

PhosAgro Fertilizer Production up 5.2% y-o-y in 1Q 2014

Moscow - PhosAgro (Moscow Exchange, LSE: PHOR), a leading global vertically integrated phosphate-based fertilizer producer, announces its production results for the three months ended 31 March 2014.

Total fertilizer production and sales increased year-on-year in 1Q 2014 by 5.2%, and 0.6%, respectively. Production of phosphate-based fertilizer for 1Q 2014 increased by 4.3%, while production of nitrogen-based fertilizers increased by 8.2% year-on-year.

PhosAgro's production and sales volumes for the three months ended 31 March 2014 are summarized in the tables below.

Production volumes by type

(kmt)	1Q 2014	1Q 2013	Change y-o-y
Phosphate-based fertilizers	1,229.3	1,178.6	4.3%
Nitrogen-based fertilizers	374.8	346.3	8.2%
TOTAL fertilizers	1,604.1	1,524.9	5.2%
Apatit mine and beneficiation plant	2,171.3	2,226.2	(2.5%)
Other products**	40.2	40.7	(1.2%)

Sales volumes by type

(kmt)	1Q 2014	1Q 2013	Change y-o-y
Phosphate-based fertilizers	1,215.7	1,294.4	(6.1%)
Nitrogen-based fertilizers	425.3	336.7	26.3%
TOTAL fertilizers	1,641.0	1,631.1	0.6%
Apatit mine and beneficiation plant*	873.0	1,018.0	(14.2%)
Other products**	85.6	79.9	7.1%

Commenting on the 1Q 2014 production results, PhosAgro CEO Andrey Guryev said: "We have maintained near 100% capacity utilisation throughout 1Q 2014. Favorable market conditions and higher demand have enabled us to increase substantially our sales of both concentrated fertilizers and NPKs to Latin America and Russia, where our year-on-year sales volumes to these markets increased more than 100% and over 30%, respectively, in 1Q 2014. We changed our product mix in response to demand at the beginning of the year, increasing production of DAP/MAP after a sharp recovery in prices following the very low price floor we saw in 4Q 2013; we subsequently increased NPK production and sales in February and March after the stabilisation of potash and NPK markets.

“Looking forward to 2014, we believe that the effects of Uralkali’s decision to stop export sales through BPC on the whole market have subsided, and we are seeing prices for key phosphate-based fertilizers normalise on normal market supply / demand conditions, backed by solid farmer economics on the demand side and increased cash costs on the supply side, given recent substantial sulphur and ammonia price increases. As the low cost producer, I am very optimistic with respect to PhosAgro’s ability to significantly improve financial performance in such a market environment and increase returns to our shareholders.”

The table below provides a breakdown of production volumes by major product for 1Q 2014:

Production volumes

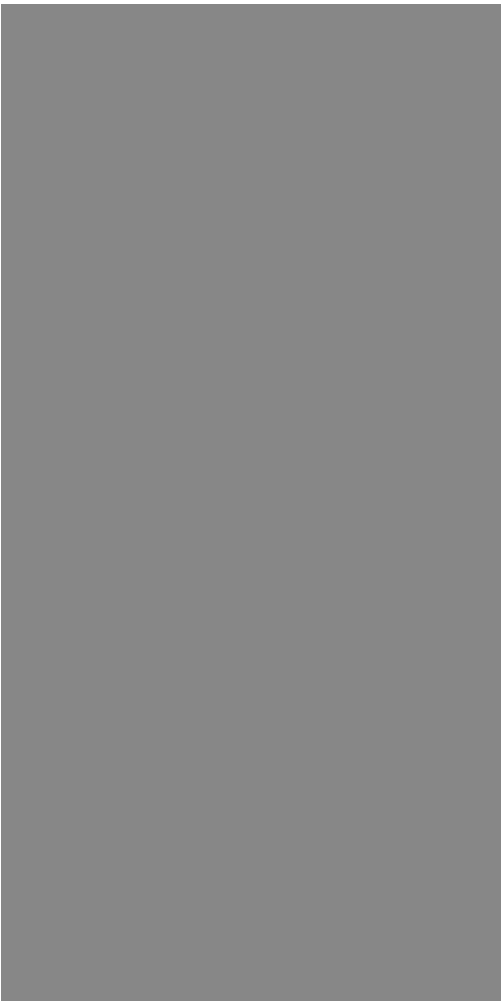
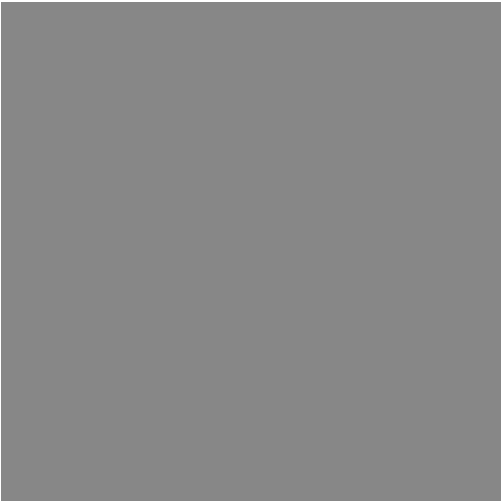
(kmt)	1Q 2014	1Q 2013	Change y-o-y
<i>Apatit mine and beneficiation plant</i>			
Phosphate rock	2,009.1	1,972.1	1.9%
Nepheline concentrate	162.2	254.1	(36.2%)
<i>Phosphate-based fertilizers</i>			
DAP/MAP	570.5	529.8	7.7%
NPK	498.9	433.7	15.0%
NPS	58.0	113.4	(48.9%)
APP	29.0	24.5	18.4%
MCP	65.4	62.1	5.3%
SOP	7.5	15.1	(50.3%)
<i>Nitrogen-based fertilizers</i>			
AN	122.4	112.8	8.5%
Urea	252.4	233.5	8.1%
<i>Other products</i>			
AlF ₃	7.2	7.0	2.9%
STPP	33.0	33.7	(2.1%)
<i>Feed stock</i>			
Ammonia	296.4	263.7	12.4%
Phosphoric acid (kt P ₂ O ₅)	470.9	439.8	7.1%
Sulphuric acid (kt monohydrate)	1,103.4	1,102.0	0.1%

The table below provides a breakdown of sales volumes by major product for 1Q 2014:

Sales volumes

(kmt)	1Q 2014	1Q 2013	Change y-o-y
<i>Apatite mine and beneficiation plant</i>			
Phosphate rock*	714.3	766.2	(6.8%)
Nepheline concentrate	158.7	251.8	(37.0%)
<i>Phosphate-based fertilizers</i>			
DAP/MAP	567.2	614.1	(7.6%)
NPK	469.9	428.2	9.7%

NPS	81.1	161.6	(49.8%)
APP	26.4	16.8	57.1%
MCP	62.9	56.1	12.1%
SOP	8.2	17.6	(53.4%)
<i>Nitrogen-based fertilizers</i>			
AN	142.6	118.7	20.1%
NP	-	0.9	(100.0%)
Urea	282.7	217.1	30.2%
<i>Other products</i>			
AlF3	7.3	6.8	7.4%
STPP	28.0	32.6	(14.1%)
Ammonia	1.3	1.8	(27.8%)
Phosphoric acid	12.1	7.4	63.5%
Sulphuric acid	36.9	31.3	17.9%



* Excluding intra-group sales

** Excluding feed stock