

Uralkali: A Leader in the Global Potash Market

INVESTOR DAY

24 June 2011

Perm Region

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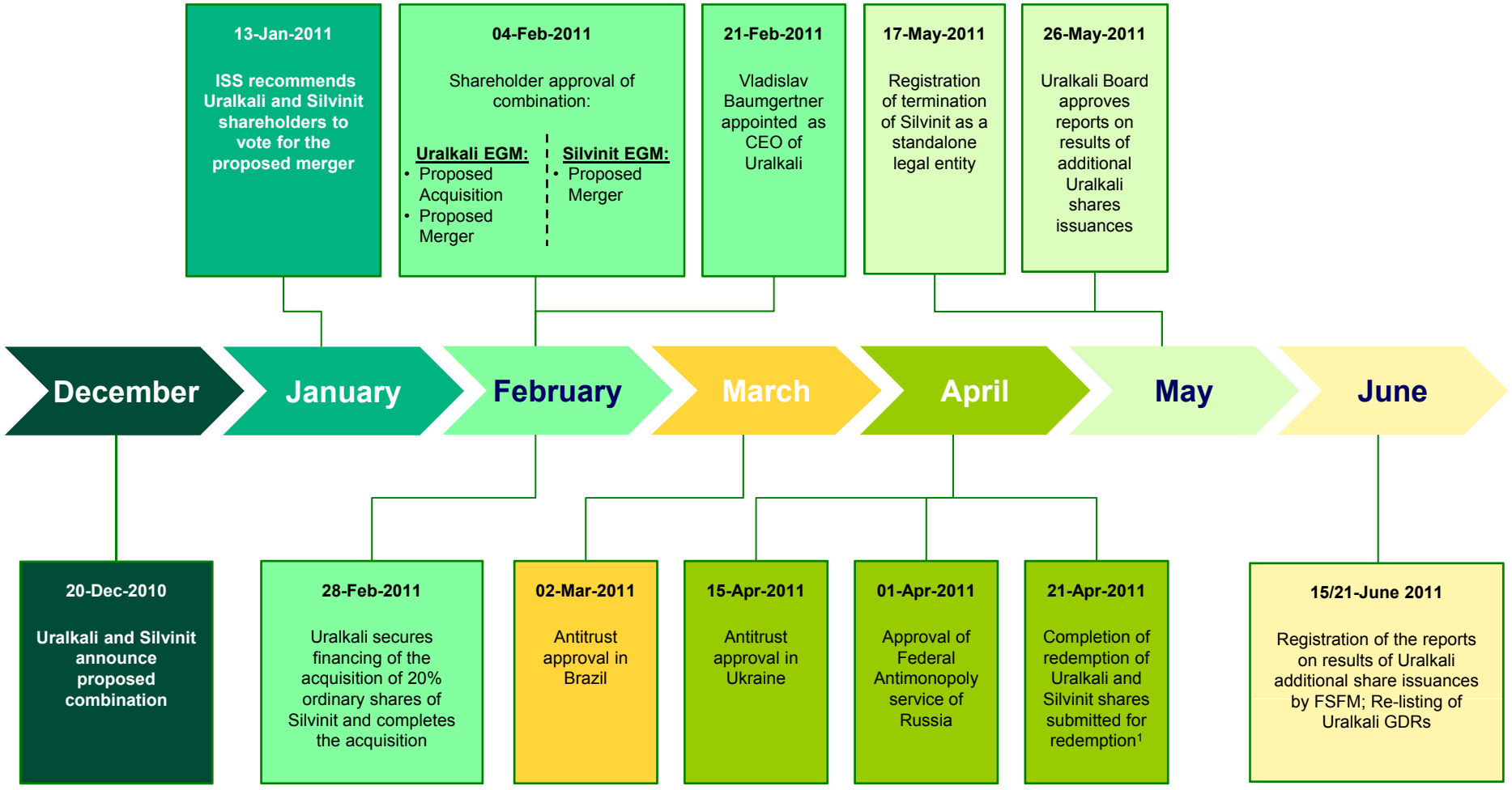
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Agenda

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

1 Completion Timeline



Shareholders and other stakeholders demonstrated strong support for the proposed combination which was successfully completed in accordance with the timetable outlined at transaction announcement

Note:
1. By shareholders that voted against or did not participate in voting on the Proposed Combination and/or related merger transactions

Agenda

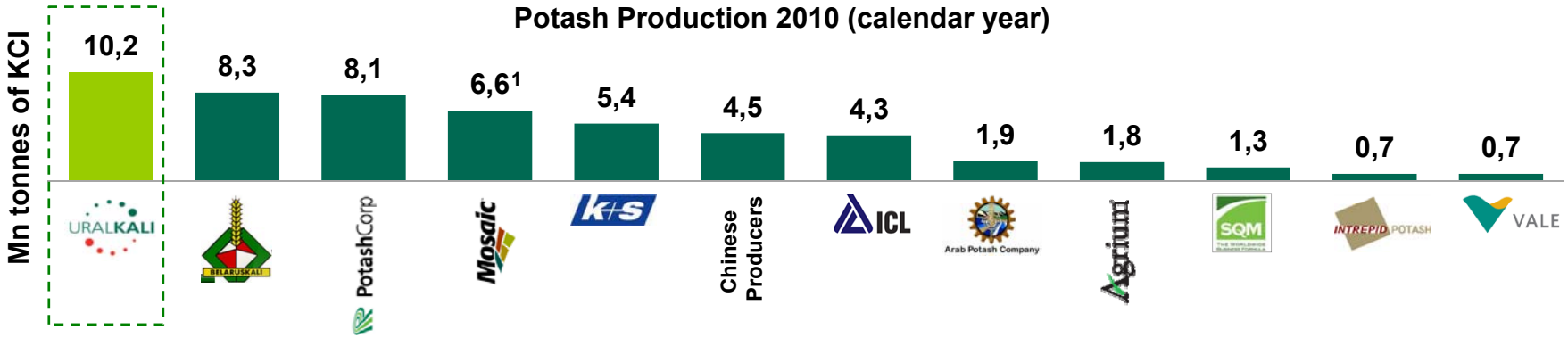
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2 A Leader in the Global Potash Market

- Uralkali is a leading player in potash production and capacity
  - #1 in potash production
  - #2 in capacity globally
- Uralkali is a leading player in potash export market
- Uralkali is positioned amongst the lowest cost producers with highly cost advantageous competitive position and further synergistic potential
- Uralkali has an attractive portfolio of cost-advantaged brownfield projects alongside large-scale greenfield development opportunities

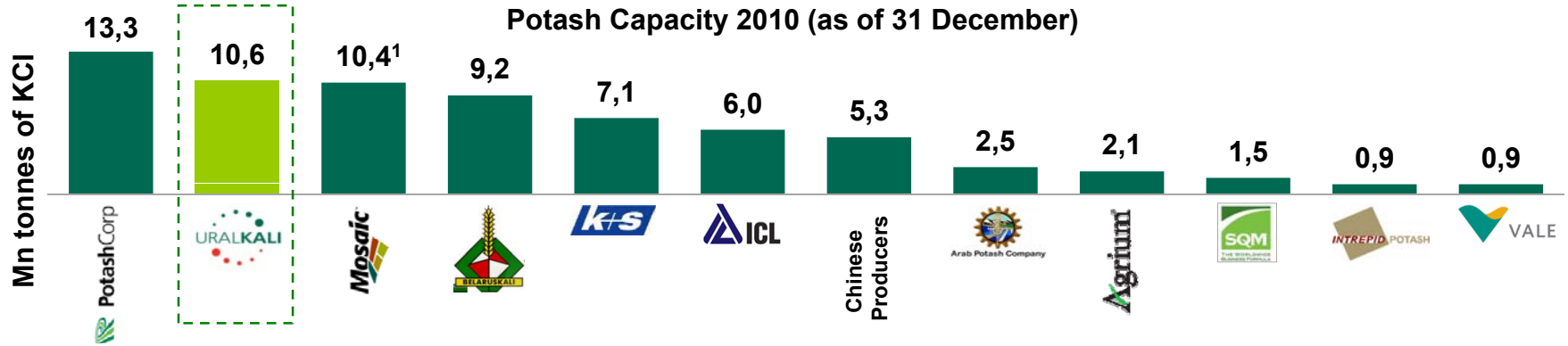
2 A Leader in Production and Capacity

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

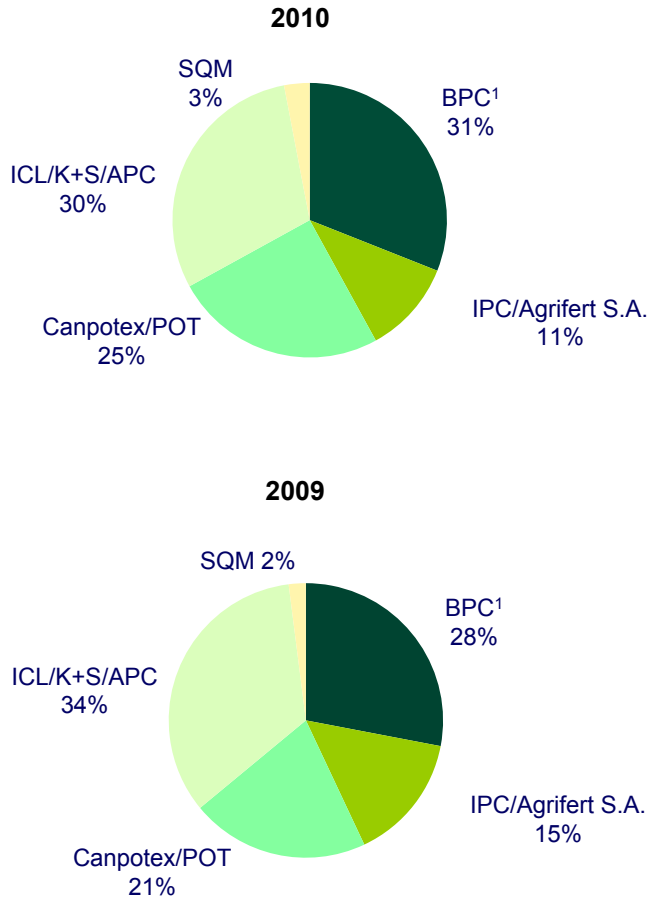
Second Largest Player by Capacity



Source: Companies financial reports, IFA, National Bureau of Statistics of China
Note:
1. Mosaic capacity as of 31-May-10 excluding capacity used under toll production agreement with PotashCorp

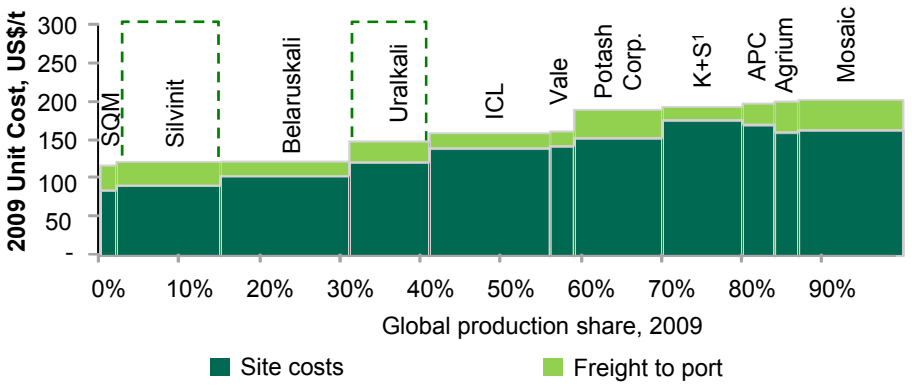
2 A Leader in Export Sales and Costs

Export Market Share Leader



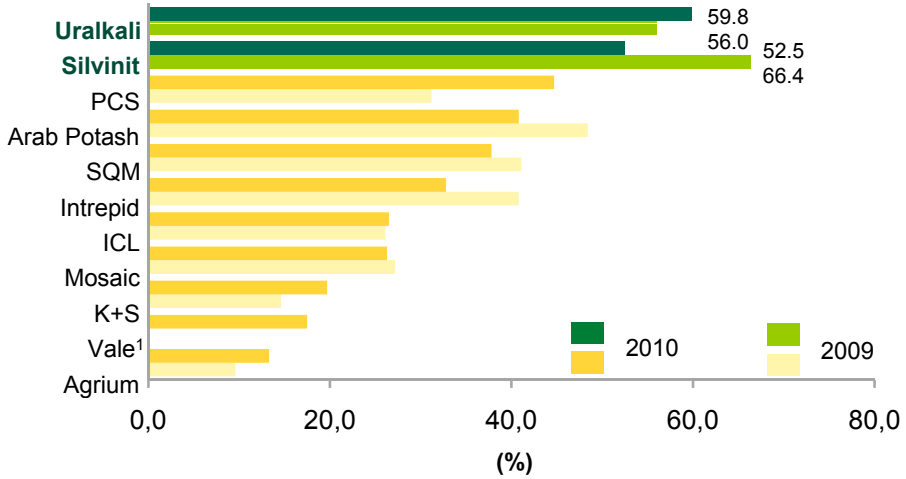
Source: IFA, Companies' reports, BPC
Note:
1. Together with Uralkali Trading S.A

Among Lowest Cost Producers Globally



Source: British Sulphur Consultants
Note:
1. Based on conversion costs of the Kali Zielitz mine as the only pure KCl producing asset of K+S

Global Leader in Profitability in 2009-2010 EBITDA Margin (%, net sales based)



Source: Company reports
Note:
1. Fertilizer nutrients segment only

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3 Clear Strategy to Deliver Future Growth

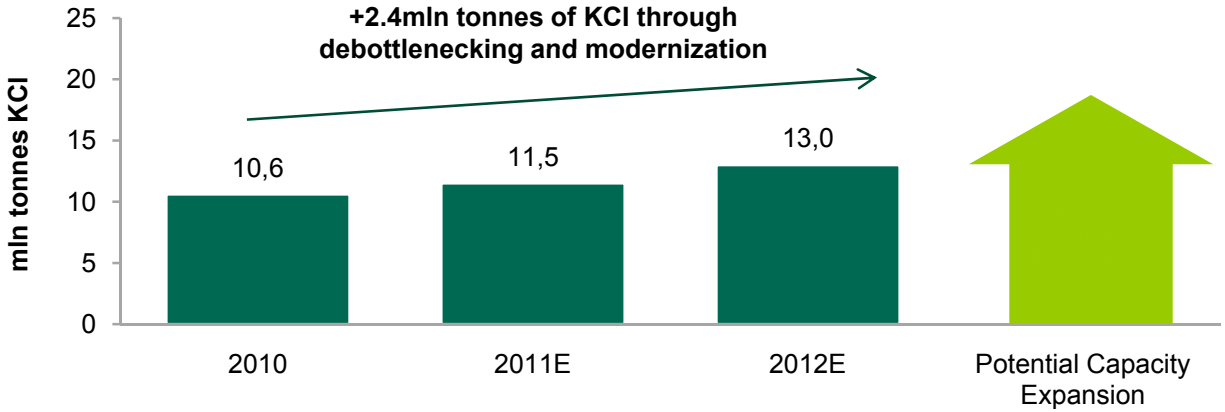
"Creation of one of the world's leading potash companies through leveraging Uralkali's operational and financial strength"

1 **Drive Organic Growth**	• Driving organic growth through a value accretive investment program, to include exploitation of brownfield projects and greenfield development opportunities
2 **Enhance Operating Efficiency**	• Pursuing improvements in operational efficiency to maintain and enhance Uralkali's competitive cost position and profitability
3 **Optimization of Sales and Marketing Activities**	• Determining optimum sales and marketing channels
4 **Realize Synergies**	• Realising the considerable synergistic potential that exists through the combination of two leading regional businesses in an expedited timeframe to increase short and longer term shareholder value
5 **Employer of Choice**	• Delivering value whilst operating in a socially responsible manner and positioning Uralkali as the employer of choice in the Russian mining industry
6 **Focus on Corporate Governance**	• Continued commitment to ongoing enhancements in corporate governance standards

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

3 Significant Capacity Growth Potential

Planned Capacity Additions Synchronized with Global Potash Market Growth



Source: Uralkali

- **Reserves & Resources**: JORC-compliant resource base of 8.7Bnt of ore including 4.4Bnt from Ust-Yayvinsky and Polovodovsky blocks combined
- **Brownfields**: 23% capacity expansion at one of the lowest costs in the industry
- **Greenfields**: Further expansion potential through Ust-Yayvinsky and Polovodovsky projects
  - the largest greenfield license areas in the industry, which are adjacent to the existing mines
  - one of the lowest depths of the mine (250-400m)
  - all required infrastructure already in place
  - geology and mining expertise

Note:
1. Combined company brownfield expansion and greenfield feasibility studies

Complimentary Asset Base



3 Synergy Realization Progress Update

	Operational Synergies	Transportation Synergies	SG&A Synergies
Description	• 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	• 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	• 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
Value	US$55m p.a.	US$20m p.a.	US$25m p.a.
Update and Near Term Plans	• Maintenance and repair expense synergies as well as some procurement improvements will be partly achieved already in 2011 • Carnalyte plant to be shut down	• At least 800kt to be redirected to Baltic Bulk Terminal (economies of US$16/t) in 2011 with up to 1Mt in 2012	• Headcount reduction process launched already • Audit and insurance synergies • Silvinit debt expected to be refinanced at lower interest rates

- **In aggregate, core synergies from the merger are expected to reach c.US$100 million p.a.[1] by 2013**
- **Over 500 employees involved in the integration process; execution stage already started**

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

3 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
- A new Board of directors will be elected at the AGM on 29 June
- New Board[1] expected to comprise two high calibre international INEDs – Sir Robert Margetts and Mr. Paul Ostling
- Commitment to enhancement in corporate governance standards



Note:
1. New Board of Directors expected to comprise of six members of the current Board (Messrs. Voloshin, Mosionzhik, Nesis, Grachev, Malakh and Ms. Kolonchina) together with Mr. Vladislav Baumgertner, Sir Robert Margetts and Mr. Paul Ostling

Agenda

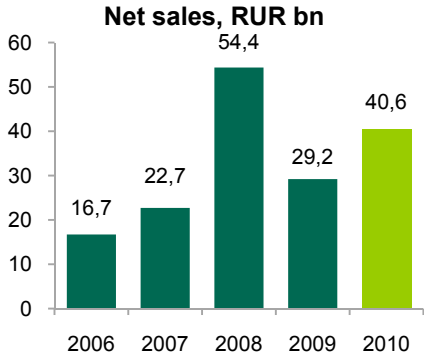
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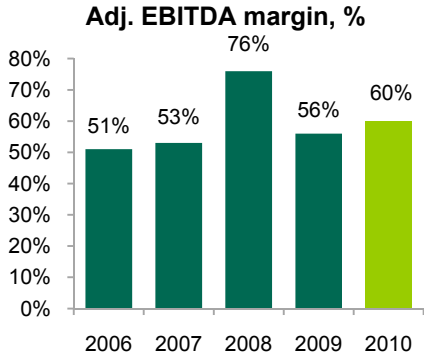
Uralkali Key Financial Highlights – 2010

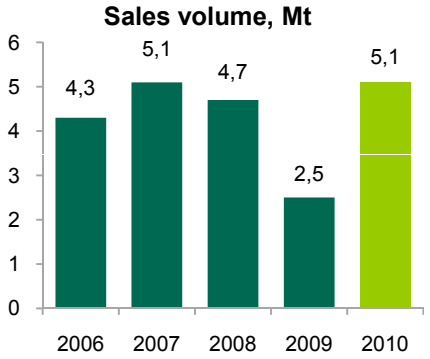
IFRS Financial Results

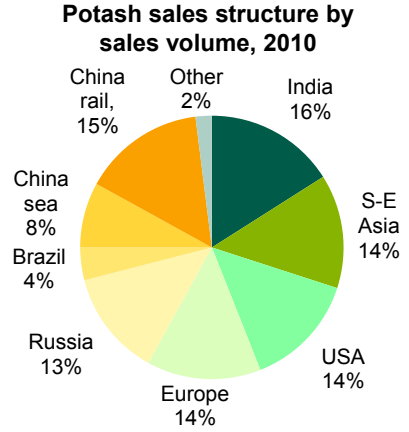
Units: RUR mln	**2010**	**2009**	***Change, %***
Production, Mt	5.1	2.6	*93%*
Sales, Mt	5.1	2.5	*103%*
of which domestic sales, Mt	0.7	0.6	*14%*
Gross sales	51,592	33,809	*53%*
Net sales[1]	40,603	29,231	*39%*
Adjusted EBITDA[2]	24,298	16,375	*48%*
margin, %[3]	*60%*	*56%*	
Net profit	16,654	9,095	*83%*
Operating cash flow	21,218	4,472	*374%*
Capital expenditure	10,257	14,105	*-27%*
Expan./maint. proportion	*58/42*	*47/53*	

Key Metrics









2010 saw a significant recovery of volumes and margins with capacity utilization reaching 93%

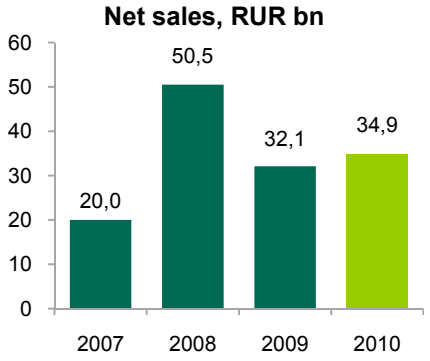
Notes:
1. Based on adjusted sales (sales net of freight, railway tariff and shipping costs)
2. Adjusted EBITDA is calculated as Operating Profit plus depreciation and amortization and does not include mine flooding costs
3. EBITDA Margin is calculated as EBITDA divided by Net Sales

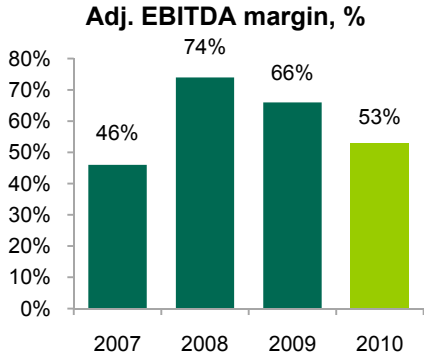
4 Silvinit Key Financial Highlights – 2010

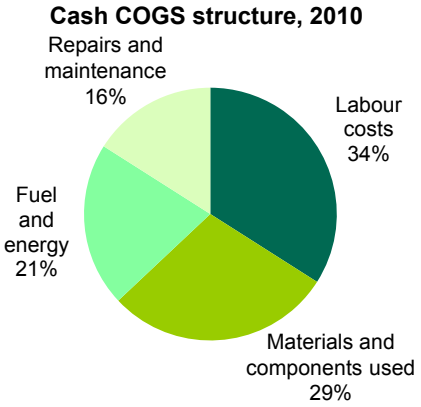
IFRS Financial Results

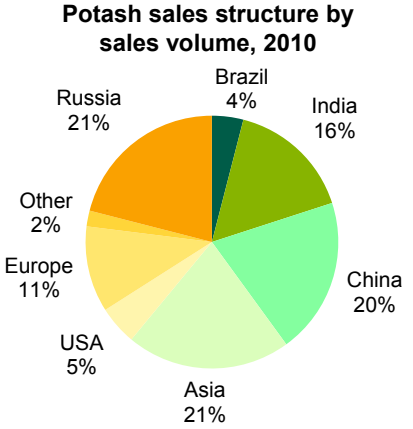
Units: RUR mln	**2010**	**2009**	***Change, %***
Production, Mt	5.1	3.5	*45%*
Sales, Mt	4.9	3.6	*39%*
% of domestic sales	21%	27%	
Sales (net of export duties)	39,025	33,734	*16%*
Net sales[1]	34,925	32,083	*9%*
EBITDA[2]	18,335	21,307	*-14%*
margin, %[3]	*53%*	*66%*	
Net profit	11,532	10,518	*10%*
Operating cash flow	12,917	12,788	*1%*
Capital expenditure	4,168	5,570	*-25%*

Key Metrics









Silvinit demonstrated solid growth in 2010 with sales volumes increasing by 39% and virtually full capacity utilisation

Notes:
1. Based on adjusted sales (sales net of export duty, freight, railway tariff and shipping costs)
2. In 2010 Silvinit had extraordinary and one-off expenses in relation to disposal of VSK and SMZ, ships write-off and legal provisions in total amount of 3.9 bn RUR
3. EBITDA Margin is calculated as EBITDA divided by Net Sales

4 YTD Financial Position Update

Uralkali Financial Position

Units: RUR mln	**31 Dec 10**
Debt	11,253
Cash	14,765
Net cash/(debt)[1]	3,512
EBITDA adjusted [2]	24,298

Significant Balance Sheet Changes YTD

- Acquisition financing secured:
  - Exchange traded ruble bonds c.RUR30bn, 8.25% coupon, three years maturity
  - Sberbank loan facility c.RUR12bn, two years maturity
- Improvement in loan portfolio through lengthening maturity
- Cross-currency interest rate swap associated with both instruments
- Average loan portfolio interest rate (in US$ as of 1 May 2011)
  - Uralkali – c.4.4%
  - Silvinit – c.7.65%, to be refinanced till the year end

Silvinit Financial Position

Units: RUR mln	**31 Dec 10**
Debt	45,546
Cash	6,289
Net cash/(debt)[1]	(39,257)
EBITDA[3]	18,335

Potential Developments

- c.50% of net profit received by Uralkali and Silivinit in 2010 will be paid out as dividend (c.RUR14.1bn). The Board has recommended dividend of RUR4.55 per share and c.US$0.8 per GDR
- Uralkali group considers payment for future sales of potash by Belaruskali, pursuant to which Uralkali group may advance up to US$1bn to Belaruskali to secure purchase of certain volume of potash

Robust capital structure retained; medium term target net debt/EBITDA ratio of 1.0 – 2.0x LTM EBITDA

Notes:
1. Net cash position is calculated as cash and cash equivalents (including deposits) minus bank loans
2. Adjusted EBITDA is calculated as Operating Profit plus depreciation and amortization and does not include mine flooding costs
3. In 2010 Silvinit had extraordinary and one-off expenses in relation to disposal of VSK and SMZ, ships write-off and legal provisions in total amount of 3.9 bn RUR

4 Synchronising Financial Reporting

- First combined Company accounts for 1H 2011 are expected by September 22nd
- The consolidation methodology of Combined Group as for 2011:
  - Calculation of goodwill as the excess of consideration paid upon the fair value of net assets at the date of reorganizaton (17 May 2011)
  - Consolidated EBITDA as for 2011 will exclude the financial results of Silvinit earned before the date of reorganizaton
- Combined Company will maintain robust reporting standards and will regularly update the market
  - Conference calls – earnings results (Q-Q basis), market update
  - Financial reporting in US Dollars

	Currently	Plans	Timeline
Sales	• CFR, DAF • FOB • FCA	• Leave FCA basis for domestic sales only, all export to move to CFR and DAF	• 2 years maximum (depends on trading streamlining)
Costs Accounting	• Different cost composition practices leading to con-comparable cost lines	• Apply URKA standards	• Starting 2H 2011 financials
Capex	• Uralkali: RUR12.5bn p.a. • Silvinit: Currently no guidance	• Review as a part of strategy update	• September 2011
Reporting Frequency	• Semi-annual	• Semi-annual audited/reviewed reporting and quarterly reporting of key numbers	• Starting 2H 2011
Reporting Currency	• Rubles	• Change to US$	• Starting 2H 2011

Financial reporting expected to be largely synchronised starting 2H 2011

4

New Supportive Shareholder Base and Increased Liquidity

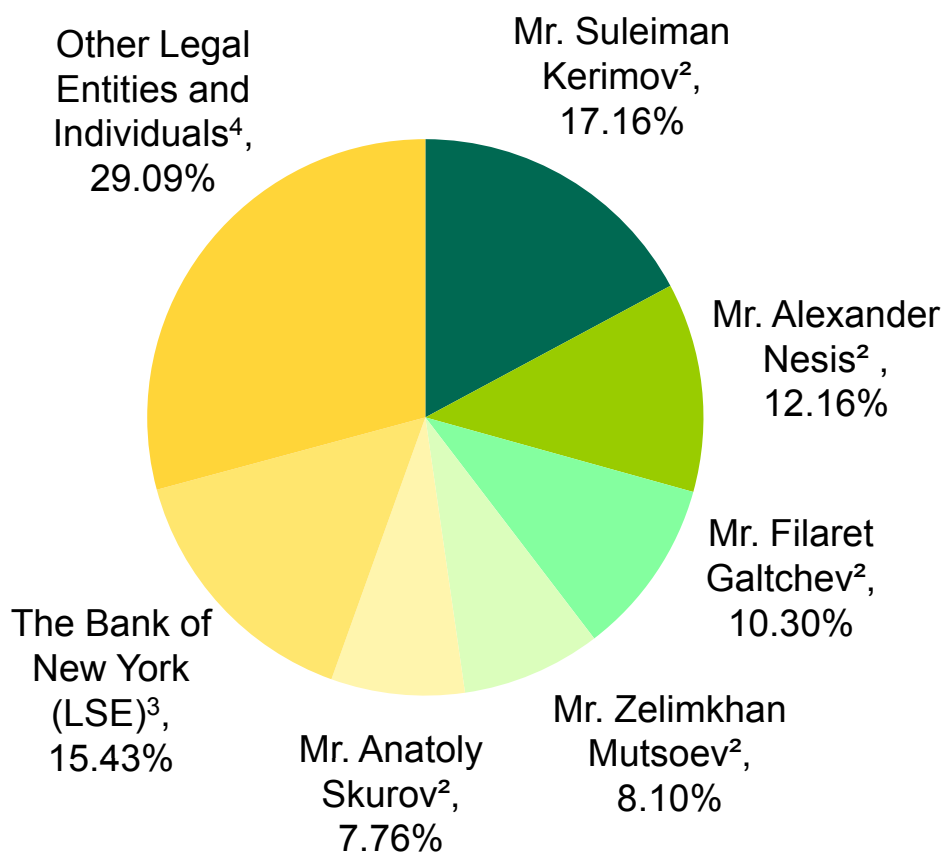
- Core shareholder group supportive of company strategy going forward
- Improved liquidity given the issuance of new Uralkali shares to Silvinit shareholders
- New shares eligible for deposit into GDR program, thus potentially increasing Uralkali's liquidity in London
- Uralkali is considering to apply for GDR quota increase to 25%

Total number of shares – 3,094,637,905

Equivalent of 618,927,581 GDRs

Max 154,731,895 GDRs post quota increase

New Shareholder Base[1]



Note:
1. Data as of 24 May 2011
2. Aggregate ultimate shareholding. Mr. Kerimov's and Mr. Galtchev's shareholdings include 6.24% and 4.81% respectively of Uralkali share capital transferred to OJSC Sberbank under a repo agreement
3. Data as of 14 June 2011
4. Includes 1.25% of Uralkali share capital transferred to OJSC Sberbank under repo agreements

4 IR of the Combined Company

2011-2012 Conference Calls and Roadshows Preliminary Calendar

Year	Date	(TBC)	Event	Location
2011				
	September	22	Uralkali financial results call (IFRS financial results for 1H 2011)	Moscow
	September-October	26 Sep - 09 Oct	Uralkali roadshow	TBD
	December	15	Uralkali trading update call (IFRS financial results for 3Q 2011)	Moscow
2012				
	April	15	Uralkali financial results call (IFRS financial results for 2011 and 1Q 2012)	Moscow
	May	10-24	Uralkali roadshow	TBD
	September	12	Uralkali trading update call (IFRS financial results for 1H 2012)	Moscow
		12-26	Uralkali roadshow	TBD
	December	15	Uralkali trading update call (IFRS financial results for 3Q 2012)	Moscow

September 2011

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		

October 2011

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		

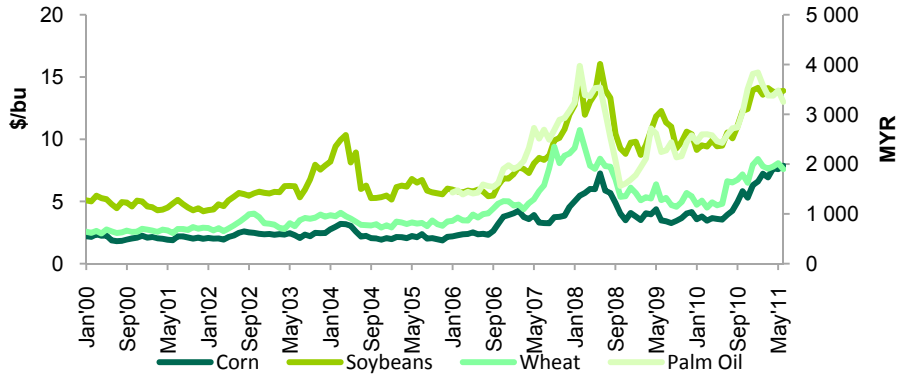
- Investor schedule consistent with that employed previously by Uralkali
  - Roadshow – semi-annually
  - Participation in major Sector and Country Conferences
  - Investor days
  - 1x1 Meetings and conference calls

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5 Growth in Crop Prices Persists

Crop Futures Prices



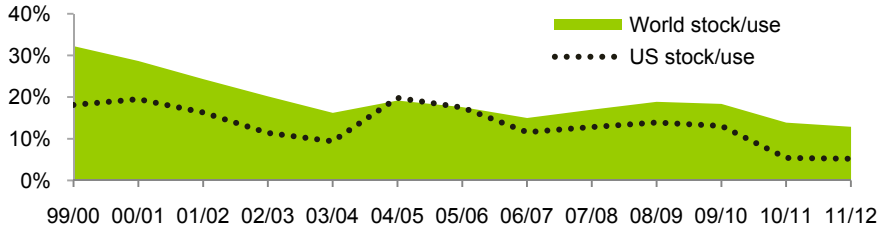
Source: CBOT, Bursa Malaysia

- Solid growth of crop prices have been supported by good supply/demand fundamentals and tightening stock-to-use ratios
- Any supply disruptions due to unfavorable weather conditions will add upward pressure on prices

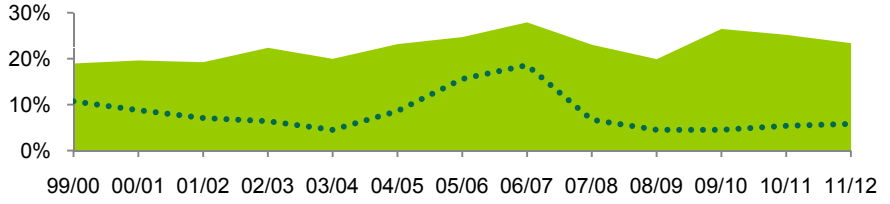
2010 Average Price		Futures Price Forecast		
		3-months	6-months	12-months
Corn	$3.76/bu	$8.00/bu	$7.80/bu	$7.00/bu
Soybeans	$10.44/bu	$14.00/bu	$14.75/bu	$14.75/bu
Wheat	$5.29/bu	$8.00/bu	$8.35/bu	$8.35/bu
			2011	
Palm Oil	$856/t		$1100/t	

Source: Goldman Sachs

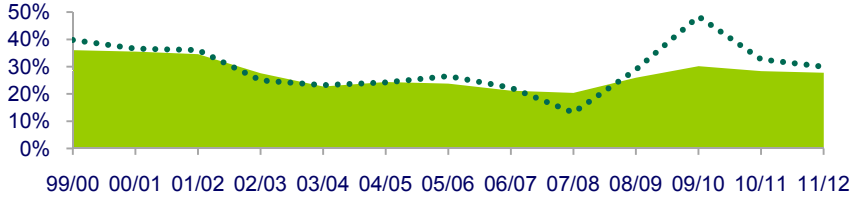
Corn Stocks-to-use Ratios



Soybeans Stocks-to-use Ratios



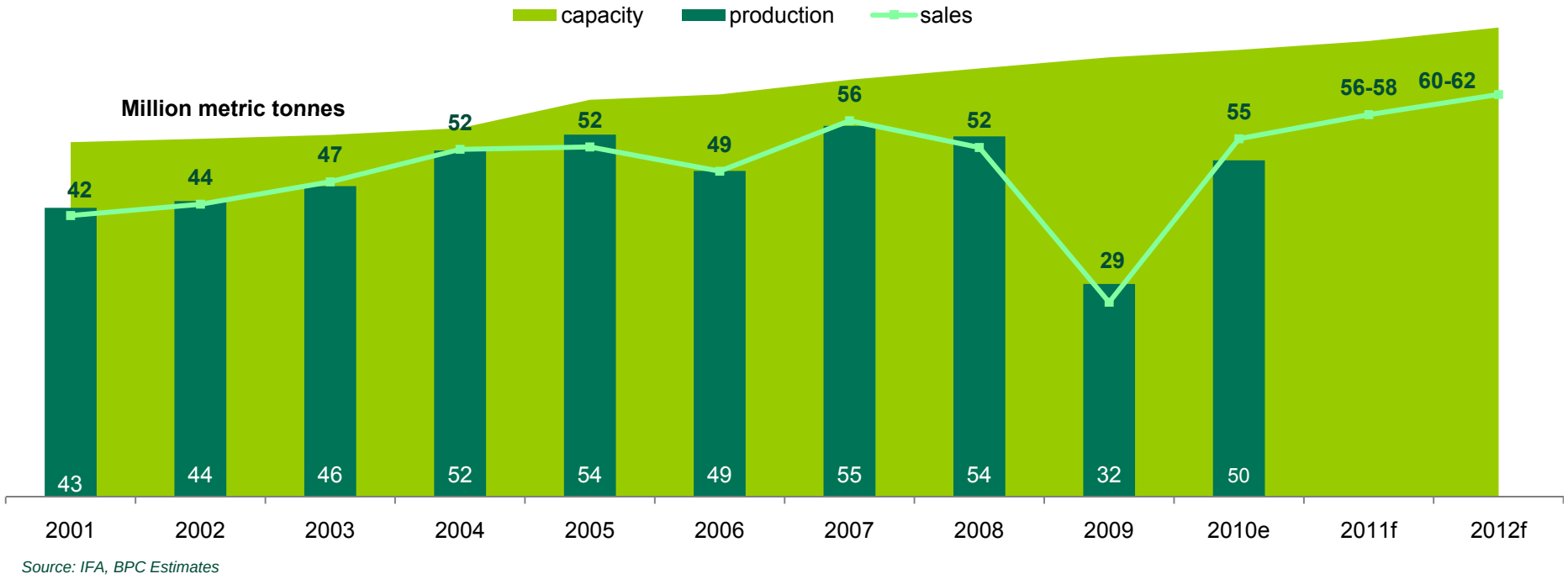
Wheat Stocks-to-use Ratios



Source: USDA

5

Strong Fundamentals Point to Improved Supply/Demand Dynamics into 2011-2012

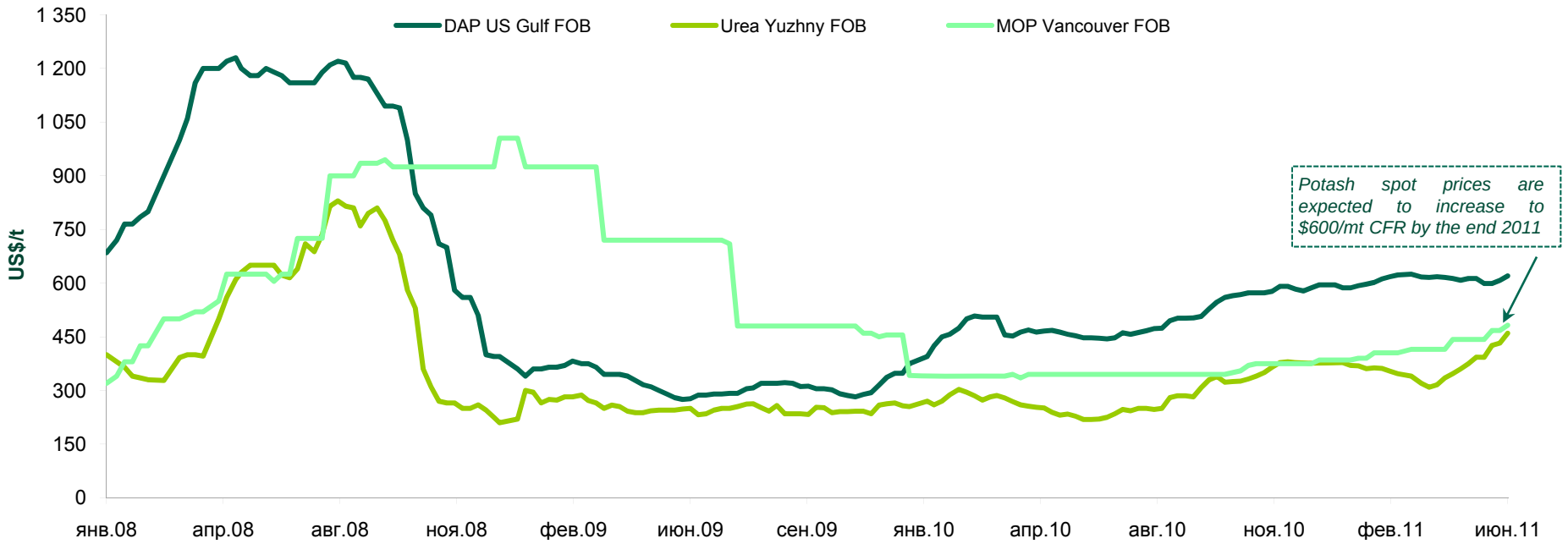


Source: IFA, BPC Estimates

- Worldwide potash sales volumes are expected to range between 56-58 Mt in 2011, representing a full recovery to pre-crisis levels
- Future growth anticipated in 2012 with potash demand expected to reach 60-62 Mtpa
- Healthy farmer economics and re-stocking point to improved supply/demand dynamics into 2012

2011 expected to see potash sales exceeding pre-crisis level with further growth anticipated in 2012

5 Fertilizer Prices Continue to Strengthen



Source: FMB

- Prices for potash, DAP, and urea each strengthened over the past months
- The global potash market continues to firm as BPC, Canpotex are making sales in SE Asia and L. America at the $510/mt CFR price announced by BPC in April and at the $550-560/mt CFR price announced by BPC in May
- Given India tight potash inventories (~0.5mmt at the beginning of June), we expect Indian contract to be settled soon
- Potash spot prices are expected to increase to $600/mt CFR by the end of 2011. Given healthy potash demand against a strong agro backdrop and restrained growth in global capacity further potash price increases are very likely in 2012

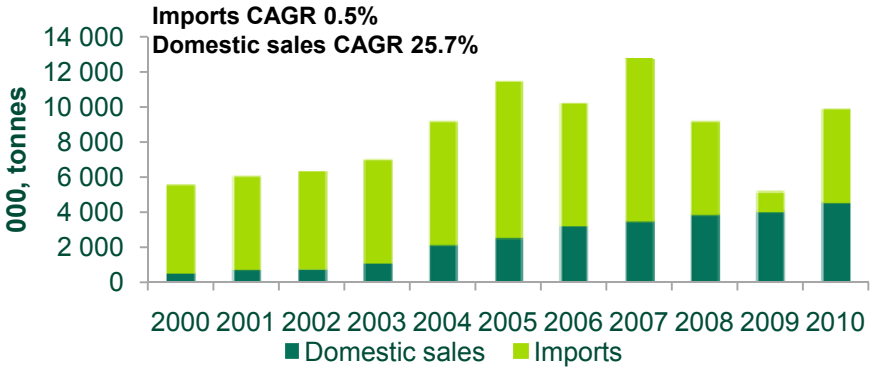
5 China

Market Overview

- Market size: 9.8Mt KCl
- Demand growth (CAGR 2000-2010): 5.9%
- Share in global demand: 18%
- Share in global imports: 15%
- Uralkali* sales in 2010: 26% of its total export volume
- Market specifics: traditionally large contract market is becoming less related to imports due to increasing domestic production. Market has switched from annual contract to half-year contract

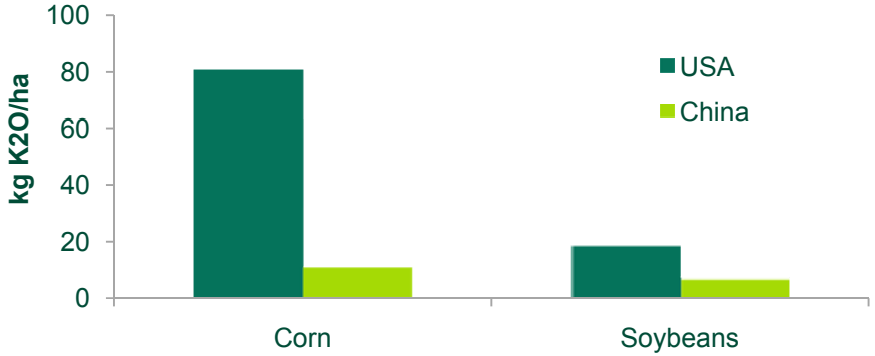
**Incl. Silvinit sales volumes*
Source: IFA, Uralkali

Potash Demand: Imports vs. Domestic Sales



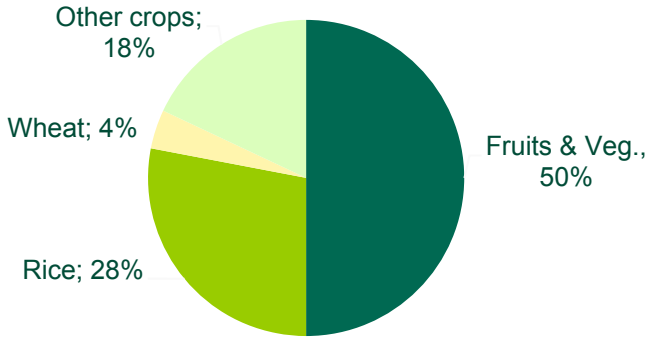
Source: IFA, National Bureau of Statistics of China

Potash Application Rates are Well Below Required Level



Source: BoA Merrill Lynch

Potash Consumption by Crop Types



Source: IFA

- Domestic MOP prices are going up
- 2011 half-year contract is expiring and the high possibility of conclusion for the second half of the year will increase the tightness of the current market situation
- Railway deliveries continue to be made on spot basis reflecting the current price trend

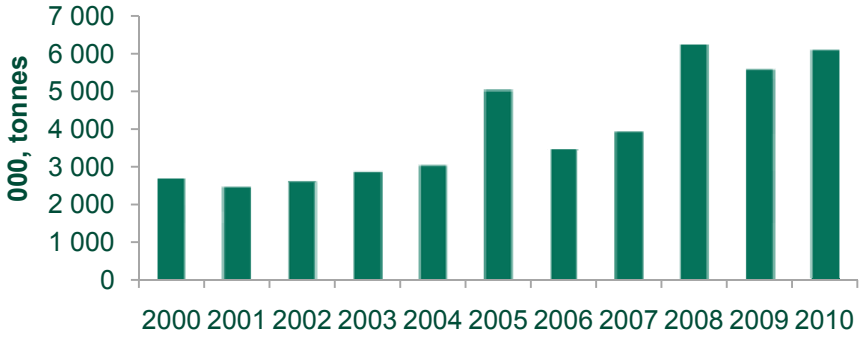
5 India

Market Overview

- Market size: 6.1Mt KCl
- Demand growth (CAGR 2000-2010): 8.6%
- Share in global demand: 11%
- Share in global imports: 17%
- Uralkali* sales: 19% of its total export volume
- Market specifics: net potash importer; nutrient-based subsidy system gives substantial support to potash consumption

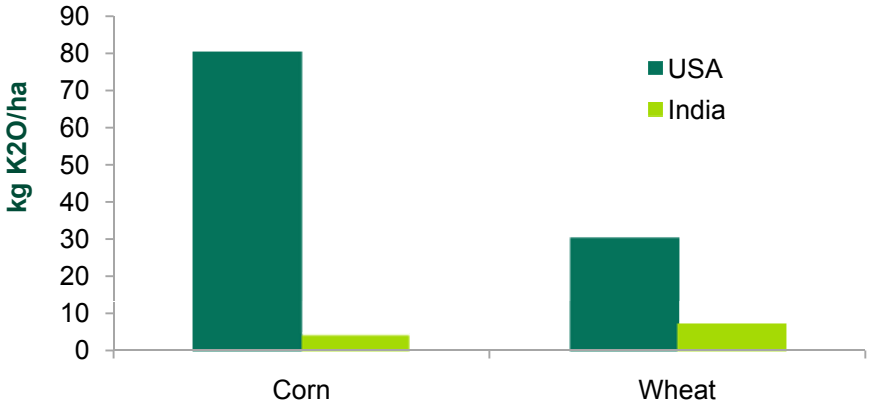
**incl. Silvinit sales volumes*
Source: IFA, Uralkali

Potash Demand: Net Importer



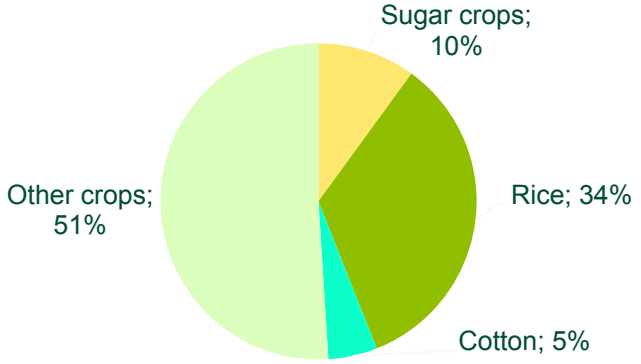
Source: IFA

Potash Application Rates are Well Below Required Level



Source: BoA Merrill Lynch, FAO

Potash Consumption by Crop Types



Source: IFA

- MOP inventories are extremely low
- We expect the contract to be concluded very promptly due to tight situation with potash at the market

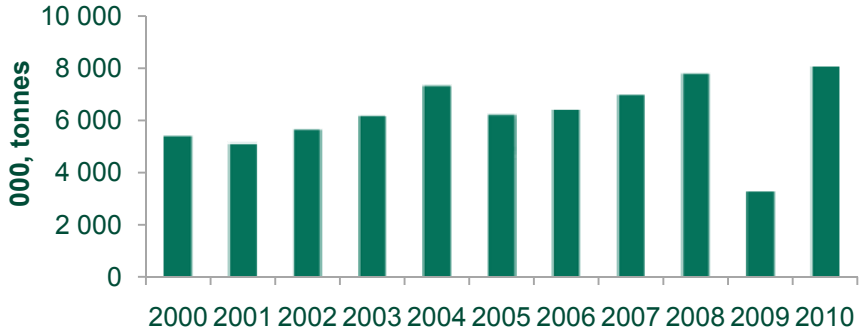
5 South East Asia

Market Overview

- Market size: 8.0Mt KCl
- Demand growth (CAGR 2000-2010): 4.1%
- Share in global demand: 14%
- Share in global imports: 22%
- Uralkali* sales: 21% of its total export volume
- Market specifics: Indonesia, Malaysia and Vietnam ensure about 60% of potash demand in the region

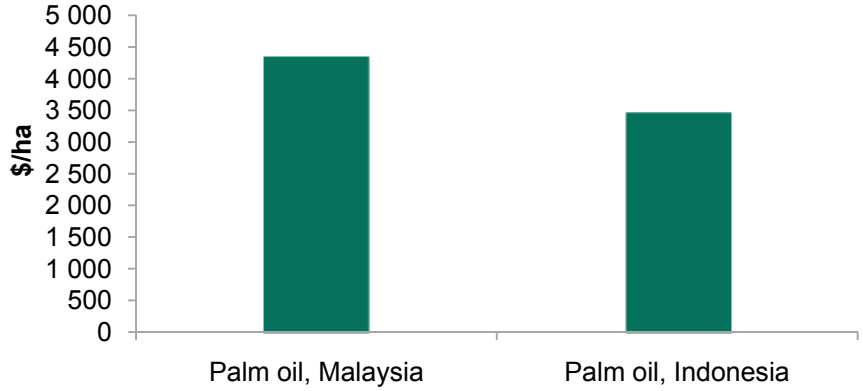
** Incl .Silvinit sales volumes*
Source: IFA, Uralkali data

Potash Demand: Net Importer



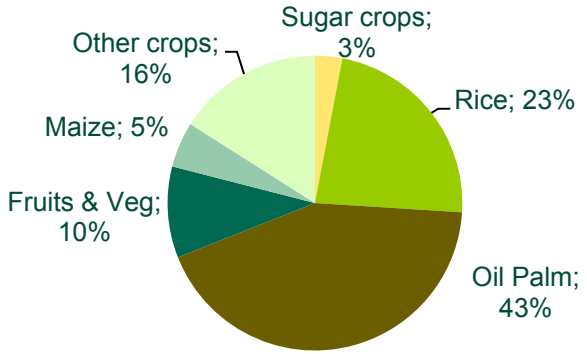
Source: IFA

Farmers Enjoy Good Margins



Source: BPC

Potash Consumption by Crop Types



** Includes Indonesia, Malaysia, Vietnam, Thailand, Bangladesh, Philippines*
Source: IFA

- Demand in SEA markets is very strong at the moment
- Most observers expect that spot price for MOP will be close to $600 pt cft in Asia by the end of this year

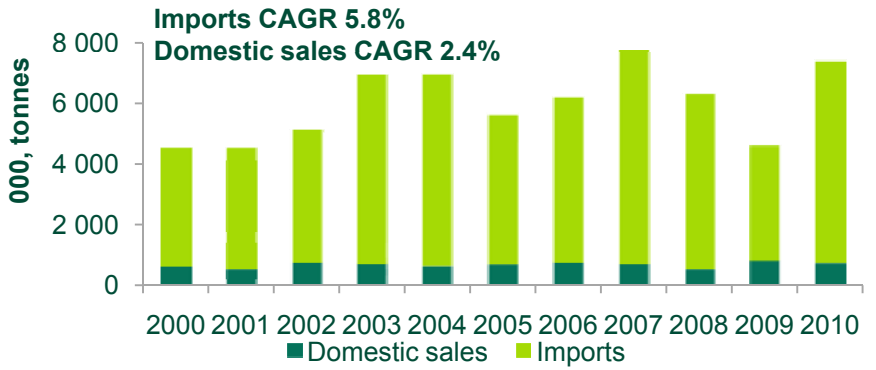
5 Brazil

Market Overview

- Market size: 6.6Mt KCl
- Demand growth (CAGR 2000-2010): 5%
- Share in global demand: 12%
- Share in global imports: 18.5%
- Uralkali sales in 2010*: 5% of its total export volume
- Market specifics: Spot growing market. Brazil and the U.S are strongly interconnected markets in terms of price developments

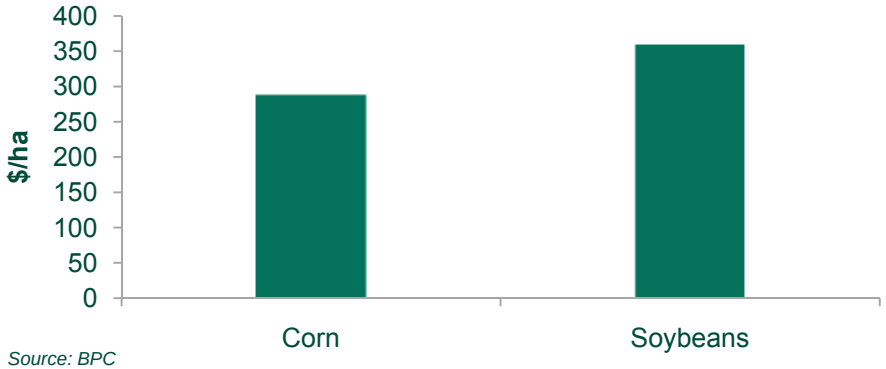
** Incl .Silvinit sales volumes*
Source: IFA, Uralkali

Potash Demand: Imports vs. Domestic Sales



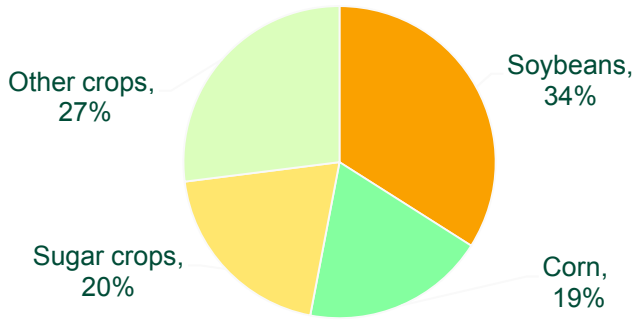
Source: IFA

Farmers Enjoy Good Margins



Source: BPC

Potash Consumption by Crop Types



Source: IFA

- Demand remains very strong
- Brazil prices are $520/t delivered for granular product, reflecting a total of $130/mt price increases since September 2010
- Continued strong demand has prompted BPC to announce a further $30-40/t increase for gMOP to Brazil effective July 1, raising prices to $550-560/t Apr. 400,000 metric tonnes were sold (Jul-Aug'11 deliveries) at new prices
- According to ANDA, Brazil is expected to import 7 Mt of potash in 2011, up 14% yoy

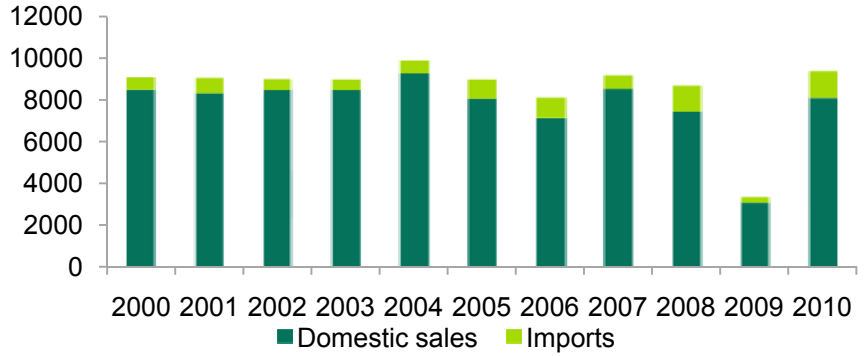
5 USA

Market Overview

- Market size: 9.3Mt KCl
- Demand growth (CAGR 2000-2010): 0.2%
- Share in global demand: 17%
- Share in global imports: 3.4%
- Uralkali sales in 2010*: 12% of its total export volume
- Market specifics: solid, mature market which is more than 80% supplied by local producers

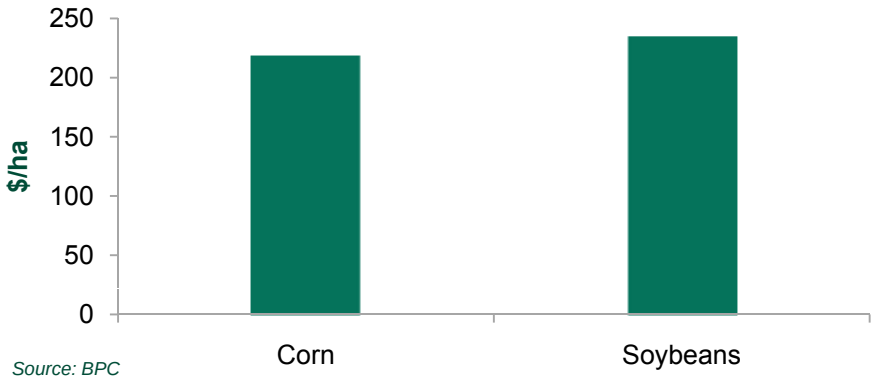
** Incl .Silvinit sales volumes*
Source: IFA, Uralkali

Potash Demand: Imports vs. Domestic Sales



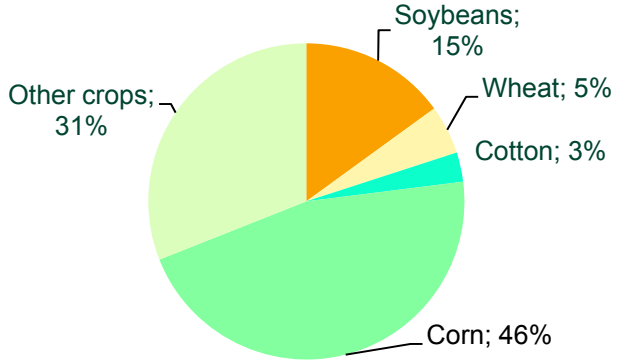
Source: IFA

Farmers Still Enjoy Good Margins



Source: BPC

Potash Consumption by Crop Types



Source: IFA

- US market is still the one with the highest prices
- According to the latest USDA report US corn stock-to-use ratio will reach the record lows of 5% this year adding the upward pressure on the crop prices
- High levels of the grain prices and good farmers margins are expected to stimulate fertilizer application in autumn yoy

5 Europe[1]

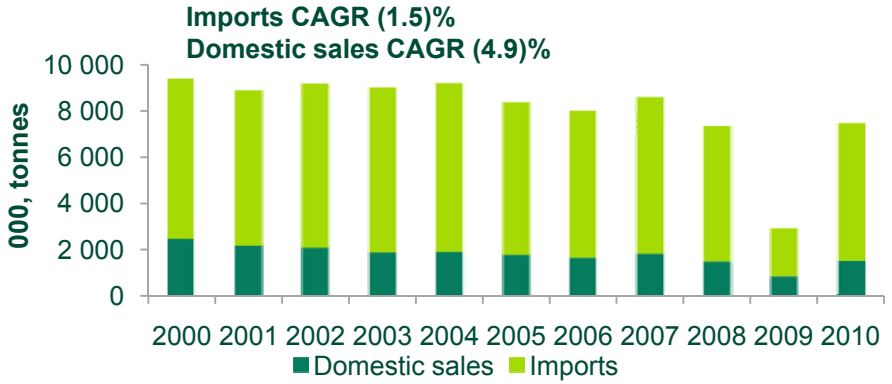
Market Overview

- Market size: 7.4Mt KCl
- Demand growth (CAGR 2000-2010):-2.3%
- Share in global demand: 13%
- Share in global imports: 16.6%
- Uralkali sales in 2010*: 15.2% of its total export volume
- Market specifics: Conservative market. EU anti-dumping duty free quotas continue to limit FSU producers' volumes

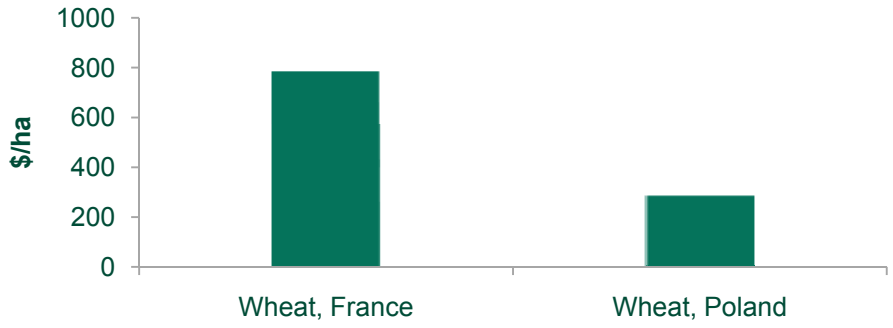
Source: IFA, Uralkali

** Incl .Silvinit sales volumes*

Potash Demand: Imports vs. Domestic Sales

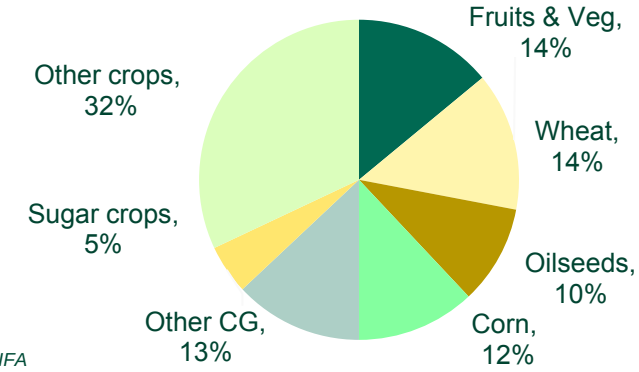


Farmers Still Enjoy Good Margins



Source: BPC

Potash Consumption by Crop Types



Source: IFA

- Healthy crop prices (almost 2 times higher than during spring last year) allows for better profits of the farmers
- Demand grows faster in CEE market than in WE
- K+S has increased gMOP by €10/t effective immediately for new orders, taking prices from €353/t to €363/t. The new gMOP is comparable to established prices of $510/tonne in S.E. Asia and $520/tonne in Brazil. Further price increase is expected for MOP (for Q3'11)
- Following growing demand due to improved farming economics a further €20/t price increase (effective from the 1st of July) has already been accepted by most of the customers in CEE and is expected to be applied generally

[1] *European Economic Area, Serbia and Croatia*

5 Prospects for Potash Industry 2011-2013

- Current crop prices are very supportive for the potash market as they encourage farmers to invest more in fertilizers to enhance crop yields
- Despite high planting expectations increased agricultural prices indicate concern about sufficient agricultural supply
- Potash demand remains very strong . A number of producers are sold out for next period
- Given India tight potash inventories (c.0.5mmt at the beginning of June),we expect Indian contract to be settled soon. Higher prices are an important development in the ongoing potash contract negotiations with India
- Given healthy crop prices and strong farmers' economics and tight supply/demand producers are likely to achieve further price increases over the next two years
- Producers are expected to continue capacity expansion plans given good prospects for global potash consumption and tight supply-demand balance currently. However, we believe potential capacity growth will not lead to oversupply in the next couple of years

Agenda

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

6 Conclusion and Outlook

Completion of the Combination	• Shareholders demonstrated strong support for the transaction • Combination successfully completed on 15 June 2011 in accordance with timetable outlined at announcement
A Leader in the Global Potash Market	• #1 in global potash production • #2 in capacity globally • Leading player 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 projects alongside large-scale greenfield development opportunities
Synergy Achievement	• Core synergies from the merger are expected to reach c.US$100m p.a. by 2013 • Over 500 employees involved in the integration process; execution stage already started
Potash Market Update	• Industry fundamentals are highly attractive with excellent demand growth prospects • Crop prices expected to stay elevated in 2011 / 12 • Global potash sales volumes expected to range between 57-58 Mtpa in 2011 • Upward pricing trajectory set to continue during 2011

Focused on delivery of growth to drive shareholder value

Thank You!