PhosAgro Fertilizer Sales up 4% y-o-y in 1H 2014

Moscow – PhosAgro (Moscow Exchange, LSE: PHOR), a leading global vertically integrated phosphate-based fertilizer producer, announces its production results for the six months ended 30 June 2014.

Total fertilizer production and sales increased year-on-year in 1H 2014 by 3.4% and 3.9%, respectively. Production of phosphate-based fertilizer for 1H 2014 increased by 3.2%, while production of nitrogen-based fertilizers increased by 4.4% year-on-year.

PhosAgro's production and sales volumes for the six months ended 30 June 2014 are summarized in the tables below.

Production volumes by type

(kmt)	**1H 2014**	**1H 2013**	**Change y-o-y**
Phosphate-based fertilizers	2,378.4	2,305.6	3.2%
Nitrogen-based fertilizers	704.6	675.2	4.4%
TOTAL fertilizers	**3,083.0**	**2,980.8**	**3.4%**
Apatit mine and beneficiation plant	4,323.0	4,373.8	(1.2%)
Other products**	78.5	74.1	5.9%

Sales volumes by type

(kmt)	**1H 2014**	**1H 2013**	**Change y-o-y**
Phosphate-based fertilizers	2,332.2	2,307.3	1.1%
Nitrogen-based fertilizers	749.2	659.6	13.6%
TOTAL fertilizers	**3,081.4**	**2,966.9**	**3.9%**
Apatit mine and beneficiation plant*	1,746.4	1,957.2	(10.8%)
Other products**	175.9	147.6	19.2%

Commenting on the 1H 2014 production results, PhosAgro CEO Andrey Guryev said: "We have once again maintained near-100% capacity utilisation throughout the first half of the year. 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; our sales volumes to these markets increased year-on-year by more than 70% and over 20%, respectively, during 1H 2014. We continue to adapt our product mix in response to demand and the pricing environment, which has significantly improved from last year – in first six months of 2014, DAP FOB Tampa prices have recovered by 18%, from USD 407 per tonne at the beginning of the year to USD 480 per tonne as of 30 June 2014.

“Looking forward to the remainder of 2014, we believe that the market remains strong, and we are seeing prices for DAP increasing to and above USD 500 per tonne in all markets, with FOB Tampa at USD 510 for the last two weeks, despite declining prices for the soft commodities basket. Both demand and supply side factors are supporting prices, with solid farmer economics combined with increased cash costs for all significant phosphate producers: ammonia is around USD 500 per tonne while sulphur continues to increase and is currently above USD 150 per tonne for most producers. Current market conditions give me confidence that PhosAgro, as the low cost producer, will deliver strong financial performance when we report later in August.”

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

Production volumes			
(kmt)	**1H 2014**	**1H 2013**	**Change y-o-y**
Apatit mine and beneficiation plant			
Phosphate rock	3,920.8	3,895.2	0.7%
Nepheline concentrate	402.2	478.6	(16.0%)
Phosphate-based fertilizers			
DAP/MAP	1,156.5	1,092.7	5.8%
NPK	951.4	863.2	10.2%
NPS	80.6	149.3	(46.0%)
APP	47.7	45.3	5.3%
MCP	126.5	123.9	2.1%
SOP	15.7	31.2	(49.7%)
Nitrogen-based fertilizers			
AN	157.8	182.3	(13.4%)
NP	58.3	33.3	75.1%
Urea	488.5	459.6	6.3%
Other products			
AlF3	14.4	14.1	2.1%
STPP	64.1	60.0	6.8%
Feed stock			
Ammonia	575.1	521.2	10.3%
Phosphoric acid (kt P_2O_5)	945.2	874.8	8.0%
Sulphuric acid (kt monohydrate)	2,189.8	2,187.3	0.1%

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

Sales volumes			
(kmt)	**1H 2014**	**1H 2013**	**Change y-o-y**
Apatite mine and beneficiation plant			

Phosphate rock*	1,340.1	1,479.4	(9.4%)
Nepheline concentrate	406.3	477.8	(15.0%)
Phosphate-based fertilizers			
DAP/MAP	1,157.3	1,061.7	9.0%
NPK	890.6	845.3	5.4%
NPS	101.9	199.3	(48.9%)
APP	43.2	46.6	(7.3%)
MCP	123.0	121.0	1.7%
SOP	16.2	33.4	(51.5%)
Nitrogen-based fertilizers			
AN	185.7	196.5	(5.5%)
NP	43.8	17.4	151.7%
Urea	519.7	445.7	16.6%
Other products			
AlF3	14.5	13.6	6.6%
STPP	61.8	57.3	7.9%
Ammonia	7.8	3.3	136.4%
Phosphoric acid	26.3	14.1	86.5%
Sulphuric acid	65.5	59.3	10.5%

* Excluding intra-group sales
** Excluding feed stock