

Maximising global opportunity

1H 2014 IFRS Results and Potash Market Review
Webcast & Conference Call

28 August 2014



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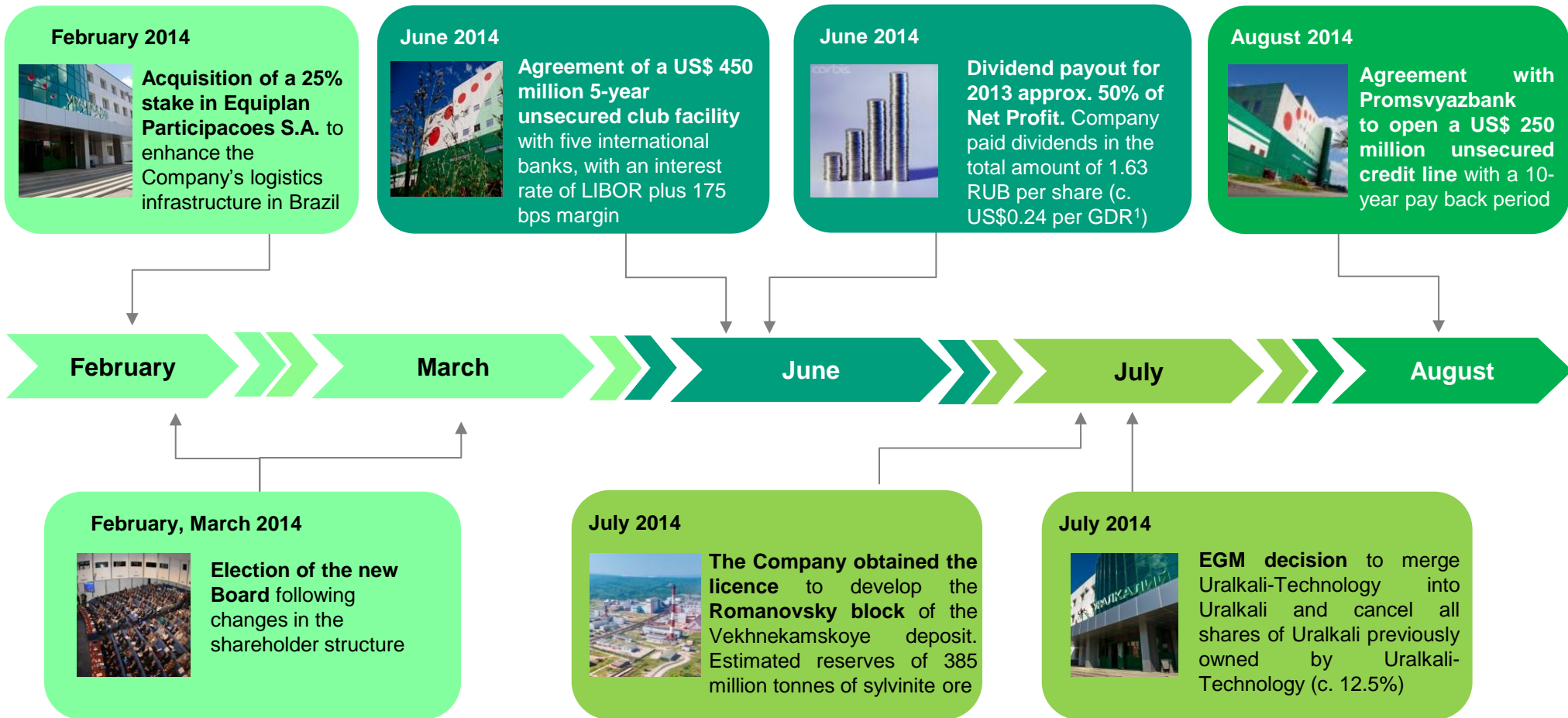
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1H 2014 – Key Business Milestones



Continued commitment to operational and financial excellence, transparency and risk mitigation

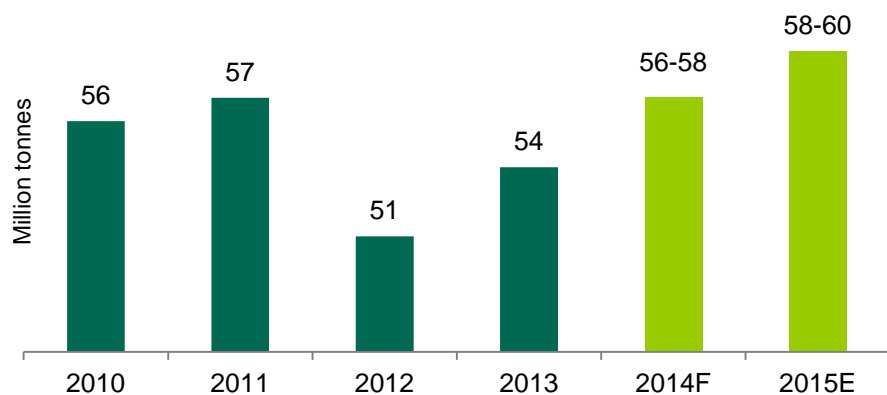
Note:

1. According to the exchange rate of the RF Central Bank as of 9 June 2014, 1 US\$=34.6573 RUB

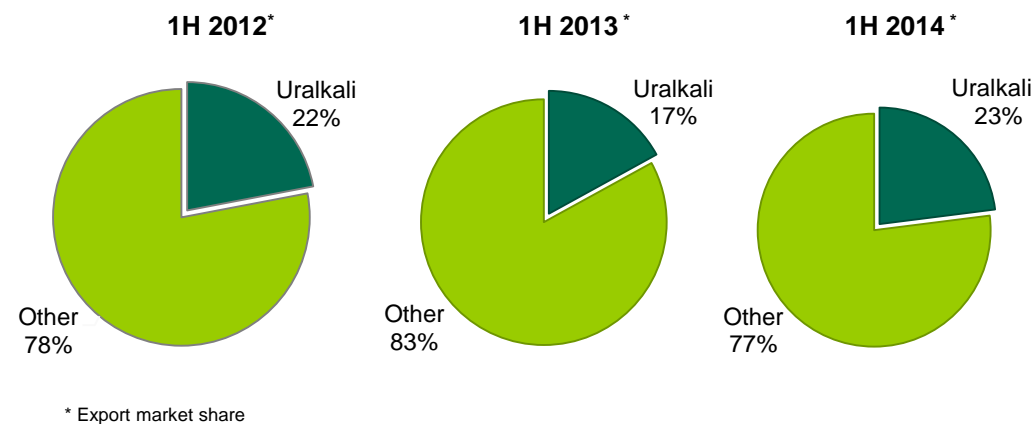
Sustainable Industry Positioning



Robust Market Demand



Sustainable Market Share



Uralkali's market positioning helped to restore the demand and will allow the Company to maximize revenue going forward

Key Financial Highlights – 1H 2014

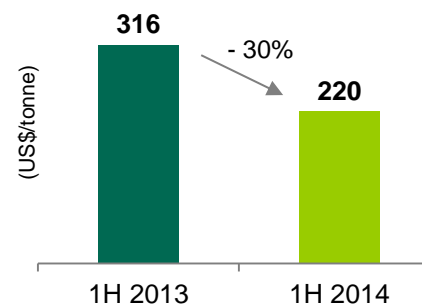


Key Figures

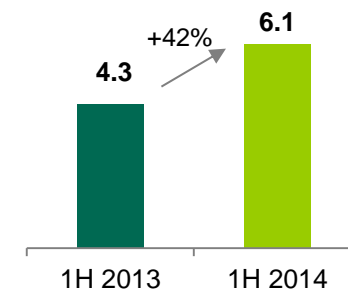
(US\$ million)	1H 2013	1H 2014	Change, %
Sales volume, million tonnes	4.3	6.1	42%
- Domestic sales	1.0	1.0	-2%
- Export sales	3.3	5.1	54%
Revenue	1,614	1,726	7%
Net Revenue ¹	1,348	1,316	-2%
EBITDA ²	876	767	-12%
EBITDA margin ³ , %	65%	58%	
Net Profit	397	370	-7%
CAPEX	199	205	3%
incl. Expansion	92	87	-5%

Key Highlights

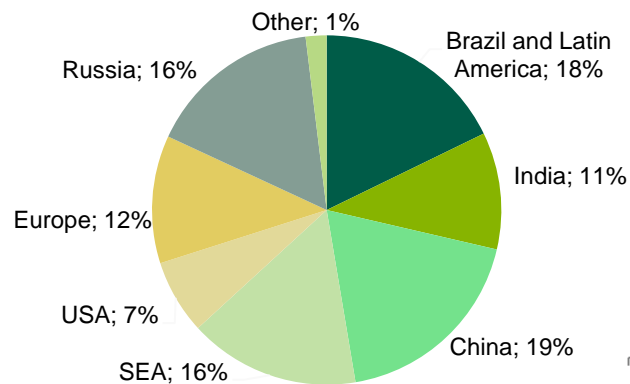
Average export potash price, FCA



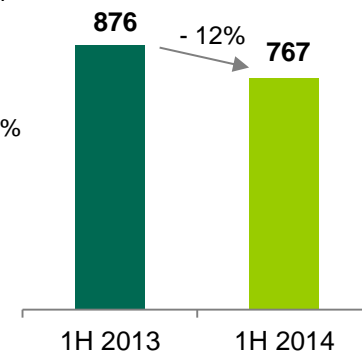
Sales Volume, million tonnes



1H 2014 Uralkali Sales Structure



EBITDA², US\$ million



Financial performance reflects changes in market environment with positive momentum to return in 2H 2014 and 2015

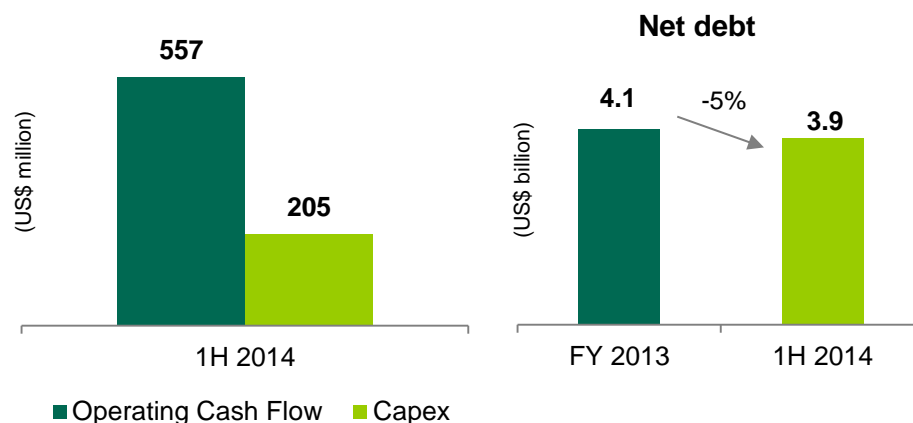
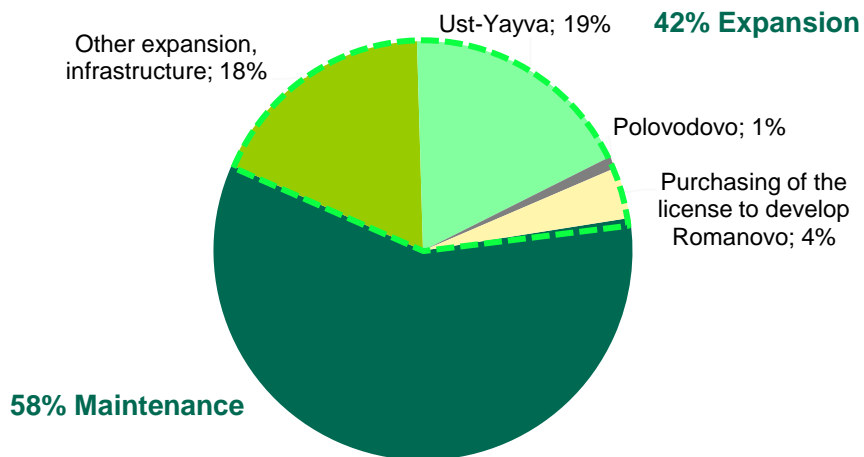
Notes:

1. Net Revenue represents Revenue net of freight, railway tariff and transshipment costs
2. EBITDA is calculated as Operating Profit plus depreciation and amortization and does not include one-off expenses
3. EBITDA margin is calculated as EBITDA divided by Net Revenue

Capex, Cash Flow, Debt Structure 1H 2014



Capex, Operating Cash Flow, Debt Structure



Agency	Credit Rating	Outlook	Last Update	Issue Date
FitchRatings	BBB-	Neutral	Jul' 2014	Jun' 2012
STANDARD & POOR'S	BBB-	Negative	Jun' 2014	Jun' 2012
MOODY'S	Baa3	Negative	Oct' 2013	Jun' 2012

- Dividend payments for 2013: c. US\$ 0.58 per GDR¹ (c. 50% of IFRS Net profit)
- Loan portfolio parameters as of **30 June 2014**:
 - Total debt (bank loans & eurobonds): US\$ 4.7 billion
 - c.100% of debt exposure is in US Dollars
 - Effective interest rate – c. 3.6%
 - Debt portfolio structure: unsecured loans – 78%, secured loans – 22%

Robust capital structure, stable cash-flow generation, attractive dividend policy

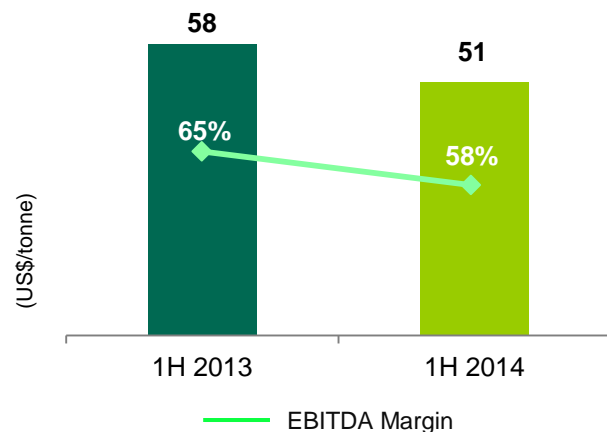
Note:

1. Includes US\$197 million paid in 1H 2013 and US\$ 142 million paid in 2H 2013 according to IFRS Financial Statements for 1H 2014

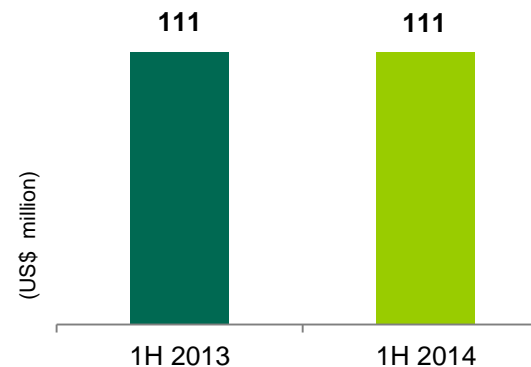
Review of Cost Structure 1H 2014



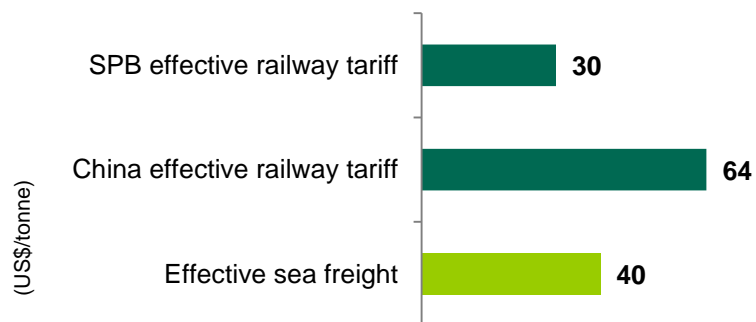
Unit Cash COGS



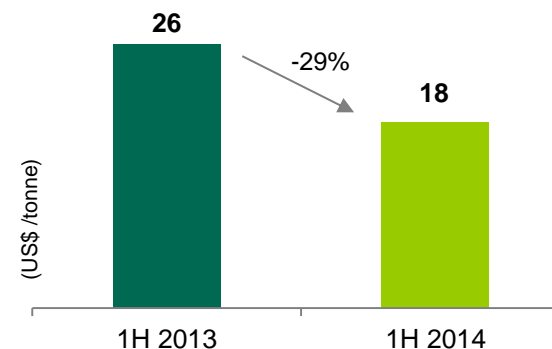
G&A Costs



Effective Railway Tariff & Freight



Unit G&A Costs

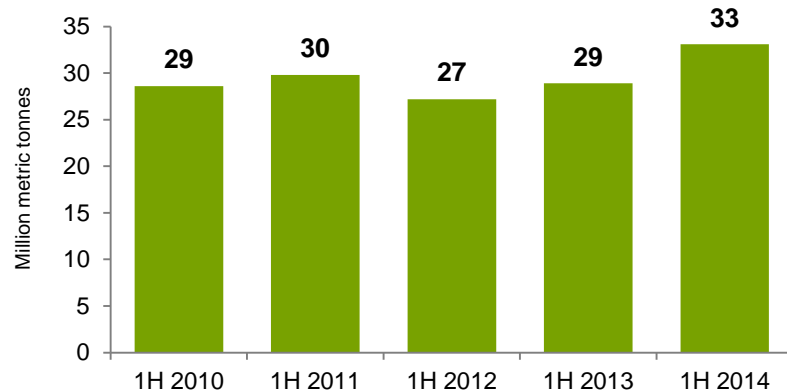


Positive effects of operational leverage and continued focus on efficiency and cost leadership

1H 2014 is a Record 6 Months for Potash Sales

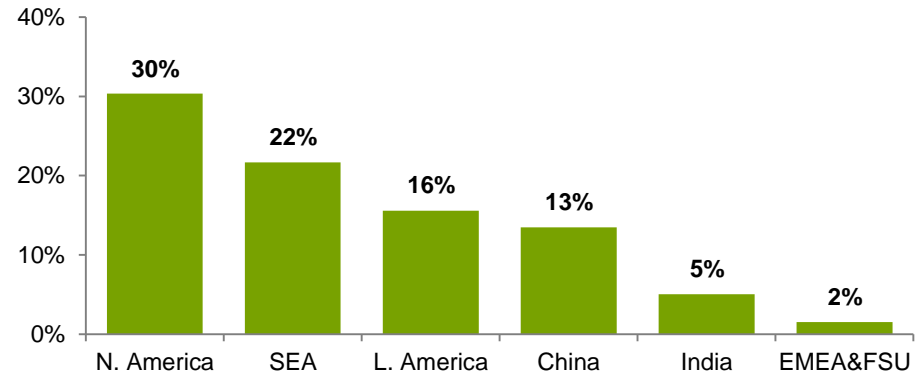


2014 is a year of record potash demand



Source: IFA

1H 2014 yoy deliveries increased to all markets

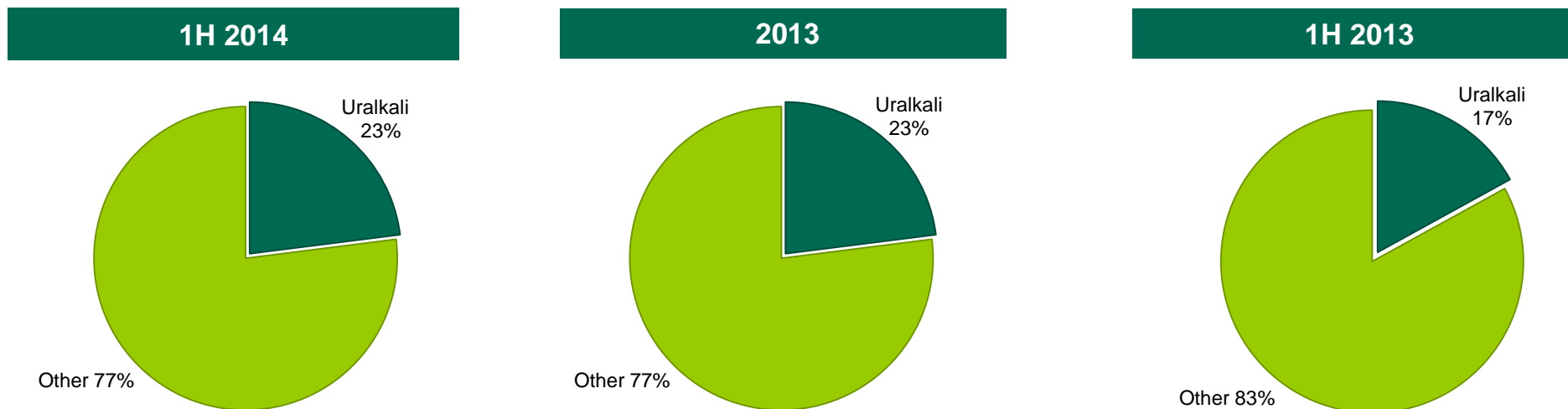


Source: IFA

- Since the Company has adopted a new strategy in July 2013, potash industry has gone through the following developments:
 - price stability boosted market confidence
 - affordable pricing stimulated potash consumption around the world
 - lower potash prices promoted rational decision making in relation to greenfield projects
- The entire potash industry enjoyed a strong growth in 1H 2014. As a result, global potash sales in the first half of this year hit new highs - 33 million tonnes
- Demand rebounded so strongly that some producers have indicated they are essentially sold out until end 3Q 2014

Global Potash Export Trade in 1H 2014¹

- Positive developments in the global market demand allowed the Company to increase its export volumes considerably in 1H 2014 compared to 1H 2013



Uralkali sustained its historical export market share in 1H 2014 which was regained in 2H 2013

Source: IFA

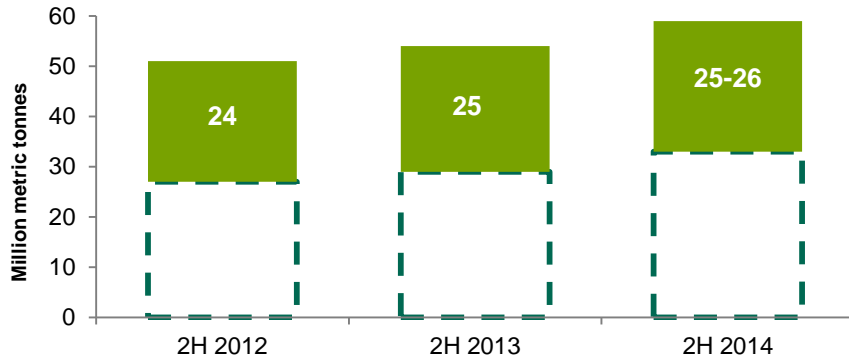
Notes:

1. Excluding Canadian potash export to the United States

Markets Continue to Show Strong Volume and Price Momentum in 2H 2014

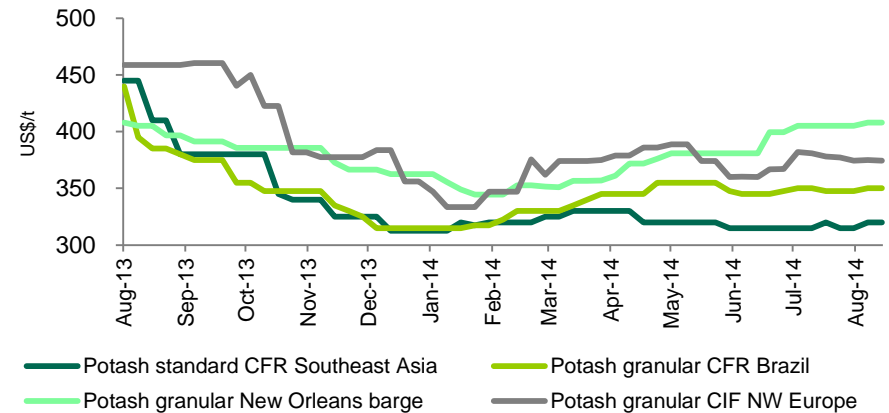


Deliveries expected to remain strong in 2H 2014



Source: IFA, Uralkali's estimates

Upward Potash Price Trajectory



Source: Argus FMB, CRU

- Strong demand continues in 2H 2014. Some producers are publicly reported to be fully committed for 3Q 2014
- Supply constraints combined with strong demand and limited availability of granular potash leading to potash price increases
- Global potash deliveries for 2014 are projected to be record high and may surpass the upper end of Company's previous estimate range (56-58 million tonnes)

Potash Demand Update

CHINA	<ul style="list-style-type: none"> • Market is stable. Potash applications are expected to increase in the country over the remainder of 3Q • Potash stocks remain at healthy levels (3 million tonnes) • China is expected to consume 12.0-12.2 million tonnes this year
BRAZIL	<ul style="list-style-type: none"> • Demand is going strong • Potash prices are expected to grow backed by robust demand • Deliveries are projected to reach 9.0-9.2 million tonnes in 2014. Inventory level is expected to be healthy by the end of the year (1 million tonnes)
N. AMERICA	<ul style="list-style-type: none"> • A combination of strong demand and tight supply has again led to increase in potash prices in the region • Demand is expected to remain solid, at least through the fall season. Farmers are likely to replenish declining nutrient levels in their soils after record crop production • Inventories could approach historical lows by the end of 4Q • In 2014, demand is expected to return to record high levels seen in 2010 (9.8-10.0 million tonnes)
INDIA	<ul style="list-style-type: none"> • Vessels continue to arrive in India. 2 million tonnes of potash were imported to India in Jan-Jul 2014 • Situation appears to be normalizing with the rain deficit • Potash inventory stays at 0.5 million tonnes vs. 1.1 million tonnes at the end of August 2013 • India is expected to import 3.7-4.0 million tonnes this year
SEA & OCEANIA	<ul style="list-style-type: none"> • Market is in a steady way. Markets continue to purchase from suppliers on a consistent basis • Particularly strong competition among suppliers • The region is expected to have yoy demand increase from 8.1 million tonnes to c. 8.4-8.7 million tonnes
EUROPE&FSU	<ul style="list-style-type: none"> • Granular potash remains in short supply • European demand is expected to remain solid during the rest of the year • The region is expected to have yoy demand increase from 10.2 million tonnes to c. 10.6-10.8 million tonnes

Source: Uralkali's estimates, Customs Statistics, IFA

Key Takeaways

- Uralkali's decision to change its strategy in July 2013 contributed to a healthier potash supply/demand balance in the market
- Demand was boosted by more affordable prices and reached record historical highs in 1H 2014. Stable prices have been encouraging customers to increase their pace of buying
- Global potash deliveries for 2014 may surpass the upper end of the Company's previous estimate range (56-58 million tonnes)
- The Company continues placing volumes depending on market dynamics and seeks to maintain its global export market share
- More balanced potash supply/demand balance is projected to contribute to stronger Company profitability in the long run