

# Uralkali: A Leader in the Global Potash Market

**Investor Presentation**  
**May 2013**

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# Agenda



## **1. A Leader in the Global Potash Market**

## **2. Financial Highlights**

## **3. Potash Market Update**

## **4. Conclusions and Outlook**

# Uralkali at a Glance



## Company Snapshot

- Leading potash producer in fertilizer segment with attractive fundamentals and expected long-term evolution
- A blue-chip credit with investment grade corporate ratings from S&P, Moody's and Fitch (BBB-/Baa3/BBB-)
- Strong profitability and cash flow generation backed by cost efficiency and low capital intensity
- Disciplined expansion program and prudent financial policy to sustain strong balance sheet and low leverage
- Focus on corporate governance and sustainable development

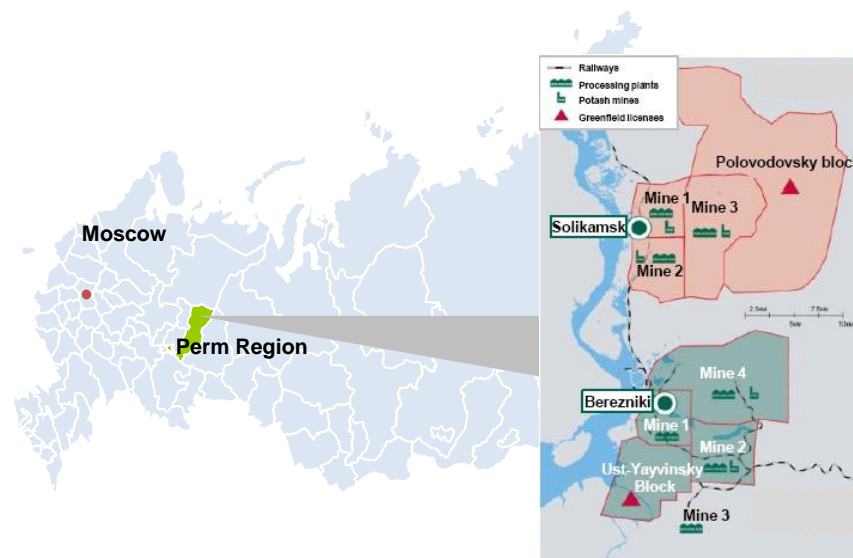
## Key Metrics<sup>1</sup>

	2010	2011	2012
Total Sales, KCl mn t	5.1	8.6	9.4
Exports Volume, KCl mn t	4.4	7.0	7.3
Net Revenue <sup>2</sup> , US\$ mn	1,338	2,968	3,343
Adj. EBITDA <sup>3</sup> , US\$ mn	800	2,097	2,375
Adj. EBITDA Margin <sup>4</sup>	59.8%	70.7%	71.0%
Total Debt <sup>5</sup> , US\$ mn	369	3,282	3,926
Total Debt / Adj. EBITDA	0.5x	1.6x	1.7x
Net Debt <sup>6</sup> , US\$ mn	-115	2,264	2,257
Net Debt / Adj. EBITDA	n/a	1.1x	0.95x

Source: Uralkali's audited consolidated financial statements as of FY2010, FY2011, and FY2012, USGS, SRK Consulting, Uralkali data, Companies financial reports and presentations, Fertecon

Notes: 1. Silvinit Group financial results are consolidated since May 17, 2011. Please see footnote 6 in FY 2012 IFRS for more details; 2. Calculated as Revenues less railway tariff, freight and transshipment costs; 3. Calculated as net profit adjusted for income tax expense, finance expense, finance income, depreciation and amortization expense, mine flooding costs and some one-off expenses; 4. Calculated as Adj. EBITDA divided by Net Revenues; 5. Calculated as total bank loans; 6. Net debt is calculated as the total bank loans adjusted for cash and cash equivalents and non-current and current restricted cash

## Production Assets



- 5 potash mines
- 6 potash producing plants + 1 carnallite plant
- 2 greenfield licences

# A Strategy to Deliver Future Growth

1	<b>Pure-potash focus and industry leadership</b>	<ul style="list-style-type: none"> <li>■ Focus on potash – nutrient which represents strongest investment story across fertilizer sector</li> <li>■ Aspire to strengthen leading global position supporting sustainable developments to global food supply</li> </ul>
2	<b>Capacity expansion to meet growing demand</b>	<ul style="list-style-type: none"> <li>■ Value accretive investment program to selectively expand production capacity</li> <li>■ Strategy of matching supply to demand</li> </ul>
3	<b>Robust capital structure</b>	<ul style="list-style-type: none"> <li>■ Retain robust capital structure (net debt: LTM EBITDA - 1.0x-2.0x)</li> <li>■ Maximize shareholder return through balanced approach to investing in organic growth and return of excess liquidity</li> </ul>
4	<b>Maximize efficiency through competitive cost position</b>	<ul style="list-style-type: none"> <li>■ Maintain and enhance position as one of the lowest cost potash producers globally</li> <li>■ Continuous improvements in operational efficiency and realization of synergies from combination with Silvinit</li> </ul>
5	<b>Focus on people and communities</b>	<ul style="list-style-type: none"> <li>■ Position Company as employer of choice amongst CIS mining companies</li> <li>■ Labor safety / employee development / community development</li> </ul>
6	<b>Promoting environmental safety</b>	<ul style="list-style-type: none"> <li>■ Delivering value whilst operating in a socially responsible manner</li> <li>■ Minimization of environmental impact of our operations</li> </ul>
7	<b>Leading corporate governance standards</b>	<ul style="list-style-type: none"> <li>■ Principles of openness, transparency and risk mitigation for all stakeholders</li> <li>■ Continuous improvement in our leading corporate governance standards</li> </ul>



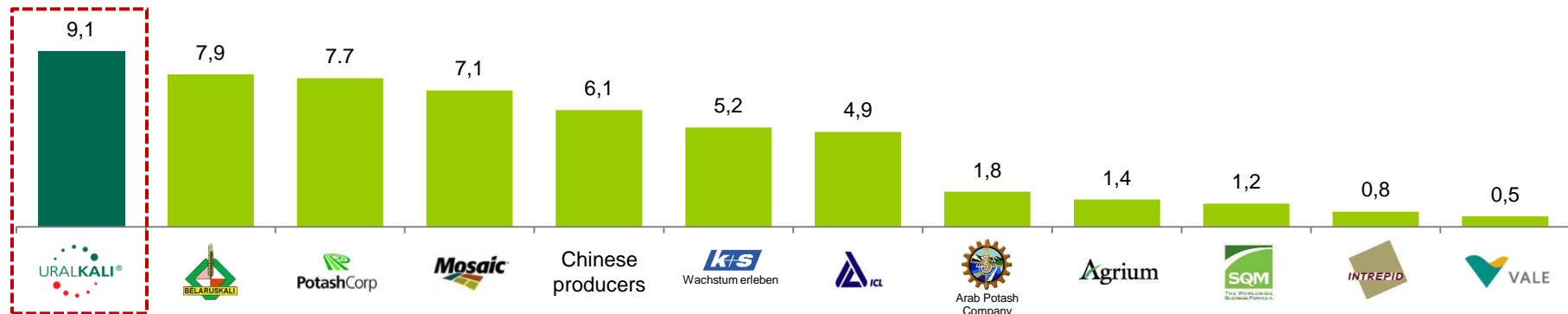
**Clear strategic roadmap to drive longer term value creation and capital discipline**



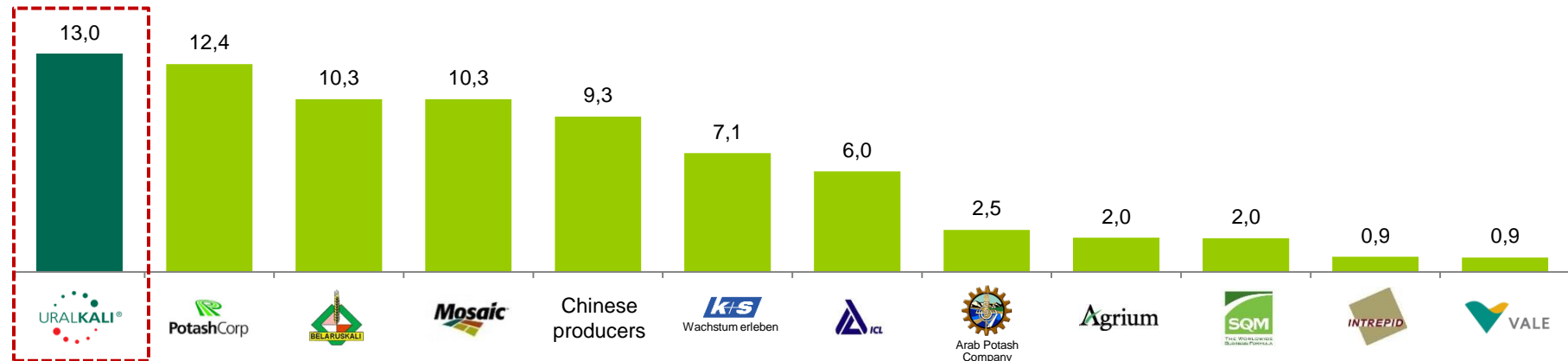
# Leader in Global Potash Market



Potash Production (2012), KCl mn t



Potash Capacity (2012), KCl mn t



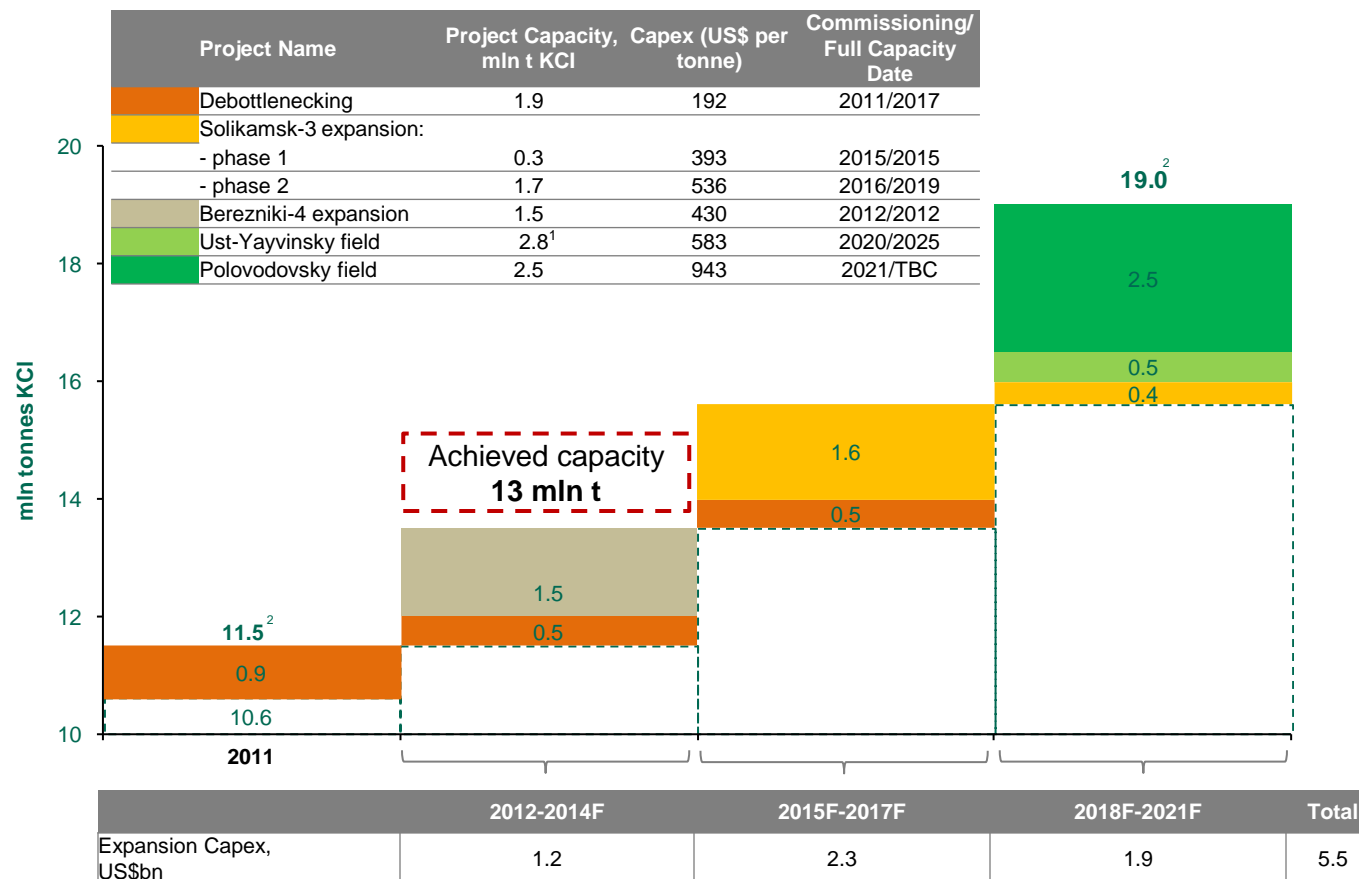
Source: Companies financial reports and presentations, Fertecon

**Global Market Leader by Both Production and Capacity**

# Expansion Programme



## Strategic Capacity Expansion to Meet Growing Demand



### Asset Scale

- JORC resources of 8.6Bnt

### Attractive Mine Fundamentals

- Shallow mine depths (300-450m)
- Infrastructure already in place

### Cost Advantage

- Brownfield – c.US\$420/t<sup>3</sup>
- Greenfield – c. US\$750/t<sup>3</sup>
- Potash price to justify investments – c. US\$230/t<sup>4</sup>

For more details on Uralkali's expansion programme please visit

[www.uralkali.com/expansion\\_programme/](http://www.uralkali.com/expansion_programme/)

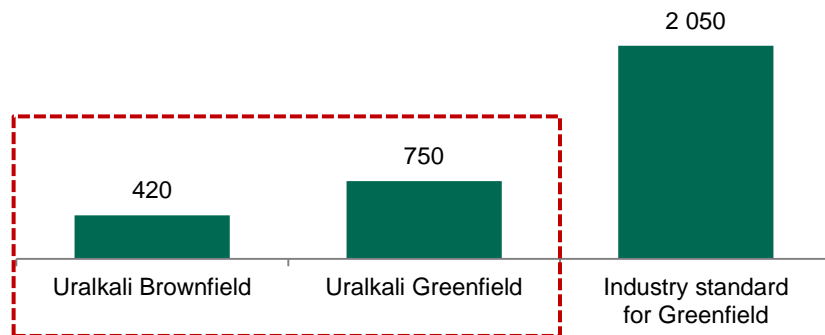
**Sustaining long-term leadership on the most cost effective basis in the industry**

Note:

- 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
- Capacity is given as of the year end
- Weighted Average Cost
- Required Rate of Return 15%

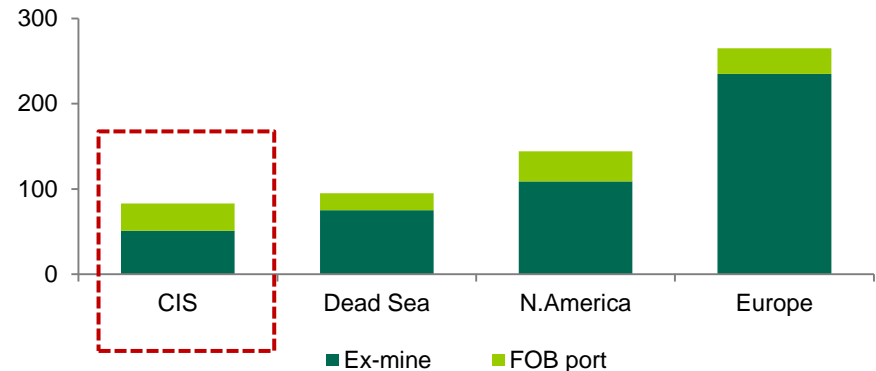
# Leading Cost Positioning

## Low Cost CAPEX, US\$/t (KCI)



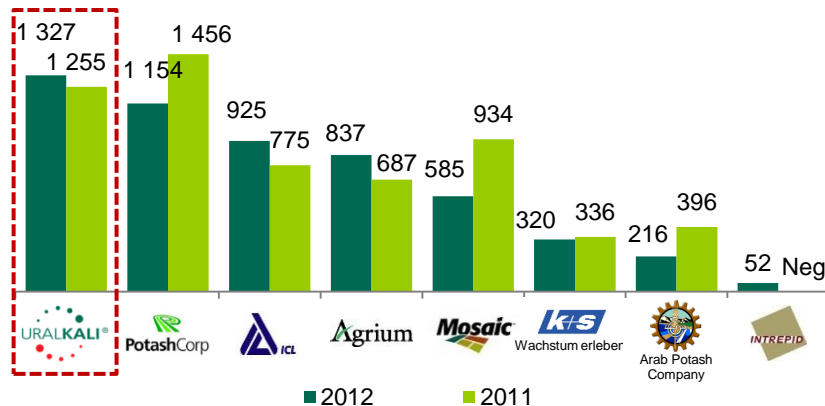
Source: Uralkali (based on expansion programme approved by BoD in 2011), Potash Corp

## Low Cash Costs



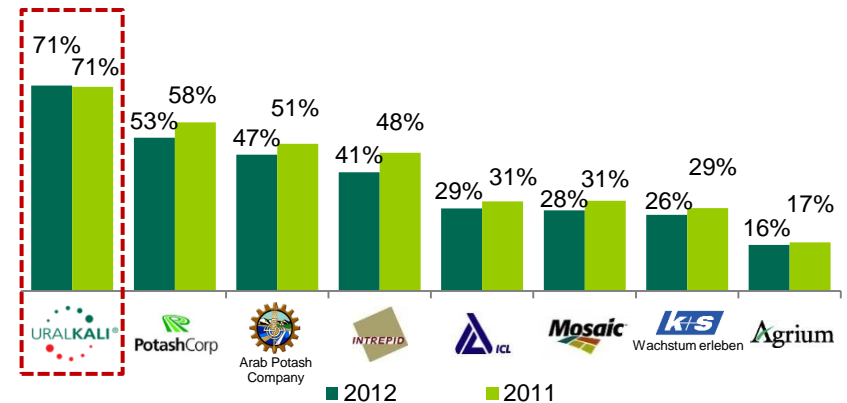
Source: Fertecon, December 2012

## Free Cash Flow<sup>1</sup>, US\$ mn



Source: Company reports, Fertecon

## Adj. EBITDA Margin<sup>2</sup>



Source: Company reports, Fertecon

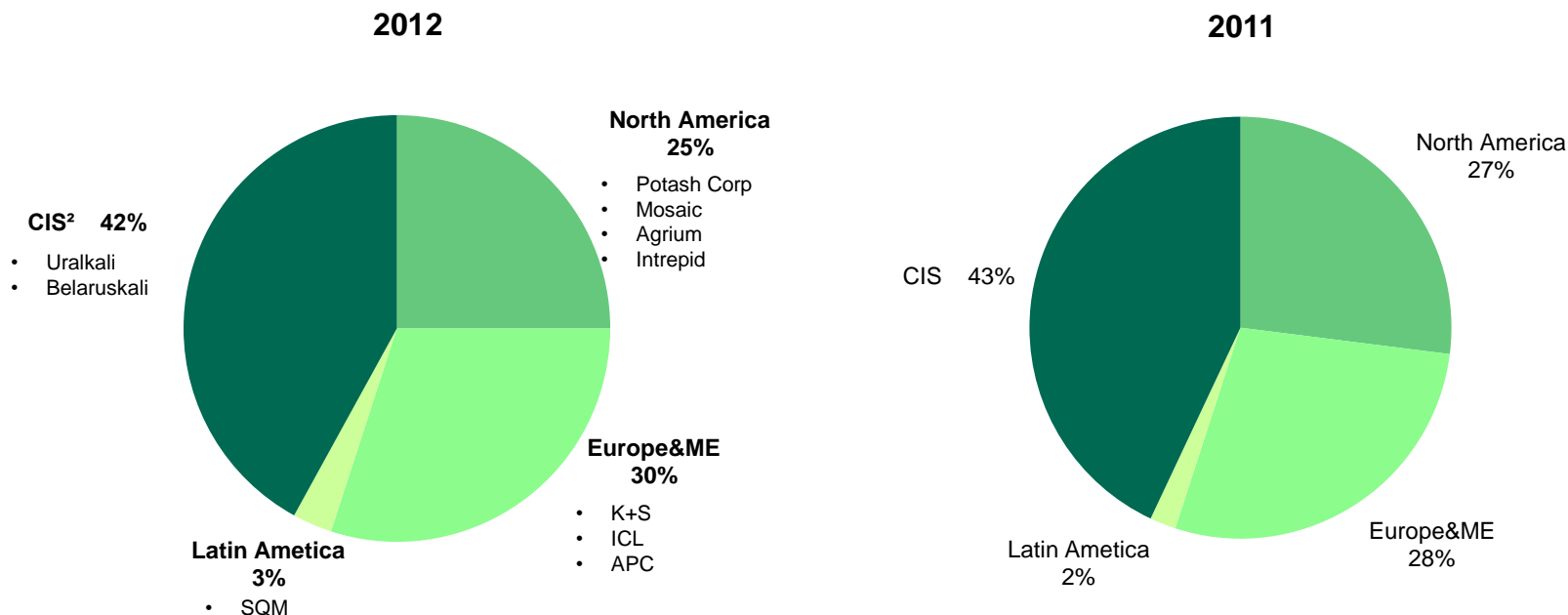
Notes: 1. Defined as group's net cash flow from operating activities less capital expenditure; 2. Calculated as group's Adj. EBITDA divided by net revenues



# Uralkali in global potash export 2012



## Sources of Export Trade in 2012<sup>1</sup>



- In the absence of China contract for 2H/12 and India contract for FY 2012/2013, 2012 was marked by tough competition between suppliers in spot markets which led to redistribution of their market shares
- Some smaller suppliers increased their market shares in world potash export compared to previous year while offering higher leverage to potash prices

Source: IFA, Companies' reports, Uralkali

Note:

1. Excluding Canadian potash export to the United States
2. Including Uzbekistan with market share 0.6%

# Agenda



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**4. Conclusions and Outlook**

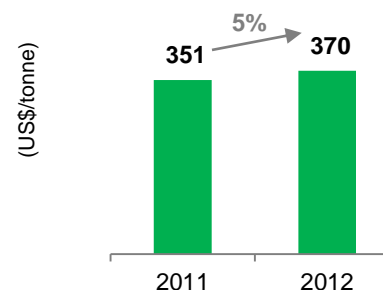
# Key Financial Highlights – FY 2012

## Key Figures

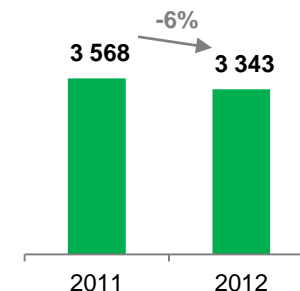
	IFRS	Pro-forma	Change
(US\$ mln)	FY 2012	FY 2011 <sup>1</sup>	%
Sales volume, mln tonnes	9.4	10.6	-12%
- Domestic sales	2.1	1.9	11%
<i>Sales for local consumption</i>	0.6	0.6	
- Export sales	7.3	8.8	-17%
Revenue	3 950	4 203	-6%
Net Revenue <sup>2</sup>	3 343	3 568	-6%
EBITDA <sup>3</sup>	2 375	2 488	-5%
<b>EBITDA margin<sup>4</sup>, %</b>	<b>71%</b>	<b>70%</b>	
Net Profit	1 597	1 527	5%
CAPEX	426	444	
incl. Expansion	208	247	

## Key Highlights<sup>1</sup>

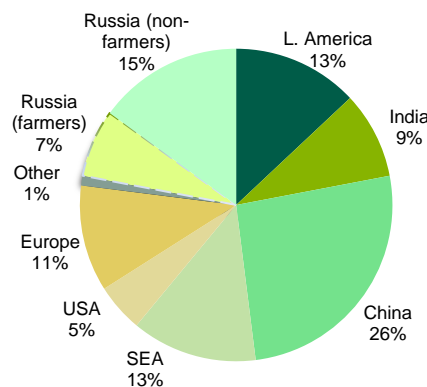
### Average export potash price, FCA



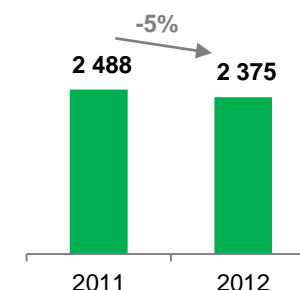
### Net Revenue<sup>2</sup>, mln USD



### 2012 Uralkali Sales Structure



### EBITDA<sup>3</sup>, mln USD



**Solid results despite challenging market environment**

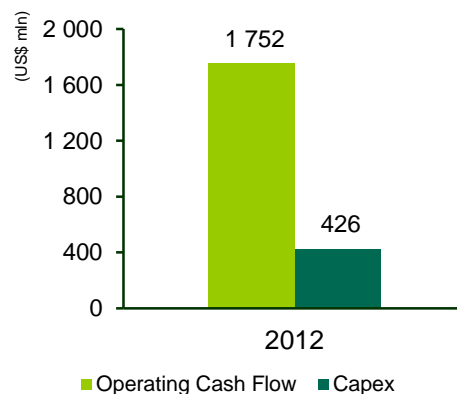
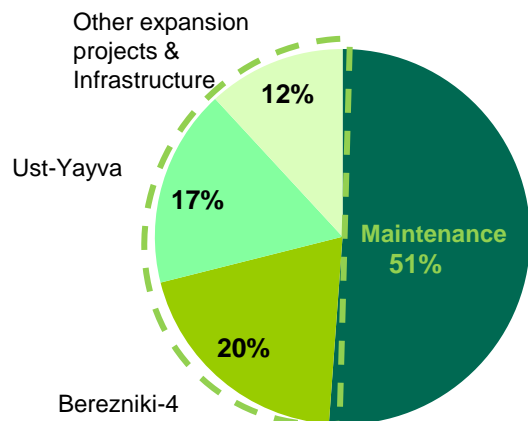
#### Notes:

- 2011 figures are given on a pro-forma basis
- Net revenue represents adjusted revenue (sales net of freight, railway tariff and transshipment costs)
- EBITDA is calculated as Operating Profit plus depreciation and amortization and does not include mine flooding costs and other one-off expenses, without adjustment on income from reverse of reserve in amount of US\$54.7 mln
- EBITDA margin is calculated as EBITDA divided by Net revenue

# Capex, Cash Flow, Balance Sheet FY 2012



## Capex , Operating Cash Flow , Balance Sheet



(US\$ mln)	31 Dec'12
Debt (bank loans)	3 926
Cash	1 669
Net debt/(cash)	2 257
EBITDA <sup>1</sup>	2 375
Net Debt / LTM EBITDA	0.95x

- Loan portfolio parameters as of Mar'12E:
  - c.100% of debt exposure is in US Dollars
  - Effective interest rate as of 31 Dec 2012 – 3.6%
  - Target Net Debt/LTM EBITDA ratio of 1.0–2.0x

## Dividends and Buy-back update

### • Dividends for 2012:

- Interim – c. US\$ 0.77 per GDR
- + FY 2012 – c. US\$ 0.62<sup>2</sup> per GDR  
(recommended by the BoD on 10 Apr'13)
- Dividend payout: ~50%

### • Buy-back:

- 13 Nov'12: approval in the max amount US\$1.6bln, valid till Nov'13
- c. US\$320.8 mln completed to date; effective buyback price<sup>3</sup> - US\$36.8/GDR

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

Note: 1. EBITDA is calculated as Operating Profit plus depreciation and amortization and does not include mine flooding costs and other one-off expenses, without adjustment on income from reverse of reserve in amount of US\$54.7 mln  
 2. According to the exchange rate as of 10 April 2013, 1 USD=31.2086 RUB.  
 3. Average buyback price calculated as total value acquired divided by total number of GDRs and shares (converted to GDRs at 5:1)

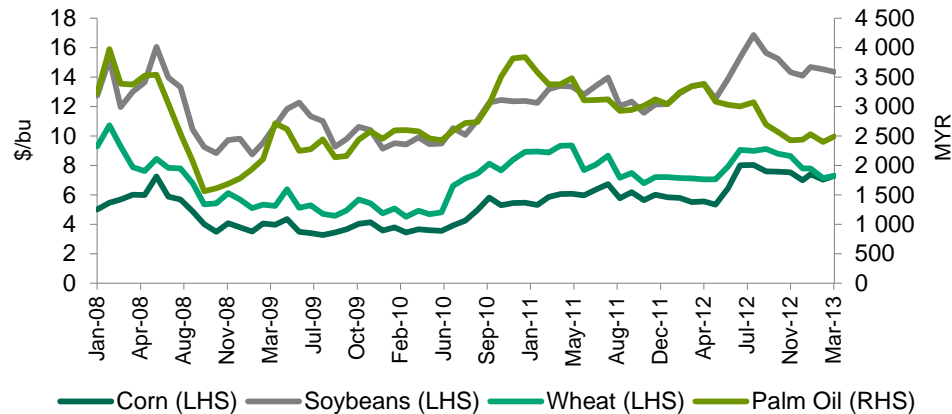
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- 1. A Leader in the Global Potash Market**
- 2. Financial Highlights**
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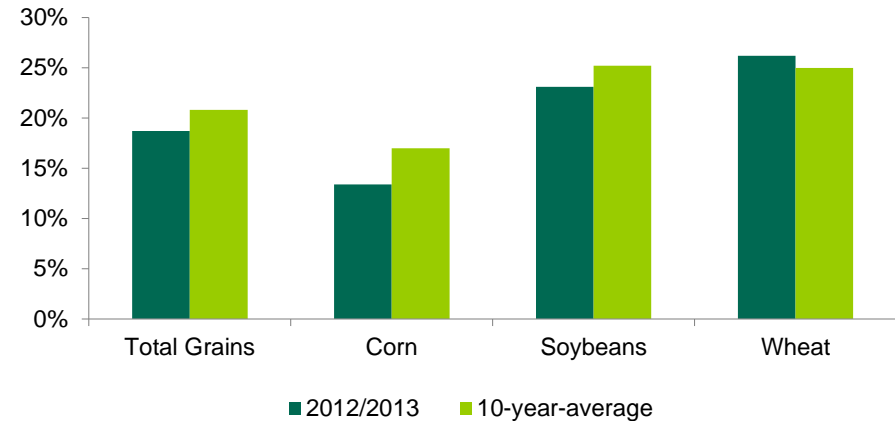
# Crop prices and fundamentals remain mostly supportive...

Front Month Agriculture Prices, Jan 2008-March 2013



Source: Bloomberg

Global Stocks-to-Use Ratios are Below Long-Term Averages



Source: USDA's WASDE report, Citi

## ...and still favourable farmers' economics is expected to drive increased potash demand

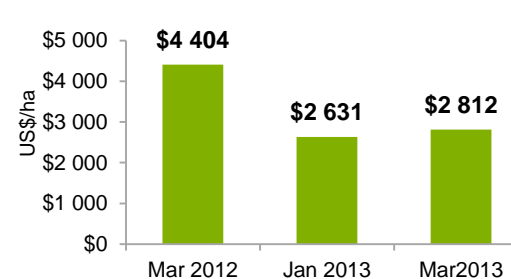
Farmers' gross margins (corn, USA)



Farmers' gross margins (soybeans, Brazil)



Farmers' gross margins (palm oil, Malaysia)



Farmers' gross margins (wheat, Poland)

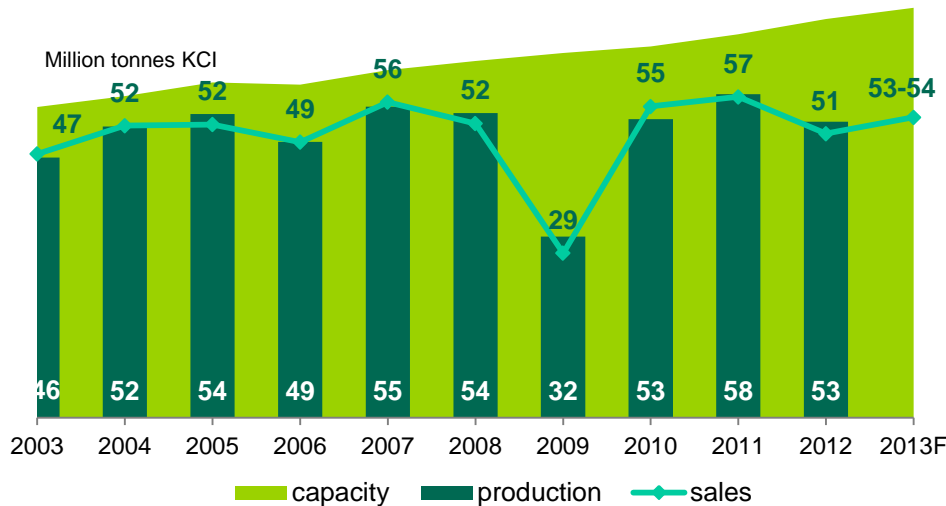


Source: BPC Economic Calculator



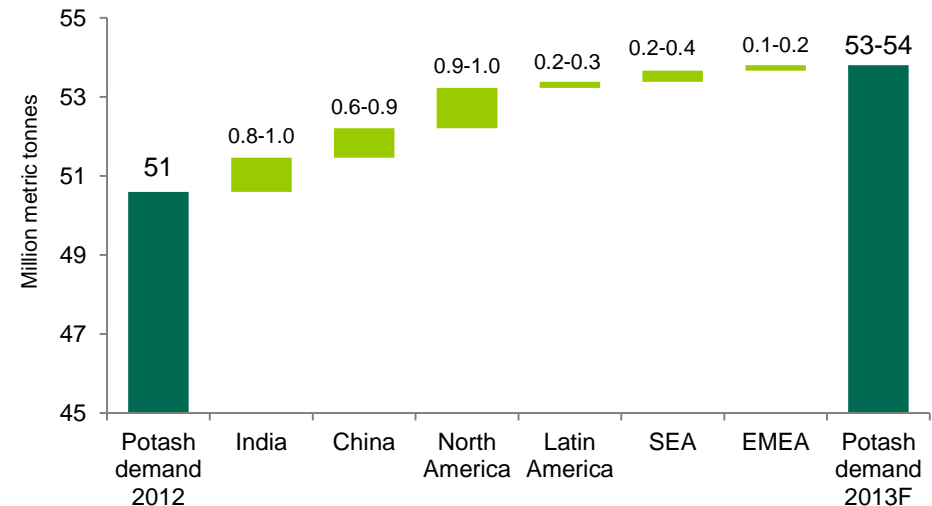
# Potash Market is Recovering

Supply/Demand Dynamics 2001-2013F



Source: IFA, Uralkali estimates

Rebound in potash demand 2013F

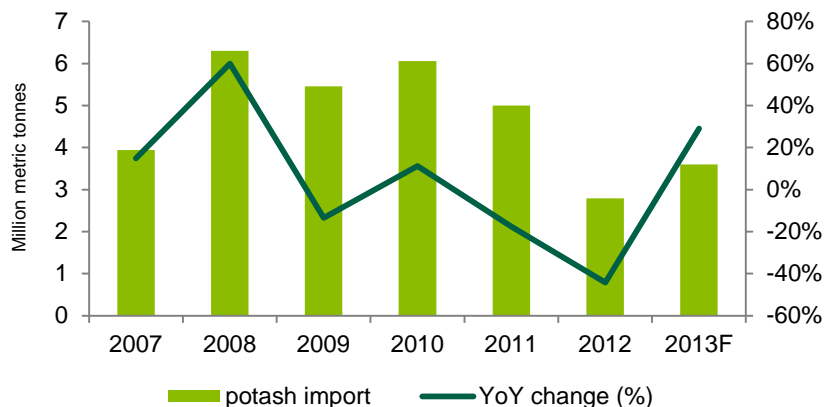


Source: IFA, Uralkali estimates

- Potash demand is recovering following the fall seen in Q4 2012, driven by both the contract settlements with China and India and solid returns that farmers are enjoying
- Global potash sales are expected to climb 5-7% yoy to 53-54 Mtpa in 2013. India, China and North America are expected to be the main drivers behind rebound in world potash demand in 2013

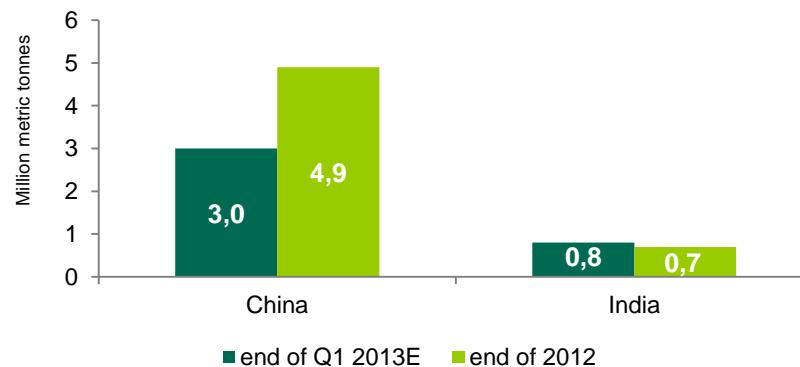
# Market update: India and China

## 2012 India potash imports have fallen dramatically



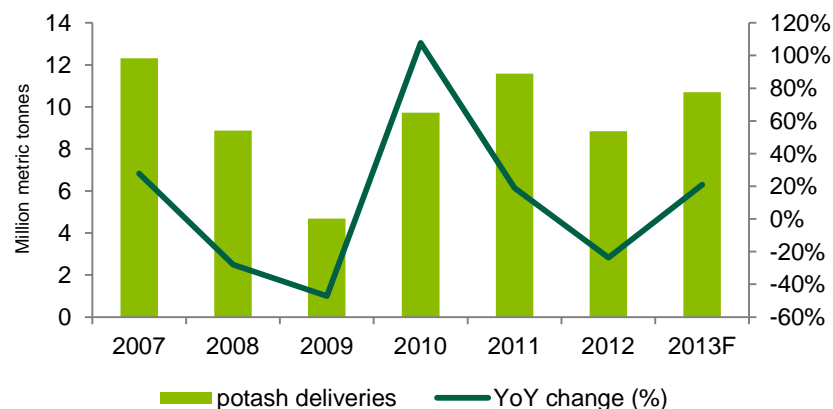
Source: IFA, Uralkali estimates

## Potash Inventory



Source: BPC/UKT estimates

## Chinese potash deliveries are expected to rebound in 2013

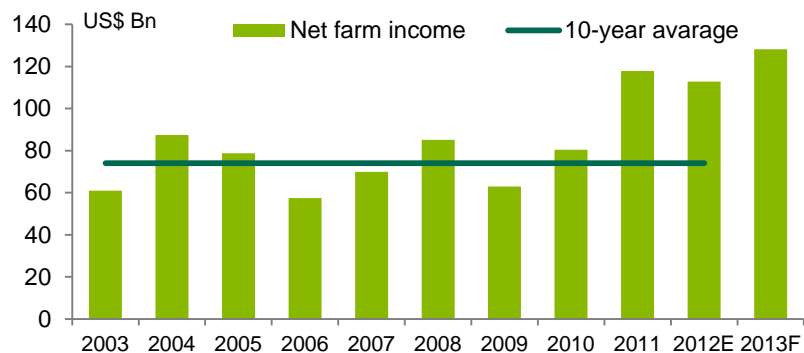


Source: IFA, Uralkali estimates

- The resumption of contract shipments to China and India helped to restore market confidence
- Indian potash demand continues to be impacted by changes in retail pricing and subsidy policy. Continuing imbalance in nutrient application is contributing to lower crop yields in India
- In 2013, imports to India is expected to increase up to 4 mln t from last year's depressed levels
- China has contracted 3.1 Mtpa for 1H/13, up from 2.1 Mtpa in 1H/212. 2013 potash demand expectation is in the range of 10.5-10.7 Mtpa
- Potash inventories in China have depleted driven by buying activity for spring application. India stockpiles are estimated to have stood at healthy level as of end Q1/13

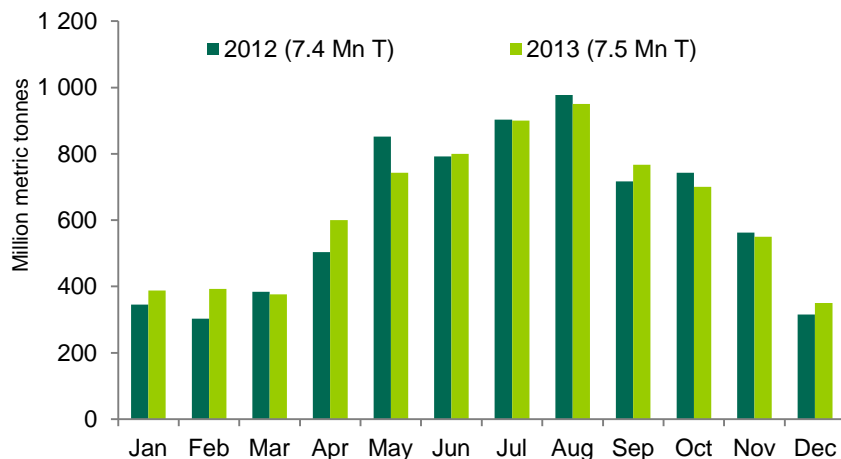
# Market update: Brazil and North America

## 2013 US farm income is expected to be the highest since 1973



Source: USDA

## Brazilian potash imports will remain strong in 2013<sup>1</sup>

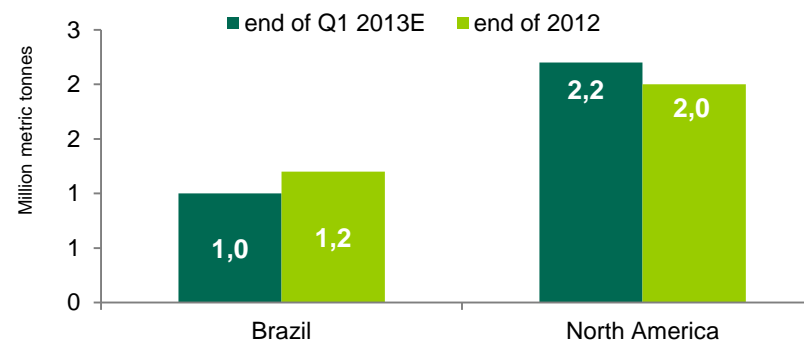


Notes:

<sup>1</sup> Import volumes forecast is based on arrivals

Source: ANDA

## Potash Inventory



Source: BPC/UKT estimates

- High US planted corn acreage and very healthy farmer finances will be supportive to N.A potash demand in 2013. North American potash demand may increase above 9 Mtpa, compared to 8 Mtpa in 2012
- Brazil demonstrated the strongest import growth in 2012 (5% yoy). With soybean prices remaining at high levels and an expected record planting acreage in 2013, Brazil will likely see imports increase in 2013. Potash inventories are reported to be tighter by end Q1/13 compared to the end of 2012

# Market update: South East Asia and EMEA

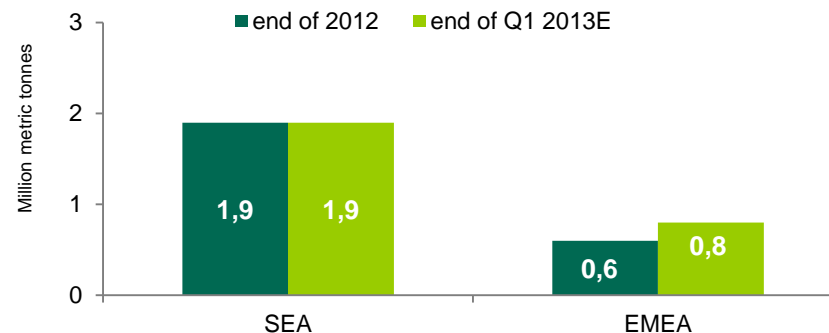


## Potash imports to SEA



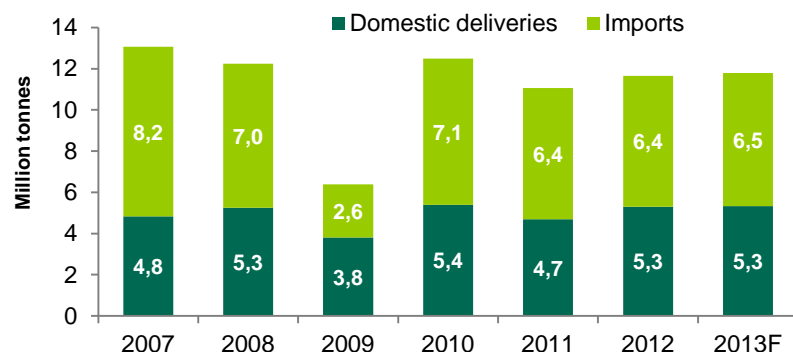
Source: IFA, Uralkali estimates

## Potash Inventory



Source: BPC/UKT estimates

## Potash deliveries to EMEA



Source: IFA, Uralkali estimates

- Unfavourable weather in Western and Central Europe was delaying buying for spring application in March 2013
- EMEA demand is expected to stay close to the traditional volumes in 2013. Western Europe and FSU markets (in particularly, Russia, Ukraine and Belarus) are expected to demonstrate some increase
- With Chinese & Indian contracts now concluded buyers in SEA became more active. We expect demand to increase in most SEA markets in 2013
- Despite lower palm oil prices compared to 2012 level, farmers are still profitable

# Potash Market Outlook



- 2013 outlook for potash demand remains positive, supported by Ag commodity prices, high net farm income, and high planted corn (USA) and soybeans (Brazil) acreage
- We expect global deliveries to rebound to 53-54 MT in 2013, following contract settlements with India and China and destocking trends in key markets
- However, potential upside to global deliveries (above 54 MT level) is limited due to ongoing challenges in India
- Potash prices are estimated to be healthy in 2013

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# 2012 Conclusion and 2013 Outlook

## 2012 Financial Highlights

- Net Revenue down 6% y-o-y to USD 3.34 billion
- EBITDA<sup>1</sup> down 5% y-o-y to USD 2.375 billion
- EBITDA<sup>2</sup> margin reached 71%
- Forecasted synergy achieved reaching c.USD 300 million
- Dividend payout ratio for 2011 and H1 2012 over 50%

## 2012 Operational Highlights

- Production of 9.1 million tonnes of potassium chloride (KCl)
- Sales volumes of 9.4 million tonnes of KCl
- Average export price up 5% y-o-y to USD 370 per tonne of KCl
- Strategic capacity expansion on track, with Berezniki-4 project completed and development started at Ust-Yayvinsky mine

## Potash Market Update

- 2013 outlook for potash demand remains positive, supported by commodity prices and high farmers income
- 2013 global potash demand is expected to increase to 53-54 Mtpa
- Potash prices are estimated to be healthy in 2013

**Focused on delivery of growth to drive shareholder value**

Note:

1. EBITDA is calculated as Operating Profit plus depreciation and amortization and does not include mine flooding costs and other one-off expenses, without adjustment on income from reverse of reserve in amount of US\$54.7 mln
2. EBITDA margin is calculated as EBITDA divided by Net revenue

## Appendices

**Business Model**

**Financial Position**

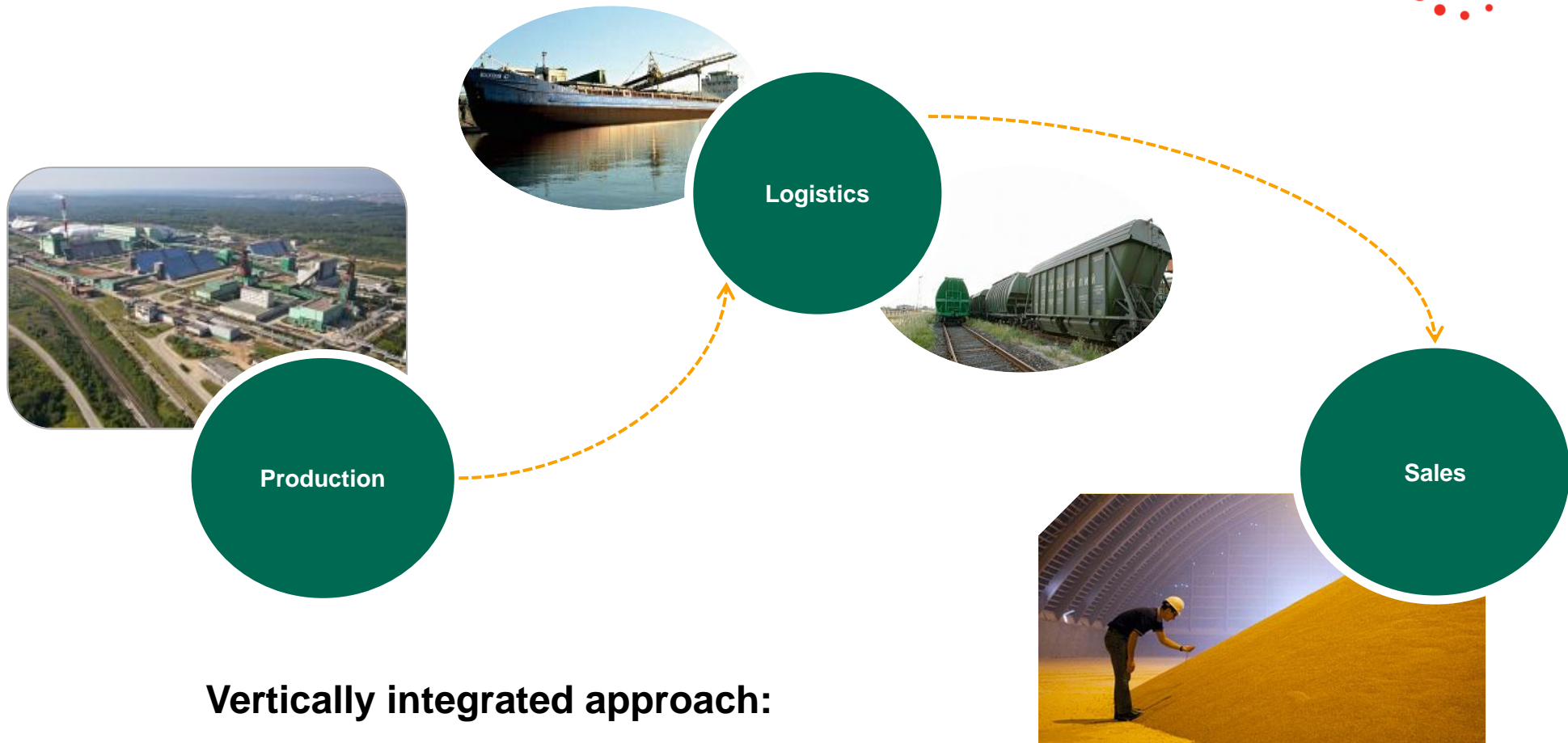
**Shareholder Structure, Management Team and Governance**

**Potash Market Fundamentals**

**Operating Process**

**Awards and Achievements**

# Vertically Integrated Business Model



## Vertically integrated approach:

- Reduces supplier risks
- Enables to control and optimise all stages of production and sales

**Control Over Entire Value Chain - From Reserve Base to End Customer**

# Vertically Integrated Business Model - Production



Existing Assets - 5 MINES, 6 POTASH PLANTS, 2 GREENFIELD PROJECTS (Ust-Yayva and Polovodovo)



## Berezniki-2

- Potash plant and mine
- Granular and standard potash



## Berezniki-3

- Potash plant
- Granular, standard potash



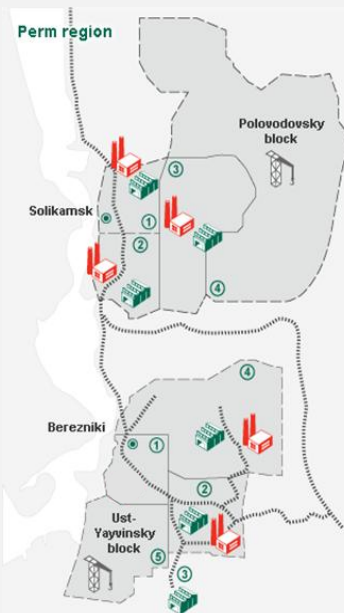
## Berezniki-4

- Potash plant and mine
- Standard potash



## Ust-Yayvinsky Field

- Resources: 1,3 bn tonnes<sup>1</sup>
- Capacity: + 2,8 mln tonnes KCl in launch year 2020



- MOP Plants (6)
- Potash Mines (5)
- Greenfield licenses (2)



## Solikamsk-1

- Carnallite plant
- Potash plant and mine
- Standard potash



## Solikamsk-2

- Potash plant and mine
- Granular and standard potash



## Solikamsk-3

- Potash plant and mine
- Standard potash



## Polovodovsky Field

- Resources: 3,1 bn tonnes<sup>1</sup>
- Capacity: + 2,5 mln tonnes KCl in launch year 2021

Production capacity as of January 2013:  
**13 mln tonnes**

Employees in Uralkali main production unit:  
**c. 11,800 employees**

Note 1: JORC as of 1 January 2013

# Vertically Integrated Business Model - Logistics



## COMPANY-OWNED RAILCARS



- One of the largest specialised railcar fleets in Russia
- Over 8,000 specialized railcars

## BALTIC BULK TERMINAL (BBT)



- Leading Russian fertilizer transshipment terminal with capacity of 6.2 mt
- Represents the shortest transportation route from mines to port
- Uralkali's investment programme can be fully accommodated by BBT's existing capacity in the mid-term

## WAREHOUSES



- Optimal split between production and marine port terminal sites
- Storage capacity of 640,000 tonnes:
  - Berezniki and Solikamsk – up to 400,000 tonnes
  - BBT – up to 240,000 tonnes



**Business Model**

**Financial Position**

**Shareholder Structure, Management Team and Governance**

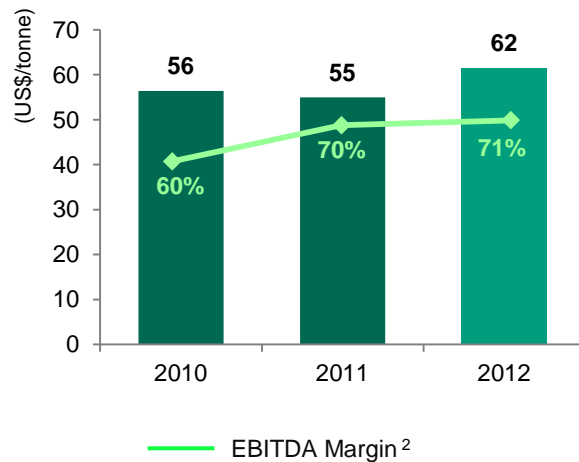
**Potash Market Fundamentals**

**Operating Process**

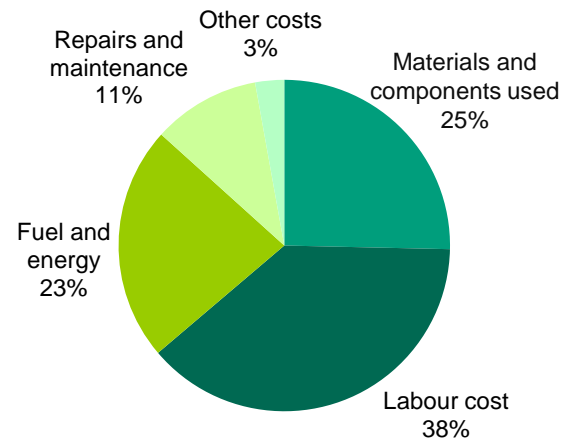
**Awards and Achievements**

# Review of Cost Structure FY 2012<sup>1</sup>

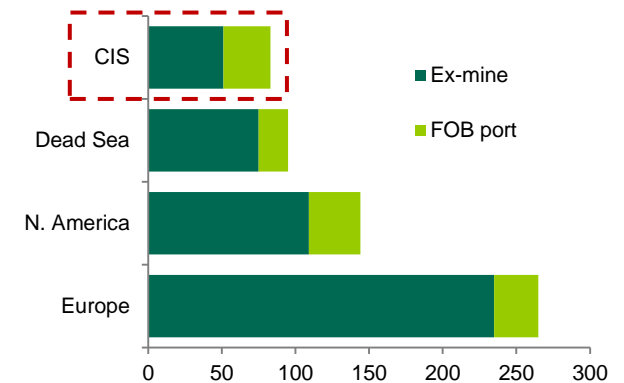
## Unit Cash COGS



## Cash COGS



## Global Cash Costs



Source: Fertecon, December 2012

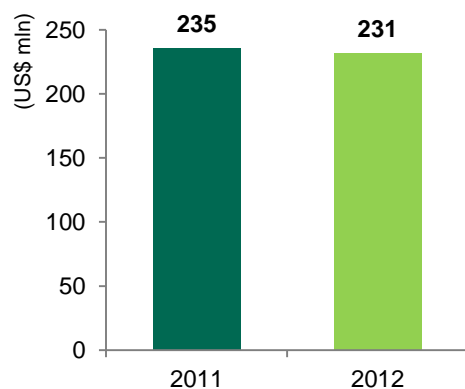
**Sustaining lowest cash costs across the industry**

Notes:

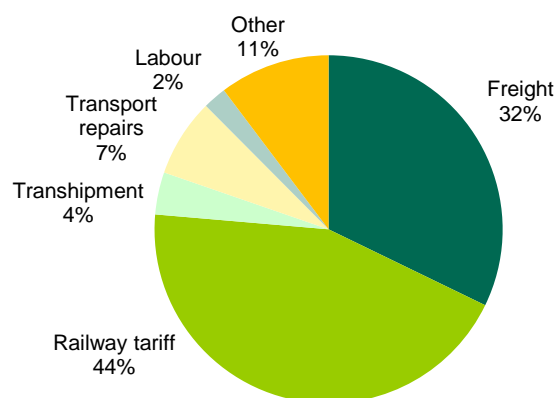
- 2011 figures are given on a pro-forma basis
- EBITDA margin is calculated as EBITDA divided by Net Sales

# Review of Cost Structure FY 2012 (2 of 2)

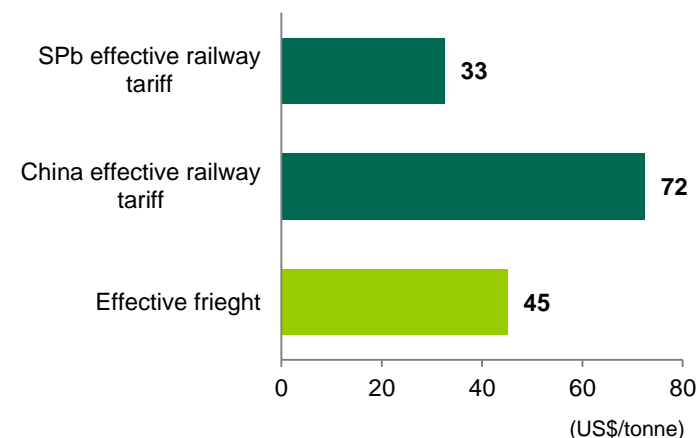
## G&A Costs<sup>1</sup>



## Cash S&D Costs



## Effective Railway Tariff & Freight

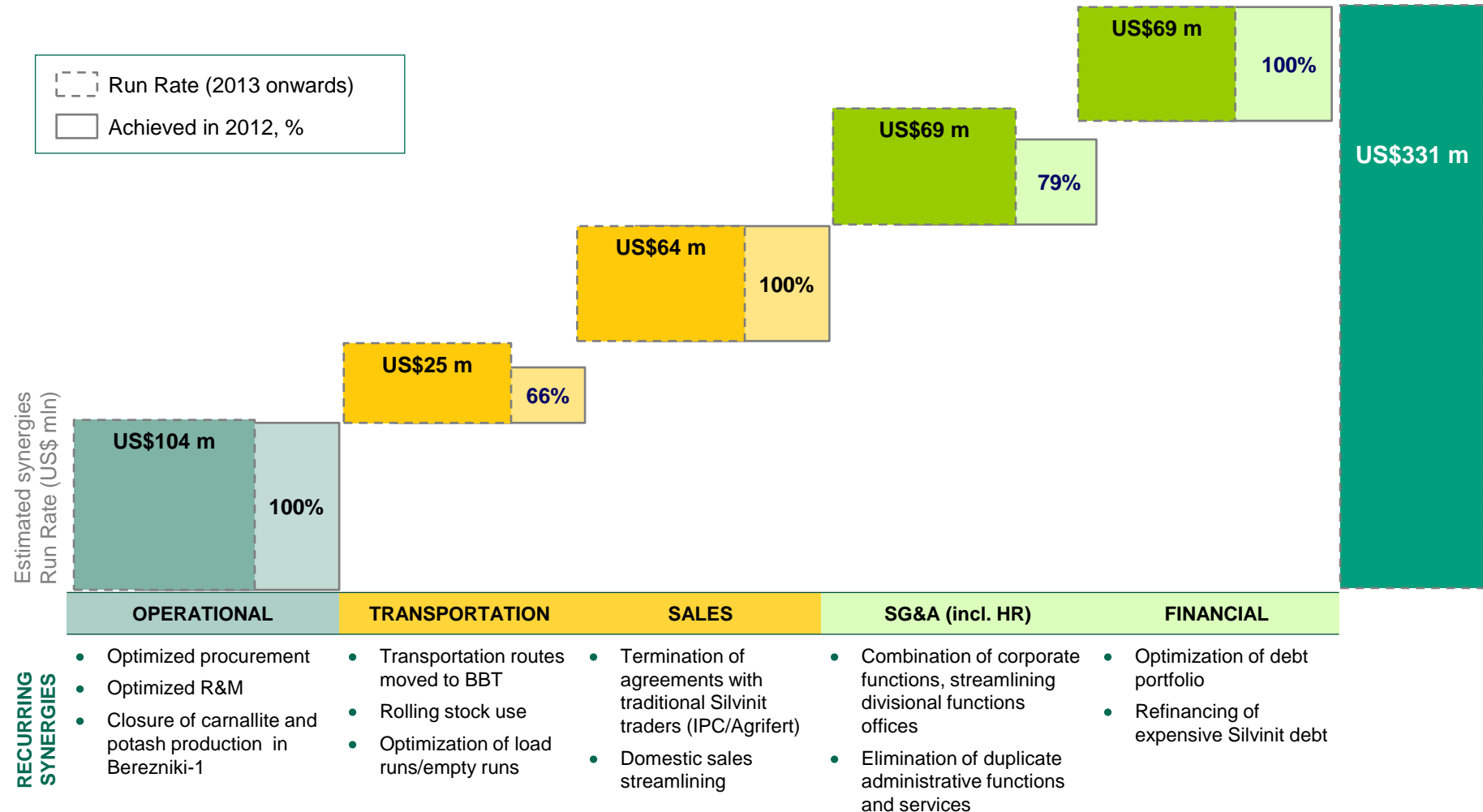


**Global cost leadership through optimization and delivery of synergies**

Notes:

1. 2011 figures are given on a pro-forma basis

# Extracting Value through Synergy Realisation



Updated synergy effect estimates suggest annual synergies of c. US\$300m p.a. by 2013

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# Diverse Public Ownership

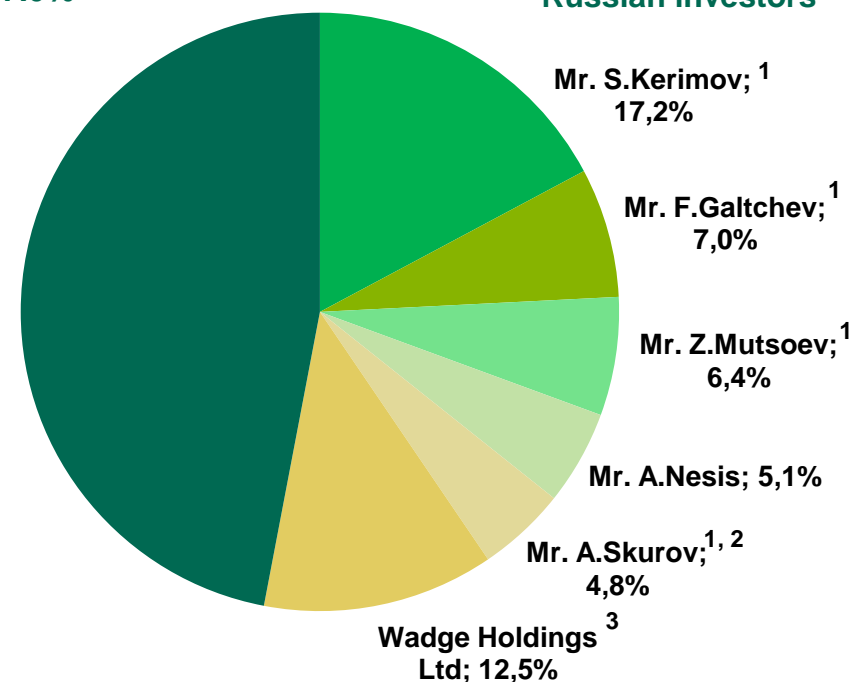


## Shareholder Structure

- Shares and GDR's are traded on the London Stock Exchange, Moscow Exchange
- Total number of ordinary shares is **2,936,015,891** (equivalent of **587,203,178** GDRs)
- GDRs represent c.25% of Uralkali share capital as of February 4, 2013

Free-float  
47.0%

5 Non-related core  
Russian investors



Source: Company data

Notes:

Data as of 1<sup>st</sup> April 2013

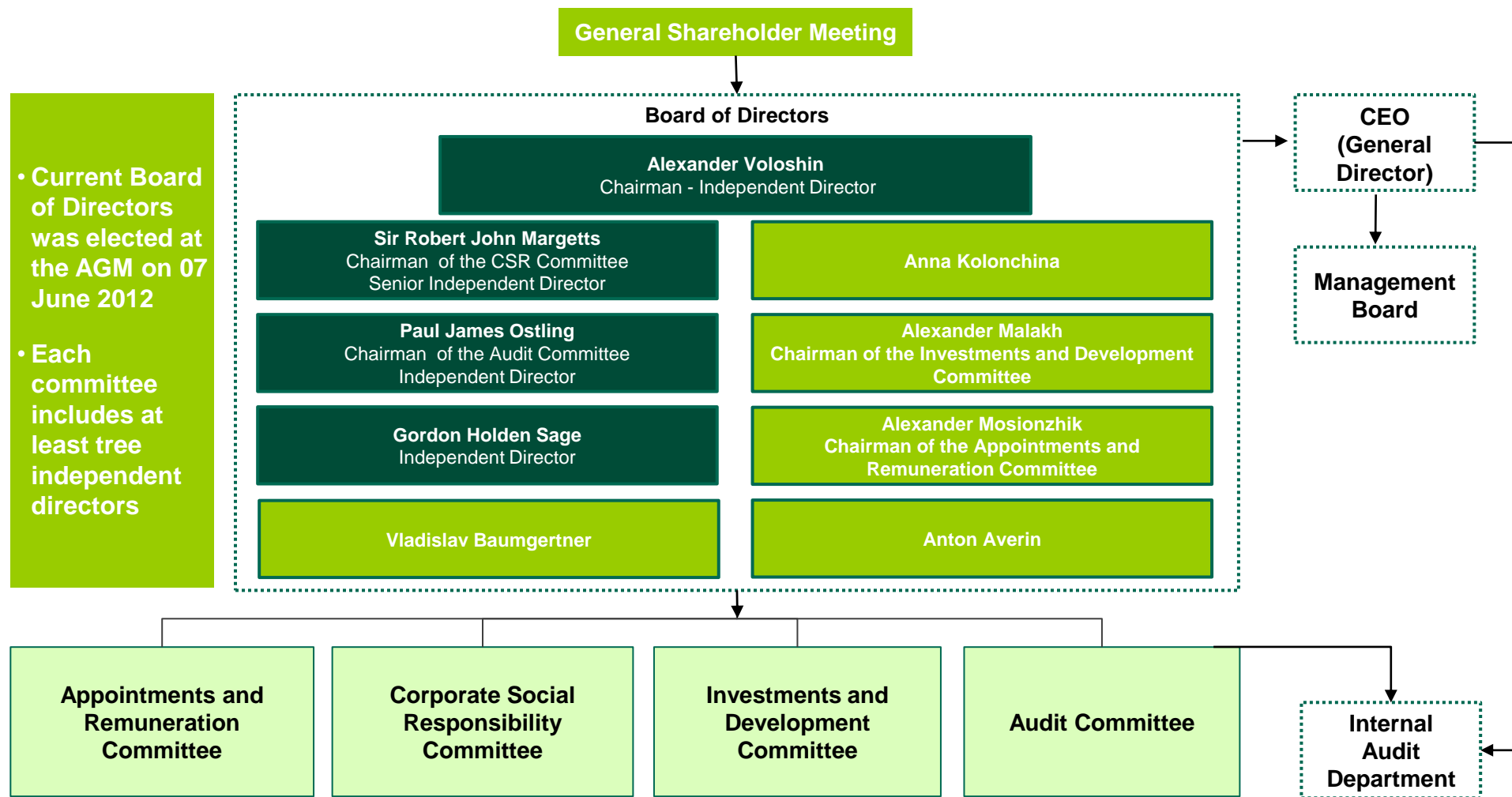
1. Includes shares transferred under repo agreement(s) with voting rights being retained by the seller.
2. Includes 2 per cent. of the shares of Uralkali which underlie bonds exchangeable into ordinary shares of Uralkali issued by Fenguard Ltd which are held by VTB Capital plc. The bonds were issued in 2012 and mature in 2014.
3. Wadge Holdings Ltd is ultimately jointly controlled by Mr. Kerimov, Mr. Mutsoev, Mr. Skurov and Mr. Galtchev. Wadge Holdings Ltd is the issuer of bonds held by Chengdong Investment Corporation that are exchangeable into 12.5 per cent. of Uralkali's ordinary shares. The bonds were issued in 2012 and mature in 2014.



# Focus on Corporate Governance



## Uralkali Organisational Structure



Uralkali is Committed to Continuous Improvement in its Leading Corporate Governance Practices

# Highly Qualified Management Team



Management team optimally positioned to drive future growth

- Senior management team comprises of highly experienced operational, financial and functional professionals
- Extensive experience in mining/chemicals as well as potash industry



Valery Lepekhin  
Head of  
Internal Audit



Vladislav  
Baumgertner  
CEO



Viktor Belyakov  
CFO



Oleg Petrov  
Director of Sales  
and Marketing



Yevgeny  
Kotlyar  
COO



Vladimir  
Bezzubov  
Director of  
Procurement



Elena  
Samsonova  
Director of  
Human  
Resources



Marina  
Shvetsova  
Director of Legal  
and Corporate  
Affairs



Stanislav  
Seleznev  
Director of  
Health, Safety  
and Environment  
Protection



Alexander  
Babinsky  
Head of Public  
Relations



Anna Batarina  
Head of Investor  
Relations and  
Capital Markets



Andrey  
Motovilov  
Head of  
Government  
Relations

**Business Model**

**Financial Position**

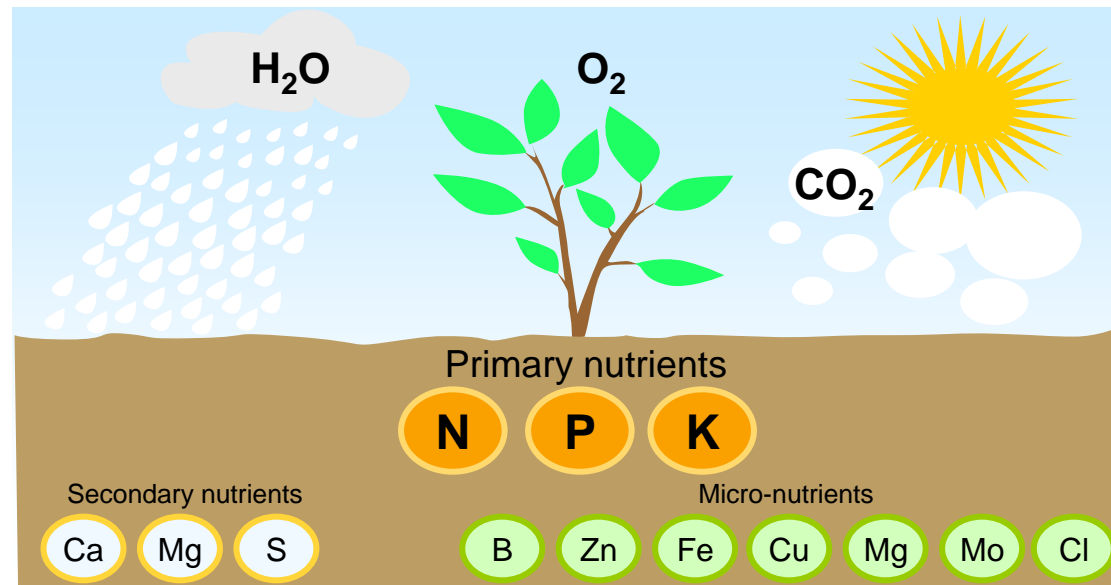
**Shareholder Structure, Management Team and Governance**

**Potash Market Fundamentals**

**Operating Process**

**Awards and Achievements**

# Potassium: One of the Three Primary Nutrients



## Nitrogen (N)

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

## Phosphate (P)

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

## Potash (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

# 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

High barriers to entry

Limited number of players able to bring additional capacity

**Growing demand and high supply visibility make potash a unique industry<sup>1</sup>**

# Potash: Growth, Visibility, Stability



	Potash (K)	Phosphate (P)	Nitrogen (N)
Market size <sup>1</sup> (2013E Consumption)	<b>37.5 million tonnes K<sub>2</sub>O (60.4 million tonnes KCl)<sup>2</sup></b>	40.0 million tonnes ( P <sub>2</sub> O <sub>5</sub> )	109.1 million tonnes (N)
Geographic availability	<b>Very limited</b>	Limited	Readily available
Industry members	<b>Small number of leading players</b>	Several leading players	Large number of players
Profitability	<b>High</b>	Low/Medium	Low/Medium
Estimated cost of greenfield Capacity <sup>3</sup>	<b>US\$4.1bn for 2 mln tonnes (KCl)</b>	US\$1.6bn for 1 mln tonnes ( P <sub>2</sub> O <sub>5</sub> )	US\$1.7bn for 1 mln tonnes (NH <sub>3</sub> )
Estimated greenfield development time	<b>min 7 years</b>	~3-4 years	min 3 years

**Potash represents the strongest investment story across the fertilizer industry**

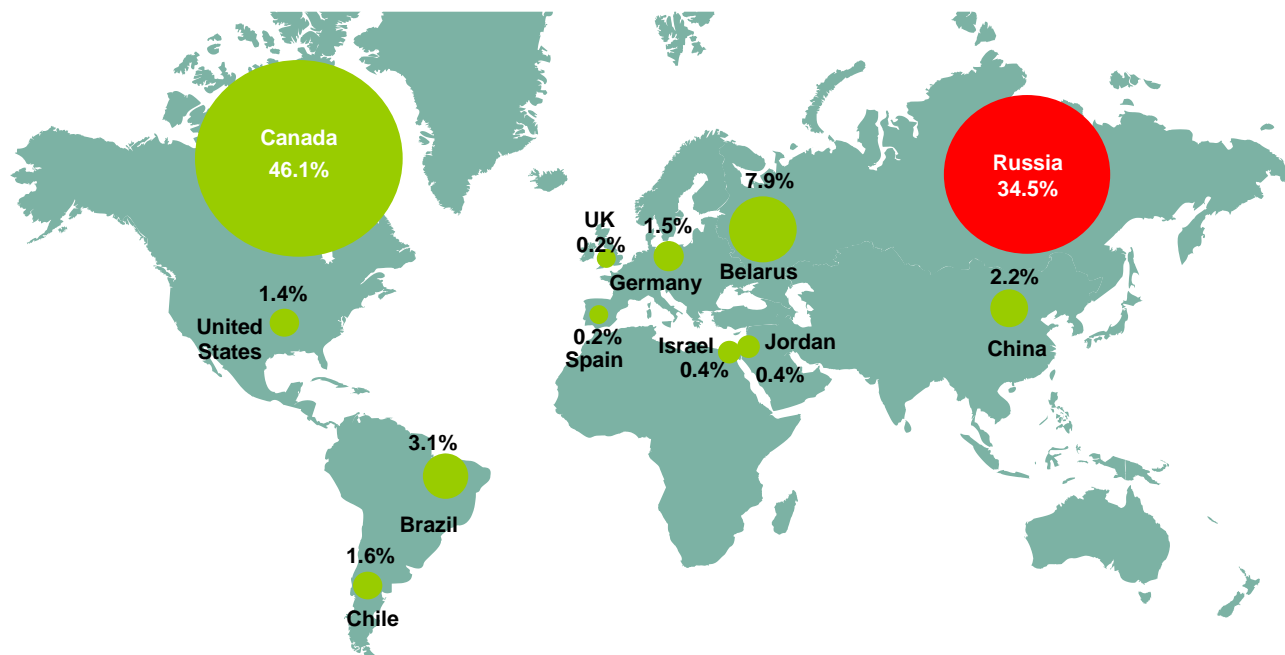
Source: Fertecon, IFA, PotashCorp

Notes:

1. Including fertilizer consumption
2. 1t KCl contains 62% K<sub>2</sub>O (nutrient)
3. Excluding infrastructure

# Mineral Scarcity

Proven reserves of potash are largely concentrated in Canada and Russia



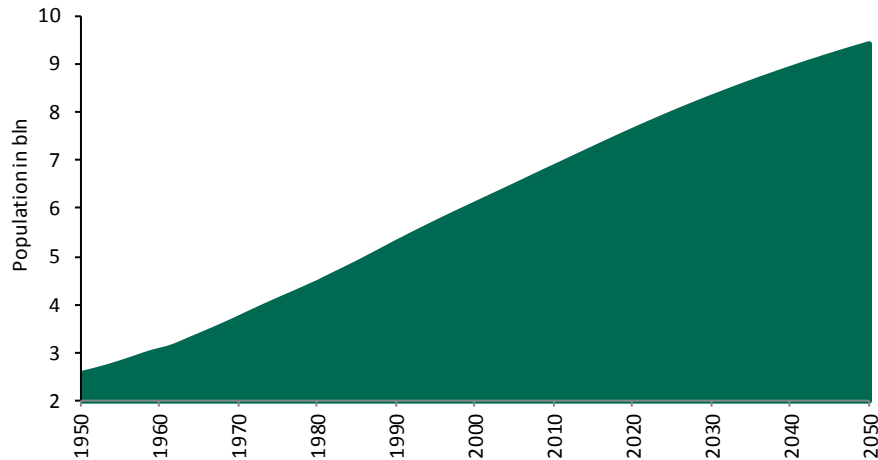
% - Share in world's proven reserves

Source: USGS, January 2013

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

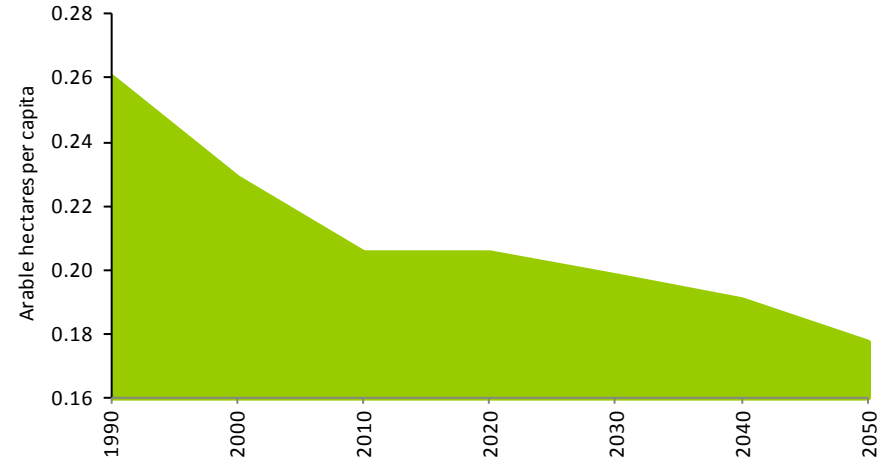
# Higher Yields Required to Feed Rising Population

## Growing population Needs Higher Crop Yields



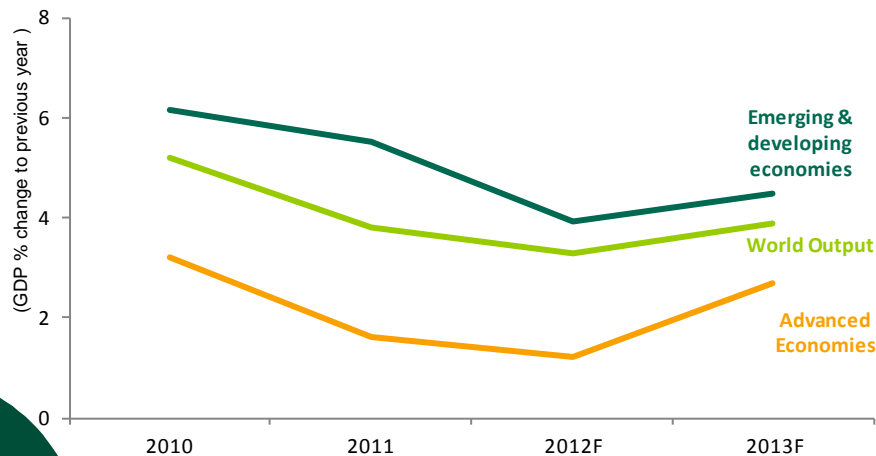
Source: Source: U.S. Census Bureau, International Data Base,

## Arable land per capita is shrinking



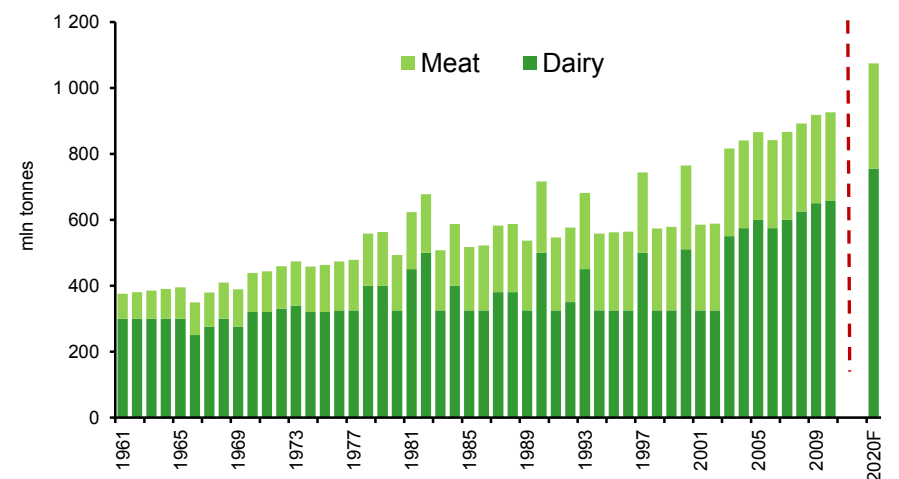
Source: FAO, World Bank

## Global Economic recovery set to continue



Source: IMF, World Economic Outlook projections

## Food consumption is increasing

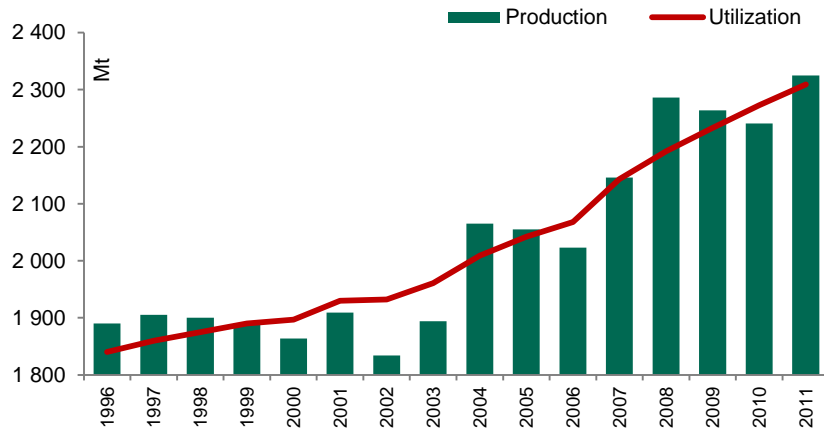


Source: FAO



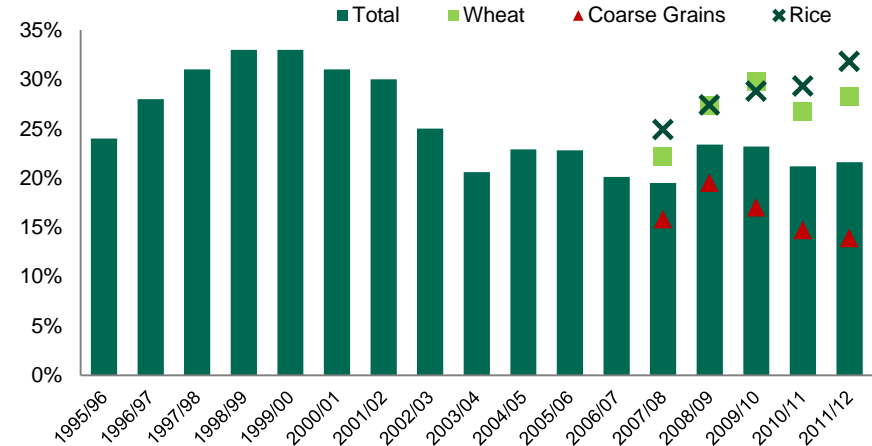
# Changing Diets Drive Demand for Grain

## World Cereal Production and Utilization



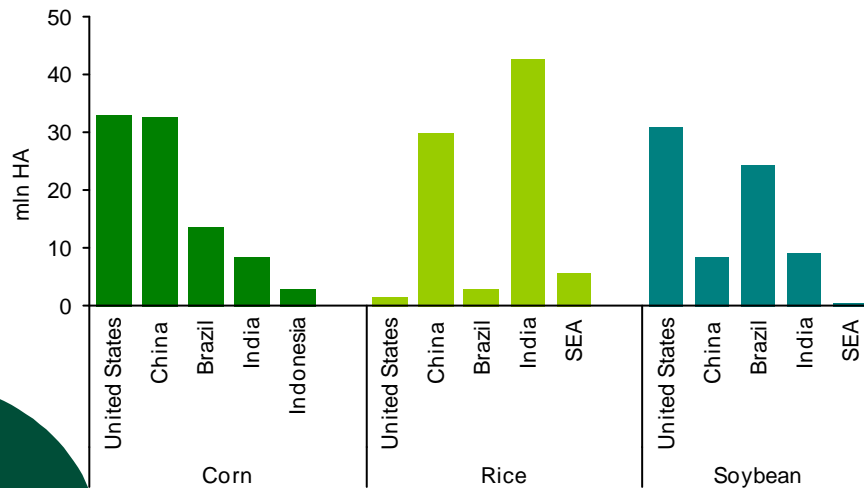
Source: FAO

## World Cereal Stock-to-Use Ratio



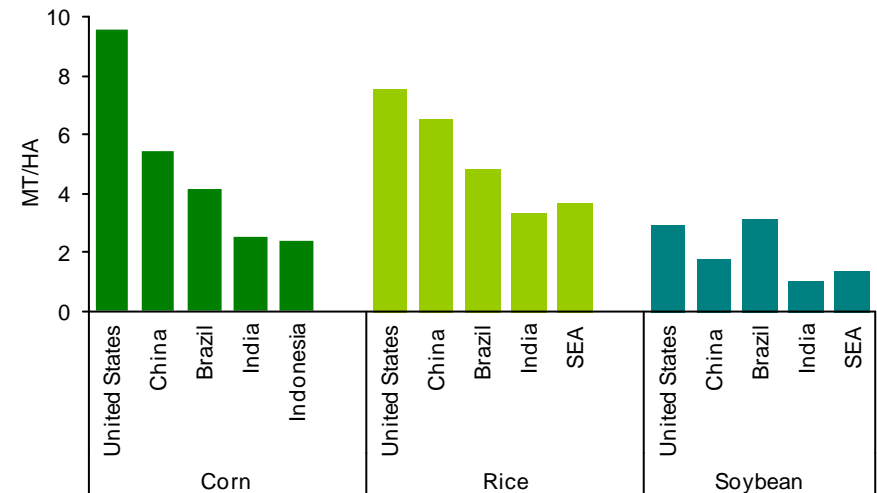
Source: IFA, FAO, USDA

## Developing countries have a big portion of total crop acreage



Source: USDA

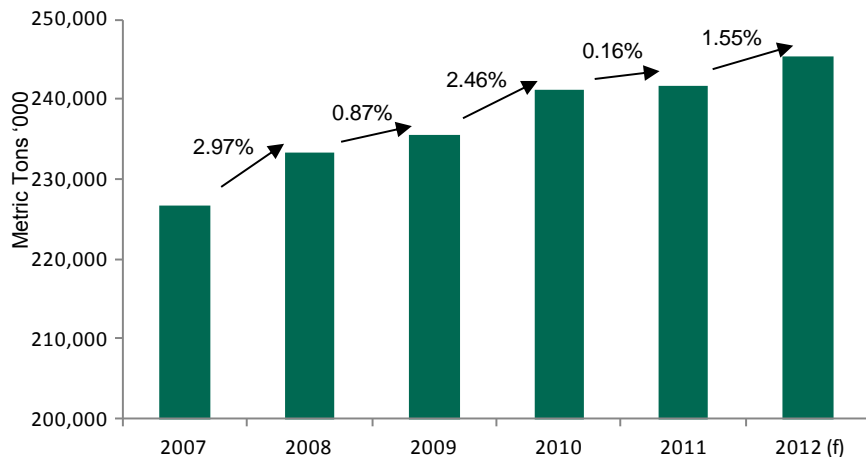
## ...though have lower yields compared to developed agricultures



Source: USDA,

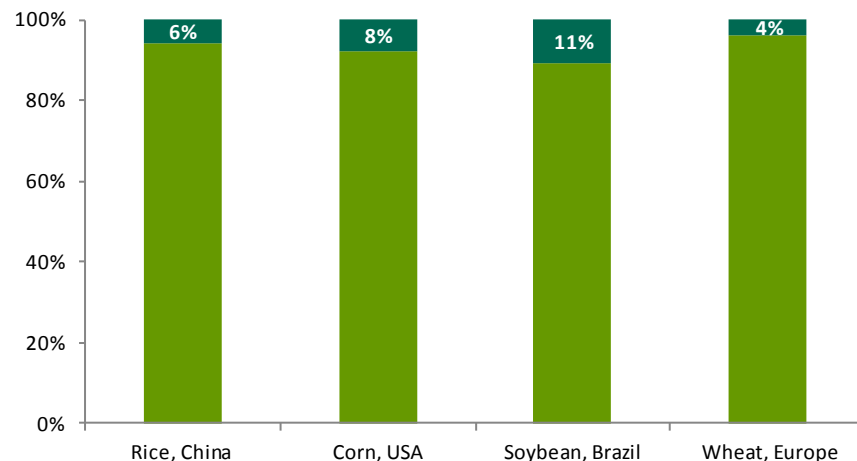
# Changing Diets Driven by Growing Income in Developing Countries

## World Meat Consumption



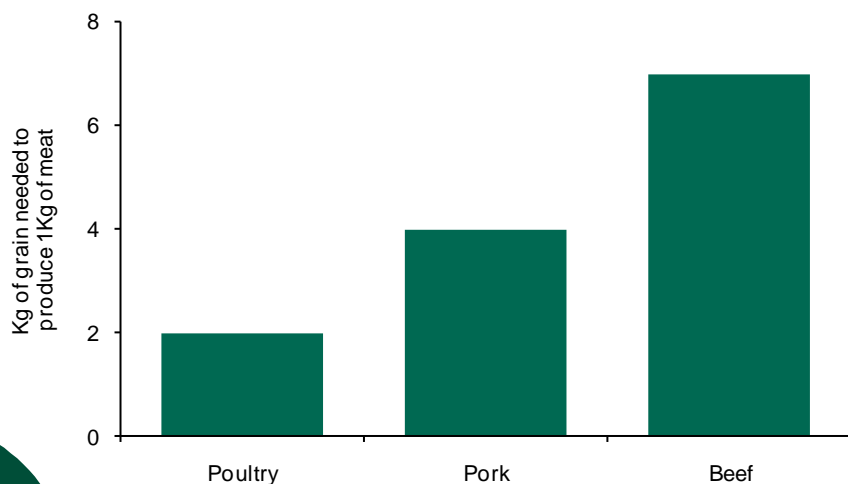
Source: FAS

## Share of Potash in Total Farmer's Costs (%)



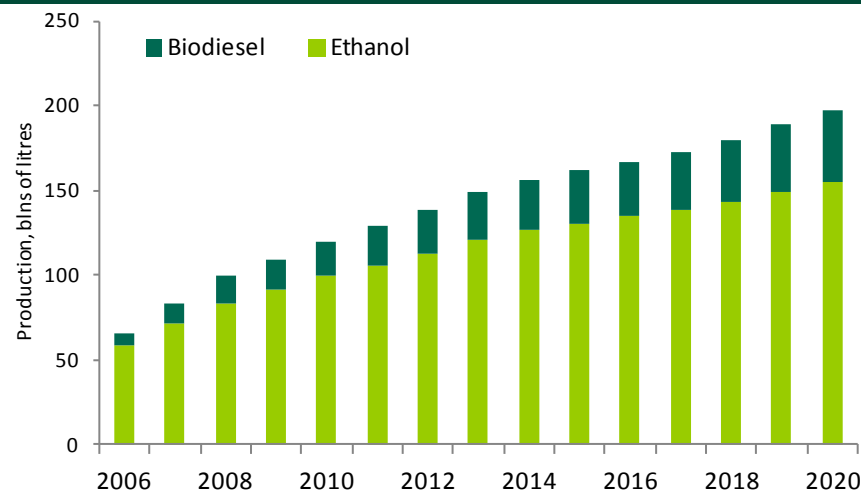
Source: BPC

## Grain Consumption vs. Meat Production



Source: FAO

## Global Biofuel Production



Source: OECD

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# Production Flow

## 1. Mining



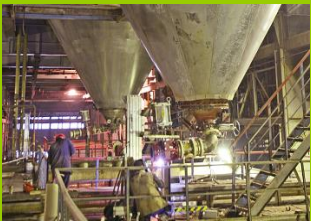
- One extraction takes place underground at an approximate depth of **400 metres**
- Specialized mining combines drill for potash underground, then the extracted one is moved by conveyor belts to the shafts and lifted to the surface

## 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

## 4. 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 96% 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

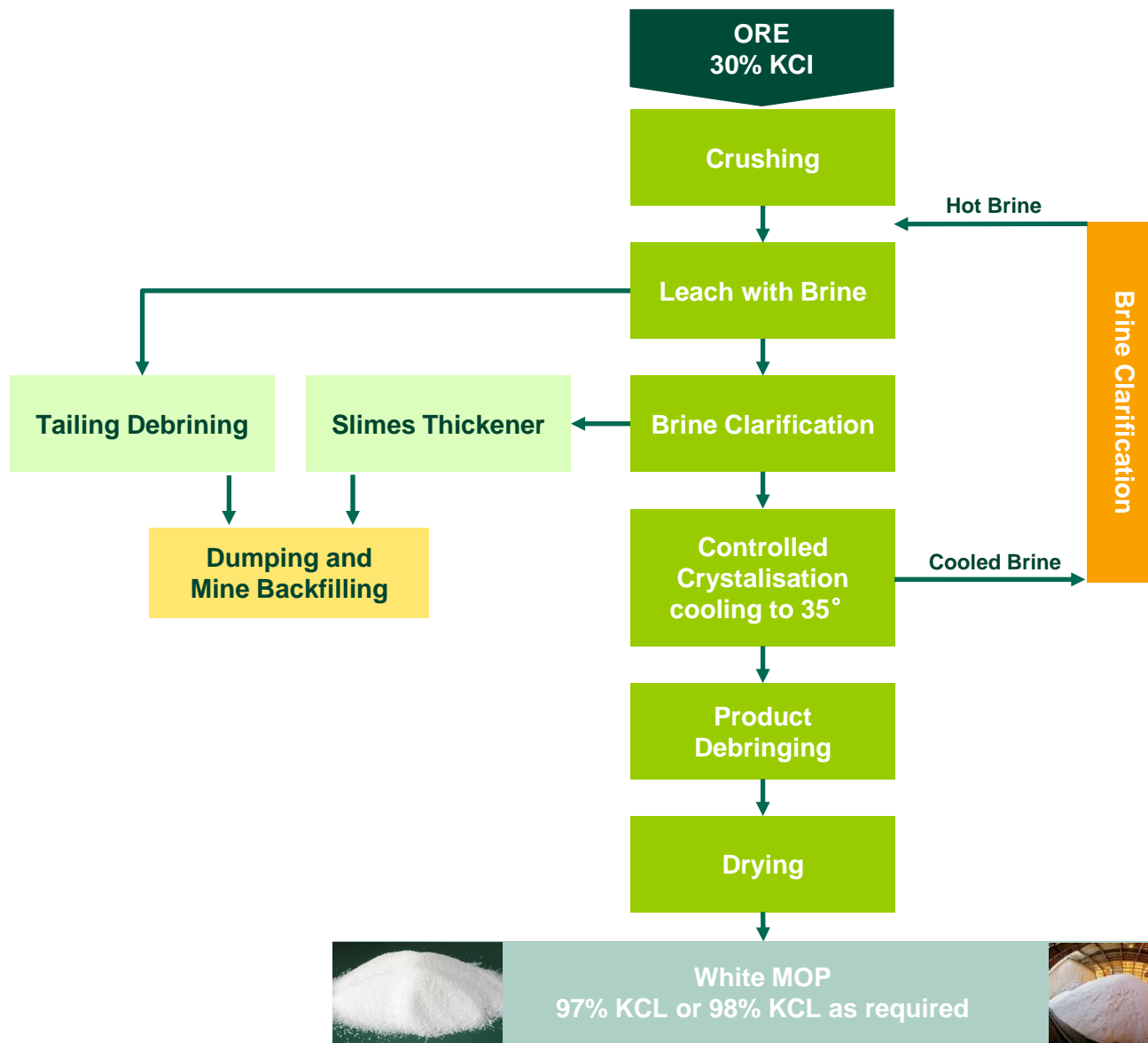
## Compacting

### 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

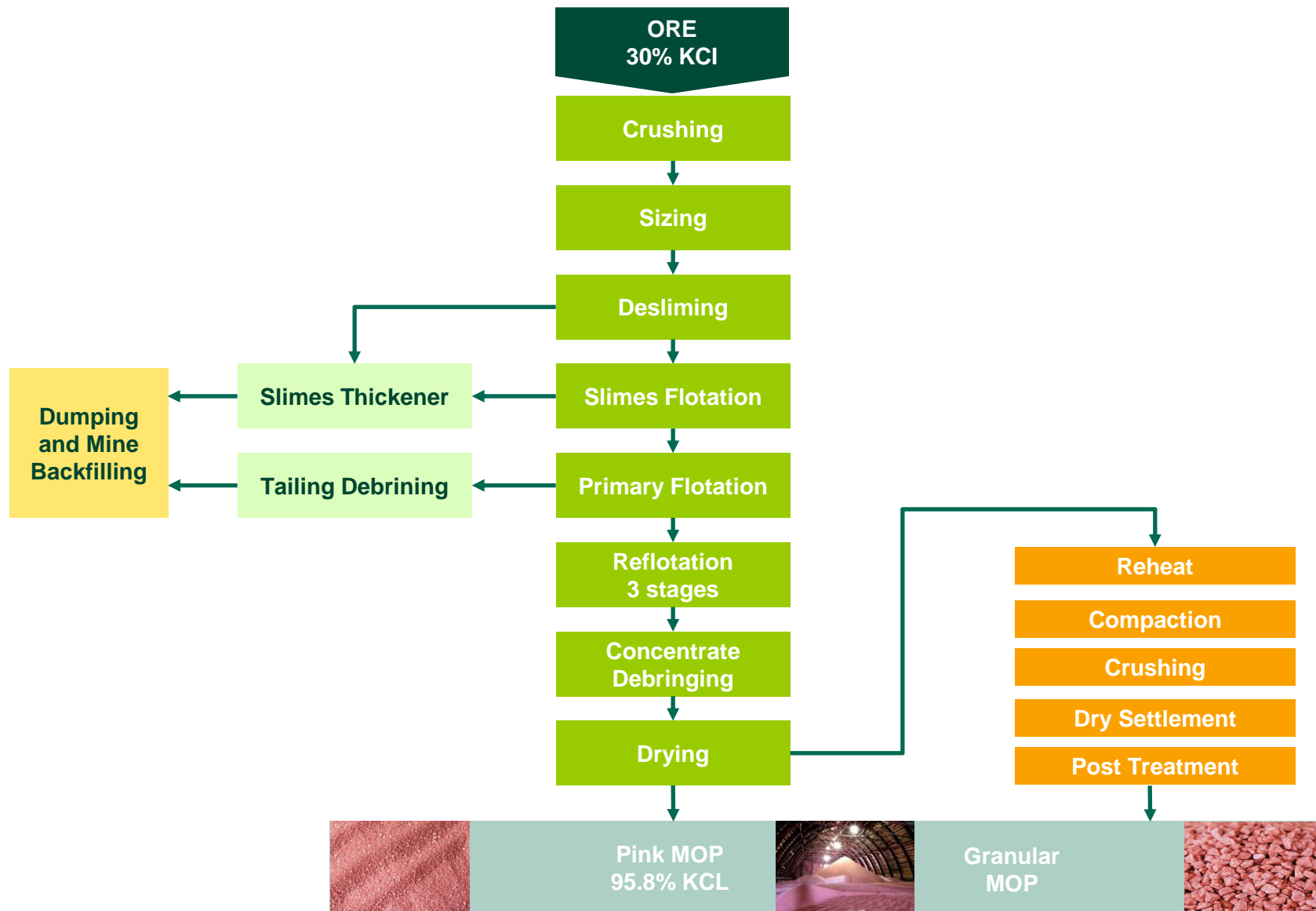
# Chemical Enrichment



White MOP  
97% KCL or 98% KCL as required



# Flotation



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# Awards and Achievements



## 6.2% in DAXglobal Agribusiness Index

September 2012: with a weighting of c.6.2%, Uralkali's GDRs were included in the DAXglobal Agribusiness Index and ranked among the top five index constituents. Uralkali is the first Russian company in the Index.



## Best IR Strategy



April 2013: Uralkali IR team was awarded for the **Best Investor Relations Strategy**. The Ceremony was organised by Adam Smith Institute.



## Strong Local Liquidity + LSE Listed GDRs

GDRs admitted to main Board of LSE under ticker URKA local presence on both RTS and MICEX



## 4.5% of MSCI Russia

MSCI increased Uralkali weighting in its MSCI Russia Index from 2.99% to 4.5% following the completion of combination with Silvinit



## Deal of the Year Awards



**Russian CFO Awards 2012**  
Viktor Belyakov - award for **Best M&A Deal of the Year**

## Investor Awards 2012

M&A: The deal of the year  
Best corporate development strategy



Financial Acumen

Efficiency and Transparency

Top-tier Investor Relations Team

Commitment to High Standards of Corporate Governance

Widely Traded Shares, MSCI Inclusion

URALKALI

## Annual Report Wins Awards



Best Annual Report 2010 among companies with **Market cap over 100 bn RUB** / **Best Design, Idea and Graphic Arts** / **Investment Attractiveness**



Best Annual Report 2011, 2010, 2009 for **Best Level of Disclosure** / **Best Overall Annual Report**

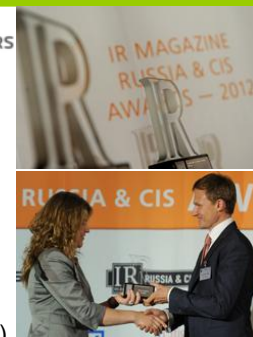


## Investor Relations Progress Award



**IR Magazine Russia & CIS Awards 2012**

**Vladislav Baumgartner**  
Best investor relations by a CEO  
**Viktor Belyakov**  
Best investor relations by a CFO  
**Anna Batarina**  
Best investor relations officer (#2)



Ranked 1 in **'Most progress in IR'** and #3 in **'Best roadshows'** by TR Extel Survey 2010  
**'Best chemicals IR team'** in Russia by TR 2011



## INED Received 'Director of the 2011 Year' National Award



**Paul James Ostling** received award for his contribution towards the development of CGS in Russian companies





# Thank you!

**For more information please contact Investor Relations Department:**

**Anna Batarina**, CFA, Head of Investor Relations and Capital Markets

**Daria Fadeeva**, Senior Manager for Investor Relations

**Daria Bugaeva**, Manager for Investor Relations

**Uralkali**

119034, Russia,  
Moscow, Butikovsky lane, 7  
Tel.: +7 (495) 730-2371  
Fax: +7 (495) 730-2393  
Web: [www.uralkali.com](http://www.uralkali.com)

**E-mail:** [ir@msc.uralkali.com](mailto:ir@msc.uralkali.com)