URALKALI GROUP

INTERNATIONAL ACCOUNTING STANDARD No. 34

CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION AND REVIEW REPORT

30 JUNE 2009

Contents

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Report on the Review of the Consolidated Condensed Interim Financial Information

To the Shareholders and Board of Directors of Open Joint Stock Company Uralkali:

Introduction

We have reviewed the accompanying consolidated condensed interim statement of financial position of Open Joint Stock Company Uralkali and its subsidiaries (together, the "Group") as of 30 June 2009 and the related consolidated condensed interim statements of income, comprehensive income, cash flows and changes in equity for the six-month period then ended. Management 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 is not prepared, in all material respects, in accordance with International Accounting Standard 34, Interim Financial Reporting.

Emphasis of Matter

Without qualifying our conclusion we draw attention to Note 4 to the consolidated condensed interim financial information. On 29 January 2009, the Group received a second act of government commission in relation to its investigation of causes of flooding in Mine 1 that occurred on 28 October 2006. The act includes estimates of expenses incurred by different government authorities and other third parties in relation to damages caused by the flood. The ultimate outcome of the matter cannot presently be determined and costs in excess of the amounts provided for could be significant for the Group in the future.

/s/ ZAO PricewaterhouseCoopers Audit

Moscow, Russian Federation
14 September 2009

(in millions of Russian roubles, unless otherwise stated)

	Note	30 June 2009	31 December 2008
ASSETS			
Non-current assets:			
Property, plant and equipment	7	35,926	30,642
Prepayments for acquisition of property, plant and equipment		1,299	1,345
Letters of credit for acquisition of property, plant and equipment		2,659	3,513
Goodwill		366	366
Intangible assets		131	161
Deferred income tax asset		135	197
Financial assets		334	70
VAT recoverable		225	225
Total non-current assets		**41,075**	**36,519**
Current assets:			
Inventories		3,439	2,965
Trade and other receivables		8,526	6,616
Current income tax prepayments		54	49
Irrevocable bank deposits		105	-
Cash and cash equivalents		9,807	16,174
Total current assets		**21,931**	**25,804**
TOTAL ASSETS		**63,006**	**62,323**
Equity:			
Share capital	10	648	648
Treasury shares	10	(12)	(12)
Share premium/(discount)		(849)	(849)
Revaluation reserve		150	150
Retained earnings		39,124	34,662
Equity attributable to the owners of the Company		**39,061**	**34,599**
Non-controlling interests		**24**	**21**
TOTAL EQUITY		**39,085**	**34,620**
LIABILITIES			
Non-current liabilities:			
Borrowings	12	5,146	10,192
Post-employment benefits obligations		309	284
Deferred income tax liability		230	232
Total non-current liabilities		**5,685**	**10,708**
Current liabilities:			
Borrowings	12	8,674	4,606
Trade and other payables		3,735	4,159
Mine flooding provisions	4, 11	5,454	7,804
Current income tax payable		138	136
Other taxes payable		235	290
Total current liabilities		**18,236**	**16,995**
TOTAL LIABILITIES		**23,921**	**27,703**
TOTAL LIABILITIES AND EQUITY		**63,006**	**62,323**

Approved for issue and signed on behalf of the Board of Directors
14 September 2009

/s/__________________ /s/__________________
Chief Executive Officer Finance Vice-President

(in millions of Russian roubles, unless otherwise stated)

	Note	Six months ended 30 June 2009	Six months ended 30 June 2008
Revenues	13	13,873	28,562
Cost of sales	14	(3,809)	(4,636)
Gross profit		**10,064**	**23,926**
Distribution costs	15	(2,138)	(5,241)
General and administrative expenses	16	(1,408)	(1,262)
Taxes other than income tax		(208)	(175)
Other operating income and expenses	18	(372)	(159)
Operating profit		**5,938**	**17,089**
Mine flooding costs	20	(32)	(280)
Finance income	19	239	936
Finance expenses	19	(873)	(617)
Profit before income tax		**5,272**	**17,128**
Income tax expense	21	(807)	(3,333)
Net profit for the period		**4,465**	**13,795**
Profit attributable to:			
Owners of the Company		4,462	13,793
Non-controlling interests		3	2
Net profit for the period		**4,465**	**13,795**
Earnings per share – basic and diluted (in RR)	22	**2.12**	**6.57**

(in millions of Russian roubles, unless otherwise stated)

	Six months ended 30 June 2009	Six months ended 30 June 2008
Net profit for the period	**4,465**	**13,795**
Total comprehensive income for the period	**4,465**	**13,795**
Total comprehensive income for the period attributable to:		
Owners of the Company	4,462	13,793
Non-controlling interests	3	2

(in millions of Russian roubles, unless otherwise stated)

	Note	Six months ended 30 June 2009	Six months ended 30 June 2008
Cash flows from operating activities			
Profit before income tax		5,272	17,128
Adjustments for:			
Depreciation of property, plant and equipment and amortisation of intangible assets		1,487	1,203
Net loss on disposals of property, plant and equipment	18	117	36
Loss on fixed assets disposed of as a result of mine flooding	20	-	223
(Reversal of provision)/provision for impairment of receivables	18	(7)	27
Net change in mine flooding provisions	20	(2,350)	(23)
Finance income and expenses, net		(16)	99
Foreign exchange losses/(gains), net	19	579	(543)
Operating cash flows before working capital changes		**5,082**	**18,150**
Changes in working capital		(2,746)	(4,087)
Cash generated from operations		**2,336**	**14,063**
Interest paid	12	(201)	(421)
Income taxes paid		(728)	(2,654)
Net cash generated from operating activities		**1,407**	**10,988**
Cash flows from investing activities			
Acquisition of intangible assets		(1)	(31)
Acquisition of property, plant and equipment		(5,945)	(5,455)
Proceeds from sales of property, plant and equipment		14	71
Purchase of investments		(46)	-
Acquisition of subsidiary, net of cash acquired	9	(462)	-
Increase in irrevocable bank deposits		(105)	(35)
Dividends and interest received		514	227
Net cash used in investing activities		**(6,031)**	**(5,223)**
Cash flows from financing activities			
Repayments of borrowings	12	(2,613)	(10,076)
Proceeds from borrowings	12	474	11,436
Finance lease payments	12	(19)	(19)
Dividends paid to the Company's shareholders		(7)	(2,654)
Net cash used in financing activities		**(2,165)**	**(1,313)**
Effect of foreign exchange rate changes on cash and cash equivalents		422	(26)
Net (decrease)/increase in cash and cash equivalents		**(6,367)**	**4,426**
Cash and cash equivalents at the beginning of the period		**16,174**	**7,193**
Cash and cash equivalents at the end of the period		**9,807**	**11,619**

(in millions of Russian roubles, unless otherwise stated)

	Attributable to the owners of the Company							
	Share capital	**Treasury shares**	**Share premium/ (discount)**	**Revaluation reserve**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2008	**648**	**(12)**	**(849)**	**150**	**25,113**	**25,050**	**24**	**25,074**
Total comprehensive income for the period	-	-	-	-	13,793	13,793	2	13,795
Dividends declared	-	-	-	-	(3,989)	(3,989)	-	(3,989)
Balance at 30 June 2008	**648**	**(12)**	**(849)**	**150**	**34,917**	**34,854**	**26**	**34,880**
Balance at 1 January 2009	**648**	**(12)**	**(849)**	**150**	**34,662**	**34,599**	**21**	**34,620**
Total comprehensive income for the period	-	-	-	-	4,462	4,462	3	4,465
Balance at 30 June 2009	**648**	**(12)**	**(849)**	**150**	**39,124**	**39,061**	**24**	**39,085**

1 The Uralkali Group and its operations

OJSC Uralkali (the "Company") and its subsidiaries (together, the "Group") produce mineral fertilisers, primarily potassium based, which are extracted and processed in the vicinity of the city of Berezniki, Russia, and which are distributed both on domestic and foreign markets. The Group manufactures approximately ten types of products, the most significant of which is a wide range of potassium salts. The Group is one of two major potash manufacturers in the Russian Federation. For the six months ended 30 June 2009, approximately 70% (2008: 89%) of potash fertiliser production was exported.

The Company holds operating licenses, issued by the Perm regional authorities, for the extraction of potassium, magnesium and sodium salts on the Bereznikovskiy, Durimanskiy and Bigelsko-Troizkiy plots of the Verhnekamskoe field. The above licenses expire in 2013; however, based on the statutory license regulation and prior experience, the Company's management believes that the licenses will be renewed without entailing any significant cost. The Company also owns a license for the Ust'-Yaivinsky plot of the Verhnekamskoe field, which expires in 2024.

The Company was incorporated as an open joint stock company in the Russian Federation on 14 October 1992. The Company has its registered office at Pyatiletki St. 63, Berezniki, Perm region, Russian Federation. Almost all of the Group's productive capacities and all long-term assets are located in the Russian Federation.

As of 30 June 2009, Madura Holdings Limited, registered in Cyprus, was the parent company of the Group. The Group is ultimately controlled by Mr. Dmitry Rybolovlev.

As of 30 June 2009, the Group employed approximately 13.3 thousand employees (31 December 2008: 12.9 thousand).

2 Basis of preparation and significant accounting policies

This consolidated condensed interim financial information for the six months ended 30 June 2009 has been prepared in accordance with IAS 34, Interim Financial Reporting. This consolidated condensed interim financial information should be read in conjunction with the consolidated financial statements for the year ended 31 December 2008, which have been prepared in accordance with International Financial Reporting Standards.

The accounting policies applied are consistent with those of the consolidated financial statements for the year ended 31 December 2008, except for the policies which were changed to comply with the standards and interpretations that became effective for the Group from 1 January 2009 (Note 3).

Income tax in the interim periods is accrued using the tax rate that would be applicable to expected total annual earnings.

Certain reclassifications have been made to prior year amounts in the consolidated condensed interim statement of financial position, statement of income and cash flows and notes to the financial information to conform to the current period presentation.

3 Adoption of new or revised standards and interpretations

Certain new standards and interpretations became effective for the Group from 1 January 2009:

IFRS 8, Operating Segments (effective for annual periods beginning on or after 1 January 2009). IFRS 8 requires an entity to report financial and descriptive information about its operating segments, with segment information presented in a manner that is consistent with the internal reporting provided to the chief operating decision maker, who for the Group has been identified as the Board of Directors. The Group has decided to early adopt improvements to IFRS 8 issued in April 2009, which allows the Group not to disclose information about segment assets and liabilities in the interim financial information prepared in accordance with IAS 34, since such information is not regularly provided to the Board of Directors;

IAS 23, Borrowing Costs (revised March 2007; effective for annual periods beginning on or after 1 January 2009). The main change to IAS 23 is the removal of the option of immediately recognising as an expense borrowing costs that relate to assets that take a substantial period of time to prepare for use or sale. An entity is, therefore, required to capitalise such borrowing costs as part of the cost of the asset. The revised standard applies prospectively to borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 January 2009. The Group considers a qualifying asset to be an investment project with an execution period exceeding one year. As of 30 June 2009, the effect on this consolidated condensed interim financial information was not material;

3 Adoption of new or revised standards and interpretations (continued)

IAS 1, Presentation of Financial Statements (revised September 2007; effective for annual periods beginning on or after 1 January 2009). The main change in IAS 1 is the replacement of the statement of income by a statement of comprehensive income which also includes all non-owner changes in equity, such as the revaluation of available-for-sale financial assets. Alternatively, entities will be allowed to present two statements: a separate statement of income and a statement of comprehensive income. The revised IAS 1 also introduces a requirement to present a statement of financial position (balance sheet) at the beginning of the earliest comparative period whenever the entity restates comparatives due to reclassifications, changes in accounting policies, or corrections of errors. The Group has elected to present two statements: a separate statement of income and a statement of comprehensive income. This consolidated condensed interim financial information has been prepared under the revised requirements;

Improvements to International Financial Reporting Standards (issued in May 2008). In 2007, the International Accounting Standards Board decided to initiate an annual improvements project as a method of making necessary, but non-urgent, amendments to IFRS. The amendments consist of a mixture of substantive changes, clarifications, and changes in terminology in various standards. The substantive changes relate to the following areas: classification as held for sale under IFRS 5 in the event of a loss of control over a subsidiary; the option to present financial instruments held for trading as non-current under IAS 1; accounting for sale of IAS 16 assets which were previously held for rental and classification of the related cash flows under IAS 7 as cash flows from operating activities; clarifying the definition of a curtailment under IAS 19; accounting for below market interest rate government loans in accordance with IAS 20; making the definition of borrowing costs in IAS 23 consistent with the effective interest method; clarifying accounting for subsidiaries held for sale under IAS 27 and IFRS 5; reducing the disclosure requirements relating to associates and joint ventures under IAS 28 and IAS 31; the enhancement of disclosures required by IAS 36; clarifying accounting for advertising costs under IAS 38; amending the definition of fair value through profit or loss category so that it is consistent with hedge accounting under IAS 39; introducing accounting for investment properties under construction in accordance with IAS 40; and reducing restrictions over the manner of determining the fair value of biological assets under IAS 41. Further amendments made to IAS 8, 10, 18, 20, 29, 34, 40, 41 and to IFRS 7 represent terminology or editorial changes only, which the IASB believes have no or minimal effect on accounting. The Group does not expect the amendments to have any material effect on the Group's consolidated condensed interim financial information;

Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate – IFRS 1 and IAS 27 Amendment (issued in May 2008; effective for annual periods beginning on or after 1 January 2009). This amendment allows first-time adopters of IFRS to measure investments in subsidiaries, jointly controlled entities or associates at fair value or at previous GAAP carrying value as deemed cost in the separate financial statements. The amendment also requires distributions from pre-acquisition net assets of investees to be recognised in profit or loss rather than as a recovery of the investment. This amendment does not impact the Group's financial information at 30 June 2009;

IFRIC 15, Agreements for the Construction of Real Estate (effective for annual periods beginning on or after 1 January 2009). IFRIC 15 is not relevant to the Group's operations at 30 June 2009;

IFRIC 16, Hedges of a Net Investment in a Foreign Operation (effective for annual periods beginning on or after 1 October 2008). IFRIC 16 does not have any impact on this financial information as the Group does not apply hedge accounting at 30 June 2009;

Improving Disclosures about Financial Instruments – Amendment to IFRS 7, Financial Instruments: Disclosures (issued in March 2009; effective for annual periods beginning on or after 1 January 2009). The Group does not expect the amendment to have a material effect on the Group's consolidated condensed interim financial information;

Vesting Conditions and Cancellations – Amendment to IFRS 2, Share-based Payment (issued in January 2008; effective for annual periods beginning on or after 1 January 2009). The Group does not expect the amendment to have a material effect on the Group's consolidated condensed interim financial information;

Puttable Financial Instruments and Obligations Arising on Liquidation – IAS 32 and IAS 1 Amendment *(*effective for annual periods beginning on or after 1 January 2009). The amendment requires classification as equity of some financial instruments that meet the definition of financial liabilities. The Group does not expect the amendment to affect the Group's consolidated condensed interim financial information;

Embedded Derivatives – Amendments to IFRIC 9 and IAS 39 (effective for annual periods ending on or after 30 June 2009). The amendment is not expected to have any impact on the Group's consolidated condensed interim financial information;

IFRIC 13, Customer Loyalty Programmes (effective for annual periods beginning on or after 1 July 2008). IFRIC 13 is not relevant to the Group's operations because no Group companies operate any loyalty programmes.

3 Adoption of new or revised standards and interpretations (continued)

Other new standards and interpretations. The Group has not early adopted the following other new standards and interpretations:

- ***IAS 27, Consolidated and Separate Financial Statements*** (revised January 2008; effective for annual periods beginning on or after 1 July 2009;
- ***IFRS 3, Business Combinations*** (revised January 2008; effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009);
- ***IFRIC 17, Distribution of Non-Cash Assets to Owners*** (effective for annual periods beginning on or after 1 July 2009);
- ***Eligible Hedged Items – Amendment to IAS 39, Financial Instruments: Recognition and Measurement*** (effective with retrospective application for annual periods beginning on or after 1 July 2009);
- ***IFRS 1, First-time Adoption of International Financial Reporting Standards*** (following an amendment in December 2008, effective for the first IFRS financial statements for a period beginning on or after 1 July 2009);
- ***IFRIC 18, Transfers of Assets from Customers*** (effective for annual periods beginning on or after 1 July 2009);
- ***Improvements to International Financial Reporting Standards*** (issued in April 2009; amendments to IFRS 2, IAS 38, IFRIC 9 and IFRIC 16 are effective for annual periods beginning on or after 1 July 2009; amendments to IFRS 5, IFRS 8, IAS 1, IAS 7, IAS 17, IAS 36 and IAS 39 are effective for annual periods beginning on or after 1 January 2010). As of 30 June 2009, the Group early adopted the amendment to IFRS 8;
- ***The International Financial Reporting Standard for Small- and Medium-Sized Entities*** (issued in July 2009). As a listed entity, the Group is not eligible to apply the IFRS for SMEs;
- ***Group Cash-settled Share-Based Payment Transactions – Amendments to IFRS 2, Share-based Payment*** (effective for annual periods beginning on or after 1 January 2010).

Unless otherwise described above, the new standards and interpretations are not expected to significantly affect the Group's consolidated condensed interim financial information.

4 Critical accounting estimates and judgements in applying accounting policies

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in the financial information and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

Provisions for mine flooding. On 28 October 2006, the Group ceased production operations in Mine 1 due to natural groundwater inflow that reached a level which could not be properly controlled.

On 1 November 2006, the commission of Rostekhnadzor issued an act on its technical investigation of the causes of flooding in Mine 1. According to the act, the cause of flooding was a "new kind of previously unknown anomaly of geological structure" and "the development of two sylvinite layers AB (1964-1965) and Kr II (1976-1977)". The combination of circumstances in the run up to the accident, in terms of the source, scope and strength was classified as "being extraordinary and unavoidable events under prevailing conditions not dependent on the will of the parties involved".

In November 2008, at the request of the Russian Deputy Prime Minister, Igor Sechin, a new commission was established by Rostekhnadzor for a second investigation into the cause of flooding in Mine 1. According to the report of the second commission, issued on 29 January 2009, the flooding was caused by a "combination of geological and technological factors".

4 Critical accounting estimates and judgements in applying accounting policies (continued)

Provision for compensations

In February 2009, the Company decided voluntarily, as a part of its social responsibility, to compensate expenses incurred by different levels of the government for liquidation of flooding consequences including expenses for resettlement of citizens, construction of a 6-kilometer railway bypass incurred prior to 31 December 2008, and also partially compensate for the deficit of financing related to the construction of a 53-kilometer railway bypass.

Thereby the Company accrued a provision as of 31 December 2008 for future expenses, which could be reliably valued at the date of authorisation of financial statements and whose likelihood was estimated as “probable”. The provision amounted to RR 7,804 and included the following expenses:

- on 19 February 2009, the Company signed an agreement with the Perm region authorities regarding the compensation of expenses related to liquidation of flooding consequences incurred by federal and regional budgets. The compensation amounted to RR 2,314;
- the Company is currently negotiating an agreement for partial compensation for the deficit of financing related to the construction of a 53-kilometer railway bypass in the amount of RR 5,000;
- the Company evaluated other probable compensations in the amount of RR 490, including expenses related to construction of a 6-kilometer railway bypass of RR 454, and expenses incurred by the budget of Berezniki in relation to resettling citizens of RR 36.

In April 2009, the Company made the first compensation payment to reimburse expenses in the amount of RR 2,350. As of 30 June 2009, the Company reduced the provision for compensation related to mine flooding by the amount of this payment (Note 11).

Other possible risks not included in provision for compensations

Additional expenses, which could be incurred by the government for resettlement purposes after 31 December 2008, are estimated in the amount of RR 184. The Company estimates the probability that it will agree to compensate these expenses from “remote” to “possible” and therefore has not accrued this amount.

In July 2009, the Company received a request from OJSC TGK-9 to compensate expenses in the amount of RR 3,160. According to the request, this amount corresponds to the development of a reserve energy supply source in Berezniki. The Company believes that only the expenses that are directly caused by the mine flood should be considered for compensation. The parties are planning to establish a technical commission in order to determine whether these expenses are in fact directly connected to the consequences of the mine flood. Currently, the Company has no reliable information as to whether these expenses could be regarded as being directly caused by the flooding of the mine. The Company estimates the probability of having to pay this compensation to be from “remote” to “possible” and therefore this amount has not been accrued.

The procedure for calculating and compensating for mineral deposits lost as a result of mine flooding is not established by Russian law. However, the Company evaluates the risk that such claims could arise as “possible”. In the appendices to the report of the second commission, there is a calculation of the value of lost mineral resources (from RR 25,380 to RR 84,602) and a calculation of losses resulting from mineral extraction tax not received by the government due to flooding (from RR 964 to RR 3,215). The Company analysed the calculations provided in the appendices and evaluated the risk of compensation in the stated amount as “remote”.

In August 2009, the Company has received the field tax audit report for 2005-2006. Tax authorities have stated that in October 2006 the Company should have charged mineral extraction tax in the amount of RR 604 for mineral deposits lost due to flooding. The Company has filed its objections to the report. The Company believes that the conclusion in the report is not valid, and will challenge the claim if the tax authorities choose to proceed. The Company estimates the probability of this liability crystallising from “remote” to “possible” and accordingly has not made an accrual for this amount.

Due to a lack of information at the date of authorising this consolidated condensed interim financial information the Company’s management could not reliably estimate the total amount of future cash outflows related to the mine flooding and corresponding claims of third parties; however, the amount could be significant and substantially exceeded the provision accrued as of 30 June 2009.

(in millions of Russian roubles, unless otherwise stated)

4 Critical accounting estimates and judgements in applying accounting policies (continued)

Remaining useful life of property, plant and equipment. The management assesses the remaining useful life of property, plant and equipment in accordance with the current technical specifications of assets and the estimated period during which these assets will bring economic benefit to the Group. The estimated remaining useful life of certain items of property, plant and equipment is beyond the expiry date of the operating licenses (Note 1). The management believes that the licenses will be renewed; however, if the licenses are not renewed, then property, plant and equipment with a net book value of RR 847 (31 December 2008: RR 689) should be assessed for impairment in 2013.

Land. All OJSC Baltic Bulker Terminal ("BBT") facilities are situated on land occupied on an annual lease basis; however, the management plans to purchase the land under the right provided by statutory legislation or to secure the assets under a long-term rent agreement with municipal authorities. If the Group cannot secure long-term use of this land, then non-current assets of RR 2,718 (31 December 2008: RR 2,781) should be assessed for impairment.

Trade and other receivables. The Company's management analyses overdue trade and other accounts receivables at each reporting date. Overdue accounts receivables are not provided if management has certain evidence of their recoverability. If the management has no reliable information about the recoverability of overdue receivables, 100% impairment provision is accrued for trade and other receivables overdue by more than 90 days; receivables overdue by more than 45 (but less than 90) days are provided for at 50% of their carrying amount.

Inventory. The Group engages an independent surveyor to verify the physical quantity of finished products at the reporting dates. In accordance with the surveyor's guidance and technical characteristics of the devices used, the possible valuation error can be +/- 4-6%. At the reporting date, the carrying amount of finished products may vary within this range.

Tax legislation. Russian tax, currency and customs legislation is subject to varying interpretations (Note 23).

5 Related parties

Related parties are defined by IAS 24, Related Party Disclosures. Parties are considered to be related if one party has the ability to control the other party, is under common control, or can exercise significant influence over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. Key management and close family members are also considered related parties.

The Company's immediate parent and ultimate controlling party is disclosed in Note 1.

The nature of the related party relationships for those related parties with whom the Group entered into significant transactions or had significant balances outstanding are detailed below.

Statement of financial position caption	Nature of relationship	30 June 2009	31 December 2008
Other receivables	Entities under common control	1	-
Other payables	Entities under common control	291	-

Shareholder's equity caption	Nature of relationship	Six months ended 30 June 2009	Six months ended 30 June 2008
Dividends declared	Parent company	-	2,649

Other payable

In January 2009, the Group acquired a subsidiary (Note 9) from Blue Horizon Enterprise Ltd., an entity under common control. At 30 June 2009, the Group had an outstanding balance of RR 291 on this acquisition, which was included in other payables.

Guarantees given

As of 30 June 2009, the Group issued guarantees to key management personnel of RR 16 (31 December 2008: RR 6) (Note 23).

(in millions of Russian roubles, unless otherwise stated)

5 Related parties (continued)

Management's compensation

Compensation of key management personnel consists of remuneration paid to members of the Board of Directors, executive directors and vice-presidents for their services in full or part time positions. Compensation is made up of an annual remuneration and a performance bonus depending on operating results.

Total key management compensation included in general and administrative expenses in the consolidated condensed interim statement of income was RR 126 and RR 101 for the six months ended 30 June 2009 and 2008, respectively.

6 Segment reporting

The Group identifies the segment in accordance with the criteria set forth in IFRS 8, and based on the way the operations of the Company are regularly reviewed by the chief operating decision maker to analyse performance and allocate resources. The chief operating decision-maker has been determined as the Board of Directors. Management has determined the following segment structure:

- Potash – the extraction, production and sales of potash fertilisers;
- All others – certain service activities, production and sales of other products.

The segments results for the six months ended 30 June 2009 were as follows:

	Potash			All others	Reconciliation	Total
	Export	Domestic	Total potash			
Tonnes (thousands)	**629**	**271**	**900**	**-**	**-**	**900**
Revenues	11,590	1,457	**13,047**	826	-	**13,873**
Cost of sales	(2,403)	(1,035)	**(3,438)**	(371)	-	**(3,809)**
Distribution, general and administrative expenses, other operating income and expenses and taxes other than income tax	(3,277)	(494)	**(3,771)**	(240)	(115)	**(4,126)**
Segment result/Operating profit/ (loss)	**5,910**	**(72)**	**5,838**	**215**	**(115)**	**5,938**
Mine flooding costs					(32)	**(32)**
Finance income and expenses, net					(634)	**(634)**
Profit before income tax						**5,272**
Income tax expense					(807)	**(807)**
Net profit for the period						**4,**

The segments results for the six months ended 30 June 2008 were as follows:

	Potash			All others	Reconciliation	Total
	Export	Domestic	Total potash			
Tonnes (thousands)	**2,349**	**294**	**2,643**	**-**	-	**2,643**
Revenues	26,680	1,255	**27,935**	627	-	**28,562**
Cost of sales	(3,773)	(473)	**(4,246)**	(390)	-	**(4,636)**
Distribution, general and administrative expenses, other operating income and expenses and taxes other than income tax	(6,501)	(164)	**(6,665)**	(196)	24	**(6,837)**
Segment result/Operating profit	**16,406**	**618**	**17,024**	**41**	**24**	**17,089**
Mine flooding costs					(280)	**(280)**
Finance income and expenses, net					319	**319**
Profit before income tax						**17,128**
Income tax expense					(3,333)	**(3,333)**
Net profit for the period						**13,795**

(in millions of Russian roubles, unless otherwise stated)

7 Property, plant and equipment

Property, plant and equipment and related accumulated depreciation consist of the following:

	2009	2008
Cost		
Balance as of 1 January	49,447	41,284
Additions	6,882	5,905
Disposals	(365)	(780)
Balance as of 30 June	**55,964**	**46,409**
Accumulated Depreciation		
Balance as of 1 January	18,805	17,079
Depreciation charge	1,514	1,202
Disposals	(281)	(449)
Balance as of 30 June	**20,038**	**17,832**
Net Book Value		
Balance as of 1 January	**30,642**	**24,205**
Balance as of 30 June	**35,926**	**28,577**

Depreciation

For the six months ended 30 June 2009 and 2008 respectively, the depreciation was allocated to statement of income as follows:

	Note	Six months ended 30 June 2009	Six months ended 30 June 2008
Cost of sales	14	1,190	913
Distribution costs (including transshipment activities)		154	157
General and administrative expenses	16	113	97
Loss on disposals of property, plant and equipment and brine injection costs		18	14
Total depreciation expense		**1,475**	**1,181**

During six months ended 30 June 2009, the Group incurred depreciation amounting to RR 39 (for the six months ended 30 June 2008: RR 21) directly related to the construction of new fixed assets. These expenses were capitalised on the consolidated statement of financial position in accordance with the Group's accounting policy and included in assets under construction.

Fully depreciated assets still in use

As of 30 June 2009 and 31 December 2008, the gross carrying value of fully depreciated property, plant and equipment still in use was RR 6,503 and RR 6,434 respectively.

Assets pledged under loan agreements

As of 30 June 2009 and 31 December 2008, the carrying value of property, plant and equipment pledged under bank loans was RR 2,730 and RR 4,582 (Note 12) respectively.

8 Investment in jointly controlled entity

The Company has a 50% interest in JSC Belorussian Potash Company ("BPC") – the remaining 50% is divided between Belaruskali (which owns 45%) and Belorussian Railways (which owns 5%). According to BPC's charter, all decisions on shareholders meeting could be taken only with a majority of 75%. Therefore, BPC operations are under the joint control of Belaruskali and the Company (the "Participants"). BPC's principal activity is marketing and exporting as an agent potash fertilisers produced by the participants.

BPC's charter provides for separate accounting of the operations of each participant, including separate accounting for the sales of the participants' goods and related cost of sale and distribution costs. Administrative expenses incurred by BPC are currently shared as follows: not more than 69% on Belaruskali operations, and not less than 31% on Group operations. The actual proportion depends on the volume of goods sold by each participant through BPC.

The distribution of net income to each participant is made on the basis of their relevant results after administrative costs deduction, unless both participants decide not to distribute. Group operations through BPC, assets and the Group's liabilities located in BPC in which the Group has a direct interest are included in this consolidated condensed interim financial information. The statement of income reflects the revenue from sales by BPC of Uralkali's products, together with the related costs of sales, distribution and administrative costs.

9 Acqusition of subsidiary

On 27 January 2009, the Group acquired a 100% stake in the share capital of Sophar Property Holding Inc., the only identifiable asset of which as of the date of acquisition was a contract for the purchase of a corporate business jet. The total purchase consideration for the acquired subsidiary of RR 753 (US$ 23,196,232) was equal to the net fair value of this contract. At 30 June 2009, the Group paid in cash RR 462; the outstanding amount of RR 291 was included in other payables (Note 5).

10 Shareholders' equity

	Number of ordinary shares (in millions)	Ordinary shares	Treasury shares	Total
At 1 January 2008	2,124	648	(12)	636
At 30 June 2008	2,124	648	(12)	636
At 1 January 2009	2,124	648	(12)	636
At 30 June 2009	2,124	648	(12)	636

The number of unissued authorised ordinary shares is 1,500 million (31 December 2008: 1,500 million), with a nominal value per share of 0.5 Russian roubles. All shares stated in the table above have been issued and fully paid.

Profit distribution. In accordance with Russian law, the Company distributes profits as dividends or transfers them to reserves (fund accounts) on the basis of financial statements prepared in accordance with Russian Accounting Rules.

The Company's statutory accounting reports are the basis for profit distribution and other appropriations. Russian law identifies net profit as the basis of distribution. For the six months ended 30 June 2009, the current period net statutory profit for the Company as reported in the published semi-annual statutory reporting forms was RR 1,230 (for the six months ended 30 June 2008: RR 12,523) and the closing balance of the accumulated profit, including the current period net statutory profit, totalled RR 33,710 (31 December 2008: RR 32,480). However, this legislation and other statutory laws and regulations are open to legal interpretation and accordingly management believes at present it would not be appropriate to disclose an amount of the distributable reserves in this consolidated condensed interim financial information.

11 Mine flooding provisions

	Note	2009	2008
Balance as of 1 January		**7,804**	**23**
Utilisation of provision for brine injection	20	-	(23)
Utilisation of provision for compensations	20	(2,350)	-
Balance as of 30 June		**5,454**	**-**

As of 31 December 2008, the Group had accrued a provision for compensations related to the consequences of the flooding of the mine (Note 4).

(in millions of Russian roubles, unless otherwise stated)

12 Borrowings

	30 June 2009	31 December 2008
Bank loans	12,980	13,987
Short-term company loans	468	439
Long-term company loans	45	45
Finance lease payable	327	327
Total borrowings	**13,820**	**14,798**

As of 30 June 2009 and 31 December 2008, the fair value of the current and non-current borrowings is not materially different from their carrying amounts.

The Group does not apply hedge accounting and has not entered into any hedging arrangements in respect of its interest rate exposures.

The company loans are mainly represented by a short-term US dollar (US$) denominated, unsecured, Libor six months plus 1% per annum interest bearing bridge loan from Dessault Aviation S.A. in the amount of RR 468 (31 December 2008: RR 439). The loan represents the restructing of liability due to Dessault Aviation S.A. in 2008 and is repayable in 2009.

	2009	2008
Balance at 1 January	**13,987**	**10,600**
Bank loans received, denominated in US$	-	7,297
Bank loans received, denominated in RR	500	4,177
Bank loans repaid, denominated in US$	(2,613)	(5,934)
Bank loans repaid, denominated in RR	-	(4,142)
Interest accrued	194	407
Interest paid	(201)	(421)
Recognition of syndication fees	(26)	(38)
Amortisation of syndication fees	10	14
Foreign exchange losses/(gains)	1,129	(537)
Balance at 30 June	**12,980**	**11,423**

The table below shows interest rates as of 30 June 2009 and 31 December 2008 and the split of the bank loans, between short-term and long-term.

Short-term borrowings

	Interest rates	30 June 2009	31 December 2008
Bank loans in US$: fixed interest	2008: 8.75%	-	1,075
Bank loans in US$: floating interest	From 1 month Libor +1.6% to 1 month Libor +1.95% (2008: from 1 month Libor +1.6% to 1 month Libor +1.95%)	7,701	3,092
Bank loans in RR: fixed interest	14%	505	-
Total short-term bank loans		**8,206**	**4,167**

Long-term borrowings

	Interest rates	30 June 2009	31 December 2008
Bank loans in US$: floating interest	From 1 month Libor +1.6% to 1 month Libor +1.95% (2008: from 1 month Libor +1.6% to 1 month Libor +1.95%)	4,774	9,820
Total long-term bank loans		**4,774**	**9,820**

US$ denominated bank loans bear a weighted average interest of 2.31% (31 December 2008: 5.63%).

As of 30 June 2009 and 31 December 2008, loans (including short-term borrowings) were guaranteed by collateral of property, plant and equipment (Note 7). A bank loan of RR 500 (31 December 2008: nil) was collateralised by finished goods.

Bank loans of RR 4,734 (31 December 2008: RR 5,569) were collateralised by future export proceeds of the Group under sales contracts with certain customers acceptable to the banks.

(in millions of Russian roubles, unless otherwise stated)

12 Borrowings (continued)

The Group's bank borrowings mature as follows:

	30 June 2009	31 December 2008
- within 1 year	8,206	4,167
- between 2 and 3 years	4,774	9,820
Total bank loans	**12,980**	**13,987**

OJSC BBT leases berth No. 107 from Federal State Unitary Enterprise Rosmorport ("FSUE Rosmorport") under a finance lease for 49 years. As of 30 June 2009, the leased dock was included in property, plant and equipment with a net book value of RR 270 (31 December 2008: RR 276) (Note 7).

Minimum lease payments under finance leases and their present values were as follows:

	30 June 2009	31 December 2008
- within 1 year	38	38
- between 2 and 5 years	152	152
- after 5 years	1,428	1,447
Minimum lease payments at the end of the period	**1,618**	**1,637**
Less future finance charges	(1,291)	(1,310)
Present value of minimum lease payments	**327**	**327**

13 Revenues

	Six months ended 30 June 2009	Six months ended 30 June 2008
Export		
Potassium chloride	5,455	18,052
Potassium chloride (granular)	6,135	8,628
Domestic		
Potassium chloride	1,457	1,255
Other	116	114
Transportation and other revenues	710	513
Total revenues	**13,873**	**28,562**

In March 2008, the Government of the Russian Federation introduced duties, effective from April 2008 until April 2009, on the export of potassium chloride outside the CIS Customs Union. The duty applicable to Uralkali's potassium chloride was 5% of the declared customs value, which the Group charged on almost all of the Group's potassium chloride exports. Export revenues were shown net of the abovementioned duties, which amounted during the six months ended 30 June 2009 to RR 267 (six months ended 30 June 2008: RR 481).

14 Cost of sales

	Note	Six months ended 30 June 2009	Six months ended 30 June 2008
Depreciation	7	1,190	913
Labour costs	17	1,028	1,262
Fuel and energy		742	981
Materials and components used		697	794
Repairs and maintenance		442	453
Transportation between mines by railway		82	192
Utilities		11	12
Change in work in progress, finished goods and goods in transit		(405)	11
Other costs		22	18
Total cost of sales		**3,809**	**4,636**

Expenses related to transportation of ore between mines by automotive transport in the amount of RR 41 (six months ended 30 June 2008: RR 48) were incurred by CJSC Autotranskali, a 100% subsidiary of the Group, and were mainly included in labour costs, materials and components used and fuel and energy costs.

(in millions of Russian roubles, unless otherwise stated)

15 Distribution costs

	Note	Six months ended 30 June 2009	Six months ended 30 June 2008
Freight		759	2,810
Railway tariff		511	1,653
Transport repairs and maintenance		161	281
Depreciation		122	118
Labour costs	17	115	63
Transshipment		82	137
Travel expenses		69	65
Commissions		38	6
Other costs		281	108
Total distribution costs		**2,138**	**5,241**

16 General and administrative expenses

	Note	Six months ended 30 June 2009	Six months ended 30 June 2008
Labour costs	17	697	526
Consulting, audit and legal services		131	169
Depreciation	7	113	97
Security		60	55
Mine-rescue crew		55	45
Repairs and maintenance		54	43
Insurance		37	81
Amortisation of intangible assets		30	36
Communication and information system services		20	33
Travel expenses		16	10
Bank charges		8	39
Other expenses		187	128
Total general and administrative expenses		**1,408**	**1,262**

17 Labour costs

	Note	Six months ended 30 June 2009	Six months ended 30 June 2008
Labour costs: Cost of sales	14	**1,028**	**1,262**
Wages, salaries, bonuses and other compensations		809	1,019
Unified social tax		210	232
Post-employment benefits		9	11
Labour costs: Distribution costs	15	**115**	**63**
Wages, salaries, bonuses, other compensations and unified social tax		115	63
Labour costs: General and administrative expenses	16	**697**	**526**
Wages, salaries, bonuses and other compensations		592	434
Unified social tax		84	82
Post-employment benefits		21	10
Total labour costs		**1,840**	**1,851**

(in millions of Russian roubles, unless otherwise stated)

18 Other operating income and expenses

	Six months ended 30 June 2009	Six months ended 30 June 2008
Social cost and charity	302	145
Net loss on disposals of property, plant and equipment	117	36
(Reversal of provision)/provision for impairment of receivables	(7)	27
Net result on sale of Belaruskali goods	(2)	(61)
Other (income)/expenses, net	(38)	12
Total other operating income and expenses	**372**	**159**

The Group entered in sales agreement with BPC for processing of sales of Belaruskali goods through Uralkali Trading SA in 2009 and 2008 respectively, to overcome certain drawbacks of Belorussian export legislation.

19 Finance income and expenses

The components of finance income and expense were as follows:

	Six months ended 30 June 2009	Six months ended 30 June 2008
Interest income	196	393
Fair value gains on investments	43	-
Foreign exchange gains, net	-	543
Finance income	**239**	**936**

	Six months ended 30 June 2009	Six months ended 30 June 2008
Foreign exchange losses, net	579	-
Interest expense	204	421
Finance lease expense	19	19
Fair value losses on investments	-	52
Letters of credit fees	71	125
Finance expenses	**873**	**617**

20 Mine flooding costs

Mine flooding costs include costs associated with flooding at Mine 1 (Note 4):

	Note	Six months ended 30 June 2009	Six months ended 30 June 2008
Dismantling costs		4	61
Monitoring costs		28	6
Loss on fixed assets disposed of as a result of mine flooding		-	223
State financing		-	(16)
Brine injection costs		-	29
Utilisation of provision for brine injection	11	-	(23)
Compensations paid	4	2,350	-
Utilisation of provision for compensations	4, 11	(2,350)	-
Total mine flooding costs		**32**	**280**

21 Income tax expense

	Six months ended 30 June 2009	Six months ended 30 June 2008
Current income tax expense	747	3,400
Deferred income tax	60	(67)
Income tax expense	**807**	**3,333**

Most companies of the Group were taxed at rates of 15.5% and 20% on taxable profits in the Russian Federation, Perm region, for 2009 and 2008 respectively. In 2009 and 2008, foreign operations were taxed at an effective rate of 6%.

22 Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period, excluding treasury shares (Note 10). The Company has no dilutive potential ordinary shares; therefore, diluted earnings per share equal basic earnings per share.

	Six months ended 30 June 2009	Six months ended 30 June 2008
Net profit attributable to owners of the Company	4,462	13,793
Weighted average number of ordinary shares in issue (expressed in millions)	2,100	2,100
Earnings per share (expressed in RR per share)	**2.12**	**6.57**

23 Contingencies, commitments and operating risks

i Legal proceedings

From time to time and in the normal course of business, claims against the Group are received. On the basis of its own estimates and both internal and external professional advice, the management is of the opinion that there are no current legal proceedings or other claims outstanding that could have a material effect on the result of operations or financial position of the Group and which have not been accrued or disclosed in this consolidated condensed financial information.

Between September and November 2008, a number of purported class action lawsuits were filed in US federal district courts in Minnesota and Illinois. Class actions are civil lawsuits typically filed by a plaintiff seeking money damages on behalf of the named plaintiff and all others who are similarly situated. The plaintiffs in the suits filed in Minnesota and Illinois are various corporations and individuals who have filed the suits purportedly on behalf of all direct and indirect purchasers of potash from one of the defendants in the United States. The complaint alleges price fixing violations of the US Sherman Act since 1 July 2003. The Company and BPC (Note 8) were listed among the defendants, as well as certain other potash producers. The plaintiffs in the suits have not claimed any specific amount in damages, and it is premature at this time to assess the Group's potential exposure to the plaintiffs' claims. The management of the Group believes that these suits have no merit and the Group intends to defend its position vigorously.

On the basis of its own estimates, as well as both internal and external professional advice, the management is of the opinion that no material losses will be incurred in respect of this claim.

ii Tax legislation

Russian tax, currency and customs law is subject to varying interpretations and changes, which can occur frequently. The management’s interpretation of such law as applied to the transactions and activity of the Group may be challenged by the relevant regional and federal authorities.

The Russian tax authorities may be taking a more aggressive position in their interpretation of the law and assessments, and it is possible that transactions and activities that have not been challenged in the past may now or in the future be challenged. This includes them following guidance from the Supreme Arbitration Court for anti-avoidance claims based on reviewing the substance and business purposes of the transactions, and it is possible that this will significantly increase the level and frequency of scrutiny from the tax authorities. As a result, significant additional taxes, penalties and interest may be assessed. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year of review. Under certain circumstances, reviews may cover longer periods.

Russian transfer pricing legislation provides the possibility for the tax authorities to make transfer pricing adjustments and impose additional tax liabilities in respect of certain controllable transactions, provided that the tax authorities prove that the transaction price established by the parties deviates by more than 20% from the market price. Controllable transactions include transactions with interdependent parties under the Russian Tax Code, all cross-border transactions (irrespective of whether they are performed between related or unrelated parties), transactions where the price applied by a taxpayer deviates by more than 20% from the price applied in similar transactions by the same taxpayer within a short period of time. There is no formal guidance as to how these rules should be applied in practice. In the past, arbitration court practice in this respect has been contradictory.

23 Contingencies, commitments and operating risks (continued)

ii Tax legislation (continued)

Tax liabilities arising from intercompany transactions are determined using actual transaction prices. It is possible, with the evolution of the interpretation of transfer pricing rules in the Russian Federation and the changes in the approach of the Russian tax authorities, that such transfer prices could potentially be challenged in the future. Given the nature of the current Russian transfer pricing rules, the impact of any such challenge cannot be reliably estimated; however, it may be significant.

The Group's management believes that its interpretation of the relevant legislation is appropriate and that the Group's tax, currency legislation and customs positions will be sustained. Accordingly, as of 30 June 2009 and 31 December 2008, no provision for potential tax liabilities had been recorded. Management will continue to monitor the situation as legislation and practice evolve in the jurisdictions in which the Group operates.

iii Insurance policies

The Company generally enters into insurance agreements when it is required by statutory legislation. The insurance agreements do not cover the risks of damage to third parties' property resulting from the Group's underground activities and the risks reflected in Note 4; therefore, no losses from the flooding of the Mine 1 are expected to be compensated.

iv Environmental matters

The enforcement of environmental regulation in the Russian Federation is evolving and the enforcement posture of government authorities is continually being reconsidered. The Group periodically evaluates its obligations under environmental regulations. In the current enforcement climate under existing legislation, management believes that there are no significant liabilities for environmental damage due to legal requirements, except for those mentioned in Note 4. The Company's mining activities and the recent flooding of the mine may cause subsidence that may affect the Company's facilities, and those of the city of Berezniki, state organisations and others.

v Operating environment of the Group

Since October 2008, world mineral fertilisers markets have experienced a slowdown and the Group decided to curtail its production of potassium fertilisers in the fourth quarter of 2008 and the first half of 2009. In July 2009, the Group concluded an agreement with a major Indian customer for potash deliveries effective between July 2009 and March 2010. The prices have been set at US$ 460 per tonne of potash (the previous price was US$ 625 per tonne effective between May 2008 and March 2009). Currently the Company is still in the process of price negotiation on several key markets, which could be affected by the global economic crisis.

The availability of external funding in financial markets has significantly reduced. Such circumstances could affect the ability of the Group to obtain new borrowings and re-finance its existing borrowings at terms and conditions similar to those applied to earlier transactions.

The debtors of the Group may also be affected by the tighter liquidity situation which could in turn impact their ability to repay amounts owed. Deteriorating operating conditions for customers may also have an impact on the ability of management to forecast cash flow and assess of the impairment of financial and non-financial assets.

The effects of the global financial crisis continued to have a serious effect on the Russian economy in 2009:

- the rise in Russian and emerging market risk premiums resulted in a steep increase in financing costs;
- the Russian rouble's depreciation against hard currencies increased the burden of foreign currency corporate debt, which has risen considerably in recent years;
- the official US$ exchange rate of the Central Bank of the Russian Federation increased from RR 25.37 at 1 October 2008 to RR 29.38 at 31 December 2008, and RR 31.29 at 30 June 2009. At 10 September 2009, the US$ exchange rate was RR 31.15.

Management is unable to reliably determine the effects on the Group's future financial position of any further deterioration in the Group's operating environment as a result of the ongoing crisis. It believes it is taking all the necessary measures to support the sustainability and growth of the Group's business in the current circumstances.

23 Contingencies, commitments and operating risks (continued)

vi Capital expenditure commitments

As of 30 June 2009, the Group had contractual commitments for the purchase of property, plant and equipment from third parties for RR 5,524 (31 December 2008: RR 6,123).

The Group has already allocated the necessary resources in respect of these commitments. The Group believes that future net income and funding will be sufficient to cover these and any similar such commitments.

vii Guarantees

Guarantees are irrevocable assurances that the Group will make payments in the event that another party cannot meet its obligations. As of 30 June 2009, the Group issued guarantees in the amount of RR 19 (31 December 2008: RR 9) (Note 5).

viii Registration of rights for berth No. 106

From August 2005 OJSC BBT has been operating berth No. 106 without having any right to such berth registered and without a clear legal background to utilise such berth. Registration of the berth as real estate was only obtained by FSUE Rosmorport in 2007. OJSC BBT is now negotiating with FSUE Rosmorport with respect to entering into a lease agreement on berth No. 106, and expects it to be concluded by the end of 2009.

24 Seasonality

Demand for potassium fertilisers is not subject to significant seasonal influence. However, there is a slight decrease in sales during the first months of the calendar year due to weather conditions which cause difficulty in shipping through ports. Seasonality does not significantly influence production, and inventory levels are adjusted for these movements in demand. Seasonality does not impact the Group’s revenue or cost recognition policies.

25 Events after balance sheet date

License for Ust’-Yaivinsky plot. In July 2009, the Federal Agency for Subsoil Use (Rosnedra) signed an amendment to Uralkali’s license for development of the Ust’-Yaivinsky plot. The amendment extends the deadline for preparing construction design documentation and its approval by the relevant state authorities to 15 May 2011, and the deadline for beginning the Ust’-Yaivinsky mine construction to 15 May 2015. The deadline when the new mine should be put into operation remains unchanged – 15 August 2018.

Loan to related party. In September 2009 the Group entered into loan agreement for 50 million Euro with Mr. Dmitry Rybolovlev, who ultimately controls the Group, and provided the first tranche in the amount of 10 million EUR. The loan was provided at interest rate of 1m Euro Libor + 4% for 1 year. The management believes that the loan was provided on market terms and conditions since the interest rate on the loan exceeded the rates on the EUR and US$ denominated bank deposits of the Group (up to 3%) and the rates on the US$ denominated loans (Note 12) held by the Group as of 30 June 2009.