



Uralkali: A Leader in the Global Potash Market

**Q1 2013 Performance Analysis
and Corporate Update**

Uralkali Investor Day Presentation

17 June 2013

Disclaimer



This presentation has been prepared by JSC Uralkali (the «Company»). By attending the meeting where the presentation is made, or by reading the presentation slides, you agree to the following limitations and notifications.

With respect to any information communicated by the Company, its agents or its representatives (including its directors, officers, employees, members, attorneys, advisors and any affiliates) to you or your agents or representatives (including any directors, officers, employees, members, attorneys, advisors and affiliates), directly or indirectly, whether in written, oral, visual, electronic or any other form, during or constituting the whole or part of this presentation or any presentation meeting or any conversation or discussion relating to or held in connection with this presentation, or any opinion expressed in respect of such information (the “Information”), such Information may not be reproduced, redistributed, passed on or otherwise disseminated to any other person, directly or indirectly, whether in written, oral, visual, electronic or any other form, for any purpose.

The Information communicated does not constitute or form part of, and should not be construed as, an offer, solicitation or invitation to subscribe for, underwrite or otherwise acquire, any securities of the Company or any member of its group nor should it or any part of it form the basis of, or be relied on in connection with, any contract to purchase or subscribe for any securities of the Company or any member of its group, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever. Any person considering the purchase of any securities of the Company or any member of its group must inform himself or herself independently before taking any investment decision. The Information communicated has been provided to you solely for your information and background and is subject to amendment. Further, the Information communicated has been compiled on the basis of information from a number of sources and reflects prevailing conditions as of its date, which are subject to change. The medium through which the Information is communicated constitutes neither an advertisement nor a prospectus. The Information communicated has not been independently verified. The Information communicated is subject to verification and amendment without notice and the Company is not under any obligation to update or keep current the Information.

Accordingly, no representation or warranty, express or implied, is made or given by or on behalf of the Company or any of its directors, officers, employees, members, attorneys, advisors, affiliates or any other person as to the correctness, accuracy, currency, completeness, adequacy, usefulness, reliability, fairness or otherwise of the Information communicated, and any reliance you place on such Information will be at your sole risk. Neither the Company nor any of its directors, officers, employees, members, attorneys, advisors, affiliates or any other person accepts any liability whatsoever for any loss howsoever arising from any use of the Information communicated.

To the fullest extent permitted by applicable law, the Company shall not be liable for any compensatory, punitive, special, consequential or other damages, any loss of income or revenue, any loss of business, any loss of anticipated savings, any loss of goodwill, or any other losses, liabilities, expenses or costs of whatever nature arising from or attributable to your access to, or inability to access, or reliance on Information even if the Company has been advised of the possibility of such damages, losses, liabilities, expenses or costs.

Some of the Information may constitute projections or other forward-looking statements regarding future events or the future financial performance of the Company. These statements involve numerous assumptions regarding the present and future strategies of the Company and the environment in which it operates and will operate in the future and involve a number of known and unknown risks and other factors that could cause the Company’s or its industry’s actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. Accordingly, the Company provides no assurance whatsoever that its or its industry’s actual results, levels of activity, performance or achievements will be consistent with the future results, levels of activity, performance or achievements expressed or implied by such forward looking statements. Neither the Company nor any of its directors, officers, employees, members, attorneys, advisors, affiliates or any other person intends or has any duty or obligation to supplement, amend, update or revise any of the forward-looking statements contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

Multiple factors could cause the actual results to differ materially from those contained in any projections or forward-looking statements, including, among others, potential fluctuations in quarterly or other results, dependence on new product development, rapid technological and market change, acquisition strategy, manufacturing risks, volatility of stock price, financial risk management, future growth subject to risks of political instability, economic growth and natural disasters, wars and acts of terrorism.

Q1 2013 Results: Operational Update

Operational Update

- Q1 2013 volumes:
 - Production: 2.1 mln t, up 10% YoY
 - Sales: 1.9 mln t, down 10% YoY
- More positive demand fundamentals during Q2 2013 to-date across all major markets
- Progress with implementation of capital investment programme
- Continuing focus on shareholder return
 - FY 2012 dividend approved
 - Market buyback
 - Mr. Mutsoev purchase
- Broader focus on corporate development
 - Debut Eurobond
 - Integrated report issued

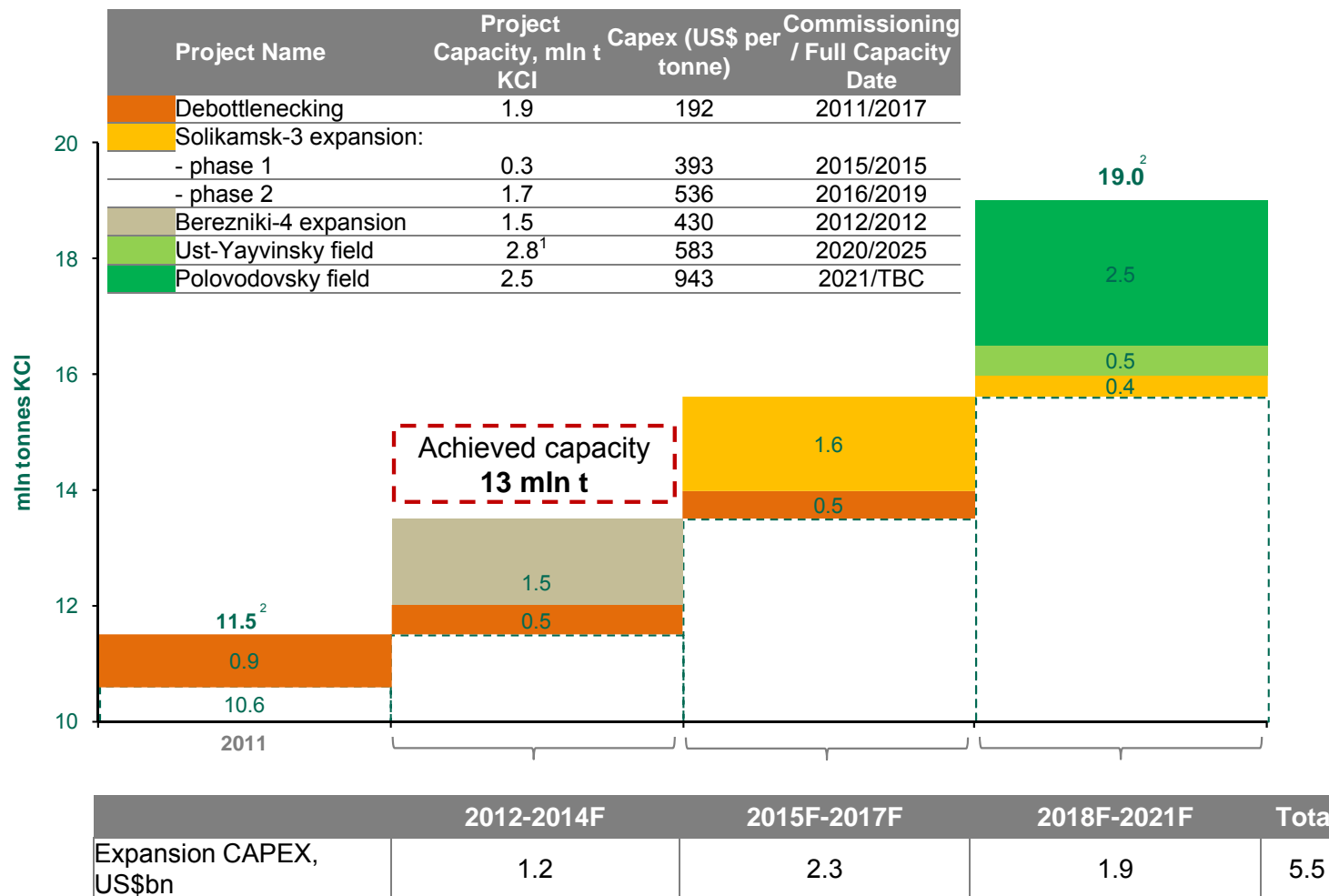
Ust-Yayvinsky field development



Q1 reflected solid operational results, strategy continues to balance investment in growth and shareholder return

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/t³
- Greenfield – c. US\$750/t³
- Potash price to justify investments – c. US\$230/t⁴

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

Notes:

- 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%

Q1 2013 Results: Financial Update

Key Figures ¹

(US\$ mln)	Q1 2013	Q1 2012	FY 2012
Gross Revenue	738	901	3,950
Net Revenue	614	780	3,343
Average potash price, FCA, US\$			
- Domestic	315	268	254
- Export	313	376	370
(Mln tonnes)			
Production volume	2.1	1.9	9.1
Sales volume	1.9	2.1	9.4
- Domestic	0.4	0.5	2.1
- Export	1.5	1.6	7.3

Q1 results reflected strategy of matching supply with demand; more positive demand fundamentals in Q2 across all major markets

Net Debt and Eurobonds

Net Debt¹

(US\$ bn)	1 Jun'13
Debt (bank loans) ²	3.9
Cash	1.6
Net debt/(cash)	2.3
Net Debt/EBITDA ³	1.0x

- Loan portfolio parameters as of Apr'13E:
 - c.100% of debt exposure is in US\$
 - Effective interest rate as of 30 Apr'13 – c.3.66%
 - Target Net Debt/LTM EBITDA ratio of 1.0–2.0x

Eurobonds

- Debut Eurobond issue – key parameters:
 - US\$650 mln
 - 5 years
 - 3.723%
 - Moody's: Baa3 / Fitch: BBB-

Further optimization of the Company's debt profile: increasing proportion of unsecured debt and average tenor of the loan portfolio

Dividends and Buyback Update

Dividends

- **Dividends for 2012:**
 - Interim – c. US\$ 0.77 per GDR
 - + FY 2012 – c. US\$ 0.62² per GDR
(approved on the AGM on 4 Jun'13)

Dividend payout: ~50%

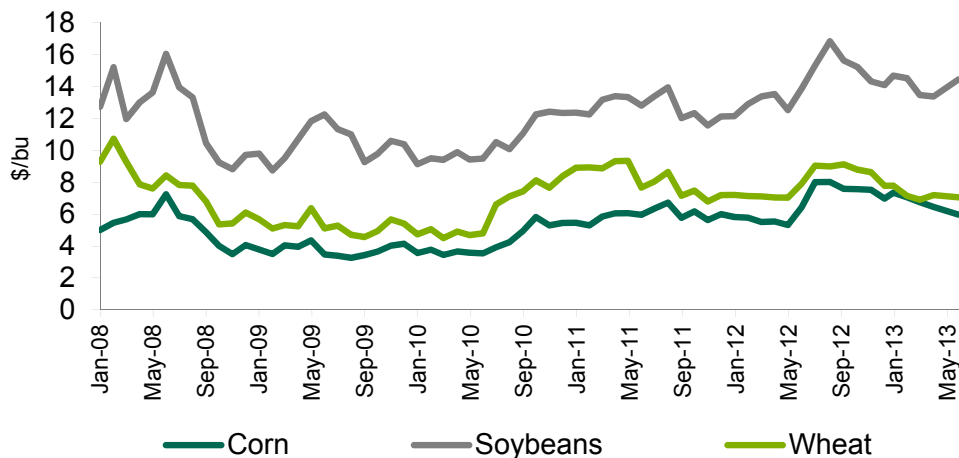
Buy-back

- **Open Market Shares Buy-back:**
 - Nov'12: approval in the max amount US\$1.6bln, valid till Nov'13
 - c. US\$657 mln completed to date; effective buyback price¹ - US\$36.48/GDR
- **Mr Mutsoev's Stake Purchase:**
 - 6.4% of share capital valued at c. US\$1.3bln
 - 5% discount to 1M VWAP
 - 6.2% discount to the closing price on 4 Jun'13

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

Potash Fundamentals

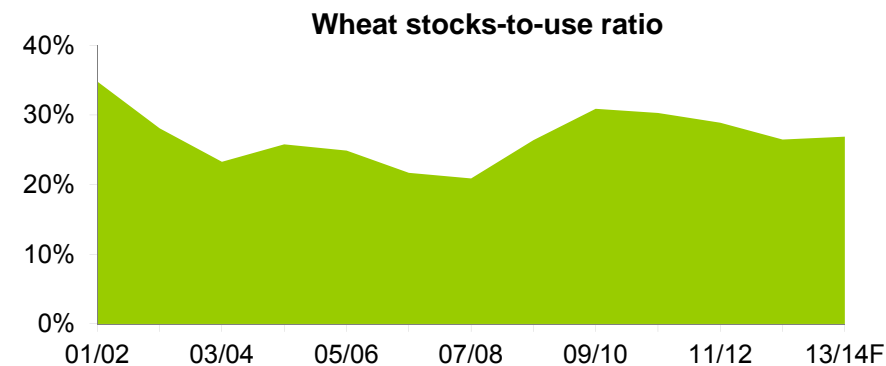
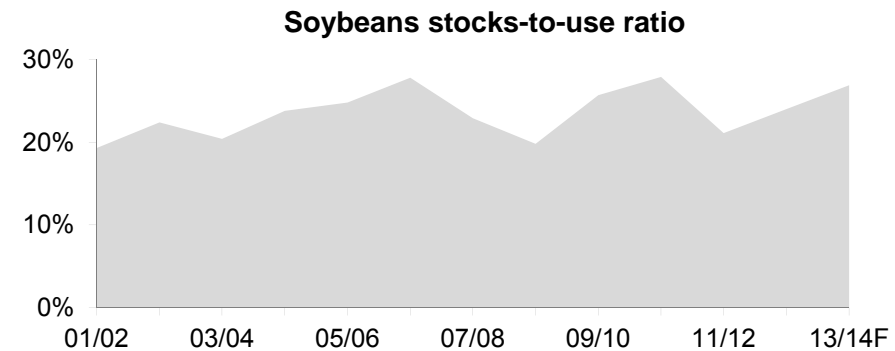
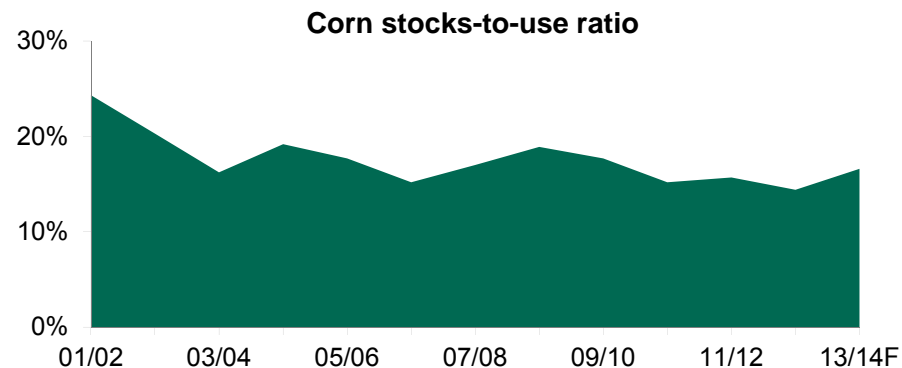
Front Month Agriculture Prices



Source: Bloomberg

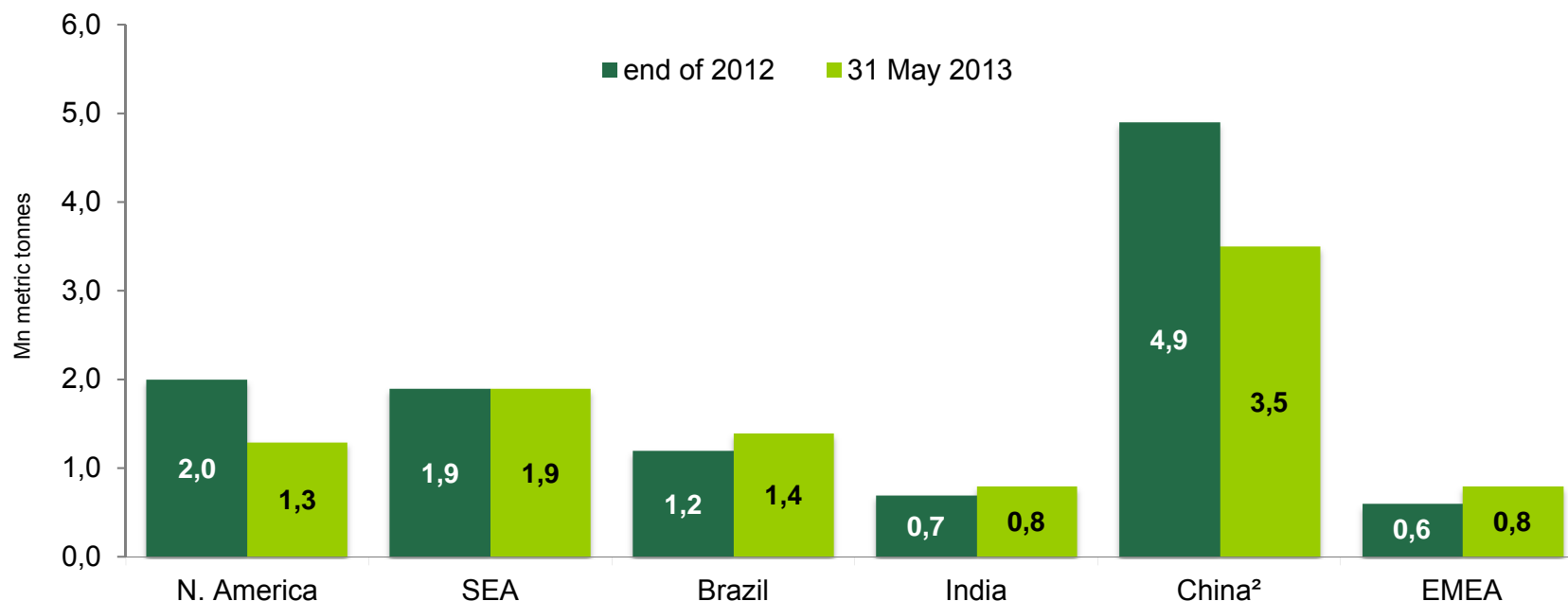
- Current projections for increased crop production and expectations for higher stock-to-use ratios are putting some downward pressure on agriculture futures
- Weather is expected to be the main driver of grain prices in the summer. Any supply disruptions due to unfavorable weather conditions will apply upward pressure on agricultural futures
- Despite recent correction in grain prices, farmers are profitable

Global stocks-to-use ratios for key crops



Source: USDA

Global potash inventory¹

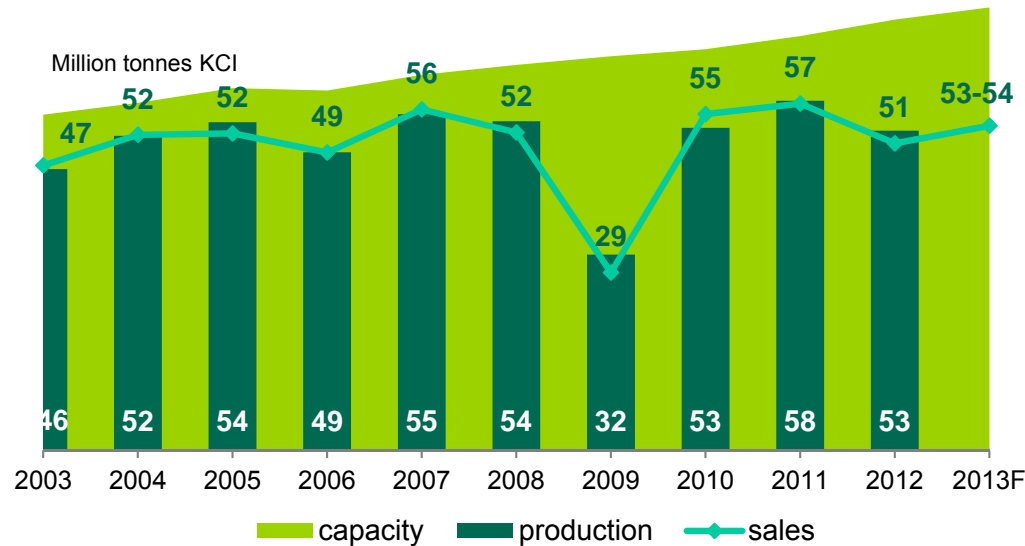


Source: BPC/UKT estimates

- Global potash stocks remain at healthy level
- The start of the application season in Brazil, Southeast Asia, and India in Q3 2013 should lead to inventory drawdown in these respective markets
- Global potash inventory level is expected to be lower by the end of 2013 compared to the previous year

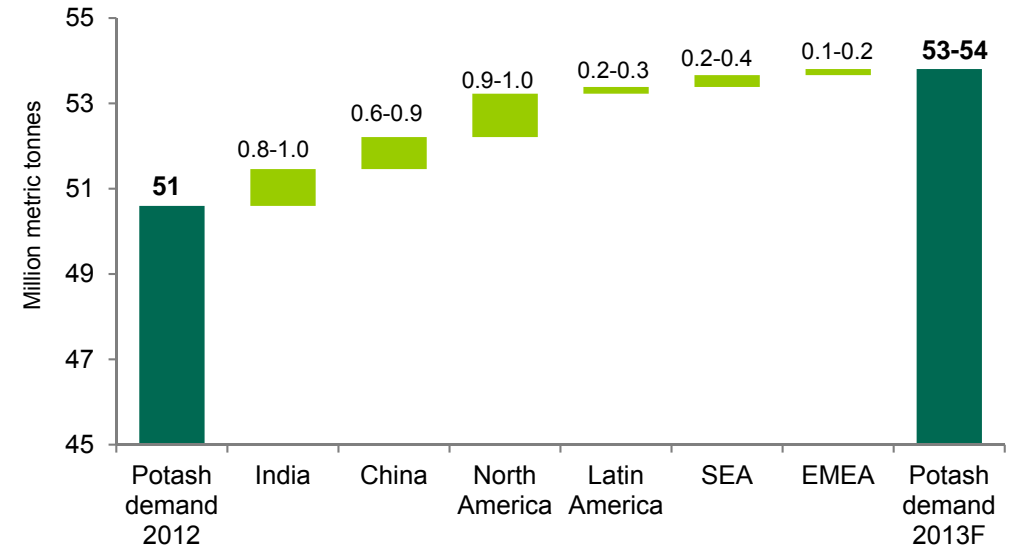
Potash Market is Recovering in 2013

Supply/Demand Dynamics 2001-2013F



Source: IFA, Uralkali estimates

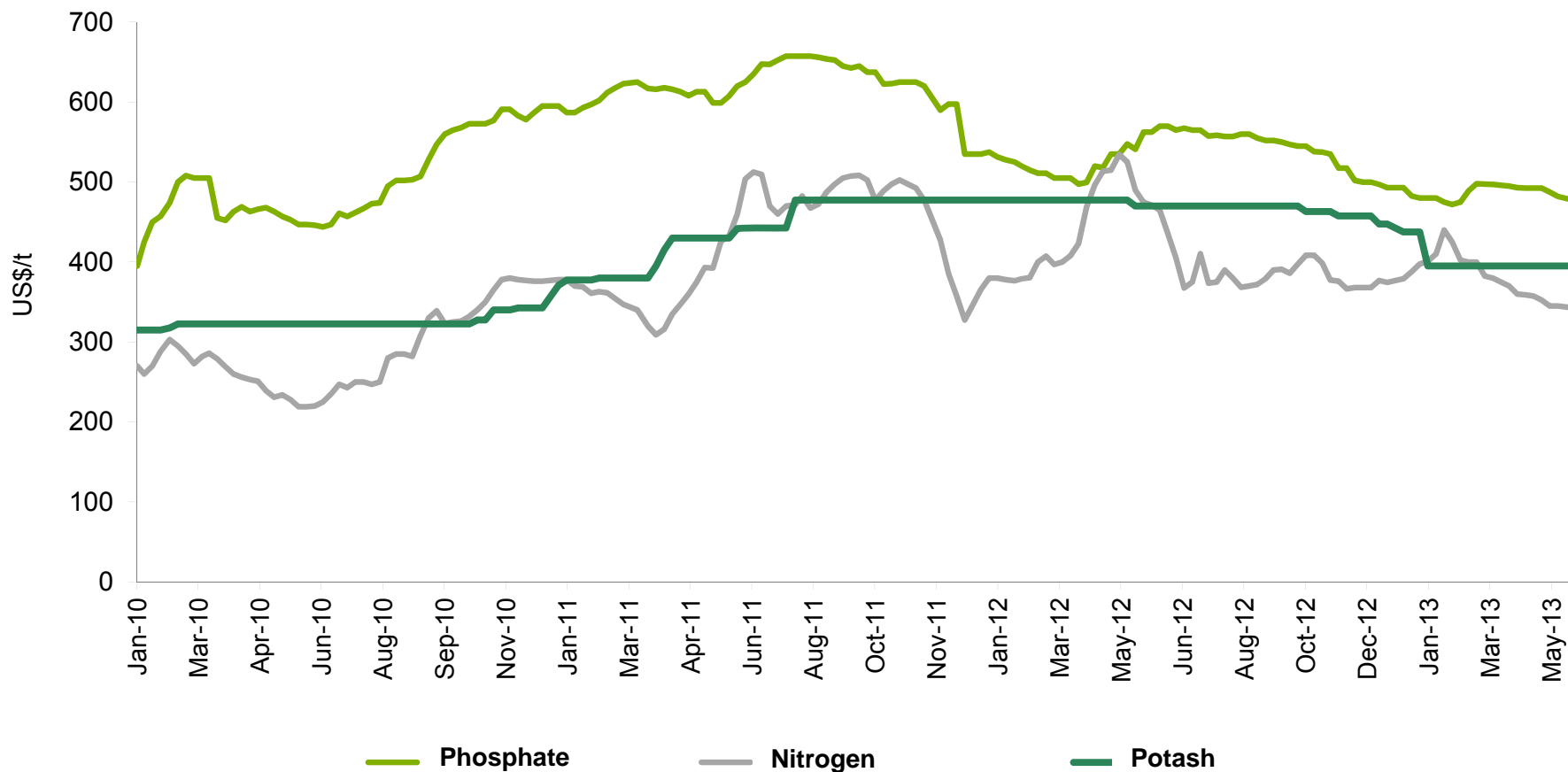
Rebound in potash demand 2013F



Source: IFA, Uralkali estimates

- Unfavorable weather conditions weighed on potash demand in China, US, and Europe during Q1 2013
- Worldwide potash sales volumes are expected to rebound to 53-54 Mn t in 2013
- Healthy farmer economics and re-stocking point to improved supply/demand dynamics into 2013-2014

2013 Potash Prices to be Stable



- The resumption of contract shipments to China and India helped to restore a confidence in major markets
- Since global potash demand has experienced a recovery, spot prices showed signs of stabilization after having bottomed out in Q4 2012

Potash Market Outlook

- In general, 2013 outlook for potash demand is positive, supported by healthy farmers' profit margins, and high planted corn (USA) and soybeans (Brazil) acreage
- 2013 Global potash deliveries are expected to be at the high end of our estimated range of 53-54 Mn t
- Potash prices are estimated to be healthy in 2013 as sales to key markets are enjoying a rebound, and farmers continue generating solid returns for key crops in these markets

Conclusion and Outlook

1Q 2013 Update

- Production of 2.1 million tonnes of potassium chloride (KCl)
- Sales volumes of 1.9 million tonnes of KCl
- Average export price USD 313 per tonne of KCl
- Strategic capacity expansion on track with development started at Ust-Yayvinsky mine
- Focus on returning cash to all shareholders

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

Thank You!