

# PhosAgro Fertilizer Sales up 11% y-o-y in 9M 2015

**Moscow - PhosAgro** (Moscow Exchange, LSE: PHOR), one of the world's leading vertically integrated phosphate-based fertilizer producers, announces its operating results for the nine months ended 30 September 2015.

Total fertilizer production and sales increased year-on-year in 9M 2015 by 9.7% and 10.6%, respectively. Production of phosphate-based fertilizers and feed phosphates for 9M 2015 increased by 12.5% year-on-year to 4 million tonnes, while production of nitrogen-based fertilizers was stable at 1 million tonnes.

PhosAgro's production and sales volumes for 9M 2015 are summarized in the tables below.

<b>Production volumes by type</b>			
<b>(kmt)</b>	<b>9M 2015</b>	<b>9M 2014</b>	<b>Change y-o-y</b>
Phosphate-based fertilizers and MCP	4,000.1	3,555.7	12.5%
Nitrogen-based fertilizers	1,033.6	1,033.9	(0.0%)
<b>TOTAL fertilizers</b>	<b>5,033.7</b>	<b>4,589.6</b>	<b>9.7%</b>
Apatit mine and beneficiation plant	6,413.0	6,408.8	0.1%
Other products**	115.3	118.4	(2.6%)

<b>Sales volumes by type</b>			
<b>(kmt)</b>	<b>9M 2015</b>	<b>9M 2014</b>	<b>Change y-o-y</b>
Phosphate-based fertilizers and MCP	4,074.5	3,518.0	15.8%
Nitrogen-based fertilizers	1,013.0	1,080.1	(6.2%)
<b>TOTAL fertilizers</b>	<b>5,087.5</b>	<b>4,598.1</b>	<b>10.6%</b>
Apatit mine and beneficiation plant*	2,053.0	2,556.9	(19.7%)
Other products**	164.5	269.8	(39.0%)

Commenting on the 9M 2015 operating results, PhosAgro CEO Andrey Guryev said:

"I am now confident that by the end of 2015, PhosAgro will achieve its target of increasing phosphate-based fertilizer production by around half a million tonnes through modernisation and efficiency projects alone. This proves that we made the right decision earlier this year: instead of spending money on new granulation lines, we focussed on optimising our use of current equipment. This has enabled PhosAgro to increase production volumes by 12.5% year-on-year, with no new fertilizer capacities launched.

"I also want to draw attention to the impressive upstream project that was completed earlier this year: Main Shaft #2 at our biggest underground mine. This will help to improve significantly the cost efficiency of our mining operations, which should already be reflected in PhosAgro's results next year.

"With regards to the market, we are now approaching the low season, and DAP prices softened in September on the back of lower activity from Indian distributors after the summer application season,

as well as continued economic problems in Brazil. As result, some of our industry peers have decided to shutter some production capacities.

“However, winter application season in India is approaching and the latest trade reports show significant improvements, with around 500 thousand tonnes shipped/committed in October. That makes us more confident that India will import close to 6 million tons in calendar year 2015, in line with our expectations given the developments on that local market. With further reforms in India and further deregulation of agricultural and fertilizer markets, we may even see significant additional upside going forward.”

The table below provides a breakdown of production volumes by major product for the 9M 2015:

<b>Production volumes</b>			
<b>(kmt)</b>	<b>9M 2015</b>	<b>9M 2014</b>	<b>Change y-o-y</b>
<i>Apatit mine and beneficiation plant</i>			
Phosphate rock	5,731.2	5,740.0	(0.2%)
Nepheline concentrate	681.8	668.8	1.9%
<i>Phosphate-based fertilizers and MCP</i>			
DAP/MAP	1,994.5	1,748.9	14.0%
NPK	1,509.1	1,391.6	8.4%
NPS	122.4	100.7	21.5%
APP	78.2	71.7	9.1%
MCP	192.6	185.8	3.7%
PKS	75.7	36.6	106.8%
SOP	27.6	20.4	35.3%
<i>Nitrogen-based fertilizers</i>			
AN	329.6	170.9	92.9%
NP	0.0	120.5	(100.0%)
Urea	704.0	742.5	(5.2%)
<i>Other products</i>			
AIF3	24.9	21.8	14.2%
STPP	90.4	96.6	(6.4%)
<i>Feed stock</i>			
Ammonia	797.3	875.4	(8.9%)
Phosphoric acid (kt P <sub>2</sub> O <sub>5</sub> )	1,574.6	1,430.6	10.1%
Sulphuric acid (kt monohydrate)	3,527.5	3,299.8	6.9%

The table below provides a breakdown of sales volumes by major product for the 9M 2015:

<b>Sales volumes</b>			
<b>(kmt)</b>	<b>9M 2015</b>	<b>9M 2014</b>	<b>Change y-o-y</b>
<i>Apatite mine and beneficiation plant</i>			
Phosphate rock*	1,368.7	1,886.1	(27.4%)
Nepheline concentrate	684.3	670.8	2.0%
<i>Phosphate-based fertilizers and MCP</i>			
DAP/MAP	2,012.4	1,779.5	13.1%
NPK	1,559.7	1,345.6	15.9%
NPS	142.8	103.1	38.5%
APP	64.3	61.0	5.4%
MCP	185.0	180.6	2.4%
PKS	84.1	27.7	203.6%

SOP	26.2	20.5	27.8%
<i>Nitrogen-based fertilizers</i>			
AN	335.3	187.3	79.0%
NP	0.0	118.1	(100.0%)
Urea	677.7	774.7	(12.5%)
<i>Other products</i>			
AIF3	24.8	21.7	14.3%
STPP	86.2	96.1	(10.3%)
Ammonia	4.6	27.2	(83.1%)
Phosphoric acid	31.8	42.0	(24.3%)
Sulphuric acid	17.1	82.8	(79.3%)

\* Excluding intra-group sales

\*\* Excluding feed stock