

Uralkali: A Leader in the Global Potash Market

FY 2011 IFRS Results and Potash Market Overview Conference Call

11 April 2012

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Agenda

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

2011 - Transformational Year

4 February 2011



Shareholder Approval of Uralkali and Silvinit combination

29 June 2011



Election of a new Board - two new INEDs and dividend payment of c.US$500m

6 October 2011



US$2.5bn Buyback Programme launch

8 December 2011



c. US$400m Interim Dividend

February | **June** | **September** | **October** | **December**

16 June 2011



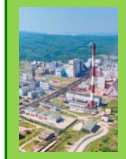
Completion of Combination of Uralkali and Silvinit; leading global fertiliser producer created

21 September 2011



New Dividend Policy Set at not less than 50% Payout

25 October 2011



Strategic Investment Programme - 65% increase in production capacity (19 mt by 2021)

31 December 2011



Capacity expansion: 2011 capacity reached 11.5m tonnes of KCl vs. 10.6m in 2010

2011: Truly Transformational Year That Positioned Uralkali for Global Leadership and Future Growth

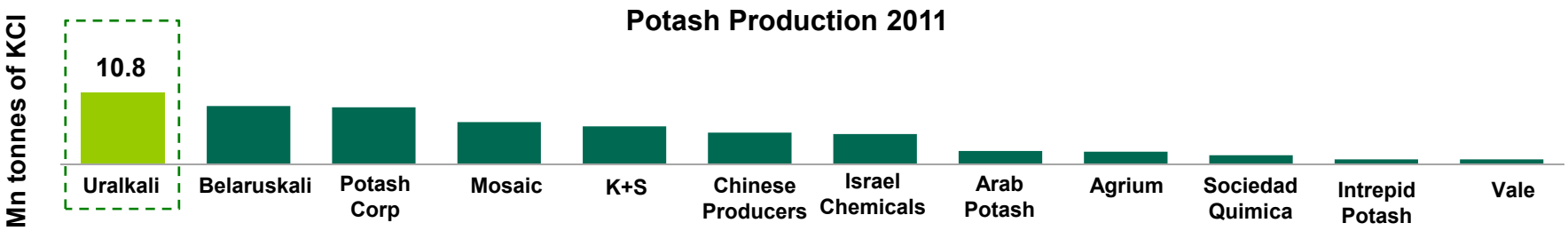
A Strategy to Deliver Future Growth

1 Pure-potash focus and industry leadership	▪ Focus on potash – nutrient which represents strongest investment story across fertilizer sector ▪ Aspire to strengthen leading global position supporting sustainable developments to global food supply
2 Capacity expansion to meet growing demand	▪ Value accretive investment program to selectively expand production capacity ▪ Strategy of matching supply to demand
3 Robust capital structure	▪ Retain robust capital structure (net debt: LTM EBITDA - 1.0x-2.0x) ▪ Maximize shareholder return through balanced approach to investing in organic growth and return of excess liquidity
4 Maximize efficiency through competitive cost position	▪ Maintain and enhance position as one of the lowest cost potash producers globally ▪ Continuous improvements in operational efficiency and realization of synergies from combination with Silvinit
5 Focus on people and communities	▪ Position Company as employer of choice amongst CIS mining companies ▪ Labor safety / employee development / community development
6 Promoting environmental safety	▪ Delivering value whilst operating in a socially responsible manner ▪ Minimization of environmental impact of our operations
7 Leading corporate governance standards	▪ Principles of openness, transparency and risk minimization for all stakeholders ▪ Continuous improvement in our leading corporate governance standards

Clear Strategic Roadmap to Drive Longer Term Value Creation and Capital Discipline

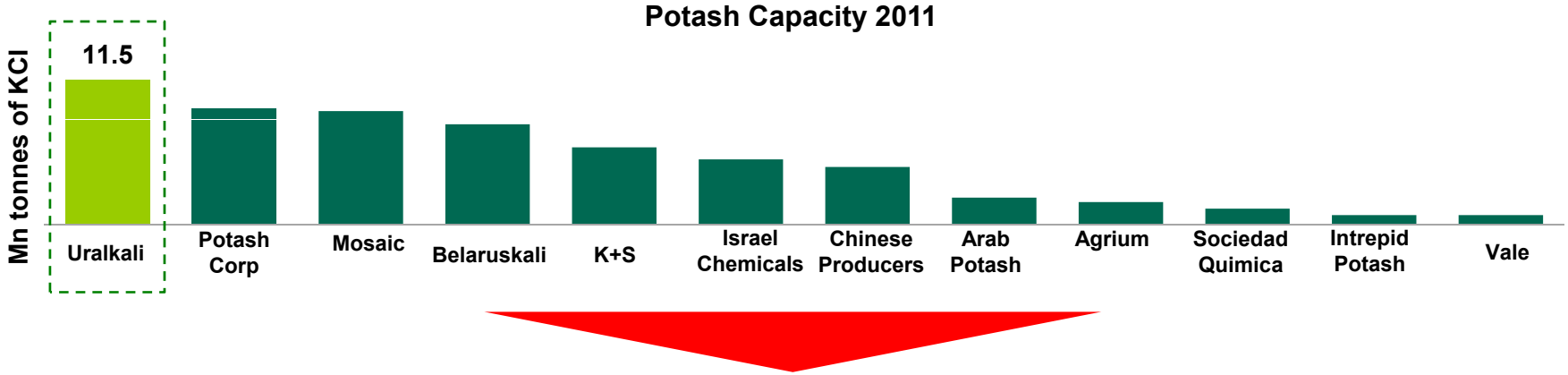
Uralkali – A Leader in the Global Potash Market

Largest Global Potash Producer



Source: Companies financial reports, IFA, National Bureau of Statistics of China
Note:
1. Mosaic production excluding share produced under toll agreement with PotashCorp

Largest Player by Capacity



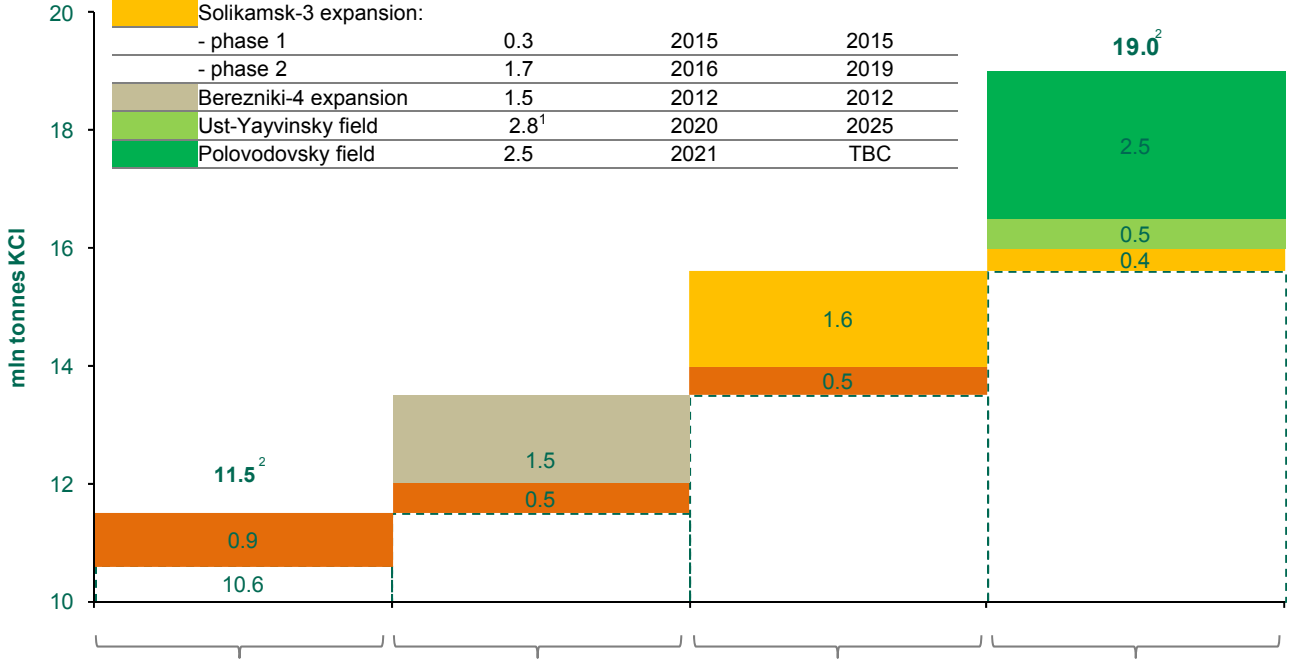
Global Market Leader by Both Production and Capacity

Source: Companies financial reports, IFA, National Bureau of Statistics of China, FMB, Fertecon, VTB Capital Research

Expansion Programme

Strategic Capacity Expansion to Meet Growing Demand

	Project Name	Project Capacity, mln t KCl	Commissioning Date	Full Capacity Date
	Debottlenecking	1.9	2011	2017
	Solikamsk-3 expansion:			
	- phase 1	0.3	2015	2015
	- phase 2	1.7	2016	2019
	Berezniki-4 expansion	1.5	2012	2012
	Ust-Yayvinsky field	2.8[1]	2020	2025
	Polovodovsky field	2.5	2021	TBC



	2011	2012F-2014F	2015F-2017F	2018F-2021F	Total
Capex (expansion) (US$bn)	0.3	1.2	2.3	1.9	5.8

Asset Scale

- JORC resources of 8.6Bnt
- Including 4.4Bnt at Ust-Yayvinsky and Polovodovsky blocks

Attractive Mine Fundamentals

- Shallow mine depths (300-450m)
- Infrastructure already in place
- Strong geology, mining expertise

Cost Advantage

- Brownfield – c.US$420/t[3]
- Greenfield – c. US$750/t[3]
- Potash price to justify investments – c. US$230/t[4]

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

Note:
1. 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
2. Capacity is given as of the year end
3. Weighted Average Cost
4. Required Rate of Return 15%

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4. Conclusions and Outlook

Financial Statement FY 2011 – Alignment of Reporting Standards

CHANGES IN REPORTING STANDARDS AS OF 2011	
Changes in reporting	• Financial reporting in US Dollars • Key numbers on Q-Q basis • Prices on FCA basis to avoid difference of sales terms between Uralkali and Silvinit

CONSOLIDATION OF SILVINIT	
Balance Sheet	Purchase price allocation • Goodwill of US$ 1.8bn – excess of consideration over the fair value of assets and liabilities • Intangible assets of US$ 5.6bn – operating licences of Silvinit
P&L, Cash Flow	1. Consolidation starting 17 May 2011, when Silvinit ceased to exist as Russian legal entity: • Financial Statement includes 7.5 months of Silvinit operations • Pro-forma numbers include 12 months of Silvinit operations –> more representative for results of the Combined Company 2. Significant non-cash items:
	• Amortization of licenses – US$ 202mln[1] • FX effect and realization of swap - US$ 140 mln[1]

Further increasing transparency and disclosure standards

Note: 1. On a pro-forma basis

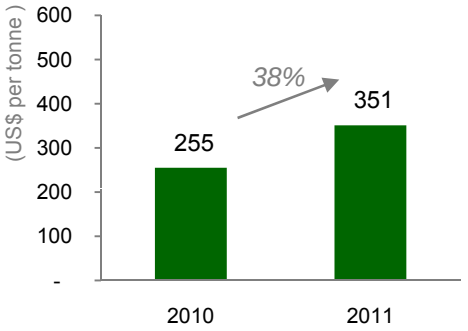
Key Financial Highlights – FY 2011

Key Figures

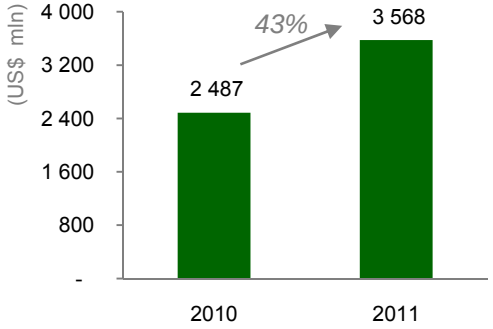
(US$ mln)	Pro-forma FY 2011[1]	Pro-forma FY 2010[2]	Change %
Sales volume, 000 tonnes	10 648	10 004	*6%*
- Domestic sales	1 871	1 695	*10%*
Sales for local consumption	*558*	*475*	
- Export sales	8 777	8 309	*6%*
Net revenue[3]	3 568	2 487	*43%*
EBITDA[4]	2 459	1 403	*75%*
EBITDA margin[5], %	*69%*	*56%*	
Net Profit	1 527	929	*64%*
CAPEX	444	444	
incl. Expansion	247	197	

Key Highlights[1,2]

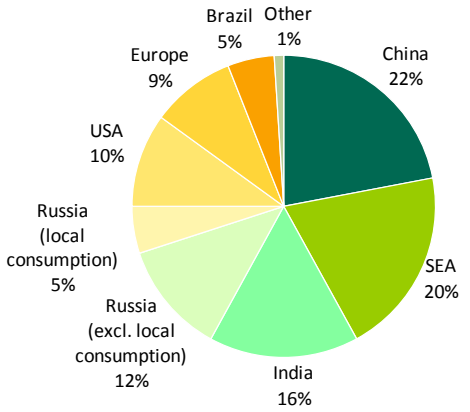
Average export potash price, FCA



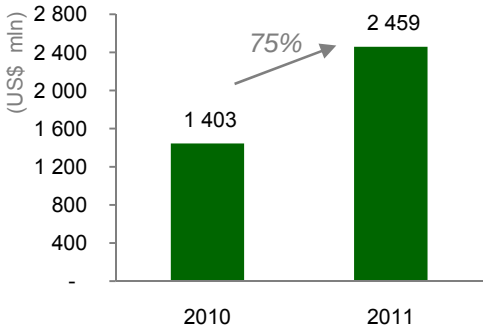
Net Revenue [3]



FY 2011 Market mix



EBITDA [4]

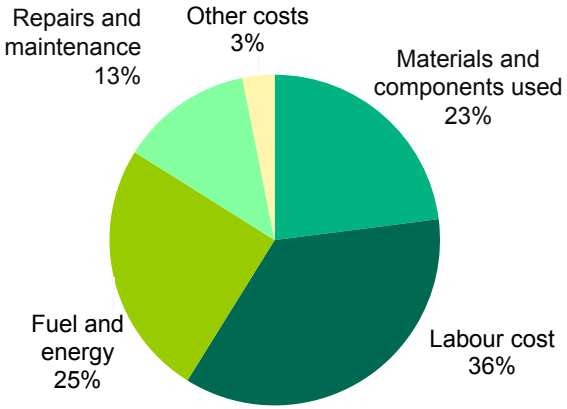


2011: Stronger Pricing and Profitability

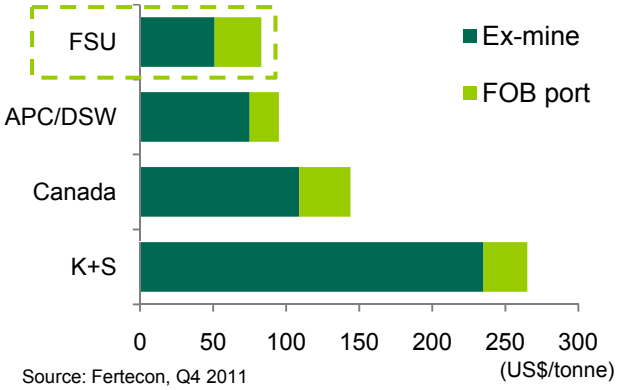
Notes:
1. Uralkali financial results for the 12 months ended 31 December 2011 including Silvinit results starting from 1 January 2011
2. Pro-forma FY2010 is calculated as Uralkali financial results for FY2010 + Silvinit financial results for FY2010
3. Net revenue represents adjusted revenue (sales net of freight, railway tariff and transshipment costs)
4. EBITDA is calculated as Operating Profit plus depreciation and amortization and does not include mine flooding costs
5. EBITDA margin is calculated as EBITDA divided by Net Sales

Review of Cost Structure FY 2011[1]

Cash COGS[2]

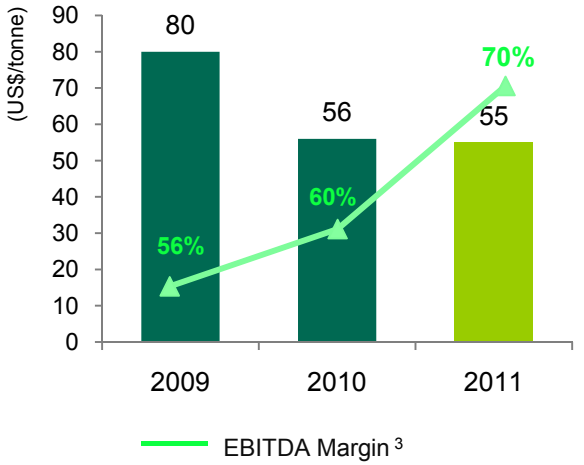


Global Cash Costs



Source: Fertecon, Q4 2011

Unit Cash COGS

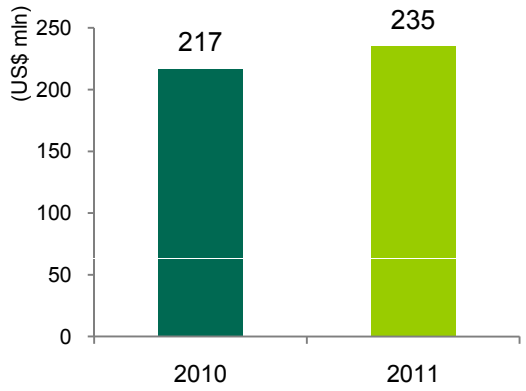


Unit cash COGS – 55 US$ per tonne, one of the lowest across the industry

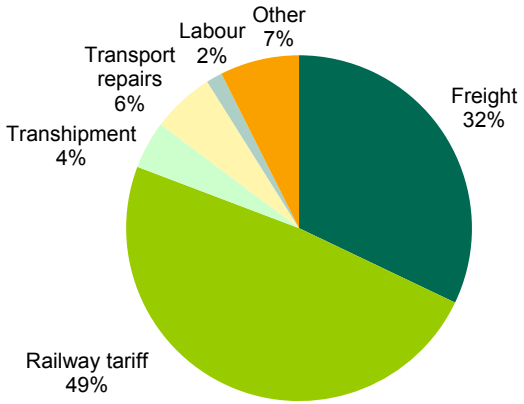
Notes:
1. Consolidated Financial Statement for FY 2011
2. Adjusted for COGS of finished goods transferred from Silvinit
3. EBITDA margin is calculated as EBITDA divided by Net Sales

Review of Cost Structure FY 2011 (2 of 2)

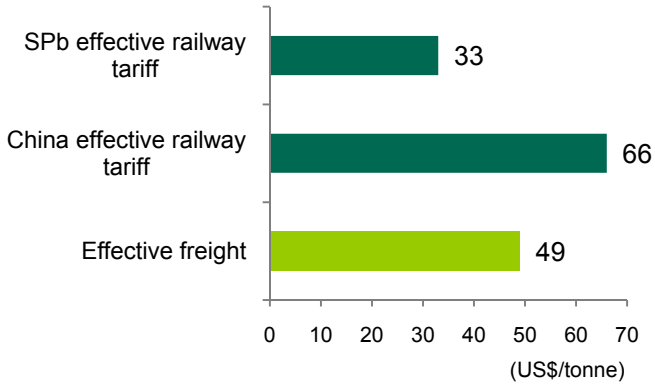
G&A Costs[1]



Cash S&D Costs[2]



Effective Railway Tariff & Freight[2]

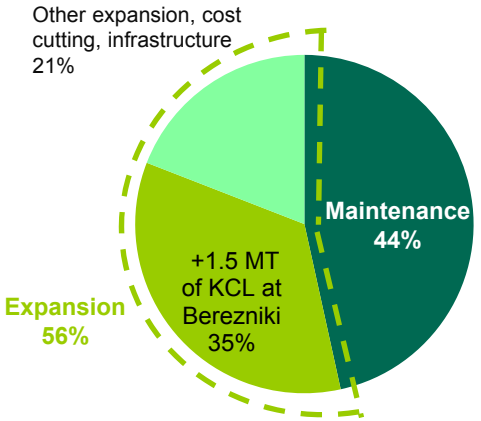


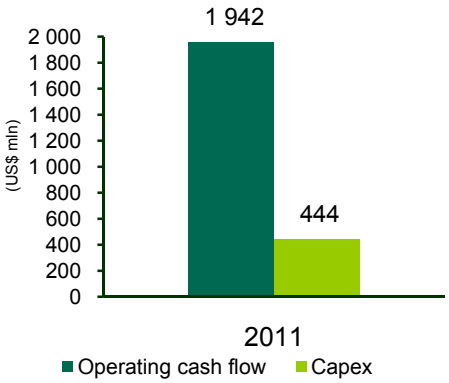
Global cost leadership through optimization and delivery of synergies

Notes:
1. On a pro-forma basis
2. Consolidated Financial Statement for FY 2011

Capex, Cash Flow, Balance Sheet FY 2011[1]

Capex , Operating Cash Flow , Balance Sheet





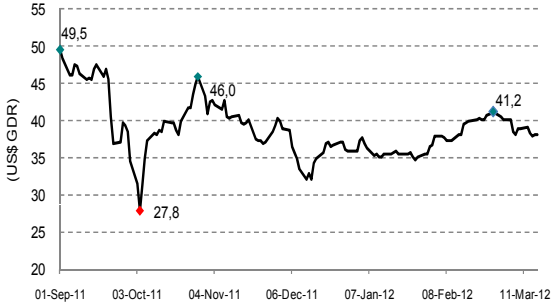
(US$ bn)	**31 Dec'11**
Debt *(bank loans)*	3 282
Cash	1 018
Net debt/(cash)	2 264
EBITDA[2]	2 459
Net Debt / LTM EBITDA	0.9x

- Loan portfolio parameters as of Mar'12E:
  - c.100% of debt exposure is in US Dollars
  - Effective interest rate as of 31 Dec 2011 – 3.3%
  - Target Net Debt/LTM EBITDA ratio of 1.0–2.0x

Dividends and Buy-back update

- Dividends for 2011:

+ Interim – c. US$ 0.7 per GDR
FY 2011 – c. US$ 0.7 per GDR
(recommended by the BoD on 10 Apr'12)

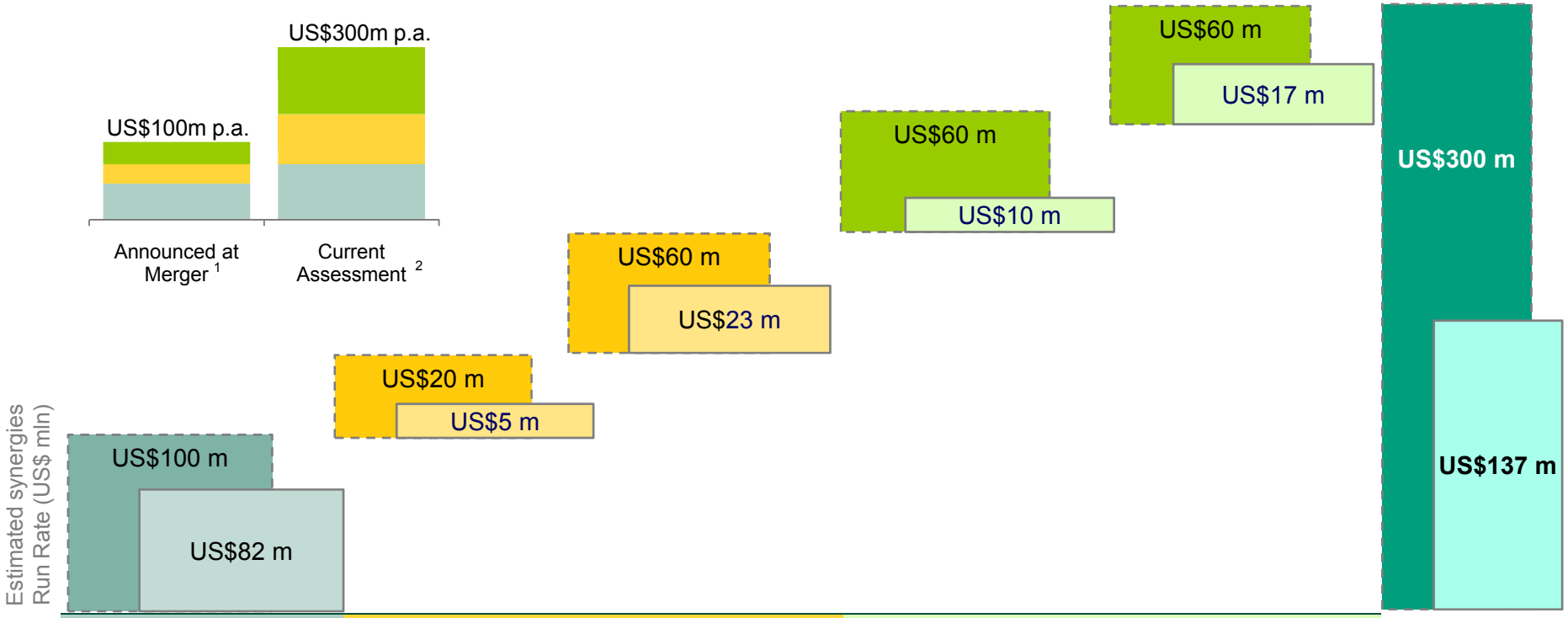


- Buy-back:
  - 6 Oct'11: approval in the max amount US$2.5bln, valid till Oct'12
  - c. US$404 mln completed to date
  - Effective buyback price [3] - US$36.2/GDR

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

Note: 1. On a pro-forma basis
2. EBITDA is calculated as Operating Profit plus depreciation and amortization and does not include mine flooding costs
3. Average buyback price calculated as total value acquired divided by total number of GDRs and shares (converted to GDRs at 5:1)

Extracting Value through Synergy Realisation



RECURRING SYNERGIES

OPERATIONAL	TRANSPORTATION	SALES	SG&A (incl. HR)	FINANCIAL
• Optimized procurement • Optimized R&M • Closure of carnallite and potash production in Berezniki-1	• Transportation routes moved to BBT • Rolling stock use • Optimization of load runs/empty runs	• Termination of agreements with traditional Silvinit traders (IPC/Agrifert) • Domestic sales streamlining	• Combination of corporate functions, streamlining divisional functions offices • Elimination of duplicate administrative functions and services	• Optimization of debt portfolio • Refinancing of expensive Silvinit debt

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

Note:
1. Net of expected implementation costs
2. Gross of implementation costs of US$42.5m (of which US$17m was spent in 2011)

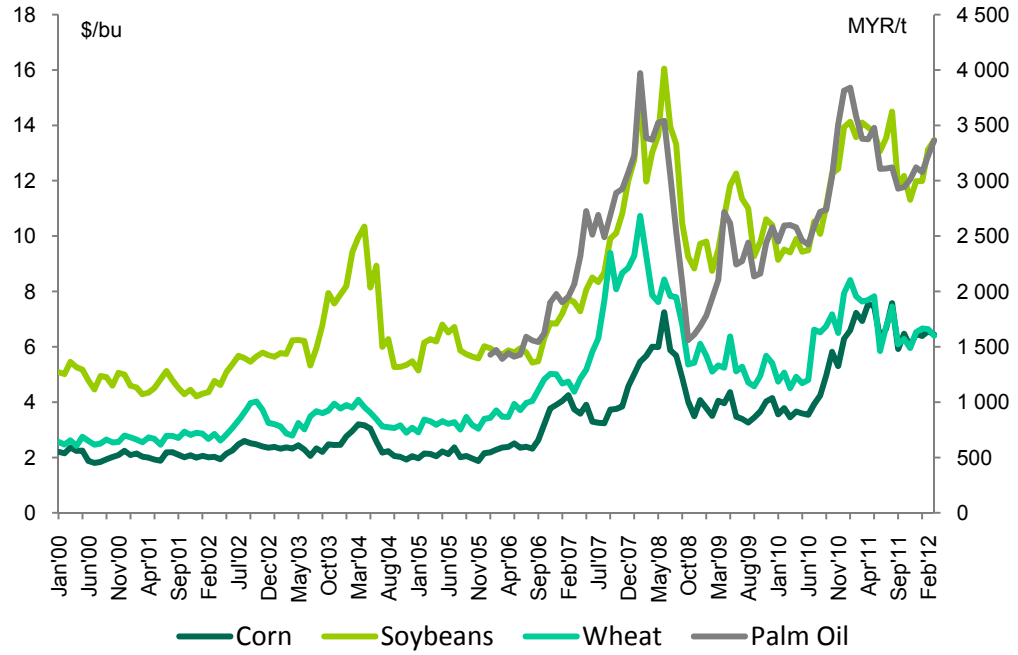
Run Rate (2013 onwards)
Achieved in 2011

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Crop Prices Stay High

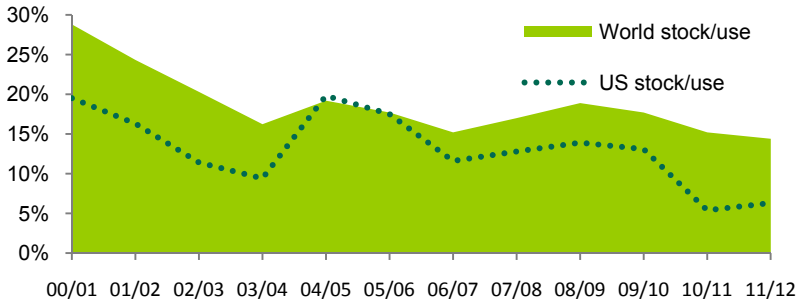
Crop Future Prices



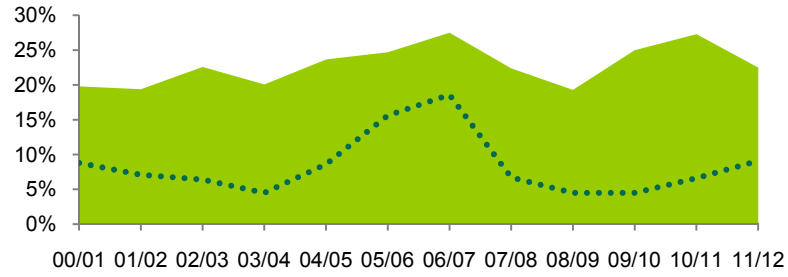
Source: CBOT, Bursa Malaysia

- Agricultural commodity prices remain at historically high level due to a rise in global consumption and falling grain stocks
- Volatile market due to possible supply disruptions/weather conditions

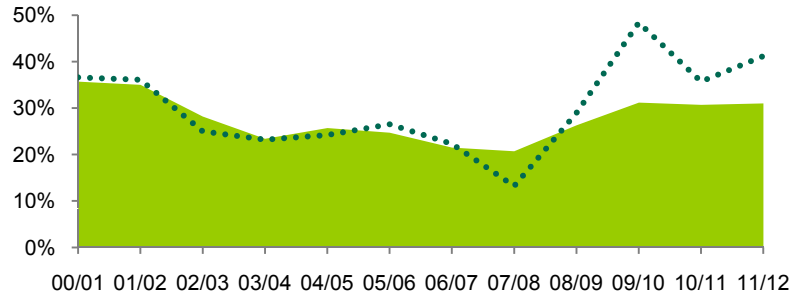
Corn stocks-to-use ratios



Soybeans stocks-to-use ratios



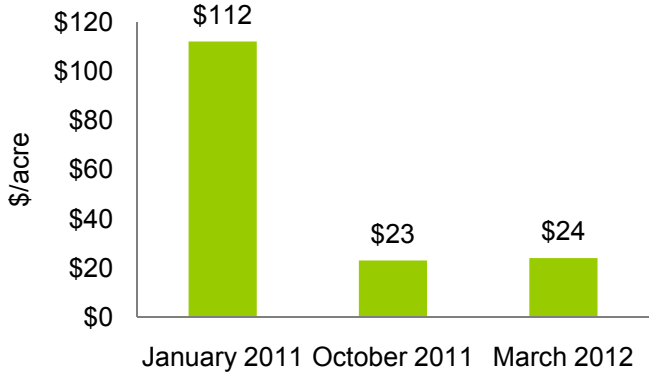
Wheat stocks-to-use ratios



Source: USDA

Farmers' EBITDA margins

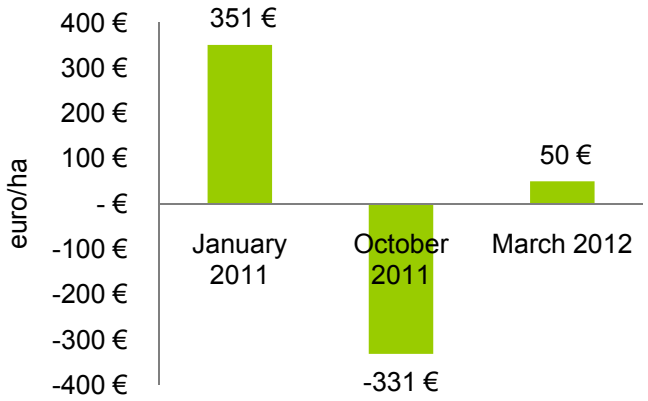
Corn, USA



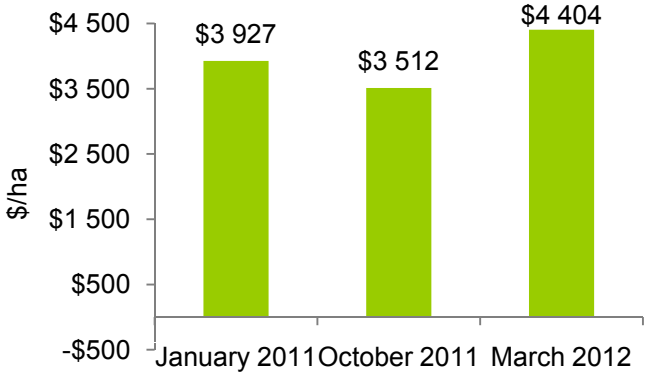
Soybeans, Brazil



Wheat, Poland



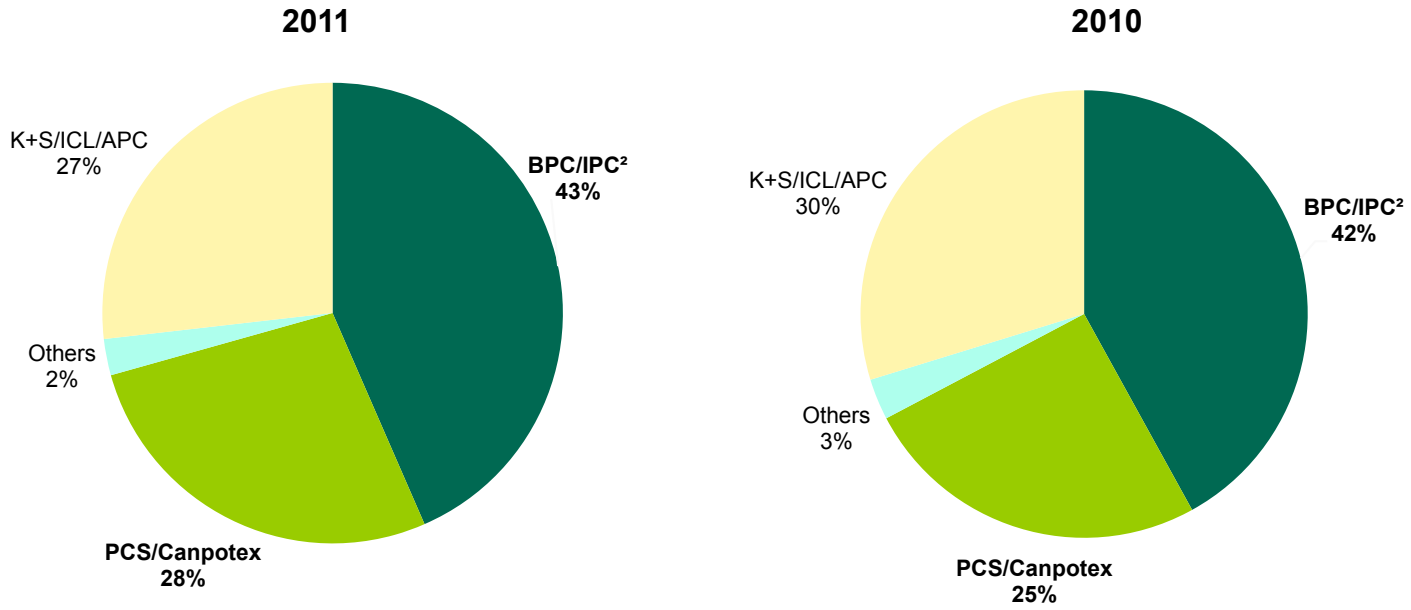
Palm oil, Malaysia



Fertilizer Pricing Supported by Farmer Economics

Global Potash Export Trade 2011

Suppliers' market shares in global potash export[1]



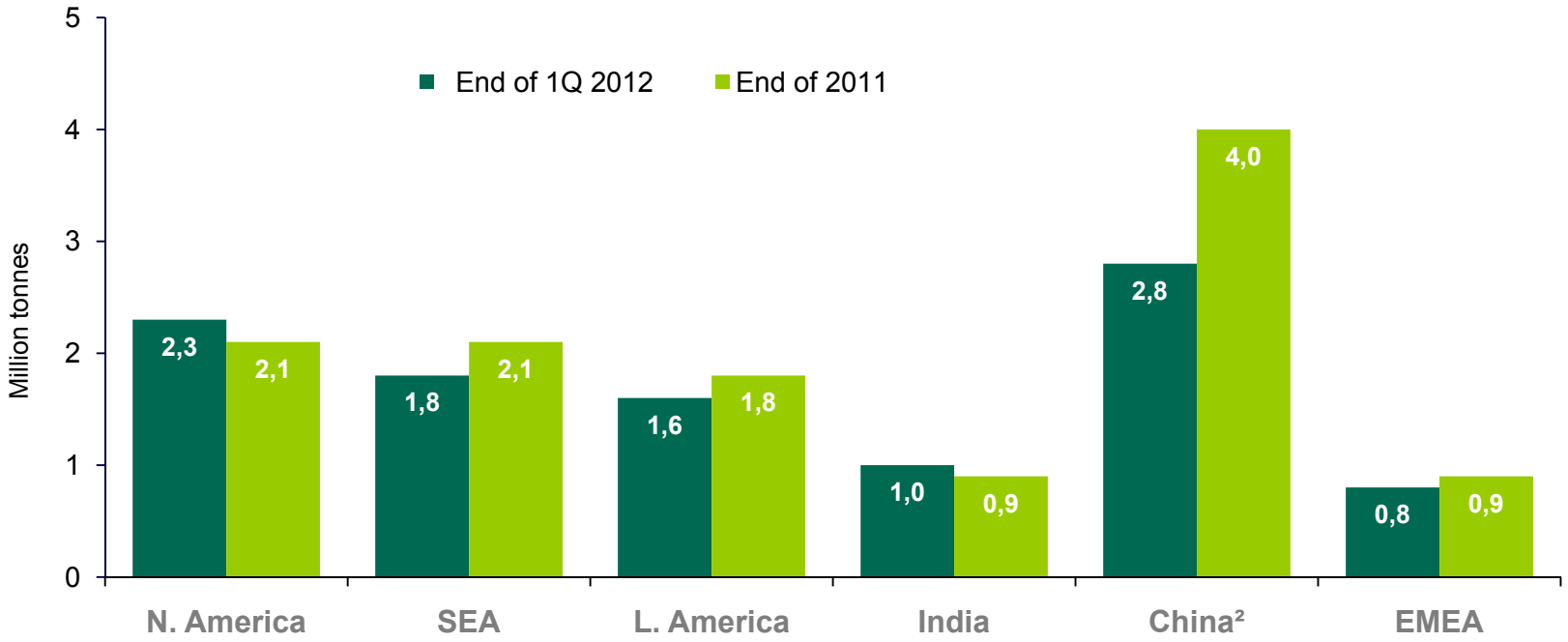
Global market share leadership sustained in 2011

Source: IFA, Companies' reports, BPC

Note:

1. For the purposes of this chart the US is considered as domestic market for the North American producers
2. Together with Uralkali Trading S.A.

Global Potash Inventory[1]

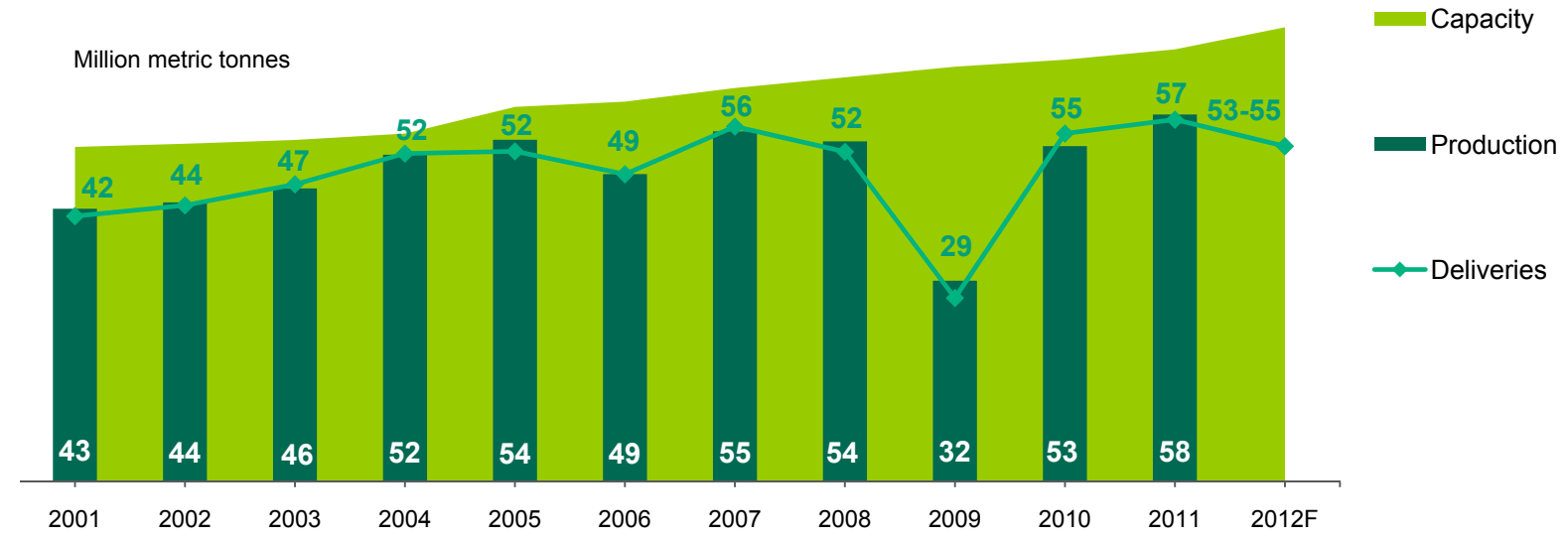


Source: BPC estimates

- We expect global inventories to get depleted during spring application in S.East Asia, Latin America, N. America, and Europe followed by restocking

Notes:
1. Inventory doesn't include domestic potash producers' stocks, excl. China
2. Including domestic producers' stocks, port stocks, pile channels stock, NPK warehouse stock and on-the-way cargo

Supply/Demand Dynamics 2001-2012F

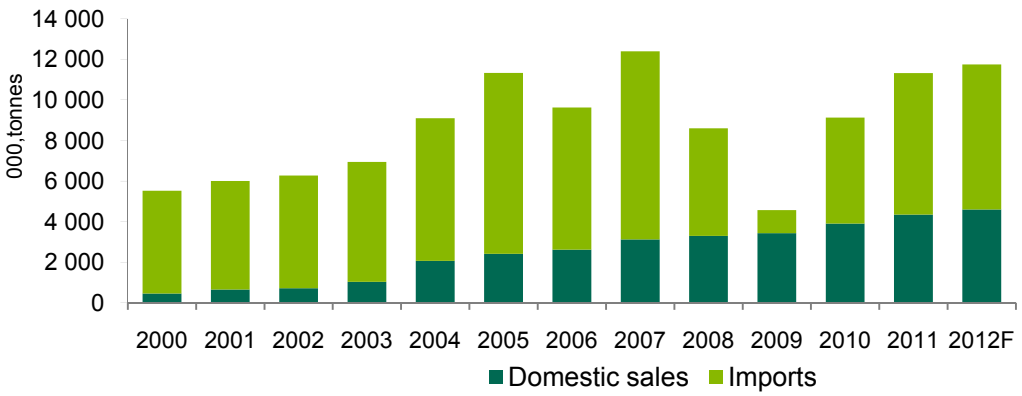


Source: IFA, BPC estimates

- In 2012, world potash consumption is expected to reach 56-58 MT
- Potash deliveries are estimated in the range 53-55 MT depending on macroeconomic environment and the Indian contract settlement

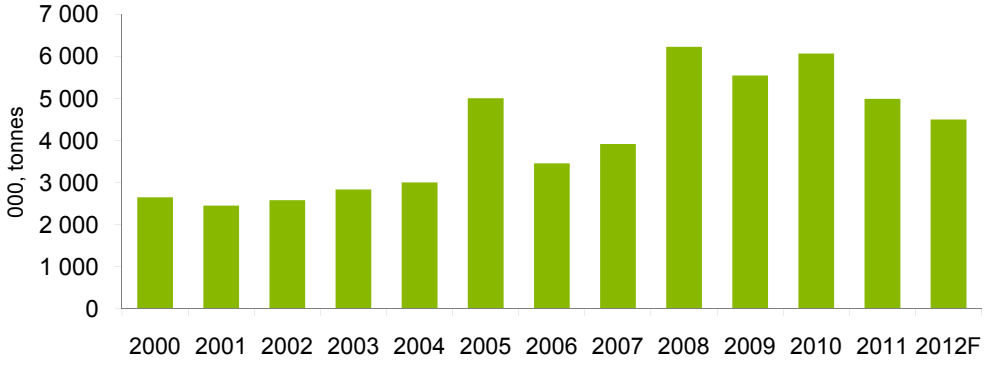
Market update: China and India

China Potash Demand 2000-2012F



Source: IFA, BPC estimates

India Potash Demand 2000– 2012F – Net Importer



Source: IFA, BPC estimates

China:

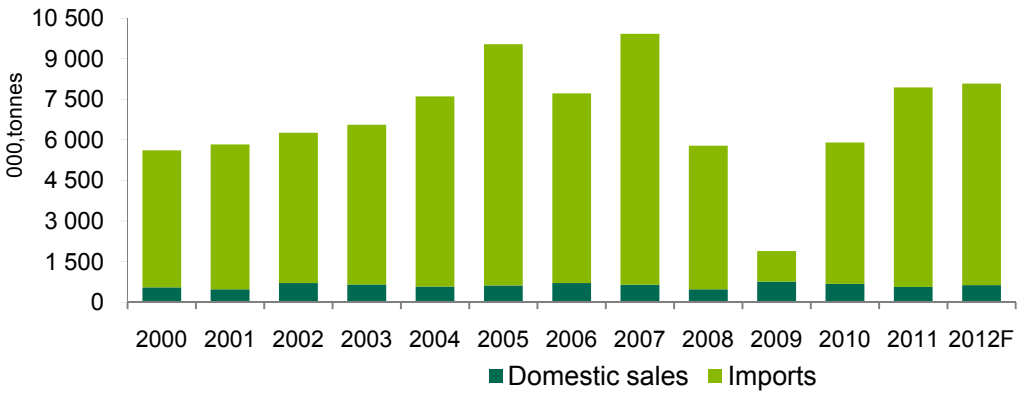
- China imported close to 7MT in 2011, the highest level since 2007.
- The timely signing of contract for Q2/12 - positive for the market
- Inventories decreased from 4.0-4.5 MT at the end of 2011 to 2.8-3.0 MT by the end of Q1/12.
- 2012 demand outlook is positive with prospect to exceed 2011 level

India:

- 2011 imports were at the lowest level since 2009
- Indian government approved proposal to cut fertilizers subsidies for FY2012/13
- The new contract is expected to be signed in 2H12, the terms and duration remain to be negotiated

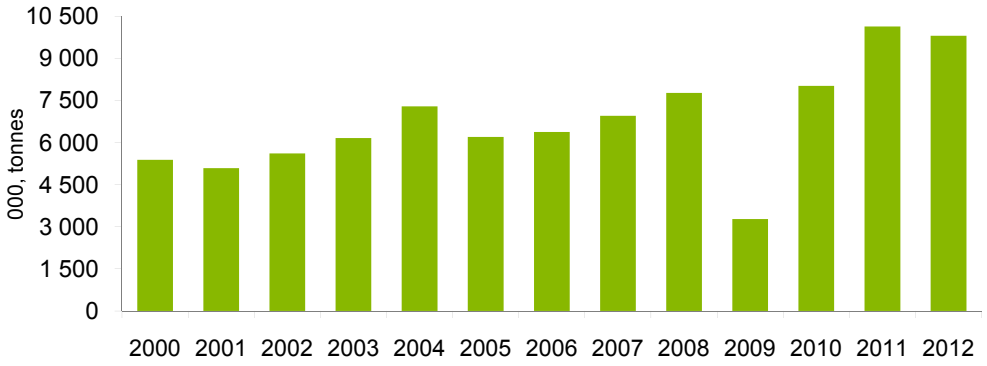
Market update: Brazil and S. East Asia

Brazil Potash Demand 2000-2012F



Source: IFA, BPC estimates

S. East Asia Potash Demand 2000-2012F– Net Importer



Source: IFA, BPC estimates

Brazil:

- Brazil imported record 7.4 MT in 2011
- Good demand is expected in 2012 (concentrated in May-Oct)
- Inventory at 1.0-1.2 MT by the end of Q1/12
- Price has a growing potential

South East Asia:

- 2011: a record year in terms of import volumes – exceeded 10 MT of potash, 27% increase yoy
- Slightly elevated inventory levels due to accelerating buying in 2H11 and bullish pricing expectations
- Consumption is expected to be strong

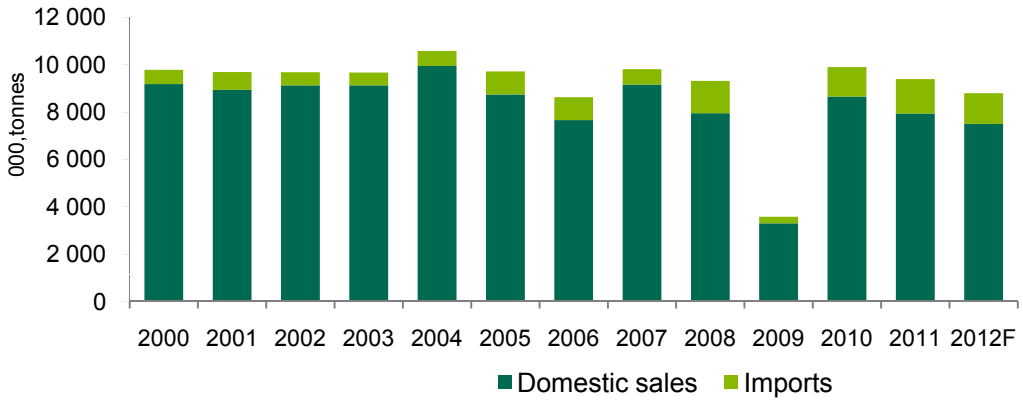
Market update: EMEA and N. America

EMEA Potash Demand 2000-2012F



Source: IFA, BPC estimates

N. America Potash Demand 2000-2012F



Source: IFA, BPC estimates

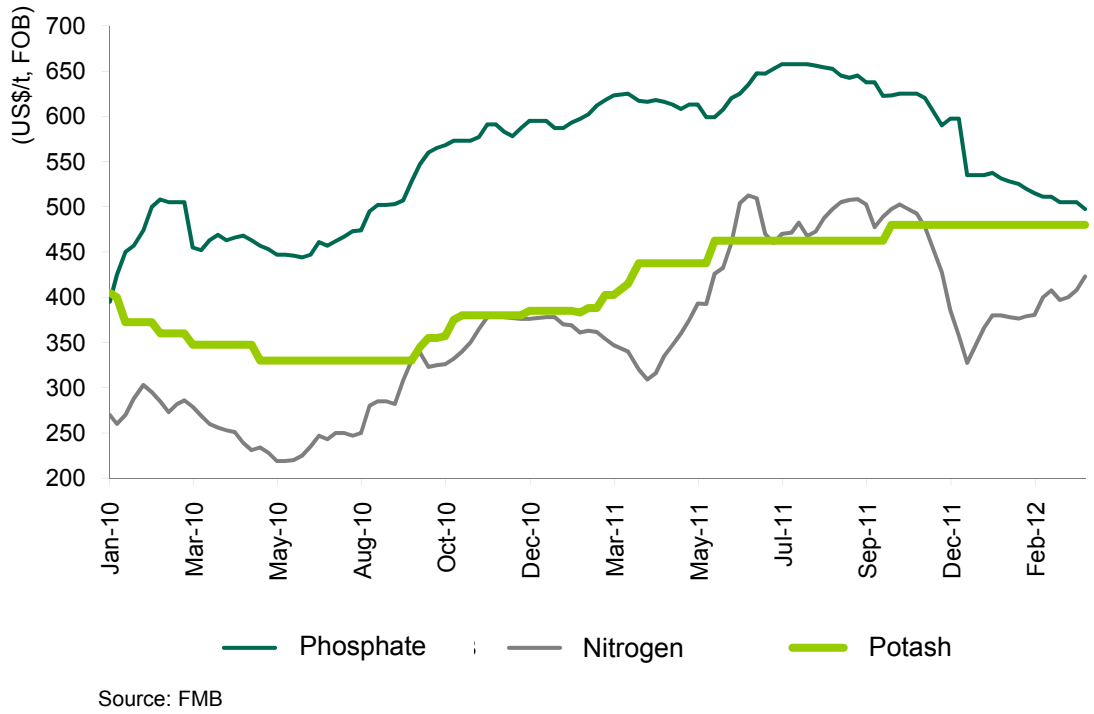
EMEA:

- 2011: demand went down ~10% yoy to 11 MT due to sovereign debt concerns putting pressure on demand worldwide
- Late demand and weakness seen over recent months may limit demand growth for 2012
- Farmers' profitability is robust

N. America:

- 2011: demand below expectations due to deterioration in global growth expectations, caused by turmoil in Europe and slowdown in the US
- According to the USDA – record corn acreage is expected, the highest level since 1937. This should be supportive to fertilizer consumption
- 2012 demand is expected to be lower than in 2011 due to very low buying activity in 1Q 2012

Potash Prices Remain Stable with Upward Momentum



Source: FMB

- Potash prices remain stable in most key markets
- Q2'12 China contract settled at $470/t CFR, the price established a floor for the global potash market
- India contract expected to be concluded in the 2H 2012
- Potash demand is expected to pick up following the China contract

Potash Market Outlook

- Fundamentals continue supporting potash market:
  - despite continued macroeconomic volatility, crop prices remain at historically high levels
  - farmers continue to increase production to capitalize on the economic opportunity in agriculture
- We expect potash consumption to range 56-58 million tonnes with deliveries 53-55 depending on macroeconomic environment and results of negotiations with India and China for next contract
- Given healthy farmer profitability for key crops around the world, seasonal improvement in potash demand, and contract settlement with China, we anticipate potash prices to see upward momentum from 2H2012

Agenda

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

Conclusion and Outlook

A Leader in the Global Potash Market	• #1 in global potash production • Leading player in potash export market • Amongst the lowest cost producers and further synergistic potential • Attractive portfolio of cost-advantaged brownfield projects + large-scale greenfield opportunities
Sustainable Superior Performance	• EBITDA margin – 69%[1] • Cash COGS per tonne – 55 US$[1] • Optimized low interest rate debt portfolio • Synergetic effects materializing with increased target of US$ 300 mln
Potash Market Update	• Industry fundamentals are highly attractive with favourable demand growth prospects • Crop prices expected to stay elevated • Global potash consumption expected to range between 56-58 MT in 2012
Further Improvement in Governance	• High calibre international INEDs elected to the Board • New dividend policy (min. 50% payout) benefits all shareholders

Focused on delivery of growth to drive shareholder value

Note:
1. On a pro-forma basis

Thank You!