



Uralkali: A Leader in the Global Potash Market

Investor Presentation
January 2012

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Agenda

- 1. A Leader in the Global Potash Market**
- 2. Positioned for Growth**
- 3. Financial Highlights**
- 4. Potash Market Update**
- 5. Conclusions and Outlook**

Uralkali at a Glance



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**

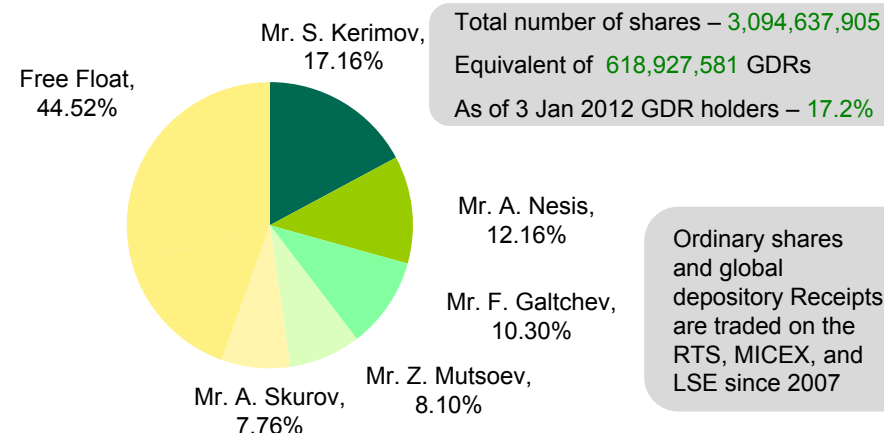
Financial and Operational Highlights

(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

Shareholder Structure¹



Note:

1. Data as of 21 November 2011. % of share capital controlled by shareholders includes shares transferred to OJSC Sberbank / Bank VTB JSC under repo arrangements with voting rights being exercised by the initial holder of the repo shares by proxy

Uralkali Group Structure



Entire Value Chain - From Reserve Base to End Customer

PRODUCTION

Existing Assets - 5 MINES, 7 POTASH PLANTS, 2 GREENFIELD PROJECTS (Ust-Yayva and Polovodovo)



Berezniki-1

- Potash plant
- Standard potash



Berezniki-2

- Potash plant and mine
- Granular and standard potash



Berezniki-3

- Potash plant
- Granular, standard potash



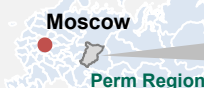
Berezniki-4

- Potash plant and mine
- Standard potash



Ust-Yayvinsky Field

- Resources: 1,3 bn tonnes of ore¹
- Capacity: + 2,8 mln tonnes KCl in launch year 2020

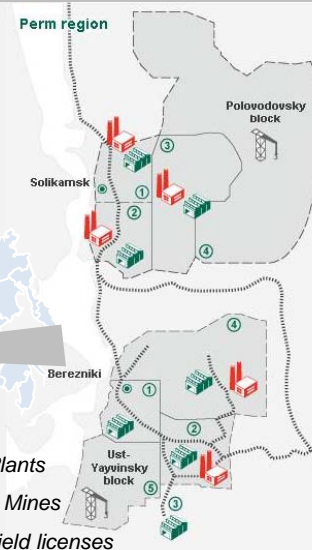


Moscow

Perm Region



MOP Plants
Potash Mines
Greenfield licenses



Solikamsk-1

- Caranlite plant
- Potash mine
- Standard potash



Solikamsk-2

- Potash mine
- Granular and standard potash



Solikamsk-3

- Potash mine
- Standard potash



Polovodsky field

- Resources: 3,1 bn t of ore¹
- Capacity: + 2,5 mln t KCl in launch year 2021

LOGISTICS

COMPANY-OWNED RAILCARS



- Over **8,000** specialized railcars

BALTIC BULK TERMINAL (BBT)



- BBT shipping terminal - shortest transp. route from mines to port

WAREHOUSES



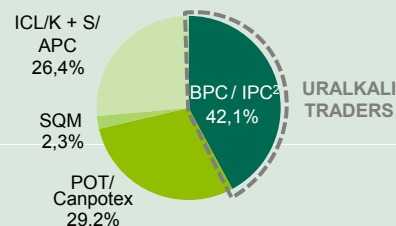
- Storage capacity of **640,000** tonnes:
 - Berezniki and Solikamsk – up to **400** ths tones
 - BBT – up to **240** ths tones

SALES

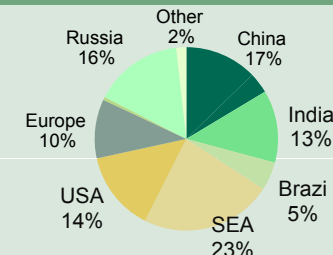
EXPORT and DOMESTIC

- Uralkali traders have top market share in the export potash market
- Direct domestic sales through Uralkali

MAJOR POTASH PLAYERS BY EXPORT TRADING, 1H 2011



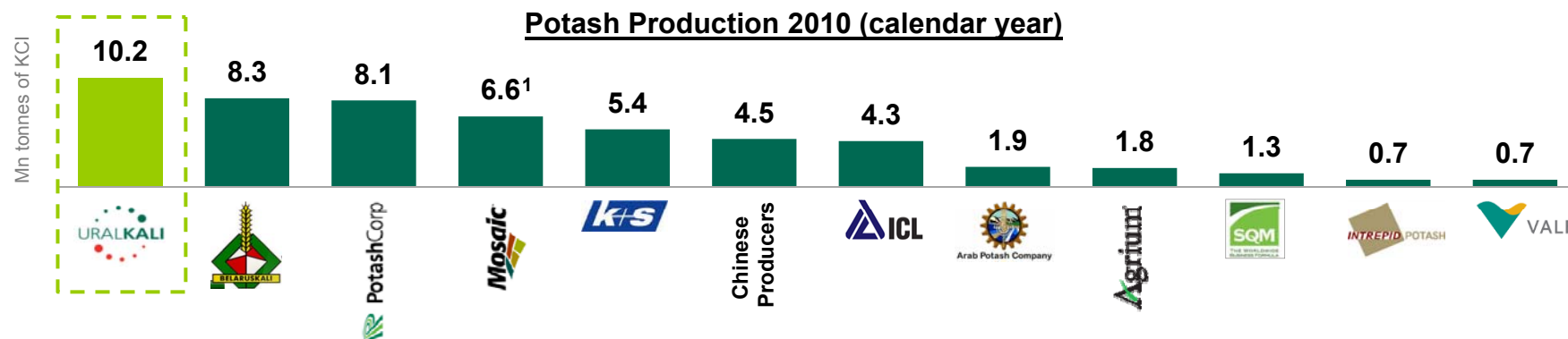
POTASH SALES BY COUNTRIES 1H 2011



A Leader in Potash Production, Export Trading, Cost Position



1 Potash Producer Globally



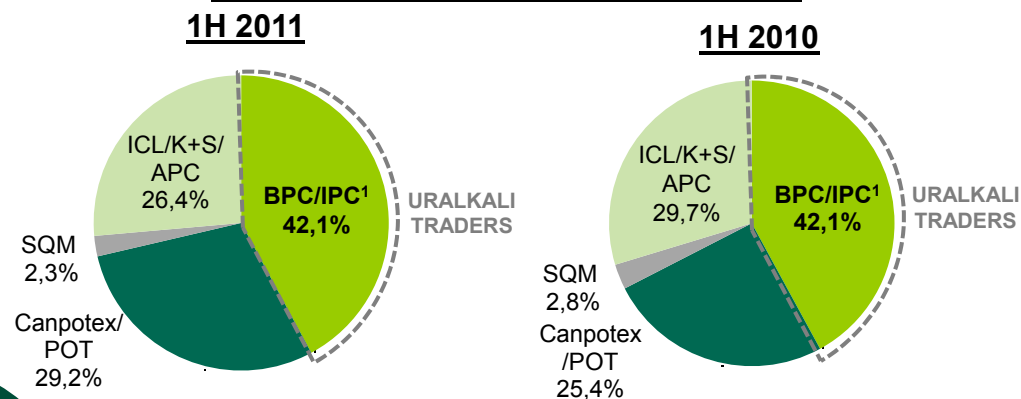
Source: Companies financial reports, IFA, National Bureau of Statistics of China

Note:

1. Mosaic production excluding share produced under toll agreement with PotashCorp

#1 in Potash Export Market

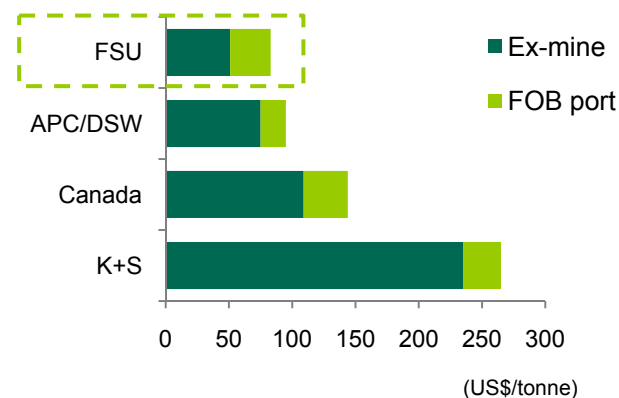
Major potash players by export trading



Source: BPC, Company data
1. Together with Uralkali Trading S.A

The Lowest Cost Producer in the Industry

Potash cash costs by global producers



Source: Fertecon, Q3 2011

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Clear Strategy to Deliver Future Growth



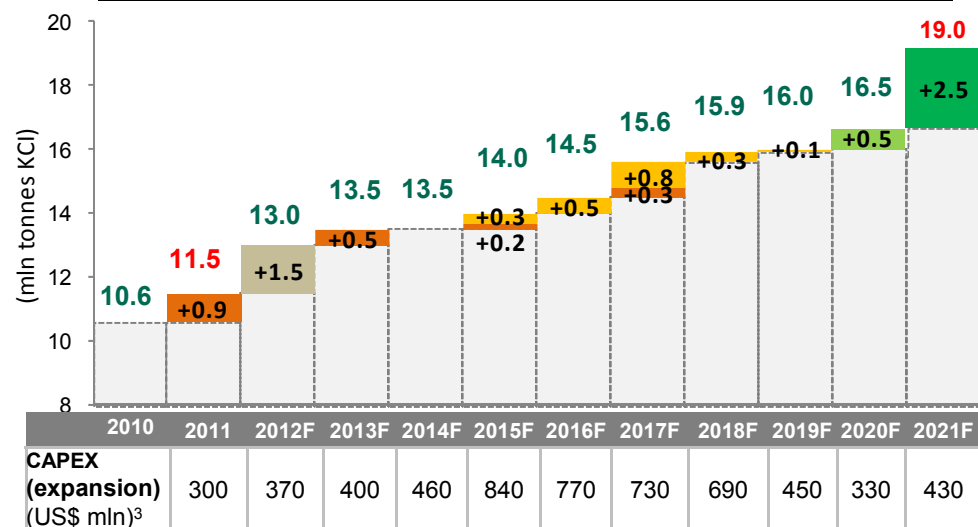
Clear strategic road map to position Uralkali as one of the world's leading potash companies to drive longer term value creation

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

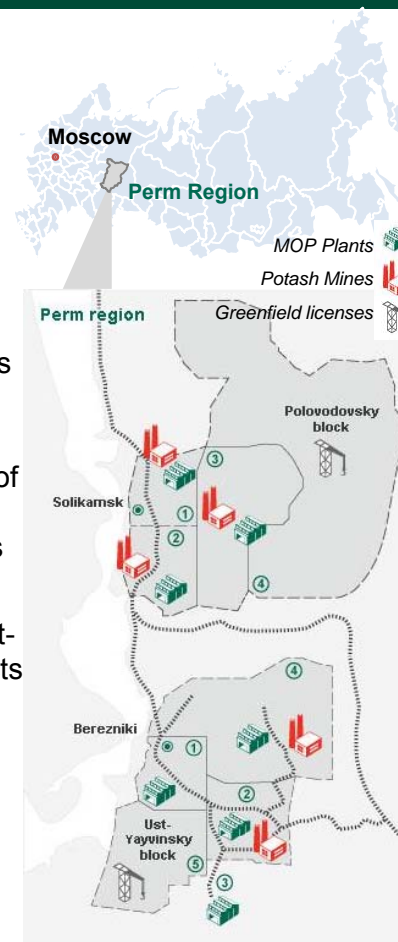


For more details on Uralkali's expansion programme please visit

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

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Key Financial Highlights

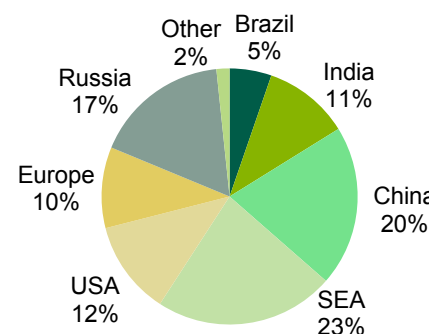


Key Figures

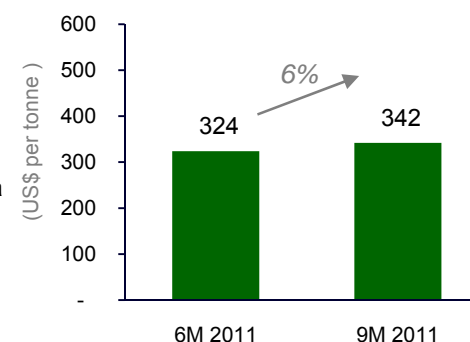
(US\$ mln)	Pro-Forma ¹		Change %
	1H 2011	1H 2010	
Sales volume, 000 tonnes	5 276	5 272	0%
- Domestic sales	856	841	2%
Sales to farmers	46	48	-4%
- Export sales	4 421	4 431	0%
Revenue	1 973	1 527	29%
Net Revenue ²	1 654	1 261	31%
EBITDA	1 036	764	35%
EBITDA margin, %	63%	61%	
Adjusted EBITDA ³	1 054	765	38%
Adjusted EBITDA margin ⁴ , %	64%	61%	
Net Profit	794	466	70%
CAPEX	226	223	1%
- Maintenance	118	109	9%
- Expansion	107	114	-6%
Average export price, US\$	398	303	31%

Key Considerations

9M2011 Market Mix¹



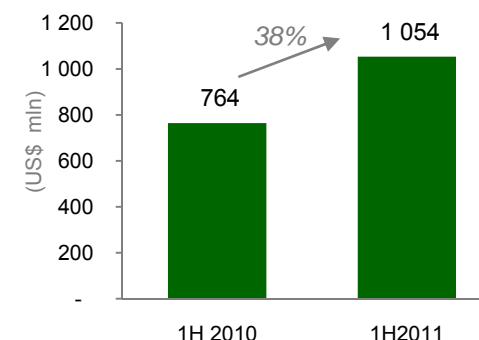
Average export potash price, FCA¹



Potash Production¹



Adjusted EBITDA³



2011 Demonstrated growth in prices together with virtually full capacity utilization rate

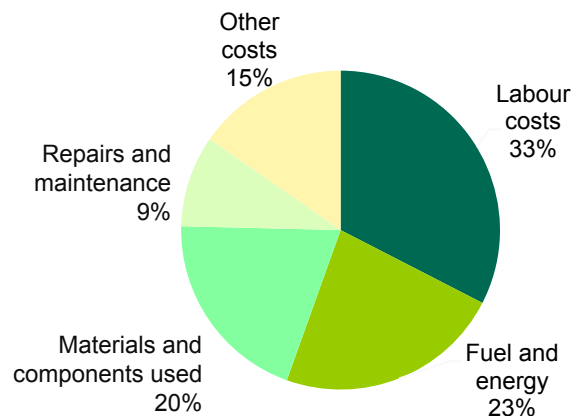
Notes:

1. Uralkali financial results including Silvinit results starting from 1 January 2011
2. Net revenue represents adjusted revenue (sales net of freight, railway tariff and transshipment costs)
3. Adjusted EBITDA is calculated as Operating Profit plus depreciation and amortization and does not include mine flooding costs
4. EBITDA margin is calculated as EBITDA divided by Net Sales

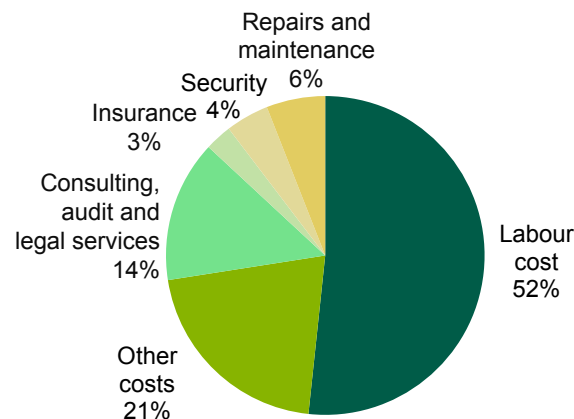
Review of Cost Structure 1H 2011¹



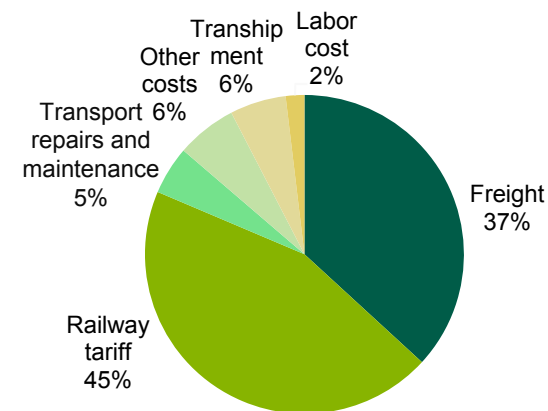
Cash COGS²



Cash G&A Costs

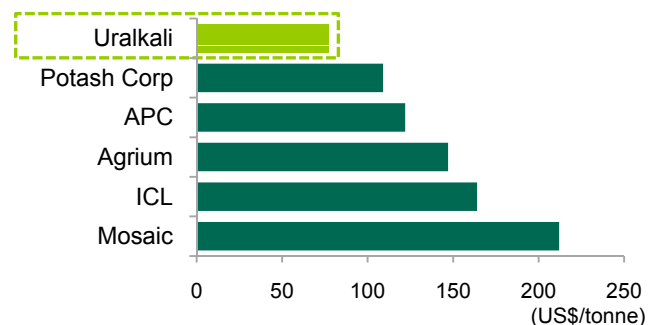


Cash S&D Costs



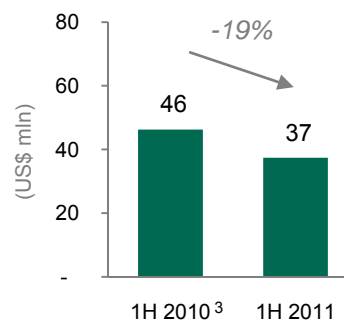
- Unit potash cash COGS 1H 2011 – 61 US\$ per tonne - the lowest across the industry:

2010 Potash industry cost curve (excl. shipping)

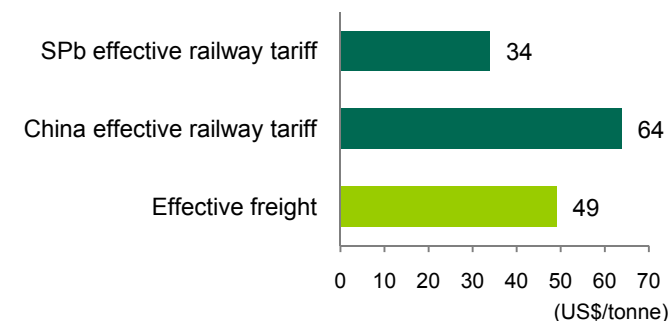


Source: Uralkali, Companies reports, HSBC

Labor GnA costs



Effective railway tariff and freight rates



Maintaining status of a low cost producer with the focus of further cost efficiency, optimization, delivery of synergies

Notes:

- Consolidated Condensed Interim Financial Information for 6 months 2011
- Without COGS of finished goods acquired at acquisition
- Adjusted for one-off compensation costs

Dividend Policy and Buyback Programme



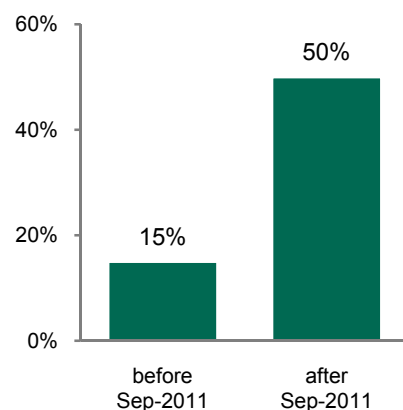
Dividend Policy

- 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

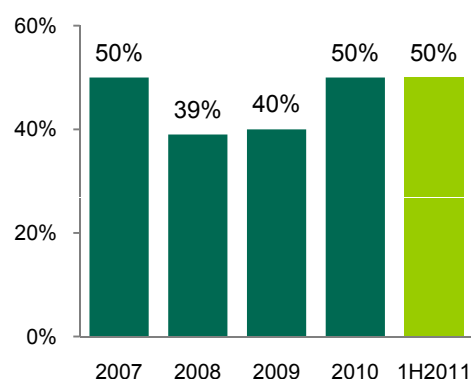
Buyback Programme

- 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

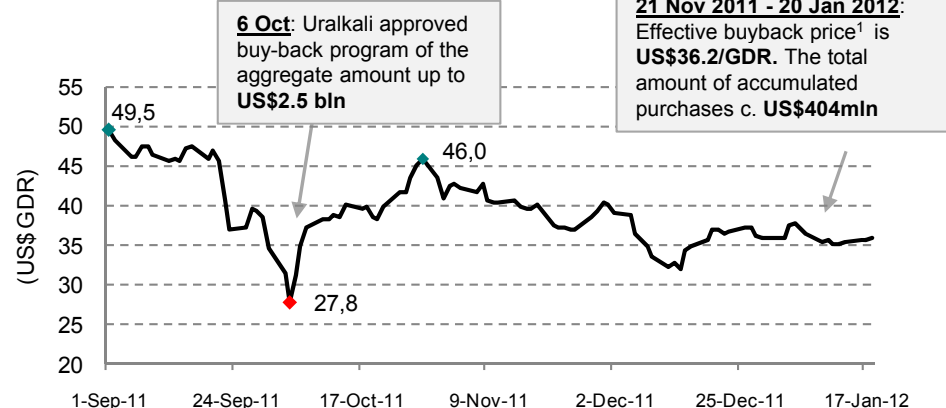
Dividend Policy



Dividends Payout Ratio



Uralkali GDR Performance



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

Notes:

1. Average buyback price calculated as total value acquired divided by total number of GDRs and shares (converted to GDRs at 5:1)

Focus on Capital Structure Optimization



Key Considerations

- Maintaining 30% Debt to 70% Equity capital structure
- Medium term target ratio of Net Debt to LTM EBITDA of 1.0x – 2.0x
- Focus on maintaining strong liquidity and comfortable debt maturity profile
- All debt is maintained in US Dollars acting as a natural hedge, with sales predominantly denominated in USD and costs in RUB
- Cross-currency swaps are used to effectively convert RUB debt into USD

Balance Sheet¹

(US\$ bn)	30 June 2011
Debt (bank loans + bonds)	3.2
- bank loans	2.1
- bonds issued	1.1
Cash	1.1
Net debt/(cash)	2.1x
Shareholders' equity	9.3

Recent Steps to Optimize Debt Structure

- Significant Balance sheet changes:
 - Buy-back of bonds at the amount c. US\$1bn in August 2011
 - Refinancing c. US\$1.2bn of Silvinit debt with a syndicate loan in September 2011
- Loan portfolio parameters at the end of 2011:
 - c.100% of debt exposure is in US Dollars
 - Average interest rate c. 3.0%
- Net debt at the end of 2011 is US\$2.3bn

Focus on robust capital structure, maintaining strong balance sheet

Notes:
1. Consolidated Condensed Interim Financial Information for 6 months 2011

Synergy Realization Progress Update



	OPERATIONAL	TRANSPORTATION	SG&A / Financial
Synergies Description	<ul style="list-style-type: none"> Operating savings of c. US\$35m p.a. due to procurement improvements, technology efficiency and efficiency in repairs and services functions Maintenance investment savings of c. US\$20m p.a. Additional benefits are expected to come from integrated approach to the development of Ust-Yayvinsky and Polovodovsky greenfield projects 	<ul style="list-style-type: none"> Redirection of Silvinit's transportation routes to the Baltic Bulk Terminal owned by Uralkali More effective use of existing rolling stock through joint management Decreased ship chartering costs thanks to larger and longer-term freight contracts 	<ul style="list-style-type: none"> Combination of corporate functions, streamlining divisional functions and offices Reduction of administrative expenses through elimination of duplicate functions and roles Optimisation of fixed cost levels – maintenance of funds, planned replacement of equipment, upkeeping of infrastructure and plant Optimization of debt portfolio, refinancing of expensive Silvinit debt
Value	US\$55m p.a.	US\$20m p.a.	US\$25m p.a.
Update and Near Term Plans	<ul style="list-style-type: none"> 2011 Maintenance capex to be less than US\$280mln Carnalite plant to be shut down 	<ul style="list-style-type: none"> At least 800kt to be redirected to Baltic Bulk Terminal (economies of US\$16/t) in 2011 with up to 1Mt in 2012 Starting 2012 all export volumes of Silvinit to be redirected to traditional Uralkali traders (economies in trading administration cost) 	<ul style="list-style-type: none"> Headcount reduction of more than 300 people in 1H 2011 (mostly in G&A function) Silvinit debt refinanced at interest rates LIBOR +1.8%

- In aggregate, core synergies from the merger are expected to reach c.US\$100 million p.a.¹ by 2013**

Notes:

1. Net of realisation costs. Management of Uralkali is further reviewing the synergy potential created through the combination, which is expected to result in additional synergies being identified



IR of the Company

2012 Conference Calls and Roadshows Preliminary Calendar

Year	Date	Event	Location
2012			
JANUARY	16	Uralkali FY 2011 Production results release	Moscow
	24-25	Deutsche Bank 10th Annual Russia 1x1 Conference	London
FEBRUARY	29Feb-01 Mar	BofA ML 2012 Global Agriculture Conference	Miami
MARCH	6	CS 17th Annual Global Ag Productivity Conference	London
	7	Citi's Global Resources Conference	London
	7	Goldman Sachs Agricultural Forum	New York
APRIL	5	Uralkali Q1 2012 Production results release	Moscow
	11	Uralkali Earnings call (IFRS financial results FY2011) (TBC)	Moscow
MAY	15-16	BMO Fertilizer Conference	New York
	10-18	Uralkali Roadshow	
	21-23	80th IFA Annual Conference	Doha, Qatar
JUNE	7	Uralkali Q1 2012 Top Line Performance Overview (TBC)	
	12-14	BofA ML 2012 CalGEMs Global Emerging Markets 1x1 Conference	Laguna Niguel
	27-28	Renaissance Capital 16th Annual Investor Conference	Moscow

JAN 2012						
M	T	W	T	F	S	S
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

FEB 2012						
M	T	W	T	F	S	S
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27	28	29				

MAR 2012						
M	T	W	T	F	S	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

- Investor schedule consistent with that employed previously by Uralkali
 - Roadshow – semi-annually
 - Participation in major Sector and Country Conferences
 - Investor days
 - 1x1 Meetings and conference calls

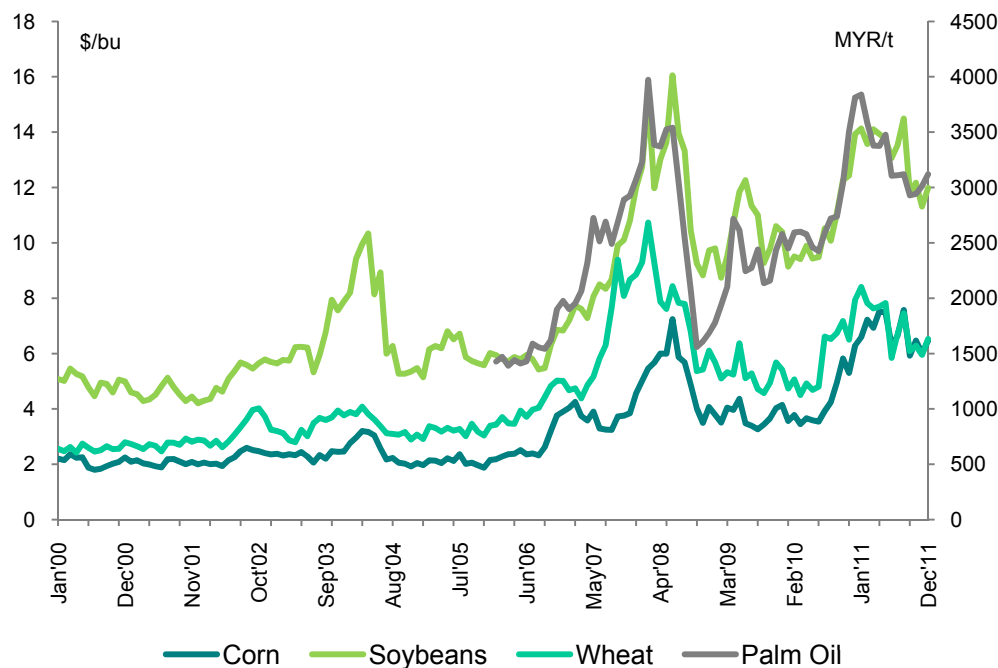
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Crop Prices Stay High



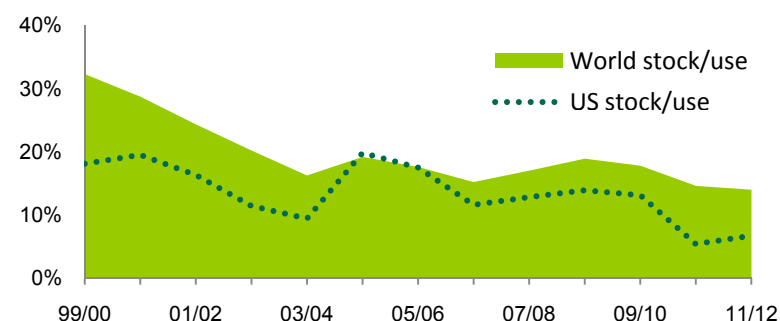
Crop Future Prices



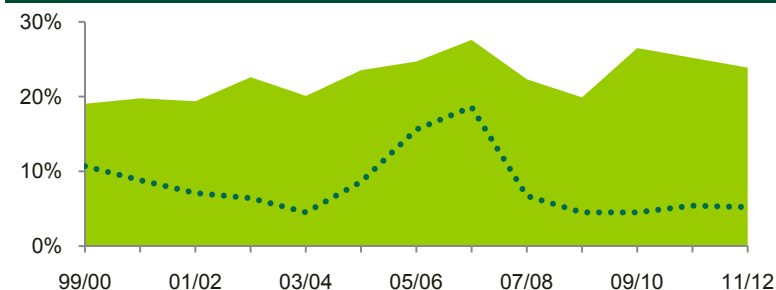
Source: CBOT, Bursa Malaysia

- Agricultural commodity prices remained at historically high level in 2011, mainly due a rise in global consumption of agriculture products especially in emerging economies like China that outstripped the pace of production, and a fall in grain stocks.
- Due to tight fundamentals crop prices stayed relatively immune to the deterioration in the macroeconomic environment last year

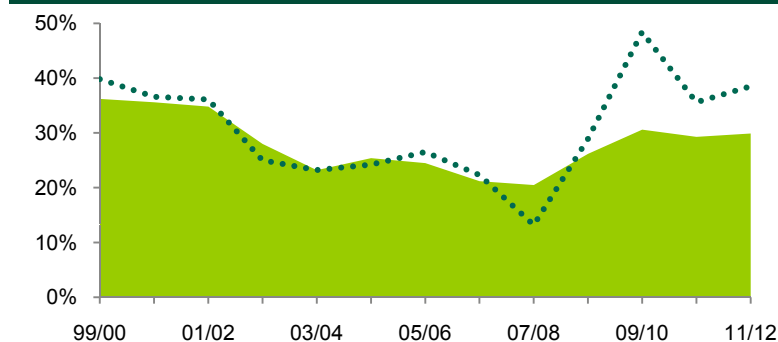
Corn stocks-to-use ratios



Soybeans stocks-to-use ratios



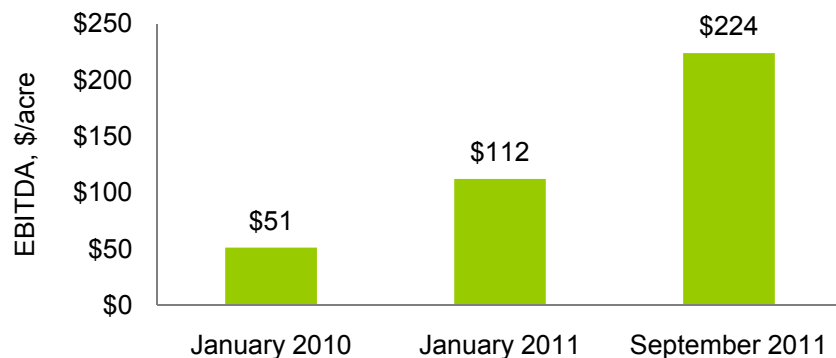
Wheat stocks-to-use ratios



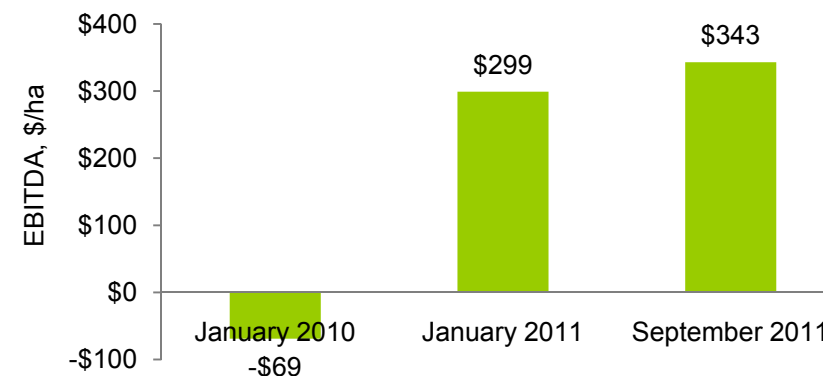
Source: USDA

Farmers' profitability showed records

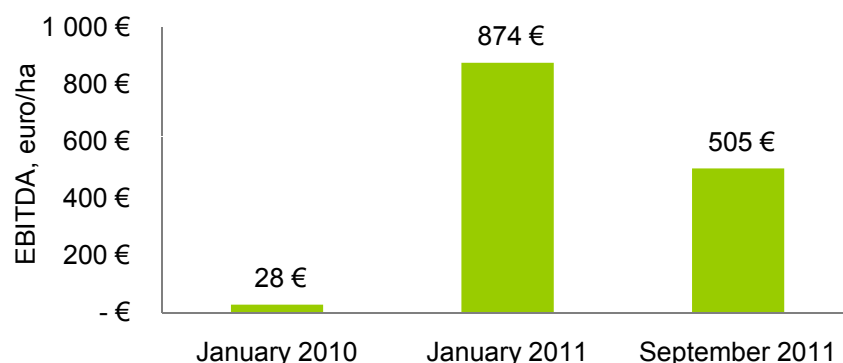
Corn, USA



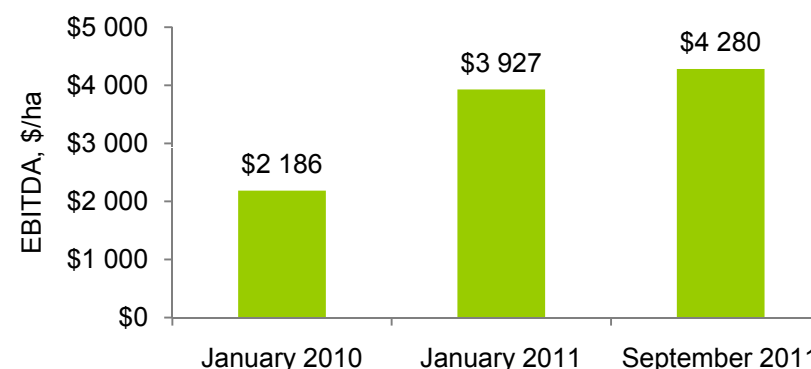
Soybeans, Brazil



Wheat, France

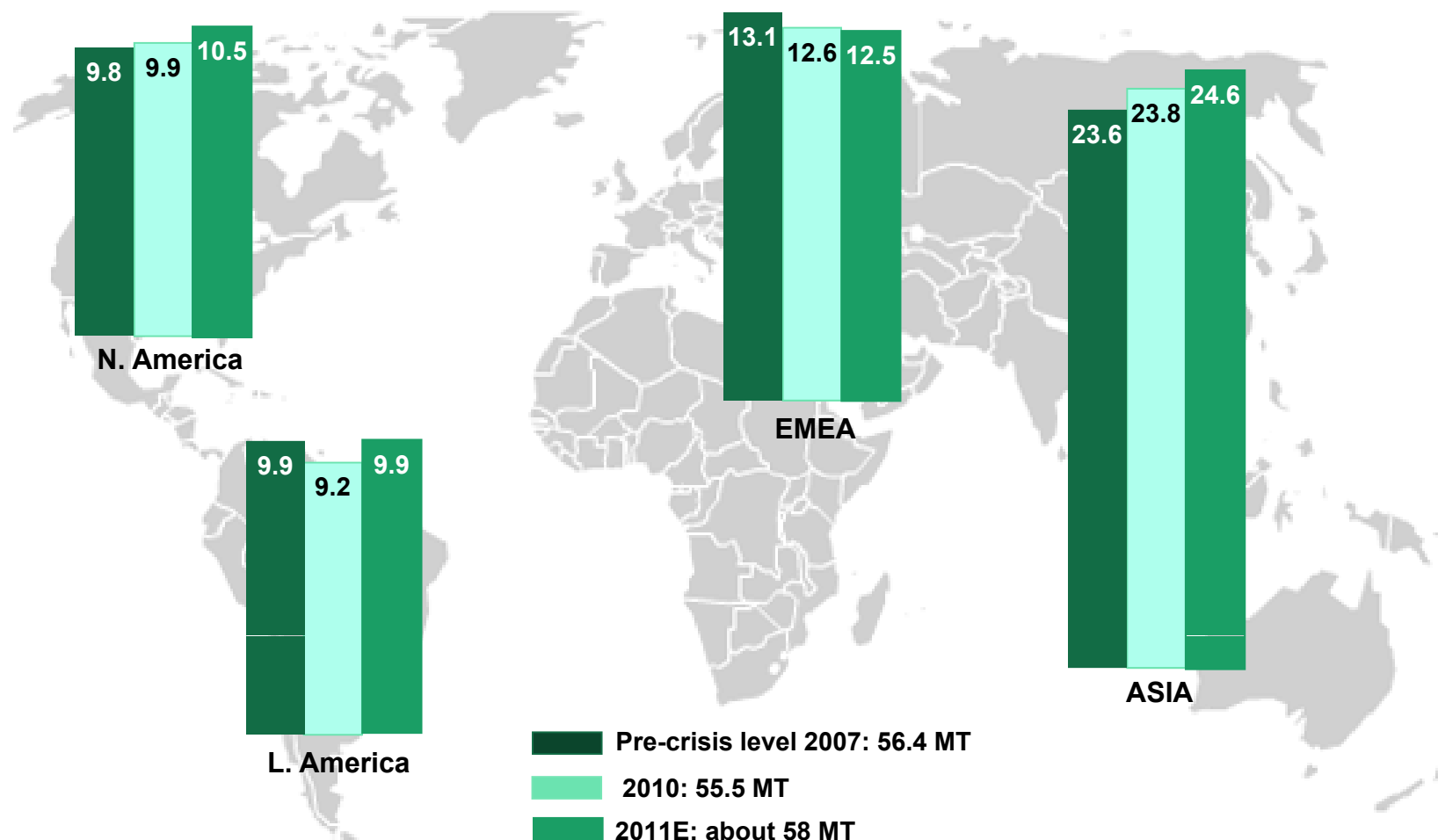


Palm oil, Malaysia



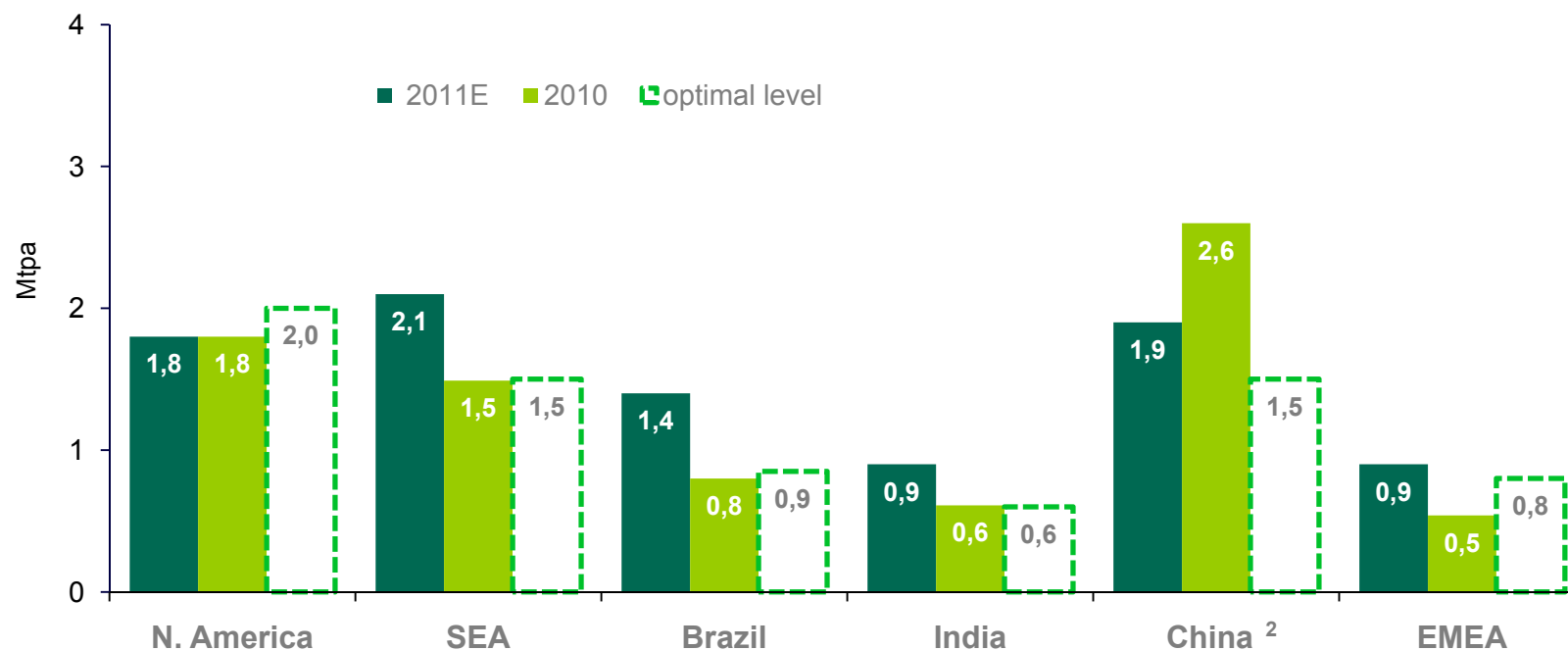
- 2011 is forecast to be another record year for farmers' revenues in almost all regions of the world
- Solid returns that farmers enjoyed provided substantial support for fertilizer consumption growth

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 Inventory¹



Source: BPC estimates

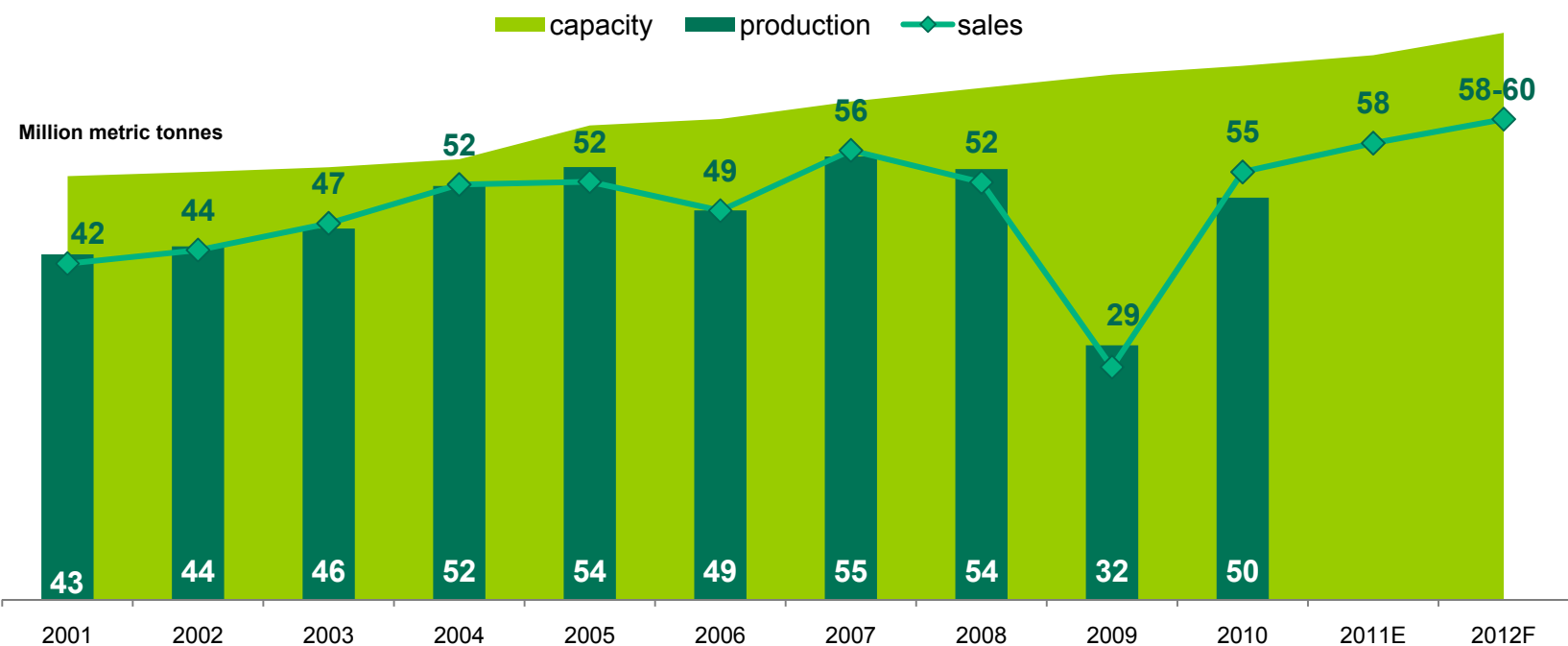
- At the end of 2011, world inventory level is estimated to have been a little bit higher compared to optimal level, but there are not any abnormal inventory levels that we faced during financial crisis.
- Given solid profit margins generated by farmers and attractive agriculture commodity prices, we expect that the application season's going to be very healthy and that these inventories that are in place are going to be completed, and the next step would be for dealers to begin to restock.

Notes:

1. Inventory doesn't include domestic potash producers' stocks

2. Including port stocks, pile channels stock, NPK warehouse stock and on-the-way cargo

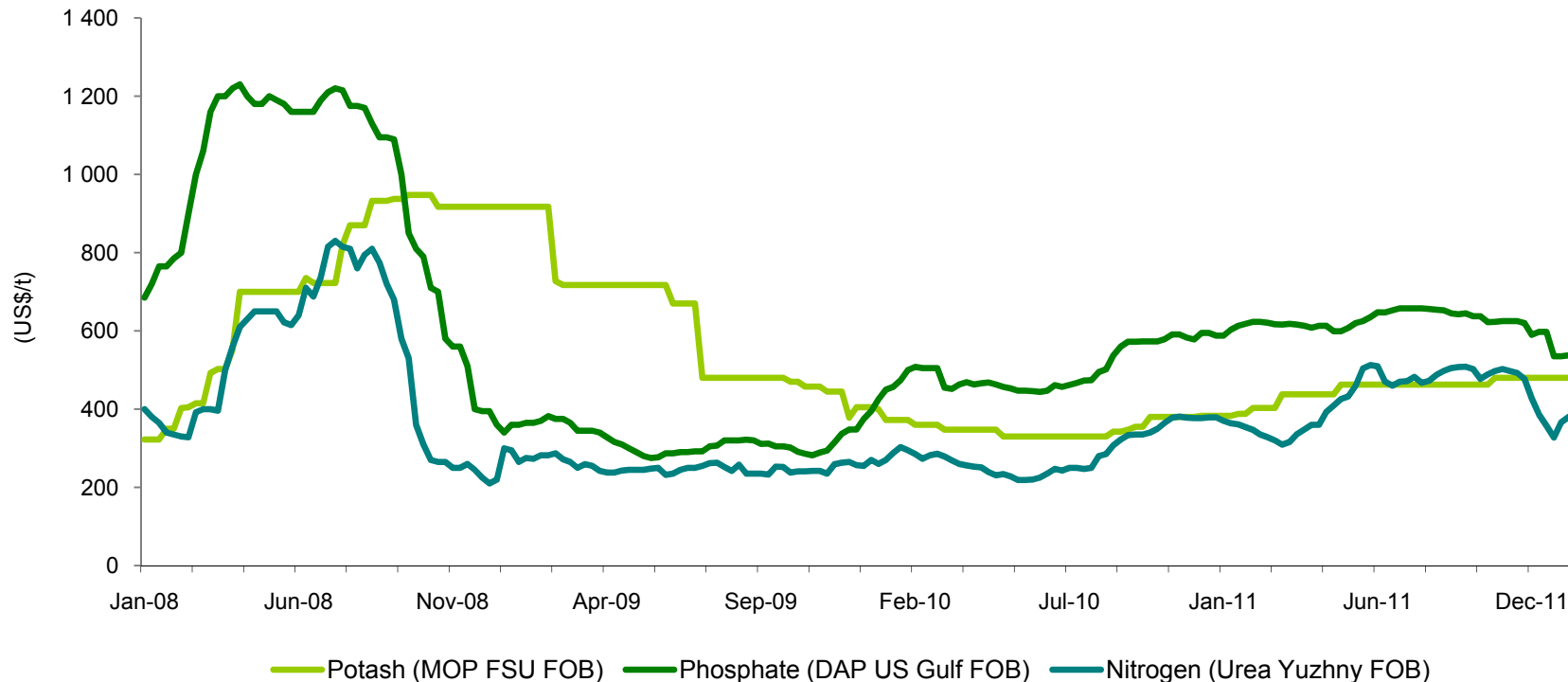
Supply/Demand Dynamics 2001-2012F



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

- 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

Agenda

1. A Leader in the Global Potash Market
2. Positioned for Growth
3. Financial Highlights
4. Potash Market Update
5. Conclusions and Outlook

Conclusion and Outlook



A Leader in the Global Potash Market

- #1 in global potash production
- #1 in potash export market
- Amongst the lowest cost producers with highly cost advantageous competitive position and further synergistic potential
- Attractive portfolio of cost-advantaged Brownfield and large-scale Greenfield projects

Sustainable Superior Performance

- Adjusted EBITDA margin – 64%
- Potash COGS per tonne – 61 US\$ per tonne
- Optimized low interest rate debt portfolio
- Expected synergetic effects materializing

Potash Market Update

- Industry fundamentals are robust and solid
- Global potash demand expected to be 58 - 60 Mtpa in 2012

Further Improvement in Corporate Governance

- High calibre international INEDs elected to the Board – Sir Robert John Margetts and Paul James Ostling
- New dividend policy (50% payout and interim dividends) benefits all shareholders

Focused on delivery of growth to drive shareholder value

Financial and Investor Community Achievements



Deal of the Year Award



Fundamental Efficiency Appraisal



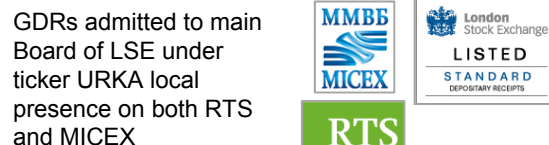
Annual Report Wins Awards



Uralkali shares named "Best rising" in the RTS Index (2010, 2011)



Strong Local Liquidity + LSE Listed GDRs



5.1% of MSCI Russia



Financial Acumen

Efficiency and Transparency

Top-tier Investor Relations Team

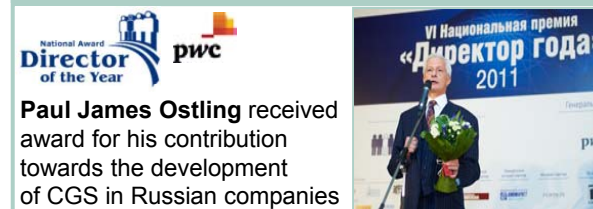
Commitment to High Standards of Corporate Governance

Widely Traded Shares, MSCI Inclusion

Investor Relations Progress Award



INED Received 'Director of the 2011 Year' National Award





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Appendices

Uralkali Management Team and Governance



Management team and governance structure optimally positioned to drive future growth

Senior management team comprises highly experienced operational, financial and functional professionals

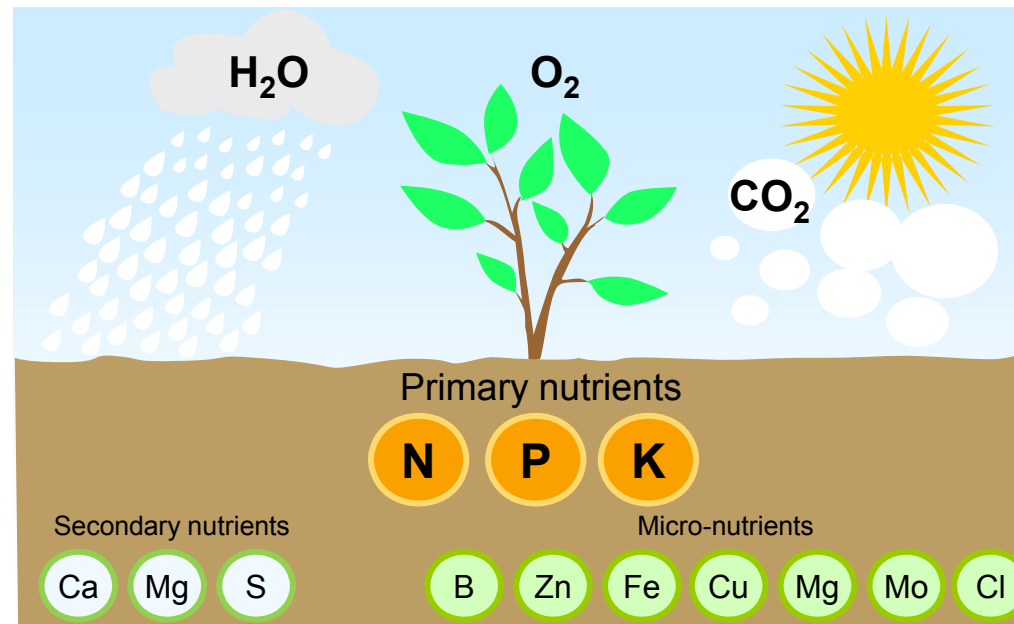
Selected from the legacy management teams of both companies

Two new high calibre international INEDs were appointed by the Board – Sir Robert Margetts and Mr. Paul Ostling

Commitment to enhancement in corporate governance standards



Potassium: One of the Three Primary Nutrients



Nitrogen (N)

- Promotes protein formation
- Determines plant's growth, vigour, colour and yield

Phosphorus (P)

- Plays a key role in adequate root development and photosynthesis process
- Helps plant resist drought

Potassium (K)

- Improves plant durability and resistance to drought, disease, weeds, parasites and cold weather

Each nutrient plays its own role, but only together they ensure a balanced nourishment and cannot replace each other

Potash: Growth, Visibility, Stability

	Potash (K)	Phosphate (P)	Nitrogen (N)
Market size ¹ (2011E)	30.2 million tonnes K₂O (48.6 million tonnes KCl)²	40.7 million tonnes (P ₂ O ₅)	106.9 million tonnes (N)
Geographic availability	Very limited	Limited	Readily available
Industry members	Small number of leading players	Several leading players	Large number of players
Profitability	High	Low/medium	Low/medium
Estimated cost of greenfield capacity	US\$4.1bn for 2 mln tonnes (KCl)	US\$1.5bn for 1 mln tonnes (P ₂ O ₅)	US\$1bn for 1 mln tonnes (NH ₃)
Estimated greenfield development time	min 7 years	~ 3-4 years	~ 3 years

Potash represents the strongest investment story across the fertilizer industry

Source: Fertecon as of 3Q 2011, IFA Nov-Dec 2011, PotashCorp

Notes:

1. Including fertilizer consumption
2. 1 t KCl (product) is equal to 1.61 t K₂O (nutrient)

Strong Industry Fundamentals

Growing demand

Increasing population

Declining arable land per person

Income growth in developing countries

Biofuels and scientific recommendations potential

Challenging supply

Relatively few top players

Mineral scarcity

High capex requirements

Higher demand for food

Changing diets

New source of demand for crops

Improved supply management

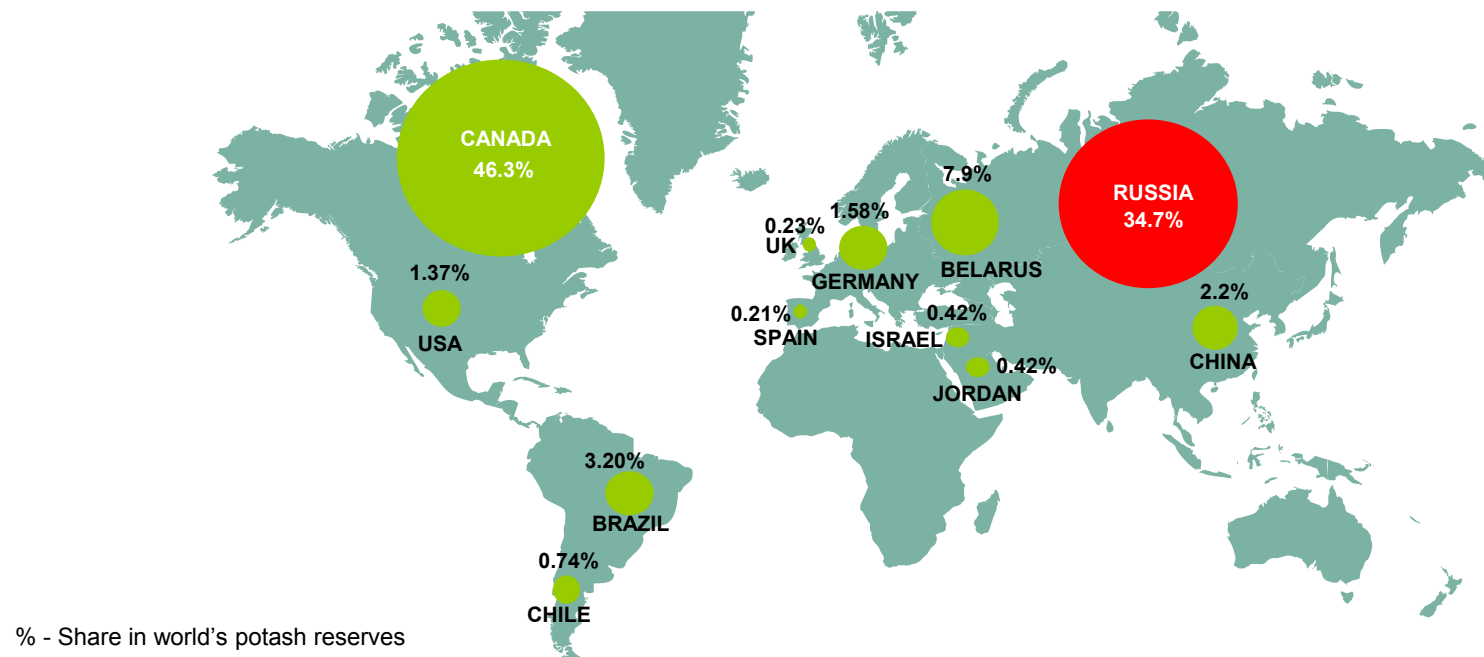
Limited number of players able to bring additional capacity

Growing demand and high supply visibility make potash a unique industry

Mineral Scarcity



Potash reserves are largely concentrated in Canada and Russia

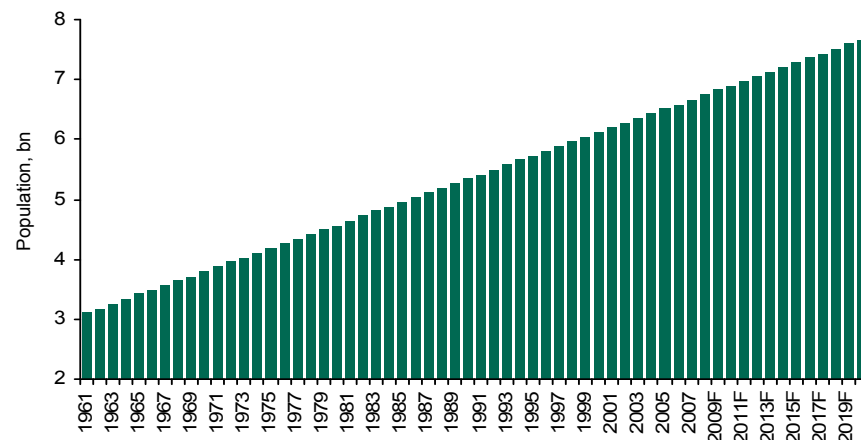


Limited access to resources, few high quality large scale ore deposits

Source: USGS, 25 January 2011
Note: Other countries not represented on the map account for less than 1 % of world's potash reserves

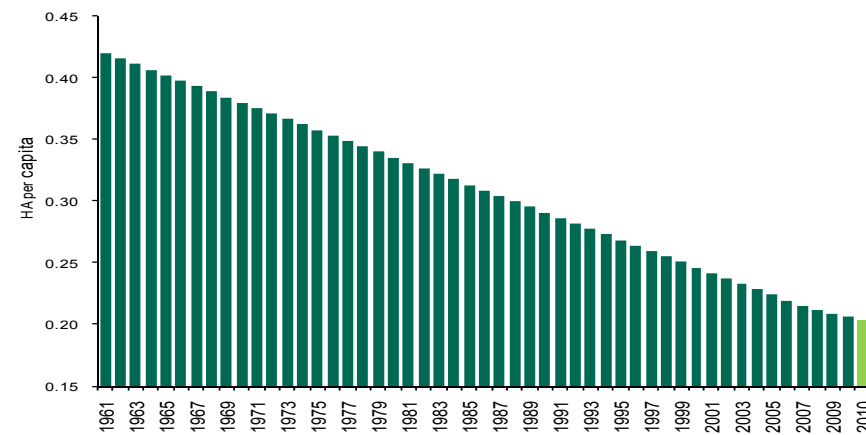
Higher Yields Required to Feed Rising Population

Growing population Needs Higher Crop Yields



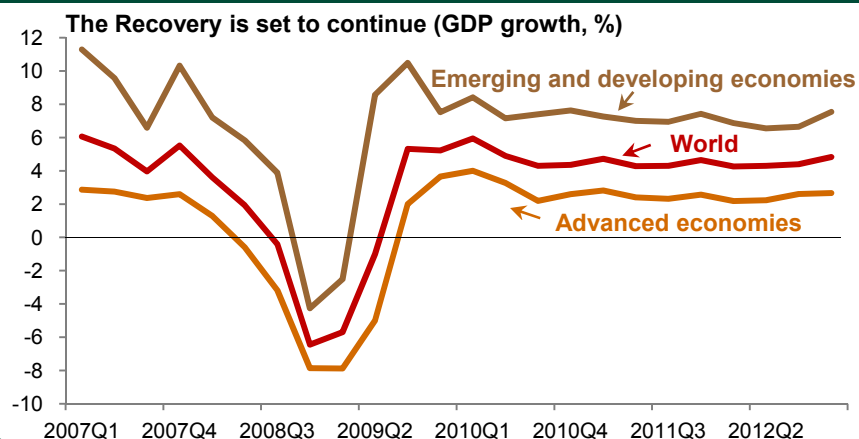
Source: FAO

Arable land per capita is shrinking



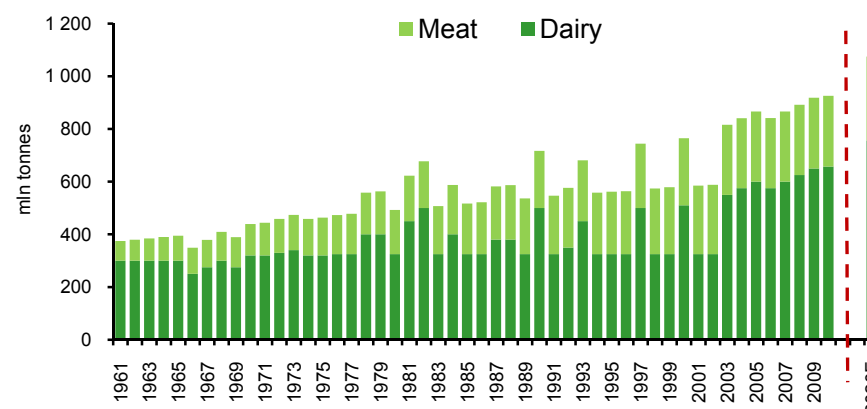
Source: Scotia Capital, US Census Bureau

Income Growth in Developing Countries



Source: IMF, 25 January 2011

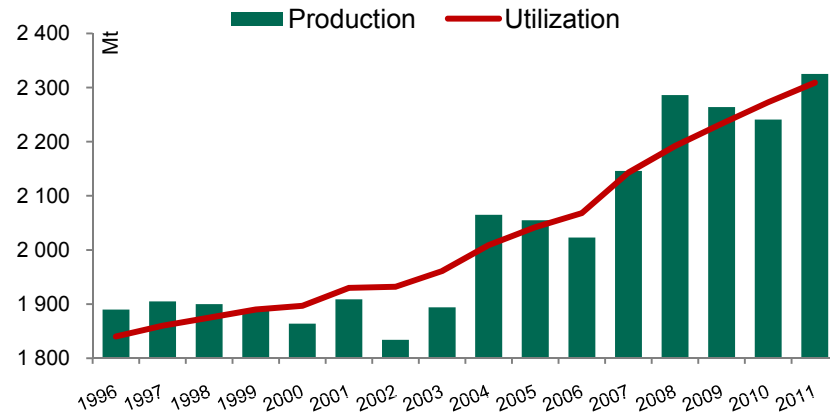
Food consumption is increasing



Source: FAO, "World livestock 2011"

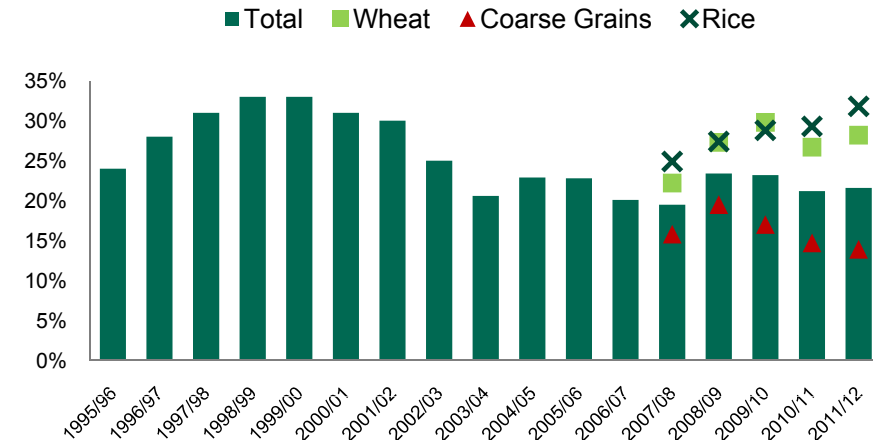
Changing Diets Drive Demand for Grain

World Cereal Production and Utilization



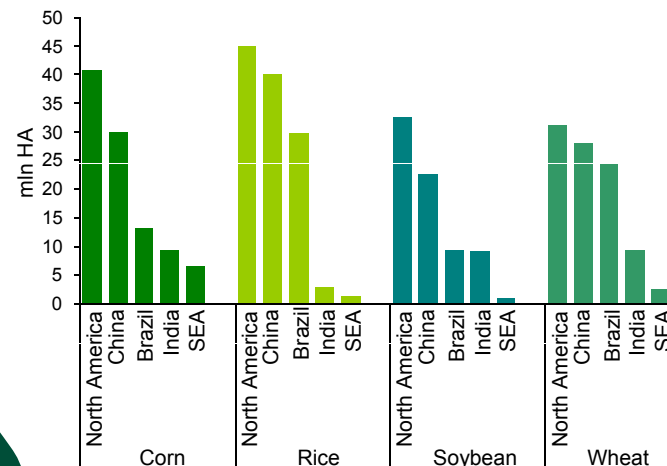
Source: IFA, FAO, USDA

World Cereal Stock-to-Use Ratio



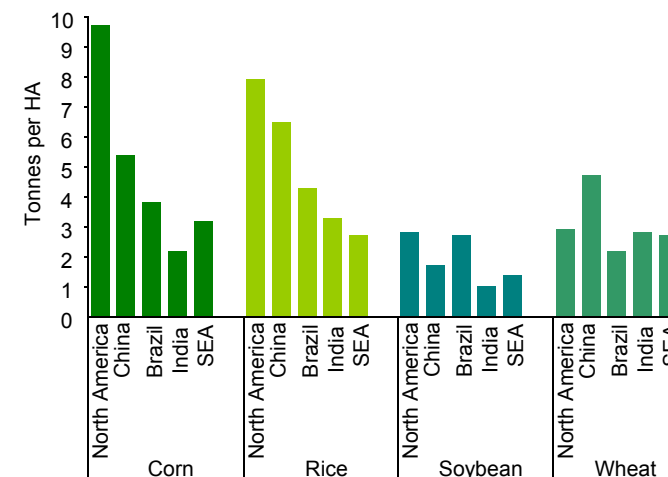
Source: IFA, FAO, USDA

Developing countries have a big portion of total crop acreage



Source: USDA

...though have lower yields compared to developed agricultures



Source: USDA

Production Chain



1 MINING

- Ore extraction takes place underground at an approximate depth of **400 metres**
- Specialized mining combines drill for potash underground, then the extracted ore is moved by conveyor belts to the shafts and lifted to the surface



2 CRUSHING

- In the crushing section of the flotation plant rod mills and screens **break ore into smaller particles** of the size required for further enrichment.



3 CHEMICAL ENRICHMENT

- The **HALURGIC METHOD** is based on the varying joint solubility of KCl and NaCl in water at different temperatures
- KCl crystallises out of saturated solution when it cools down
- Produce potash fertilisers which contain **up to 98% of the useful component**



3 FLOTATION

- Partly purified potash ore is placed in the flotation machine, bubbles stick to potassium chloride particles and push them to the mixture surface for subsequent separation
- Produce potash fertilisers for agriculture which contain **up to 95% of the useful component**



STANDARD PRODUCT

White potash (MOP)

- Applied directly to the soil, for producing compound NPK fertilisers, and for other industrial needs
- Uralkali supply this mainly to China, Russia and Europe



Pink potash (MOP)

- Applied directly to the soil
- Produced through the **flotation method**
- Uralkali supply this primarily to India and Southeast Asia



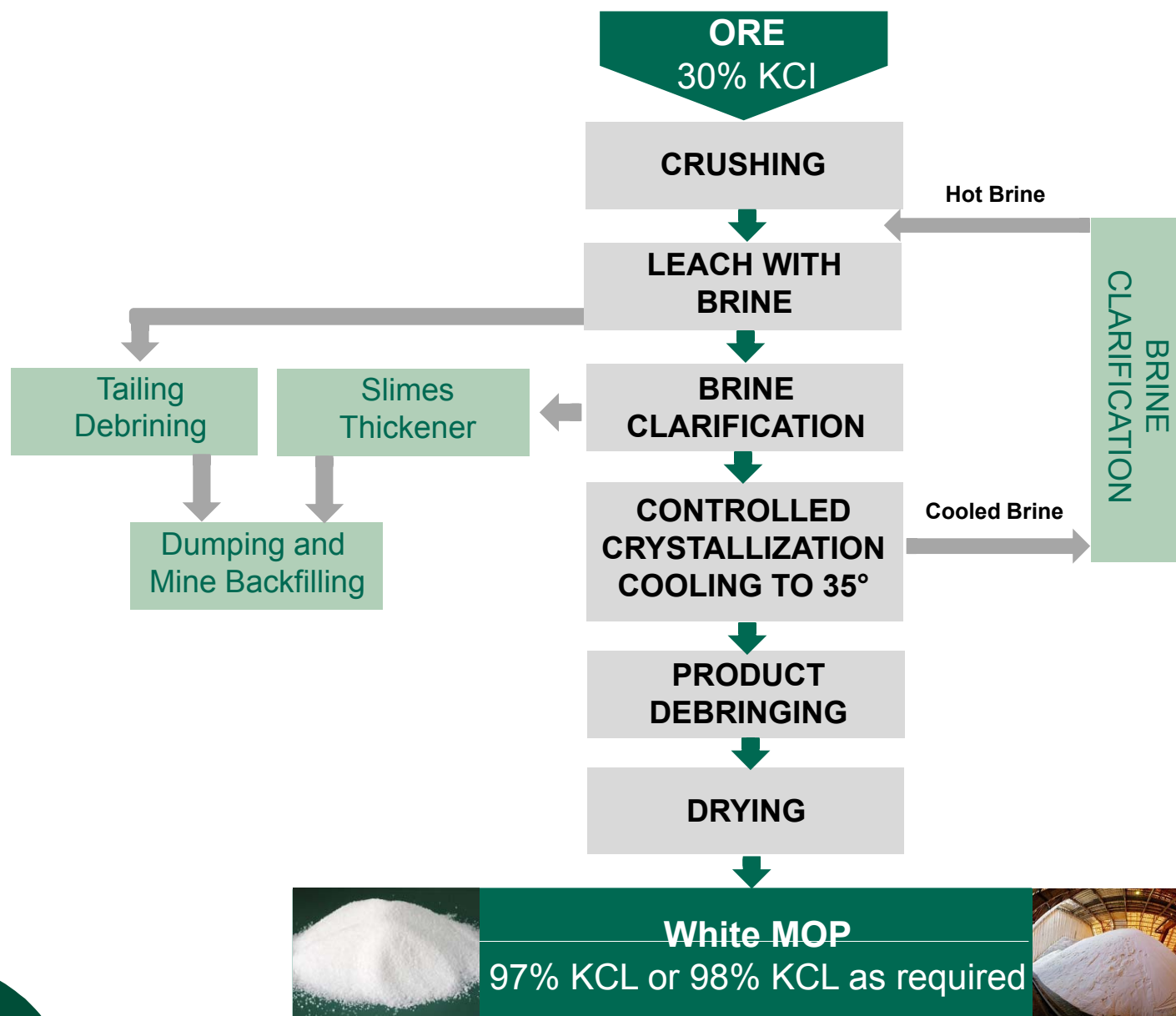
COMPACTING

Granular potash

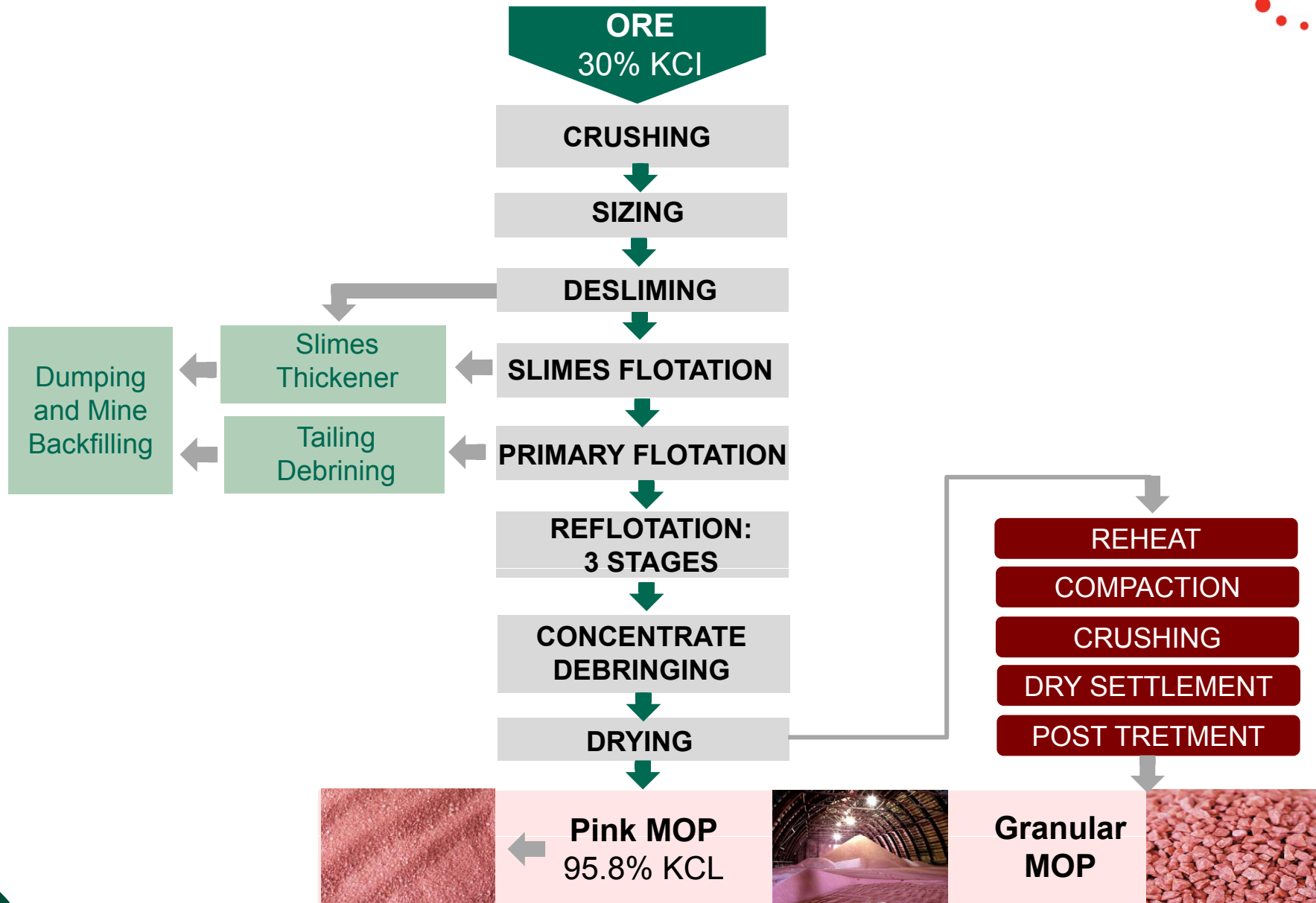
- Premium product bought mainly in countries using advanced soil fertilisation methods
- Uralkali export granular principally to Brazil, the USA and China, where it is applied directly to the soil or blended with nitrogen and phosphate fertilisers.



Chemical enrichment



Flotation





Thank You!