



OJSC “PhosAgro”

**Consolidated Interim Condensed
Financial Statements
for the three months ended
31 March 2016 (unaudited)**

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JSC "KPMG"
10 Presnenskaya Naberezhnaya
Moscow, Russia 123317
Telephone +7 (495) 937 4477
Fax +7 (495) 937 4400/99
Internet www.kpmg.ru

Auditors' Report on Review of Consolidated Interim Condensed Financial Information

To the Shareholders and Board of Directors

OJSC "PhosAgro"

Introduction

We have reviewed the accompanying consolidated interim condensed statement of financial position of OJSC "PhosAgro" (the "Company") and its subsidiaries (the "Group") as at 31 March 2016, and the related consolidated interim condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended, and notes to the consolidated interim condensed financial information (the "consolidated interim condensed financial information"). Management is responsible for the preparation and presentation of this consolidated interim condensed financial information in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this consolidated interim condensed 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 consolidated interim condensed 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.

Audited entity: OJSC "PhosAgro"

Registered by the State Registration Chamber with the Russian Ministry of Justice on 10 October 2001. Registration No. P-18009.16

Entered in the Unified State Register of Legal Entities on 5 September 2002 by the Moscow Inter-Regional Tax Inspectorate No. 39 of the Ministry for Taxes and Duties of the Russian Federation, Registration No. 1027700190572, Certificate series 77 No. 005082819.

55/1 building 1, Leninsky prospekt, Moscow, Russian Federation, 119333

Independent auditor: JSC "KPMG", a company incorporated under the Laws of the Russian Federation, a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Registered by the Moscow Registration Chamber on 25 May 1992, Registration No. 011.585.

Entered in the Unified State Register of Legal Entities on 13 August 2002 by the Moscow Inter-Regional Tax Inspectorate No. 39 of the Ministry for Taxes and Duties of the Russian Federation, Registration No. 1027700125628, Certificate series 77 No. 005721432.

Member of the Self-regulated organization of auditors "Audit Chamber of Russia" (Association). The Principal Registration Number of the Entry in the State Register of Auditors and Audit Organisations: No.10301000804.



OJSC "PhosAgro"

Auditors' Report on Review of Consolidated Interim Condensed Financial Information
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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim condensed financial information as at 31 March 2016, and for the three-month period then ended is not prepared, in all material respects, in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.



I.A. Yagnov

Director, power of attorney dated 24 March 2015

JSC "KPMG"

24 May 2016

Moscow, Russian Federation

OJSC "PhosAgro"
*Consolidated Interim Condensed Statement of Profit or Loss and Other Comprehensive Income
for the three months ended 31 March 2016 (unaudited)*

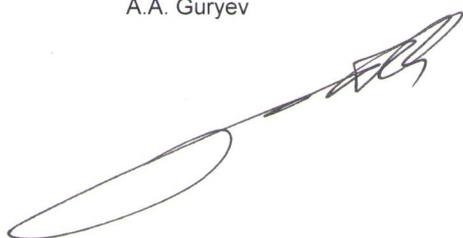
	Note	Three months ended 31 March	
		2016	2015
		RUB Million	RUB Million
Revenues	4	56,073	50,224
Cost of sales	5	(23,770)	(19,744)
Gross profit		32,303	30,480
Administrative expenses	6	(2,903)	(2,403)
Selling expenses	7	(5,722)	(4,920)
Taxes, other than income tax		(517)	(566)
Other expenses, net	8	(472)	(121)
Operating profit		22,689	22,470
Finance income	9	193	376
Finance costs	9	(1,386)	(1,743)
Foreign exchange gain/(loss)		6,867	(3,777)
Share of profit of associates	12	27	60
Profit before tax		28,390	17,386
Income tax expense	10	(5,759)	(3,222)
Profit for the period		22,631	14,164
Attributable to:			
Non-controlling interests ^		7	3
Shareholders of the Parent		22,624	14,161
Other comprehensive income			
Actuarial gains and losses, net of tax		(10)	(135)
Foreign currency translation difference		(1,095)	388
Other comprehensive (loss)/income for the period		(1,105)	253
Total comprehensive income for the period		21,526	14,417
Attributable to:			
Non-controlling interests ^		7	3
Shareholders of the Parent		21,519	14,414
Basic and diluted earnings per share (in RUB)	18	175	109

^ non-controlling interests are the minority shareholders of the subsidiaries of OJSC "PhosAgro"

The consolidated interim condensed financial statements were approved on 24 May 2016:

Chief executive officer
A.A. Guryev

Chief financial officer
A.F. Sharabaiko




OJSC “PhosAgro”
Consolidated Interim Condensed Statement of Financial Position
as at 31 March 2016 (unaudited)

	Note	31 March 2016 RUB million	31 December 2015 RUB million
Assets			
Property, plant and equipment	11	125,768	120,952
Intangible assets		674	566
Investments in associates	12	797	810
Deferred tax assets		5,562	5,901
Other non-current assets	13	10,653	10,246
Non-current assets		143,454	138,475
Other current investments	14	4,585	4,902
Inventories	15	18,423	17,814
Current income tax receivable		324	453
Trade and other receivables	16	25,002	25,511
Cash and cash equivalents		26,323	29,347
Current assets		74,657	78,027
Total assets		218,111	216,502
Equity			
Share capital	17	372	372
Share premium		7,494	7,494
Retained earnings		57,850	43,460
Other reserves		7,554	8,659
Equity attributable to shareholders of the Parent		73,270	59,985
Equity attributable to non-controlling interests		220	213
Total equity		73,490	60,198
Liabilities			
Loans and borrowings	19	97,308	105,565
Defined benefit obligations		435	424
Deferred tax liabilities		3,768	3,677
Non-current liabilities		101,511	109,666
Trade and other payables	20	14,765	17,011
Current income tax payable		2,686	491
Loans and borrowings	19	25,631	28,947
Derivative financial liabilities		28	189
Current liabilities		43,110	46,638
Total equity and liabilities		218,111	216,502

OJSC "PhosAgro"
Consolidated Interim Condensed Statement of Cash Flows
for the three months ended 31 March 2016 (unaudited)

	Note	Three months ended 31 March	
		2016	2015
		RUB million	RUB million
Cash flows from operating activities			
Profit before tax		28,390	17,386
<i>Adjustments for:</i>			
Depreciation and amortisation	5, 6, 7	2,560	2,120
Loss on disposal of fixed assets	8	109	1
Finance income	9	(193)	(376)
Finance costs	9	1,386	1,743
Share of profit of associates	12	(27)	(60)
Foreign exchange (gain)/loss		(7,451)	3,080
Operating profit before changes in working capital and provisions		24,774	23,894
Increase in inventories		(609)	(702)
Decrease/(increase) in trade and other receivables		561	(3,363)
Decrease in trade and other payables		(1,487)	(699)
Cash flows from operations before income taxes and interest paid		23,239	19,130
Income tax paid		(3,002)	(843)
Finance costs paid		(1,739)	(2,017)
Cash flows from operating activities		18,498	16,270
Cash flows from investing activities			
Acquisition of property, plant and equipment		(8,587)	(6,477)
Loans repaid, net		169	131
Acquisition of intangible assets		(128)	(23)
Proceeds from disposal of property, plant and equipment		194	81
Finance income received		105	242
Cash flows used in investing activities		(8,247)	(6,046)
Cash flows from financing activities			
Proceeds from borrowings		2,131	19,638
Repayment of borrowings		(4,486)	(19,326)
Dividends paid to shareholders of the Parent	17	(8,159)	(2,590)
Finance leases paid		(572)	(483)
Proceeds from/(payments for) settlement of derivatives		10	(285)
Other payments		(75)	-
Cash flows used in financing activities		(11,151)	(3,046)
Net (decrease)/increase in cash and cash equivalents		(900)	7,178
Cash and cash equivalents at 1 January		29,347	30,687
Effect of exchange rates fluctuations		(2,124)	885
Cash and cash equivalents at 31 March		26,323	38,750

<i>RUB Million</i>	Attributable to shareholders of the Parent						
	Share capital	Share premium	Retained earnings	Actuarial gains and losses recognised in equity	Foreign currency translation reserve	Attributable to non-controlling interests	Total
Balance at 1 January 2015	372	7,494	22,708	(312)	5,570	149	35,981
<i>Total comprehensive income for the period</i>							
Profit for the period	-	-	14,161	-	-	3	14,164
Actuarial gains and losses, net of tax	-	-	-	(135)	-	-	(135)
Foreign currency translation difference	-	-	-	-	388	-	388
	-	-	14,161	(135)	388	3	14,417
Balance at 31 March 2015	372	7,494	36,869	(447)	5,958	152	50,398
Balance at 1 January 2016	372	7,494	43,460	(316)	8,975	213	60,198
<i>Total comprehensive income for the period</i>							
Profit for the period	-	-	22,624	-	-	7	22,631
Actuarial gains and losses, net of tax	-	-	-	(10)	-	-	(10)
Foreign currency translation difference	-	-	-	-	(1,095)	-	(1,095)
	-	-	22,624	(10)	(1,095)	7	21,526
<i>Transactions with owners recognised directly in equity</i>							
Dividends to shareholders	-	-	(8,159)	-	-	-	(8,159)
Other	-	-	(75)	-	-	-	(75)
	-	-	(8,234)	-	-	-	(8,234)
Balance at 31 March 2016	372	7,494	57,850	(326)	7,880	220	73,490

1 BACKGROUND

(a) Organisation and operations

OJSC “PhosAgro” (the “Company” or the “Parent”) and its subsidiaries (together referred to as the “Group”) comprise Russian legal entities and foreign trading subsidiaries. The Company was registered in October 2001. The Company’s location is Leninsky prospekt 55/1 building 1, Moscow, Russian Federation.

The Group’s principal activity is production of apatite concentrate and mineral fertilisers at plants located in the cities of Kirovsk (Murmansk region), Cherepovets (Vologda region), Balakovo (Saratov region) and Volkhov (Leningrad region), and their distribution across the Russian Federation and abroad.

(b) Russian business environment

The Group’s operations are primarily located in the Russian Federation. Consequently, the Group is exposed to the economic and financial conditions of the Russian Federation which display characteristics of an emerging market. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in the Russian Federation. The consolidated interim condensed financial statements reflect management’s assessment of the impact of the Russian business environment on the operations and the financial position of the Group. The future business environment may differ from management’s assessment.

2 BASIS OF PREPARATION

(a) Statement of compliance

The International Financial Reporting Standards (“IFRS”) consolidated interim condensed financial statements (“consolidated interim condensed financial statements”) of the Group have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

These consolidated interim condensed financial statements do not contain all the information required for presentation in a complete set of IFRS financial statements and therefore should be read in conjunction with PhosAgro’s consolidated annual financial statements for the year ended 31 December 2015.

Except as disclosed in note 2(d), the accounting policies and judgements applied by the Group are consistent with those disclosed in the audited consolidated financial statements for the year ended 31 December 2015.

(b) Functional currency

The national currency of the Russian Federation is the Russian Rouble (“RUB”), which is the functional currency of the Parent and its subsidiaries, except for foreign trading subsidiaries, where the functional currency is USD.

(c) Presentation currency

These consolidated interim condensed financial statements are presented in RUB. All financial information presented in RUB has been rounded to the nearest million, except per share amounts.

The translation from USD into RUB, where applicable, was performed as follows:

- Assets and liabilities as at 31 March 2016 were translated at the closing exchange rate of RUB 67.6076 for USD 1 (31 December 2015: RUB 72.8827 for USD 1);
- Profit and loss items were translated at the average exchange rate for the three months ended 31 March 2016 of RUB 74.6283 for USD 1 (three months ended 31 March 2015: RUB 62.1919 for USD 1);
- Equity items arising during the year are recognised at the exchange rate ruling at the date of transaction;
- The resulting foreign exchange difference is recognised in other comprehensive income.

The translation from EUR into RUB, where applicable, was performed as follows:

- Assets and liabilities as at 31 March 2016 were translated at the closing exchange rate of RUB 76.5386 for EUR 1 (31 December 2015: RUB 79.6972 for EUR 1);
- Profit and loss items were translated at the average exchange rate for the three months ended 31 March 2016 of RUB 82.3302 for EUR 1 (three months ended 31 March 2015: RUB 70.4340 for EUR 1);
- Equity items arising during the year are recognised at the exchange rate ruling at the date of transaction;
- The resulting foreign exchange difference is recognised in other comprehensive income.

(d) Adoption of new and revised standards and interpretations

A number of amendments to standards became effective for the Group from 1 January 2016. The adoption of the amendments did not have an impact on these consolidated interim condensed financial statements.

A number of new standards, amendments to standards and interpretations are not yet effective at 31 March 2016, and have not been early adopted. The Group doesn't expect the amendments to have an impact on the consolidated financial statements in future periods.

3 SEGMENT INFORMATION

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products, and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group's reportable segments:

- *Phosphate-based products segment* includes mainly production and distribution of ammophos, diammoniumphosphate, sodium tripolyphosphate and other phosphate based and complex (NPK) fertilisers on the factories located in Cherepovets, Balakovo and Volkhov, and production and distribution of apatite concentrate extracted from the apatite-nepheline ore, which is mined and processed in Kirovsk;
- *Nitrogen-based products segment* includes mainly production and distribution of ammonia, ammonium nitrate and urea on the factory located in Cherepovets.

Certain assets, revenue and expenses are not allocated to any particular segment and are, therefore, included in the “other operations” column. None of these operations meet any of the quantitative thresholds for determining reportable segments.

Information regarding the results of each reportable segment is included below. Performance is measured based on gross profit, as included in internal management reports that are reviewed by the Group's CEO.

Business segment information as at 31 March 2016 and for the three months then ended is as follows:

RUB million

	Phosphate- based products	Nitrogen-based products	Other operations	Total
<i>Segment revenue and profitability</i>				
Segment external revenues, thereof:	49,499	6,422	152	56,073
Export	35,317	4,244	-	39,561
Domestic	14,182	2,178	152	16,512
Cost of goods sold	(20,565)	(3,068)	(137)	(23,770)
Gross segment profit	<u>28,934</u>	<u>3,354</u>	<u>15</u>	<u>32,303</u>
<i>Certain items of profit and loss</i>				
Amortisation and depreciation	(1,952)	(521)	(87)	(2,560)
Total non-current segment assets	<u>79,205</u>	<u>43,789</u>	<u>3,448</u>	<u>126,442</u>
Additions to non-current assets	<u>4,882</u>	<u>2,693</u>	<u>84</u>	<u>7,659</u>

Business segment information of the Group as at 31 December 2015 and for the three months ended 31 March 2015 is as follows:

RUB million

	Phosphate- based products	Nitrogen-based products	Other operations	Total
<i>Segment revenue and profitability</i>				
Segment external revenues, thereof:	42,860	7,028	336	50,224
Export	35,117	5,156	-	40,273
Domestic	7,743	1,872	336	9,951
Cost of goods sold	(16,712)	(2,730)	(302)	(19,744)
Gross segment profit	<u>26,148</u>	<u>4,298</u>	<u>34</u>	<u>30,480</u>
<i>Certain items of profit and loss</i>				
Amortisation and depreciation	(1,593)	(480)	(47)	(2,120)
Total non-current segment assets	<u>76,090</u>	<u>41,992</u>	<u>3,436</u>	<u>121,518</u>
Additions to non-current assets	<u>3,040</u>	<u>1,908</u>	<u>106</u>	<u>5,054</u>

The analysis of export revenue by regions is as follows:

	Three months ended 31 March	
	2016	2015
	RUB million	RUB million
Europe	16,574	16,029
North and South America	10,227	13,517
Africa	3,653	1,593
CIS	3,607	1,979
Asia	3,557	1,993
India	1,943	3,832
Australia	-	1,330
	<u>39,561</u>	<u>40,273</u>

4 REVENUES

	Three months ended 31 March	
	2016	2015
	RUB million	RUB million
Sales of chemical fertilisers	43,373	41,276
Sales of apatite concentrate	7,858	5,071
Sales of sodium tripolyphosphate	1,539	1,088
Sales of nepheline concentrate	186	188
Sales of ammonium	21	38
Other sales	3,096	2,563
	56,073	50,224

5 COST OF SALES

	Three months ended 31 March	
	2016	2015
	RUB million	RUB million
Materials and services	(5,891)	(4,361)
Salaries and social contributions	(2,644)	(2,303)
Sulphur and sulphuric acid	(2,390)	(2,231)
Depreciation	(2,253)	(1,884)
Natural gas	(2,108)	(1,977)
Ammonia	(2,041)	(2,136)
Potash	(1,816)	(1,519)
Chemical fertilisers and other products for resale	(1,599)	(1,076)
Electricity	(1,102)	(977)
Ammonium sulphate	(814)	(821)
Fuel	(626)	(641)
Heating energy	(265)	(241)
Other items	(2)	(3)
Change in stock of WIP and finished goods	(219)	426
	(23,770)	(19,744)

6 ADMINISTRATIVE EXPENSES

	Three months ended 31 March	
	2016	2015
	RUB million	RUB million
Salaries and social contributions	(1,665)	(1,318)
Professional services	(346)	(344)
Depreciation and amortisation	(163)	(157)
Other	(729)	(584)
	(2,903)	(2,403)

7 SELLING EXPENSES

	Three months ended 31 March	
	2016	2015
	RUB million	RUB million
Freight, port and stevedoring expenses	(2,318)	(2,364)
Russian Railways infrastructure tariff and operators' fees	(2,093)	(1,530)
Materials and services	(1,039)	(866)
Depreciation	(144)	(79)
Salaries and social contributions	(128)	(81)
	(5,722)	(4,920)

8 OTHER EXPENSES, NET

	Three months ended 31 March	
	2016	2015
	RUB million	RUB million
Social expenditures	(335)	(218)
Loss on disposal of fixed assets	(109)	(1)
(Increase)/decrease in provision for bad debt	(39)	10
Decrease in provision for inventory obsolescence	15	3
Other income, net	(4)	85
	(472)	(121)

9 FINANCE INCOME AND FINANCE COSTS

	Three months ended 31 March	
	2016	2015
	RUB million	RUB million
Interest income	122	342
Gain from operations with derivative financial instruments	43	-
Other finance income	28	34
Finance income	193	376
Interest expense	(1,297)	(1,403)
Loss from operations with derivative financial instruments	-	(147)
Other finance costs	(89)	(193)
Finance costs	(1,386)	(1,743)
Net finance costs	(1,193)	(1,367)

10 INCOME TAX EXPENSE

The Company's applicable corporate income tax rate is 20% (three months ended 31 March 2015: 20%).

	Three months ended 31 March	
	2016	2015
	RUB million	RUB million
Current tax expense	(5,327)	(2,389)
Origination and reversal of temporary differences, including change in unrecognised assets	(432)	(833)
	(5,759)	(3,222)

Reconciliation of effective tax rate:

	Three months ended 31 March			
	2016		2015	
	RUB million	%	RUB million	%
Profit before tax	28,390	100	17,386	100
Income tax at applicable tax rate	(5,678)	(20)	(3,477)	(20)
Effect of tax rates in foreign jurisdictions	65	-	9	-
(Under)/over provided in respect of prior years	(9)	-	7	-
Unrecognised tax liability on profit from associates	5	-	12	-
Reversal of income tax on intra-group dividends	-	-	399	2
Non-deductible items	(140)	-	(169)	(1)
Change in unrecognised deferred tax assets	(2)	-	(3)	-
	(5,759)	(20)	(3,222)	(19)

11 PROPERTY, PLANT AND EQUIPMENT

<i>RUB million</i>	Land and buildings	Plant and equipment	Fixtures and fittings	Construction in progress	Total
Net book value at 1 January 2015	19,099	34,017	1,758	31,212	86,086
Additions	-	613	210	4,231	5,054
Transfers	769	2,192	-	(2,961)	-
Disposals	(40)	(30)	(7)	(4)	(81)
Depreciation	(314)	(1,568)	(187)	-	(2,069)
Net book value at 31 March 2015	<u>19,514</u>	<u>35,224</u>	<u>1,774</u>	<u>32,478</u>	88,990
Net book value at 1 January 2016	22,898	37,052	2,502	58,500	120,952
Additions	-	377	166	7,116	7,659
Transfers	542	1,521	-	(2,063)	-
Disposals	(145)	(141)	(8)	(9)	(303)
Depreciation	(431)	(1,867)	(242)	-	(2,540)
Net book value at 31 March 2016	<u>22,864</u>	<u>36,942</u>	<u>2,418</u>	<u>63,544</u>	125,768

As at 31 March 2016, the balance of the construction in progress account includes the accumulated costs related to the construction of ammonia plant in the city of Cherepovets in the amount of RUB 19,820 million.

12 INVESTMENTS IN ASSOCIATES

The movement in the balance of investments in associates is as follows:

	2016 RUB million	2015 RUB million
Balance at 1 January	810	12,975
Foreign currency translation difference	(40)	318
Share in profit for the period	27	60
Balance at 31 March	797	13,353

13 OTHER NON-CURRENT ASSETS

	31 March 2016 RUB million	31 December 2015 RUB million
Advances issued for property, plant and equipment, at cost	7,974	7,424
Loans issued to related parties, at amortised cost	773	862
Financial assets available-for-sale, at cost	596	596
Loans issued to third parties, at amortised cost	253	248
Loans issued to employees, at amortised cost	118	133
Financial assets available-for-sale, at fair value	88	81
Finance lease receivable	13	13
Other long-term receivables	838	889
	10,653	10,246

14 OTHER CURRENT INVESTMENTS

	31 March 2016 RUB million	31 December 2015 RUB million
Investments in debt securities, at amortised cost	5,189	5,671
Financial assets available-for-sale, at fair value	1,653	1,636
Loans issued to third parties, at amortised cost	180	183
Loans issued to employees, at amortised cost	114	114
Loans issued to associate, at amortised cost	-	68
Interest receivable	44	27
Provision for doubtful accounts	(2,595)	(2,797)
	4,585	4,902

15 INVENTORIES

	31 March 2016 RUB million	31 December 2015 RUB million
Raw materials and spare parts	7,607	6,561
<i>Finished goods:</i>		
Chemical fertilisers	8,279	7,664
Apatite concentrate	210	299
<i>Work-in-progress</i>		
Apatite-nepheline ore	490	790
Chemical fertilisers and other products	1,210	1,643
Other goods for resale	33	45
Chemical fertilisers for resale, purchased from the third parties	609	842
Provision for obsolescence	(15)	(30)
	18,423	17,814

16 TRADE AND OTHER RECEIVABLES

	31 March 2016 RUB million	31 December 2015 RUB million
Trade accounts receivable	11,324	11,368
Taxes receivable	9,458	9,429
Advances issued	3,978	4,462
Other receivables	603	582
Deferred expenses	139	164
Receivables from employees	26	21
Finance lease receivable	11	12
Provision for doubtful accounts	(537)	(527)
	25,002	25,511

The movements in provision for doubtful accounts are as follows:

	2016 RUB Million	2015 RUB Million
Balance at 1 January	(527)	(534)
Foreign currency translation difference	29	(12)
Disposal of provision through trade receivables	-	12
Increase in provision for bad debt	(39)	10
Balance at 31 March	(537)	(524)

17 EQUITY**Dividends**

In November 2015, the Board of Directors proposed to pay a dividend of RUB 63 per ordinary share. The total amount of proposed dividends was RUB 8,159 million. In January 2016, the proposed dividend payout was approved by a meeting of shareholders.

In March 2016, the Board of Directors proposed paying a dividend of RUB 57 per ordinary share. The total amount of proposed dividends was RUB 7,382 million.

In May 2016, the Board of Directors proposed paying a dividend of RUB 63 per ordinary share. The total amount of proposed dividends was RUB 8,159 million.

As of the date of the preparation of these financial statements the proposed dividends were not approved by a meeting of shareholders.

18 EARNINGS PER SHARE

Basic earnings per share are calculated based on the weighted average number of ordinary shares outstanding during the period after adjustment for the share split and issuance of new shares. Basic and diluted earnings per share are the same, as there is no effect of dilution.

	Three months ended 31 March	
	2016	2015
	RUB million	RUB million
Weighted average number of ordinary shares in issue	129,500,000	129,500,000
Profit for the period attributable to shareholders of the Parent, RUB million	22,624	14,161
Basic and diluted earnings per share, RUB	175	109

19 LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's loans and borrowings.

<i>RUB Million</i>	Contractual interest rate	Year of maturity	31 March 2016	31 December 2015
Current loans and borrowings				
<i>Unsecured bank loans:</i>				
RUB-denominated	9.15%-15%		6,500	6,500
USD-denominated	LIBOR(1M)+1.4%-3.35%		12,240	11,783
USD-denominated	LIBOR(3M)+2.9%-3%		-	3,644
<i>Unsecured letters of credit:</i>				
EUR-denominated	EURIBOR(6M)+1.10%-1.15%		174	317
EUR-denominated	EURIBOR(12M)+1.10%-1.83%		3,922	2,982
<i>Unsecured loans from related parties:</i>				
RUB-denominated	9%-17%		-	29
<i>Unsecured loans from other companies:</i>				
USD-denominated	LIBOR(1M)+1.5%		-	438
<i>Finance lease liabilities:</i>				
USD-denominated	3.8%-12.55% ¹		2,215	2,351
<i>Interest payable:</i>				
RUB-denominated			-	3
USD-denominated			580	900
			25,631	28,947
Non-current loans and borrowings				
<i>Unsecured bank loans:</i>				
RUB-denominated	12.65%-13.3%	2020-2021	4,000	3,000
EUR-denominated	EURIBOR(6M)+2.15%	2027	130	-
USD-denominated	LIBOR(1M)+2%-3.35%	2017-2019	33,987	38,506
USD-denominated	LIBOR(6M)+1.05%	2021	8,348	8,700
USD-denominated	4.17%	2027	12,522	13,051
<i>Unsecured letters of credit:</i>				
EUR-denominated	EURIBOR(6M)+1.1%-1.15%	2017	182	185
EUR-denominated	EURIBOR(12M)+1.1%-1.15%	2017	217	1,329
EUR-denominated	1.67%-1.79%	2019	299	104
<i>Unsecured loans from other companies:</i>				
USD-denominated	LIBOR(12M)+1.25%	2018	682	742
<i>Loan participation notes:</i>				
USD-denominated	4.204% ²	2018	33,767	36,400
<i>Finance lease liabilities:</i>				
USD-denominated	3.8%-12.55% ¹	2017-2021	3,174	3,548
			97,308	105,565
			122,939	134,512

¹ Contractual interest rate on financial lease agreements consists of:

- interest rate and fees to a lessor
- insurance of property
- property tax (for lease agreements concluded since 2013 property tax is excluded from the interest rate)

² In February 2013, the Company's SPV issued a USD 500 million 5-year Eurobond with a coupon rate of 4.204%, which is listed on the Irish Stock Exchange, with the fair value at the reporting date of RUB 33,998 million (31 December 2015: RUB 36,405 million).

20 TRADE AND OTHER PAYABLES

	30 March 2016	31 December 2015
	RUB million	RUB million
Trade accounts payable	4,111	4,763
Advances received	3,213	3,901
Payable for property, plant and equipment	2,527	3,282
Taxes payable	2,461	2,617
Accruals	1,673	1,394
Payables to employees	636	873
Other payables	144	181
Trade accounts payable	14,765	17,011

21 COMMITMENTS

The Group has entered into contracts to purchase plant and equipment for RUB 29,023 million (31 December 2015: RUB 35,854 million).

22 RELATED PARTY TRANSACTIONS**(a) Transactions and balances with associates****(i) Transactions with associates**

	Three months ended 31 March	
	2016	2015
	RUB million	RUB million
Sales of goods and services	1,892	684
Interest income	4	3
Purchases of goods and services	(96)	(105)

(ii) Balances with associates

	31 March 2016	31 December 2015
	RUB million	RUB million
Trade and other receivables	995	595
Short-term loans issued, at amortised cost	-	68
Trade and other payables	(16)	(22)

(iii) Financial guarantees

The Group issued financial guarantees to banks to secure associates' loans amounting to RUB 1,659 million (31 December 2015: RUB 1,661 million).

(b) Transactions and balances with other related parties**(i) Transactions with other related parties**

	Three months ended 31 March	
	2016	2015
	RUB million	RUB million
Sales of goods and services	345	375
Interest income	7	7
Purchases of goods and services	(220)	(70)

(ii) Balances with other related parties

	31 March 2016	31 December 2015
	RUB million	RUB million
Long-term loans issued, at amortised cost	773	862
Trade and other receivables	25	5
Trade and other payables	(32)	(358)
Short-term loans received	-	(29)

(iii) Financial guarantees

The Group issued financial guarantees to banks to secure related parties' loans amounting to RUB 123 million (31 December 2015: RUB 134 million).

23 FOREIGN CURRENCY RISK

The net monetary position of the Group on balances denominated in foreign currencies other than respective functional currencies as at the reporting date was as follows:

	31 March 2016	31 December 2015
	RUB million	RUB million
USD-denominated net liabilities	(88,049)	(110,936)
EUR-denominated net liabilities	(5,638)	(4,976)
	(93,687)	(115,912)

The foreign exchange gain recognised in profit or loss of RUB 6,867 million and the foreign exchange loss of RUB 3,777 million for the comparative period resulted from the appreciation of the Russian Rouble against major currencies during the reporting period and its devaluation during the comparative period.

In addition, the net assets of the Group's foreign subsidiaries denominated in USD amounts to RUB 14,462 million as at the reporting date.

24 SEASONALITY

The Group is subject to certain seasonal fluctuations in fertiliser demand due to the timing of fertiliser application and, as a result, fertiliser purchases by farmers. However, the effect of seasonality on the Group's revenue is partially offset by the fact that the Group sells its fertilisers globally and fertiliser application and purchases vary by region. In particular, purchases of fertilisers by farmers in Russia generally peak in the third quarter. This normally results in the Group having somewhat higher revenue in the third quarter as compared to the other quarters. However, fertiliser demand from other regions tends to peak in other periods of the year (for example, fertiliser demand from Europe and North America generally peaks in the first and third quarters, demand in South America generally peaks in the second and third quarters).

The Group's costs are generally stable throughout the year with the exception of a slight increase during May-June as a result of maintenance activities undertaken at the Group's production facilities.