

# PhosAgro Fertilizer Sales up 10% y-o-y in 1H 2015

**Moscow - PhosAgro** (Moscow Exchange, LSE: PHOR), one of the world's leading vertically integrated phosphate-based fertilizer producers, announces its production results for 1H 2015.

Total fertilizer production and sales increased year-on-year in 1H 2015 by 9.7%, both reaching 3.4 million tonnes. Production of phosphate-based fertilizers and feed phosphates in 1H 2015 increased by 12.3%, to 2.7 million tonnes, while production of nitrogen-based fertilizers increased by 0.8% year-on-year to 0.7 million tonnes.

PhosAgro's production and sales volumes for 1H 2015 are summarized in the tables below.

<b>Production volumes by type</b>			
<b>(kmt)</b>	<b>1H 2015</b>	<b>1H 2014</b>	<b>Change y-o-y</b>
Phosphate-based fertilizers and MCP	2,671.7	2,378.4	12.3%
Nitrogen-based fertilizers	709.9	704.6	0.8%
<b>TOTAL fertilizers</b>	<b>3,381.6</b>	<b>3,083.0</b>	<b>9.7%</b>
Apatit mine and beneficiation plant	4,385.3	4,323.0	1.4%
Other products**	76.9	78.5	(2.0%)

<b>Sales volumes by type</b>			
<b>(kmt)</b>	<b>1H 2015</b>	<b>1H 2014</b>	<b>Change y-o-y</b>
Phosphate-based fertilizers and MCP	2,664.9	2,332.2	14.3%
Nitrogen-based fertilizers	715.7	749.2	(4.5%)
<b>TOTAL fertilizers</b>	<b>3,380.6</b>	<b>3,081.4</b>	<b>9.7%</b>
Apatit mine and beneficiation plant*	1,428.2	1,746.4	(18.2%)
Other products**	115.5	175.9	(34.3%)

Commenting on the 1H 2015 operational results, PhosAgro CEO Andrey Guryev said:

“PhosAgro achieved another set of record fertilizer production results thanks to continued modernisations of production facilities and higher capacity utilisation. With upgraded phosphoric acid capacities and greater output levels from our granulation lines, we managed to increase phosphate-based fertilizer and feed phosphate production by 12.3%.

“On the demand side, we were happy to see a healthy recovery on our priority domestic market. Following the Russian Government's announcement of a programme to support agricultural producers, sales increased by 16% in 2Q 2015 compared to 1Q 2015.

“India has led the spot market so far in 2015, with DAP purchases up nearly threefold year-on-year in the first half, which has enabled PhosAgro to renew sales to this region. The Latin American market performance was weaker as a result of low soybean prices and economic challenges facing the region.

“Overall, the phosphate-based fertilizer price environment has been positive in 1H 2015. The

average price of DAP during the period was USD 476 per tonne (FOB Tampa), compared to USD 465 per tonne in 1H 2014. At the same time, current exchange rates continue to have a significant positive influence on PhosAgro's free cash flow and dividend payments to shareholders."

The table below provides a breakdown of production volumes by major product for the 1H 2015:

<b>Production volumes</b>			
<b>(kmt)</b>	<b>1H 2015</b>	<b>1H 2014</b>	<b>Change y-o-y</b>
<i>Apatit mine and beneficiation plant</i>			
Phosphate rock	3,940.7	3,920.8	0.5%
Nepheline concentrate	444.6	402.2	10.5%
<i>Phosphate-based fertilizers and MCP</i>			
DAP/MAP	1,382.5	1,156.5	19.5%
NPK	942.2	951.4	(1.0%)
NPS	100.0	80.6	24.1%
APP	49.6	47.7	4.0%
MCP	128.1	126.5	1.3%
PKS	51.4	0.0	-
SOP	17.9	15.7	14.0%
<i>Nitrogen-based fertilizers</i>			
AN	239.2	157.8	51.6%
Urea	470.7	488.5	(3.6%)
<i>Other products</i>			
AlF3	13.9	14.4	(3.5%)
STPP	63.0	64.1	(1.7%)
<i>Feed stock</i>			
Ammonia	545.0	575.1	(5.2%)
Phosphoric acid (kt P <sub>2</sub> O <sub>5</sub> )	1,050.0	945.2	11.1%
Sulphuric acid (kt monohydrate)	2,368.0	2,189.8	8.1%

The table below provides a breakdown of sales volumes by major product for the 1H 2015:

<b>Sales volumes</b>			
<b>(kmt)</b>	<b>1H 2015</b>	<b>1H 2014</b>	<b>Change y-o-y</b>
<i>Apatite mine and beneficiation plant</i>			
Phosphate rock*	987.5	1 340.1	(26.3%)
Nepheline concentrate	440.7	406.3	8.5%
<i>Phosphate-based fertilizers and MCP</i>			
DAP/MAP	1,353.5	1,157.3	17.0%
NPK	953.2	890.6	7.0%
NPS	114.9	101.9	12.9%
APP	48.1	43.2	11.3%
MCP	119.9	123.0	(2.5%)
PKS	57.3	0.0	-
SOP	18.0	16.2	11.1%
<i>Nitrogen-based fertilizers</i>			
AN	262.9	185.7	41.6%
Urea	452.8	519.7	(12.9%)
<i>Other products</i>			
AlF3	13.5	14.5	(6.9%)

STPP	59.9	61.8	(3.1%)
Ammonia	3.1	7.8	(60.3%)
Phosphoric acid	25.1	26.3	(4.6%)
Sulphuric acid	13.9	65.5	(78.8%)

\* Excluding intra-group sales

\*\* Excluding feed stock