

# Maximizing Yields



## Investor Presentation

November 2012



# Safe Harbor

---



Maximizing Yields

*The following information contains forward-looking statements based on management's current expectations and beliefs, as well as a number of assumptions concerning future events. These statements are subject to risks, uncertainties, assumptions and other important factors. You are cautioned not to put undue reliance on such forward-looking statements (including forecasts and projections regarding our future performance) because actual results may vary materially from those expressed or implied as a result of various factors, including those noted in the Company's filings with the Securities and Exchange Commission. CVR Partners, LP assumes no obligation to, and expressly disclaims any obligation to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*



# Key Strategic Drivers



Maximizing Yields

- Growth oriented partnership formed by CVR Energy, Inc. in June 2007, with IPO in April 2011
- Manufacturing facility produces ammonia and Urea Ammonium Nitrate (UAN)
- Facility located in Coffeyville, Kansas and produces 5% of total UAN demand in United States
- Experienced management team
- Fully utilized capacity
- High run time rates
- Strategically located assets
- Solid market fundamentals supports future growth





# Experienced Management



Maximizing Yields



**Byron R. Kelley**  
CEO

**Years Experience: 41**



**Stan A. Riemann**  
COO

**Years Experience: 37**



**Susan M. Ball**  
CFO and Treasurer

**Years Experience: 27**



**Edmund S. Gross**  
SVP, General Counsel & Secretary

**Years Experience: 31**



**Randal T. Maffett**  
EVP Business Development

**Years Experience: 33**



**Christopher G. Swanberg**  
VP Environmental, Health & Safety

**Years Experience: 31**

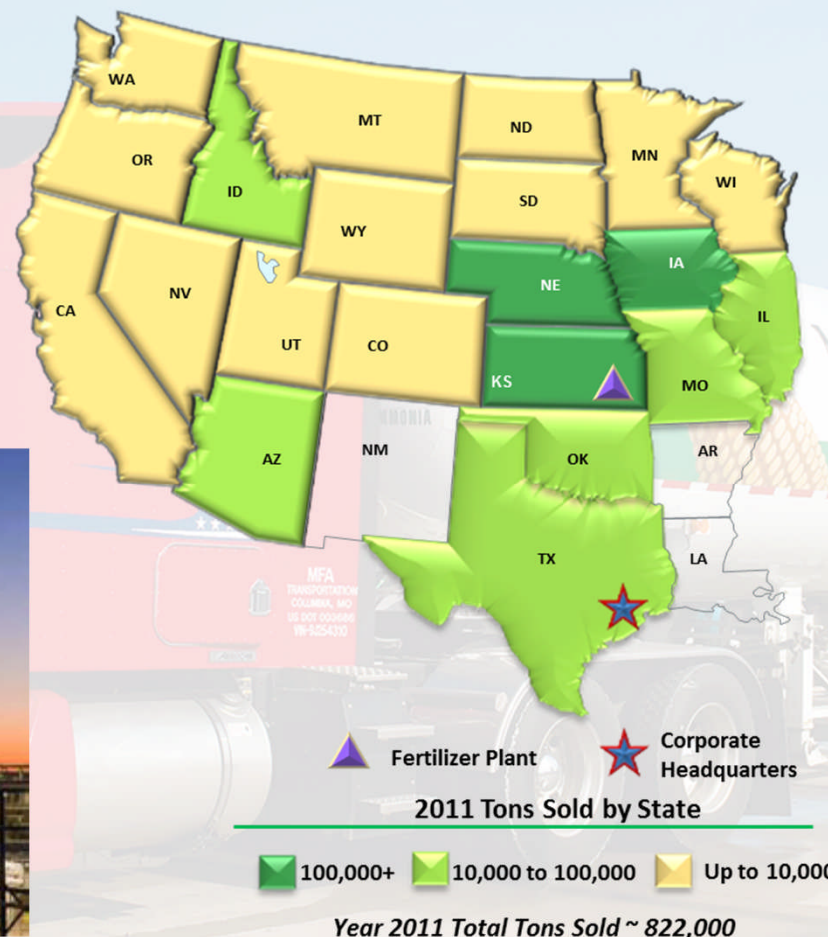


# Fully Utilized Capacity & High Run Rates



Maximizing Yields

- Capacity: 1,225 tons-per-day ammonia unit, 2,025 tons-per-day UAN unit (~3,000 tons-per-day UAN unit beginning in Q1 2013)
- 2011 on-stream efficiency <sup>(1)</sup>
  - Gasifier: 99.2%
  - Ammonia: 98.0%
  - UAN: 95.7%



(1) Adjusted for third-party outage.



# Strategically Located Assets



Maximizing Yields

- Located in corn belt
- 56% of corn planted in 2011 was within \$40/UAN ton freight rate of plant
- \$25/ton transportation advantage to corn belt vs. U.S. Gulf Coast
- No intermediate transfer, storage, barge freight or pipeline freight charges





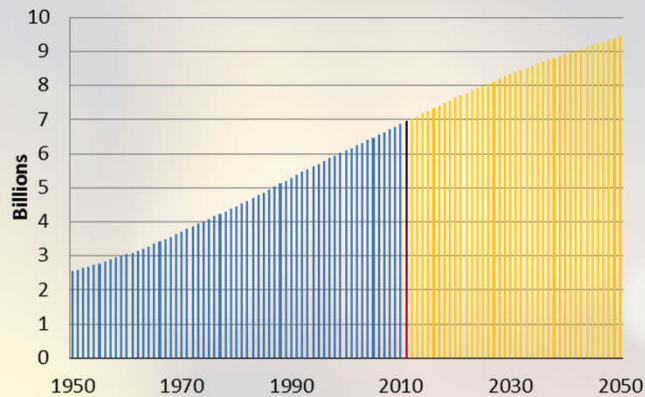
# Solid Market Fundamentals

## Key Demand Drivers

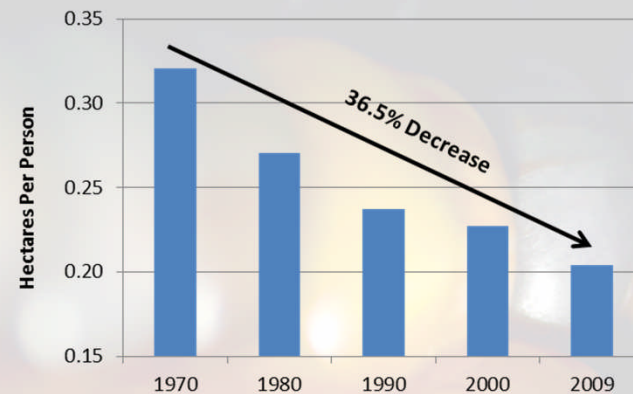


Maximizing Yields

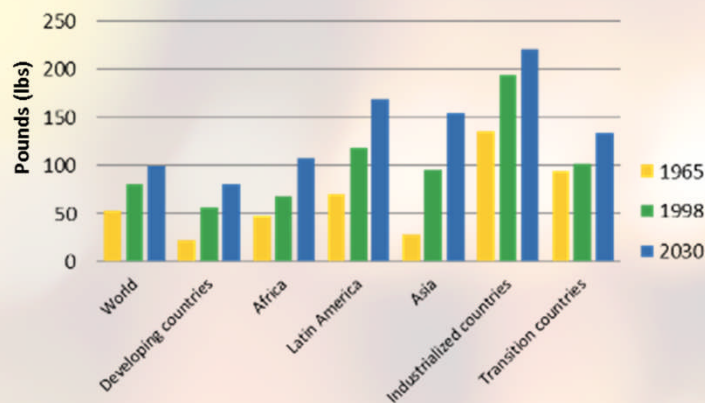
World Population: 1950-2050



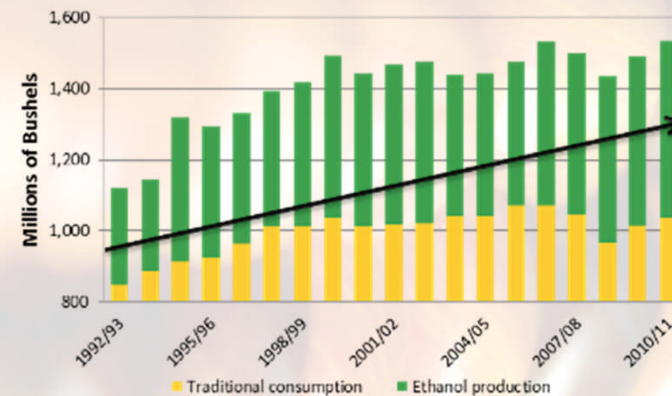
World Farmland Per Capita



Annual Per Capita Consumption of Meat



U.S. Corn Use for Wet-Mill Products



Source: USDA, Census Bureau, World Bank, <http://data.worldbank.org/indicator/AG.LND.ARBL.HA.PC>.



# Solid Market Fundamentals

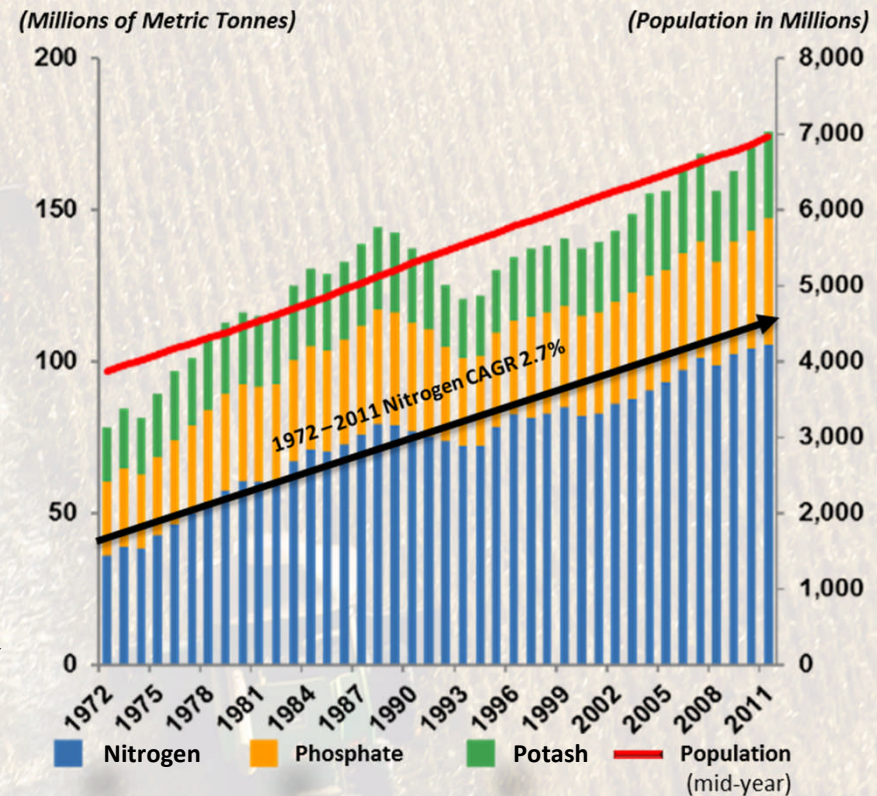
## Consistent Fertilizer Demand Growth



Maximizing Yields

- Nitrogen represents ~63% of fertilizer consumption<sup>(1)</sup>
- Nitrogen based fertilizers have most stable demand because must be applied annually
  - Primary determinant of crop yield

### Global Fertilizer Consumption Over Time



Note: Nutrient Tonnes; Fertilizer Years.

Source: International Fertilizer Industry Association; U.S. Bureau of the Census, International Data Base

(1) Per the International Fertilizer Industry Association.



# Solid Market Fundamentals

## Farmer Profitability Supports Fertilizer Price

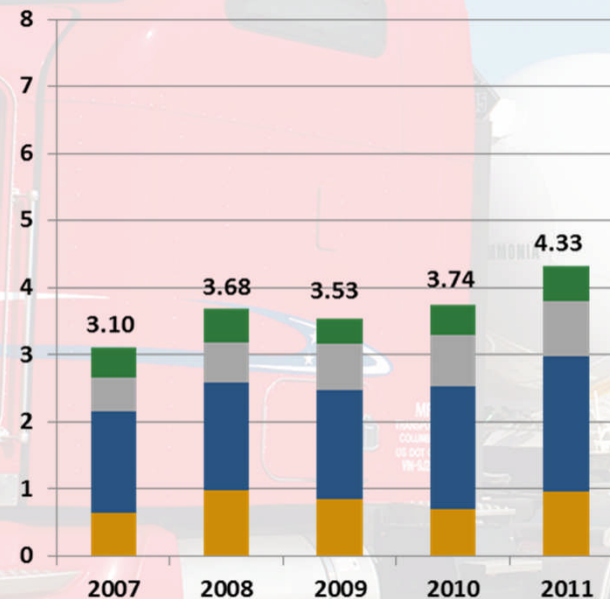


Maximizing Yields

- Corn consumes the largest amount of nitrogen fertilizer
- Farmers are expected to generate substantial proceeds at currently forecasted corn prices
- Farmer incentivized to use nitrogen at corn price much lower than current spot
- Nitrogen fertilizer represents small portion of farmer's total input costs

### Breakdown of U.S. Farmer Total Input Costs

Input Costs and Prices per Bushel (\$)



#### Corn Futures Prices\*

← Spot: \$7.64  
← 30 Day: \$7.44  
← 12 Month: \$6.41  
← 3 Year: \$5.89

#### % Total (2011)

Other Variable (13%)  
Seed/Chemicals (18%)  
Fixed Costs (47%)  
Fertilizers (22%)

\*As of November 8, 2012

Source: CIQ, USDA

Note: Fixed Costs include labor, machinery, land, taxes, insurance, and other.



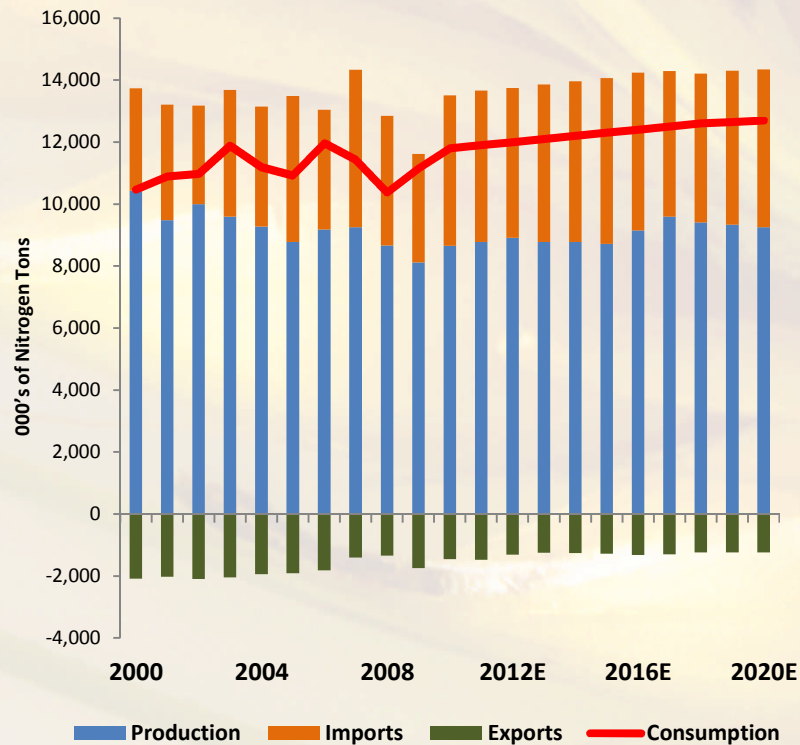
# Solid Market Fundamentals

## Supply/Demand Supports Increased Planting



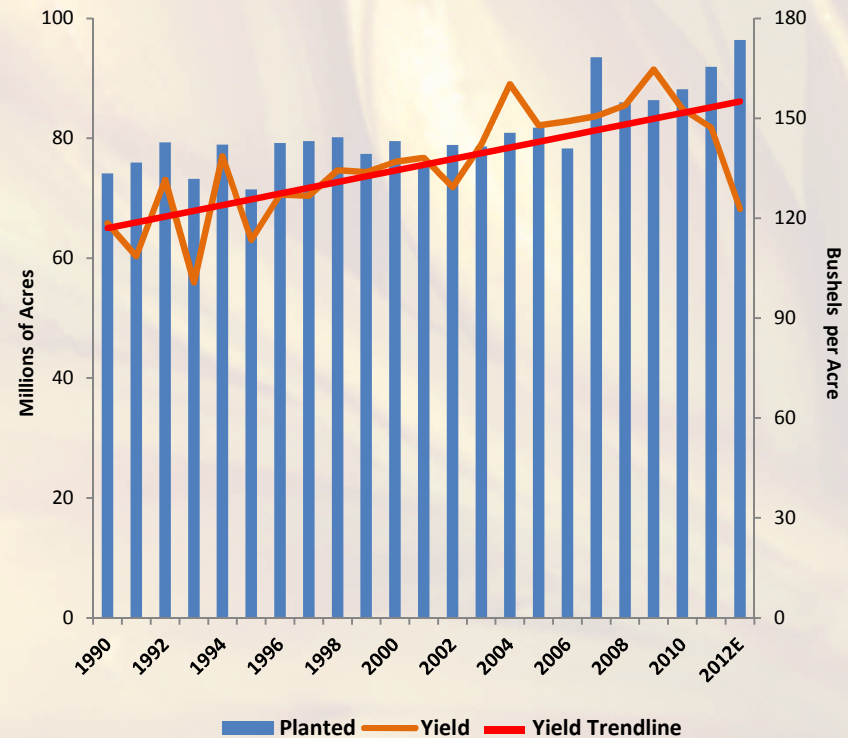
Maximizing Yields

### U.S. Nitrogen Production & Consumption



Source: Fertecon.

### U.S. Corn Planted & Yields



Source: USDA.

# Solid Market Fundamentals

## UAN Demand & U.S. Imports



Maximizing Yields

*U.S. imports for UAN expected to be ~26% of total demand in 2020*

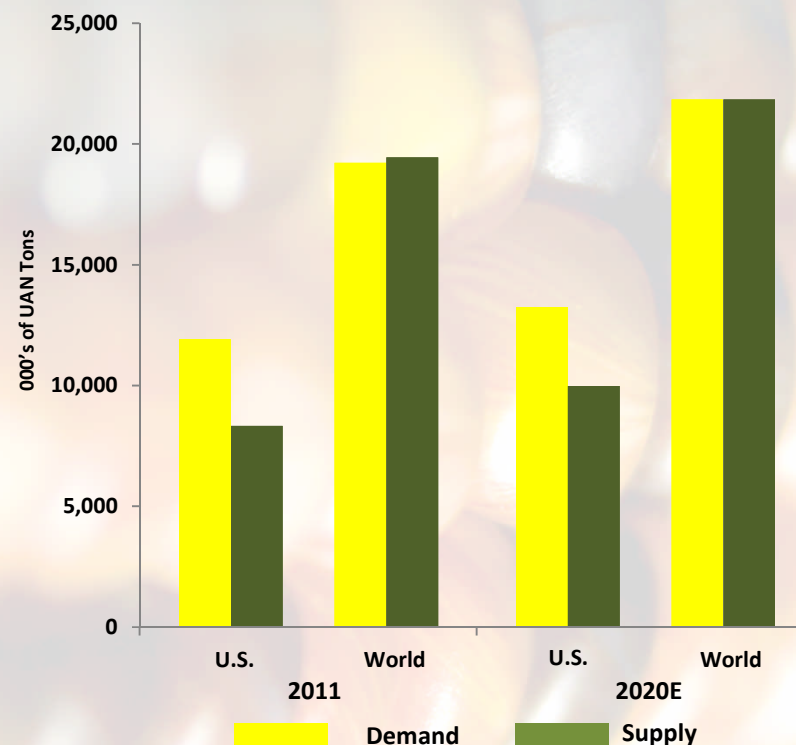
### U.S. Imports of UAN

(000's of UAN Tons)

Country	2007	2008	2009	2010	2011
Trinidad & Tobago	0	0	0	777	1,010
Russia	749	953	658	749	674
Canada	685	487	427	437	617
Romania	472	185	29	254	487
Egypt	176	174	0	123	117
Lithuania	514	431	69	79	489
Ukraine	344	173	0	73	30
Poland	142	123	0	0	0
Estonia	0	13	30	117	92
Netherlands	18	28	0	44	144
Bulgaria	58	58	0	33	21
Germany	55	13	69	30	153
Belarus	96	0	0	0	0
Rest of world	38	3	3	2	29
<b>Total</b>	<b>3,347</b>	<b>2,641</b>	<b>1,285</b>	<b>2,718</b>	<b>3,853</b>

Source: USDA.

### UAN Demand/Supply



Source: Fertecon.



# Growth Strategies



Maximizing Yields

	Current	12-24 Months	3-5 Years
• Operational efficiency	✓	✓	✓
• Plant expansion	✓	—	—
• Specialty products	✓	✓	—
• Distribution	✓	✓	✓
• Mergers and acquisitions	✓	✓	✓
• Plant development	—	—	✓





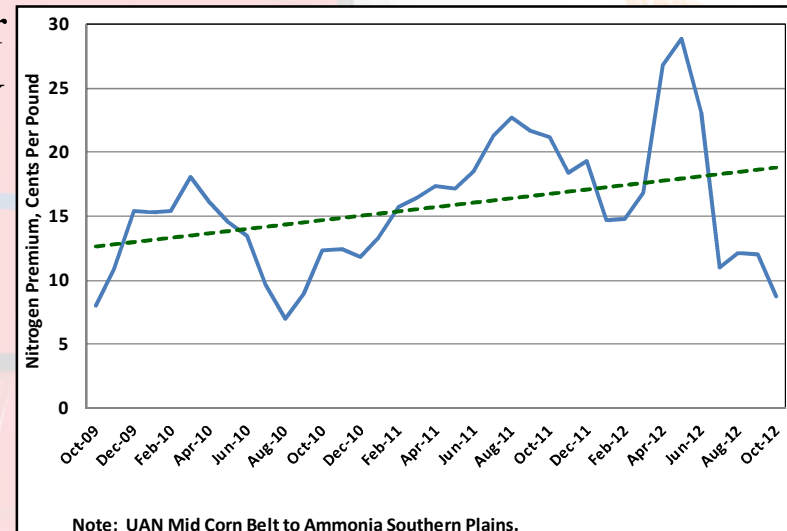
# UAN Expansion



Maximizing Yields

- Overview
  - Increase exposure to strong UAN market dynamics
  - Expand UAN capacity by 330K tons per year (~50%) to ~1MM tons/year
  - Upgrade 100% of ammonia to UAN
  - On-line at beginning of 2013
- Total cost of \$125MM-\$130MM
  - \$93MM spent through 09/30/12
- Annualized incremental impact
  - EBITDA: ~\$20MM
  - Available for distribution: ~\$0.25/unit

UAN Price Premium  
to Ammonia

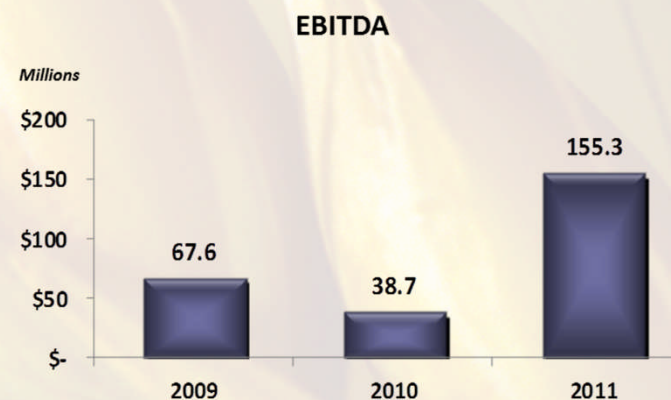
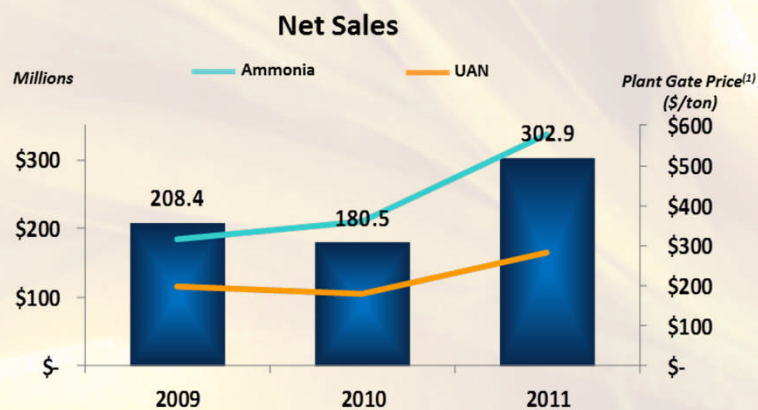




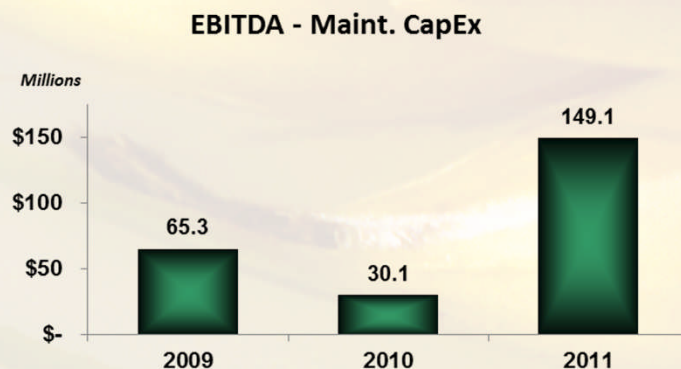
# Financial Statistics



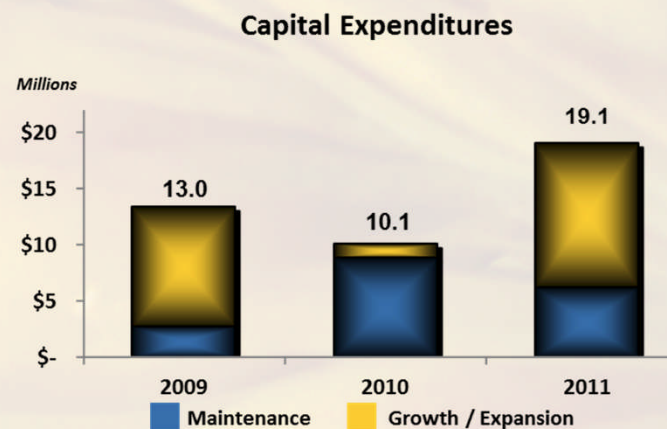
Maximizing Yields



See page 21 for a reconciliation of net income to EBITDA.



See page 21 for a reconciliation of net income to EBITDA less maintenance capital.



<sup>1)</sup> Plant gate price per ton represents net sales less freight costs and hydrogen revenue (from hydrogen sales to CVR Energy's refinery) divided by product sales volume in tons in the reporting period. Plant gate price per ton is shown in order to provide a pricing measure that is comparable across the fertilizer industry.

# Continued Success in 2012



Maximizing Yields

## Expect DCF/Unit of \$1.70 to \$1.80 for 2012 Full Year

~ Benefit to 2013 Cash Available for Distribution of ~\$0.50/Unit from UAN Expansion and No Turnaround ~

*\$US millions, except per unit data*

	YTD 9/30/12	YTD 9/30/11	Change
Sales	\$234.7	\$215.3	9.0%
EBITDA <sup>(1)</sup>	\$115.7	\$107.6	7.5%
Adjusted EBITDA <sup>(2)</sup>	\$121.1	\$114.0	6.2%
Operating Income	\$99.8	\$93.6	6.6%
Distributable Cash Flow (DCF) <sup>(3)</sup>	\$118.2	\$71.5	n/a
DCF/Unit <sup>(3)</sup>	\$1.62	\$0.98	n/a

(1) See page 21 for a reconciliation of net income to EBITDA.

(2) See page 21 for reconciliation of EBITDA to Adjusted EBITDA.

(3) Reflects post IPO for 2011 (April 13 – September 30).



# Strong Financial Profile



Maximizing Yields

(US\$ in millions)

## Capitalization

### Cash & Equivalents

As of 9/30/12

\$180.3

Credit Facility due April 2016:

Term Loan

125.0

\$25 million Revolver

--

### Total Debt

\$125.0

Partners' Equity

465.9

### Total Capitalization

\$590.9

LTM EBITDA<sup>(1)</sup>

\$163.4

LTM Interest Expense<sup>(1)</sup>

4.5

## Key Credit Statistics

As of 9/30/12

Total Debt / LTM EBITDA

0.8x

LTM EBITDA / Interest Expense

36.3x

Total Debt / Book Cap.

21.2%

## Liquidity

### Cash & Equivalents

As of 9/30/12

\$180.3

\$25 million Revolver

25.0

Less: Drawn Amount

--

Less: Letters of Credit

--

### Total Liquidity

\$205.3

*Financial Flexibility to  
Support Growth Initiatives*



(1) See page 21 for a reconciliation of LTM 09/30/12 EBITDA and interest expense .





Maximizing Yields

# A Bright Outlook

- Strong industry fundamentals
- High-quality & strategically-located assets
- Premium product focus
- Attractive growth opportunities
- Pay out 100% of available cash each quarter
- No IDR's
- Experienced management team







Maximizing Yields

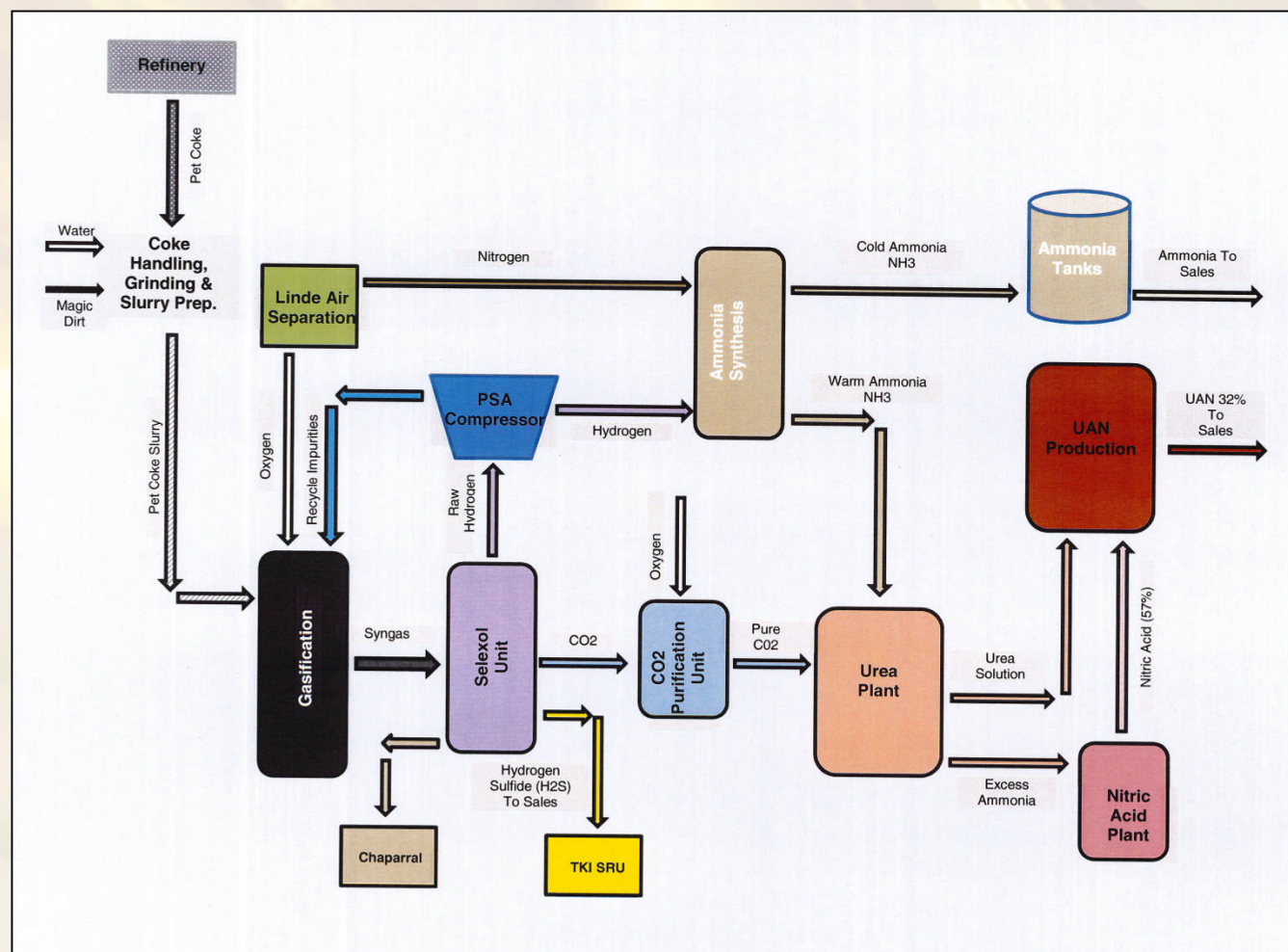
# Appendix



# Fertilizer Plant Schematic



Maximizing Yields







Maximizing Yields

# Non-GAAP Financial Measures

---

*To supplement the actual results in accordance with U.S. generally accepted accounting principles (GAAP), for the applicable periods, the Company also uses certain non-GAAP financial measures as discussed below, which are adjusted for GAAP-based results. The use of non-GAAP adjustments are not in accordance with or an alternative for GAAP. The adjustments are provided to enhance the overall understanding of the Company's financial performance for the applicable periods and are also indicators that management utilizes for planning and forecasting future periods. The non-GAAP measures utilized by the Company are not necessarily comparable to similarly titled measures of other companies.*

*The Company believes that the presentation of non-GAAP financial measures provides useful information to investors regarding the Company's financial condition and results of operations because these measures, when used in conjunction with related GAAP financial measures (i) together provide a more comprehensive view of the Company's core operations and ability to generate cash flow, (ii) provide investors with the financial analytical framework upon which management bases financial and operational planning decisions, and (iii) presents measurements that investors and rating agencies have indicated to management are useful to them in assessing the Company and its results of operations.*





Maximizing Yields

# Non-GAAP Reconciliation

**EBITDA:** Represents net income before the effect of interest expense, interest income, income tax expense (benefit) and depreciation and amortization. EBITDA is not a calculation based upon GAAP; however, the amounts included in EBITDA are derived from amounts included in the consolidated statement of operations of the Company.

**Adjusted EBITDA:** Represents EBITDA adjusted for the impact of share-based compensation, and, where applicable, major scheduled turnaround expense and loss on disposition of assets. We present Adjusted EBITDA because it is a key measure used in material covenants in our credit facility. Adjusted EBITDA is not a recognized term under GAAP and should not be substituted for net income as a measure of our liquidity. Management believes that Adjusted EBITDA enables investors and analysts to better understand our liquidity and our compliance with the covenants contained in our credit facility.

See below for reconciliation of net income to EBITDA, EBITDA to Adjusted EBITDA, & EBITDA less maintenance capital

(in \$US millions)			
	For the Fiscal Years		
	2009	2010	2011
Net income	\$ 57.9	\$ 33.3	\$ 132.4
Interest expense	-	-	4.0
Interest (income)	(9.0)	(13.1)	-
Depreciation and amortization	18.7	18.5	18.9
Income tax expense	-	-	-
EBITDA	<u>\$ 67.6</u>	<u>\$ 38.7</u>	<u>\$ 155.3</u>
Loss on disposition of assets	-	1.4	-
Turnaround	-	3.5	-
Share-based compensation	3.2	9.0	7.3
Adjusted EBITDA	<u>\$ 70.8</u>	<u>\$ 52.6</u>	<u>\$ 162.6</u>
EBITDA	\$ 67.6	\$ 38.7	\$ 155.3
Maintenance capital	2.3	8.6	6.2
EBITDA less maintenance capital	<u>\$ 65.3</u>	<u>\$ 30.1</u>	<u>\$ 149.1</u>

See below for reconciliation of net income to EBITDA & EBITDA to Adjusted EBITDA

(in \$US millions)		
	Nine Months Ended September 30,	
	2011	2012
Net income	\$ 91.2	\$ 96.9
Interest expense, net	2.6	3.1
Interest (income)	(0.1)	(0.2)
Depreciation and amortization	13.9	15.8
Income tax expense	-	0.1
EBITDA	<u>\$ 107.6</u>	<u>\$ 115.7</u>
Major turnaround expense	-	0.2
Share-based compensation	6.4	5.2
Adjusted EBITDA	<u>\$ 114.0</u>	<u>\$ 121.1</u>

See below for reconciliation of LTM 09/30/12 EBITDA & Interest Expense

(in \$US millions)		
	EBITDA	Interest Expense
9 months ended 9/30/12	\$ 115.7	\$ 3.1
12 months ended 12/31/11	155.3	4.0
Less: 9 months ended 9/30/11	107.6	2.6
LTM 9/30/12	<u>\$ 163.4</u>	<u>\$ 4.5</u>