



EUROCHEM GROUP

INTERNATIONAL ACCOUNTING STANDARD No. 34

**CONSOLIDATED CONDENSED INTERIM (SIX MONTHS) FINANCIAL
INFORMATION AND
REVIEW REPORT**

30 JUNE 2016

Contents

Auditor's Report on the Review of the Consolidated Condensed Interim Financial Information as of and for the three and six months ended 30 June 2016

Consolidated Interim Statement of Financial Position as at 30 June 2016.....	1
Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income for the three and six months ended 30 June 2016.....	2
Consolidated Interim Statement of Cash Flows for the six months ended 30 June 2016	3
Consolidated Interim Statement of Changes in Equity for the six months ended 30 June 2016.....	4

Notes to the Consolidated Condensed Interim Financial Information

1	The EuroChem Group and its operations	5
2	Basis of preparation and significant accounting policies	5
3	Adoption of new or revised standards and interpretations.....	6
4	Fair value of financial instruments	7
5	Segment information	9
6	Property, plant and equipment.....	12
7	Investment in associates and joint ventures	13
8	Inventories.....	15
9	Trade receivables, prepayments, other receivables and other current assets	15
10	Originated loans	15
11	Cash and cash equivalents, fixed-term deposits and restricted cash.....	16
12	Bank borrowings and other loans received.....	17
13	Project finance	19
14	Bonds issued.....	20
15	Derivative financial assets and liabilities.....	21
16	Sales	23
17	Cost of sales	24
18	Distribution costs.....	24
19	General and administrative expenses.....	24
20	Other operating income and expenses.....	25
21	Other financial gain and loss.....	25
22	Income tax.....	26
23	Earnings per share.....	26
24	Balances and transactions with related parties.....	27
25	Business combination	28
26	Contingencies, commitments and operating risks	28
27	Subsequent events	30



***EuroChem Group AG
Zug***

***Review Report
to the Board of Directors on the
consolidated condensed interim financial information
as of and for the three- and six-month periods ended
30 June 2016***



Report on the Review of
consolidated condensed interim financial information
to the Board of Directors of
EuroChem Group AG
Zug

Introduction

We have reviewed the accompanying consolidated condensed interim financial information (statement of financial position, statement of profit or loss and other comprehensive income for the three- and six-month periods ended 30 June 2016, statement of cash flows, statement of changes in equity and notes for the six-month period ended 30 June 2016) of EuroChem Group AG as of and for the three- and six-month periods ended 30 June 2016. The Board of Directors is responsible for the preparation and presentation of this consolidated condensed interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this consolidated condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial information as of and for the three- and six-month periods ended 30 June 2016 has not been prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers AG

A handwritten signature in blue ink that reads 'J. Burgener'. To the right of the signature is a small red circular icon containing a white cross, which is a common symbol for Switzerland.

Joanne Burgener
Audit expert
Auditor in charge

A handwritten signature in blue ink that reads 'C. Vohrer'. To the right of the signature is a small red circular icon containing a white cross, which is a common symbol for Switzerland.

Christopher Vohrer
Audit expert

Zug, 10 August 2016

Enclosure:

- Consolidated condensed interim financial information (statement of financial position, statement of profit or loss and other comprehensive income for the three- and six-month periods ended 30 June 2016, statement of cash flows, statement of changes in equity and notes for the six-month period ended 30 June 2016) as of and for the three- and six month periods ended 30 June 2016.



	Note	30 June 2016	31 December 2015
ASSETS			
Non-current assets:			
Property, plant and equipment	6	4,325,938	3,365,865
Mineral rights		381,418	339,247
Goodwill		335,898	330,781
Intangible assets		125,715	132,804
Investment in associates and joint ventures	7	136,544	102,755
Originated loans	10, 24	80,178	80,178
Restricted cash	11	14,077	12,403
Derivative financial assets	15	19,711	-
Deferred income tax assets		156,279	185,257
Other non-current assets		67,726	24,527
Total non-current assets		5,643,484	4,573,817
Current assets:			
Inventories	8	674,911	674,755
Trade receivables	9	352,872	308,106
Prepayments, other receivables and other current assets	9	201,105	239,049
Income tax receivable		27,108	42,849
Originated loans	10, 24	153,990	52,640
Derivative financial assets	15	27,752	1,028
Restricted cash	11	32,992	55,405
Fixed-term deposits	11	2,007	9,289
Cash and cash equivalents	11	325,372	329,669
Total current assets		1,798,109	1,712,790
TOTAL ASSETS		7,441,593	6,286,607
LIABILITIES AND EQUITY			
Equity attributable to owners of the parent:			
Share capital		111	111
Cumulative currency translation differences		(1,956,884)	(2,404,581)
Retained earnings and other reserves		4,445,588	4,009,496
		2,488,815	1,605,026
Non-controlling interests		766	894
Total equity		2,489,581	1,605,920
Non-current liabilities:			
Bank borrowings and other loans received	12	1,786,834	1,651,019
Project finance	13	443,385	261,975
Bonds issued	14	1,059,944	817,821
Derivative financial liabilities	15	123,464	128,850
Deferred income tax liabilities		186,691	165,014
Other non-current liabilities and deferred credits		58,293	54,430
Total non-current liabilities		3,658,611	3,079,109
Current liabilities:			
Bank borrowings and other loans received	12	815,536	1,034,393
Derivative financial liabilities	15	27,339	106,253
Trade payables		192,947	186,582
Other accounts payable and accrued expenses		221,452	229,472
Income tax payable		12,918	22,853
Other taxes payable		23,209	22,025
Total current liabilities		1,293,401	1,601,578
Total liabilities		4,952,012	4,680,687
TOTAL LIABILITIES AND EQUITY		7,441,593	6,286,607

The accompanying notes on pages 5 to 30 are an integral part of this consolidated condensed interim financial information.



	Note	Three months ended		Six months ended	
		30 June 2016	30 June 2015	30 June 2016	30 June 2015
Sales	16	1,012,594	1,135,251	2,267,886	2,370,497
Cost of sales	17	(665,733)	(645,611)	(1,403,949)	(1,295,593)
Gross profit		346,861	489,640	863,937	1,074,904
Distribution costs	18	(151,321)	(157,029)	(292,703)	(287,618)
General and administrative expenses	19	(43,129)	(43,359)	(80,367)	(83,701)
Other operating income/(expenses), net	20	(19,837)	(38,325)	(32,800)	(46,499)
Operating profit		132,574	250,927	458,067	657,086
Share of profit/(loss) from associates and joint ventures, net	7	2,780	5,191	10,630	11,204
Interest income		4,752	4,161	8,534	7,579
Interest expense		(35,602)	(36,063)	(67,069)	(68,647)
Financial foreign exchange gain/(loss), net		50,728	(4,483)	115,965	11,791
Other financial gain/(loss), net	21	12,510	62,973	38,310	68,451
Profit before taxation		167,742	282,706	564,437	687,464
Income tax expense	22	(52,949)	(103,749)	(128,396)	(169,372)
Net profit		114,793	178,957	436,041	518,092
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods					
Currency translation differences		165,412	191,834	447,692	(68,931)
Total other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods		165,412	191,834	447,692	(68,931)
Total comprehensive income		280,205	370,791	883,733	449,161
Profit/(loss) attributable to:					
Owners of the parent		114,787	178,978	436,092	518,113
Non-controlling interests		6	(21)	(51)	(21)
		114,793	178,957	436,041	518,092
Total comprehensive income/(loss) attributable to:					
Owners of the parent		280,190	370,804	883,789	449,228
Non-controlling interests		15	(13)	(56)	(67)
		280,205	370,791	883,733	449,161
Earnings per share – basic and diluted	23	114.79	178.98	436.09	518.11



	Note	Six months ended	
		30 June 2016	30 June 2015
Operating profit		458,067	657,086
Income tax paid		(80,572)	(123,363)
Operating profit less income tax paid		377,495	533,723
Depreciation and amortisation	19	102,168	102,412
Net loss on disposals, impairment and write-off of property, plant and equipment		2,684	14,159
Change in provision for impairment of receivables and provision for obsolete and damaged inventories, net		(3,209)	11,162
Other non-cash (income)/expenses, net		48,453	52,864
Gross cash flow		527,591	714,320
Changes in operating assets and liabilities:			
Trade receivables		(32,548)	(1,675)
Advances to suppliers		23,226	(7,000)
Other receivables		250	6,671
Inventories		33,288	(46,318)
Trade payables		(26,418)	10,815
Advances from customers		(16,083)	5,323
Other payables		(13,013)	16,742
Restricted cash		21,285	(14,460)
Net cash – operating activities		517,578	684,418
Cash flows from investing activities			
Capital expenditure on property, plant and equipment and intangible assets		(565,172)	(357,713)
Payment related to mineral rights acquisition		(131)	(245)
Investment in associate	7	(10,403)	-
Prepayment for acquisition of subsidiary		-	(5,400)
Acquisition of subsidiaries, net of cash	25	(9,955)	(12,341)
Proceeds from sale of property, plant and equipment		368	750
Net change in fixed-term deposits		6,968	11,264
Originated loans	10, 24	(106,350)	(39,630)
Repayment of originated loans	10	5,000	24,800
Interest received		4,542	5,991
Net cash – investing activities		(675,133)	(372,524)
Free cash inflow/(outflow)		(157,555)	311,894
Cash flows from financing activities			
Proceeds from bank borrowings and other loans received	12	1,243,228	215,348
Funds received under the Project Finance Facility	13	182,749	169,147
Repayment of bank borrowings and other loans	12	(1,359,292)	(164,039)
Proceeds from bonds, net of transaction costs		218,947	-
Prepaid and additional transaction costs		(34,026)	(4,482)
Return/(payment) of collateral provided to banks to secure derivative transactions	9	25,180	(5,350)
Interest paid		(79,265)	(83,777)
Cash proceeds/(payments) on derivatives, net	15	(53,081)	(83,011)
Dividends paid to non-controlling interests in subsidiary		(72)	-
Other financial activities	24	-	(9,000)
Net cash – financing activities		144,368	34,836
Effect of exchange rate changes on cash and cash equivalents		8,890	(39,050)
Net increase/(decrease) in cash and cash equivalents		(4,297)	307,680
Cash and cash equivalents at the beginning of the period	11	329,669	363,418
Cash and cash equivalents at the end of the period	11	325,372	671,098

The accompanying notes on pages 5 to 30 are an integral part of this consolidated condensed interim financial information.



EuroChem Group
Consolidated Interim Statement of Changes in Equity for the six months ended 30 June 2016
(all amounts are presented in thousands of US dollars, unless otherwise stated)

	Attributable to owners of the parent					Non-controlling interests	Total equity
	Share capital	Cumulative currency translation differences	Retained earnings and other reserves	Total	Total		
Balance at 1 January 2015	111	(1,456,379)	3,652,153	2,195,885	1,490	2,197,375	
Comprehensive income/(loss)							
Net profit/(loss)	-	-	518,113	518,113	(21)	518,092	
<i>Other comprehensive loss</i>							
Currency translation differences	-	(68,885)	-	(68,885)	(46)	(68,931)	
<i>Total other comprehensive loss</i>	-	(68,885)	-	(68,885)	(46)	(68,931)	
Total comprehensive income/(loss)	-	(68,885)	518,113	449,228	(67)	449,161	
Balance at 30 June 2015	111	(1,525,264)	4,170,266	2,645,113	1,423	2,646,536	
Balance at 1 January 2016	111	(2,404,581)	4,009,496	1,605,026	894	1,605,920	
Comprehensive income/(loss)							
Net profit/(loss)	-	-	436,092	436,092	(51)	436,041	
<i>Other comprehensive income/(loss)</i>							
Currency translation differences	-	447,697	-	447,697	(5)	447,692	
<i>Total other comprehensive income/(loss)</i>	-	447,697	-	447,697	(5)	447,692	
Total comprehensive income/(loss)	-	447,697	436,092	883,789	(56)	883,733	
Transactions with owners							
Dividends paid to non-controlling interests in subsidiaries	-	-	-	-	(72)	(72)	
Total transactions with owners	-	-	-	-	(72)	(72)	
Balance at 30 June 2016	111	(1,956,884)	4,445,588	2,488,815	766	2,489,581	

The accompanying notes on pages 5 to 30 are an integral part of this consolidated condensed interim financial information.



1 The EuroChem Group and its operations

The EuroChem Group comprises the parent entity, EuroChem Group AG (the “Company”) and its subsidiaries (collectively the “Group” or “EuroChem Group”). The Company was incorporated under the laws of Switzerland on 16 July 2014 and has its registered office at: Alpenstrasse 9, 6300, Zug, Switzerland.

At 30 June 2016, after changes in the Group’s shareholding structure in April 2016, AIM Capital SE (formerly known as EuroChem Group SE, renamed in May 2016) had a 90% (31 December 2015: 100%) holding in EuroChem Group AG, the remaining 10% of the Company was held by Midstream Group Limited (Cyprus). A company that holds business interests beneficially for Mr. Andrey Melnichenko owned 100% (31 December 2015: 100%) of Linea Ltd. registered in Bermuda, which in turn owned 100% of AIM Capital SE (31 December 2015: 92.2% of AIM Capital SE was held by Linea Ltd. and 7.8% was held Terrow Exim Limited). At 30 June 2016, a company that holds business interests beneficially for Mr. Dmitry Strezhnev, CEO of the Group, owned 100% (31 December 2015: 100%) of Midstream Group Limited.

The Group’s principal activity is the production of mineral fertilisers (nitrogen and phosphate based) as well as mineral extraction (apatite, phosphate rock, iron-ore, baddeleyite and hydrocarbons), and the operation of a distribution network. The Group is developing potassium salts deposits to start the production and marketing of potassium fertilisers. The Group’s main production facilities are located in Russia, Lithuania, Belgium, Kazakhstan and China (the Group’s joint venture’s production facilities). The Group’s distribution assets are located globally across Europe, Russia, North, Central and South America, Central and South East Asia.

2 Basis of preparation and significant accounting policies

Basis of preparation. This consolidated condensed interim financial information for the six months ended 30 June 2016 has been prepared in accordance with IAS 34, “Interim Financial Reporting”, it supplements the annual financial statements for the year ended 31 December 2015 prepared in accordance with International Financial Reporting Standards.

The principal accounting policies and significant judgments and estimates applied therein are consistent with those of the consolidated financial statements for the year ended 31 December 2015.

At 30 June 2016, the official exchange rates were: US\$ 1 = RUB 64.2575, US\$ 1 = EUR 0.9024 (31 December 2015: US\$ 1 = RUB 72.8827, US\$ 1 = EUR 0.9145). Average rates for the six months ended 30 June 2016 were: US\$ 1 = RUB 70.2583, US\$ 1 = EUR 0.8965 (six months ended 30 June 2015: US\$ 1 = RUB 57.3968, US\$ 1 = EUR 0.8926).

Income taxes. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.



3 Adoption of new or revised standards and interpretations

The following amendments and improvements to standards became effective from 1 January 2016:

- Amendments to IAS 16 and IAS 41, Agriculture: Bearer plants;
- IFRS 14, Regulatory Deferral Accounts;
- Amendments to IFRS 11 – Accounting for Acquisitions of interests in Joint Operations;
- Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation;
- Amendments to IAS 27, Equity Method in Separate Financial Statements;
- Annual Improvements to IFRSs 2014;
- Disclosure Initiative Amendments to IAS 1;
- Investment Entities: Applying the Consolidation Exception Amendment to IFRS 10, IFRS 12 and IAS 28.

These amendments and improvements to standards did not have any impact or did not have a material impact on the Group's consolidated condensed interim financial information.

A number of new standards, amendments to standards and interpretations are not yet effective as at 30 June 2016, and have not been early adopted by the Group:

- IFRS 9, Financial Instruments. The Group is currently assessing the impact of the standard on its consolidated financial statements;
- IFRS 15, Revenue from Contracts with Customers and amendments to IFRS 15, Revenue from Contracts with Customers. The Group is currently assessing the impact of the standard on its consolidated financial statements;
- Amendments to IFRS 10 and IAS 28 regarding the sale or contribution of assets between an investor and its associate or joint venture;
- IFRS 16, Leases. The Group is currently assessing the impact of the standard on its consolidated financial statements;
- Amendments to IAS 12, Recognition of Deferred Tax Assets for Unrealised Losses;
- Amendments to IAS 7, Disclosure Initiative.

Unless otherwise described above, the new standards, amendments to standards and interpretations are expected to have no impact or to have a non-material impact on the Group's consolidated condensed interim financial information.



4 Fair value of financial instruments

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by an active quoted market price.

The estimated fair value of financial instruments have been determined by the Group using available market information, where it exists, and appropriate valuation methodologies. However, judgement is necessarily required to interpret market data to determine the estimated fair value.

Financial instruments carried at fair value. The fair values of derivative financial instruments carried at fair value through profit or loss, which typically include non-deliverable foreign exchange forward contracts, cross currency interest rate swaps, commodity swaps etc., are based on recurring mark-to-market valuations provided by the financial institutions which deal in these financial instruments. The fair value of derivative financial assets and liabilities were included in level 2 of the fair value hierarchy.

Financial assets carried at amortised cost. The fair value of floating rate instruments is normally their carrying amount. The estimated fair value of fixed interest rate instruments is based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risk and remaining maturity. The discount rates used depend on the credit risk of the counterparty. The carrying amounts of trade and other receivables and originated loans approximate their fair values and are included into level 3 of fair value hierarchy. Cash and cash equivalents and fixed-terms deposits are carried at amortised cost which approximates their current fair value, included in Level 2 of fair value hierarchy. The fair values in level 2 and level 3 of the fair value hierarchy were estimated using the discounted cash flows valuation technique.

Financial liabilities carried at amortised cost. The fair value is based on quoted market prices, if available. The estimated fair values of fixed interest rate instruments with a stated maturity, for which quoted market prices were not available, were estimated based on expected cash flows discounted at current interest rates for new instruments with similar credit risks and remaining maturities. The fair value of liabilities repayable on demand or after a notice period ("demandable liabilities") is estimated as the amount payable on demand, discounted from the first date that the amount could be required to be paid. The fair value of loans and borrowings, project finance and issued bonds at 30 June 2016 and 31 December 2015 are disclosed in Notes 12, 13 and 14. The fair values of other financial liabilities carried at amortised cost approximate their carrying values. The fair values of all liabilities carried at amortised costs were included in level 3 with exception of issued bonds which were included in level 1 of the fair value hierarchy.

During the six months ended 30 June 2016 and 30 June 2015 there were no transfers between levels 1, 2 and 3 in the fair value hierarchy.



4 Fair value of financial instruments (continued)

The Group's financial assets and liabilities were as follows:

	30 June 2016	31 December 2015
Financial assets		
Non-current financial assets		
Restricted cash	14,077	12,403
Originated loans	80,178	80,178
Derivative financial assets	19,711	-
Other non-current assets including:		
Interest receivable	1,708	786
Total non-current financial assets	115,674	93,367
Current financial assets		
Restricted cash	32,992	55,405
Trade receivables	352,872	308,106
Originated loans	153,990	52,640
Derivative financial assets	27,752	1,028
Other receivables and other current assets including:		
Other receivables	4,233	6,156
Collateral held by banks to secure derivative transactions	697	26,218
Interest receivable	6,065	2,829
Fixed-term deposits	2,007	9,289
Cash and cash equivalents	325,372	329,669
Total current financial assets	905,980	791,340
Total financial assets	1,021,654	884,707
Financial liabilities		
Non-current financial liabilities		
Bank borrowings and other loans received	1,786,834	1,651,019
Bonds issued	1,059,944	817,821
Project finance	443,385	261,975
Derivative financial liabilities	123,464	128,850
Other non-current liabilities:		
Long-term portion of deferred payable related to business combination	7,975	7,605
Long-term portion of deferred payable related to mineral rights acquisition	13,026	12,800
Total non-current financial liabilities	3,434,628	2,880,070
Current financial liabilities		
Bank borrowings and other loans received	815,536	1,034,393
Derivative financial liabilities	27,339	106,253
Trade payables	192,947	186,582
Other accounts payable and accrued expenses including:		
Interest payable	11,845	7,379
Short-term portion of deferred payable related to business combination	38,949	37,864
Short-term portion of deferred payable related to mineral rights acquisition	2,208	2,197
Total current financial liabilities	1,088,824	1,374,668
Total financial liabilities	4,523,452	4,254,738



5 Segment information

The Group has a vertically integrated business model conducted by five operating divisions, representing reportable segments, which are *Mining, Oil & Gas, Fertilisers, Logistics and Sales*:

- *Mining division* encompasses the extraction of ores to obtain apatite, baddeleyite and iron-ore concentrates, phosphorite; as well as the development of potassium salts deposits (potash);
- *Oil & Gas division* represents the exploration and production of natural gas and gas condensate;
- *Fertilisers division* includes the production of mineral fertilisers (nitrogen, phosphate and complex) and organic synthesis products;
- *Logistics division* covers all supply chain operations including transportation services, the purchase and delivery of raw materials and finished goods, as well as freight forwarding and other logistics services;
- *Sales division* is responsible for the sale of the complete range of products produced by the Group as well as third-party products through the Group's global distribution network spanning across Europe, Russia, North, Central and South America, Central and South East Asia.

Activities not assigned to a particular division are reported in "Other". These include certain service activities, central management and other items. All intersegment transactions and unrealised profit in inventory from intragroup sales are eliminated through "Elimination".

The review of financial reports of the Group, evaluation of the operating results and allocation of resources between the operating divisions are performed by the Management Board (considered to be the chief operating decision maker in the Group). The development and approval of strategies, market and risk analysis, investment focus, technological process changes are undertaken mostly in accordance with the operating divisions. Budgets and financial reports are prepared in a standard format according to the IFRS accounting policy adopted by the Group. Sales between divisions are carried out on an arm's length basis.

The Management Board assesses the performance of the operating divisions based on, among other factors, a measure EBITDA (profit before taxation adjusted by interest expense, depreciation and amortisation, financial foreign exchange gain or loss, other non-cash and one-off items, excluding net profit for the period attributed to non-controlling interests). EBITDA of each division is analytically adjusted according to internal rules based on the Divisional economic model and responsibility areas. Since the EBITDA term is not a standard IFRS measure, EuroChem Group's definition of EBITDA may differ from that of other companies.

The division results for the six months ended 30 June 2016 were:

	External sales	Internal sales	Total sales	EBITDA
Mining	52,682	250,972	303,654	143,118
Oil&Gas	11,304	23,659	34,963	5,525
Fertilisers	190,231	1,271,981	1,462,212	348,232
Logistics	18,419	65,071	83,490	38,352
Sales	1,979,203	2,468	1,981,671	10,711
Other	16,047	34,007	50,054	(25,060)
Elimination	-	(1,648,158)	(1,648,158)	65,014
Total	2,267,886	-	2,267,886	585,892



5 Segment information (continued)

The division results for the six months ended 30 June 2015 were:

	External sales	Internal sales	Total sales	EBITDA
Mining	57,400	251,446	308,846	157,131
Oil&Gas	16,962	29,347	46,309	11,047
Fertilisers	298,827	1,484,785	1,783,612	607,732
Logistics	11,098	61,169	72,267	27,710
Sales	1,966,073	3,733	1,969,806	41,914
Other	20,137	31,535	51,672	(54,107)
Elimination	-	(1,862,015)	(1,862,015)	(12,354)
Total	2,370,497	-	2,370,497	779,073

The division results for the three months ended 30 June 2016 were:

	External sales	Internal sales	Total sales	EBITDA
Mining	25,640	144,731	170,371	80,808
Oil&Gas	6,436	12,244	18,680	1,222
Fertilisers	87,776	575,318	663,094	119,009
Logistics	8,372	33,736	42,108	21,195
Sales	876,271	635	876,906	(12,972)
Other	8,099	17,970	26,069	(12,794)
Elimination	-	(784,634)	(784,634)	5,541
Total	1,012,594	-	1,012,594	202,009

The division results for the three months ended 30 June 2015 were:

	External sales	Internal sales	Total sales	EBITDA
Mining	23,925	131,133	155,058	72,444
Oil&Gas	8,678	15,712	24,390	5,969
Fertilisers	154,337	669,733	824,070	250,703
Logistics	5,782	35,977	41,759	15,816
Sales	932,295	1,254	933,549	(10,035)
Other	10,234	15,399	25,633	(34,111)
Elimination	-	(869,208)	(869,208)	17,650
Total	1,135,251	-	1,135,251	318,436

Additionally, the Group presents operating results based on product groups as the management believes that this information provides a comparability of the Group's results to those of the global fertiliser industry peers.

The results for the six months ended 30 June 2016 by product group were:

	External sales	Internal sales	Total sales	EBITDA
Nitrogen	400,083	397,332	797,415	290,815
Phosphates and complex fertilisers	391,314	500,927	892,241	197,241
Potash	-	-	-	(16,363)
Distribution	1,341,974	13,779	1,355,753	(3,692)
Other	134,515	258,065	392,580	97,305
Elimination	-	(1,170,103)	(1,170,103)	20,586
Total	2,267,886	-	2,267,886	585,892



5 Segment information (continued)

The results for the six months ended 30 June 2015 by product group were:

	External sales	Internal sales	Total sales	EBITDA
Nitrogen	537,896	458,343	996,239	429,544
Phosphates and complex fertilisers	542,899	487,182	1,030,081	287,480
Potash	-	-	-	(9,822)
Distribution	1,203,924	3,822	1,207,746	55,999
Other	85,778	211,124	296,902	26,546
Elimination	-	(1,160,471)	(1,160,471)	(10,674)
Total	2,370,497	-	2,370,497	779,073

The results for the three months ended 30 June 2016 by product group were:

	External sales	Internal sales	Total sales	EBITDA
Nitrogen	182,518	158,732	341,250	108,534
Phosphates and complex fertilisers	208,771	207,071	415,842	78,401
Potash	-	-	-	(4,137)
Distribution	542,056	646	542,702	(16,385)
Other	79,249	137,044	216,293	31,915
Elimination	-	(503,493)	(503,493)	3,681
Total	1,012,594	-	1,012,594	202,009

The results for the three months ended 30 June 2015 by product group were:

	External sales	Internal sales	Total sales	EBITDA
Nitrogen	285,123	195,398	480,521	174,169
Phosphates and complex fertilisers	306,194	182,205	488,399	121,895
Potash	-	-	-	(1,863)
Distribution	496,901	1,247	498,148	5,442
Other	47,033	119,095	166,128	34,492
Elimination	-	(497,945)	(497,945)	(15,699)
Total	1,135,251	-	1,135,251	318,436

A reconciliation of EBITDA to profit before taxation is provided below:

	Note	Three months ended		Six months ended	
		30 June 2016	30 June 2015	30 June 2016	30 June 2015
EBITDA		202,009	318,436	585,892	779,073
Depreciation and amortisation	19	(53,743)	(55,778)	(102,168)	(102,412)
Provision for impairment and write-off of idle property, plant and equipment	6, 17, 20	(463)	(2,009)	(1,286)	(13,051)
Income from settlement agreements and related expenses, net	20	(2,650)	(349)	(103)	12,280
Other non-recurring expenses	20	(5,053)	-	(5,053)	-
Interest expense		(35,602)	(36,063)	(67,069)	(68,647)
Financial foreign exchange gain/(loss), net		50,728	(4,483)	115,965	11,791
Other financial gain/(loss), net	21	12,510	62,973	38,310	68,451
Non-controlling interests		6	(21)	(51)	(21)
Profit before taxation		167,742	282,706	564,437	687,464

The main Group's manufacturing facilities are based in Russia, Lithuania, Belgium, Kazakhstan and China (the Group's joint venture's production facilities).



5 Segment information (continued)

The analysis of Group sales by region was:

	Three months ended		Six months ended	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
Europe	286,899	365,752	795,347	963,510
North America	183,652	127,789	436,392	250,349
Russia	178,240	226,472	380,407	465,868
Asia Pacific	185,962	158,917	312,694	265,006
Latin America	114,988	166,379	168,542	244,251
CIS	53,231	62,391	141,202	138,512
Africa	9,622	27,551	33,302	43,001
Total sales	1,012,594	1,135,251	2,267,886	2,370,497

The sales are allocated to regions based on the destination country. During the six months ended 30 June 2016, the Group had sales in excess of 10% to the United States of America and Russia, representing 19.1% and 16.8% of total Group revenues, respectively (six months ended 30 June 2015: sales to Russia representing 19.7% of total Group revenues).

During the six months ended 30 June 2016 and 30 June 2015, there were no sales in excess of 10% to one customer.

6 Property, plant and equipment

Movements in the carrying amount of property, plant and equipment were:

	Note	2016	2015
Carrying amount at 1 January		3,365,865	3,465,620
<i>Including advances given to construction companies and suppliers of property, plant and equipment</i>		238,790	123,662
Additions		614,700	393,536
<i>Including changes in advances given</i>		176,306	13,915
Additions through business combination	25	10,400	10,516
Disposals		(1,766)	(1,858)
Depreciation charge for the period		(98,144)	(101,037)
Provision for impairment and write-off of idle property, plant and equipment	17, 20	(1,286)	(13,051)
Currency translation differences		436,169	11,767
Carrying amount at 30 June		4,325,938	3,765,493
<i>Including advances given to construction companies and suppliers of property, plant and equipment</i>		463,051	139,682

Borrowing costs capitalised

During the six months ended 30 June 2016, borrowing costs totalling US\$ 21,803 thousand were capitalised in property, plant and equipment at an average interest rate of 4.35% p.a. (six months ended 30 June 2015: US\$ 20,798 thousand capitalised at an average interest rate of 5.33% p.a.).

Payables to suppliers of property, plant and equipment and construction companies

As at 30 June 2016, trade payables included payables to suppliers of property, plant and equipment and construction companies amounting to US\$ 52,153 thousand (31 December 2015: US\$ 26,515 thousand).



7 Investment in associates and joint ventures

The Group's investments in associates and joint ventures were as follows:

	30 June 2016	31 December 2015
Investment in associate PJSC "Murmansk Commercial Seaport"	101,039	78,508
Investment in joint venture "EuroChem-Migao Ltd."	18,406	18,280
Investment in joint venture LLC "Thyssen Schachtbau EuroChem Drilling"	6,696	5,967
Investment in associate "Agrinos AS"	10,403	-
Total investments in associates and joint ventures	136,544	102,755

Movements in the carrying amount of the Group's investments in associates and joint ventures were:

	2016	2015
Carrying amount at 1 January	102,755	112,665
Acquisition of interest in associate	10,403	-
Disposal of interest held in JSC "Astrakhan Oil and Gas Company" due to acquisition of controlling interest	-	(23,180)
Share of profit from associates	10,808	11,548
Share of profit/(loss) from joint ventures	60	(344)
Currency translation difference	12,518	960
Carrying amount at 30 June	136,544	101,649

Investment in associate PJSC "Murmansk Commercial Seaport"

The aggregated assets, liabilities of associate were as follows:

	30 June 2016	31 December 2015
Current assets	74,569	105,802
Non-current assets	147,102	58,642
Current liabilities	(6,482)	(6,712)
Non-current liabilities	(46,484)	(30,903)
Net assets	168,705	126,829

The associate's revenues and results were as follows:

	Six months ended	
	30 June 2016	30 June 2015
Sales	55,923	63,251
Net profit	25,878	26,364

Investment in associate "Agrinos AS"

In January 2016, the Group signed an equity investment agreement with Agrinos AS according to which the Group owns 18.78% interest in the company. The transaction was accounted for as investment in associate as the Group is able to influence the business decisions of Agrinos AS through the representation in the Board of Directors and potential voting rights.



7 Investment in associates and joint ventures (continued)

The aggregated assets, liabilities of associate were as follows:

	30 June 2016
Current assets	19,833
Non-current assets	8,432
Current liabilities	(8,046)
Non-current liabilities	(16,537)
Net assets	3,682

Investment in joint venture “EuroChem-Migao Ltd.”

The aggregated assets, liabilities of joint venture were as follows:

	30 June 2016	31 December 2015
Current assets	28,934	26,401
Non-current assets	32,283	29,570
Current liabilities	(24,272)	(19,133)
Non-current liabilities	(133)	(278)
Net assets	36,812	36,560

The joint venture’s revenues and results were as follows:

	Six months	
	30 June 2016	30 June 2015
Sales	17,924	2,820
Net profit/(loss)	252	(688)

Investment in joint venture LLC “Thyssen Schachtbau EuroChem Drilling”

The aggregated assets, liabilities of joint venture were as follows:

	30 June 2016	31 December 2015
Current assets	6,077	4,626
Non-current assets	9,168	8,700
Current liabilities	(213)	(57)
Non-current liabilities	(152)	(9)
Net assets	14,880	13,260

The joint venture’s revenue and result were as follows:

	Six months ended	
	30 June 2016	30 June 2015
Sales	620	-
Net loss	(146)	-



8 Inventories

	30 June 2016	31 December 2015
Finished goods	359,606	380,198
Materials	193,417	184,794
Catalysts	68,507	62,696
Work in progress	59,759	52,961
Less: provision for obsolete and damaged inventories	(6,378)	(5,894)
Total inventories	674,911	674,755

9 Trade receivables, prepayments, other receivables and other current assets

	30 June 2016	31 December 2015
Trade receivables		
Trade receivables denominated in US\$	183,741	118,618
Trade receivables denominated in EUR	123,743	169,620
Trade receivables denominated in RUB	49,789	28,468
Trade receivables denominated in other currencies	6,272	2,909
Less: impairment provision	(10,673)	(11,509)
Total trade receivables	352,872	308,106
Prepayments, other receivables and other current assets		
Advances to suppliers	64,260	84,114
VAT recoverable and receivable	121,577	113,202
Other taxes receivable	2,433	3,962
Other receivables and other current assets	11,429	13,157
Collateral held by banks to secure derivative transactions (Note 15)	697	26,218
Interest receivable	6,065	2,829
Less: impairment provision	(5,356)	(4,433)
Total prepayments, other receivables and other current assets	201,105	239,049
Total trade receivables, prepayments, other receivables and other current assets	553,977	547,155

10 Originated loans

	Note	30 June 2016	31 December 2015
<i>Non-current originated loans</i>			
Unsecured US\$-denominated loan to related party which is an entity under common control with the Group, interest rates ranging from 3.5% to 3.8% p.a.	24	53,178	53,178
Secured US\$-denominated loans to related parties which are entities under common control with the Group, interest rates ranging from 4.5% to 8.8% p.a.*	24	27,000	27,000
Total non-current originated loans		80,178	80,178
<i>Current originated loans</i>			
Unsecured US\$-denominated loans to parent company, interest rates ranging from 5.9% p.a. to 6.6% p.a.	24	150,350	44,000
Unsecured US\$ denominated loan to other related party, interest rates ranging from 6.4% to 7% p.a.	24	3,640	8,640
Total current originated loans		153,990	52,640
Total originated loans		234,168	132,818

* - The loans are secured with two vessels owned by the related parties.



10 Originated loans (continued)

Movements in Group's originated loans during the six months ended 30 June 2016 and 30 June 2015 were as follows:

	Note	2016	2015
Balance as at 1 January		132,818	69,572
Originated loans to parent company	24	106,350	-
Originated loans to associate	24	-	195
Originated loans to other related party	24	-	37,700
Loan provided to the acquired subsidiary before acquisition		-	1,735
Repayment of originated loan by parent company	24	-	(21,800)
Repayment of originated loan by other related party	24	(5,000)	-
Repayment of originated loans by JV Partner		-	(3,000)
Intragroup elimination of loans provided to acquired subsidiaries before acquisition		-	(6,383)
Foreign exchange gain/(loss), net		(6,785)	1,999
Currency translation differences		6,785	(2,148)
Balance as at 30 June		234,168	77,870

11 Cash and cash equivalents, fixed-term deposits and restricted cash

	30 June 2016	31 December 2015
Cash on hand*	55	34
Bank balances denominated in US\$	116,418	166,520
Bank balances denominated in RUB	61,973	35,046
Bank balances denominated in EUR	45,044	47,561
Bank balances denominated in other currencies	12,308	10,185
Term deposits denominated in US\$	61,747	36,662
Term deposits denominated in RUB	24,250	25,725
Term deposits denominated in other currencies	3,577	7,936
Total cash and cash equivalents	325,372	329,669
Fixed-term deposits in RUB	257	803
Fixed-term deposits in other currencies	1,750	8,486
Total fixed-term deposits	2,007	9,289
Current restricted cash	32,992	55,405
Non-current restricted cash	14,077	12,403
Total restricted cash	47,069	67,808

* - Includes cash on hand denominated in different currencies.

Term deposits at 30 June 2016 and 31 December 2015 are held to meet short term cash needs and have various original maturities but can be withdrawn on request without any restrictions.

Fixed-term deposits have various original maturities and can be withdrawn with an early notification and/or with a penalty accrued or interest income forfeited.

At 30 June 2016, non-current restricted cash consisted of US\$ 12,652 thousand (31 December 2015: US\$ 10,352 thousand) held in a debt service reserve account as required by the Project Finance Facility Agreement (Note 13) and US\$ 1,425 thousand (31 December 2015: US\$ 2,051 thousand) held in bank accounts as security deposits for third parties.

At 30 June 2016, current restricted cash consisted of US\$ 11,358 thousand held at bank as required by the pre-export finance club facility (31 December 2015: US\$ 31,345 thousand) (Note 12) and US\$ 21,634 thousand held at banks as a guarantee for import transactions to comply with Ukrainian legislation (31 December 2015: US\$ 24,060 thousand).



12 Bank borrowings and other loans received

	Cur- rency	Fixed or Floating rate	Interest rate 2016*	Interest rate 2015*	30 June 2016	31 December 2015
Current loans and borrowings						
Short-term unsecured bank loans	US\$	Floating	2.64% - 3.25%	2.54% - 3.02%	375,000	350,000
Short-term unsecured loan from other related party	US\$	Fixed	9.8%	3.00% 2.81% -	4,000	9,000
Short-term unsecured bank loans	US\$	Fixed	-	2.95%	-	175,000
Current portion of unsecured long-term loan	US\$	Floating	2.46%	2.28%	400,000	400,000
Current portion of unsecured long-term loan	RUB	Fixed	10.20%	10.20%	38,906	102,905
Less: short-term portion of transaction costs					(2,370)	(2,512)
Total current loans and borrowings					815,536	1,034,393
Non-current loans and borrowings						
Long-term portion of unsecured bank loan	US\$	Floating	2.46%	2.28%	500,000	700,000
Long-term secured bank loan	US\$	Floating	3.45%	3.34%	750,000	750,000
Long-term unsecured bank loans	US\$	Floating	4.13% - 4.15%	-	330,000	-
Long-term unsecured bank loan	EUR	Floating	2.50%	2.50%	221,640	218,700
Less: long-term portion of transaction costs					(14,806)	(17,681)
Total non-current loans and borrowings					1,786,834	1,651,019
Total loans and borrowings					2,602,370	2,685,412

* - contractual interest rate on the 30 June 2016 and 31 December 2015, respectively.

Movements in the Group's bank borrowings and other loans received were as follows:

	Currency	2016	2015
Balance as at 1 January		2,685,412	2,132,148
Bank loans received	US\$	1,150,000	50,000
Bank loans received	RUB	89,558	165,039
Bank loans received	UAH*	3,670	309
Bank loan acquired in a business combination	RUB	-	4,720
Bank loans repaid	US\$	(1,170,000)	(25,000)
Bank loans repaid	RUB	(180,685)	(122,516)
Bank loans repaid	UAH*	(3,607)	(323)
Loan repaid to related party (Note 24)	US\$	(5,000)	-
Loan repaid to shareholder (Note 24)	US\$	-	(16,200)
Capitalisation and amortisation of transaction costs, net		3,062	675
Foreign exchange (gain)/loss, net		27,500	20,371
Currency translation differences, net		2,460	(11,236)
Balance as at 30 June		2,602,370	2,197,987

*- Ukraine Hryvnia ("UAH")



12 Bank borrowings and other loans received (continued)

The Group's bank borrowings and other loans received mature:

	30 June 2016	31 December 2015
- within 1 year	815,536	1,034,393
- between 1 and 2 years	738,601	526,106
- between 2 and 5 years	1,048,233	1,124,913
Total bank borrowings and other loans received	2,602,370	2,685,412

According to IFRS 7, Financial Instruments: Disclosures, an entity shall disclose the fair value of financial liabilities. The fair value of short-term bank borrowings and borrowings bearing floating interest rates is not materially different from their carrying amounts.

The fair value of the long-term borrowings bearing a fixed interest rate is estimated based on expected cash flows discounted at a prevailing market interest rate. As at 30 June 2016 there were no such borrowings (31 December 2015: fair value of the long-term borrowings was less than their carrying amount by US\$ 567 thousand).

Under the terms of the loan agreements, the Group is required to comply with a number of covenants and restrictions, including the maintenance of certain financial ratios and financial indebtedness and cross-default provisions. The Group was in compliance with covenants at 30 June 2016 and 31 December 2015.

Interest rates and outstanding amounts of major loans and borrowings

In 2015, the Group signed a 5-year loan facility of EUR 200 million bearing a floating interest rate and maturing in November 2020. As at 30 June 2016, the outstanding amount was EUR 200 million (31 December 2015: EUR 200 million).

In 2015, the Group signed a pre-export finance club facility of US\$ 750 million bearing interest at 1-month Libor +3% and maturing in September 2019. As at 30 June 2016, the outstanding amount was US\$ 750 million (31 December 2015: US\$ 750 million).

In 2014, the Group signed a US\$ 100 million uncommitted revolving credit facility bearing a floating interest rate and maturing in December 2018 with credit limit increased to US\$ 150 million in 2015. As at 30 June 2016, the outstanding amount was US\$ 150 million (31 December 2015: US\$ 150 million).

In 2014, the Group signed an uncommitted revolving credit facility with a Russian bank. The funds through this facility may be obtained in multiple currencies. During the six months ended 30 June 2016, the facility was utilised and repaid several times. As at 30 June 2016, the outstanding amount was US\$ 330 million (31 December 2015: US\$175 million).

In 2013, the Group obtained a credit facility of US\$ 1.3 billion bearing interest at 3-month Libor +1.8% and maturing in September 2018. As at 30 June 2016, the outstanding amount was US\$ 900 million (31 December 2015: US\$ 1.1 billion).

In 2011, the Group signed a RUB 20 billion 5-year non-revolving fixed-interest rate loan facility with a leading Russian bank. As at 30 June 2016, the outstanding amount was RUB 2.5 billion (31 December 2015: RUB 7.5 billion).

Undrawn facilities

In 2012, the Group signed a US\$ 100 million framework agreement for a 2-year revolving facility bearing a floating interest rate based on Libor which was converted to a 4-year facility in 2014. As at 30 June 2016 and 31 December 2015, the credit facility had no outstanding balance and is available to the Group.



12 Bank borrowings and other loans received (continued)

In 2014, the Group signed a RUB 9.5 billion committed credit agreement for a 3-year revolving facility with a leading Russian bank. During the six months ended 30 June 2016, the amount of RUB 7 billion that was disbursed was fully repaid. As at 30 June 2016 and 31 December 2015, the credit facility had no outstanding balance and is still available to the Group.

In April 2016, the Group signed a US\$ 75 million committed revolving credit facility bearing a floating interest rate. The first drawdown was made in full amount in July 2016.

Collaterals and pledges

The pre-export finance club facility of US\$ 750 million was collateralised by future export proceeds of the Group under sales contracts with certain customers and cash balances of US\$ 11,358 thousand on the bank accounts at 30 June 2016 (31 December 2015: US\$ 31,345 thousand) (Note 11).

At 30 June 2016 and 31 December 2015, all other bank borrowings and other loans received listed in Note 12 were not secured.

13 Project finance

Due to non-recourse nature of the Project Finance facilities they are excluded from financial covenant calculations in accordance with the Group's various debt, project, finance, legal and other documents and are presented as a separate line "Project finance" of the consolidated statement of financial position.

Usolsky potash project. In 2014, the Group signed a US\$ 750 million Non-recourse Project Finance Facility Agreement ("Project Financing" or the "facility") maturing at the end of 2022 with a floating interest rate based on 3-month Libor for financing of Usolsky potash project located in the Perm region of Russia.

During the six months ended 30 June 2016, the Group received funds under the Project Finance Facility totaling US\$ 182,749 thousand. As at 30 June 2016, the outstanding balance of the facility was US\$ 443,385 thousand shown net of amortised transaction costs of US\$ 17,820 thousand (31 December 2015: US\$ 261,975 thousand shown net of amortised transaction costs of US\$ 16,481 thousand). The actual interest rate as at 30 June 2016 was 4.14% p.a. (31 December 2015: 4.09% p.a.).

The facility matures:

	30 June 2016	31 December 2015
- between 2 and 5 years	262,976	118,133
- more than 5 years	180,409	143,842
Total Project Finance	443,385	261,975

The fair value of this facility was not materially different from its carrying amount.

As at 30 June 2016, in compliance with terms of the Project Finance Facility Agreement the Group held US\$ 12,652 thousand on a debt service reserve account (31 December 2015: US\$ 10,352 thousand) (Note 11).

As at 30 June 2016, under the terms of the Project Finance Facility Agreement 100% of the shares in EuroChem Usolsky Mining S.à r.l., the project owner and wholly-owned subsidiary of the Group, were pledged as collateral. The carrying value of the assets pledged under the Facility related to the project amounted to US\$ 969,422 thousand (31 December 2015: US\$ 635,562 thousand).



13 Project finance (continued)

During six months ended 30 June 2016, EBITDA of subsidiaries under the Usolsky potash project was negative, with a total amount of US\$ 13,283 thousand (six months ended 30 June 2015: negative US\$ 2,077 thousand). For the year ended 31 December 2015 EBITDA of Usolsky potash project subsidiaries was US\$ 5,532 thousand solely due to positive foreign exchange impact.

In August 2016, the Group received funds under the Project Finance Facility of US\$ 85 million.

Ammonia project in Kingisepp. In December 2015, the Group signed a EUR 557 million Non-recourse 13.5-year Project Finance Facility with a floating interest rate based on 3-month Euribor to finance the construction of an ammonia plant in Kingisepp, Russia.

As at 30 June 2016, transaction costs associated with arrangement of the facility of US\$ 34,675 thousand have been capitalised and presented within Other non-current assets in the consolidated interim statement of financial position (31 December 2015: US\$ 2,376 thousand).

In April 2016, under the terms of Project Finance Facility agreement 100% of the shares in EuroChem-NorthWest, JSC, the project owner and wholly-owned subsidiary of the Group, were pledged as collateral. The carrying value of the assets pledged under the Facility related to the project amounted to US\$ 365,483 thousand as at 30 June 2016.

During six months ended 30 June 2016, EBITDA of a subsidiary under the Ammonia project amounted to US\$ 204 thousand (six months ended 30 June 2015: negative US\$ 550 thousand). For the year ended 31 December 2015 EBITDA of the subsidiary was US\$ 5,935 thousand solely due to positive foreign exchange impact. The first drawdown is expected in August 2016 after all Conditions Precedent to the initial utilisation are satisfied.

14 Bonds issued

Currency	Rate	Coupon rate, p.a.	Maturity	30 June 2016		31 December 2015	
				Fair value	Carrying amount	Fair value	Carrying amount
US\$	Fixed	5.125%	2017	769,875	750,000	752,250	750,000
RUB	Fixed	12.40%	2018	80,535	77,812	70,140	68,603
RUB	Fixed	8.25%	2018	266	278	245	245
RUB	Fixed	10.60%	2019	237,171	233,436	-	-
Less: transaction cost				-	(1,582)	-	(1,027)
Total bonds issued				1,087,847	1,059,944	822,635	817,821

In April 2016, the Group issued RUB denominated loan participation notes at a nominal value of RUB 15 billion bearing a semi-annual coupon rate of 10.6% per annum maturing in April 2019.

The fair value of the outstanding US\$-denominated bonds and RUB-denominated bonds was determined with reference to their quotations on the Irish Stock Exchange and the Moscow Exchange, respectively.



15 Derivative financial assets and liabilities

At 30 June 2016, net derivative financial assets and liabilities were:

	Assets		Liabilities	
	Non-current	Current	Non-current	Current
Commodity swaps	-	121	-	-
UAH/US\$ deliverable forward contracts with a nominal amount of US\$ 4 million	-	-	-	196
RUB/US\$ non-deliverable forward contracts with a nominal amount of US\$ 120 million	-	-	19,882	1,684
RUB/US\$ deliverable forward contracts with a nominal amount of RUB 3,673 million	2,439	737	-	-
RUB/US\$ non-deliverable forward contracts with a nominal amount of RUB 24,695 million	5,913	26,894	-	25,459
Cross currency interest rate swaps	11,359	-	103,582	-
Total	19,711	27,752	123,464	27,339

At 31 December 2015, net derivative financial assets and liabilities were:

	Assets		Liabilities	
	Non-current	Current	Non-current	Current
Commodity swaps	-	185	-	-
RUB/US\$ non-deliverable forward contracts with a nominal amount of US\$ 136 million	-	389	227	-
RUB/US\$ deliverable forward contracts with a nominal amount of RUB 4,897 million	-	-	4,827	1,715
RUB/US\$ non-deliverable forward contracts with a nominal amount of RUB 29,695 million	-	-	7,321	104,538
UAH/US\$ deliverable forward contracts with a nominal amount of US\$17 million	-	454	-	-
Cross currency interest rate swaps	-	-	116,475	-
Total	-	1,028	128,850	106,253

Movements in the carrying amount of derivative financial assets/(liabilities) were:

	1 January 2016	Gain/(loss) from changes of fair value, net	Cash (proceeds)/ payments on derivatives, net	Currency translation difference	30 June 2016
Operating activities	(10,515)	44,340	(6,498)	(508)	26,819
Commodity swaps	185	(64)	-	-	121
Foreign exchange deliverable and non-deliverable forward contracts, net	(10,700)	44,404	(6,498)	(508)	26,698
Financing activities	(223,560)	40,320	53,081	-	(130,159)
Cross currency interest rate swaps, net	(116,475)	25,821	(1,569)	-	(92,223)
Foreign exchange deliverable and non-deliverable forward contracts, net	(107,085)	14,499	54,650	-	(37,936)
Total derivative financial assets and liabilities, net	(234,075)	84,660	46,583	(508)	(103,340)



15 Derivative financial assets and liabilities (continued)

Changes in the fair value of derivatives, which are entered into for the purpose of mitigating risks linked to cash flows from operating activities of the Group recognised in “Other operating income and expenses” (Note 20), where foreign currency derivative contracts are recognised in “Foreign exchange (gain)/loss from operating activities, net” and commodity swaps are recognised in “Other operating (income)/expenses, net”.

Changes in the fair value of derivatives, which are entered into for the purpose of hedging the financing cash flows, are recognised in “Other financial gain and loss” (Note 21).

Foreign exchange non-deliverable forward contracts

Non-deliverable forward contracts with a notional amount of RUB 2,500 million each matured in March 2016 and June 2016.

In August 2015, the Group signed RUB/US\$ non-deliverable forward contracts with the parent company with a notional amount totalling US\$ 136 million. The contracts with a total notional amount of US\$ 16 million were terminated in March 2016. The contractual settlement dates of outstanding contracts vary from March 2017 to May 2019.

In January 2016, the Group signed a RUB/US\$ non-deliverable forward contract with a notional amount of RUB 5,000 million that was terminated in March 2016.

Foreign exchange deliverable forward contracts

In 2015, the Group signed UAH/US\$ deliverable forward contracts with a notional amount totalling US\$ 32 million, out of which contracts with a total notional amount of US\$ 15 million matured in 2015. During the six months ended 30 June 2016 the remaining contracts matured and the Group entered into UAH/US\$ deliverable forward contracts with a notional amount totalling US\$ 4 million and contractual settlement dates varying from July to October 2016.

In 2015, the Group signed RUB/US\$ deliverable forward contracts with a notional amount totalling RUB 4,897 million. The contracts with a total notional amount of RUB 1,224 million were terminated in March 2016. The contractual settlement dates of outstanding contracts vary from March 2017 to March 2019.

Some financial institutions may require the Group to pay collateral to secure its obligations when the amount of liability arising on a derivative contract reaches a certain threshold. During the six months ended 30 June 2016, the Group transferred funds in and out of its margin accounts to satisfy margin call requirements. As at 30 June 2016, the outstanding balance in the margin account was US\$ 697 thousand (31 December 2015: US\$ 26,218 thousand), which was accounted within “Prepayments, other receivables and other current assets” in the consolidated interim statement of financial position (Note 9).



16 Sales

The external sales by product group were:

	Six months ended			
	30 June 2016		30 June 2015	
	Sales volume (thousand metric tonnes)	Sales (thousand US\$)	Sales volume (thousand metric tonnes)	Sales (thousand US\$)
Nitrogen products	4,872	1,054,224	3,892	1,063,442
Nitrogen fertilisers	4,860	1,053,184	3,883	1,062,118
Other products	12	1,040	9	1,324
Phosphate and complex fertilisers	2,147	842,465	2,010	914,559
Phosphate fertilisers	1,101	429,522	960	467,061
Complex fertilisers	884	338,698	873	363,598
Feed phosphates	162	74,245	177	83,900
Other fertilisers	65	19,139	13	4,842
Iron ore concentrate	2,759	117,719	2,764	127,028
Apatite and baddeleyite concentrates	-	16,446	-	15,111
Apatite concentrate	15	2,529	-	-
Baddeleyite concentrate	4	13,917	4	15,111
Industrial products	-	148,256	-	176,802
Organic synthesis products	265	108,965	277	138,429
Other products	-	39,291	-	38,373
Hydrocarbons	47	10,773	58	16,768
Other sales	-	58,864	-	51,945
Logistic services	-	17,908	-	10,957
Other products	-	19,841	-	17,014
Other services	-	21,115	-	23,974
Total sales	-	2,267,886	-	2,370,497

	Three months ended			
	30 June 2016		30 June 2015	
	Sales volume (thousand metric tonnes)	Sales (thousand US\$)	Sales volume (thousand metric tonnes)	Sales (thousand US\$)
Nitrogen products	2,212	457,574	1,890	504,500
Nitrogen fertilisers	2,204	456,960	1,885	503,643
Other products	8	614	5	857
Phosphate and complex fertilisers	954	365,641	964	438,873
Phosphate fertilisers	499	187,838	506	240,989
Complex fertilisers	379	144,602	362	151,204
Feed phosphates	76	33,201	96	46,680
Other fertilisers	29	8,138	7	2,449
Iron ore concentrate	1,425	69,189	1,384	64,539
Apatite and baddeleyite concentrates	-	6,012	-	6,209
Apatite concentrate	-	-	-	-
Baddeleyite concentrate	2	6,012	2	6,209
Industrial products	-	74,230	-	90,122
Organic synthesis products	128	53,078	130	70,079
Other products	-	21,152	-	20,043
Hydrocarbons	23	6,005	28	8,606
Other sales	-	25,805	-	19,953
Logistic services	-	7,975	-	5,675
Other products	-	8,896	-	2,308
Other services	-	8,934	-	11,970
Total sales	-	1,012,594	-	1,135,251



17 Cost of sales

The components of cost of sales were:

	Three months ended		Six months	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
Raw materials	248,517	296,955	517,162	609,149
Goods for resale	163,836	100,522	403,777	228,866
Other materials	42,822	41,443	77,449	77,064
Energy	33,088	37,501	66,961	72,767
Utilities and fuel	13,964	20,208	28,462	39,680
Labour, including contributions to social funds	57,863	64,370	113,963	121,478
Depreciation and amortisation	46,042	47,829	87,337	87,447
Repairs and maintenance	18,646	18,028	29,111	28,317
Production overheads	12,909	18,415	31,100	32,777
Property tax, rent payments for land and related taxes	7,510	9,522	15,133	18,683
Provision for impairment and write-off of idle property, plant and equipment (Note 6)	461	2,009	963	13,051
Provision/(reversal of provision) for obsolete and damaged inventories, net	(1,077)	357	(2,510)	688
Changes in work in progress and finished goods	15,698	(5,713)	28,281	(29,028)
Other costs/(compensations), net	5,454	(5,835)	6,760	(5,346)
Total cost of sales	665,733	645,611	1,403,949	1,295,593

18 Distribution costs

Distribution costs were:

	Three months ended		Six months	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
Transportation	117,469	111,697	228,013	208,751
Labour, including contributions to social funds	16,549	14,389	31,960	27,778
Depreciation and amortisation	5,700	5,887	11,047	11,344
Repairs and maintenance	1,977	1,596	3,307	3,101
Provision/(reversal of provision) for impairment of receivables, net	(325)	8,890	(1,005)	9,304
Other costs	9,951	14,570	19,381	27,340
Total distribution costs	151,321	157,029	292,703	287,618

19 General and administrative expenses

General and administrative expenses were:

	Three months ended		Six months ended	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
Labour, including contributions to social funds	21,761	23,038	42,936	45,842
Depreciation and amortisation	2,001	2,062	3,784	3,621
Audit, consulting and legal services	5,454	4,520	9,092	10,886
Rent	1,413	1,527	2,761	2,894
Bank charges	1,191	1,330	2,161	2,417
Social expenditure	675	689	1,500	982
Repairs and maintenance	487	693	1,014	1,063
Provision/(reversal of provision) for impairment of receivables, net	267	84	303	1,405
Other expenses	9,880	9,416	16,816	14,591
Total general and administrative expenses	43,129	43,359	80,367	83,701



19 General and administrative expenses (continued)

The total depreciation and amortisation expenses included in all captions of the consolidated interim statement of profit or loss and other comprehensive income amounted to US\$ 102,168 thousand (six months ended 30 June 2015: US\$ 102,412 thousand).

The total staff costs (including social expenses) included in all captions of the consolidated interim statement of profit or loss and other comprehensive income amounted to US\$ 188,859 thousand (six months ended 30 June 2015: US\$ 195,098 thousand).

20 Other operating income and expenses

The components of other operating (income) and expenses were:

	Three months ended		Six months ended	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
Sponsorship	4,845	3,834	6,880	6,873
(Gain)/loss on disposal of property, plant and equipment and intangible assets, net	1,315	660	1,973	460
Foreign exchange (gain)/loss from operating activities, net	12,157	40,337	31,888	62,222
Provision/(reversal of provision) for impairment and write off of idle property plant and equipment, net	2	-	323	-
(Gain)/loss on sales and purchases of foreign currencies, net	(1,321)	(5,301)	(5,245)	(5,635)
(Income)/expenses from settlement agreements, net*	2,650	349	103	(12,280)
Other non-recurring expenses	5,053	-	5,053	-
Other operating (income)/expenses, net	(4,864)	(1,554)	(8,175)	(5,141)
Total other operating (income)/expenses, net	19,837	38,325	32,800	46,499

*- This amount represents income of US\$ 3,113 thousand from settlement agreements with counterparties concerning trading activities of the Group net of expenses of US\$ 3,216 thousand relating to its recovery (six months ended 30 June 2015: income of US\$ 18,555 thousand net of expenses of US\$ 6,275 thousand).

21 Other financial gain and loss

The components of other financial (gain) and loss were:

	Note	Three months ended		Six months ended	
		30 June 2016	30 June 2015	30 June 2016	30 June 2015
Changes in fair value of foreign exchange deliverable and non-deliverable forward contracts	15	(3,395)	(42,518)	(14,499)	(55,133)
Changes in fair value of cross currency interest rate swaps	15	(10,181)	(21,552)	(25,821)	(15,468)
Unwinding of discount on deferred payables		687	824	1,366	1,650
Unwinding of discount on land restoration obligation		328	273	593	500
Other		51	-	51	-
Total other financial (gain)/loss, net		(12,510)	(62,973)	(38,310)	(68,451)



22 Income tax

	Three months ended		Six months ended	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
Income tax expense – current	22,299	39,592	77,573	117,940
Deferred income tax – origination and reversal of temporary differences, net	23,025	33,895	41,649	23,807
Write-off/provision for impairment of previously recognised deferred tax assets	8,038	36,218	8,038	36,218
Prior periods adjustments for income tax	(413)	(5,956)	1,136	(8,593)
Income tax expense	52,949	103,749	128,396	169,372

The Group companies are subject to tax rates depending on the country of domicile.

Subsidiaries located in Russia apply a tax rate of 20.0% on taxable profits during the six months ended 30 June 2016 (six months ended 30 June 2015: 20.0%), except for several subsidiaries which applied reduced income tax rates within a range from 15.5% to 19.3% according to regional tax law and agreements with regional authorities (six months ended 30 June 2015: within a range from 15.5% to 19.8%).

Two major manufacturing entities located in the European Union, Lifosa AB in Lithuania and EuroChem Antwerpen NV in Belgium, apply tax rates of 15.0% and 33.99% on taxable profits, respectively (six months ended 30 June 2015: 15.0% and 33.99%).

The rest of the subsidiaries are subject to the tax rates on taxable profit ranging from 7.8% to 39.4% (six months ended 30 June 2015: 7.8% to 38.3%).

During the six months ended 30 June 2016, the Group recognised a provision for impairment of deferred tax assets of US\$ 8,038 thousand because it is uncertain that future taxable profit will be available against which the Group can utilise such benefits.

During the six months ended 30 June 2015, the Group wrote off deferred tax assets of US\$ 36,218 thousand as it was no longer probable that future taxable profit will be available against which the Group can utilise such benefits.

23 Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period. The Company has no dilutive potential ordinary shares and, therefore, the diluted earnings per share equals the basic earnings per share.

	Three months ended		Six months ended	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
Net profit for the period attributable to owners of the parent	114,787	178,978	436,092	518,113
Weighted average number of ordinary shares outstanding	1,000	1,000	1,000	1,000
Earnings per share – basic and diluted	114.79	178.98	436.09	518.11



24 Balances and transactions with related parties

The Group's related parties are considered to include the ultimate beneficiaries, affiliates and entities under common ownership and control within the Group and/or entities having common principal ultimate beneficiaries. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. The relationships with those related parties with whom the Group entered into significant transactions or had significant balances outstanding are detailed below:

Financial statements caption	Nature of relationship	30 June 2016	31 December 2015
Statement of financial position			
Non-current originated loans (Note 10)	Other related parties	80,178	80,178
Current originated loans (Note 10)	Parent company	150,350	44,000
Current originated loans (Note 10)	Other related parties	3,640	8,640
Other non-current assets including:			
Interest receivable	Other related parties	1,708	784
Other non-current assets	Other related parties	1,918	1,691
Prepayments, other receivables and other current assets including:			
Interest receivable	Parent company	2,759	370
Interest receivable	Other related parties	3,187	2,205
Current loan received	Other related parties	4,000	9,000
Non-current derivative financial liabilities	Parent company	19,882	227
Current derivative financial liabilities	Parent company	1,684	-
Trade payables	Associates	1,621	14
Other accounts payable and accrued expenses including:			
Interest payable	Other related parties	1,044	-

Financial statements caption	Nature of relationship	Three months ended		Six months	
		30 June 2016	30 June 2015	30 June 2016	30 June 2015
Statement of profit or loss and other comprehensive income					
Sales	Associates	478	1,705	1,984	2,686
Sales	Other related parties	721	1,163	782	1,295
Distribution costs	Other related parties	(1,716)	(2,062)	(1,746)	(3,271)
Interest income	Parent company	1,507	9	2,390	108
Interest income	Other related parties	903	948	1,905	1,520
Interest expense	Other related parties	(137)	(285)	(167)	(679)
Changes in fair value of foreign exchange non-deliverable forward contracts	Parent company	(8,360)	-	(22,218)	-

Financial statements caption	Nature of relationship	Six months ended	
		30 June 2016	30 June 2015
Statement of cash flows			
Decrease in other receivables	Other related parties	-	3,508
Increase in trade payables	Associates	1,468	25
Increase/(decrease) in trade payables	Other related parties	(6)	653
Non-current originated loans (Note 10)	Other related parties	-	(37,700)
Current originated loans (Note 10)	Parent company	(106,350)	-
Loan provided to the acquired subsidiary before acquisition	Other related parties	-	(1,735)
Repayment of originated loans (Note 10)	Parent company	-	21,800
Repayment of originated loans (Note 10)	Other related parties	5,000	-
Loan repaid to shareholder (Note 12)	Other related parties	-	(16,200)
Loan repaid (Note 12)	Other related parties	(5,000)	-
Other financing activities	Other related parties	-	(9,000)



24 Balances and transactions with related parties (continued)

Other related parties are represented by the companies under common control with the Group and/or by the company ultimately controlled by one of Group's shareholders.

As at 30 June 2016, 74.87% shares of JSC "Astrakhan Oil and Gas Company" (31 December 2015: 74.87%) were pledged as collateral to secure a bank loan of the parent company. The release of the pledged shares was made in August 2016 following a repayment of the bank loan.

Management compensation. The total key management personnel compensation included in the profit or loss was US\$ 3,806 thousand and US\$ 5,040 thousand for the six months ended 30 June 2016 and 30 June 2015, respectively. This compensation is paid to seven individuals who are members of the Management Board, for their services in full time positions. Compensation is made up of an annual fixed remuneration plus a performance bonus accrual.

25 Business combination

Acquisition of subsidiary

In April 2016, the Group completed the acquisition of 100% interest in CJSC "Agrosphere", a stevedoring company located in Russia. The company's principal activity is handling bulk mineral fertilisers through owned specialised terminal in Murmansk Sea Port. The main purpose of the acquisition is to ensure Group's transshipment capacity for exporting mineral fertilisers from Russia.

The total consideration (denominated in RUB) totaled US\$ 11,344 thousand paid in cash.

The Group is performing the valuation of the fair value of all the assets and liabilities recognised on acquisition and intends to finalise the purchase price allocation for property, plant and equipment and intangible assets within 12 months of the acquisition date.

The provisional purchase price allocation for the acquisition was:

	Attributed fair value, in thousands of RUB	Attributed fair value, in presentation currency in thousands of US\$
Cash and cash equivalents	13,957	206
Deposits	80,000	1,183
Accounts receivable and other assets	112,035	1,657
Inventories	6,270	93
Property, plant and equipment (Note 6)	703,125	10,400
Trade and other accounts payable	(24,041)	(355)
Deferred income tax asset/(liability) – net	(124,386)	(1,840)
Fair value of net assets of subsidiary	766,960	11,344

If the control over CJSC "Agrosphere" had been obtained on 1 January 2016, the Group's consolidated revenue and profit for the six months ended 30 June 2016 would not have changed significantly.

26 Contingencies, commitments and operating risks

i Capital expenditure commitments

As at 30 June 2016, the Group had contractual commitments for capital expenditures of US\$ 1,230,240 thousand (31 December 2015: US\$ 1,278,957 thousand), including amounts denominated in EUR of US\$ 720,764 thousand and in RUB of US\$ 287,017 thousand, which will represent cash outflows in the next 4 years according to the contractual terms.



26 Contingencies, commitments and operating risks (continued)

US\$ 106,216 thousand and US\$ 407,847 thousand of the total amount relate to the development of potassium salt deposits and the construction of mining facilities at the Gremyachinskoe and Verkhnekamskoe potash licence areas, respectively (31 December 2015: US\$ 88,283 thousand and US\$ 445,952 thousand, respectively). US\$ 478,781 thousand of the total amount relate to the construction of the Ammonia Plant at Kingisepp, Russia (31 December 2015: US\$ 616,906 thousand).

ii Tax legislation

The management of the Group believes that its interpretation of the tax legislation is appropriate and the Group's tax position will be sustained.

Given the scale and international nature of the Group's business, intra-group transfer pricing and issues such as controlled foreign corporations' legislation, beneficial ownership, permanent establishment and tax residence issues, are inherent tax risks as they are for other international businesses. Changes in tax laws or their application with respect to tax matters in the countries where the Group has subsidiaries could increase the Group's effective tax rate.

The majority of the Group's production subsidiaries are located in Russia and required to comply with Russian tax, currency and customs legislation. The Russian tax authorities may be taking a more assertive position in their interpretation of the legislation and assessments than the Management of the Group, and it is possible that transactions and activities that have not been challenged in the past may be challenged. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year of review with possible extension of this period under certain circumstances.

Where management believes that it is probable that certain tax positions taken by the Group may not be sustained if challenged by the tax authorities, the Group recognizes provisions for related taxes, interest and penalties. There were no such provisions recorded by the Group at 30 June 2016 and 31 December 2015.

iii Insurance policies

The Group obtains risk insurance cover as mandated by statutory requirements. The Group also holds voluntary insurance policies covering directors' and officers' liability (D&O insurance), general liability, physical property and business interruption insurance at nitrogen and phosphate production plants, as well as insurance policies related to trade operations, including export shipments, and credit insurance of trade debtors.

The Group also carries voluntary life and accident insurance for employees.

As part of the Verkhnekamskoe potash project the Group has voluntarily insured construction risks of all mining and surface facilities related to this project including third party liability during construction works. The insurance covers the risks of destruction and damage related to all facilities including those previously constructed starting from November 2014 to July 2020, including two year guarantee period. As a part of the Ammonia project at Kingisepp, the Group has voluntarily insured construction risks of all facilities related to this project.

iv Environmental matters

The Group's plants and operations are subject to numerous national, state and local environmental laws and regulations. The Group's management regularly evaluates its obligations under these laws and regulations and believes that the Group's plants and operations are in compliance with current environmental laws and regulations. The estimated cost of known environmental obligations has been provided for in this consolidated condensed interim financial information in accordance with the Group's accounting policies.



26 Contingencies, commitments and operating risks (continued)

The environmental laws and regulations are essentially complex and tend to change over the time. The scope, extent and speed of this change may vary substantially in different jurisdictions. Accordingly, the Group's management system provides for ongoing monitoring of the key trends in the environmental laws and regulations. Though it is inherently difficult to estimate precisely all costs associated with the current and newly proposed environmental requirements, the Group's management does not expect these costs to have a material effect on the Group's financial position or liquidity.

v Legal proceedings

During the reporting period, the Group was involved in a number of court proceedings (both as a plaintiff and a defendant) arising in the ordinary course of business. In the opinion of management, there are no current legal proceedings or other claims outstanding which could have a material effect on the results of operations or the financial position of the Group.

On 15 January 2016, the Group amicably resolved all matters relating to disputes with Shaft Sinkers (Pty) Ltd., and Rossal No. 126 Pty Ltd (formerly known as Shaft Sinkers (Pty) Ltd.), the contractor involved in the construction of the mining shafts at the Gremyachinskoe potash deposit), and with International Mineral Resources B.V. (which, the Group believes, held a controlling interest in Shaft Sinkers) with all parties involved by entering into Confidential Settlement Agreement, Release and Covenant Not to Sue, and all litigation and arbitration associated therewith has been dismissed or withdrawn without any material income or expenses for the Group.

vi Operating environment of the Group

The Group operates in the fertiliser industry with production assets in Russia, Lithuania, Belgium, Kazakhstan, China and sales networks in Europe, Russia, the CIS, North, Central and Latin America, Central and South East Asia. The highly competitive nature of the market makes prices of the Group's key products relatively volatile.

Possible deteriorating economic conditions may have an impact on management's cash flow forecasts and assessment of the impairment of financial and non-financial assets. Debtors of the Group may also become adversely affected by the financial and economic environment, which could in turn impact their ability to repay the amounts owed or fulfil the obligations undertaken.

Management is unable to predict all developments which could have an impact on the industry and the wider economy and consequently what effect, if any, they could have on the future financial position of the Group. Management believes all necessary measures are being taken to support the sustainability and growth of the Group's business in the current circumstances.

Under the terms of valid licences for the exploration and development of mineral resource deposits, the Group is required to comply with a number of conditions, including preparation of design documentation, commencement of the construction of mining facilities and commencement of the extraction of mineral resources by certain dates. If the Group fails to materially comply with the terms of the licence agreements there are circumstances whereby the licences can be revoked. Management of the Group believes that the Group faces no material regulatory risks in relation to the validity and operation of any of its licences.

27 Subsequent events

Business acquisition commitments

In July 2016, the Group signed a sale and purchase agreement for the acquisition of a controlling interest (50% interest plus one share) in Fertilizantes Tocantins Ltda, a leading fertiliser distributor located in Brazil. The deal is subject to regulatory approval and expected to be concluded by the end of August 2016.