



### PhosAgro 2Q 2019 Fertilizer and MCP Output up 5.8% y-o-y to 2.4 mln t

**Moscow** – PhosAgro (MOEX/LSE ticker: PHOR), one of the world’s leading vertically integrated phosphate-based fertilizer producers, announces its operating results for 2Q and 1H 2019. Overall output of phosphate-based and nitrogen-based fertilizers in 2Q increased by 6.4% and 3.9% year-on-year respectively, while sales declined by 3.9% year-on-year to 2.2 million tonnes.

PhosAgro’s production and sales volumes are summarised in the tables below.

Production volumes by type						
('000 mt)	2Q '19	2Q '18	Chg y/y	1H '19	1H '18	Chg y/y
Phosphate-based & MCP	1,782.2	1,674.9	6.4%	3,559.8	3,432.1	3.7%
Nitrogen-based	574.2	552.7	3.9%	1,141.8	1,113.5	2.5%
<b>Total fertilizers</b>	<b>2,356.4</b>	<b>2,227.6</b>	<b>5.8%</b>	<b>4,701.6</b>	<b>4,545.6</b>	<b>3.4%</b>
PhosRock & nepheline	2,930.5	2,774.2	5.6%	5,858.6	5,563.9	5.3%
Other products	39.9	51.7	(22.8%)	86.9	92.4	(6.0%)

Sales volumes by type						
('000 mt)	2Q '19	2Q '18	Chg y/y	1H '19	1H '18	Chg y/y
Phosphate-based & MCP	1,628.8	1,646.7	(1.1%)	3,557.8	3,399.9	4.6%
Nitrogen-based	530.9	600.5	(11.6%)	1,148.3	1,268.0	(9.4%)
<b>Total fertilizers</b>	<b>2,159.7</b>	<b>2,247.2</b>	<b>(3.9%)</b>	<b>4,706.1</b>	<b>4,667.9</b>	<b>0.8%</b>
PhosRock & nepheline	1,142.0	968.0	18.0%	2,263.7	1,923.9	17.7%
Other products	40.5	46.2	(12.3%)	89.7	83.3	7.7%

Commenting on the 2Q 2019 operating results, PhosAgro CEO Andrey Guryev said:

“PhosAgro continued to deliver solid operational results in 2Q 2019, with the completion of our optimisation programme unlocking additional midstream production capacities and helping to maintain our leading position on the industry cash cost curve. Following the record high 4.7 million tonnes of fertilizers produced in the first half of the year, we reiterate our full-year production guidance of nearly 9.4 million tonnes. We accelerated our domestic sales, which is expected to last into the next quarter. In addition, we significantly increased our presence in CIS markets, demonstrating the advantages of our flexible sales strategy. The above factors helped to mitigate negative market dynamics caused by bad weather conditions in North America and higher than expected DAP exports from China, where domestic demand was low.

“Our total fertilizer sales volumes declined by 3.9% year-on-year in the second quarter, mainly due to a release of urea stocks in 2Q 2018. In 2Q 2019, our sales of NPK(S) and MAP, which are supportive of PhosAgro’s profitability, accounted for 39% and 16% of total sales volumes, respectively.

“Our focus on the domestic market, where we continued to develop our distribution network, helped us to achieve better sales results on early recovery of seasonal demand. In 2Q 2019, domestic sales of fertilizers rose by 37% year-on-year to 0.8 million tonnes and accounted for 36% of total fertilizer sales volumes in comparison to 25% in 2Q 2018, which was supportive for cash flow generation.

“Our strategy of going into the distribution chain and establish a presence on the ground with new local offices has enabled us to respond quickly to early signs of demand recovery in Europe, where we increased shipments by 16% year-on-year to almost 0.5 million tonnes in 2Q 2019.

"In 2Q 2019, prices for phosphate-based fertilizers continued their correction due to ramp up of new units at OCP and Ma’aden, and high activity of Chinese fertilizer exporters on the backdrop of low domestic demand.

Looking ahead to market conditions next quarters, negative dynamics may be overrun by the approaching autumn season in our main markets of Europe and the CIS, as well as progress on the reduction of DAP capacities in China after Chinese producers announced their intention to slow down operating rates by 4 million tonnes over the next 12 months.”

The table below provides a breakdown of production volumes by major product:

<b>Production volumes by type</b>						
<b>('000 mt)</b>	<b>2Q '19</b>	<b>2Q '18</b>	<b>Chg y/y</b>	<b>1H '19</b>	<b>1H '18</b>	<b>Chg y/y</b>
<b><i>Apatit mine and beneficiation plant</i></b>						
Phosphate rock	2,621.0	2,537.8	3.3%	5,258.3	5,061.7	3.9%
Nepheline concentrate	309.5	236.4	30.9%	600.3	502.2	19.5%
<b><i>Phosphate-based fertilizers</i></b>						
DAP/MAP	799.0	721.7	10.7%	1,611.9	1,519.8	6.1%
NPK	701.6	687.4	2.1%	1,301.4	1,334.0	(2.4%)
NPS	113.1	101.0	12.0%	311.4	233.7	33.2%
APP	36.0	58.3	(38.3%)	85.6	110.0	(22.2%)
MCP	89.4	92.0	(2.8%)	185.9	180.2	3.2%
PKS	43.1	14.5	197.2%	63.6	54.4	16.9%
<b><i>Nitrogen-based fertilizers</i></b>						
AN	138.5	135.7	2.1%	283.8	279.2	1.6%
Urea	435.7	417.0	4.5%	858.0	834.3	2.8%
<b><i>Other products</i></b>						
STPP	25.9	26.5	(2.3%)	52.1	51.3	1.6%
Other	14.0	25.2	(44.4%)	34.8	41.1	(15.3%)
<b><i>Feed stock</i></b>						
Ammonia	494.0	493.0	0.2%	985.6	989.1	(0.4%)
Phosphoric acid	675.3	638.5	5.8%	1,349.2	1,294.6	4.2%

Sulphuric acid	1,521.9	1,459.5	4.3%	3,020.3	2,943.4	2.6%
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The table below provides a breakdown of sales volumes by major product:

<b>Sales volumes by type</b>						
<b>('000 mt)</b>	<b>2Q '19</b>	<b>2Q '18</b>	<b>Chg y/y</b>	<b>1H '19</b>	<b>1H '18</b>	<b>Chg y/y</b>
<b><i>Apatit mine and beneficiation plant</i></b>						
Phosphate rock	831.4	732.5	13.5%	1,657.1	1,423.9	16.4%
Nepheline concentrate	310.6	235.5	31.9%	606.6	500.0	21.3%
<b><i>Phosphate-based fertilizers</i></b>						
DAP/MAP	658.2	727.3	(9.5%)	1,602.5	1,536.0	4.3%
NPK	681.2	663.4	2.7%	1,337.1	1,310.0	2.1%
NPS	117.0	91.1	28.4%	286.5	226.8	26.3%
APP	39.4	49.5	(20.4%)	101.2	97.0	4.3%
MCP	93.7	91.1	2.9%	181.0	176.7	2.4%
PKS	39.3	24.3	61.7%	49.5	53.3	(7.1%)
<b><i>Nitrogen-based fertilizers</i></b>						
AN	104.5	124.0	(15.7%)	275.1	373.1	(26.3%)
Urea	426.4	476.5	(10.5%)	873.2	894.9	(2.4%)
<b><i>Other products</i></b>						
STPP	25.3	25.9	(2.3%)	51.2	49.6	3.2%
Other	15.2	20.3	(25.1%)	38.5	33.7	14.2%

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**About the Company**

PhosAgro is one of the world's leading vertically integrated phosphate-based fertilizer producers in terms of production volumes of phosphate-based fertilizers and high-grade phosphate rock with a P<sub>2</sub>O<sub>5</sub> content of 39% and higher.

The Company is the largest phosphate-based fertilizer producer in Europe (by total combined capacity for DAP/MAP/NP/NPK/NPS), the largest producer of high-grade phosphate rock with a P<sub>2</sub>O<sub>5</sub> content of 39%, a top-three producer of MAP/DAP globally, one of the leading producers of feed phosphates (MCP) in Europe, and the only producer in Russia, and Russia's only producer of nepheline concentrate (according to the RAFF).

PhosAgro's main products include phosphate rock, 39 grades of fertilizers, feed phosphates, ammonia, and sodium tripolyphosphate, which are used by customers in 100 countries spanning all of the world's inhabited continents. The Company's priority markets outside of Russia and the CIS are Latin America, Europe and Asia.

PhosAgro's shares are traded on the Moscow Exchange, and Global Depositary Receipts (GDRs) for shares trade on the London Stock Exchange (under the ticker PHOR). Since 1 June 2016, the Company's GDRs have been included in the MSCI Russia and MSCI Emerging Markets indexes.

More information about PhosAgro can be found on the website: [www.phosagro.ru](http://www.phosagro.ru).