



Uralkali—Leader to Capture Growth

April 28, 2009

Conference call on 2008 IFRS financial
results and market outlook

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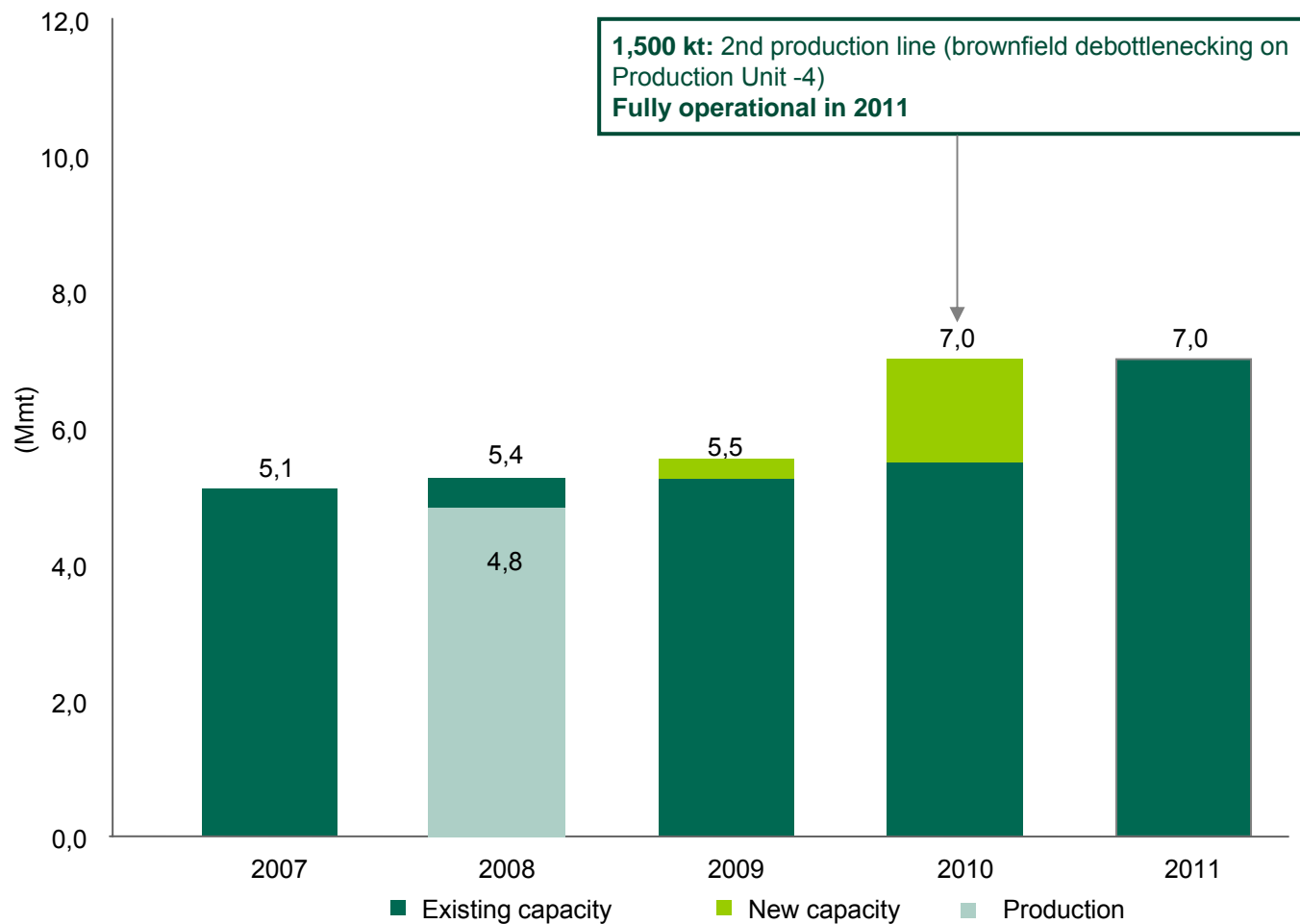
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2008 Annual Results

Capacity Additions Programme



2008 – Key Highlights

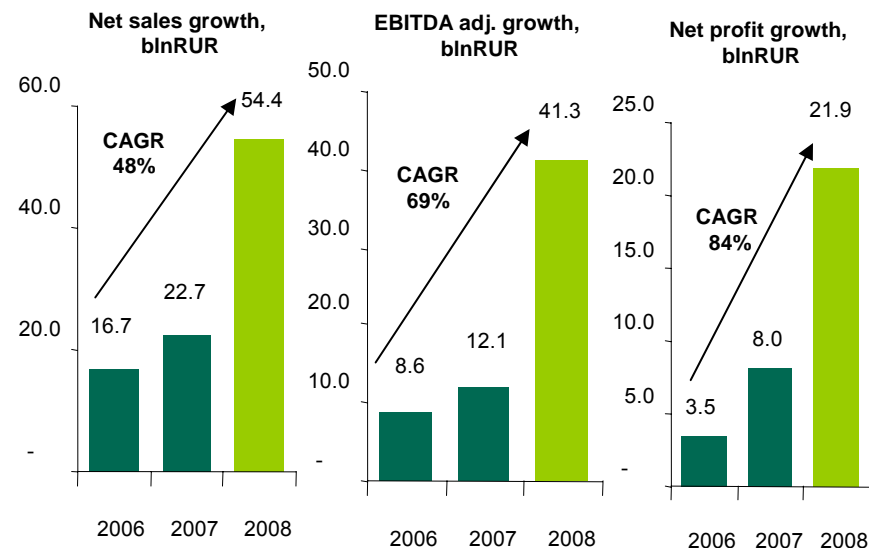


Audited IFRS Financials

RURm	2006	2007	2008	Change % to 2007
Production (Mt)	4,2	5,1	4,8	-6%
Gross Sales	22 290	29 499	62 798	113%
Net Sales ¹	16 673	22 673	54 353	140%
Mine flood costs ⁴ (net of depreciation charge)	2 032	-322	8 286	
EBITDA ² adjusted	8 558	12 098	41 347	242%
Margin ³	51%	53%	76%	43%
Net Profit	3 494	8 045	21 943	173%
Operating Cash Flow	6 616	8 194	32 604	298%
Capex	5 198	6 316	14 341	127%
Expan//Mainten. proportion	41/59	41/59	53/47	
Debt	7 998	10 600	13 987	32%
Cash	2 892	7 291	16 174	122%
Net Cash/(Debt) ⁵	-5 106	-3 309	2 187	166%
Dividends Payout Ratio	97%	50%	39%	

Key Considerations

- 4Q Production is down due to decline in demand
- Net Sales is up - mainly due to the price growth
 - Av export price was up by 155%, to \$586 in 2008
- COGS structure remained 60/40 Fixed vs. Variable
 - decrease in volumes increased cash COGS per tonne (65\$ per/tonne in 2008)
- Adj. EBITDA³ and Net Profit increased in line with Revenue growth
- Net cash position⁴ at the year end
- In 2008 we created provision amounting to 7.8 bln RUR⁴ for compensation related to mine-1 flooding within social responsibility

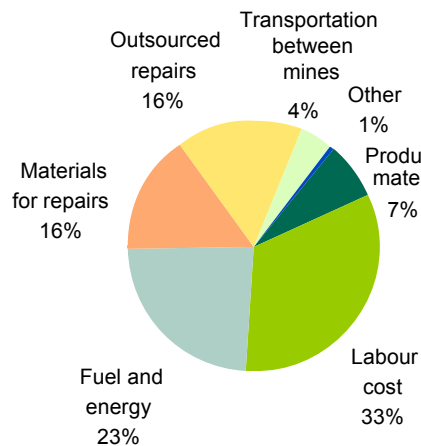


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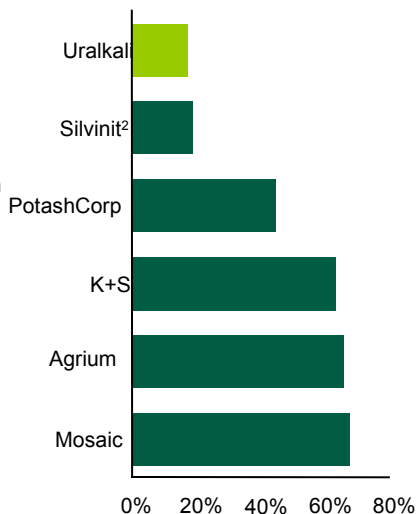
- 1 Based on adjusted sales (sales net of freight, railway tariff and transshipment costs)
2. Adjusted EBITDA is calculated as Operating Profit plus depreciation and amortization and does not include mine flooding costs
3. EBITDA Margin is calculated as EBITDA divided by Net Sales.
4. Mine flooding costs for 2008 include 7.8 bln RUR of provision for compensations accrued within our corporate social responsibility and 0.6 bln RUR of liquidation expenses (dismantling, monitoring, fixed assets write-off) – see notes 5, 15, 25 to Uralkali 2008 IFRS consolidated financial statements
5. Net cash position is calculated as Cash and cash equivalents minus Bank loans

Cash COGS

Cash COGS¹ structure (2008)



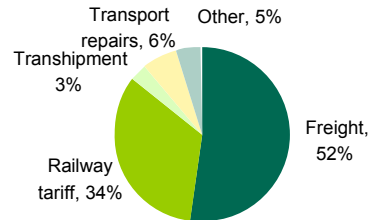
COGS as % of net sales



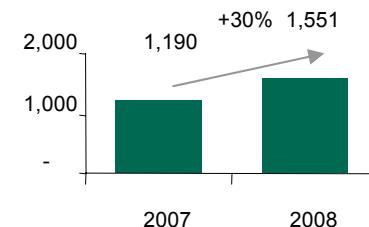
- Low cost producer within potash industry
- Fixed vs. variable cash COGS structure 60/40 is preferable to production volume growth
- Cash COGS 2008 – 65\$ per tonne – abnormal year due to production cut >10% in 4Q 2008

Distribution costs

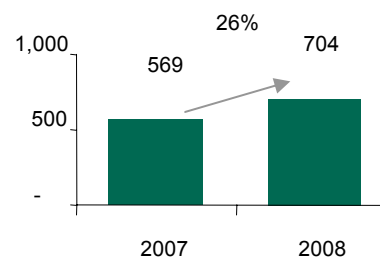
Distribution costs structure



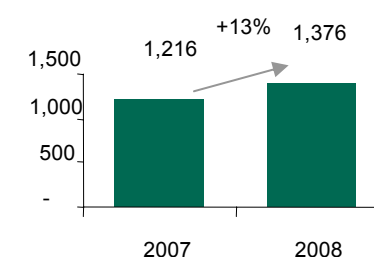
Effective freight rates³, RUR per tonne



SPb railway tariff³, RUR per ton



China railway tariff⁴, RUR per ton



- Av. freight tariff – growth due to
 - More shipments in 1H 2008
 - More shipments in India and SEA
- Av. railway tariff – growth to both destinations
- However, our rates remain favourable vs. Silvinit (Ventspils) and PotashCorp (Vancouver)

Source: Uralkali audited IFRS financial statements, Relevant company reports

Notes:

1. Cost of goods sold less depreciation
2. Silvinit 2008E forecasts based on Troika report (19 January 2009)

Notes:

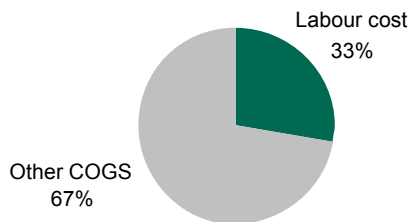
3. Effective freight rates are calculated as freight cost divided by freight volumes
4. Effective railway tariff includes both loaded and empty railcars fares

Cost Cutting Programmes

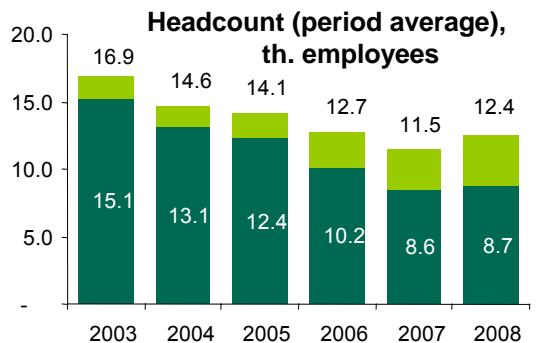
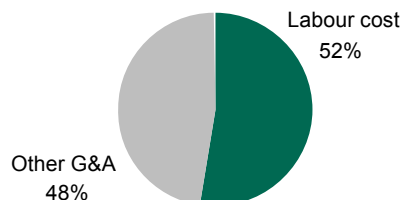


Productivity Increase

As % of cash COGS

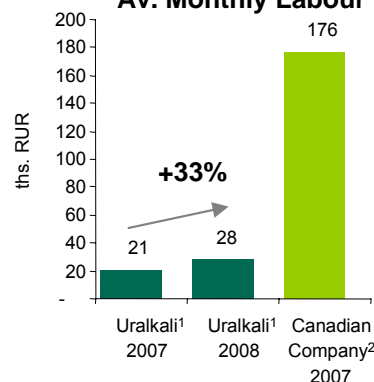


As % of cash G&A³

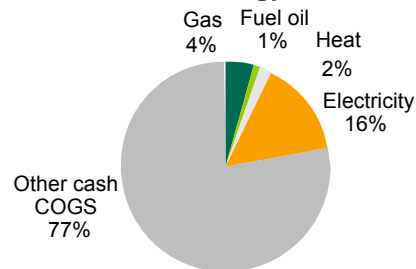


■ Main production Unit ■ Uralkali Group consolidated

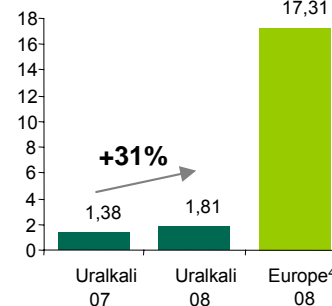
Av. Monthly Labour



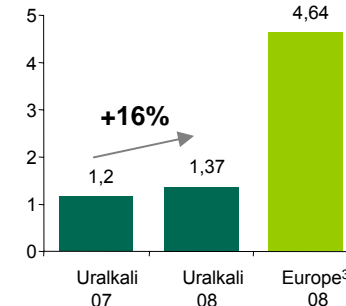
Fuel and energy costs



Gas tariff, kRUR/ 000 m³



Electricity tariff, RUR/kWh



- Target – 6,000 employees in main production unit
- In 2008 vs. 2007 - No headcount reductions due to social responsibility
- Consolidation of several monopolistic service functions (Building Repairs, Medical Care, Water Supply) in 2008

Source: Uralkali

Notes:

1. Total Main production Unit employees, UST excluded.
2. Canadian Companies (Potash Corp.2007) – total potash segment payroll costs divided by total active potash segment employees. Payroll tax of 9.67% excluded, converted to RUR at a US\$/RUR exchange rate of 24.86
3. General and Administrative expenses less depreciation and amortization

- Stage 1 launched in 1Q 2008, Stage 2 – end of 2009
- No permission to work in conjunction with federal electricity supply network - expected in mid 2010
- After full implementation expected efficiency is 50 RUR per tonne of potash production⁵

Notes:

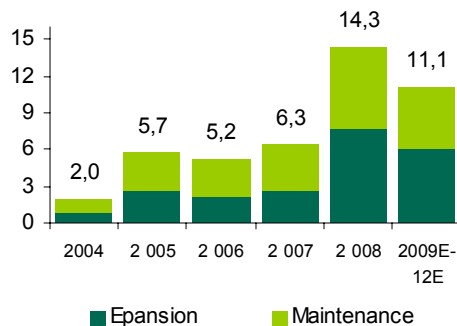
4. Average natural gas and electricity prices charged to final industrial consumers as for 2008 year in UK, Germany and Spain per www.epp.eurostat.ec.europa.eu, converted to RUR at a US\$/RUR exchange rate of 24.86.
5. We see the effect of the programme as the difference between the costs of purchased electricity and the cash costs of generated electricity given the gas prices increase by 28% and 40%, and electricity by 18% and 22% in 2010 and 2011, respectively (MEDT forecasts of August, 2008).

Capex and Cash Flow

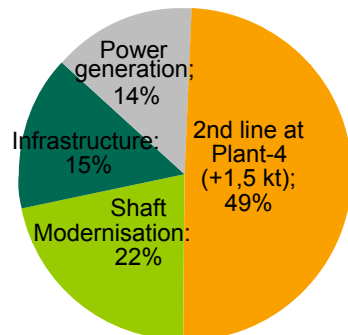


Capex

CAPEX Evolution

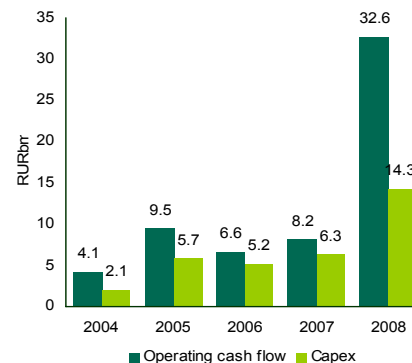


Expansion CAPEX structure

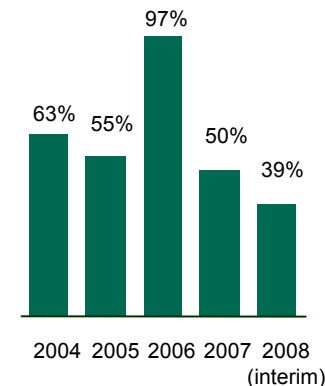


Cash Flow

Oper. Cash Flow vs. CAPEX



Dividends Payout Ratio



Source: Uralkali

	2008 USD mln	2008 RUR mln	1Q 2009 USD mln	1Q 2009 RUR mln
Debt (Bank loans)	476	13 987	420	14 284
Cash	551	16 174	279	9 489
Net Cash (Debt)	74	2 187	-141	-4 795

- Expansion/Maintenance Capex Split - 53/47
- 2009 CAPEX Plan: Expansion 5,2 bln RUR, Maintenance 5,5 bln RUR
- 7.8 bln. RUR – total amount of compensation related to mine-1 flooding (2.3 bln RUR paid in April, 5.5 bln. RUR till the end of 2009)
- More than 90% of bank loans are in USD, average interest rate app. Libor +1.75%
- Favourable effect of RUR devaluation:
 - no hedging instruments in 2008-09
 - revenues are mainly in USD/Euro
 - ~70% expenses and CAPEX in RUR

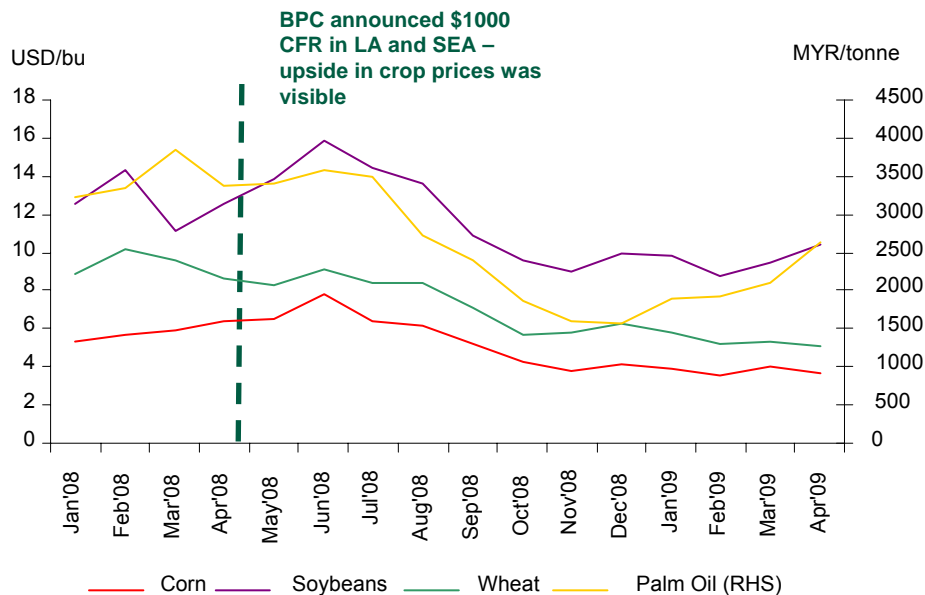
Potash Market Overview

How Global Financial Crisis Has Affected Potash Industry



- High MOP inventories on the regional markets
- Very limited availability of credit for new fertilizer purchases
- Reduced farmers' margins due to drop in crop prices and increased input costs (USA, Europe)
- Decreased plantings in 2009/2010 expected (fall in corn and wheat plantings, decreased acreages worldwide)
- 3-4 times decrease in prices for other fertilizers
- Farmers expecting potash prices to follow other fertilizers
- Reduced production in potash industry
- Decreasing freight rates

Crop Prices Dropped Significantly



- Crop prices in 2009 are still substantially lower than in 2008
- \$1000 price announced in April when crop prices were on the rise
- Drop in crop prices in the 2H of 2008 led to uncertainty in farmers income margins
- Farmers trying to reduce input costs heavily decreased the purchases of fertilizers

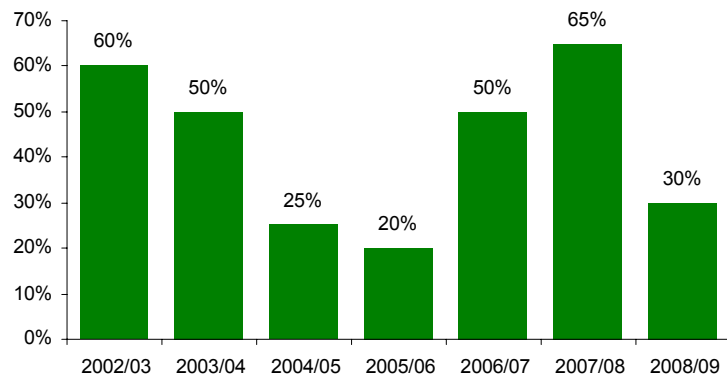
	Apr'08	Dec'08	Apr'09
Corn (\$/bu)	6,3	4,2	3,7
Soybeans (\$/bu)	12,7	9,9	10,4
Wheat (\$/bu)	9,1	6,2	5,1
Palm oil (000MYR/tonne)	3,4	1,6	2,6

Source: CBOT, Bursa Malaysia

\$ Costs on the Rise, \$ Sales Uncertain

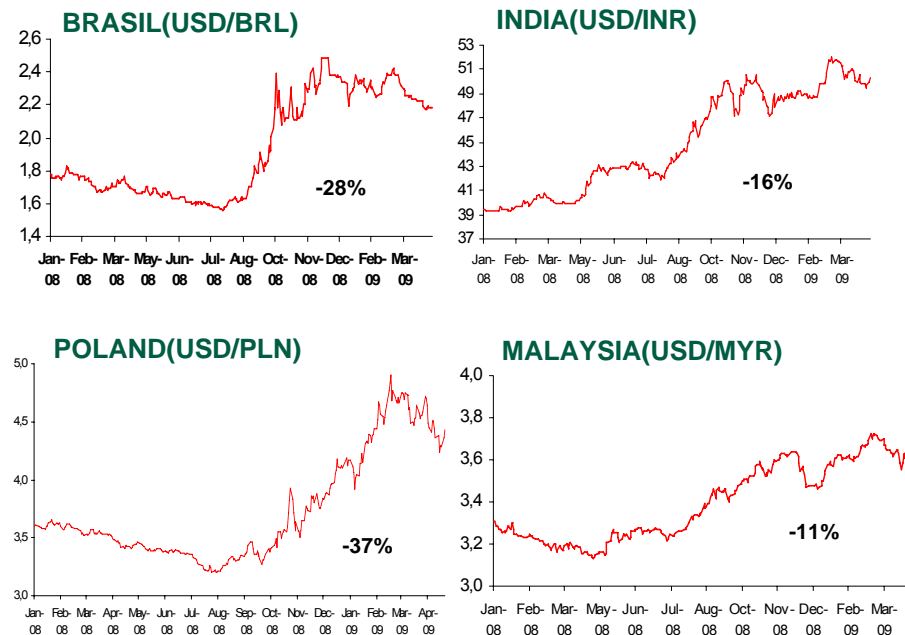


Mato Grosso % of Hedged Soybean



Source: Agroconsult. For 2008/09: Instituto Mato Grossense de Economia Agrícola

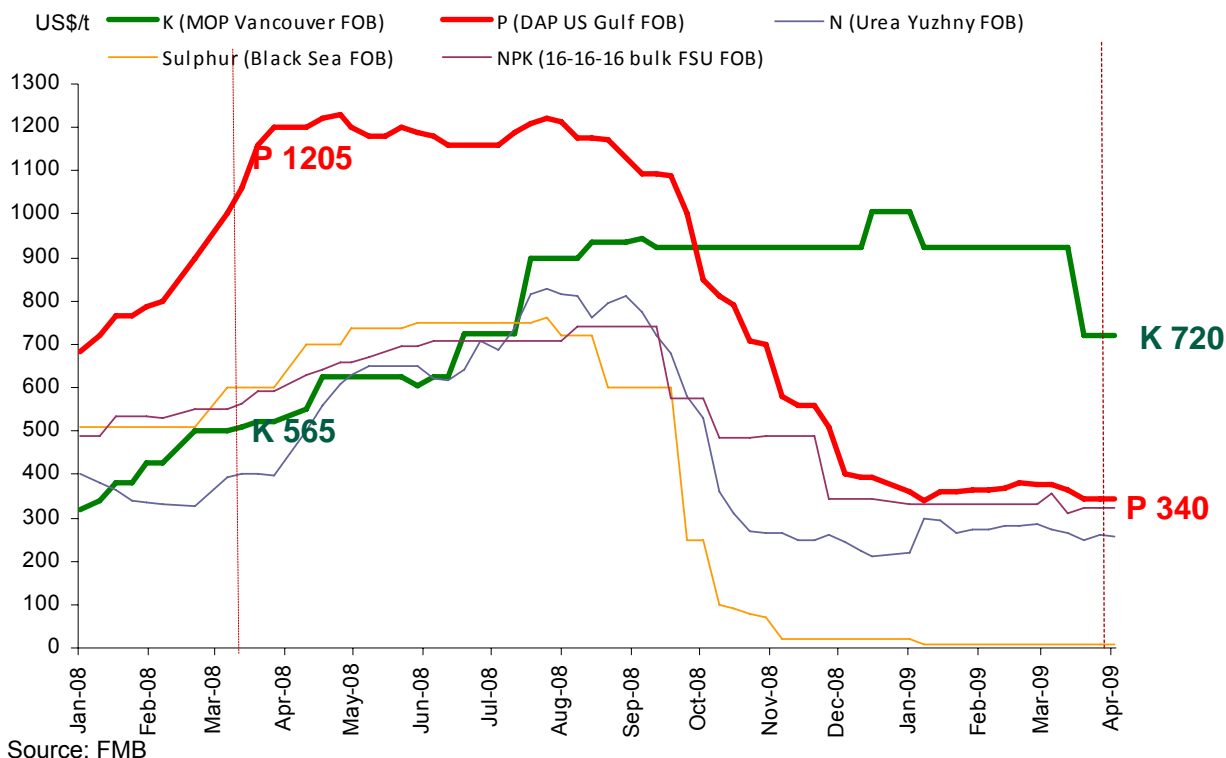
Depreciation of Local Currencies



Source: Bloomberg

- Devaluation of local currencies increased cost of imported fertilizers and other inputs and made purchases even less accessible
- At the same time farmers revenue cannot be secured at the previous levels as commodity forward market has shrunk considerably

Lower N,P Prices Influence Farmers' Pricing Expectations



- Because of sharp drop in N and P prices in 2H 2008, farmers worldwide expect K prices to fall and, therefore, continue reducing/postponing purchases and consuming potash stocks
- Up to mid-2008, P prices historically were higher compared to K ones. This creates a lot of psychological pressure on farmers
- Russian NPK fertilizer prices impact potash prices
 - Demand on Russian NPK was historically insignificant, but given current financial crisis 'cheap' NPK fertilizers have negative impact on world fertilizer market

Small Players Gain more Weight...



Potash Deliveries, kt (Domestic Sales + Import)				
	2 007	2 008	2 009	2009/2007
China	12 762	9 122	9 285	-27%
India	3 976	4 915	5 035	27%
SEA	6 835	7 248	6 156	-10%
USA	9 704	9 133	7 766	-20%
Brazil	7 812	7 416	5 828	-25%
Europe	8 991	8 228	7 346	-18%
World total	58 687	55 125	50 232	-14%

Source: Fertecon, April 2009

- Due to the lower potash demand and consumption we cannot exclude a higher reduction of world potash deliveries in 2009
- Niche players may become more significant in their role or even preferred suppliers due to potential pricing flexibility
 - their pricing behavior can make a difference

Thank You