



2010 IFRS Results

April 27, 2011

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Contents

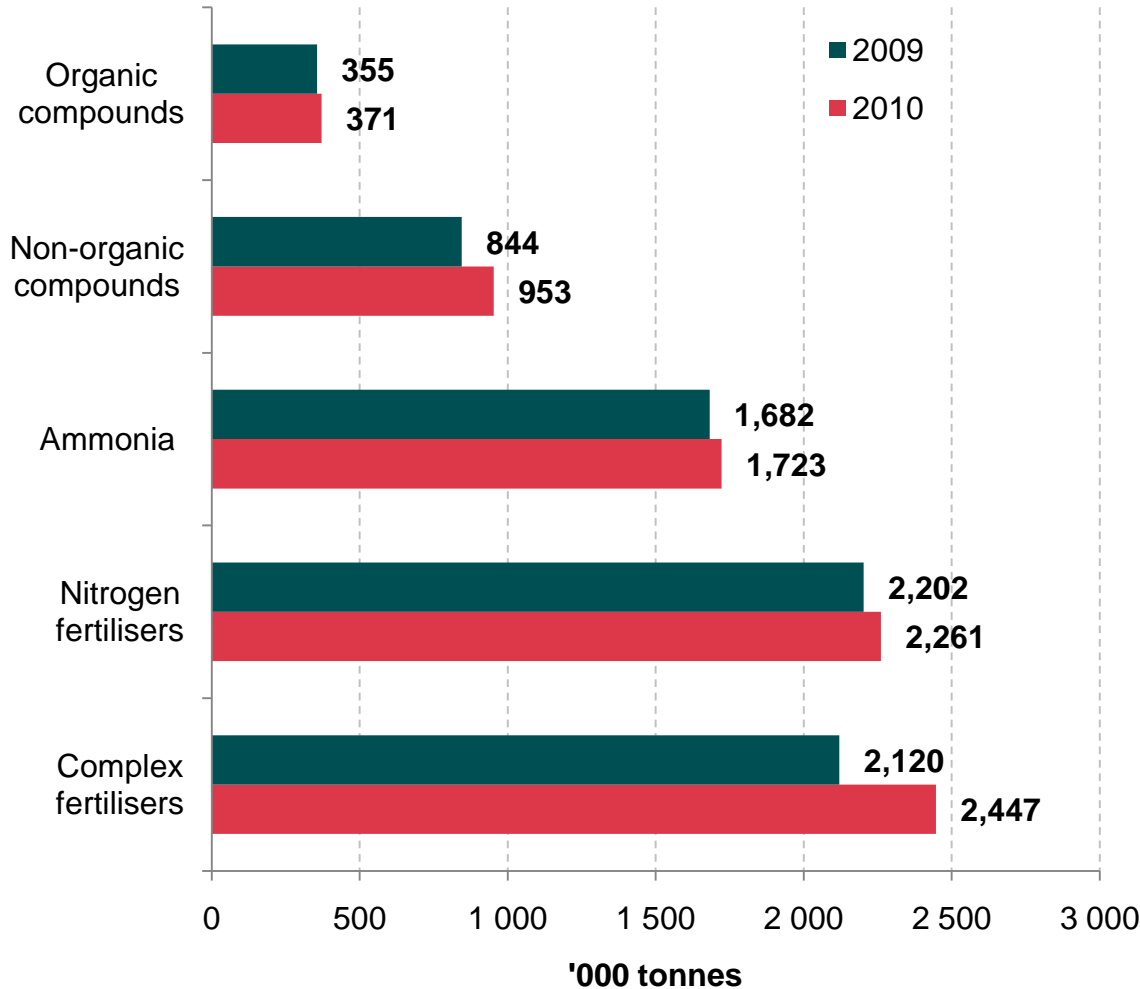
1. 2010 financial results
2. Results by segment
3. Debt burden
4. Trends of world fertiliser market
5. Q&A

IFRS Highlights

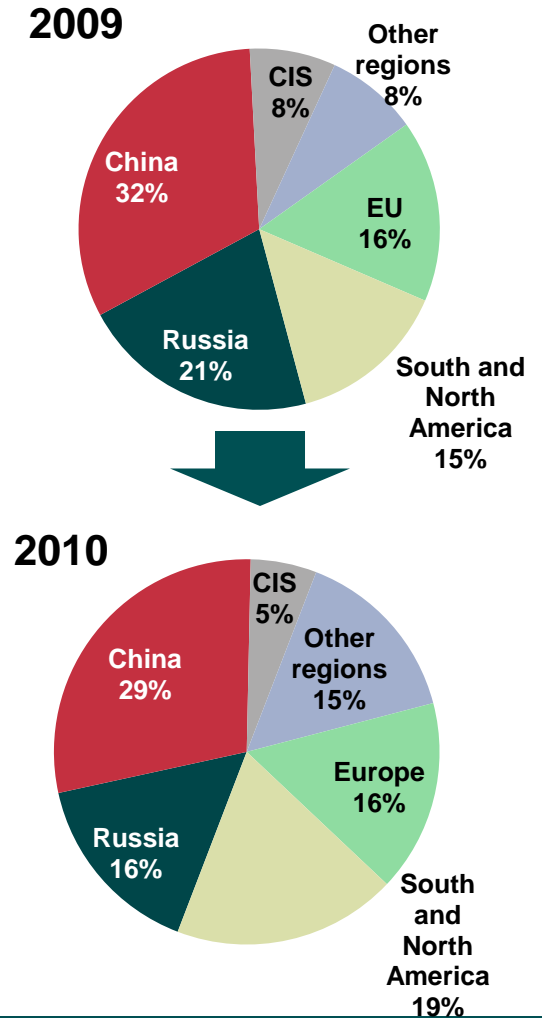
	RUB mn			USD mn		
	2010	2009	YoY, %	2010	2009	YoY, %
Revenue	46,738	37,542	24%	1,538	1,182	30%
EBITDA	10,336	7,275	42%	340	229	49%
<i>EBITDA margin</i>	<i>22%</i>	<i>19%</i>	<i>14%</i>	<i>22%</i>	<i>19%</i>	<i>14%</i>
Net profit	6,279	7,256	-13%	207	228	-10%
Net profit adjusted for sale of stake in Sibneftegaz	6,279	4,198	50%	207	132	56%
<i>Adjusted Net profit margin</i>	<i>13%</i>	<i>11%</i>	<i>2 p.p.</i>	<i>13%</i>	<i>11%</i>	<i>2 p.p.</i>
Assets	98,078	84,932	15%	3,218	2,809	15%
Available-for-sale investments	24,398	20,595	18%	800	681	18%
Cash	7,597	7,706	-1%	249	255	-2%
Total debt	35,911	32,432	11%	1,178	1,072	10%
Net debt	28,315	24,725	15%	929	818	14%
Cash flows from operating activities	3,282	2,856	15%	108	90	20%
Cash flows from investing activities	-5,151	-451	1,043%	-170	-14	1,095%
Cash flows from financing activities	1,738	1,283	35%	57	40	42%
Total sales ('000 t)	5,556	5,346	4%			

Operating Highlights

Production

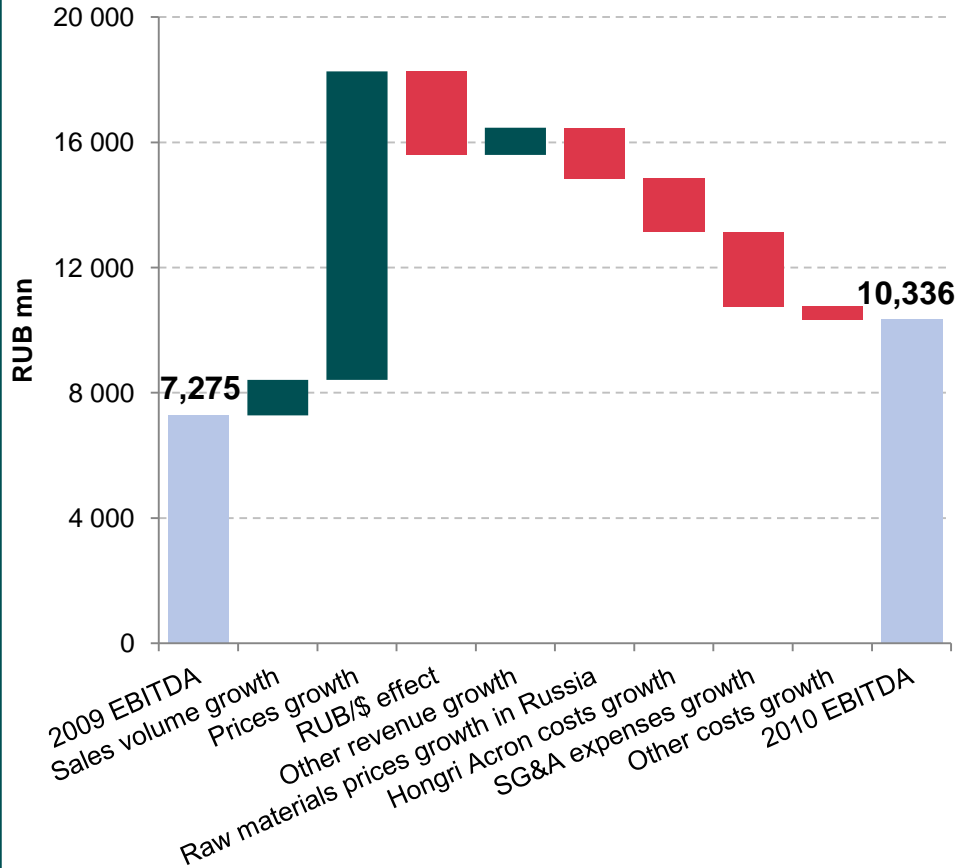


Sales

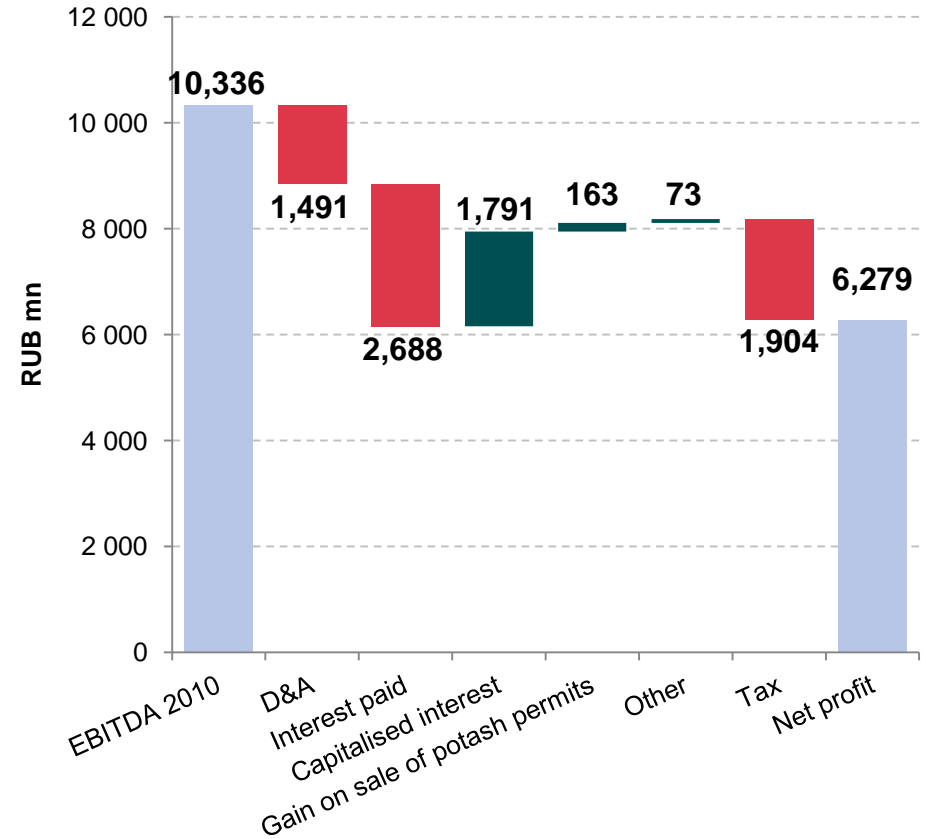


EBITDA Analysis

EBITDA Growth

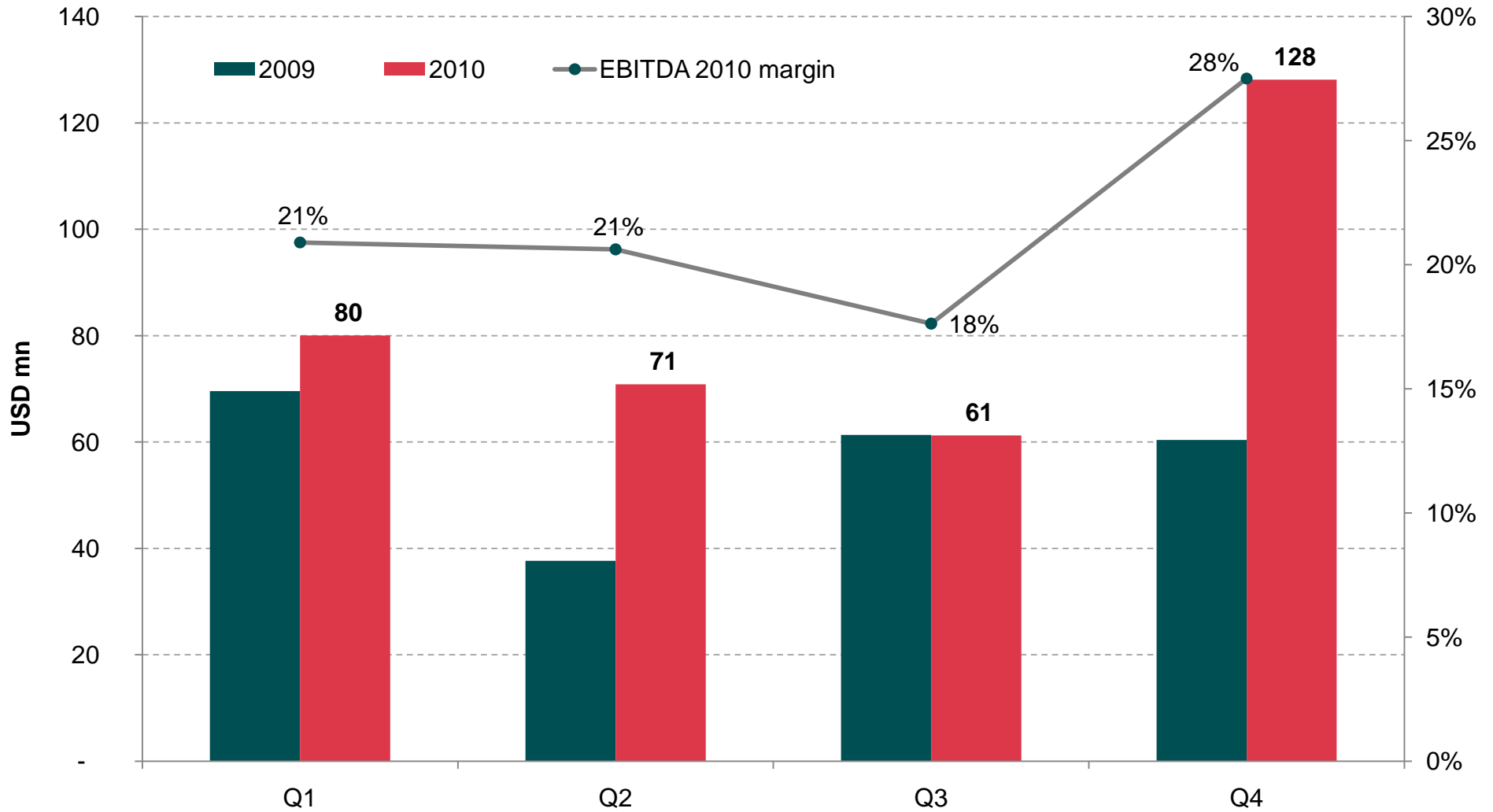


EBITDA and Net Profit

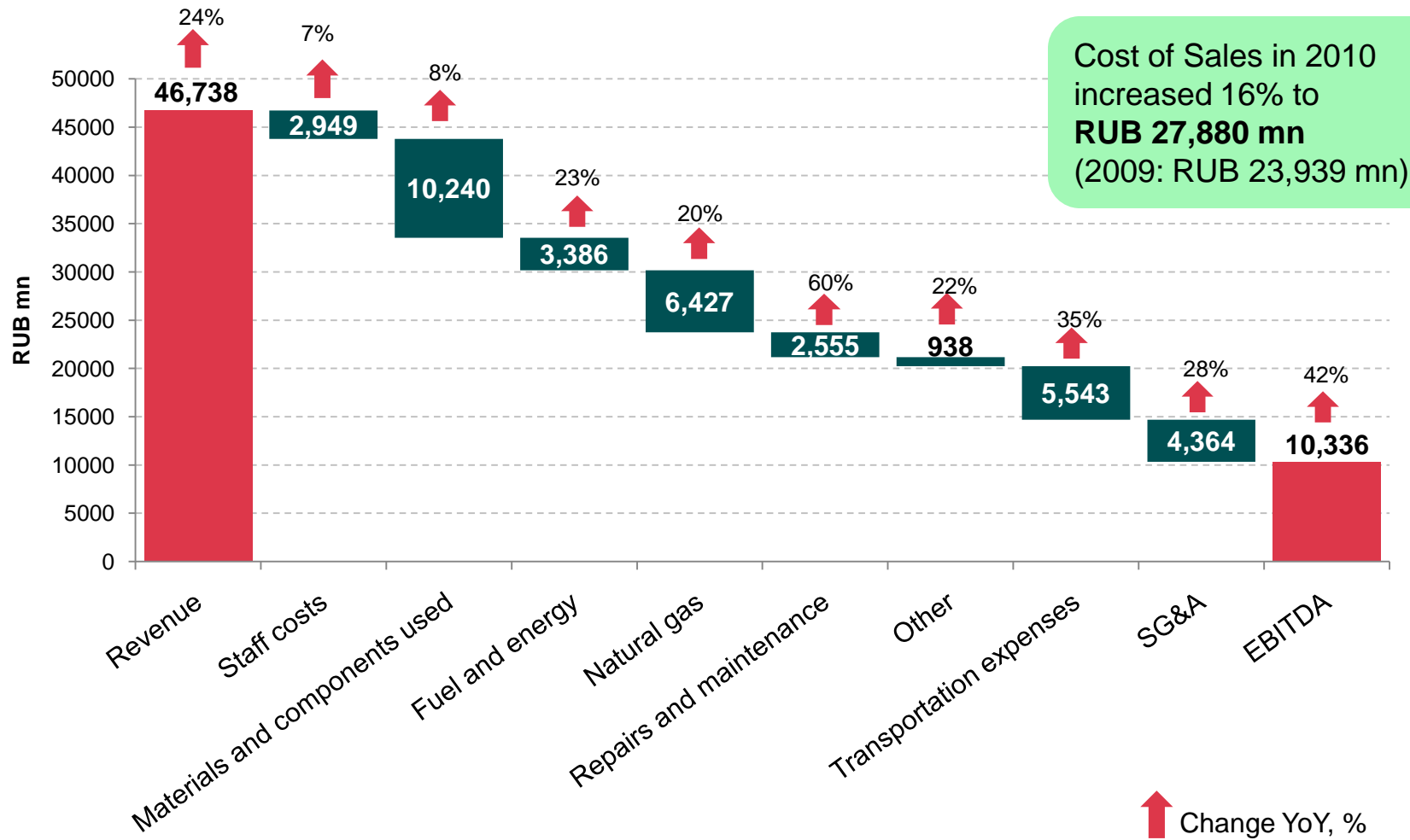


In 2010, EBITDA was mostly influenced by world fertiliser prices growth

EBITDA Quarterly

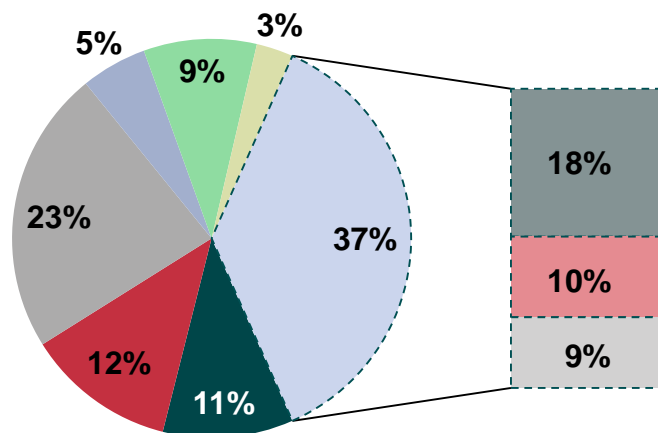


Costs Dynamics



Costs Position

Costs Structure



- Staff costs
- Fuel and energy
- Natural gas
- D&A
- Repairs and maintenance
- Other

- Materials and components used by Hongri Acron
- Apatite costs
- Potash costs

Main Input Cost for Russian Plants

	Natural gas	Apatite concentrate (high-grade phos. rock)	Sylvin (Potash)	
Annual consumption	2.25 bn m ³	0.7 – 0.8 mn t	0.4 – 0.5 mn t	
2010 Delivered price	2,891 RUB/1000m ³	3,845 RUB/t	5,257 RUB/t	
2011 EXW price	~ 3,080 RUB/1000m ³	3,278 RUB/t	Export sales	Domestic sales
			Minimal export price (5,657* RUB/t)	4,250 RUB/t
2011 Delivered price	~ 3,265 RUB/1000m ³	~ 4,195 RUB/t	~ 6,700 RUB/t	~ 5,300 RUB/t
Increase	13%	9%	28%	1%
2011 Delivered price (in USD)**	~ 109 USD/1000m ³ (~ 3.5 USD/mmBTU)	140 USD/t	223 USD/t	177 USD/t

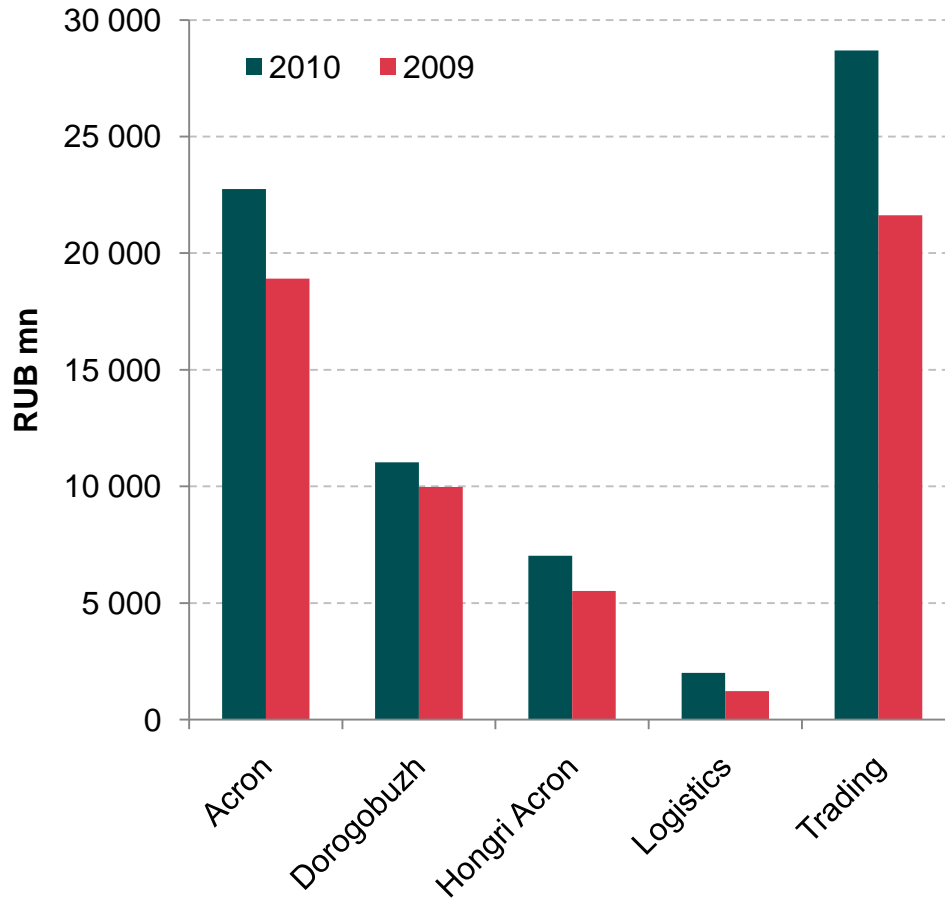
* Price in 1H 2011

** Based on 30 RUB/USD rate

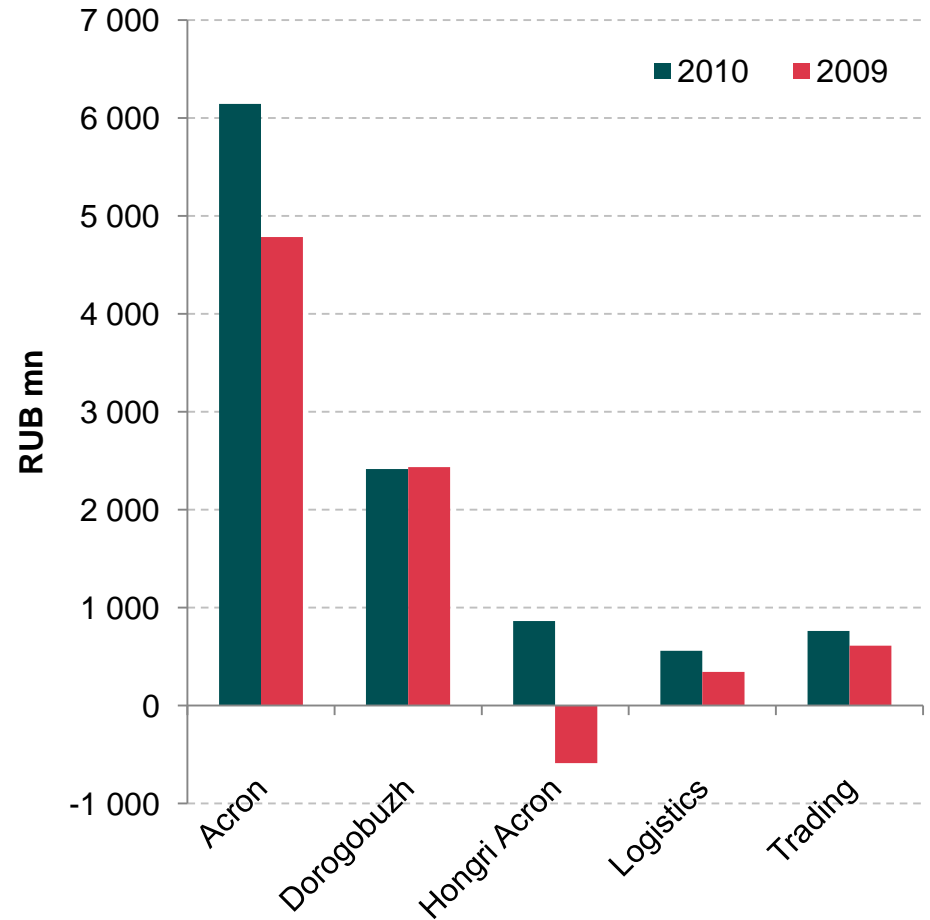
- Major inputs are 15 – 40% cheaper than international spot prices
- 2010 natural gas consumption: Acron – 1,098 m³/t of ammonia vs. Russian industry average of 1,187 m³/t

Segments Analysis

Revenue *



EBITDA

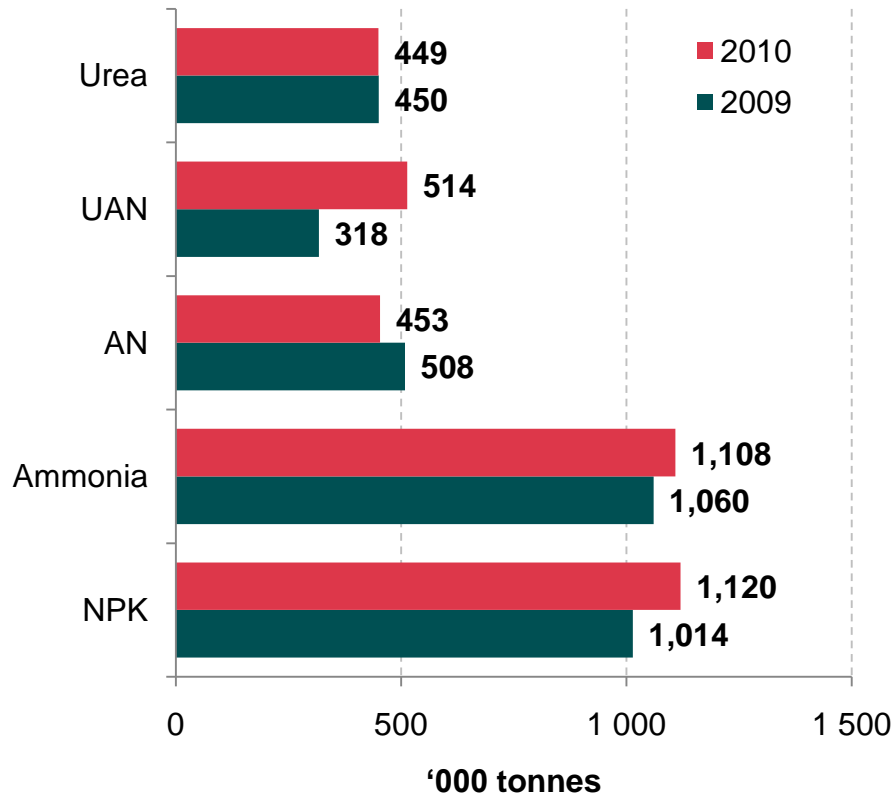


* Including intra-Group turnover

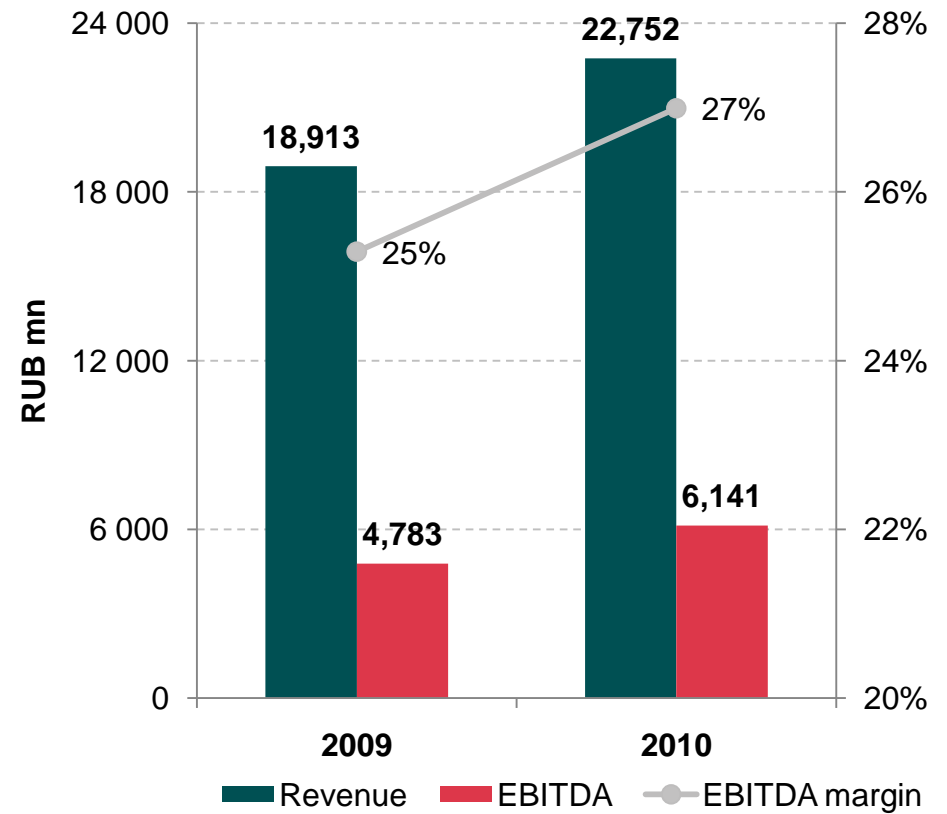
Segments: Acron

Acron

Production



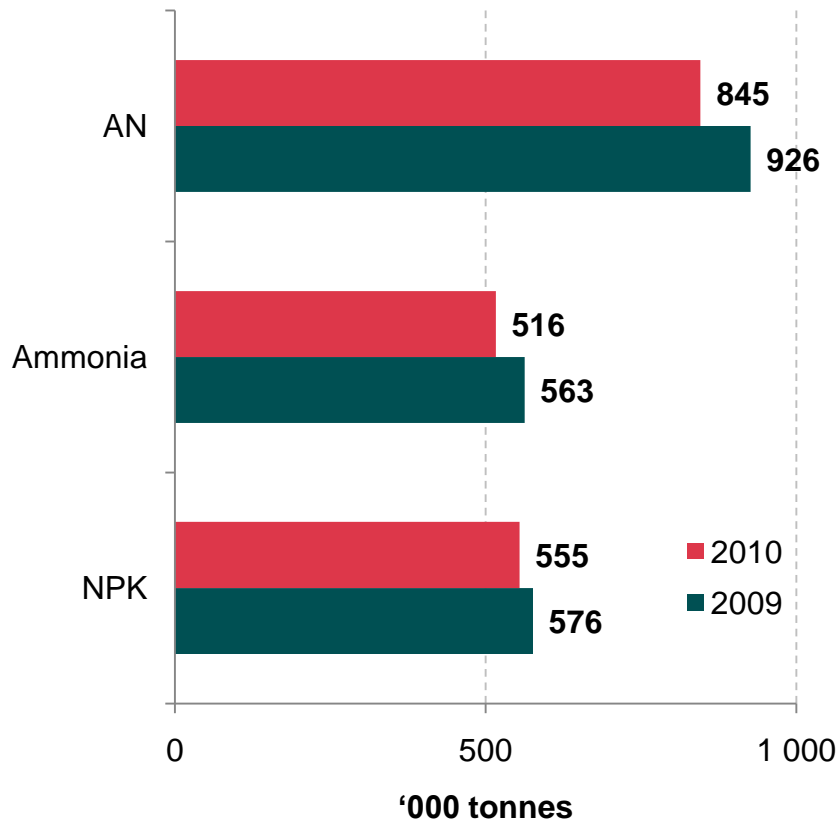
Financials



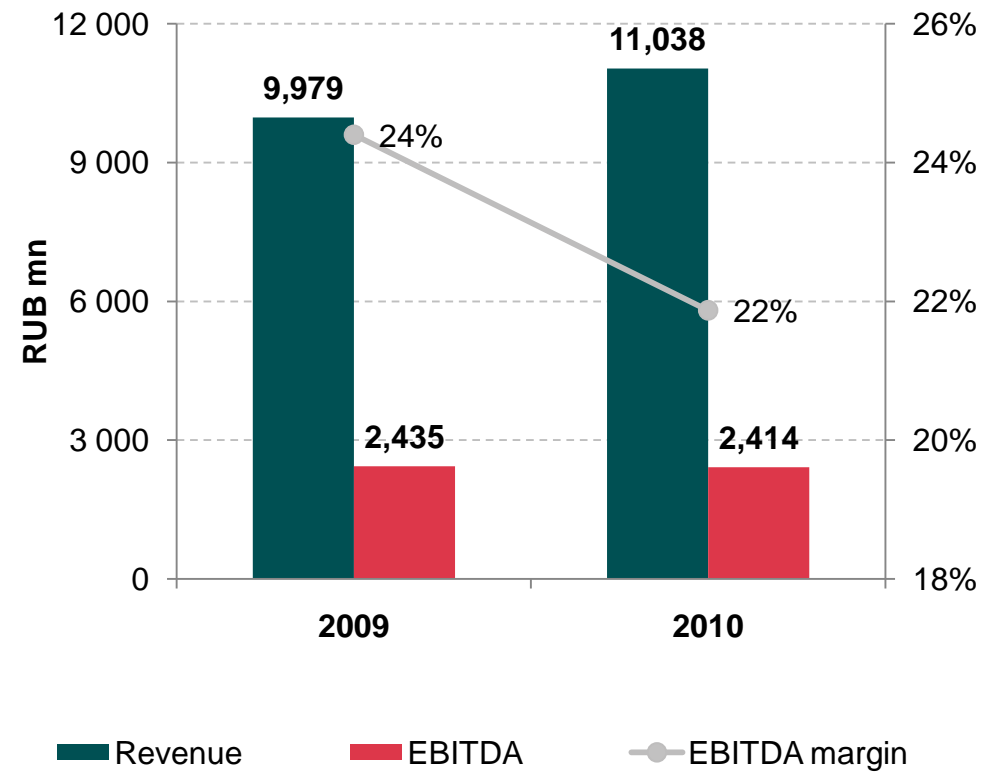
Segments: Dorogobuzh

Dorogobuzh

Production



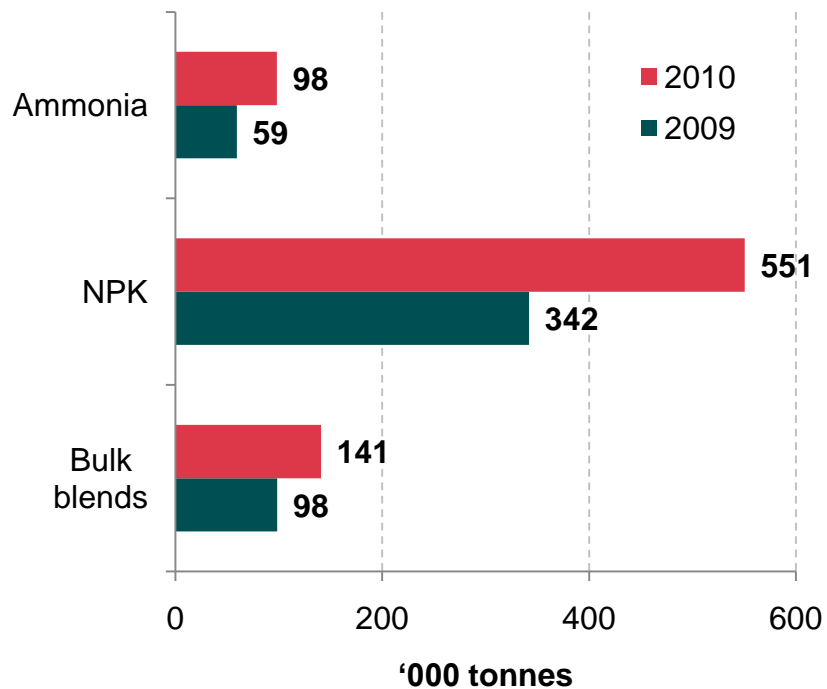
Financials



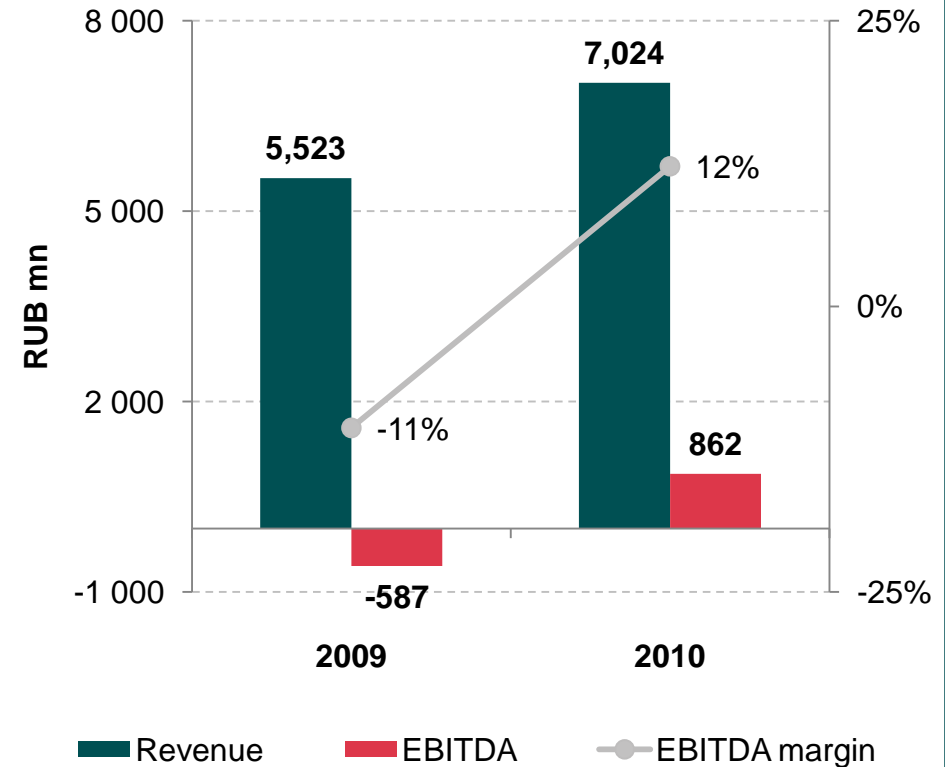
Segments: Hongri Acron

Hongri Acron

Production



Financials

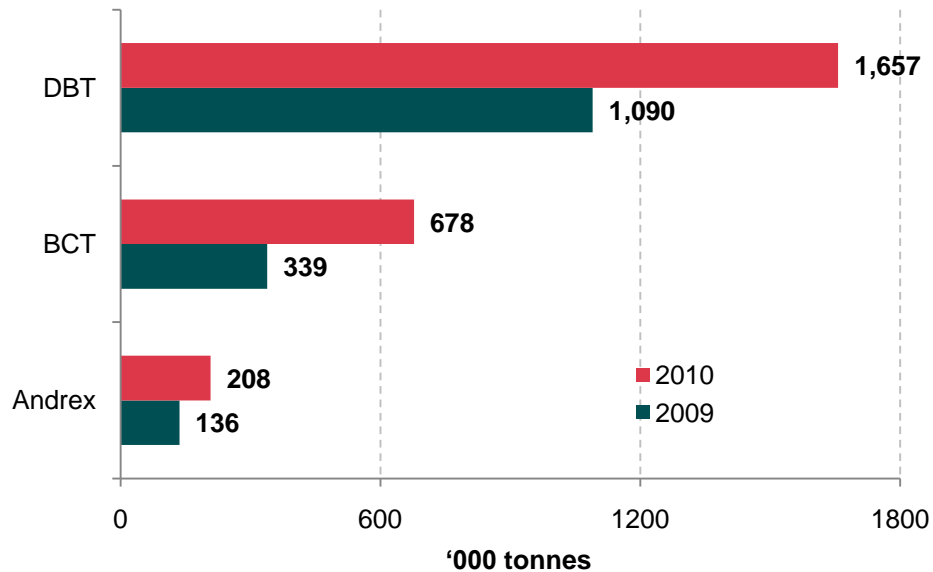


Segments: Logistics

Logistics

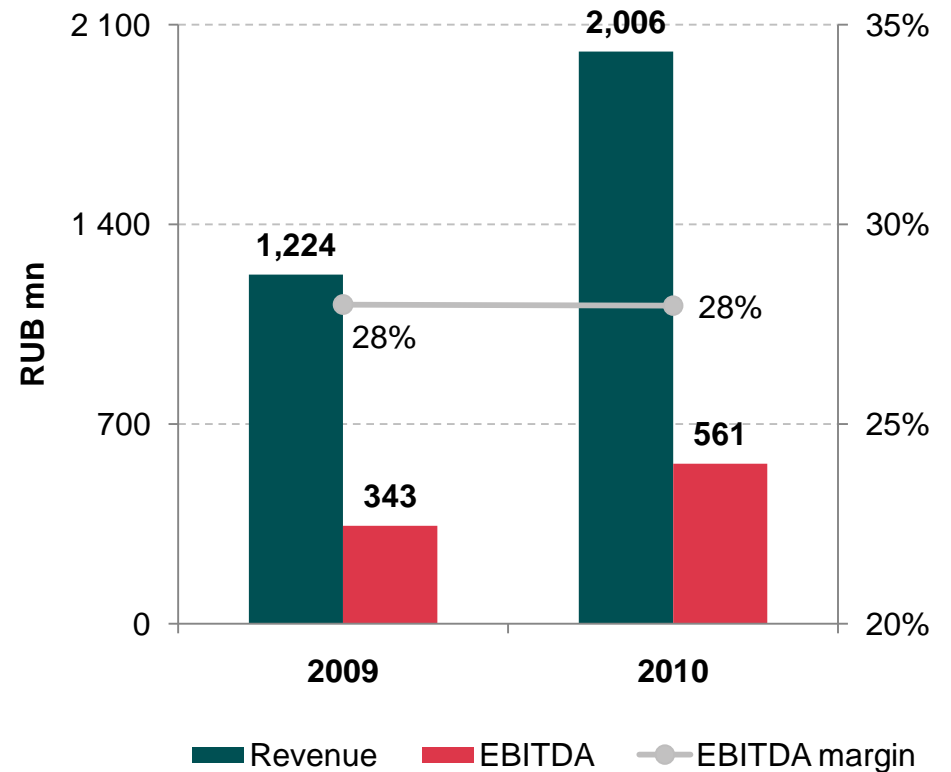
Transportation and logistics services rendered by the Group's seaport terminals and transportation companies

Turnover



Total turnover in 2010 was 2,543,000 t, 68% of which came from Acron Group (2009: 1,565,000 t and 78%)

Financials



Segments: Trading

Trading

Domestic distribution and overseas sales

Distribution in Russia

CJSC Agronova

20 sales offices

16 warehouses

Total storage capacity is 169,000 t

Distribution in China

Beijing Yong Sheng Feng AMPC, Ltd.

Yong Sheng Feng has direct contracts with

wholesale and retail distributors in 12 of 23

Chinese provinces

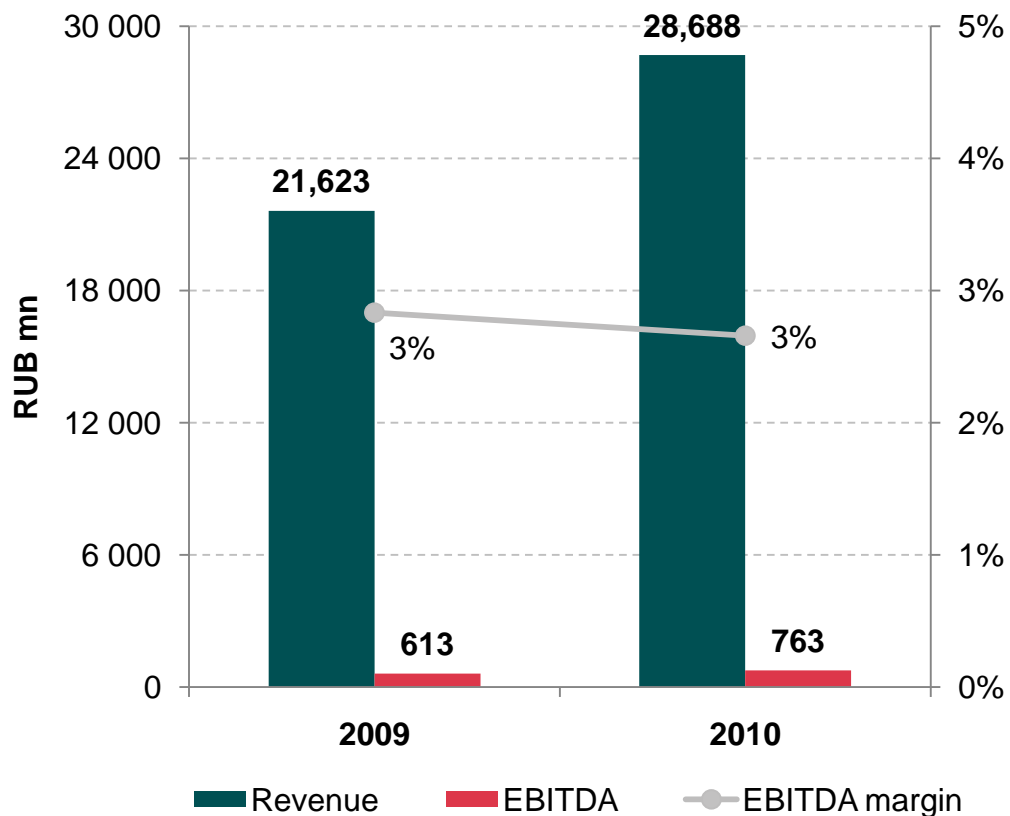
International Trading

Agronova International

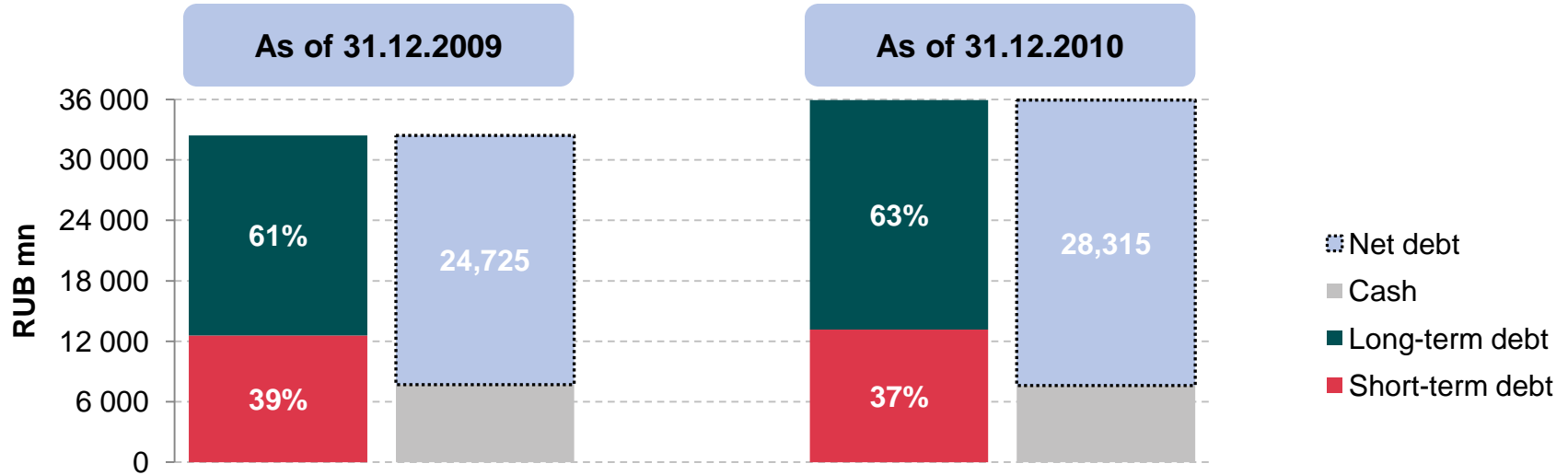
Agronova Europe

Supply products to end-customers worldwide

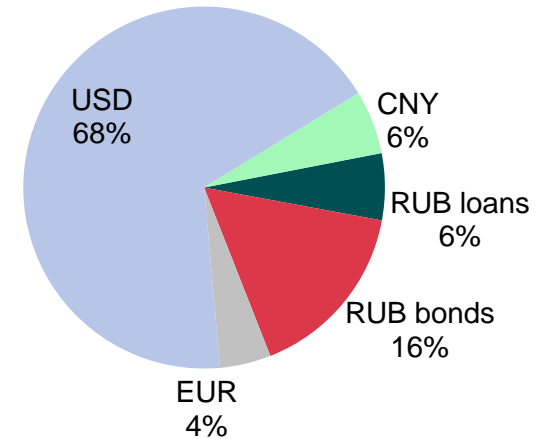
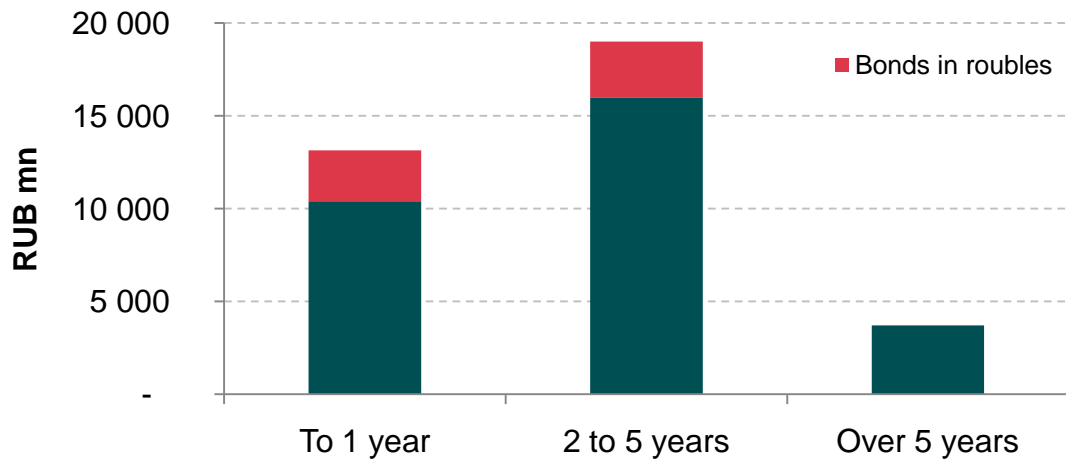
Financials



Debt Structure

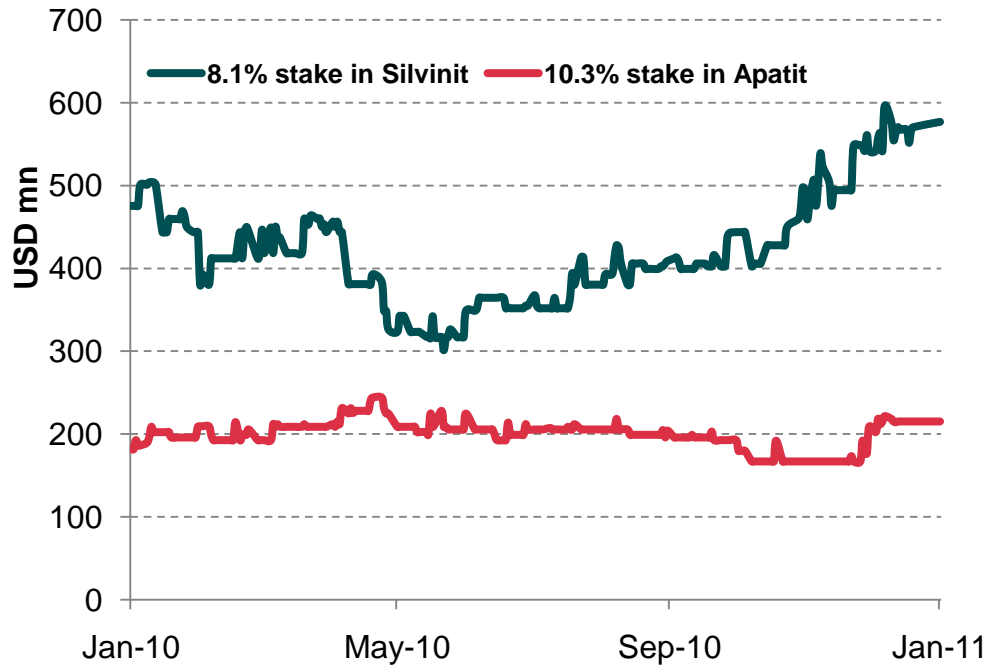


Debt by Maturity



Debt Burden and Portfolio Investments

Market Cap. of Portfolio Investments



Market Cap. of Portfolio Investments as of 31.12.2010:

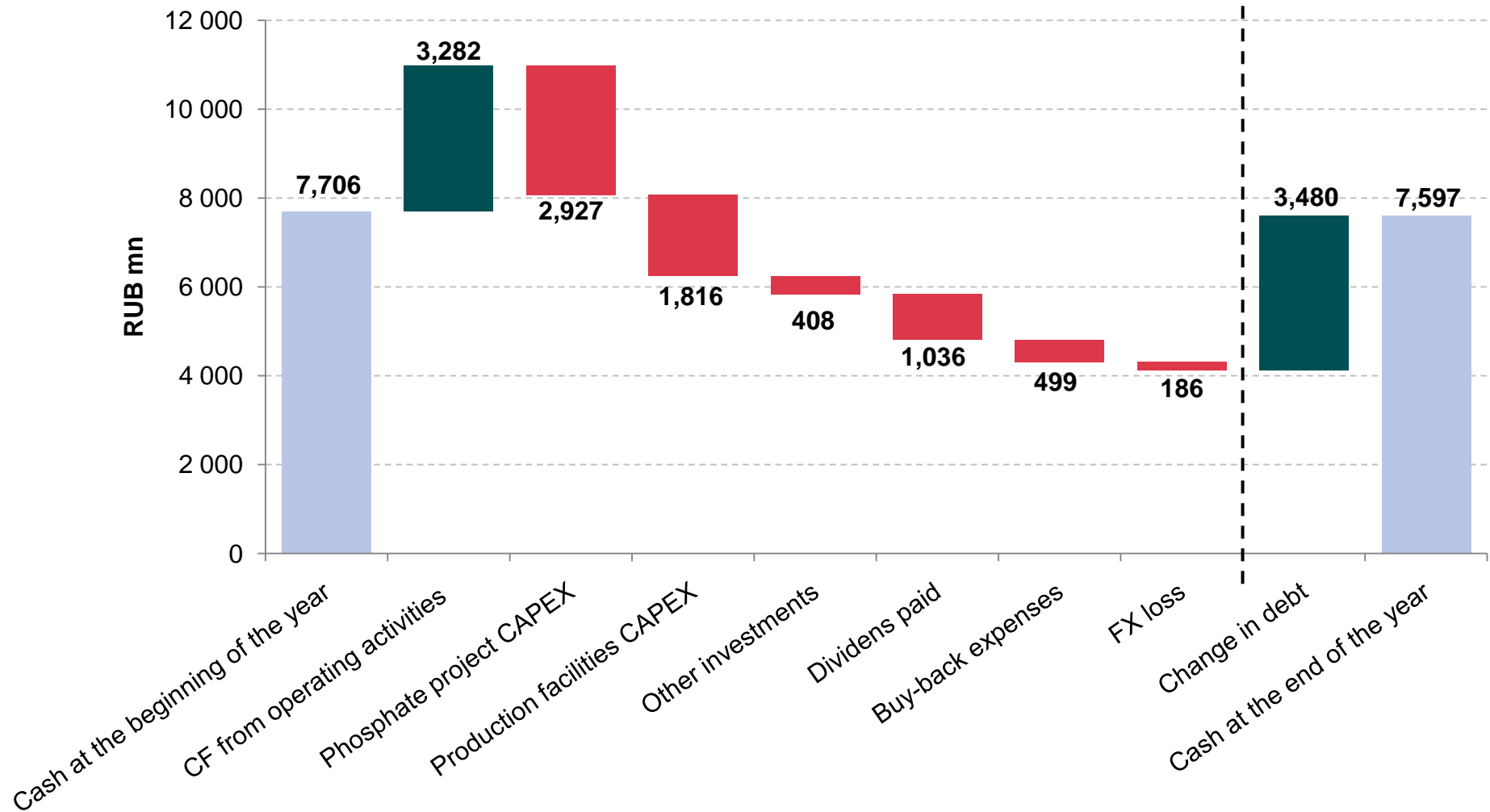
- **SILV:** RUB17,435 mn (\$572 mn)
- **APAT:** RUB 6,559 mn (\$215 mn)

Optimisation of debt burden in 2010

- Acron obtained \$300 mn 3-year club loan. The interest rate is LIBOR+4.15% (extended by \$125 mn at LIBOR+3.83% in 2011)
- Moody's Investor Service assigned B1/stable credit rating
- Fitch Ratings revised credit rating outlook from negative to stable, affirmed rating B+
- Weighted average interest rate for debt portfolio **7.1% as of 31.12.2010**

Source: RTS

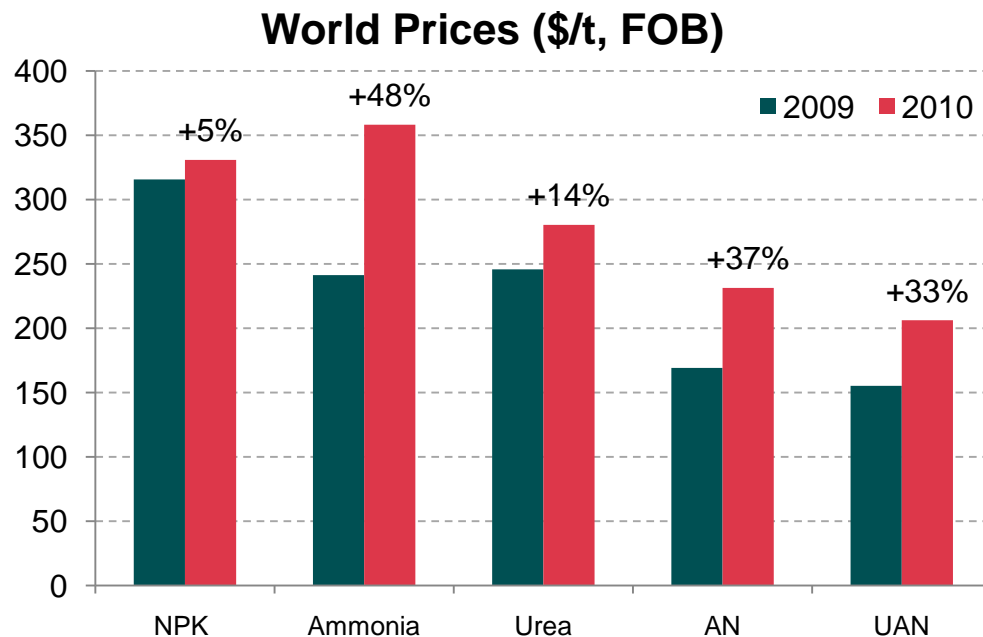
Cash Flows



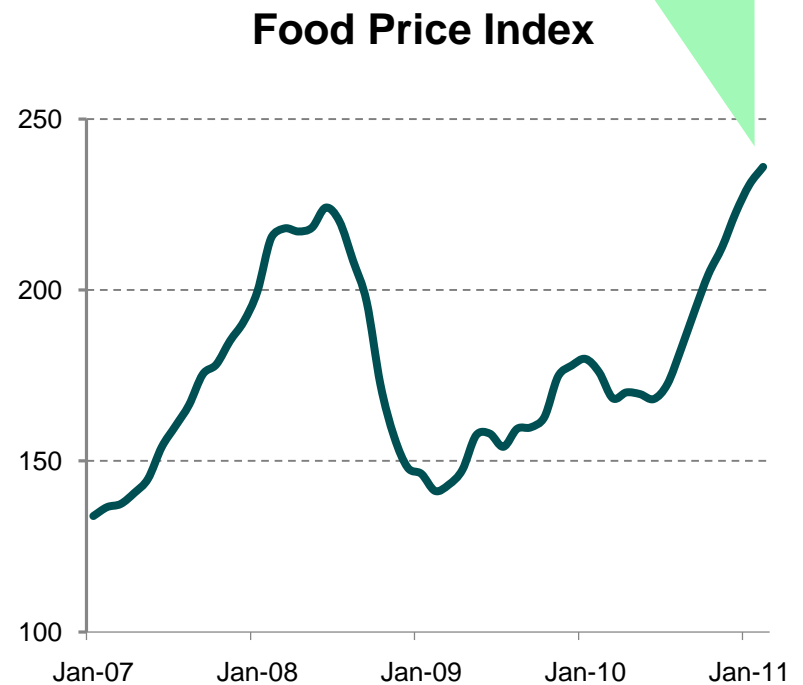
World Fertiliser Market in 2010

Drivers for world fertiliser market growth in 2010:

- Global economy post-recession growth
- Agricultural products price growth
- Fertiliser consumption volumes growth



Source: FMB, Fertecon

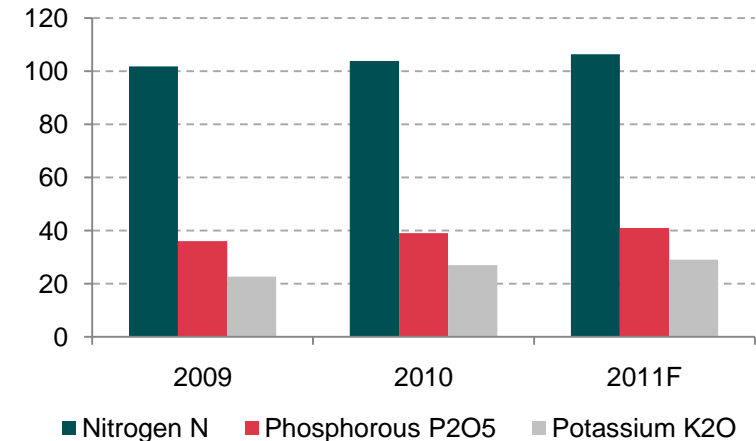


Source: FAO

World Fertiliser Market Trends

- IFA forecast further 3.9% fertiliser consumption growth to 176.5 mn t of nutrients in 2011.
- Nitrogen products consumption increase (only for fertiliser use) is forecast at 2.5 mn t of N, which corresponds, for example, to 5.4 mn t of urea or 7.4 mn t of AN.
- New production capacity in regions with low-cost natural gas is not able to satisfy this growing demand.
- Producers in low-cost regions were running 100% capacity in 2010, that is why the demand can be met in full only through supplies from regions with high raw material cost.
- Positive price dynamics in 1Q 2011 proves the substantial demand increase

World Fertiliser Consumption



**World Prices
(\$/t, FOB Baltic/Black Sea)**

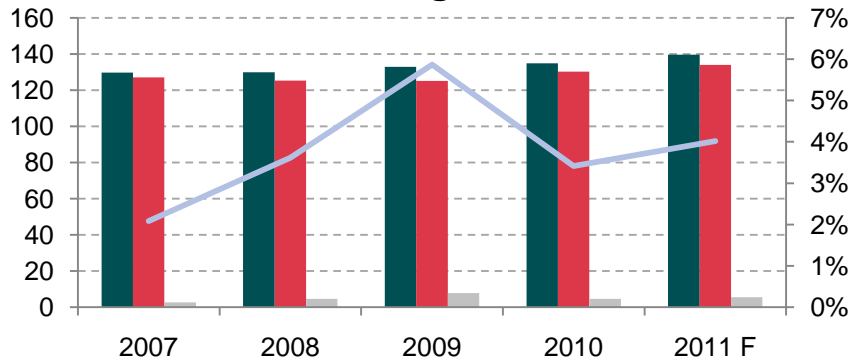
	4Q 2010	1Q 2011	Chg.
Ammonia	401	474	+18%
Urea	350	346	-1%
AN	272	301	+11%
UAN	266	280	+5%
NPK	376	400	+6%

Source: 36th IFA Enlarged Council Meeting New Delhi (India), 2-4 December 2010

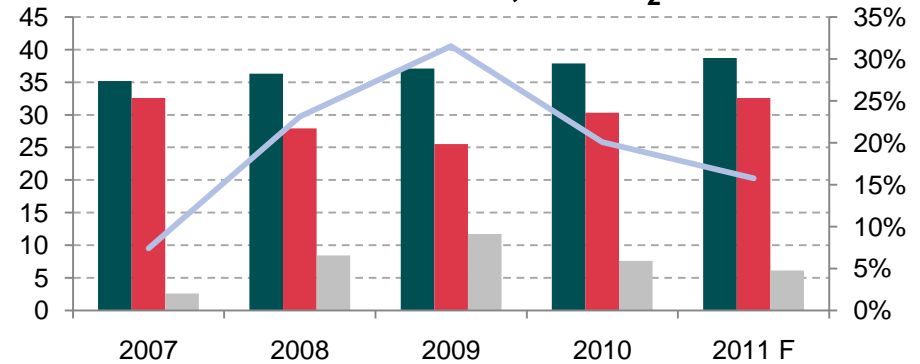
Source: FMB, Fertecon

Fertiliser Market Supply and Demand Balance Forecast

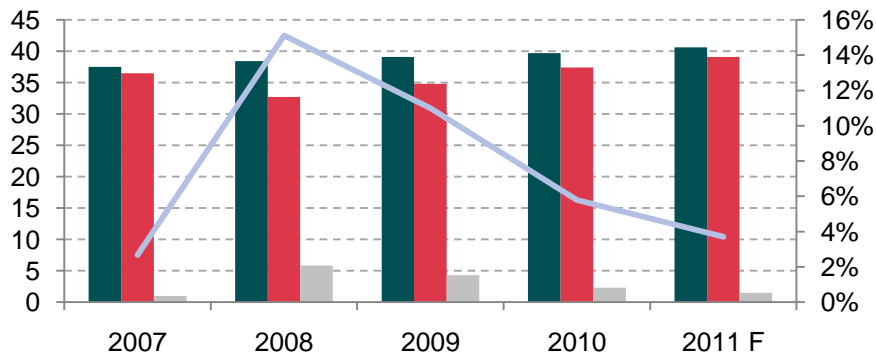
Supply and Demand Balance Forecast for Nitrogen, mn t N



Supply and Demand Balance Forecast for Potassium, mn t K₂O



Supply and Demand Balance Forecast for Phosphates*, mn t P₂O₅



■ Supply (effective capacity)
■ Demand (including industrial use)
■ Balance
— % of supply (right scale)

Fertiliser market supply and demand balance forecast shows that demand in phosphate and potash sectors are growing faster than supply. This will positively impact NPK market.

*Balance by phosphoric acid

Source: 36th IFA Enlarged Council Meeting New Delhi (India), 2-4 December 2010

Thank you

Questions?