

PhosAgro Fertilizer Production up 3.7% y-o-y in 2014

Moscow - PhosAgro (Moscow Exchange, LSE: PHOR), one of the world's leading vertically integrated phosphate-based fertilizer producers, announces its production results for the year ended 31 December 2014.

Total fertilizer production and sales increased year-on-year in 2014 by 3.7% and 2.7%, respectively. Production of phosphate-based fertilizers and feed phosphates in 2014 increased by 3.2%, while production of nitrogen-based fertilizers increased by 5.2% year-on-year.

PhosAgro's production and sales volumes for the year 2014 are summarized in the tables below.

Production volumes by type			
(kmt)	2014	2013	Change y-o-y
Phosphate-based fertilizers and MCP	4,770.3	4,620.2	3.2%
Nitrogen-based fertilizers	1,377.9	1,309.6	5.2%
TOTAL fertilizers	6,148.2	5,929.8	3.7%
Apatit mine and beneficiation plant	8,440.8	8,703.6	(3.0%)
Other products**	156.6	150.3	4.2%

Sales volumes by type			
(kmt)	2014	2013	Change y-o-y
Phosphate-based fertilizers and MCP	4,707.7	4,672.1	0.8%
Nitrogen-based fertilizers	1,384.5	1,262.2	9.7%
TOTAL fertilizers	6,092.2	5,934.3	2.7%
Apatit mine and beneficiation plant*	3,328.8	3,912.0	(14.9%)
Other products**	349.4	313.0	11.6%

Commenting on the full year 2014 operational results, PhosAgro CEO Andrey Guryev said: "We saw solid demand for our products this year: Brazil, one of the world's largest consumers of mineral fertilizers, increased imports of phosphate-containing fertilizers by over 10%; India increased imports by 4% year-on-year, though still remaining at the lowest consumption/application rates in the past seven years.

"PhosAgro's domestic market demonstrated the best growth rates in consumption of phosphate-containing fertilizers, with a more than 30% increase in NPK consumption and 5% growth in MAP.

"The pricing environment has also been much more favorable compared to 2013, and we were again able to increase production and sales volumes of fertilizers, which I believe clearly demonstrates the success of our strategy of focusing on efficiency, modernization and debottlenecking at our production sites.

"Looking forward to 2015, we believe demand will be solid again, with probably the most significant

growth rates in India, which has been significantly under-applying P2O5 for the past two years.

Growth rates in Brazil are likely to be slower, given that cereals prices at the moment are at their lowest levels in six years. When considering Brazil, however, it is important to factor in the fact that devaluation has decreased farmers' local currency costs, which gives a significant cost advantage relative to producers whose costs are primarily USD-denominated. In addition to this, substantially lower USD fuel prices have made it possible for Brazilian farmers to invest more into fertilizers in order to increase crop output. Thus we do not see any significant downside risk in this market.

"As the global cash cost leader, we are optimistic about the Company's outlook in terms of financial performance."

The table below provides a breakdown of production volumes by major product for the year 2014:

Production volumes			
(kmt)	2014	2013	Change y-o-y
<i>Apatit mine and beneficiation plant</i>			
Phosphate rock	7,500.5	7,713.0	(2.8%)
Nepheline concentrate	940.3	990.6	(5.1%)
<i>Phosphate-based fertilizers and MCP</i>			
DAP/MAP	2,366.7	2,134.1	10.9%
NPK	1,725.2	1,628.4	5.9%
NPS	248.4	459.1	(45.9%)
APP	89.7	98.6	(9.0%)
MCP	252.1	247.2	2.0%
PKS	58.5	0.0	-
SOP	29.7	52.8	(43.8%)
<i>Nitrogen-based fertilizers</i>			
AN	291.4	297.4	(2.0%)
NP	120.5	109.1	10.4%
Urea	966.0	903.1	7.0%
<i>Other products</i>			
AIF3	27.4	27.1	1.1%
STPP	129.2	123.2	4.9%
<i>Feed stock</i>			
Ammonia	1,180.2	1,048.1	12.6%
Phosphoric acid (kt P2O5)	1,933.9	1,764.6	9.6%
Sulphuric acid (kt monohydrate)	4,461.3	4,338.4	2.8%

The table below provides a breakdown of sales volumes by major product for the year 2014:

Sales volumes			
(kmt)	2014	2013	Change y-o-y
<i>Apatite mine and beneficiation plant</i>			
Phosphate rock*	2,392.4	2,920.5	(18.1%)
Nepheline concentrate	936.4	991.5	(5.6%)
<i>Phosphate-based fertilizers and MCP</i>			
DAP/MAP	2,364.1	2,139.0	10.5%
NPK	1,680.4	1,666.9	0.8%
NPS	250.0	486.6	(48.6%)

APP	89.9	79.6	12.9%
MCP	250.3	245.2	2.1%
PKS	45.5	0.0	-
SOP	27.5	54.8	(49.8%)
<i>Nitrogen-based fertilizers</i>			
AN	247.6	279.7	(11.5%)
NP	120.3	110.0	9.4%
Urea	1,016.6	872.5	16.5%
<i>Other products</i>			
AIF3	27.1	27.1	-
STPP	128.8	121.7	5.8%
Ammonia	34.2	6.3	442.9%
Phosphoric acid	51.6	30.5	69.2%
Sulphuric acid	107.7	127.4	(15.5%)

* Excluding intra-group sales

** Excluding feed stock