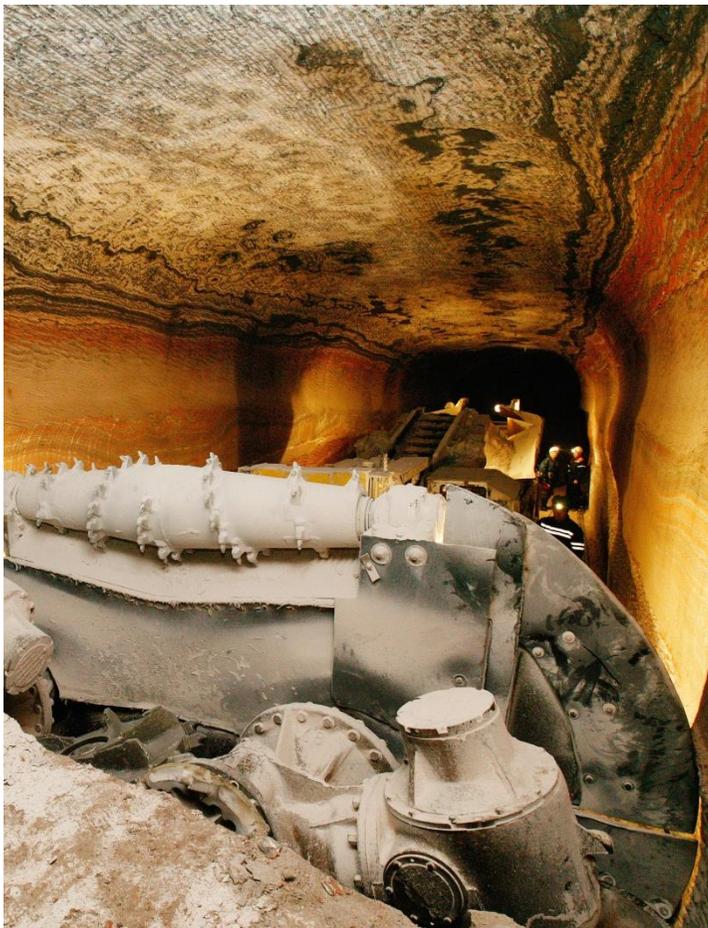
SEA

- Southeast Asia is out of buying season with limited activity. Demand is expected to return by late September/October
- Potash prices have weakened, owing to local currency weakness, low palm oil prices, and competitive pricing from suppliers
- The upside to potash demand in the region is limited due to local currency weakness, low palm oil prices
- **The region is expected to import 9.5-9.6 million metric tonnes this year vs. 10.2 million metric tonnes in the previous year**

Potash Market Highlights



- Challenging potash fundamentals and destocking have slowed y-o-y global potash demand growth in 1H 2015
- The upside to potash demand in Q3-Q4 2015 is limited due to crop price environment and macroeconomic issues in some markets
- The Company expects global potash demand to be down in 2015 with a forecast of 58 million tonnes from 63 million tonnes in 2014, reflecting industry destocking and lower grain price environment
- Potash market remains very competitive with producers trying to place more volumes
- The combination of large supply and potash demand weakness is putting the market into imbalance and is likely to result in lower operating rates in 2015

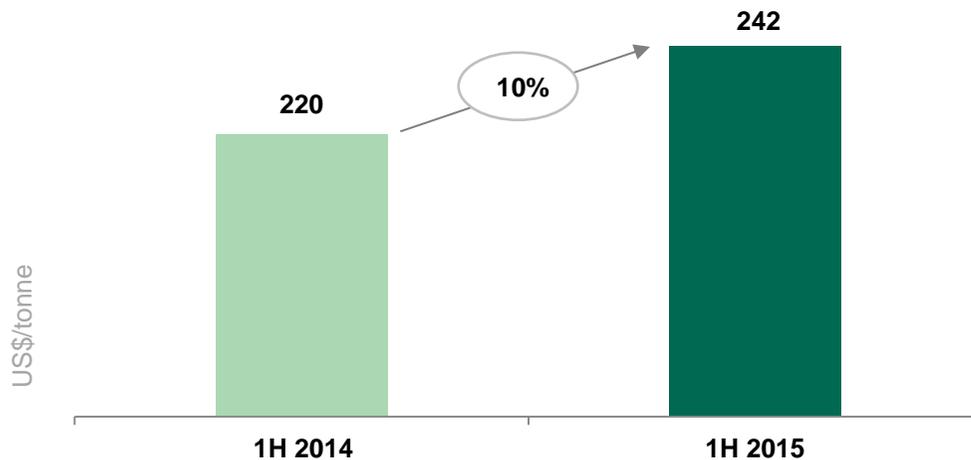


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1H 2015 Revenue Analysis



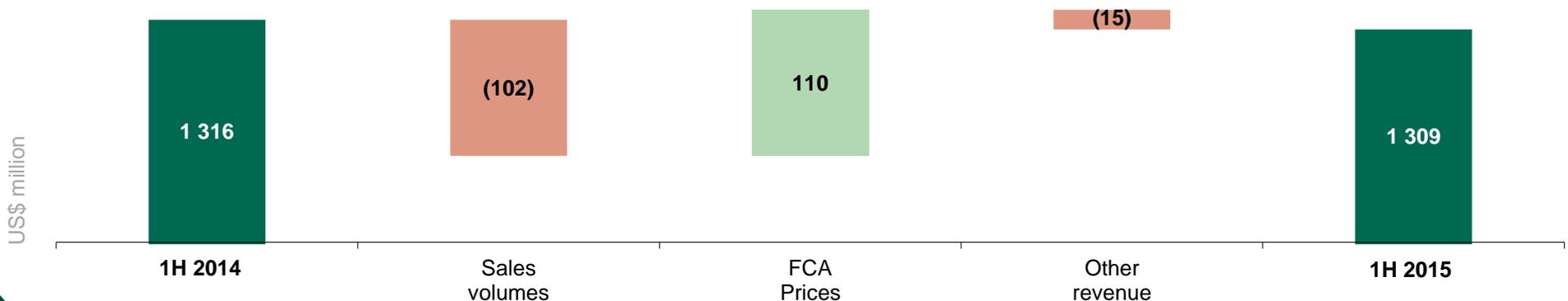
Average export potash price, FCA



Comments

- Decrease in sales volumes to 5.6 million tonnes was triggered by lower production volumes on the back of Solikamsk-2 accident and decreasing buying activity
- Gross revenue decrease by 9% in 1H 2015 on the back of production slow down was offset by significant freight tariffs shrinkage (by 38% Y-o-Y), resulting in almost flat Net revenue Y-o-Y dynamics
- As a consequence, extraordinary rebound in demand in 2014 along with further RUB depreciation largely offset the effect of lowering production volumes

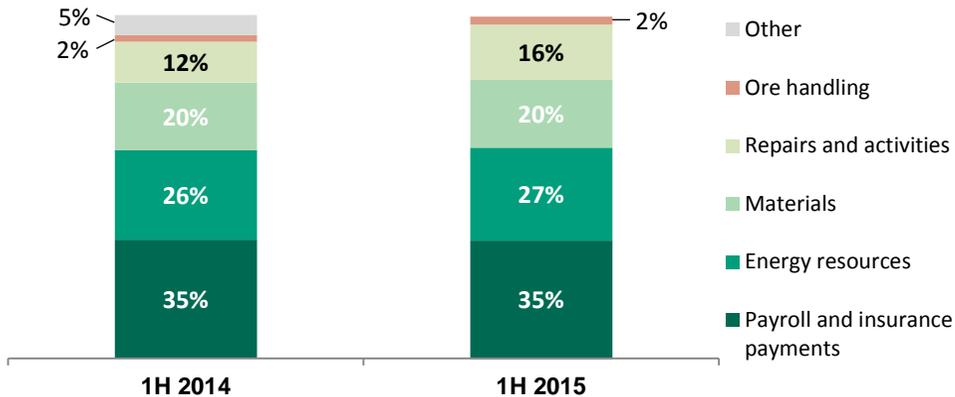
Net revenue



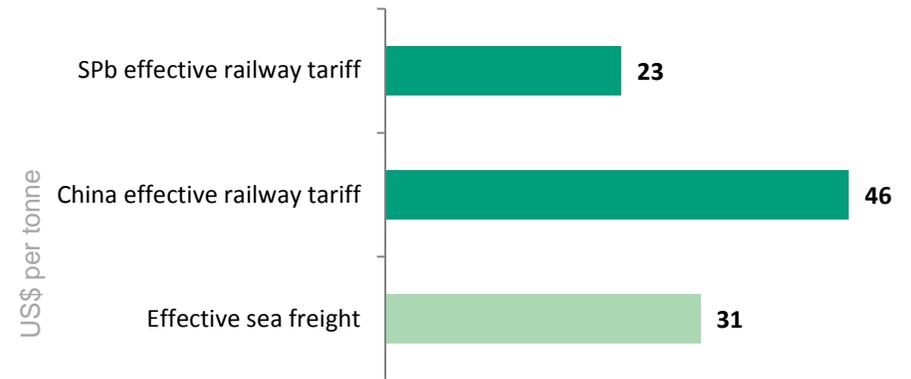
Cost Structure Analysis



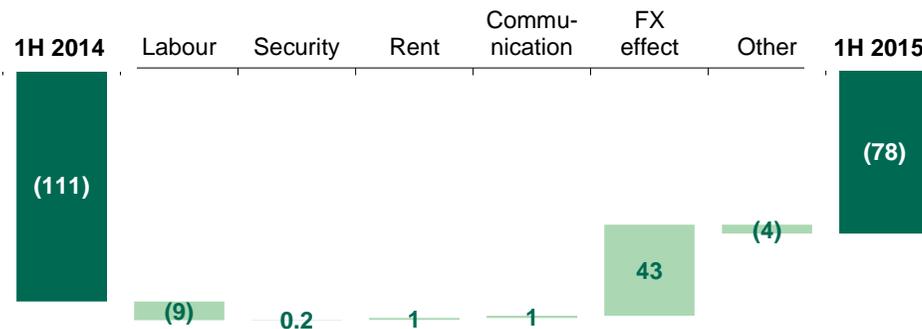
1H 2014 vs 1H 2015 cash COGS structure



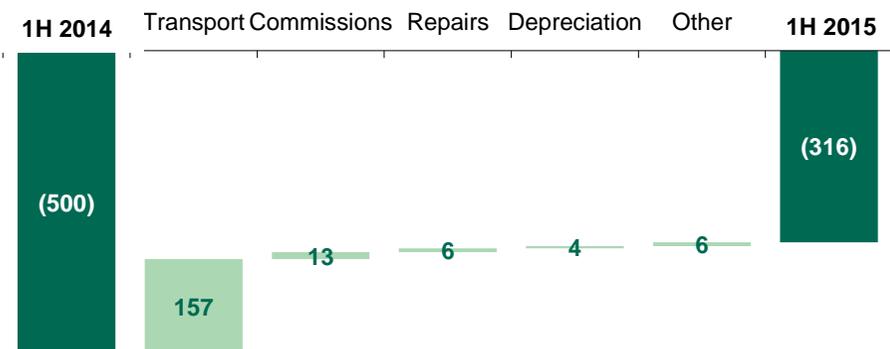
Effective railway tariff & freight (US\$/t)



General and administrative expenses (US\$ mln)



Distribution costs (US\$ mln)

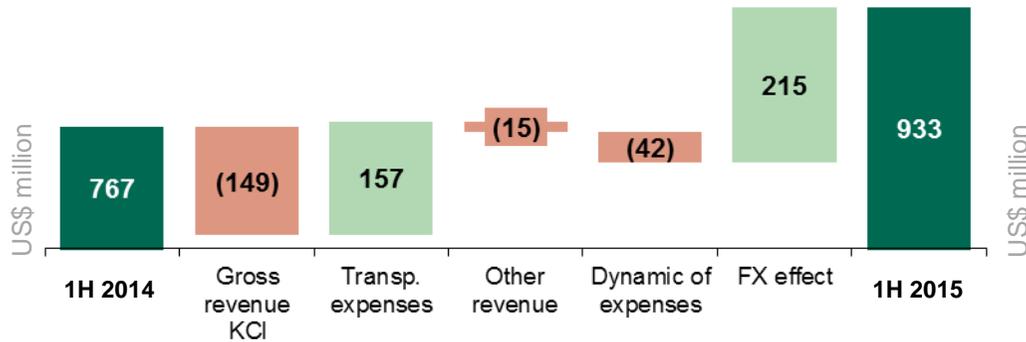


Favorable impact of ruble depreciation on cost structure provided support in 1H 2015 to Uralkali's continued focus on efficiency and global cost leadership

EBITDA and Net Profit Analysis



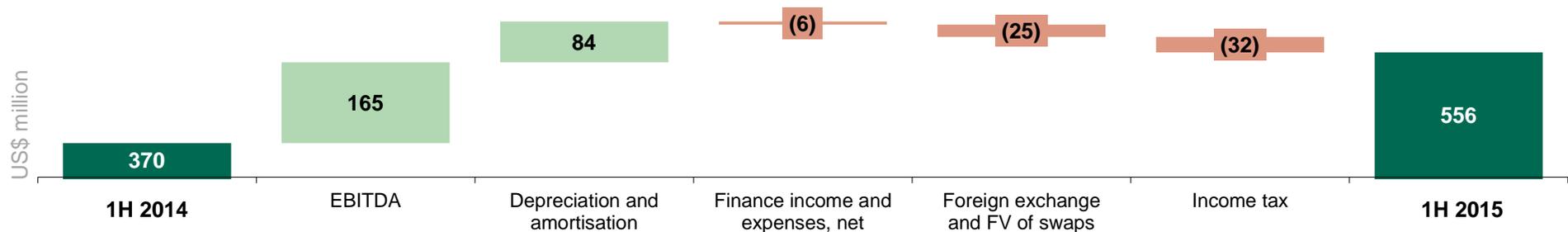
EBITDA



EBITDA calculation

	1H 2015	1H 2014	
Operating profit	814	565	Operating profit
<i>Adjusted for</i> Depreciation and amortisation	119	202	<i>Adjusted for</i> Depreciation and amortisation
EBITDA	933	767	EBITDA

Net profit

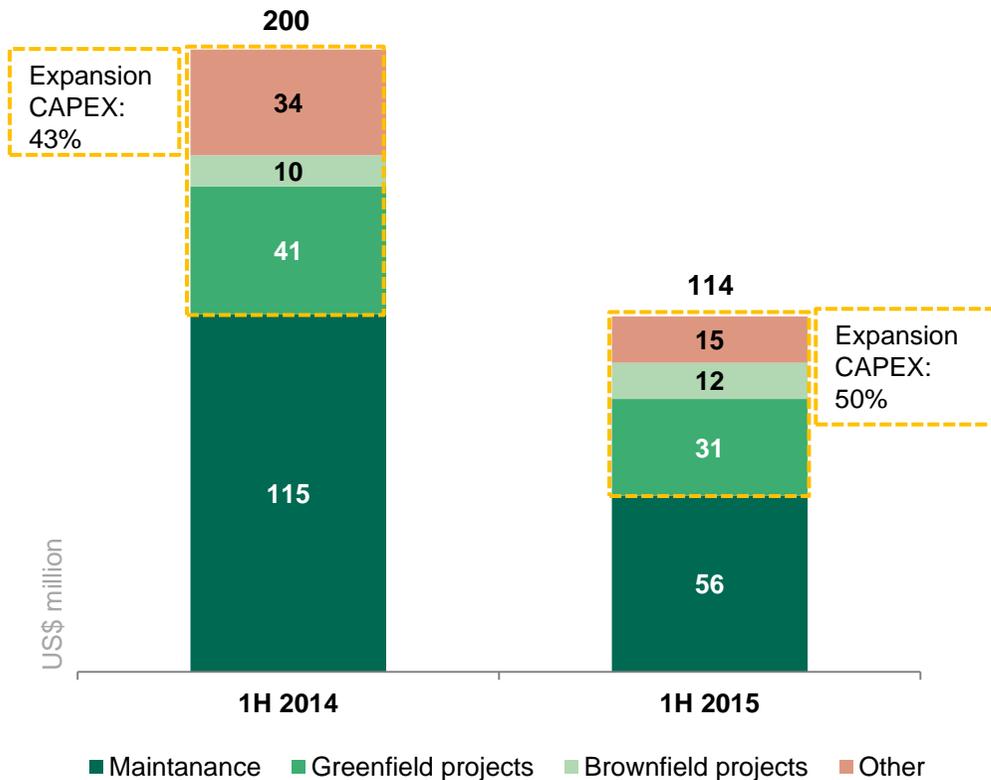


Impact of ruble depreciation along with average export potash price growth resulted in Uralkali posting a net profit of US\$556 million

CAPEX and Cash Flow



CAPEX¹ overview



Comments

Uralkali is targeting RUB22.5 bn CAPEX in FY15E

Maintenance CAPEX is planned to be US\$177 mln in FY15E

- C. 80% of CAPEX is denominated in RUB, what given the further RUB devaluation decrease our investment spending in US dollar terms
- Major part of FY15 CAPEX will be accrued in 2H 2015 due to projects schedules

URALKALI keeps online major development projects...

- Solikamsk-3 (KCI 0.6mln t)
- Ust-Yayvinsky field (KCI 2.5mln t)
- Solikamsk-2 (KCI 2.3mln t)
- Polovodovsky field (KCI 2.8mln t)
- Granulation capacity expansion (up to KCI 6mln t)

...which are on track according to the approved schedule

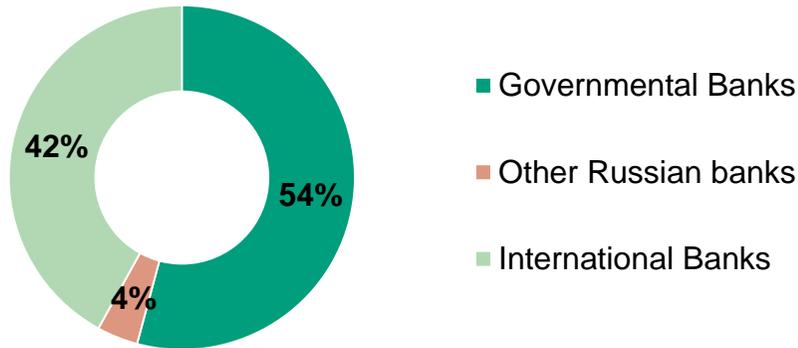
Operating cash flow enabled the Company to finance its CAPEX programme

1. As per IFRS Cash Flow Statement

Debt Maturity¹



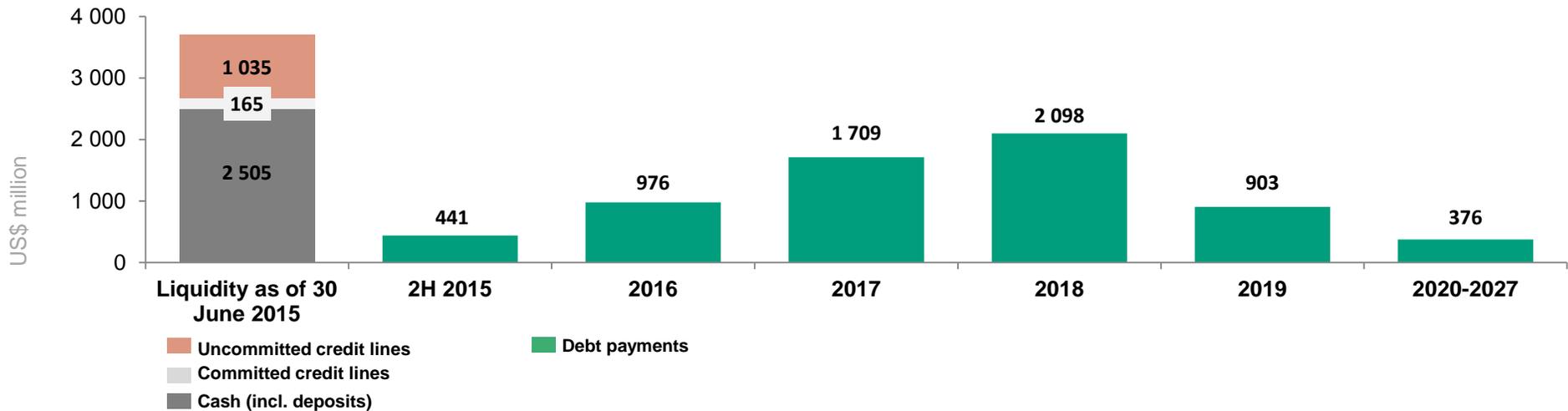
Balanced loan portfolio



Loan portfolio overview

- Outstanding debt mostly denominated in US Dollars
- 78% - unsecured loans, 22% - PXF
- 12% - fix rate, 88% - floating rate
- 9% of debt is public (eurobonds)
- Effective interest rate on loan portfolio was over 4%
- Debt portfolio is diversified across instruments, products and sources

Debt maturities schedule (as of 30 June 2015)



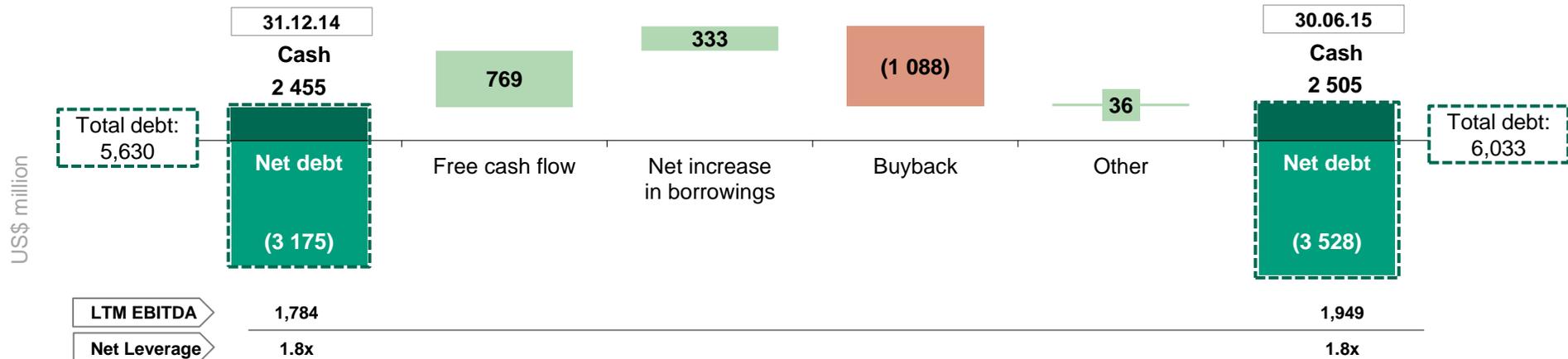
US\$ denominated credit portfolio represents natural hedge of export revenue; effective interest rate 4%

1. All calculations include swaps

Credit Ratings and Debt Structure



Debt bridge and net leverage



Credit ratings

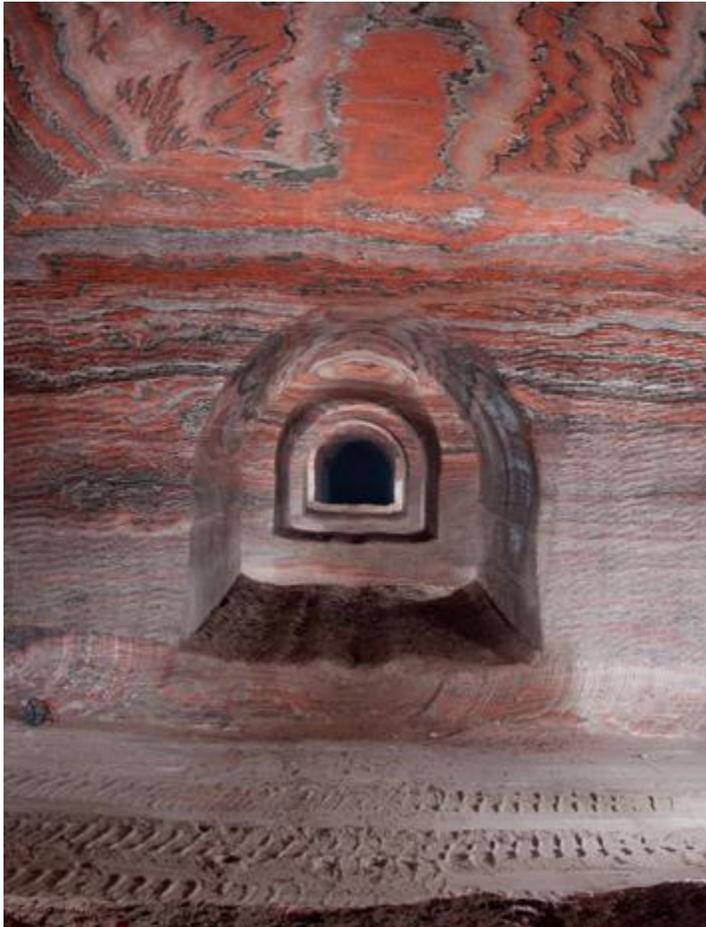
Financial leverage update

Agency	Credit Rating	Outlook	Last Update
MOODY'S	Ba1	Negative	April 2015
STANDARD & POOR'S	BB+	Negative	May 2015
FitchRatings	BB+	Negative	July 2015

US\$ million	30 June 2015
Total debt (bank loans & eurobonds)	6,033
Cash ¹	2,505
Net debt	3,528
Net Debt/LTM EBITDA	1.8x

Balanced portfolio and stable leverage metrics

1. Including deposits



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Decisions Taken by Board of Directors

Considering Benefits of Maintaining GDR Listing

- On the 23rd June 2015, the Board of Directors requested the Audit Committee to evaluate the benefits of the listing of GDRs

GDRs Not a Strategic Priority for the Company

Based on the evaluation of the Audit Committee, on 24 August 2015 Board of Directors decided that maintaining a GDR listing on the LSE is not a strategic priority. In arriving at this decision, the Audit Committee and the Board of Directors considered the following:

- Benefits and value of MOEX share listing have been enhanced by recent actions strengthening the listing regime
- A decline in Uralkali's market capitalization, liquidity and free float of the GDRs on the LSE, with majority of institutional investors now trading on MOEX
- Current market environment together with geopolitical disturbances limits the benefits of maintaining GDR listing for Uralkali
- In the event of further decrease in free float of GDRs on LSE, Board of Directors may consider delisting of GDRs from LSE

Deposit Agreement Amendments

Amendments to Deposit Agreement approved:

- Removal of the obligation of the Company to use its reasonable efforts to list the GDRs on another EEA Regulated Market if LSE listing is not maintained
- Amendment to Deposit Agreement to reduce the notice period for the termination of the GDR program from 90 days to 30 days
- Termination of Rule 144A program and performance of other actions related to the termination of this program

Decisions Taken by Board of Directors (continued)



Transaction Rationale

- **Existing cash balance.** Uralkali had a cash balance of US\$2.5 billion as at June 30, 2015; its leverage remained at a reasonably moderate level of 1.8 x Net Debt / LTM EBITDA
- **Lack of new immediate investment opportunities,** whether in the form of large investment in new projects or M&A opportunities and limitations on the amount of dividends that can be paid by Company, including due to Uralkali preference to accumulate retained earnings under RAS¹. The Company remains committed to its current capex programme and does not need to keep excess cash resources at the current time
- **Weak external environment.** Russian equity markets have been severely hampered by geopolitical uncertainties and an unfavorable environment since early 2014, which has had an effect on the price of the Common Shares and GDRs

Tender Offer

The Board of Directors has approved the terms of the program to purchase Uralkali's common shares and GDRs in the form of a Tender Offer:

- Common share Purchase Price – US\$3.2 per common share², implies 10.8%, 16.8% and 14.0% premium to closing market price on 21 August, 2015, 3-mo VWAP and 6-mo VWAP respectively as of 21 August, 2015
- GDR Purchase Price – US\$16.0, implies 10.0%, 15.3% and 13.0% premium to closing market price on 21 August, 2015, 3-mo VWAP and 6-mo VWAP respectively as of 21 August, 2015
- Quantum – up to US\$1.32bn in form of GDRs and ordinary shares, representing up to 14% of total share capital
- Tender Offer will commence on August 25, 2015 and will expire at on September 25, 2015, unless extended

1. US \$1.5bn as of 1H'2015 (RUB 102.1bn per 1H'2015 RAS accounts at 66.9608 RUB/USD rate of CBR as of August 21, 2015), which the Company intends to build over time in order to be in a position to cancel the treasury shares

2. Payable in Russian Rubles at the CBR exchange rate in effect on the date of the announcement of the results of this Tender Offer

MOEX Infrastructure Meets International Standards



Major Infrastructure Features	MOEX Status	
	2007 (IPO)	2015 (Now)
Central Securities Depository (CSD)		
Central Counterparty (CCP)		
Euroclear and Clearstream access		
T+2 Settlement Cycle		
Direct market access (DMA)		

Breakthrough regulatory and infrastructure innovations have been implemented on the Russian securities market since Uralkali's IPO in 2007. Currently the Moscow Exchange meets international standards

Key Transaction Terms



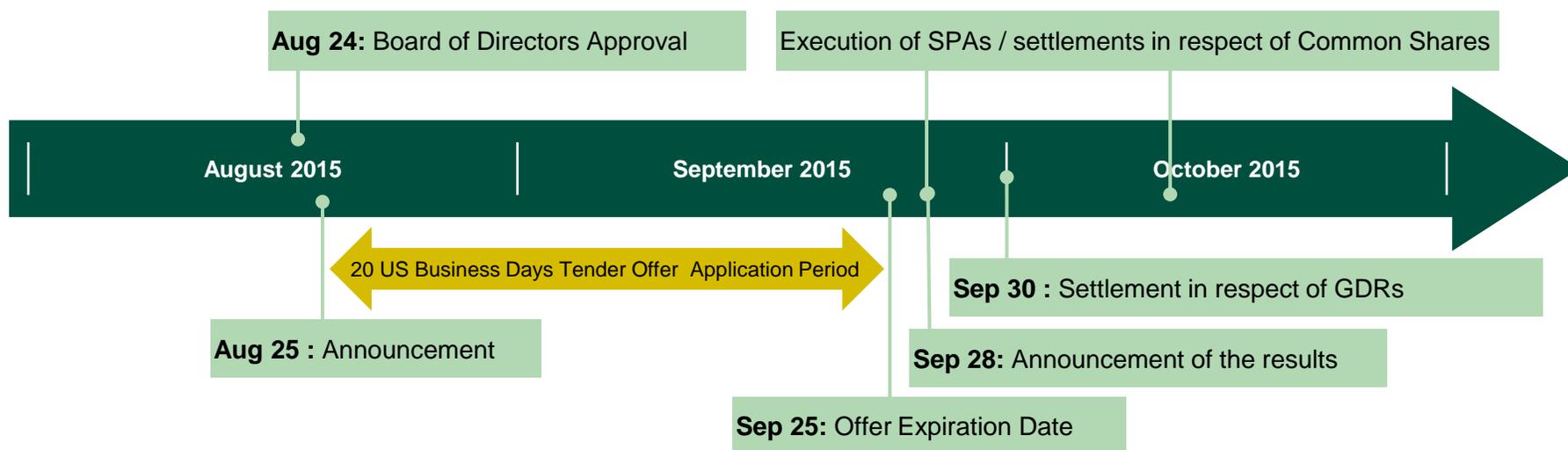
Key Terms	Description
Offer size	<ul style="list-style-type: none"> Tender Offer to all shareholders (and GDR holders) to tender Common Shares and / or GDRs of total value up to US\$1.32bn
Acquiring party	<ul style="list-style-type: none"> Enterpro Services Limited - a 100% indirectly owned subsidiary of Uralkali (“SPV”) Information regarding Tender Offer available on a designated transaction website www.enterpro-buyback.com
Corporate Approvals	<ul style="list-style-type: none"> Company’s BoD approval (key parameters of the Tender Offer, maintaining a GDR listing is not a strategic priority of the Company, termination of Rule 144A GDR program etc.) <ul style="list-style-type: none"> The company to amend the deposit agreement to remove the undertaking of reasonable effort to maintain GDR listing from the Deposit Agreement Any decision to delist the GDRs would be taken post offer completion subject to further considerations, including a lower free-float
Financing	<ul style="list-style-type: none"> Repo transaction for up to 20% of common shares and GDRs in order to partially finance the Tender Offer
Offer price	<ul style="list-style-type: none"> US\$16.0 for GDR or equivalent number of shares (1 GDR = 5 ordinary shares) Payment in US\$ for GDR’s and in RUB for shares at CBR exchange rate at offer results announcement
Pro-ration	<ul style="list-style-type: none"> If more than the Maximum Number of Securities are validly tendered pursuant to this Tender Offer (including if the Maximum Number of Securities is reduced), the tendered securities will be purchased on a pro rata basis according to the number of Common Shares and GDRs validly tendered by the tendering securityholders Enterpro will purchase without pro-ration all validly tendered Odd Lots, representing either 100 or fewer Common Shares or 20 or fewer GDRs tendered by a single securityholder; Common Shares and GDRs are not aggregated for the purpose of calculating Odd Lots.
GDRs Delisting	<ul style="list-style-type: none"> GDR listing is not considered a strategic priority; GDR delisting may be considered following completion of the tender offer and in any event may be required if GDR free-float is less than 25% of GDRs outstanding (unless UKLA accepts smaller float)
Tendered shares cancellation	<ul style="list-style-type: none"> Company’s ultimate intention remains to cancel existing and new treasury shares, although it cannot occur for some time after the Tender Offer, as outlined in the previous tender offer

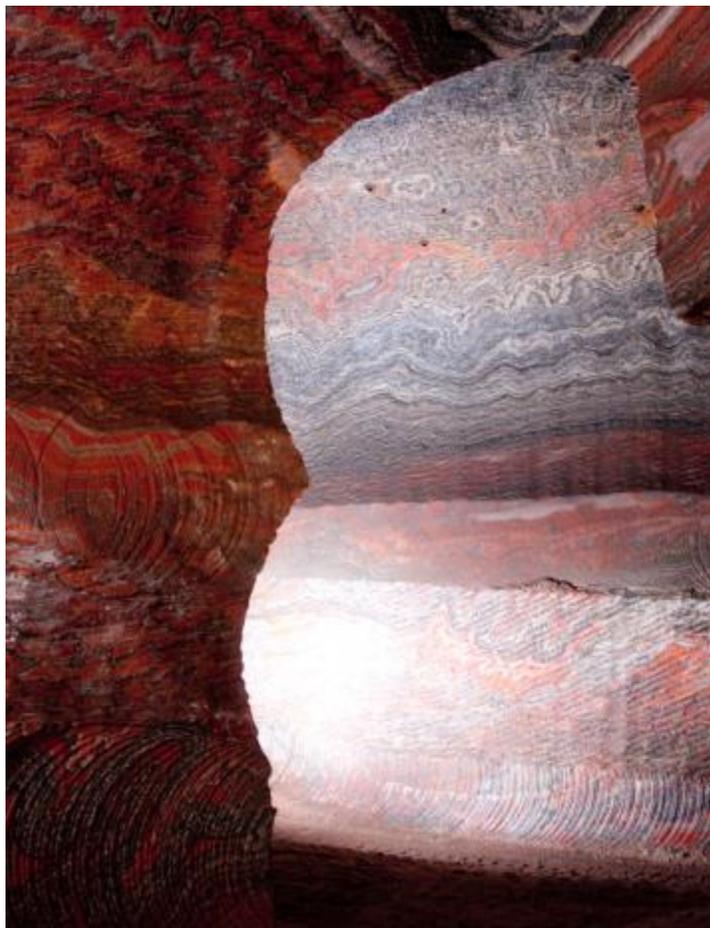
Tender Offer Indicative Timetable



Tender Offer Timeline

Dates	Key Events
Aug 25 – Sep 25, 2015	Tender Offer period
Sep 25, 2015	Tender Offer Expiration Date
Sep 28, 2015	Announcement of Tender Offer results
by Sep 30, 2015	Settlement in respect of GDRs
Sep 28 – Oct 16, 2015	Execution of SPAs and settlements in respect of Common Shares





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Summary results

Income statement



US\$ thousands	Six months ended 30 June 2015	Six months ended 30 June 2014	△
Revenues	1,562,254	1,725,919	(163,665)
Cost of sales	(292,976)	(495,010)	202,034
Gross profit	1,269,278	1,230,909	38,369
Distribution costs	(316,076)	(500,310)	184,234
General and administrative expenses	(78,448)	(110,652)	32,204
Taxes other than income tax	(12,223)	(24,082)	11,859
Other operating income and expenses, net	(48,304)	(30,918)	(17,386)
Operating profit	814,227	564,947	249,280
Finance income	122,601	11,864	110,737
Finance expense	(273,776)	(131,246)	(142,530)
Profit before income tax	663,052	445,565	217,487
Income tax expense	(106,884)	(75,275)	(31,609)
Net profit for the period	556,168	370,290	185,878
Profit attributable to:			
Owners of the Company	554,087	366,896	187,191
Non-controlling interests	2,081	3,394	(1,313)
Net profit for the period	556,168	370,290	185,878
Earnings per share – basic and diluted (in US cents)	22.15	14.28	7.87

For more information please contact:

With respect to Tender Offer

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