



Uralkali: A Leader in the Global Potash Market

Q3 2011 Top Line and Operating Performance Overview

Webcast & Conference Call

7 December 2011

Disclaimer



This presentation has been prepared by JSC Uralkali (the «Company»). By attending the meeting where the presentation is made, or by reading the presentation slides, you agree to the following limitations and notifications.

With respect to any information communicated by the Company, its agents or its representatives (including its directors, officers, employees, members, attorneys, advisors and any affiliates) to you or your agents or representatives (including any directors, officers, employees, members, attorneys, advisors and affiliates), directly or indirectly, whether in written, oral, visual, electronic or any other form, during or constituting the whole or part of this presentation or any presentation meeting or any conversation or discussion relating to or held in connection with this presentation, or any opinion expressed in respect of such information (the "Information"), such Information may not be reproduced, redistributed, passed on or otherwise disseminated to any other person, directly or indirectly, whether in written, oral, visual, electronic or any other form, for any purpose.

The Information communicated does not constitute or form part of, and should not be construed as, an offer, solicitation or invitation to subscribe for, underwrite or otherwise acquire, any securities of the Company or any member of its group nor should it or any part of it form the basis of, or be relied on in connection with, any contract to purchase or subscribe for any securities of the Company or any member of its group, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever. Any person considering the purchase of any securities of the Company or any member of its group must inform himself or herself independently before taking any investment decision. The Information communicated has been provided to you solely for your information and background and is subject to amendment. Further, the Information communicated has been compiled on the basis of information from a number of sources and reflects prevailing conditions as of its date, which are subject to change. The medium through which the Information is communicated constitutes neither an advertisement nor a prospectus. The Information communicated has not been independently verified. The Information communicated is subject to verification and amendment without notice and the Company is not under any obligation to update or keep current the Information.

Accordingly, no representation or warranty, express or implied, is made or given by or on behalf of the Company or any of its directors, officers, employees, members, attorneys, advisors, affiliates or any other person as to the correctness, accuracy, currency, completeness, adequacy, usefulness, reliability, fairness or otherwise of the Information communicated, and any reliance you place on such Information will be at your sole risk. Neither the Company nor any of its directors, officers, employees, members, attorneys, advisors, affiliates or any other person accepts any liability whatsoever for any loss howsoever arising from any use of the Information communicated.

To the fullest extent permitted by applicable law, the Company shall not be liable for any compensatory, punitive, special, consequential or other damages, any loss of income or revenue, any loss of business, any loss of anticipated savings, any loss of goodwill, or any other losses, liabilities, expenses or costs of whatever nature arising from or attributable to your access to, or inability to access, or reliance on Information even if the Company has been advised of the possibility of such damages, losses, liabilities, expenses or costs.

Some of the Information may constitute projections or other forward-looking statements regarding future events or the future financial performance of the Company. These statements involve numerous assumptions regarding the present and future strategies of the Company and the environment in which it operates and will operate in the future and involve a number of known and unknown risks and other factors that could cause the Company's or its industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. Accordingly, the Company provides no assurance whatsoever that its or its industry's actual results, levels of activity, performance or achievements will be consistent with the future results, levels of activity, performance or achievements expressed or implied by such forward looking statements. Neither the Company nor any of its directors, officers, employees, members, attorneys, advisors, affiliates or any other person intends or has any duty or obligation to supplement, amend, update or revise any of the forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

Multiple factors could cause the actual results to differ materially from those contained in any projections or forward-looking statements, including, among others, potential fluctuations in quarterly or other results, dependence on new product development, rapid technological and market change, acquisition strategy, manufacturing risks, volatility of stock price, financial risk management, future growth subject to risks of political instability, economic growth and natural disasters, wars and acts of terrorism.

Uralkali Performance Update Q3 and 9M 2011



Overview of Uralkali

- **Leader in potash production**
 - **# 1** potash producer globally
 - Ability to **add 65%** of 2011 capacity by 2021 through cost-advantageous Brownfield and large-scale Greenfield projects
- **Leader in the potash export market**
 - Top export market share – **c.42%** in 1H 2011 through Uralkali traders
- **Among the lowest cost producer** with further synergy potential from merger with Silvinit
 - Unit potash cash COGS 1H 2011 – 61 US\$ per tonne - the lowest across the industry
 - Core synergies from the merger – c.US\$100 million p.a. by 2013
- **Industry leading sustainable financial performance and cash flow generation**
- **Experienced management team with commitment to high standards of corporate governance**

Key Figures Overview

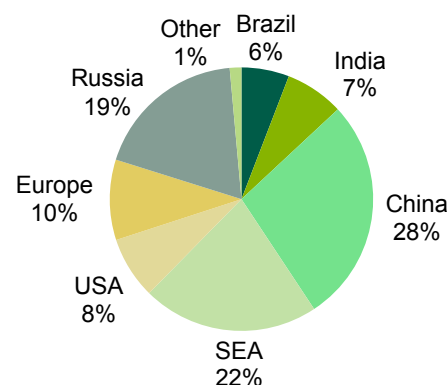
(US\$ mln)	Q3 2011	Pro-Forma ¹		Consolidated ²	
		6M 2011	9M 2011	6M 2011	9M 2011
Gross Revenue	1,209	1,973	3,182	1,266	2,475
Net Revenue	1,041	1,656	2,697	1,054	2,095
Average potash price, FCA, US\$					
- Domestic	219	190	201	184	201
- Export	376	324	342	340	356
<hr/>					
(Mln tonnes)					
Production volume	2.9	5.2	8.1	3.1	6.0
Sales volume	2.8	5.3	8.1	3.3	6.1
- Domestic	0.5	0.9	1.4	0.6	1.1
- Export	2.3	4.4	6.7	2.7	5.0

Notes:

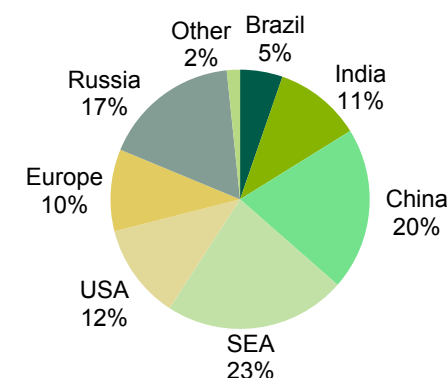
1. Uralkali financial results including Silvinit financial results starting from 1 January 2011
2. Uralkali financial results including Silvinit results starting from 17 May 2011 when Silvinit ceased to exist

Uralkali Potash Sales by Countries

Q3 2011



9M 2011¹



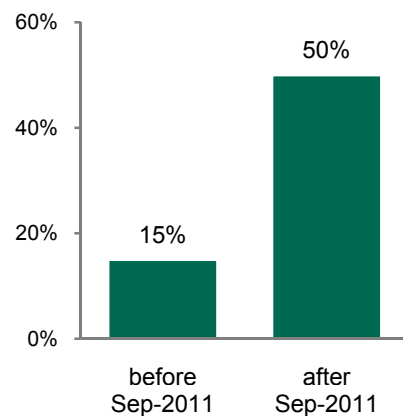
Dividend Policy and Buyback Programme



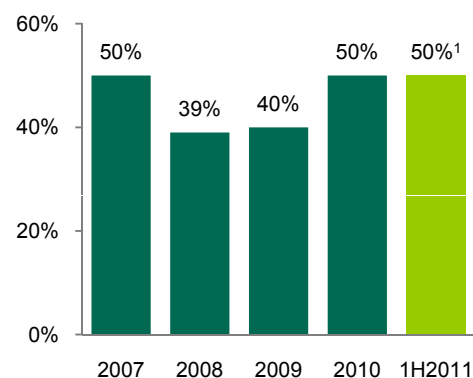
Dividend Policy

- Pay-out ratio of minimum 50% of IFRS net income
- Interim dividends at least twice a year
- 25 October 2011 Uralkali BoD recommended interim dividend payment in the amount of 4 RUR per share / 20 RUR per GDR

Dividend Policy



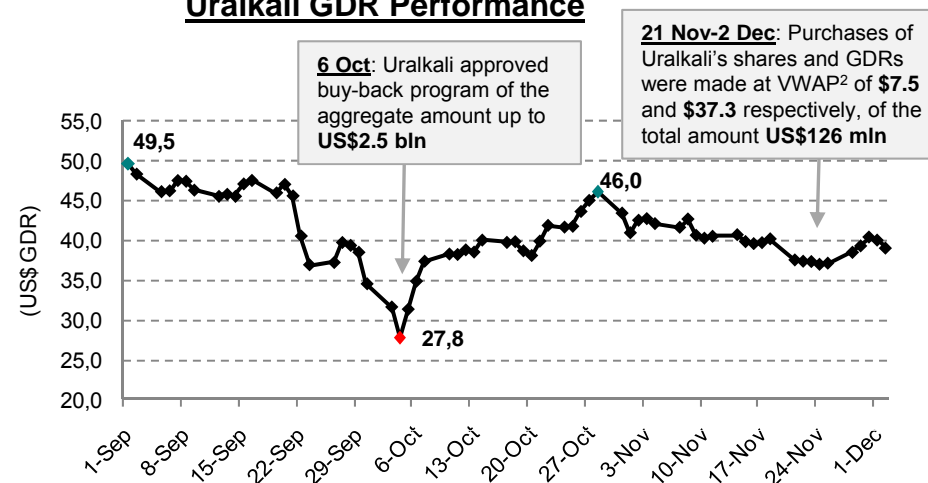
Dividends Payout Ratio



Buyback Programme

- Oct 6 2011 Uralkali BOD approved a buyback programme in respect of the Company's ordinary shares and GDRs in the amount of up to US\$2.5bn, effective until Oct 6, 2012
- A non-revolving credit facility in the amount of up to RUB66bn (c.US\$2.0bn) could be used to partially finance the buyback programme

Uralkali GDR Performance



Balanced approach to investing in organic growth and returning excess capital to shareholders whilst maintaining a robust capital structure

Notes:

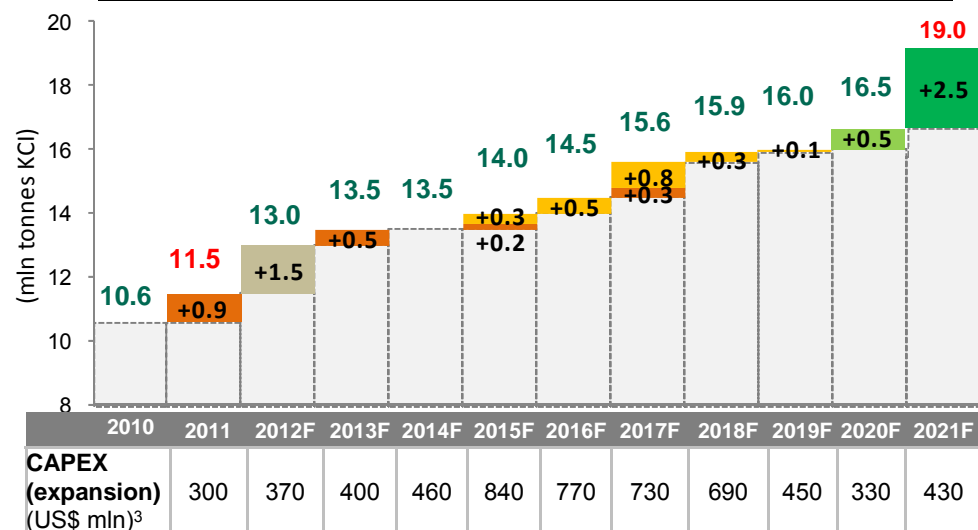
1. Subject to EGM approval on 8 December 2011
2. Volume Weighted Average Price

Expansion Programme



+ 65% Capacity Growth in 10 years

Project Name	Project Capacity, mln t KCl	CAPEX (US\$/tonne)	Launch Date
Debottlenecking	1.0	192	2013
Solikamsk-3 expansion: - phase 1	0.3	393	2015
- phase 2	1.7	536	2016
Berezniki-4 expansion	1.5	430	2012
Ust-Yayvinsky field	2.8	583	2020
Polovodovsky field	2.5	943	2021

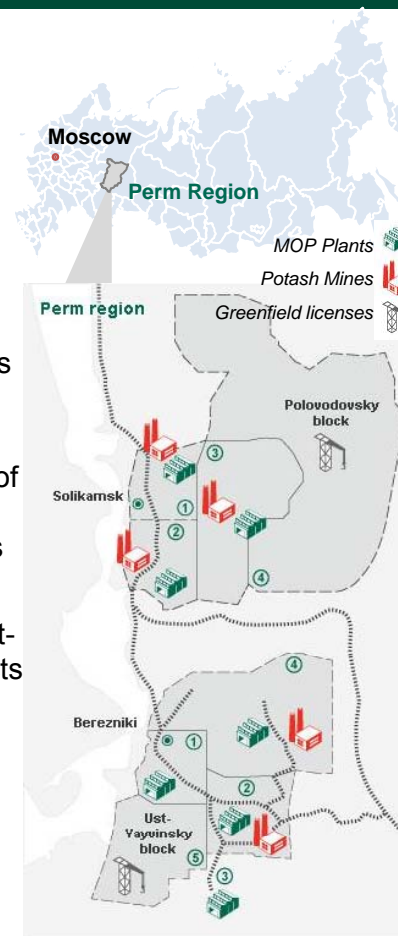


For more details on Uralkali's expansion programme please visit

www.uralkali.com/expansion_programme/

Complimentary Asset Base

- **Capacity expansion** worth c. US\$ 5.8 bn by 2021
- **An attractive portfolio of cost-advantageous** Brownfield projects and large-scale Greenfield projects
 - Brownfield CAPEX – c. US\$ 420¹ per tonne
 - Greenfield CAPEX – c. US\$ 750¹ per tonne
 - Potash price to justify investments into the projects – c.US\$ 230
- **Reserves & Resources:** JORC-compliant resource base of 8.7Bnt of ore including 4.4Bnt from Ust-Yayvinsky and Polovodovsky blocks combined
- **Greenfields:** expansion through Ust-Yayvinsky and Polovodovsky projects
 - one of the lowest depths of the mine (300-450m)
 - all required infrastructure already in place
 - strong geology and mining expertise



Sustaining long-term leadership on the most effective basis in the industry

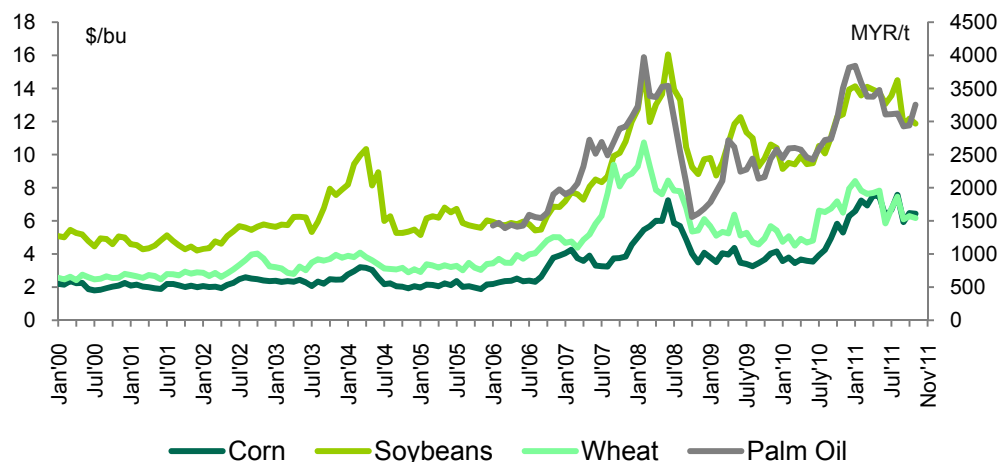
Notes:

1. Weighted Average Cost
2. Including 0.5 mln tonnes of additional capacity and 2.3 million tonnes of new capacity that will substitute the depleting capacity of Berezniki-2 mine
3. Planned investments

Crop Prices Stay High



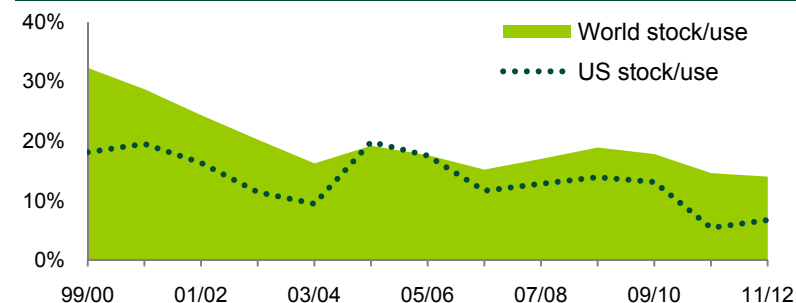
Crop Future Prices



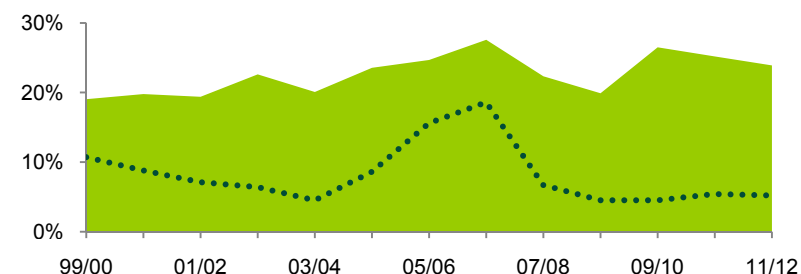
Source: CBOT, Bursa Malaysia

- Despite increased volatility grain prices stay at historically high levels
- Relatively tight fundamentals will continue to support grain prices in the near term and are expected to ease a bit with the next harvest
- Additional support is to be provided by solid demand from China and other emerging markets where it is supported by strong economic growth
- La Niña weather pattern which is forecast to return this winter may add upward pressure on soybean prices bringing drought conditions to South America

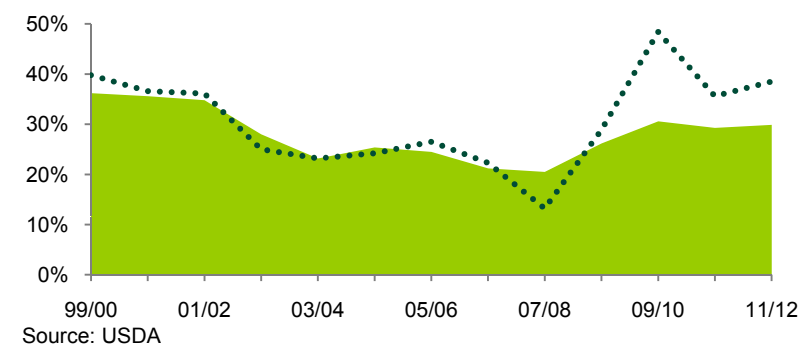
Corn stocks-to-use ratios



Soybeans stocks-to-use ratios

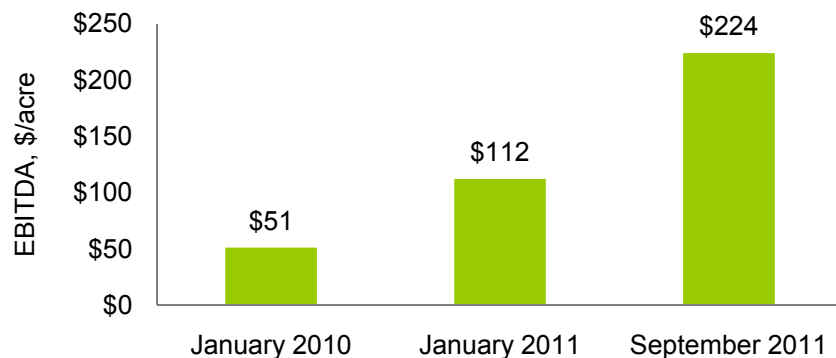


Wheat stocks-to-use ratios

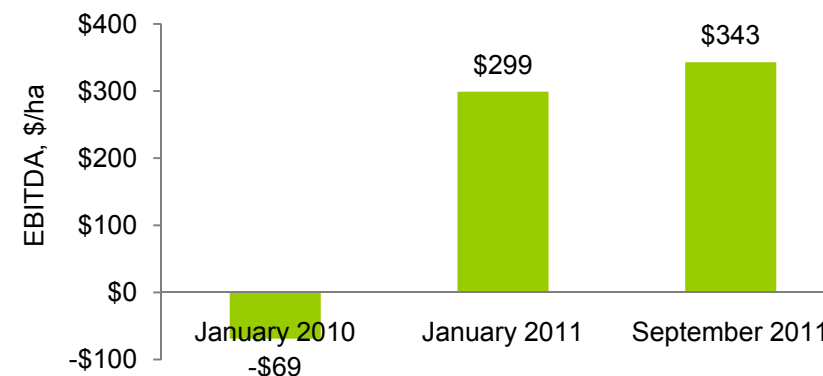


Farmers' profitability showed records

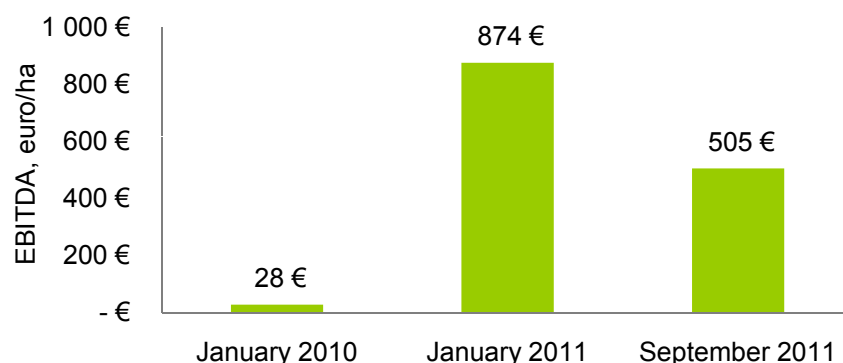
Corn, USA



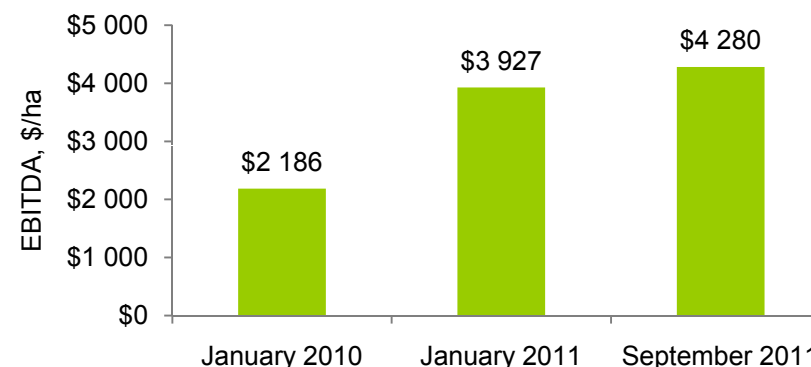
Soybeans, Brazil



Wheat, France

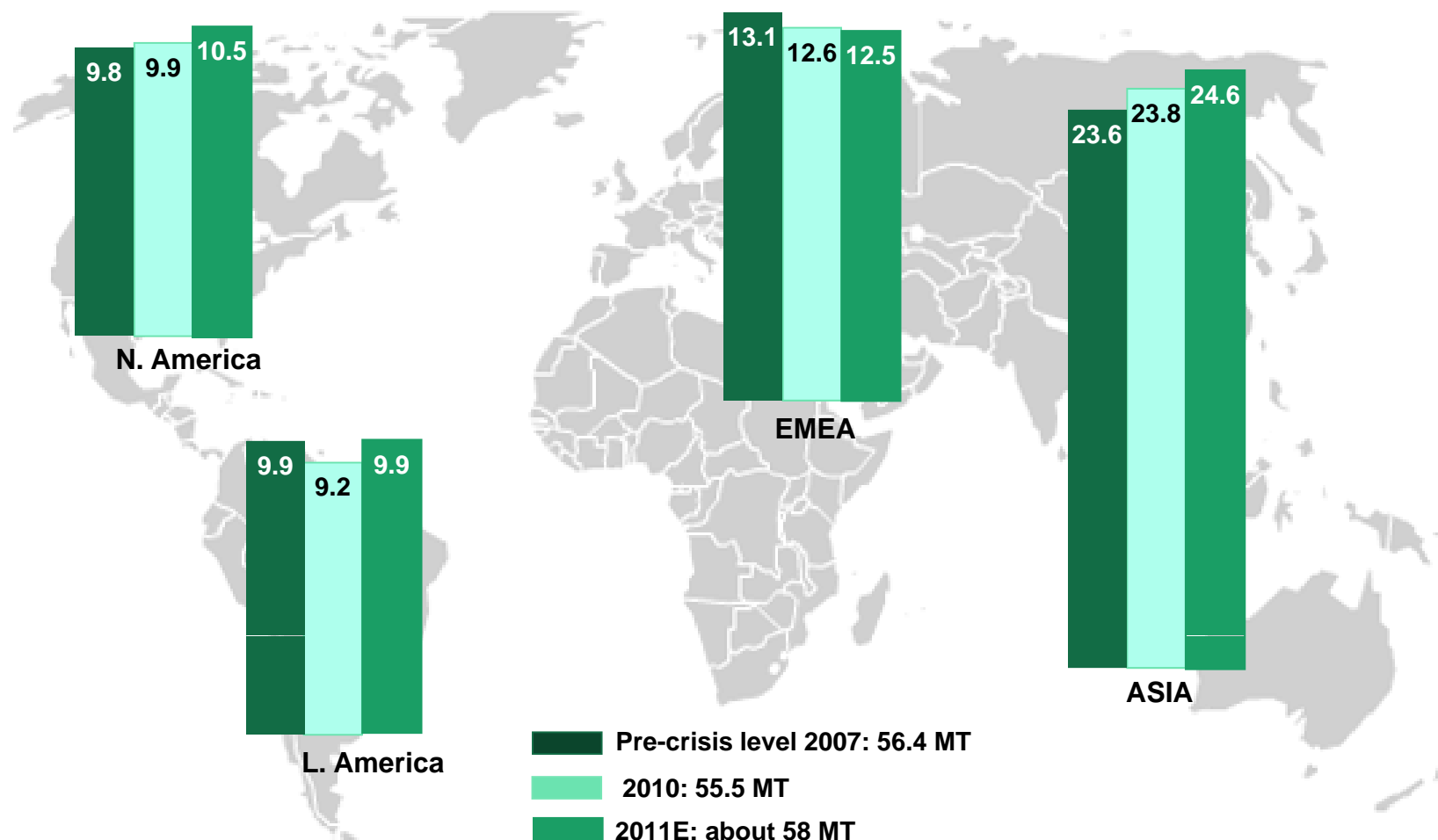


Palm oil, Malaysia



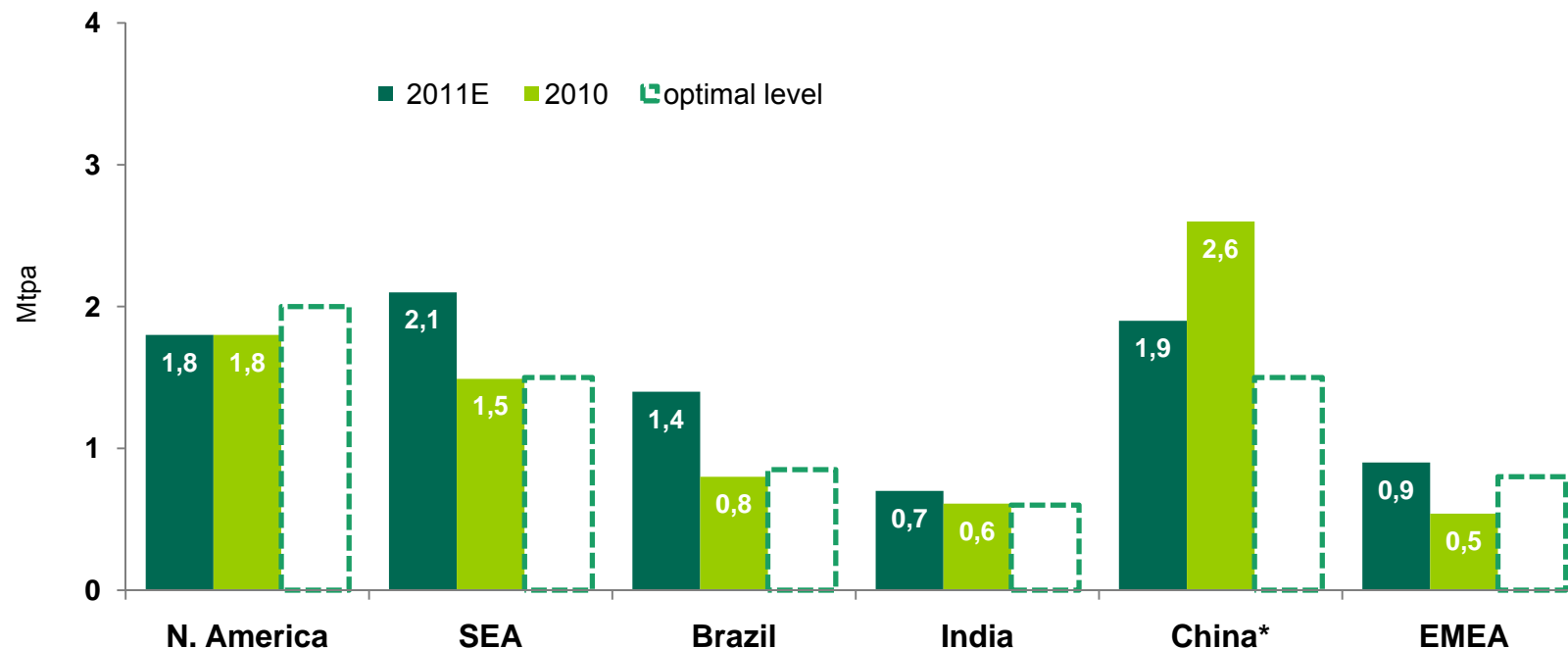
- 2011 is forecast to be another record year for farmers' revenues in almost all regions of the world
- Solid returns that farmers enjoyed provided substantial support for fertilizer consumption growth

Global Potash Demand is expected to hit new record level in 2011



Worldwide potash sales volumes are expected to increase to new record of 58 MT in 2011, representing a full recovery to pre-crisis level

Global Potash Inventory



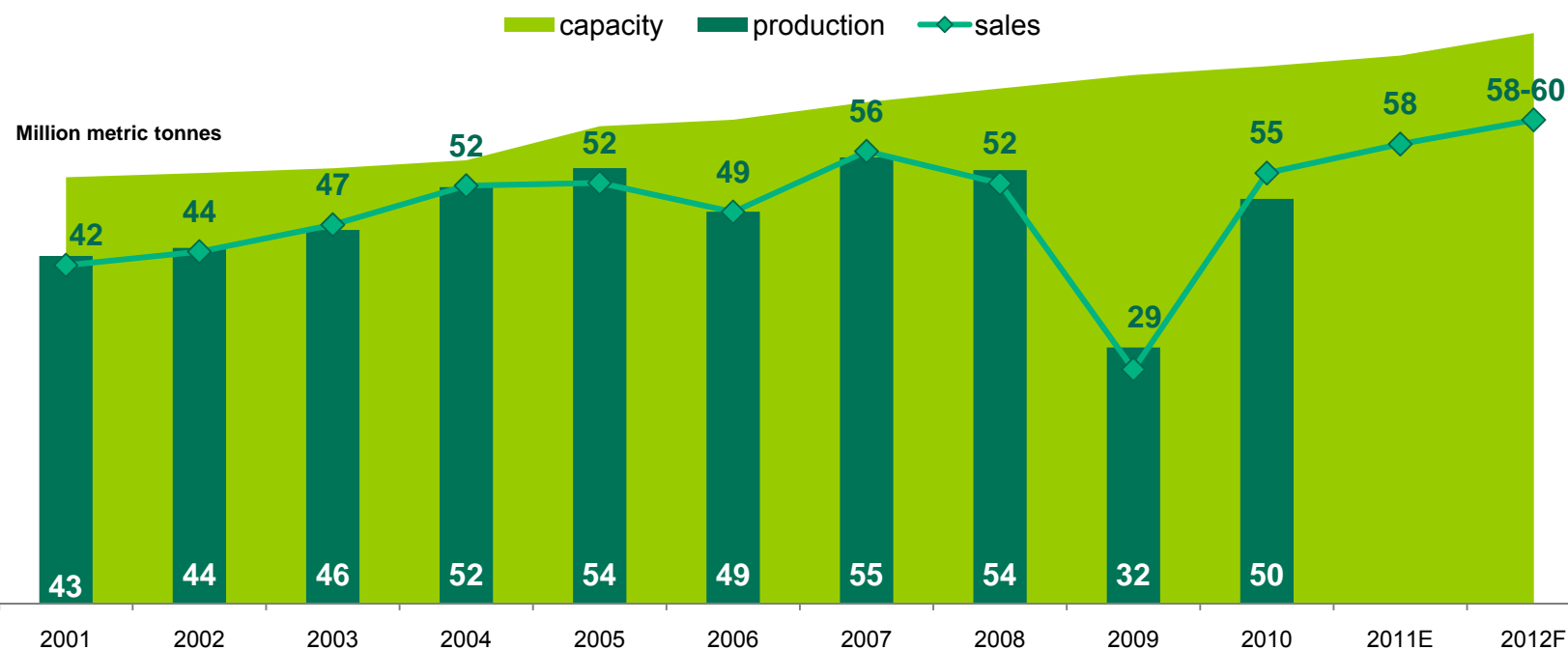
Source: BPC estimations

- Currently, farmers and dealers are taking a cautious approach to inventory levels. Wholesalers are seeking to minimize the stocks they have consistent with meeting immediate demand
- Given solid profit margins generated by farmers, potash inventories in the pipeline are expected to be drawn down due to customer pre-buying

Notes:

* incl. port stocks, pile channels stock, NPK warehouse stock and on-the-way cargo

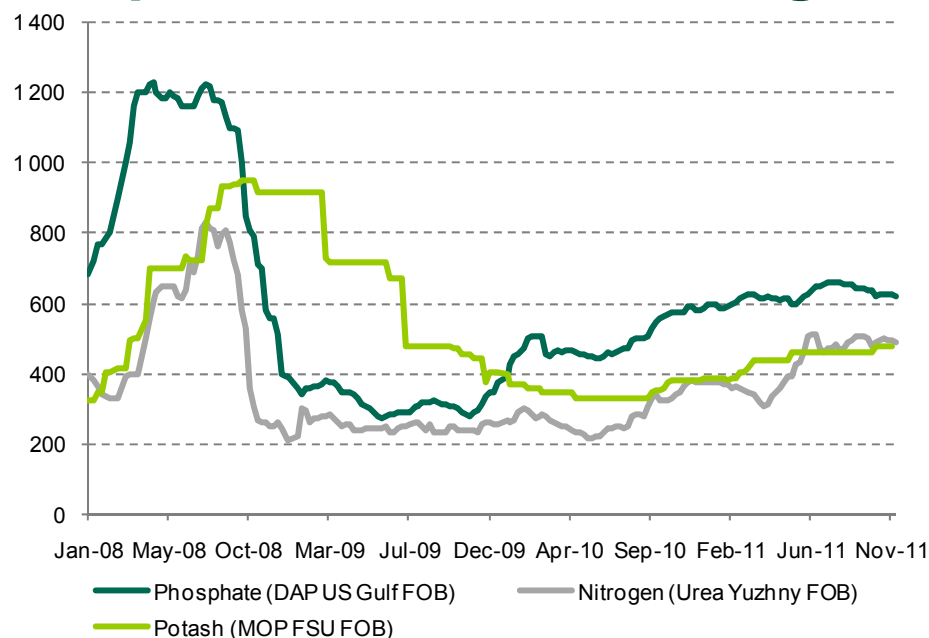
Supply/Demand Dynamics 2001-2012F



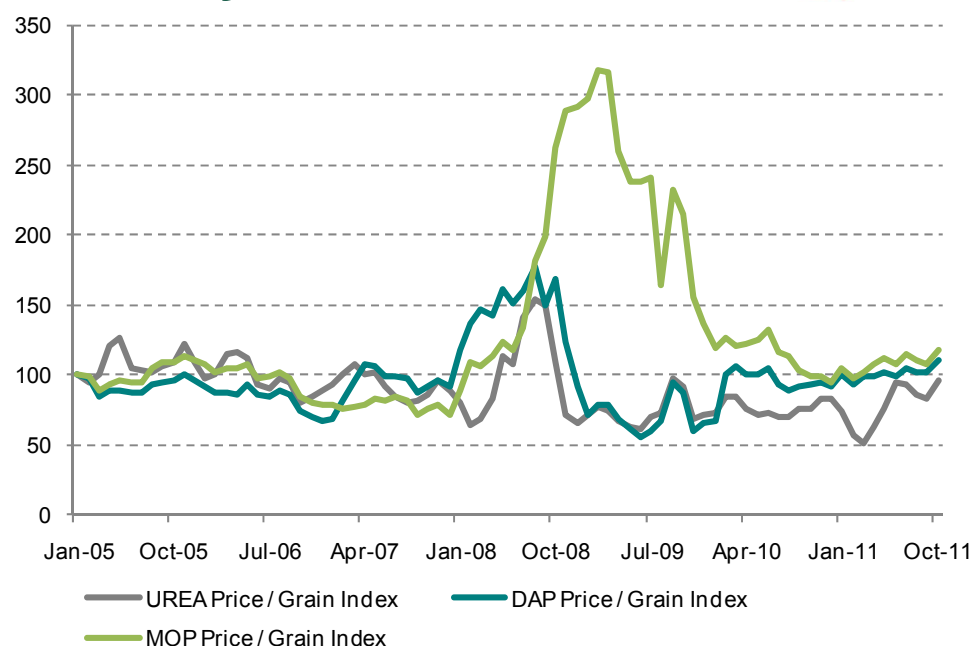
Source: IFA, BPC estimates

- Fundamentals for potash demand growth remain favorable due to good agricultural environment
- Potash consumption is expected to remain stable in 2012, as farmers have been generating solid margins. It may lift potash demand to 58 -60 million tonnes in 2012

Unlike Crop Prices, Fertilizer Prices have not Surpassed the Record Highs of 2008 yet



Source: FMB



Source: IFA

- Spot prices are \$550/t in Brazil, \$535/t - in South East Asia; The 2H'11 Chinese contract has been settled at \$470/t and Indian half-year contract –at \$490/t. Brazilian buyers are expected to accept BPC's \$30/mt price increase. The market may take some time to digest bad news in terms of macroeconomics
- We expect potash prices to increase from current levels in 2012 driven by the evolution of grain and nutrient prices in the coming quarters

Potash Market Outlook



- Although traders and farmers remain currently cautious given macroeconomic uncertainty, fundamentals for steady demand growth are favorable due to the solid crop margins
- Despite recent volatility, crop prices still remain at historically high levels, and farmers continue to increase production to capitalize on the economic opportunity in agriculture
- We expect continued consumption growth will lift potash demand to 58–60 Mtpa in 2012
- Unlike crop prices, fertilizer prices have not surpassed the record highs of 2008 yet. Potash prices are expected to increase from current levels in 2012 driven by the evolution of grain and nutrient prices in the coming quarters



Thank You!