

A large, stylized graphic of wheat stalks arranged in a star or sunburst pattern, centered behind the main text.

aim. perform. achieve.

**3Q and 9M 2015 IFRS key figures and
Potash Market update**

23 November 2015

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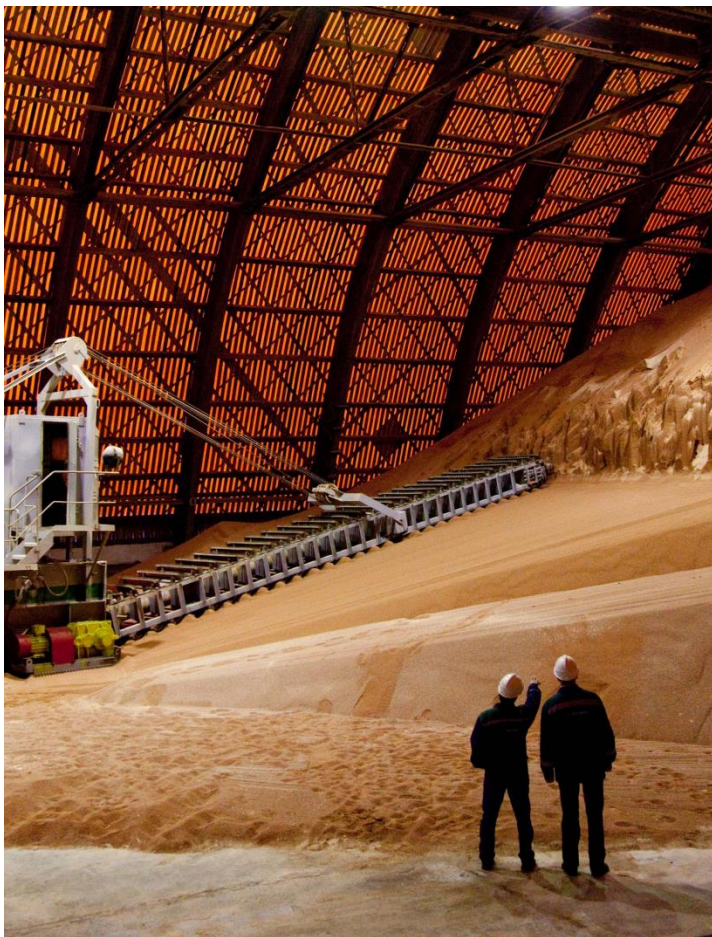
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1. Executive Summary

3

2. Market Overview and Sales Dynamics

5

3. Financial Highlights

11

4. Open Market Buyback

15

5. Appendix

19

Uralkali Performance Update 3Q and 9M 2015

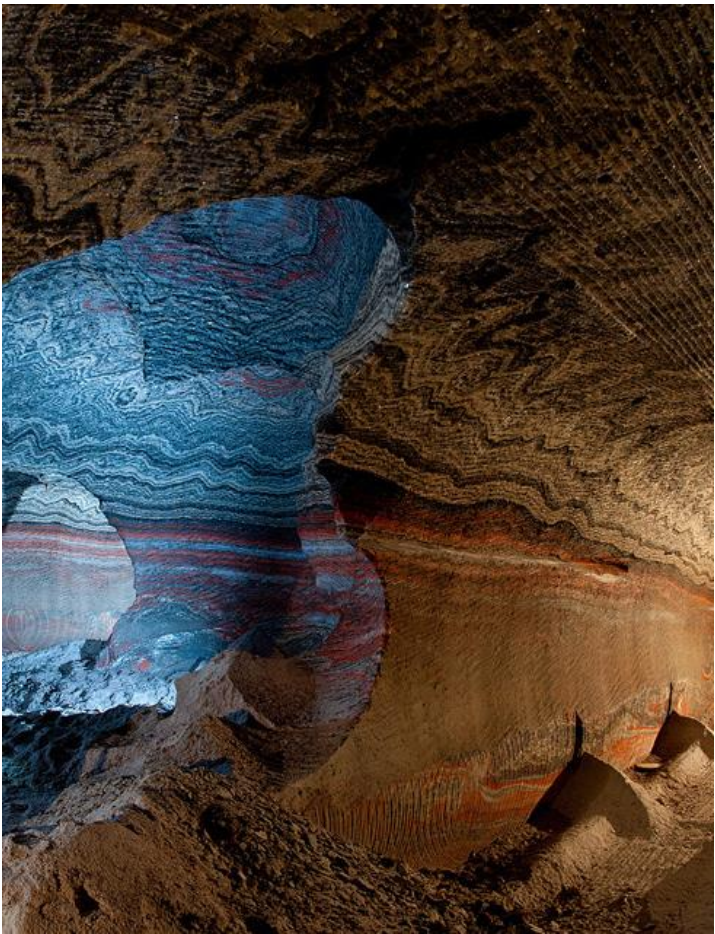


Key Figures Overview

(US\$ million)	3Q 2015	9M 2015	3Q 2014	9M 2014
Gross Revenue	819	2,381	896	2,622
Net Revenue	702	2,011	715	2,031
(Million tonnes)				
Production volume	3.0	8.7	3.2	9.2
Sales volume	2.9	8.5	3.1	9.2
- Export	2.3	6.9	2.6	7.7
- Domestic	0.6	1.6	0.5	1.5

- Production and sales volumes decreased in 9M 2015 and were down 5% and 8% YoY, respectively. Production for the period was 8.7 million tonnes, while sales volumes equaled 8.5 million tonnes
- Despite 11% pick up in average 9M export potash price per tonne from US\$224 in 2014 to US\$248 in 2015, gross revenue was down 9% YoY to US\$ 2,381mn in 9M 2015 due to lower production and sales volumes
- Average cash cost for 9M 2015 amounted to US\$32 per tonne, down 34% YoY due to ruble devaluation

Uralkali demonstrated stable performance in Q3 and 9M 2015 despite a sales volume decrease and a softening of the key markets



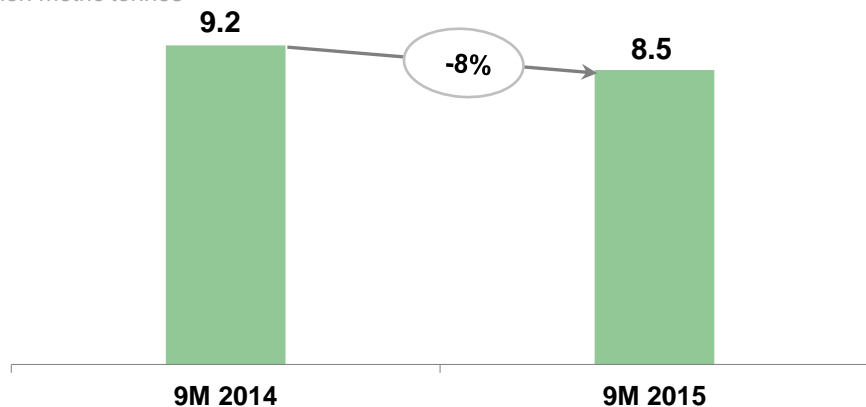
1. Executive Summary	3
2. Market Overview and Sales Dynamics	5
3. Financial Highlights	11
4. Open Market Buyback	15
5. Appendix	19

9 months 2015 Uralkali sales overview



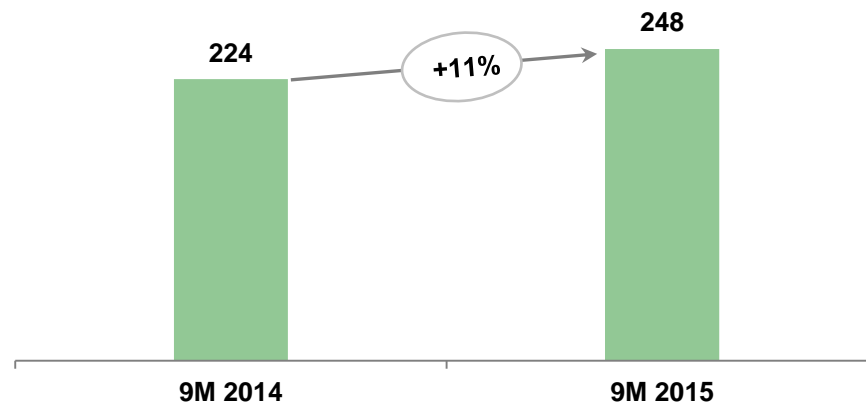
Uralkali 9M 2015 sales volumes

Million metric tonnes



Average export potash prices, FCA

US\$/t



- 9M 2015 sales volumes were lower YoY mainly due to weak demand in major spot markets and partial loss of production in Solikamsk-2 mine
- Potash average realized export prices (FCA) grew as a result of reduced costs for transportation and depreciation of the Russian ruble against the US dollar

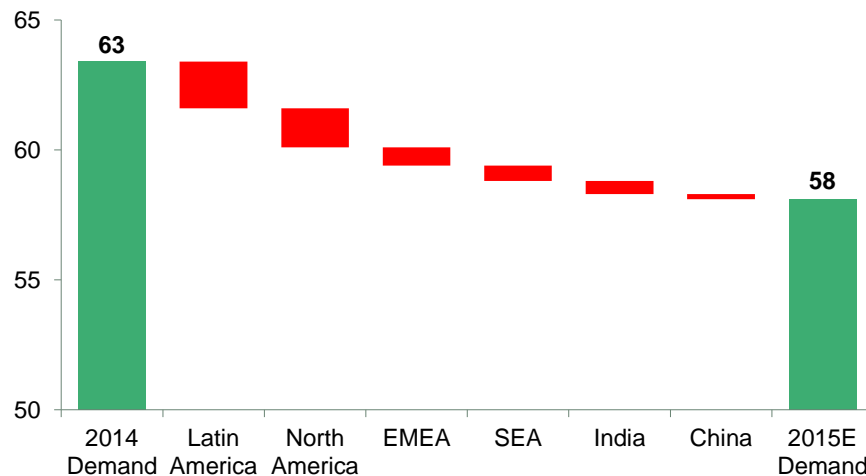
The Company's operational performance reflected challenging global market conditions and production issues

2015E Potash market environment

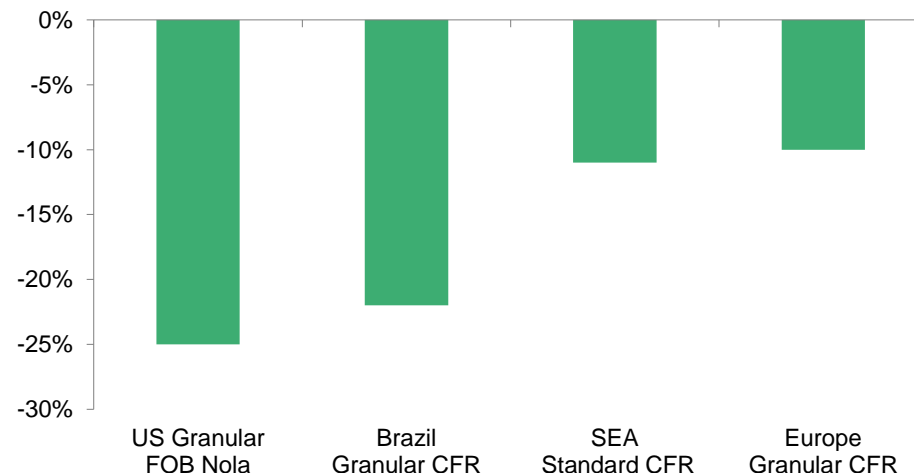


Global potash demand 2015E

Million metric tonnes



YTD Potash price dynamics



- Weak crop prices, depreciating currencies against the US\$ in key markets and adverse government policies have weighed on potash demand this year
- The cautious demand environment, mixed with intensified competition, have resulted in spot price declines
- Sales volumes are expected to remain weak for the rest of this year

The global potash landscape has notably deteriorated this year

Potash markets update



Latin America

- Trading activity is currently limited. The market has been under pressure this year, as a combination of low credit availability in Brazil, low crop prices, currency volatility against US\$, and strong competition
- **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

- Demand remains limited with the fall application season drawing to a close
- The US market has been under heavy pressure this year; intensified competition and lower imports in historically competitive import regions resulted in prices falling by more than 23% YTD
- **The N. American potash demand is estimated to total 8.6-8.7 million metric tonnes in 2015, down 14-16% YoY**

EMEA

- The European market remains fairly quiet. Recent depreciation of the euro against USD has led to a reduction in buying activity in Europe
- **EMEA demand is expected to decline to 11.5-11.7 million metric tonnes. Most of the drop can be attributed to softer demand in Europe**
- FSU, African markets are expected to demonstrate a slight increase in potash demand this year

China

- Chinese potash activity remains limited
- **VAT issue and weaker economic outlook may result in YoY reduction in potash demand (14.3 million tonnes vs. 14.5 million tonnes in 2014)**

India

- Poor rainfall and depreciation of the Rupee have caused buyers to reduce shipments in the second half of this year
- In this fiscal year, potash sales totalled around 1.5 million tonnes through October, down 11% YoY
- **2015 imports may fall under 4 million tonnes compared to 4.5 million tonnes in 2014**

SEA

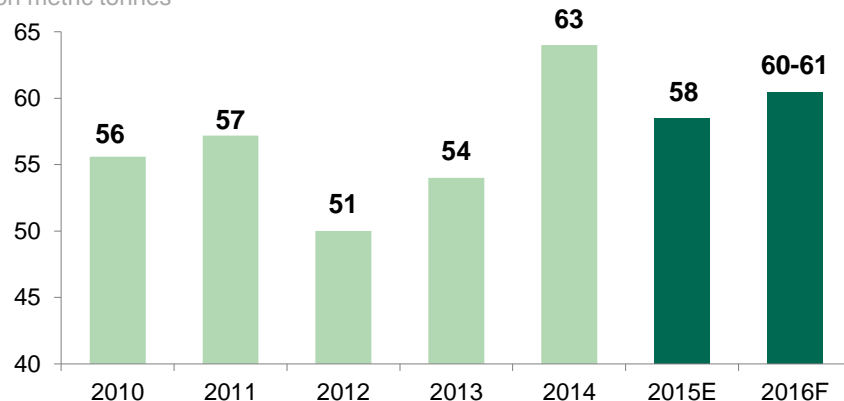
- Tender season in Malaysia and Indonesia has started, but trade levels are currently lower than normal for this time of year due to FOREX and palm oil price volatility
- Currency depreciation pressured potash prices and demand this year
- **The region is expected to import 9.5-9.6 million metric tonnes this year vs. 10.2 million metric tonnes in the previous year**

Potash market expected to recover slightly in 2016



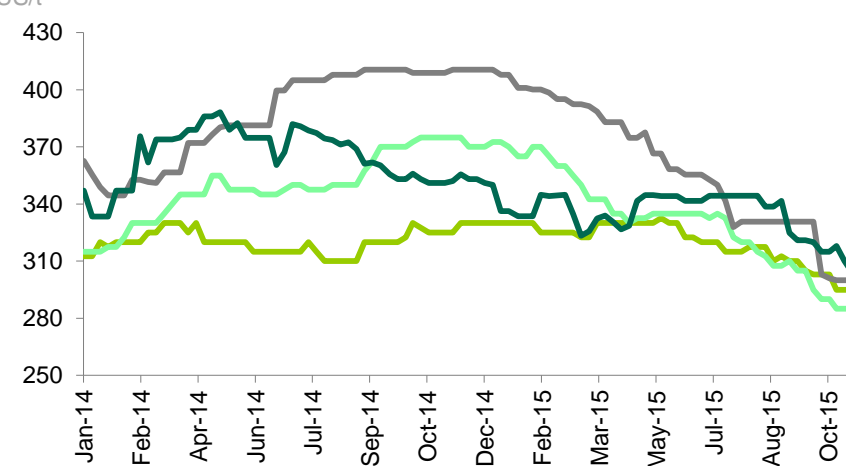
2016F global potash demand

Million metric tonnes



Potash prices expected to stabilize

US/t



- Potash standard CFR Southeast Asia
- Potash granular CFR Brazil
- Potash granular FOB New Orleans barge
- Potash granular CIF NW Europe

- 2015 Demand momentum has been affected by cautious buying patterns and challenging macroeconomic factors
- Demand impetus set to return in 2016 driven by mix of lower inventories entering 2016 and more stable spot potash prices which experienced heavy pressure this year
- More stable prices are likely to encourage purchasers to increase their pace of buying
- Global demand expected to increase to 60-61 million tonnes in 2016

Increased demand momentum expected to support volume and price recovery in 2016

Potash market highlights



- Potash demand and prices have weakened this year
- Sales volumes are expected to remain sluggish for the rest of this year capped by depreciation of emerging market currencies and tight competition
- 2015 Global potash demand is likely to fall to 58 million tonnes compared to 63 million tonnes in 2014
- 2016 outlook for potash demand remains positive supported by restocking trends (60-61 million tonnes). The upside to potash demand depends on the crop price environment and macroeconomic issues in some markets
- The Company seeks to place the volume depending on the market environment



1. Executive Summary

3

2. Market Overview and Sales Dynamics

5

3. Financial Highlights

11

4. Open Market Buyback

15

5. Appendix

19

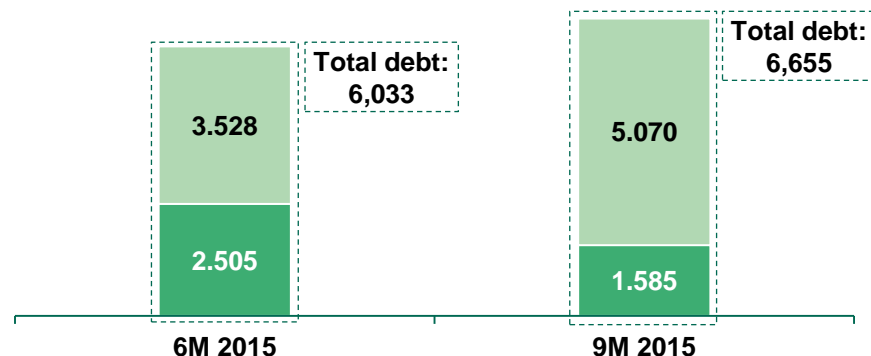
Credit Ratings and Debt Structure



Debt dynamics

US\$ million

■ Cash ■ Net Debt



Financial leverage update

US\$ million

30 September 2015

Total debt (bank loans & eurobonds)	6,655
Cash ¹	1,585
Net debt	5,070
Net Debt/LTM EBITDA ²	2.6x

Credit ratings

Agency	Credit Rating	Outlook	Last Update
MOODY'S	Ba2	Stable	October 2015
STANDARD & POOR'S	BB	Stable	August 2015
FitchRatings	BB-	Stable	September 2015

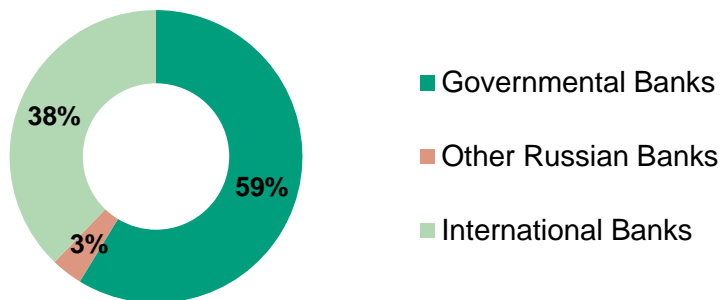
Balanced portfolio and stable leverage metrics

1. Including deposits maturing 30 Dec 2015
2. LTM EBITDA is calculated as 6M 2015 EBITDA plus last 6M 2014 EBITDA; above calculations should not be considered for covenants purposes

Debt Maturity¹



Balanced loan portfolio

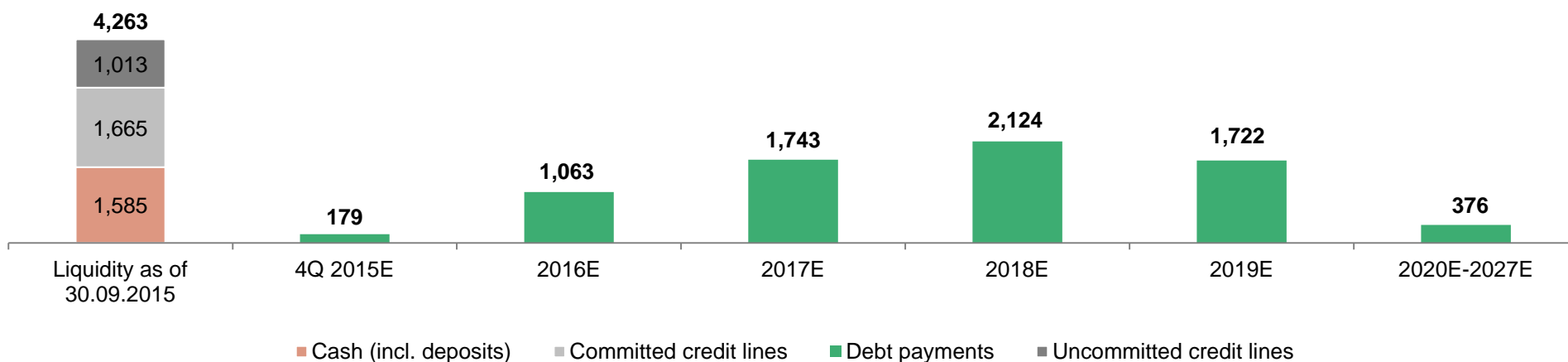


Loan portfolio overview

- c.100% of debt exposure in US Dollars
- 70% - unsecured loans, 19% - PXF, 11% - REPO
- 10% - fix rate, 90% - floating rate
- 8% of debt is public (eurobonds)
- Effective interest rate on loan portfolio was around 4%
- Debt portfolio is diversified across instruments, products and sources
- Availability of a committed, non-revolving credit line from Sberbank in the amount of US\$ 1.5 bn

Debt maturities schedule (as of 30 September 2015)

US\$ million

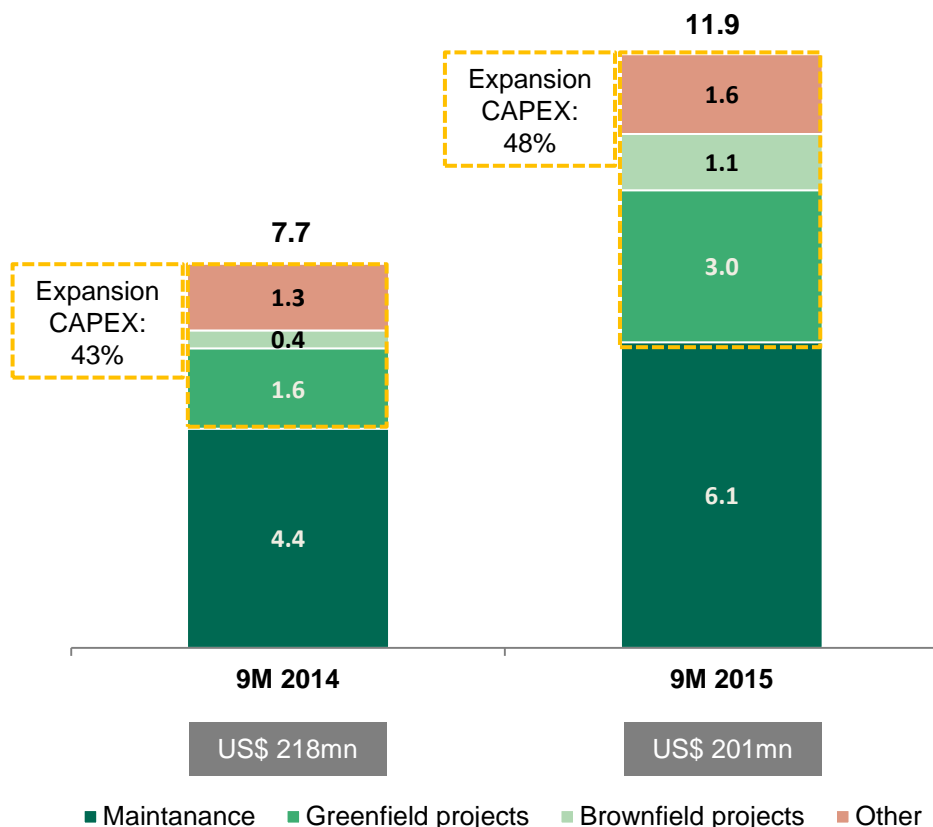


US\$ denominated credit portfolio represents a natural hedge of export revenue; effective interest rate 4%

1. All calculations include swaps

CAPEX¹ overview

RUB billion



Comments

Uralkali is targeting to invest US\$ 377mn (RUB 23.2bn) in FY15E

Maintenance CAPEX is expected to reach US\$ 170mn:

- C. 80% of CAPEX is denominated in RUB, which given RUB devaluation decreases our investment spending in US dollar terms
- It is planned to invest US\$ 71mn in 4th quarter including payments for mining equipment and conveyors to be delivered in the beginning of 2016

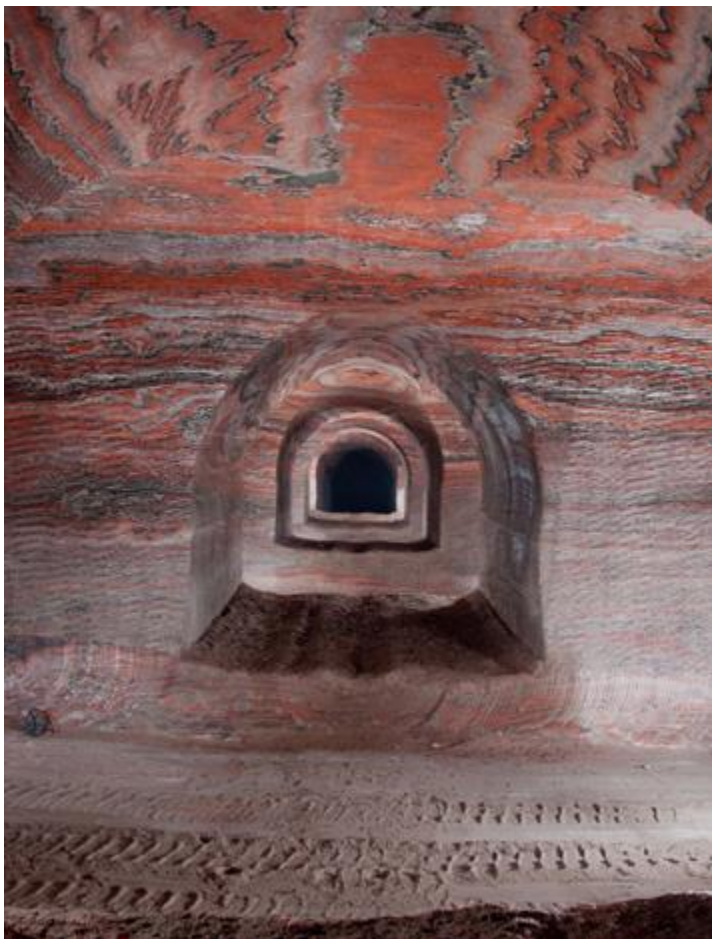
Expansion CAPEX is expected to reach US\$ 207mn:

Half the sum was invested in 1-3rd quarters, the remainder is expected to be spent up until the end of the year on the following projects:

- Increasing load (US\$ 5mn) – completion of assembling thickeners and pumps delivery
- Solikamsk-3 expansion (US\$ 10mn) – design documentation approval, prepayment for the two surface buildings after signing the contract
- Ust-Yaiva (US\$ 20mn) – payments for the shafts and objects of the surface complex in accordance with the contracts
- New mine Solikamsk-2 (US\$ 25mn) – prepayments for the shafts and electricity facilities
- Polovodovo (US\$ 10mn) – acceptance of design documentation for shafts, underground and enrichment complexes
- Granulation (US\$ 20mn) – payments for equipment and metal frames delivery for a new shop in Solikamsk-3
- Additional railcars delivery (US\$ 15mn)

Operating cash flow enabled the Company to finance its CAPEX programme

1. As per IFRS Cash Flow Statement



1. Executive Summary

3

2. Market Overview and Sales Dynamics

5

3. Financial Highlights

11

4. Open Market Buyback

15

5. Appendix

19

Decisions Taken by Board of Directors



Transaction Rationale

- **Delisting from the London Stock Exchange**, 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. Given the low liquidity in the GDRs on the LSE and the decline in the GDR free float to below 3.5%, the Board of Directors approved the delisting from the LSE. It is expected that the delisting will become effective on December 22, 2015
- **Providing liquidity to holders of GDRs**. Liquidity of Uralkali GDRs has dropped significantly post recent tenders of the Company due to the decreased free float. Company would like to accommodate remaining GDR holders with a liquidity event ahead of the delisting from the London Stock Exchange
- **Expected downgrade of the quotation list of Uralkali Common Shares by the Moscow Exchange**. It is expected that the free float of the company will fall below 10% and the Company will likely be downgraded to a lower quotation list by the Moscow Exchange. Company would like to accommodate with a liquidity event for those investors who can't hold shares admitted to lower quotation lists

Open Market Buyback

The Board of Directors has approved the terms of the program to purchase Uralkali's Common Shares and GDRs in the form of an Open Market Buyback:

- Up to 6.5% of TSO will be subject to the Buyback
- Buyback will target both GDRs and Common Shares and is open to all shareholders
- Maximum daily number of GDRs to be purchased on LSE will be set at 174,438 GDRs, which represents 25% of October ADTV on the London Stock Exchange
- Over the counter (OTC) transactions and option agreements are allowed for privately negotiated transactions with both GDRs and shares and are not subject to daily size limits
- Buyback to commence on November 24, 2015 and last till March 31, 2016 unless extended or terminated by the Company

Key Transaction Terms



Key Terms	Description
Buyback Size	<ul style="list-style-type: none"> Open Market Buyback to all shareholders and GDR holders to buy Common Shares and / or GDRs of total value up to 6.5% of TSO of the Company
Purchasers	<ul style="list-style-type: none"> Wholly owned subsidiaries of Uralkali
Broker	<ul style="list-style-type: none"> Renaissance Capital will act as an exclusive broker on the Open Market Buyback
Manner of Purchase	<ul style="list-style-type: none"> Purchases of GDRs on the LSE in any one day will not exceed 174,438 GDRs, which represents 25% of the average daily volume of GDRs in October 2015 GDRs may also be purchased at any time in privately negotiated transactions, including option agreements Buyback of shares will be conducted on the Moscow Exchange and over-the-counter and in privately negotiated transactions, including option agreements
Convertibility of GDRs	<ul style="list-style-type: none"> At any time but subject to the payment of fees and satisfaction of other requirements of the deposit programme, holders of GDRs may cancel their GDRs and receive underlying Common Shares which are listed on the Moscow Exchange
Corporate Approvals	<ul style="list-style-type: none"> On November 23, 2015 Company's BoD approved <ul style="list-style-type: none"> Delisting from the London Stock Exchange Termination of the Rule 144A GDR programme Key parameters of the Open Market Buyback
Buyback Period	<ul style="list-style-type: none"> Open Market Buyback to commence on November 24, 2015 and last till March, 31 2016 unless extended or terminated by the Company
GDRs Delisting	<ul style="list-style-type: none"> The Company issued an official notice of the intended delisting on November 23, 2015, which would result in the delisting becoming effective on December 22, 2015
Buyback shares cancelation	<ul style="list-style-type: none"> It is the Company's intention to ultimately effect the cancellation of the securities acquired via the Open Market Buyback



1. Executive Summary

3

2. Market Overview and Sales Dynamics

5

3. Financial Highlights

11

4. Open Market Buyback

15

5. Appendix

19

Appendix

Uralkali Operations Overview



Existing Assets - 5 MINES, 6 POTASH PLANTS, 3 GREENFIELD PROJECTS (Ust-Yayva, Polovodovo and Romanovo)



Berezniki-2

- Potash plant and mine
- Granular and standard potash
- Capacity: 2.1 mn tonnes
- Reserves: 89.1 mn tonnes of ore



Berezniki-3

- Potash plant
- Granular and standard potash
- Capacity: 2.3 mn tonnes



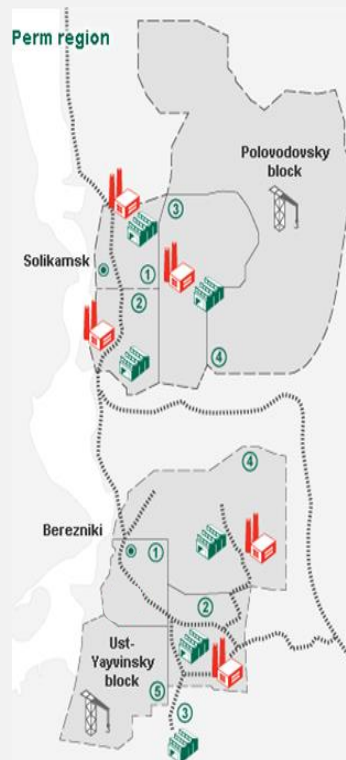
Berezniki-4

- Potash plant and mine
- Standard potash
- Capacity: 3 mn tonnes
- Reserves: 329.7 mn tonnes of ore



Ust-Yayvinsky Field

- Capacity: + 2.8 mn tonnes KCl in launch year 2020
- Reserves: 147.6 mn tonnes of ore



- MOP Plants (6)
- Potash Mines (5)
- Greenfield licenses (3)



Solikamsk-1

- Carnallite plant
- Potash plant and mine
- Standard potash
- Capacity: 1 mn tonnes
- Reserves: 91.9 mn tonnes of ore



Solikamsk-2

- Potash plant and mine
- Granular and standard potash
- Capacity: 2.3 mn tonnes as of 2014
- Reserves: 171 mn tonnes of ore



Solikamsk-3

- Potash plant and mine
- Standard potash
- Capacity: 2.7 mn tonnes
- Reserves: 272.7 mn tonnes of ore



Polovodovsky Field

- Capacity: + 2.5 mn tonnes KCl in launch year 2021
- Resources: 2.2 bn tonnes of ore

Romanovsky Field

- Preliminary estimated reserves: 385 m tonnes of ore

Notes: 1.JORC as of 1 January 2015

2.The Mineral Resources presented are inclusive of those Mineral Resources converted to Ore Reserves

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