

PhosAgro Fertilizer Sales up 4% y-o-y in 9M 2014

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

Total fertilizer production and sales increased year-on-year in 9M 2014 by 5.6% and 4.3%, respectively. Production of phosphate-based fertilizers and feed phosphates for 9M 2014 increased by 3.8%, while production of nitrogen-based fertilizers increased by 12.2% year-on-year.

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

Production volumes by type

<i>(kmt)</i>	9M 2014	9M 2013	Change y-o-y
Phosphate-based fertilizers and MCP	3,555.7	3,426.8	3.8%
Nitrogen-based fertilizers	1,033.9	921.4	12.2%
TOTAL fertilizers	4,589.6	4,348.2	5.6%
Apatit mine and beneficiation plant	6,408.8	6,623.1	(3.2%)
Other products**	118.4	109.5	8.1%

Sales volumes by type

<i>(kmt)</i>	9M 2014	9M 2013	Change y-o-y
Phosphate-based fertilizers and MCP	3,518.0	3,479.6	1.1%
Nitrogen-based fertilizers	1,080.1	930.6	16.1%
TOTAL fertilizers	4,598.1	4,410.2	4.3%
Apatit mine and beneficiation plant*	2,556.9	3,034.0	(15.7%)
Other products**	269.8	232.5	16.0%

Commenting on the 9M 2014 operational results, PhosAgro CEO Andrey Guryev said: "We continue to operate at near-100% capacity utilisation. We saw solid demand within the first 3 quarters of 2014, which has enabled us to increase substantially our sales of both phosphate- and nitrogen-based fertilizers. We continue to adapt our product mix in response to demand and the pricing environment, which has significantly improved from last year, increasing to over USD 500 during the summer before softening slightly towards the end September on the back of low crop prices. Nonetheless, the price of a tonne of DAP (FOB Tampa) remains 30% higher than it was in mid-October last year at USD 470 per tonne now vs. USD 360 per tonne a year ago.

"Looking forward to the remainder of 2014, we are going into a quiet period as the main agricultural markets are moving out of season. However, the low export window in China closed last week. Ammonia has peaked at USD 640 per tonne in the US, USD 630 in North Africa and above USD 680 in Europe; sulphur remains around USD 150 per tonne in most regions. As a result, we see big producers cutting output. All these developments would, in our view, be strong offsetting factors

against any significant price decreases in the low season environment. With our low cost position, I feel comfortable with respect to our financial performance and operations through the rest of this year.”

The table below provides a breakdown of production volumes by major product for 9M 2014:

Production volumes

(kmt)	9M 2014	9M 2013	Change y-o-y
<i>Apatit mine and beneficiation plant</i>			
Phosphate rock	5,740.0	5,905.3	(2.8%)
Nepheline concentrate	668.8	717.8	(6.8%)
<i>Phosphate-based fertilizers and MCP</i>			
DAP/MAP	1,748.9	1,628.3	7.4%
NPK	1,391.6	1,284.4	8.3%
NPS	100.7	220.3	(54.3%)
APP	71.7	67.9	5.6%
MCP	185.8	182.8	1.6%
PKS	36.6	0.0	-
SOP	20.4	43.1	(52.7%)
<i>Nitrogen-based fertilizers</i>			
AN	170.9	182.3	(6.3%)
NP	120.5	109.1	10.4%
Urea	742.5	630.0	17.9%
<i>Other products</i>			
AlF3	21.8	19.8	10.1%
STPP	96.6	89.7	7.7%
<i>Feed stock</i>			
Ammonia	875.4	733.2	19.4%
Phosphoric acid (kt P2O5)	1,430.6	1,322.2	8.2%
Sulphuric acid (kt monohydrate)	3,299.8	3,237.7	1.9%

The table below provides a breakdown of sales volumes by major product for 9M 2014:

Sales volumes

(kmt)	9M 2014	9M 2013	Change y-o-y
<i>Apatite mine and beneficiation plant</i>			
Phosphate rock*	1,886.1	2,316.0	(18.6%)
Nepheline concentrate	670.8	718.0	(6.6%)
<i>Phosphate-based fertilizers and MCP</i>			
DAP/MAP	1,779.5	1,682.6	5.8%
NPK	1,345.6	1,285.1	4.7%
NPS	103.1	229.7	(55.1%)
APP	61.0	58.6	4.1%
MCP	180.6	179.1	0.8%
PKS	27.7	0.0	-
SOP	20.5	44.5	(53.9%)

Nitrogen-based fertilizers

AN	187.3	197.4	(5.1%)
NP	118.1	110.0	7.4%
Urea	774.7	623.2	24.3%

Other products

AlF3	21.7	19.2	13.0%
STPP	96.1	88.7	8.3%
Ammonia	27.2	4.8	466.7%
Phosphoric acid	42.0	25.4	65.4%
Sulphuric acid	82.8	94.4	(12.3%)

* Excluding intra-group sales

** Excluding feed stock